Lack of access to electricity in much of sub-Saharan Africa does more than just stunt economic growth. It leaves large swaths of population trapped in living conditions that make economic progress nearly impossible. It reduces the potential of agricultural yields, and the effectiveness of health care delivery. In a world where digital connectivity is increasingly essential to participating in society, it simply leaves millions of people behind.

Power Africa has made great strides in bringing hope to these communities, with sustainable power sector solutions to increase capacity by 30,000 megawatts (MW) and create 60 million new connections by 2030. We’re proud of that progress. But there’s a long way left to go.

All our success in helping motivate the private sector to invest in power generation projects will not help homes and businesses if distribution networks are not robust enough to bring the electrical service to their doorsteps on a commercially viable basis. For this reason, in March of this year we launched Power Africa 2.0 with the objectives of developing transmission and distribution resources, improving government capacities to manage their power sectors, and leveling the playing field for competitive investment.

The 117 power projects that Power Africa has helped spur have attracted more than $18 billion in financing, most of which is private capital. This investment will have multiple returns: it will help countries emerge from poverty, reduce dependence on foreign assistance, and help create reliable new trading partners. Enterprise-driven development is at the center of USAID’s new strategy for helping countries achieve self-reliance, rather than saddling them with unsustainable sovereign debt. Through partnerships with 11 other U.S. government agencies, 17 development organizations, and 145 companies, USAID and Power Africa have helped achieve over 9,500 MW and 12.5 million new electrical connections, with more than 57 million beneficiaries.

This model works. And as this report demonstrates, we’re just getting started.

Mark Green
Administrator for USAID
Lowering the cost of solar power, and creating better regulatory frameworks

The World Bank’s International Finance Corporation (IFC) Scaling Solar Program helped Sénégal and Zambia attract private-sector bids at the lowest solar tariffs in Africa. Power Africa’s funding of this innovative program allows independent power producers (IPPs) to develop affordable renewables, and opens up new markets.

In Sénégal, Scaling Solar achieved 4.7¢ per kilowatt-hour (kWh) for a 60 megawatt (MW) project in Toubab and Kahone. In Zambia, Scaling Solar achieved 6.02¢ per kWh for the 28.2 MW Enel Green Power plant, and 7.84¢ per kWh for the 47.5 MW First Solar/Neon plant; both companies are Power Africa private sector partners.

Bringing new private-sector financial partners to frontier markets

Power Africa supported Guinea’s first IPP plant, which involved several international partners. When completed, the 50 MW Té greenfield thermal power plant will meet 20 percent of the country’s demand for reliable and affordable electricity, and is expected to provide enough power to connect over one million Guineans.

The $121 million investment includes $32 million in equity from U.S.-based Endeavor, a Power Africa partner; and $89 million in debt financing from the Overseas Private Investment Corporation (OPIC) and CDC Group PLC.

Securing new financial commitments for infrastructure to generate, transmit, and distribute energy

The launch of Power Africa 2.0 increased focus on transmission and distribution, while continuing to increase generation capacity in sub-Saharan Africa. U.S. Agency for International Development (USAID) Administrator Mark Green signed a Memorandum of Understanding between the Government of the Republic of Korea and Power Africa to add 1,000 kilometers of transmission lines in Africa, and committed $1 billion to power-sector investment. The Government of Israel is increasing generation capacity by 300 MW in sub-Saharan Africa.

Advancing the role of Women in African Power (WiAP)

With Power Africa’s support, the Center for Renewable Energy and Energy Efficiency (ECREEE), of the Economic Community of West Africa (ECOWAS), adopted the ECOWAS Policy for Gender Mainstreaming in Energy Access in 2017. ECREEE is Africa’s first regional organization to roll out legal instruments for gender assessments in the planning and development of energy infrastructure across member countries.

Power Africa continues to host the Women in African Power (WiAP) network, which now has more than 600 members who share knowledge and build business opportunities across sectors, countries, and regions.
Generation

Power Africa has helped facilitate the financial close of 117 private-sector power transactions that are generating (or expected to generate) over 9,500 MW,* of which 2,393 MW from 32 transactions have been commissioned and are producing power.

Follow progress on the Power Africa Tracking Tool (PATT)

Power Africa supports all technologies. Two-thirds of Power Africa’s transactions, and over half of the MW that have reached financial close, are based on renewable energy.**

* Power Africa’s transactions that have reached financial close include qualified permanent and temporary power solutions. Temporary power solutions are added and subtracted to the aggregate Power Africa public financial close number based on the terms of a contract between a supplier and a host government.

** As of August 2018, 77 transactions, and 5,212 MW that reached financial close, were biomass, hydropower, solar, or wind technology.
Connections

Power Africa has connected over 57 million people through on-grid and off-grid solutions for homes and businesses, which has improved the quality of life and enhanced economic opportunity for them and their families. A total of 12,528,156 new connections meets 21 percent of the Power Africa Roadmap’s 2030 goal of 60 million connections.

ON-GRID CONNECTIONS

Total on-grid connections: 708,452

On-grid connections provide scalable energy solutions to support households, small businesses, and industry—particularly in sub-Saharan Africa’s rapidly growing urban and peri-urban areas. While electrification in urban areas in Africa is at approximately 71 percent, the demand for reliable, affordable power is expected to increase significantly in the coming years. Power Africa is improving the performance and financial viability of the African distribution sector and meeting energy demands by supporting electric utilities in 10 countries. In Nigeria, Power Africa has worked with four electricity-distribution companies to increase the efficiency, quality, and financial viability of their service. By reducing energy losses, ensuring proper customer connections, and improving billing processes, these distribution companies have collected more than $139 million in additional revenue.

BEYOND THE GRID

Total off-grid connections: 11,819,704

Off-grid connections provide essential electricity access for the hundreds of millions of rural residents in sub-Saharan Africa who live beyond the reach of a central grid. Power Africa’s Beyond the Grid program focuses on rural and peri-urban connections to improve livelihoods and support the development of markets for micro-grids and solar home systems, many of which support productive uses of energy, and thus grow the local economy. Beyond the Grid has worked with over 70 investors and practitioners who have committed to invest over $1 billion into off-grid and small-scale solutions. These private-sector commitments, plus strong collaboration with development partners, will help Power Africa achieve its target of 60 million new connections for households and businesses. To date, Beyond the Grid has helped private-sector off-grid companies secure over $113 million in financing to grow their businesses and accelerate access to energy. Through the Scaling Off-Grid Energy (SOGE) Grand Challenge, Power Africa is helping to bring productive-use appliances to the continent. SOGE sponsored the 2016-17 Global LEAP Awards Off-Grid Refrigerator Prizes for the world’s best-in-class, most-energy-efficient refrigerator, designed for compatibility with off-grid solar-energy systems.

BRINGING SERVICES TO REFUGEES

Power Africa is responding to the large number of internally displaced persons (IDPs) and refugees in Kenya and Uganda with the launch of the Smart Communities Coalition, in partnership with Mastercard. Power Africa is bringing electricity to IDPs and refugees by fostering private-sector-led, sustainable renewable energy solutions for more reliable and affordable power. For more information, visit the Smart Communities Coalition website at https://www.tent.org/members/smart-coalition/.
Unlocking the Potential of the Energy Sector

Power Africa continues to support partner governments and stakeholders to create stronger environments for international, private-sector investment.

The Republic of South Africa’s Renewable Energy Independent Power Producer Procurement Program relied on Power Africa’s support to bring to financial close 24 projects for over 2,000 MW of new generation, valued at $4 billion.

The Federal Democratic Republic of Ethiopia introduced a competitive tendering process, and advanced the country’s first ever private-sector power deal with support from Power Africa’s transaction and legal assistance. The new process advanced negotiations for power purchase agreements with the Corbetti and Tulu Moye Geothermal Projects (up to 1,000 MW), and the country’s first competitive solar procurements (100 MW).

The Parliament of the Republic of Malawi passed the Electricity Act Amendment of 2016, supported by the Millennium Challenge Corporation (MCC), which allows private-sector participation in the electricity sector for the first time. This legal framework permitted the Government of Malawi to conduct its first competitive tender.

The Republic of Niger is increasing access to energy in rural areas through Power Africa’s support to Niger’s Rural Electricity Agency, designed to attract private-sector off-grid companies to the countryside in Niger through concessions and direct proposals.

The Republic of Botswana restructured procurements and amended its national procurement law to enhance efficiency, transparency, and competition through the U.S. Trade and Development Agency’s Global Procurement Initiative.

The Legislature of the Republic of Liberia adopted a new Electricity Law, drafted with support from Power Africa, which allows for private investment in the power sector, and the national utility procured a new MCC-funded private management contractor through a competitive procurement assisted by Power Africa.

How We Work

The Power Africa Toolbox increases capacity and creates new connections through…

Capacity Building
40,000 copies of the “Understanding” Series handbooks in both French and English are in print. To date, the Commercial Law Development Program (CLDP) and the Department of Energy has trained over 1,100 people on these handbooks. In 2018, CLDP, with Power Africa’s support, launched Understanding Power Project Procurement – the series’ latest installment.

Financing
OPIC, the Export–Import Bank of the United States (EXIM), and USAID provide loans and guarantees to facilitate private-sector investment.

Information Resources

Transaction Assistance
The U.S. Department of Commerce continues to promote project opportunities to and offer advocacy for U.S. companies that are conducting business in Africa.

Policy/Regulatory Reform
Launched in March 2018, Power Africa 2.0 aims to improve power infrastructure and to better respond to partners’ needs for market intelligence. A critical component of Power Africa 2.0 is increasing mutual economic prosperity between the United States and sub-Saharan Africa. To date, half of Power Africa’s 145 private-sector partners are U.S. firms, with eight additional U.S. companies added in the last year.