

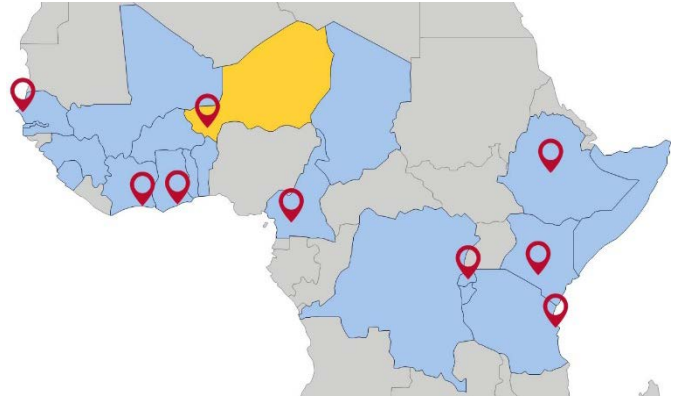


USAID
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POWER AFRICA OFF-GRID PROJECT (PAOP) Niger

The market potential for off-grid energy solutions in Niger is significant, especially in three key market segments: solar home systems (SHS), mini-grids, and solar pumping. However, all three market segments face particular challenges. For instance, weak mobile money adoption, low household disposable income, and the landlocked position of the company are culprits for limited market growth and the increase of pay-as-you-go (PAYGO) SHS companies. The mini-grid sector remains in its infancy despite donors and nongovernmental organizations promoting mini-grids. A sustainable business model for power has yet to be implemented. Unlike its other energy segments, utilization of solar energy for commercial and industrial purposes is a rather established form of power. Though it is well-represented, engineering companies are interested in implementing newer, more scalable business models to facilitate growth and efficiency.



PAOP ENGAGEMENT IN Niger

Support for Policy and Regulatory Advocacy. PAOP contributes to the improvement of regulatory and policy structures currently inhibiting growth of the off-grid market in various ways. For example, the team supports SHS companies with importation and tax exemption—especially value-added tax—navigation as part of the project’s larger mission to support policy and regulatory frameworks. PAOP also supports the Niger Rural Electrification Agency (ANPER) and other stakeholders to operationalize and disseminate the mini-grid policy and regulatory and institutional framework. Additional activities include, the conducting of a mini-grid and feasibility study to lead the recruitment for a mini-grid private operator to lift non-operational mini-grids into operationality.

Assessing Market Dynamics and Providing Intelligence. To inform future activities, PAOP’s off-grid market assessment in Niger maps ongoing and upcoming donor activities, existing market intelligence resources and services, market potential, regulatory environment and financial landscape. On an ongoing basis, PAOP will provide valuable insights to investors, companies, and donors to inform and assist with the development of partnerships within the sector, including between U.S. businesses and local distributors and clients.

Increasing Business Performance and Access to Finance. PAOP engages in numerous activities to boost business performance and access to finance for off-grid companies in Niger. The team provides ongoing operational support to existing SHS PAYGO companies and off-grid projects to improve their performance, as well as business advisory services and capacity building. Other activities include connecting companies to potential investors international and local finance institutions and providing ongoing support for SHS PAYGO and mini-grid companies to explore opportunities offered by various donor programs.

Expanding Cross-Sectoral Integration. To support the



A consumer in Niger inspects a solar panel as a result of PAOP’s mission to bring sustainable off-grid power solutions to underserved communities. (Photo: Moustafa Sowou)

growth of cross-sectoral projects and products in Niger, PAOP focuses on exploring potential collaboration between Power Africa and programs by USAID and other donors in cross-cutting sectors, including agriculture, health, and education.



A solar farm in Niger gives local communities access to power. (Photo: Benalya)

The USAID-funded Power Africa Off-grid Project (PAOP) provides technical assistance and targeted grant funding to support the development of Africa's off-grid SHS and mini-grid sectors. Through a team of resident technical advisors across East and West Africa, PAOP works with companies, investors, and governments to advance the role of the private sector in extending energy access while integrating gender considerations into all its work streams.

By offering broad-based market intelligence to investors/financiers to inform financial product design, advising governments on establishing supportive policy frameworks, and providing hands-on support to companies, PAOP is helping to build the off-grid market to accelerate private sector-led energy access. Specific focus areas:

- **Policy and Regulatory.** Enabling environment activities increase the ease of doing business and attract private sector partners to participate in the off-grid sector. PAOP supports the mini-grid and SHS sectors, as each of these sectors faces a different set of policy challenges. PAOP helps governments design and implement policy frameworks that are supportive of private sector off-grid solutions.
- **Market Intelligence.** To serve the off-grid sector more broadly, PAOP gathers and disseminates market intelligence to companies, investors and governments to inform them about the latest sector developments and support their making informed decisions.
- **Business Performance.** PAOP offers targeted interventions meant to improve sales and business performance of individual companies, providing deep operational support in areas such as C-suite recruiting, business model development, sales strategy, product sourcing and strategic partnerships. In every country, PAOP works to raise awareness of pay-as-you-go (PAYGO) models among microfinance institutions in addition to supporting other existing business models.
- **Access to Finance.** Off-grid companies require consistent access to financing. PAOP works with companies to raise equity or debt through executive coaching and pitch deck development, as well as supporting successful grant applications. The team also works directly with local financial institutions and investors to develop bankable pipelines and perform due diligence.
- **Cross-Sectoral Integration.** The links between energy and other sectors such as agriculture, health, and education, represent key opportunities for off-grid companies to reach new markets, develop new product lines, and multiply their impact. PAOP's Regional Advisors in both East and West Africa support companies and USAID missions to understand and execute opportunities for the integration of productive uses of energy into their businesses and activities.

ABOUT PAOP

Started in November 2018, the Power Africa Off-grid Project (PAOP) is a four-year program to accelerate off-grid electrification across sub-Saharan Africa to support Power Africa's goals to double access. RTI International implements PAOP in collaboration with Fraym, Norton Rose Fulbright, Practical Action Consulting, and Tetra Tech.

ABOUT POWER AFRICA

Power Africa is comprised of 12 U.S. Government agencies, over 145 private companies, and 18 bilateral and multilateral development partners to support sub-Saharan governments by working together to increase the number of people with access to power. Power Africa's goal is to achieve 30,000 MW of new generated power and 60 million new connections by 2030 to reach 300 million Africans.

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