

Navigating the Regulatory Landscape and Investment Prospects in Cameroon's Clean Energy Sector

BY NTUIABANE OGORK NTUI

As global efforts to combat climate change intensify, Cameroon stands out as a promising frontier for clean energy investments in Africa. With its abundant natural resources, including significant hydroelectric potential and ample solar irradiation, the country is strategically positioned to expand its renewable energy footprint.

This article explores the regulatory framework governing clean energy projects in Cameroon and highlights key investment opportunities, providing essential insights for investors, developers, and stakeholders.

The Regulatory Framework for Clean Energy in Cameroon

The clean energy sector in Cameroon is mostly controlled by a mix of national laws, policies, and institutional processes that are meant to encourage sustainable energy development. Law No. 2011/022 of December 14, 2011, governing the Electricity Sector, sets the legal groundwork for the growth and use of renewable energy sources. This law mandates the government to establish rules and systems for connecting renewable energy sources to the national grid. This includes policies allowing transmission system operators or local distributors to purchase surplus electricity generated from renewable sources.

The National Energy Policy (NEP) is a guiding document that focuses on energy security, encouraging the use of renewable sources, and enhancing access to electricity. It addresses three main issues: ensuring there is enough clean, dependable, and efficient energy; ensuring that everyone has access to energy resources; and promoting sustainable development.

Cameroon's strategic vision envisages to attain a 25% consumption of electricity from renewable sources by 2035.

Key institutions are in charge of both oversight and execution. The Electricity Sector Regulatory Agency (ARSEL) is in charge of making sure that the regulations are adhered to, issuing licenses for energy projects, and regulating the sector. The Ministry of Water Resources and Energy (MINEE) coordinates policy development and approve projects. A specific renewable energy law is still being worked on, but it is expected to provide technical criteria, incentives, and licensing terms.

There exist policies for public procurement of energy-efficient items, and programs like the Regulatory Indicators for Sustainable Energy (RISE) framework, which looks at how far Cameroon has come in terms of power availability, renewable energy and energy efficiency and supports these policies. For big projects, it is required to follow environmental impact assessments, land acquisition legislation, and international standards such as those from the World Bank and the African Development Bank.

Investment Opportunities in Clean Energy

The clean energy sector in Cameroon is full of potentials because the government encourages private sector participation and international finance. The country aims to acquire about \$6.5 billion in private investments to pay for its National Energy Compact, which will cover almost half of its energy plan through 2030. This involves expanding hybrid power generation, including solar, hydropower, wind, and biofuel initiatives.

Key Sectors ready for Investment Include:

- **Solar Energy:** With high solar potential, Cameroon is speeding up the building of solar mini-plants and rural electrification. Plans include finishing solar mini-plants that were put on hold and increasing capacity in places that are lacking behind. The European Union has set out €59.1 million for rural electrification, which would help more than 2.5 million people in 687 villages.
- **Hydroelectric Power:** As a hydropower dominant country, there are enormous opportunities to invest in small- and medium-sized hydro projects, which are made possible by infrastructure development.
- **Biofuels and Other Renewables:** To encourage local production, the government has given tax exemptions to biofuel equipment and incentives for wind and biomass projects.

Incentives and Legal Considerations for investors

To attract foreign and domestic capital, Cameroon offers a range of fiscal incentives. These include VAT exemptions on renewable energy equipment, tax credits for projects that develop rural areas, or reduce pollution. Over the past two years, the government waived more than \$16 million in green energy taxes, targeting solar and potable water production. The 2026 extension of renewable energy fiscal incentives aims to boost electricity access from 72% in 2023 to more than 90% by 2030. Additionally, a feed-in-tariff scheme guarantees fixed prices for energy sold to the grid, and incentives cover local production and recycling of electrical

equipment. Recent moves, such as tax incentives for electric mobility and infrastructure, further support the transition to clean energy.

Legally, investors have to deal with licensing rules, power purchase agreements (PPAs), and public-private partnerships (PPPs). Risks include regulatory uncertainty and political transitions. There are options for privatizing utilities and giving incentives to specific sectors, but thorough due diligence is essential.

Conclusion

Cameroon's clean energy business is a dynamic mix of changing regulations and profitable investment opportunities that fit with global sustainability goals. As the country moves closer to its 2035 renewable energy goals and beyond, smart investors can take advantage of incentives, international alliances, and the untapped potential of solar, hydro, and biofuels. However, success hinges on understanding the legal intricacies and mitigating risks.

At Ogork & Partners Law Firm, our team of energy law experts is equipped to guide you through project financing, regulatory approvals, and dispute resolution. Contact us today to explore how we can support your clean energy ventures in Cameroon.