



Cameroon

GDP: **\$32.5bn**Five-year economic growth rate: **6.6%**Population: **22.8m**Total clean energy investments, 2009-2014: **\$102.0m**Installed power capacity: **1.3GW**Renewable share: **0.0%**Total clean energy generation: **0.0GWh**Top energy authority: **Ministry of Energy and Water**

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OVERALL RANKING

2014

2015

47**49****OVERALL SCORE**

2015

0.56

PARAMETER	RANKING	SCORE
I. Enabling Framework	47	0.65
II. Clean Energy Investment & Climate Financing	46	0.24
III. Low-Carbon Business & Clean Energy Value Chains	49	0.66
IV. Greenhouse Gas Management Activities	37	0.88

SCORE SUMMARY

Cameroon scored 0.56 in *Climatescope* 2015, placing it 49th on the list of countries overall, and above only the Democratic Republic of Congo among the African nations. The country's highest score was on Greenhouse Gas Management Activities Parameter IV.

On Enabling Framework Parameter I, Cameroon slipped one place to rank 47th. While there is no discernible installed clean energy capacity and little in the way of policy support, the country was one of the first in Africa to liberalize its power sector.

Cameroon was ranked 46th on Clean Energy Investment and Climate Financing Parameter II, unchanged from 2014. Investment in the sector to date has been scarce.

On Low-Carbon Business & Clean Energy Value Chains Parameter III, the country was placed 49th owing to the low number of value chains and service providers.

On Parameter IV, the country was ranked 37th, reflecting in particular a low failure rate among its small number of carbon offset projects.

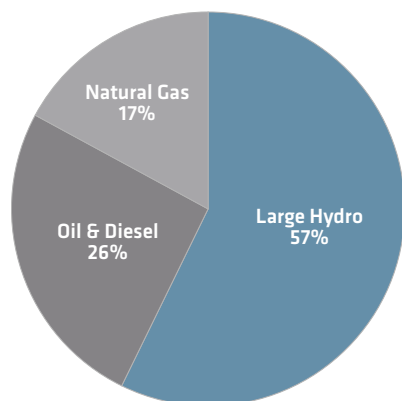
For further information, access www.global-climatescope.org/en/country/cameroon

OVERVIEW

Cameroon has the third largest hydropower potential on the continent (20GW) of which 723MW has been developed, accounting for 57% of total installed capacity. Thermal capacity accounts for the rest, including a 216MW gas power plant. The long term Energy Sector Development Plan and the Rural Electrification Master Plan have the goal to electrify 660 localities through grid extension and the development of mini-grids.

INSTALLED POWER CAPACITY BY SOURCE, 2014 (%)

1.3GW total installed capacity



Source: Bloomberg New Energy Finance, Cameroon Ministère de l'Eau et de l'Energie, AES-SONEL

Cameroon was one of the first countries in Africa to open its energy sector to private investment. The Electricity Law of 1998 resulted in the entry of AES as a majority shareholder of Sonel, the national utility, in 2001. The company obtained a 20-year transmission and distribution concession and owns most of the existing generation capacity.

A new phase of reform in the power sector started in 2011, with the promulgation of a new electricity law which paves the way for unbundling generation, transmission and distribution. Power purchase contracts will be signed between generators and distributors, with the transmission company being merely a transporter of electricity.

The 2011 law intends to increase private investment by allowing the development of hydropower projects by auto-producers and creating the obligation for auto-producers to sell, and grid operators to buy, a portion of the electricity produced on a cost-of-service basis as determined by the regulator. Similarly, grid operators are obliged to buy excess production from renewable energy installations.

KEY POLICIES

Utility Regulation

The 2011 law liberalizing the energy sector simplifies the approval process for rural electrification projects and contains a renewable energy purchase obligation, which is subject to a (pending) operational decree.

Tax Incentives

Investors are eligible for a range of tax reductions and import duty exemptions, including dedicated VAT exemptions for wind and solar equipment.

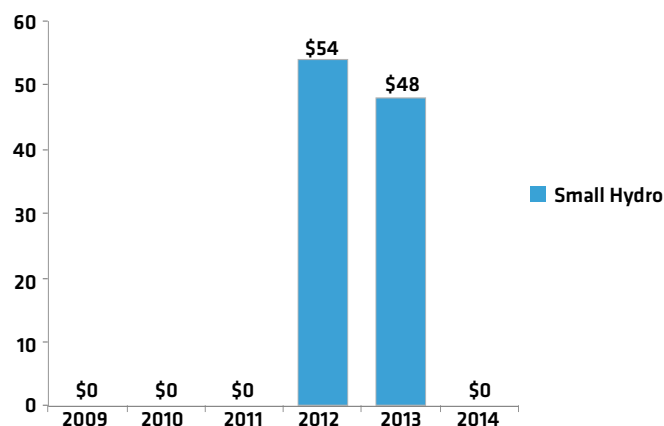
Source: Bloomberg New Energy Finance Policy Library

A law defining incentives for renewable energy generation projects is at the drafting stage. In 2014, JCM Greenquest Solar Corporation announced plans to build a 72MW PV project with the support of the African Development Bank, and Joule Africa signed a memorandum of understanding to develop a 100MW PV project. Various large hydro projects are under construction.

Renewable energy projects can qualify for various tax reductions. Subsidies for fossil fuels range from 27% of the retail price for gasoline to 101% of that for kerosene. Power tariffs are subsidized through direct budget transfers from the government to the utility.

ANNUAL INVESTMENT IN CLEAN ENERGY, 2009-2014 (\$m)

\$102.0m total cumulative investment



Source: Bloomberg New Energy Finance

Notes: Total investment includes: Asset Finance, Corporate Finance and Venture Capital / Private Equity Commitments.