



ECOWAS COMMISSION  
COMMISSION DE LA CEDEAO  
COMISSÃO DA CEDEAO

REGIONAL OFF-GRID ELECTRICITY ACCESS PROJECT (ROGEAP)

P160708

TERMS OF REFERENCE (TOR)

Recruitment of a firm to analyze the balance of interests among customs, industry, and energy stakeholders regarding import duties for solar PV off-grid products in ECOWAS and the preparation of a fact sheet on the HS codes for solar PV off-grid products.

Funding: World Bank/CTF/DGIS



November 2024

## 1. Overview and Background of ROGEAP

The Regional Off-Grid Electricity Access Project (ROGEAP) objective is to increase access to sustainable electricity services in the fifteen ECOWAS member countries<sup>1</sup> and the four non-ECOWAS countries Cameroon, Chad, Mauritania, and Central African Republic. ROGEAP will improve access to sustainable energy by building a regional market for off-grid solar products and supporting the various stakeholders across the value chain, i.e., governments, private sector, financial intermediaries, and end users including households, businesses, and to public health and education facilities by establishing a regional Common External Tariff for Solar off-grid products.

While Sub-Saharan Africa experiences a lack of access to reliable electricity services, this deficit is more pronounced in the Western and Central Africa and Sahel region, particularly in countries such as the Central African Republic (CAR), Chad, Guinea-Bissau, Liberia, Niger, and Sierra Leone. In addition, household access to electricity varies considerably between urban and rural areas. Out of a population of 406 million people in the 19 project countries, it is estimated that 208 million inhabitants have no access to electricity, about 70 percent of whom live in rural areas. Based on the off-grid market assessment of 2018, the average rural electrification rate stood around 18 percent, while that of eight countries—Burkina Faso, Chad, the CAR, Guinea, Guinea-Bissau, Liberia, Mauritania, and Niger—is less than 5 percent. Improving energy access, especially for marginalized and disadvantaged groups and lagging regions is essential in achieving sustainable and inclusive development and poverty reduction.

Stand-alone solar systems have a large market potential in Western and Central Africa. Currently, less than 3 percent of the region is served by stand-alone solar systems, equivalent to roughly 5 million consumers. The market assessment carried out in 2018 identified that about 31 million households could be electrified using stand-alone solar systems in Western and Central Africa. The potential value of the household solar market is estimated to be about US\$6.6 billion. The assessment further identified about 800,000 educational and healthcare facilities that could be electrified with stand-alone solar systems with an investment estimate of US\$1.5 billion. Moreover, the share of the rural population served by decentralized renewable energy sources such as mini-grids and stand-alone systems is expected to reach 22 percent by 2020 and 25 percent by 2030.

Promoting electrification using stand-alone solar systems requires a harmonized regional approach. This entails establishing a business-friendly ecosystem to attract private sector investments to provide electricity to people without grid connection including female headed households, in a decentralized manner.

Nowadays, the evolution of new business models such as PAYGO has made it easier for households to pay for solar systems. However, the feasibility of such models depends upon several external factors and country conditions to make the products affordable and accessible. Many countries have adopted a simpler tax regime, for instance, a duty waiver on solar import, for the benefit of their population. ROGEAP will provide necessary technical support to study and promote informed decision-making on such measures to enhance the commercial attractiveness of standalone solar systems to households. Moreover, taxing products at multiple entry points often makes the product too expensive for consumers. Eliminating multiple tax regimes in the region will facilitate the easy movement of products across countries and enhance product affordability.

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<sup>1</sup> ECOWAS member countries are Republic of Benin, Republic of Cape Verde, Burkina Faso, Republic of Côte D'Ivoire, Islamic Republic of The Gambia, Republic of Ghana, Republic of Guinea, Guinea-Bissau, Republic of Liberia, Republic of Mali, Republic of Niger, Nigeria, Republic of Senegal, Republic of Sierra Leone, and Republic of Togo.

ROGEAP wants to promote and inform the decision-makers on import duties in the framework of the Common External Tariff (CET) at the regional level. In collaboration with its Directorate of Customs and with the participation of the relevant national and regional stakeholders related to customs, economy, industry and energy, the PIU will facilitate the informed decision-making process on import duties to be applied to solar standalone systems and equipment. This will be done by the tariff management regional committee, commerce and customs regional technical committee, and the ECOWAS Council of Ministers. Subsequently, individual countries will be supported to adopt and enforce these decisions.

This would involve significant engagement with the technical and political establishments at both regional (ECOWAS) and national levels (Member States). Particular attention will be paid to the promotion of exchange of experiences with other economic communities and regions in the African continent as well as to the exploitation of synergies with other ongoing initiatives such as those promoted by the Global Off-Grid Lighting Association (GOGLA), International Renewable Energy Agency (IRENA), and the UK Department for International Development.

These Terms of References are drafted to recruit a firm to assist ECOWAS Commission on the feasibility and the implementation of the Common External Tariff for solar PV off-grid products in the ECOWAS Region.

## 2. Scope of the Assignment

Within the above context, ECOWAS has received funding from the World Bank under the ROGEAP project and would like to appoint a firm to inform the development and adoption of a framework for Common External Tariffs for solar PV off-grid products. The consultancy firm will provide all the required experts to execute the assignment.

## 3. Objective of the assignment

The main objectives of this assignment are analysis of the impact of different levels of import duties in the balance of interest of customs, industry and energy stakeholders, preparation of a fact sheet on the HS codes for solar photovoltaic off-grid products (SHS up to 350Wp) and elaboration of the ECOWAS regional technical code for the Common External Tariff.

There is a need to develop/improve harmonized description codes for solar standalone systems in the context of CET, and ROGEAP plans to support this activity across the region. Combined with the adoption of a harmonized regional quality standard for solar energy kits in July 2023, this would contribute to regional harmonization and enable the off-grid players to make long term investment plans considering the Western African region as a single regional market.

## 4. Tasks

Task 1: Analyze the existing national tariff and policy frameworks for solar off grid products Through desk research and communications with stakeholders (e.g., Ministry of Finance, Directorate of Customs, Ministry of Energy, Ministry of Trade, Trade Council/Chamber of Commerce, Rural Electrification Agency, Renewable Energy Agency, Private Sector, Standards Bodies, Technical and Financial Partners, Donors) across the 15 ECOWAS Member states and at the Regional level, the firm will collect information and data on import duties and related policies for solar PV off-grid products at the national level. The findings from Task 1 will serve as the basis for the assessment conducted in Task 2. For each Member State, the Consultant will:

- Carry out comprehensive research of existing studies and resources to compile and compare available information
- Conduct physical and/or virtual meetings with relevant stakeholders to fill in information gaps and to validate research findings

- Aggregate and organize comprehensive information related to the import duties and associated customs and trade policies for solar off-grid products

Task 2: Assess importation, taxation and customs frameworks and the impacts of alternative structures on the balance of interests of customs, industry and energy sector stakeholders. Develop and submit a comprehensive final report.

For each of the 15 ECOWAS Member states, the firm will assess the national importation, tariff and policy frameworks for off-grid solar products. The firm will continue to engage with relevant stakeholders to examine existing and potential obstacles, as well as the projected impacts of restructuring the importation, duty and tax regimes for off-grid solar products. For each Member State, the Consultant will carry out the following sub-tasks:

- Conduct physical and/or virtual meetings with relevant stakeholders;
- Review the current customs and/or trade policies that apply to solar PV products, assessing the effectiveness of their implementation;
- Identify the most common exempted, non-exempted, and zero-rated solar PV products;
- Identify all existing trade barriers, including but not limited to quotas, licenses, and standardization;
- Identify the potential challenges encountered by Customs regarding establishing and implementing harmonized tariffs for solar off-grid products;
- Assess the impact of different levels of import duties in the balance of interest of customs, industry, and energy stakeholders;
- Identify how import duties and VAT applied to solar off-grid products may result in challenges and barriers to the development of the national off-grid solar market;
- Assess of potential implementation issues for the CET and proposed mitigation measures;
- Compile best practices from other regions regarding import duties for solar off-grid products, interpreting how they may be replicated or adapted to the ECOWAS context and provide recommendation to ECOWAS Region and each country on the best practice to follow.

The firm will develop and submit a comprehensive final report summarizing the findings from Tasks 1 and 2, including tangible recommendations addressing the balance of interests among customs, industry, and energy stakeholders regarding import duties and HS codes for solar PV off-grid products in ECOWAS.

Task 3: Draft a set of regionally harmonized HS codes for solar standalone systems and equipment in the context of CET and preparation of a fact sheet

The Key Experts of the firm will draft the HS Codes and the fact sheet for SHS up to 350Wp to be validated by the relevant technical committee at the regional level per category of products. The fact sheet will include all relevant information for the selected products (technical specifications for the solar panel, the charge controller, the inverter, the battery, the light, etc.)

Task 4: Support ECOWAS on the organization of regional workshops for the validation of the reports (output from Task 1 & 2), establishing harmonized HS codes, and preparation for the adoption of the CET for solar off-grid products.

The firm will support to undertake these below sub-activities:

- Multi-stakeholder regional meeting (customs, industry, and energy): As part of their consulting services, the Key Experts will present the analytical work and the fact sheet to a meeting with participation of representatives of customs, industry, and energy from the 15 ECOWAS Member states and will incorporate the received comments. The participation of the 4 ROGEAP non-ECOWAS countries will be promoted as observers. The moderated discussion will facilitate and support participants' decision making regarding the desired

level of import duties and the fact sheet on the HS codes. Form of the Meeting: Virtual or Physical or Hybrid.

- Participation in the Preparation of the draft technical code: Following the multi-stakeholder regional meeting, the technical work will proceed with the elaboration of a draft technical code. The services of the taxation and solar off-grid Experts will be sought for this sub-activity.
- Regional Tariff Management Committee meeting: As part of the services, the firm will present the draft technical code to the committee meeting with participation of representatives of customs, industry, and energy from the 15 ECOWAS member states and will incorporate the feedback from the participants. Form: Hybrid.
- The Regional Technical Committee for Commerce and Customs meeting: The Key Experts will present the draft technical code to the committee meeting with participation of representatives of customs and industry from the 15 ECOWAS member states (energy stakeholders can be invited as resource people) and will incorporate their feedback. Form: Hybrid (in person and virtual).
- Adoption by the ECOWAS Council of Ministers: Upon completion of the consultative phase of the Regional technical committee for commerce and customs, the draft technical code will be presented to the ECOWAS Council of Ministries for adoption (Form: In person). Optionally, adoption by the Heads of State could be also sought.

Task 5: Supporting ECOWAS on the implementation of the adopted technical code at the national level

The firm through the Taxation and Solar Off grid Experts will provide technical assistance to ECOWAS to facilitate implementation of the adopted technical codes for solar off-grid products in Member States. The Consultant will contribute to the preparation and delivery of a series of awareness-raising workshops and capacity building activities for the stakeholders involved in the value chain.

## 5. Duration and Deliverables

### 5.1 Assignment Duration

The assignment will be conducted in three parts:

- Part 1 – Task1 to Task 3: 28 weeks
- Part 2 - Task 4: 22 weeks
- Part 3 – Task 5: 52 weeks

Kick off meeting	Final Report Task 1	Final Report Task 2	Fact Sheet Task 3	Task 4	Adoption by council of Ministers	Task 5 - Technical assistance during the implementation phase in each country	TOTAL
Week 1	Week 15	Week 22	Week 28	Week 30 to 52 (Indicative timing)	N/A	One year (52 Weeks) based on the needs	
1 day	25 days	25 days	10 days	30 days		Time-based	91 days (for each Key Expert) For the first and second parts

### 5.2 Deliverables

Deliverables	Due date (from start)
Kick off meeting (Minutes of Meeting)	Week 1
Inception Report Summarize approach, methodology and flag key issues to be addressed that may present challenges during the study	Week 2
Task 1: Analyze the existing national tariff and policy frameworks	Draft report: Week 13 Final report: week 15

Task 2 – Assess importation, taxation and customs frameworks and the impacts of alternative structures on the balance of interests of customs, industry and energy sector stakeholders. Develop and submit a comprehensive final report	Draft report: Week 20 Final report: week 22
Task 3 – Draft a set of regionally harmonized HS codes for solar standalone systems and equipment in the context of CET and preparation of a fact sheet	Draft report: Week 25 Final report: week 28
Task 4 – Support ECOWAS on the organization of regional workshops for the validation of the reports, establishing harmonized HS codes, and preparation for the adoption of the CET for solar off-grid products.	Draft report: Week 30 Final report: week 52 Depend on the availability of the stakeholders
Task 5: Supporting ECOWAS on the implementation of the adopted technical code at the national level. (time-based depending on the needs)	Year 1 after the adoption Mobilization will be based on the unit price of the two key expert

## 6. Qualifications of the Consultant

To implement this assignment, ECOWAS Commission will recruit a Consulting firm with the following profile.

- At least 10 years of experience in the field of international trade and customs
- Experience with import and export procedures in the region and knowledge of the taxation system in ECOWAS or WAEMU Region
- Conducted 2 similar missions in Sub Saharan Region
- Experience in Custom policies in West Africa
- Experience in ECOWAS or WAEMU Common External Tariffs
- Experience of solar off-grid products is a plus

## 7. Team Composition and Qualifications

Taxation Consultant (Team Lead)

- Master’s degree in taxation or business and administration or finance or economics or equivalent
- 10 years of experience in the field of international trade and customs
- Familiar with import and export procedures in the region and knowledge of the taxation system in ECOWAS Region

- Conducted 2 similar missions in Sub Saharan Region
- Strong knowledge of customs policies in West Africa
- Strong knowledge of ECOWAS Common External Tariffs
- Fluent in French and English (writing, speaking and reading)
- Knowledge of solar off-grid products is a plus
- Speaking Portuguese is a plus

#### Solar Off-Grid Consultant

- Master's degree in engineering (Energy, Renewable Energy or equivalent)
- 10 years of experience in the energy sector with at least 3 years in the field of off-grid solar
- Strong technical skills on solar PV technologies
- Conducted 2 similar missions in Sub Saharan Region
- Knowledge of ECOWAS Energy access policies and regulatory frameworks for solar off-grid, including the quality assurance framework for off-grid solar products
- Knowledge of Custom policies in West Africa is a plus
- Knowledge of ECOWAS Common External Tariffs is a plus
- Knowledge of ECOWAS Region is required
- Fluent in French and English (writing, speaking and reading)
- Speaking Portuguese is a plus

Supporting staff: to be define by the firm