Leveraging Partnerships to Increase Access to Power in Sub-Saharan Africa

Two out of three people in sub-Saharan Africa — approximately 600 million people — lack access to electricity affecting their ability to obtain quality health care, education, and economic opportunities.

President Barack Obama launched Power Africa in late June 2013 to increase the number of people who have access to power in all of sub-Saharan Africa. Combining the expertise of 12 U.S. Government agencies, Power Africa is unlocking the substantial wind, solar, hydro, natural gas, biomass, and geothermal resources in the region to enhance energy security, promote economic growth, and reduce poverty.

Power Africa is working with African governments, over 100 private sector partners and other organizations to add more than 30,000 megawatts (MW) of cleaner, more efficient electricity generation in all of sub-Saharan Africa. Power Africa is also focused on increasing electricity access by adding 60 million new home and business connections.

As part of Power Africa, more than 4,100 MW worth of transactions have reached financial close. Power Africa is currently supporting projects expected to generate an additional 15,000 MW of new power generation. In sub-Saharan countries, Power Africa also aims to:

- Advance energy sector reforms;
- Identify and address barriers to investment;
- Work with partner countries and institutions to improve efficiency and capacity of power ministries and utilities;
- Increase regional, cross-border energy trading;
- Enhance energy resource management capabilities, and;
- Work with partner countries and regions to achieve sustainable, long-term energy security.

Beyond the Grid

Power Africa is also expanding mini-grid and off-grid solutions to increase access to underserved areas through “Beyond the Grid.” This sub-initiative utilizes Power Africa’s innovative transaction-focused model to galvanize partners to collaborate on off-grid and small-scale renewable energy solutions.

Through Beyond the Grid, Power Africa is working with over 40 investors and partners that have committed to invest over $1 billion into off-grid and small-scale solutions that will benefit underserved communities. These private sector commitments are significant in terms of helping Power Africa add new home and business connections throughout sub-Saharan Africa.

Transaction Focused

Notable transactions undertaken include:

**Nigeria Power Privatization — 2,000+ MW:** 15 companies have purchased the assets of 10 electricity distribution and five power generation entities during the initial phase of privatizing the Power Holding Company of Nigeria. Power Africa is supporting these companies’ efforts to improve operations and maintenance, and to obtain additional investment capital, which is projected to result in a 2,000+ MW increase in power generation capacity by 2018.

**Ethiopia Corbetti Geothermal — Up to 500 MW:** The Government of Ethiopia and the Ethiopian Electric Power Corporation entered into a project agreement with Reykjavik Geothermal to establish the Corbetti Geothermal Power Plant — the first independent power producer project in Ethiopia’s history. Power Africa is providing transactional and technical advice to move the Corbetti project toward financial close.

**Tanzania Kiwira River Hydro Project — 10 MW:** Through USAID’s Development Credit Authority, Power Africa has provided a partial loan guarantee to Stanbic Bank in Tanzania for the Kiwira River Hydro Project in the country’s agricultural corridor. This guarantee assisted the project sponsor, EA Power Limited in securing debt financing from Stanbic Bank, the first loan of its kind by the bank to an energy sector project in Tanzania.
A New Operating Model: Mobilizing Private Sector Investments in Power

The funding needed to electrify the continent far surpasses the capacity of African governments and foreign donors. By leveraging U.S. strengths in energy technology, private sector engagement, and policy and regulatory reform, Power Africa is galvanizing partnerships, making quick-impact interventions, and driving systemic reforms to facilitate future private investment. The 12 U.S. Government agencies behind Power Africa bring a range of tools, including financing and risk guarantees, technical assistance and transaction advisory, and diplomatic and commercial engagement, that support private sector transactions and policy dialogue with key stakeholders to focus and drive energy reforms.

Power Africa is part of President Obama’s new model for development, which builds local capacity and supports innovative, effective and sustainable development assistance.

The U.S. Government is committed to providing more than $7 billion in financial support, loan guarantees, and technical assistance. To date, Power Africa has leveraged more than $20 billion from private sector partners for new on and off-grid projects in sub-Saharan Africa, meaning that every dollar the U.S. Government is committing to Power Africa has already leveraged almost three dollars in private sector investment commitments.

Power Africa also works closely with development finance partners and other donors to enhance the availability of energy sector resources in sub-Saharan Africa. Since the launch of Power Africa, the African Development Bank, the World Bank Group and the Swedish Government have collectively committed an additional $9 billion in support of Power Africa.

For more information on Power Africa visit: www.usaid.gov/powerafrica or email powerafrica@usaid.gov

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Power Africa, a U.S. Government interagency initiative: