

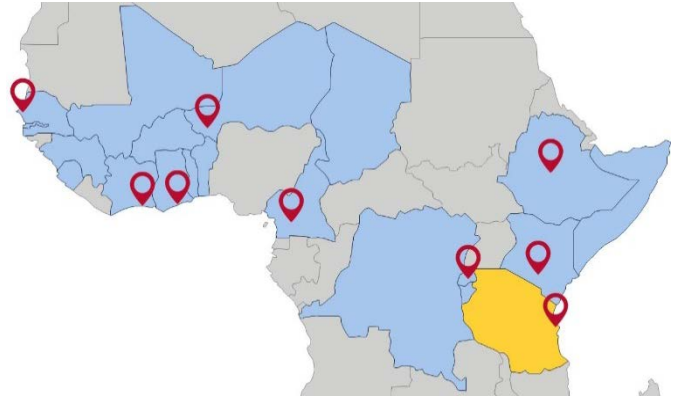


**USAID**  
FROM THE AMERICAN PEOPLE



## POWER AFRICA OFF-GRID PROJECT (PAOP) Tanzania

With a relatively low electrification rate, Tanzania is an attractive market for off-grid solutions. Many of the pioneering solar home system (SHS), mini-grids and productive use of solar companies have been operating in the country for several years. As the market begins to mature, these companies need to refine their business models to address customer churn, improve retention, and expand their product and service offerings to attract new market segments.



### PAOP ENGAGEMENT IN Tanzania

**Policy and Regulatory Engagement.** Overall, the policy and regulatory environment is still challenging for off-grid companies in Tanzania. PAOP supports the mini-grid and SHS sectors as each faces a different set of policy challenges. The team works with private sector associations and supports the government of Tanzania to promote policy frameworks that are supportive of private sector off-grid solutions.

**Assessing Market Dynamics and Providing Intelligence.** To inform future activities, PAOP's off-grid market assessment in Tanzania 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 Tanzania. For example, the team provides ongoing technical, business, and capacity-building training to off-grid companies. Other activities include connecting companies to potential investors international and local finance institutions and providing ongoing support for companies to explore opportunities offered by various donor programs.

**Expanding Cross-Sectoral Integration.** To support the growth of cross-sectoral projects and products in Tanzania, 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. Additionally, the team provides advice to interested companies about relevant productive use solutions, including technology, agricultural application, and potential business models.



Expansion of a solar mini-grid in remote Masurura, northern Tanzania, is allowing the community their first access to reliable electricity. (Photo: Claudia Schwartz, USADF)



In southern Tanzania, a solar photovoltaic project powers a local community.

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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