

IMPROVING THE ENABLING ENVIRONMENT CREATING SELF-RELIANCE IN THE POWER SECTOR

Power Africa partners with African governments, utilities, and professional associations to strengthen the enabling environment for strong, functional, and sustainable power systems. The energy sector reforms we support not only pave the way for increased megawatts and connections needed to achieve universal energy access across the continent, but also contribute to our partner countries' agendas for socioeconomic development and environmental sustainability.



The [Electrify Africa Act of 2015](#), the [Power Africa Roadmap](#), and the Power Africa 2.0 Strategy recognize the critical importance of a strong enabling environment to attract private investment and achieve country self-reliance in the power sector.

POWER AFRICA ENABLING ENVIRONMENT FOCUS AREAS



Transparent Legal and Regulatory Frameworks: Power Africa advocates for and helps develop well-crafted independent power producer (IPP) laws and other legislation that establish clear lines of accountability among private developers, governments, and regulators. These types of reforms reduce investor risk and encourage increased private investment. Our efforts are strengthening Africa's regulators, helping them become more politically independent, have clear authorities, and make evidence-based decisions.



Sound, Strategic, and Integrated Power Sector Planning: Power Africa supports governments undertaking long-term power sector planning that prioritizes an optimal generation mix, distribution and transmission infrastructure and off-grid solutions. Planning provides clarity for developers and investors by outlining a clear vision for sector development.



Clear and Transparent Procurement Processes: Power Africa supports competitive procurement processes that reflect international best practices, increase investor confidence, lower costs, and facilitate sustainable investments.



Utility and Electricity Tariff Reform: Creditworthy, commercially viable utilities and cost-reflective tariffs are essential for power sector expansion. Power Africa draws on energy expertise to strengthen utility operations and management and determine the true cost of delivering power.



Strengthened Environmental & Social Standards and Gender Equality: Power Africa offers companies and countries the tools to mitigate identified environmental impacts and meaningfully engage local communities, thus de-risking transactions and creating shared value for all stakeholders. We support programs to promote women's participation in the energy sector and ensure that women and men benefit equally from increased access to electricity.



Strengthened National and Regional Power Pools: Power Africa provides technical and budgetary support to regional power pools to facilitate cross-border trade, enhance energy security, and harness regional energy resources at a lower cost.

POWER AFRICA ENABLING ENVIRONMENT INTERVENTIONS

Each country's power sector has its own unique structure. Power Africa tailors our policy reform support based on careful analysis and feedback from our private sector and government partners.

In Senegal, USAID partnered with the Ministry of Energy and the national utility to improve demand forecasting, resulting in a generation and transmission master plan through 2035. The plan includes integration of 632 MW of grid-connected solar and wind power.

In Nigeria, USAID worked with four distribution companies to improve service delivery, enhance commercial performance, and build staff capacity. In just over two years, each company cut losses by double digits, increased revenue collection by \$162 million, added 570,386 legal connections and trained approximately 4,000 employees.

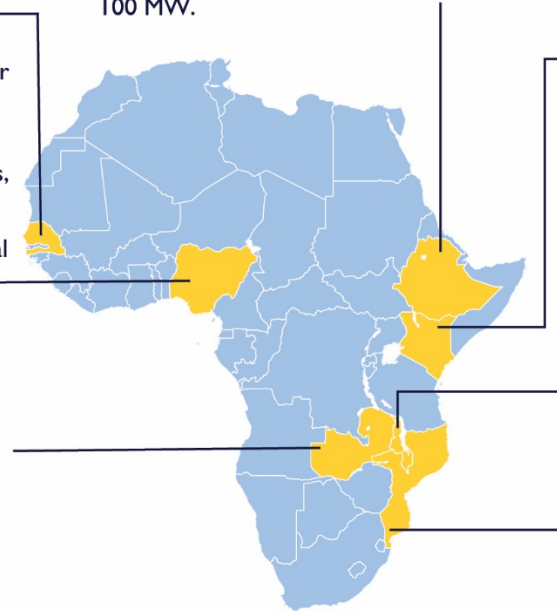
In Zambia, USAID helped the government develop a detailed geospatial map, a key input into the Zambian National Electrification Strategy, which was supported by the World Bank, a Power Africa partner. The strategy allowed private developers to more effectively plan their investments in the off-grid sector and increase sales.

In Ethiopia, USAID helped the country introduce IPPs and transition to competitive tendering. Power Africa's transaction and legal assistance advanced negotiations for up to 1,000 MW of additional power, including the first competitive solar procurement of 100 MW.

In Kenya, USAID completed a biodiversity action plan to reduce the impact of wind turbines on endangered raptors at a project site. A follow-on national strategic environmental assessment is expected to catalyze best practices across the wind industry and help developers make smart siting decisions.

In Malawi, the Millenium Challenge Corporation supported the government to adopt energy sector reforms, allowing private sector participation for the first time and unbundling the utility to increase its commercial viability. The new legal framework enabled Malawi's utility to conduct its first competitive tender, which attracted 21 bids from international companies and resulted in 80 MW of new solar power.

In Mozambique, USAID worked with the government to bolster a newly independent energy regulator, thus shielding the regulator from short-term political pressures and strengthening investor protections.



Power Africa promotes women's advancement in the energy sector through support to USAID's Engendering Utilities program. The program works directly with electricity and water utilities in developing countries to increase economic opportunities for women and improve gender equality in the workplace. By improving labor market participation by women, power sector utilities can increase operational efficiencies that will bring greater economic value to energy companies — a win-win for women and the African energy sector.

Power Africa builds capacity across the continent through the "Understanding" book series, a collaboration with the U.S. Department of Commerce's Commercial Law Development Program and the African Development Bank's African Legal Support Facility. With over 40,000 copies in print (in English and French), *Understanding Power Purchase Agreements*, *Understanding Power Project Financing*, and *Understanding Power Project Procurement* are used by African governments as "playbooks" for power project tendering and negotiations.

POWER AFRICA TOOLS & RESOURCES

- **Power Africa Enabling Environment Tracker:** Interactive data visualization with results for more than 20 country-level indicators ([usaid.gov/powerafrica/enablingenvironmentreforms](https://www.usaid.gov/powerafrica/enablingenvironmentreforms))
- **Power Africa Toolbox:** 160 tools to unlock obstacles facing private sector power deals in sub-Saharan Africa ([usaid.gov/powerafrica/toolbox](https://www.usaid.gov/powerafrica/toolbox))
- **Power Africa Understanding Series:** Guides for stakeholders to interpret, negotiate, and develop power projects in sub-Saharan Africa ([usaid.gov/powerafrica/newsroom/resource-library](https://www.usaid.gov/powerafrica/newsroom/resource-library))

ABOUT POWER AFRICA

Power Africa is a U.S. Government-led partnership that brings together the collective resources of over 170 public and private sector partners to double access to electricity in sub-Saharan Africa. Power Africa's goal is to add more than 30,000 MW of new electricity generation capacity and connect 60 million new homes and businesses to power by 2030.

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