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

"POWER AFRICA" & PARTNER COUNTRY ENERGY IN THE NEWS
July 13 – July 26, 2014

Article Summaries & Full Clips

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IN THE NEWS: Featured "Power Africa" Articles

July 13 – July 26, 2014

POWER AFRICA DEVELOPMENTS

Nigeria, US Finally Sign MoU on 10,000MW Power Africa Initiative, Articles
July 25 | THISDAY LIVE
The Nigerian government has agreed to work with the US Government to increase access to and availability of electricity in Nigeria through the US-backed Power Africa initiative which was launched last year in Cape Town, South Africa by US President Barack Obama.

Energy Will Be A Hot Topic At The U.S.-African Leaders Summit
July 25 | AFKInsider
The U.S.-African Leaders Summit Aug. 4-6 in Washington will focus on trade and investment by giving 45 heads of state and more than 100 Ministers an opportunity to mix it up with CEOs from the top U.S. corporations. And one thing is clear: energy – a topic that has been on the minds of African leaders since President Obama announced his Power Africa initiate a year ago.

U.S. Debating 'Historic' Support for Off-Grid Electricity in Africa
July 21 | Inter Press Service
With half of the U.S. Congress having already acted on the issue, supporters are now hoping that the Senate will follow suit before a major summit takes place here during the first week of August. That event is expected to include heads of state or representatives from as many as 50 African countries.

U.S. Firm Secures Africa Power Deal
July 16 | CAJ News Africa
Tetra Tech, the United States-headquartered firm, has been awarded the five-year contract to support the Power Africa Initiative. This contract has a base period of three years with two option years.

U.S.-Africa Leaders Summit Highlights U.S.-Africa Commitment
July 23 | AFKInsider
The first-of-its-kind meeting in Washington, D.C. starting Monday, Aug. 4-6 will bring together about 45 heads of state and 100 ministers from across Africa. The hope is those in attendance will build on the progress made since U.S. President Barack Obama's trip to Africa last summer.

OPINION

Congress May Decide the Fate of the Historic U.S.-Africa Summit
July 18 | Roll Call
Ben Leo is a senior fellow and director of the Rethinking US Development Policy initiative at the Center for Global Development.

Electricity for Africa initiative could help make 'High-Energy Planet' vision a reality
July 22 | WashingtonExaminer.com
Ron Arnold, a Washington Examiner columnist, is executive vice president of the Center for the Defense of Free Enterprise.

Powering Africa From the Ground Up
July 17 | Fair Observer
Kwaku Osei is a commercial lawyer in training. He received an MPhil in International Relations from the University of Cambridge, where his research focused on West African regional peace and security. He holds a Bachelor's in Political Science and French from Yale University. Most recently, Osei spent time as a Business Development Fellow at the MEST incubator for technology start-ups in Accra, Ghana.

The U.S.-Africa Leaders Summit: Deepening Trade and Commercial Ties
July 24 | Brookings Institution
The U.S.-Africa Leaders Summit blog series is a collection of posts discussing efforts to strengthen ties between the United States and Africa ahead of the first continent-wide summit.

The U.S.-Africa Leaders Summit: Far from "bungled"
July 22 | BusinessDay
madou Sy is a senior fellow in the Africa Growth Initiative at the Brookings Institution.

U.S. Hopeful On 'Power Africa' Project in Nigeria, Others
July 14 | The Guardian
As Nigeria and five other African nations are bracing up for the $7 billion intervention fund pledged by President Barack Obama for the upgrade of power supply in sub Saharan Africa, the United States is optimistic that the Power Africa initiative would be successful in the continent.

IN THE NEWS: Featured Partner Country Energy News

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ETHIOPIA

Ethiopia's Nile dam project signals its intention to become an African power
July 14 | Guardian Weekly
The Grand Ethiopian Renaissance dam will provide energy for growing economy but add to Egypt's fears over water security

Tripartite Talks Over Gerd to Resume
July 20 | Ethiopian Radio and Television Agency
Ethiopia, Sudan and Egypt will resume tripartite negotiations over the construction of Ethiopia's hydro power plant project known as the Grand Ethiopian Renaissance Dam (GERD).

GHANA

Ghana Powers Up: The Largest Solar Plant in Africa is Coming
July 16 | Ventures Africa
Scheduled for completion in October 2016, the Nzema solar power plant will be not just the largest in Africa but one of the largest in the world. It will add to Ghana's current electricity generation capacity by 5.5 percent. And it will get the country 20 percent of the way to the 2020 goal set by the country's 2011 Renewable Energy Act – to source 10 percent of its total energy from renewable sources. The

Ghana to harness tidal energy to generate 1,000MW of power
July 22 | African Review
According to officials from ECG, the Swedish firm has signed an agreement with ECG, to install a hydro power plant under the sea and utilise the strong tides generated at the Ada Estuary to generate power.

Government Improves Power Supply in Ashanti
July 21 | The Chronicle
The government has taken a number of measures to improve electricity supply to Kumasi and other parts of the Ashanti Region. These include the installation of a new 130 megawatts bulk supply point (BSP) at Anwomaso, and the construction of workshops and stock yard for cables, transformers, poles, and other materials at Boadi

KENYA

Kenya Power in ambitious plan to connect 300,000 to national grid
July 22 | Standard Digital News
Kenya power will over the next two months start connecting new customers to the national grid on credit and recover connection fees over a two year-year period through monthly bills. The new customers will only pay Sh7,000 as deposit. The utility firm said it would connect 300,000 new customers over the next four years without requiring them to pay an upfront fee of Sh35,000, which is the cost of getting a single phase connection at the moment.

Manufacturers concerned over high power cost
July 14 | The Star
The steep increase in power tariffs will lower the competitiveness of manufacturers in the Kenyan market against cheaper, manufacturers are concerned. The project was financed through secured green funds at concessionary rates from the Co-operative Bank of Kenya.

Strathmore University Goes Big On Solar Power Use
July 22 | Capital FM
Strathmore University in Madaraka, Nairobi has decided to take the solar power route to not only save on energy costs, but also sell excess power, among other benefits.

LIBERIA

Liberia: 'Bong Power Plant Project On Course'
July 18 | The News (Monrovia)
The United States Embassy in Monrovia has disclosed that the hydro power plant project in Suakoko, Bong County, remains on course.

NIGERIA

Ekedc to Generate 1000mw Via Embedded Power Project
July 22 | Daily Independent
Eko Electricity Distribution Company of Nigeria Plc has concluded plans to generate over 1000mw of electricity through embedded power generation model by 2019 ,

Nigeria Makes Progress with $5 billion Investment in Solar PV
July 22 | Solar Novus Today
Nigeria's determination to generate an additional 500MW from solar PV by next year and create a base for increasing the capacity to 4,000MW by 2025, appears to be on course after the recent signing of a major renewable energy development deal with a global clean energy development joint venture.

Solar Technology to Drive Rural Electricity Projects - Nebo
July 15 | Daily Independent
Minister of Power, Chinedu Nebo has said Federal Government has put in place measures to ensure that moving forward solar technology solutions would replace the traditional use of generators as a primary source of energy for the rural electrification projects across the country.

TANZANIA

Climate Change Impacts Hydropower Generation
July 23 | Tanzania Daily News
Deputy Permanent Secretary in the Ministry of Energy and Minerals, Mr Ngosi Mwihava, said the country had for a long time depended on hydropower generation as it is cheaper compared to other sources. Mr. Mwihava said climate change had resulted in the lowering of dam water levels, thus producing insufficient power to run turbines and forcing the government to look for other power generation sources.

Tanzania Government facilitates people's access to reliable energy
July 21 | African Manager
Tanzanian President Jakaya Kikwete has said his government is striving hard to reduce electricity tariffs to enable the majority of the East African nation's population to access reliable energy for development.

Tanzania turns to more gas and coal to meet its energy needs
July 23 | Thomson Retuers Foundation
Despite facing a direct threat from climate change, Tanzania plans to rely heavily on coal and natural gas for its future energy needs as the country strives to develop its economy. The east African nation has suffered from a growing energy deficit in the last several years, caused partly by recurring droughts that have crippled hydropower capacity.

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Power Africa

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17. Kenya: Kenya Power in ambitious plan to connect 300,000 to national grid | July 22 | Standard Digital News
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1. Power Africa - Nigeria: Nigeria, US Finally Sign MoU on 10,000MW Power Africa Initiative | July 25 | THISDAY LIVE

URL Source: http://allafrica.com/stories/201407250347.html

Chineme Okafor and Ejiofor Alike

Even though they happened separately, the signing of a Memorandum of Understanding (MoU) between Nigeria and the USA on a 10,000-megawatt (mw) power generation project and the release of 248 abandoned containers of imported power equipment worth billions of naira belonging to the defunct Power Holding Company of Nigeria (PHCN) portend hope of more Nigerians having access to electricity.

With the MoU formalised yesterday, the federal government has agreed to work with the US Government to increase access to and availability of electricity in Nigeria through the US-backed Power Africa initiative which was launched last year in Cape Town, South Africa by US President Barack Obama.

According to available statistics, the power output from the national grid stood at 3,800mw last May, a marginal increase from the 3,600mw figure in April.

The initiative hopes to double the number of people with access to power in sub-Saharan Africa, starting with six countries including Nigeria which signed an MoU with the US to formally activate the initiative.

As a result of this development, Global Edison Corporation has also concluded plans to construct a $2.5 billion, 1500mw gas power plant in Anambra State within the Power Africa initiative. The MoU, which was signed by the Minister of Power, Prof. Chinedu Nebo, on behalf of the federal government and US Ambassador to Nigeria, James Entwistle, in Abuja now offers a framework to coordinate the implementation and support of institutional reforms, privatisation and regulation of Nigeria's power sector within the Power Africa initiative.

Obama had at the launch of the initiative stated his recognition of the importance of electricity to the economic development of emerging economies. He expects from the initiative that about 20 million Africans will have access to electricity by the completion of the first tranche of the initiative in Ethiopia, Ghana, Kenya, Liberia, Nigeria and Tanzania.

Through Power Africa, African governments, private sector and other development partners such as the World Bank and African Development Bank (AfDB) are expected to improve their power generation by 10,000 mw, by unlocking the substantial wind, solar, hydropower, natural gas, and geothermal resources in the region.

It is stated that the level of funding needed to electrify Africa far outstrips the capacity of African governments and foreign donors; Entwistle in this regard explained that the initiative would strengthen Nigeria's energy sector through credit enhancement, grants, technical assistance and investment promotion efforts.

"Nigeria is well-positioned to reap the rewards of this increased focus on the energy sector. It is our expectation that our joint effort will improve the lives of countless Nigerians and serve as a model for other African countries whose implementation of energy sector reform is nascent," Entwistle said shortly after signing the MoU with Nebo.

Nebo on his part stated that Nigeria had benefitted from the US in her reform of her power sector. He added that the country would leverage on the initiative to provide electricity for its growing population, even in far flung rural areas.

From its structure, Power Africa has developed an innovative model based on transactions with private investors and also policy support to governments to focus and enable key energy projects. It equally wants to leverage on the strengths of US in energy technology, private sector engagement and policy as well as regulatory reform to galvanise collaboration, make quick-impact interventions and drive systemic reforms to facilitate future investments in the power sector. Meanwhile, the Nigerian Bulk Electricity Trading Company (NBET) has released its entire $350 million allocation from Nigeria's $1 billion Eurobond issued to the Nigerian Sovereign Investment Agency (NSIA) to manage for profit.

NBET's release of the fund followed a funds management agreement signed yesterday by the two government agencies in Abuja.

According to the NBET Chief Executive Officer, Mr. Rumundaka Wonodi, the agreement frees his agency to focus on its core mandate to develop the electricity market while at the same time ensuring that the agency's funds are earning interest that would help to defray the cost of the funds while it remains available.

The signing of the MoU came on a day the Nigeria Customs Service (NCS) commenced the phased release of 248 containers of power equipment worth several billions of naira imported by the defunct PHCN but which it abandoned owing to its inability to pay the required clearing costs and accumulated demurrage.

THISDAY learnt that the containers which had been abandoned for 11 years at the ports in Lagos and Onne in Rivers State contained equipment meant for turnkey power projects in about 12 states in the country thereby stalling all the affected projects, and effectively raising concern on the commitment of the government and other stakeholders in the power sector.

Speaking yesterday at the commencement of the release of 151 out of the 248 containers by the NCS, Nebo identified 10 of these projects to include: Abor Mbaise –Mpu– Ideato Substation projects in Imo State; Kano Combusto-Dankata –Hadejiya Transmission Substation; Oba- Nnewi Substations and Lines in Anambra State; Dambata Substation and Omotosho–Epe- Aja lines in Ondo and Lagos States.

Other projects include: ALSCON – Ibom 330KV Lines in Akwa Ibom State; Igangan –Igbora Substation and Ikorodu-Odiganya –Shagamu Transmission Lines in Lagos and Ogun States. Other projects affected by the untimely delivery of the equipment according to Nebo, include Nsukka – Ayangba through Enugu, Benue and Kogi States; as well as the project for the supply of current transformers and capacitor voltage transformers.

Nebo said: "These projects have been stalled for seven to 11 years. The Customs Service graciously agreed to release these things to the Power Holding Company of Nigeria (PHCN) now defunct and being represented by the Transmission Company of Nigeria (TCN). Virtually all of these equipment that have been on these wharfs and ports, including Onne, have been ordered by the defunct PHCN, fully paid for, came into Nigeria and got abandoned in Nigeria.

2. Power Africa: Energy Will Be A Hot Topic At The U.S.-African Leaders Summit | July 25 | AFKInsider

Source URL: http://afkinsider.com/66085/energy-will-hot-topic-u-s-african-leaders-summit/

This is the third of a four-part series exploring U.S. President Barack Obama's upcoming U.S.-Africa Leaders Summit Aug. 4-6 in Washington, D.C. Part three shows how energy is a big issue at the summit. Part two looks at side events associated with the summit; Part one illustrates the issues and events surrounding the summit; and Part four asks whether the summit is a risky undertaking for the White House.

The U.S.-African Leaders Summit Aug. 4-6 in Washington will focus on trade and investment by giving 45 heads of state and more than 100 Ministers an opportunity to mix it up with CEOs from the top U.S. corporations.

And one thing is clear: energy – a topic that has been on the minds of African leaders since President Obama announced his Power Africa initiate a year ago – will be an issue on the table of many meetings. After all, only about a quarter of the sub-Saharan Africa population has access to electricity and 10 percent per year capacity growth is needed to meet electricity demand, according to the World Bank.

In fact, the U.S.-African Leaders Summit – which was originally announced as a two-day Summit and only changed to a 3-day event in the past couple of weeks – has African energy ministers lining up to be on various panels that are both part of the Summit, as well as those conducted outside the official event.

And many of those ministers are from the *Power Africa* countries: The six "clean energy" target countries of Ethiopia, Ghana, Kenya, Liberia and Nigeria; and Uganda and Mozambique, which have separate deals for "responsible" oil and gas development through the State Department's Governance and Capacity Initiative.

"The planned agenda was designed from the start to engage African energy ministers as well as private investors, both of which groups are crucial in the growth of the African power sector," Charles Stadtlander, a spokesperson at the Overseas Private Investment Corporation told *AFKInsider*.

Before the official Summit opens, the U.S. Trade and Development Agency and the U.S. Department of Energy will co-host the "African Leaders' Visit: Energy" trip to Houston July 30-Aug. 1 for oil and gas ministers from Ghana, Kenya, Tanzania, and Mozambique – all countries that have recent offshore natural gas discoveries.

As of this writing, the confirmed delegates include Esperança Bias, Mozambique's Minister of Natural Resources.

"And she will be bringing with her two CEOs of the natural gas public resource sector," Thomas Hardy, Director of Public Affairs at the U.S. Trade and Development Agency told *AFKInsider*.

Also confirmed is Sospeter Muhongo, Tanzania's Minister of Energy and Minerals, and Richard Sezibera, Secretary General of the East Africa Community which includes Kenya, Uganda, Tanzania, Burundi and Rwanda.

Simultaneously on July 30, the Corporate Council on Africa's Power Africa Working Group – the designated private sector facilitator for the U.S. *Power Africa* initiative – will present "Navigating the

Power Sector in Ethiopia" in Houston. Confirmed are Ato Alemayehu Tegenu, Ethiopia's Minister of Water and Energy and Azeb Asnake, the CEO of Ethiopian Electric Power.

"The Ethiopians are sending a very large delegation to Houston and that's beyond the normal numbers that [U.S. Trade and Development Agency] does," Stephen Hayes, president and CEO of the Corporate Council on Africa told *AFKInsider.*

Later in Washington on Aug 1, the Corporate Council will offer"Navigating the Power Sector in Ghana & Liberia,"that includes Emmanuel Armah-Kofi Buah, Ghana's Minister of Energy and Petroleum, and Patrick Sendolo, Liberia's Minister of Lands, Mines & Energy, as well as three executives from the Millennium Challenge Corporation, who will discuss the opportunities in their upcoming compacts.

Meanwhile, Ghana President John Dramani Mahama will be attending the White House Summit with energy on his mind: The country, which continues to face formidable energy generation challenges, is waiting on a decision concerning their second Millennium Challenge Corporation grant worth almost $500 million for projects in the energy sector, according to the Millennium Challenge Corporation.

The Corporate Council will also bring its member companies and others together with the African leaders in Washington on Monday, August 4 for an all-day Business Forum that includes a *Power Africa* luncheon and panel.

As Corporate Council on Africa's Steven Hayes mentioned in Part Two of this series:"We established the *Power Africa* lunch and the U.S. government approached us and said 'can we share in this and make this our official U.S. government event as well,' and we said 'sure.'"

"So we worked it out and the U.S. government keynote speaker is going to be Elizabeth Littlefield of Overseas Private Investment Corporation, who are probably doing more on *Power Africa* in terms of financing than anybody," Hayes told *AFKInsider*, noting that the lunch panel originally was going to be "Power Africa: One Year After."

"But we felt it's far too early to give any type of assessment – positive or negative," says Hayes.

Instead, the panel will touch on what has worked and what needs to be done with *Power Africa*.

"And so the U.S. government agreed to make that their primary agenda. So I think it's going to be an exciting program," Hayes told *AFKInsider*.

Meanwhile, Tuesday, Aug. 5, brings the main event for the U.S.-African Leaders Summit: the all-day U.S.-Africa Business Forum where it is expected that some 300 U.S. officials, CEOs and African representatives will mingle and talk shop.

A U.S. State Department official told *AFKInsider* that ***"****Power Africa* will be covered" during that Business Forum.

The Power Africa Road Tour

Leading up to the August summit, the U.S. government has been aggressively promoting energy development for months through trips to Africa by the who's who of *Power Africa's* lead government funding agencies, including the U.S. Agency for International Development, the Millennium Challenge Corporation, U.S. Export-Import Bank, the U.S. Overseas Private Investment Corporation, the Department of Commerce and the U.S. African Development Foundation.

During those road trips, the funding agencies let it be known there are more grants – and American energy companies – readily available for even countries *not* part of *Power Africa*.

"We are committed to supporting power projects across Sub-Saharan Africa," Overseas Private Investment Corporation's Charles Stadtlander told *AFKInsider*. "We currently have power projects or approvals for financing in Togo, Kenya, South Africa, and Tanzania. Our upcoming pipeline of deals adds even more countries to that list."

At May's World Economic Forum on Africa in Nigeria, the second round of grants were announced for the "GE Power Africa Off-Grid Challenge," sponsored by the U.S. African Development Foundation, GE Africa and the U.S. Agency for International Development (USAID) – this year offering even more grant money.

"The one thing that has changed is that USAID has come on board this program allowing us to not just double the grants but to triple them… reaching all the countries involved in Power Africa," Patricia Obozuwa, Director of Corporate Communications for GE Africa told *AFKInsider*.

Later in May, Secretary of Commerce Penny Pritzker led 20 American companies on an "Energy Business Development trade mission to West Africa," which visited Ghana and Nigeria to "promote U.S. exports to Africa by helping U.S. companies' launch or increase their business in the energy sector in West Africa," according to the Commerce Department.

Next up was U.S. Agency for International Developmen Administrator Rajiv Shah, who traveled to Ethiopia June 3-4 to meet with local government officials to discuss support for sustainable energy during the U.S.-Africa Energy Ministerial,co-hosted by Secretary of Energy Ernest Moniz and Ethiopian Minister of Water, Irrigation and Energy Alemayehu Tegunu. It was during that trip Secretary Moniz announced the new "Power Africa Beyond the Grid" initiative to leverage partnerships with 27 companies committing to invest over $1 billion into off-grid projects as a supplement the existing "Power Africa Off-Grid Challenge."

The U.S. Trade and Development Agency was also making the rounds. During a month-long series of trips to western, eastern and southern Africa, Director Leocadia I. Zak signed grants for seven new energy projects in Nigeria, Tanzania and South Africa.

At the Energy Business Development Mission to West Africa in May, Director Zak signed three grants for energy projects in Nigeria. Later at the U.S.-Africa Energy Ministerial in June, Zak signed two grants supporting renewable energy projects – one each in Tanzania and South Africa – and then traveled south where she signed two more grants for renewable energy projects in South Africa.

The U.S. Trade and Development Agency wrapped-up it's road trip at June's 16th annual Africa Energy Forum in Istanbul.At that Forum, delegates from the who's who of *Power Africa's* government funding agencies highlighted successes from the first year of the *Power Africa* initiative during a roundtable on "Accessing the U.S. Government's Toolkit for Africa's Power Sector."

The African Plan

While the U.S. has been making their energy funding options and initiatives known, African energy ministers have been formalizing their own plan to pursue wider energy equality in the region themselves: the "Vision for African Power."

Though vague, the African Power Vision is derived from the “Program for Infrastructure Development in Africa,” which is jointly sponsored by the African Union Commission, New Partnership for Africa’s Development and African Development Bank. According to the African Development Bank, the “Vision” is to “harness all African energy resources to ensure access to modern energy for all African households, businesses and industries by developing efficient, reliable, cost effective and environmentally friendly energy infrastructure resulting in poverty eradication and vigorous sustainable development of the continent.”

A meeting of African energy ministers was held March on the side-lines of the seventh Joint United Nations Economic Commission for Africa /African Union Annual Conference of Ministers of Finance, Economy, Planning and Development where a draft “Vision for African Power” was reviewed.

Another ministerial consultation on this Africa Power Vision took place on the margins of May’s World Economic Forum on Africa, held in Abuja. Convened by the Minister for the Economy and Minister of Finance for Nigeria, Dr. Ngozi Okonjo-Iweala and co-hosted by Chinedu Osita Nebo, the Nigerian Minister of Power, that meeting further hashed-out details of the “Vision for African Power” to develop a roadmap to bring to the upcoming U.S.-Africa Leaders Summit.

Carlos Lopes, Executive Secretary of the United Nations Economic Commission for Africa, stated: “The Power Africa Initiative is an enabler, and the Africa Power Vision**,** derived from the Program for Infrastructure Development in Africa is focused on making projects more bankable and easier to sell.”

The Africa Power Vision roadmap was further discussed on the sidelines of June’s African Union Summit in Equatorial Guinea to get a final consensus.

But when and how the Africa Power Vision roadmap will be presented during the U.S.-Africa Leaders Summit is hard to say, though Tuesday’s big event U.S.-Africa Business Forum seems the logical choice.

“I think you’ll hear about that at the Summit,” Corporate Council on Africa’s Hayes told *AFKInsider*, who notes that it’s also bound to come up at the Corporate Council’s panel discussion during the *Power Africa* luncheon on Aug. 4, where energy ministers from Kenya, Nigeria, Cote D’Ivore, and maybe Ethiopia will be on hand.

“Part of our plan was to have the energy ministers themselves, rather than U.S. government speakers, to talk about the Africa Plan. So I think you’ll hear about that from some of the energy ministers,” says Hayes.

In fact, much of what gets done at these types of summits and conferences happen in the fringes rather than the main event.

“There will be a lot of quality things happening around the margins,” former Connecticut Congressman Toby Moffett told *AFKInsider*.

More on that in Part 4 of this series.

3. Power Africa: Opinion - Congress May Decide the Fate of the Historic U.S.-Africa Summit | July 18 | Roll Call

Source URL:
http://www.rollcall.com/news/congress_may_decide_the_fate_of_the_historic_us_africa_summit_commentary-234901-1.html

In less than a month, Washington will play host to roughly 50 African heads of state, hundreds of cabinet-level ministers, and over a thousand American and African business leaders and investors. It will be a truly historic moment. More importantly, it will be an unparalleled opportunity to advance U.S. strategic interests on the African continent — spanning from Cairo to Cape Town. While President Barack Obama will be hosting this summit, in some ways, Congress will decide whether it will be a success.

African delegations are expected to deliver a unified message to U.S. policymakers — they want to attract more U.S. investment into their economies. This reflects a strong recognition that U.S. investment, technology, and innovation can help to spur greater growth and prosperity in African economies. It can also help to close a massive infrastructure gap — ranging from unreliable power to insufficient transport networks — as well as address increasing demands for gainful employment.

African leaders have a political imperative to rapidly expand access to economic opportunities. Every year, up to 15 million youth enter the job market. Over two-thirds of recently surveyed Africans cite jobs and economic prospects as their most pressing concerns. Those figures exceed 75 percent in places like Nigeria, Egypt, South Africa, and Tunisia. Leaders intimately know that the dawning demographic bulge, coupled with growing public expectations, can either become a blessing or an explosive recipe for instability. The Arab Spring, or even the vicious Boko Haram movement in northern Nigeria, are powerful reminders of this dynamic.

Central to this story are the lack of reliable power and access to financing. Take Nigeria as an example. Nearly 80 percent of Nigerian firms cite these two issues as the biggest constraints to their profitability, growth, and ability to hire more workers. On average, there are 25 power outages a month, which in turn, cut nearly 10 percent off of firms' sales each year. Not to mention that 80 million ordinary Nigerians have no access to modern energy services. Simultaneously, only 4 percent of Nigerian firms use banks for working capital or to finance investments.

Just imagine what would be possible for Nigeria's $500 billion economy if these issues were tackled effectively. Then consider the opportunities for US businesses in an unshackled market of 170 million consumers. While Nigeria is arguably the most striking example of this storyline, the same dynamics are unfolding across the continent. All of this illustrates the growing need for mutually beneficial relationships between America and African nations.

This is where Congress and the Energize Africa Act come in. This ambitious bill, which recently passed out of the Senate Foreign Relations Committee with strong bipartisan support, would usher in a paradigm shift for how the U.S. pursues its development and foreign policy objectives. It moves beyond the outdated model of foreign aid handouts and insists upon private sector-based solutions. Through the Overseas Private Investment Corporation — a small and nimble U.S. development agency — it would leverage the unparalleled power of U.S. investors in pursuit of U.S. strategic interests.

OPIC's mission is simple and straightforward. It supports U.S. development objectives abroad by providing loans, guarantees, and political risk insurance to help U.S. businesses enter into frontier markets. It has an explicit mandate to only support projects where private financing is either unavailable or too short-term in nature. This is particularly critical for power generation projects, which often require patient, long-term capital. For their part, U.S. investors pay risk-based fees and interest rates on OPIC's insurance and loan products, which instills market-based discipline. The legislation also would provide OPIC with new tools to support joint ventures between American and African firms, thereby further helping to address the lack of local financing.

Through this operating model, OPIC could not only deliver strong development results but also generate modest profits that flow back to the U.S. Treasury. This ultimately would help to reduce the federal deficit. The Energize Africa Act's bipartisan sponsors, led by Senators Robert Menendez, D-N.J., and Bob Corker, R-Tenn., recognize the power of this approach.

The House of Representatives, with Congressmen Ed Royce, R-Calif., and Eliot L. Engel, D-N.Y., leading the way, has already passed its counterpart bill, the Electrify Africa Act. Now, it's time for the Senate to move. Doing so would send a strong signal to the roughly 50 African leaders traveling to Washington next month that the United States is a committed, long-term partner.

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4. Power Africa: Opinion - Electricity for Africa initiative could help make 'High-Energy Planet' vision a reality | July 22 | WashingtonExaminer.com

Source URL: http://washingtonexaminer.com/electricity-for-africa-initiative-could-help-make-high-energy-planet-vision-a-reality/article/2551141

| July 22, 2014 | 5:00 pm

Two bills in Congress are waiting in the wings for their high voltage debut - the "Electrify...

If all goes smoothly, President Obama will be able to sign a landmark bipartisan energy-for-Africa bill when more than 40 African heads of state - all looking to attract more U.S. investment for their economies - convene at the White House for the U.S.-Africa Leaders Summit on Aug. 5 and 6.

Two bills in Congress are waiting in the wings for their high voltage debut - the "Electrify Africa" measure (HR 2548), which has passed the House of Representatives and the Senate's companion "Energize Africa" bill (S 2508), which is ready for a floor vote. Both bills abandon yesterday's foreign aid handouts and propose only private sector-based incentives such as loans, guarantees, and political risk insurance as a shock absorber for U.S. businesses willing to enter frontier African markets.

The mere possibility of an energy-for-Africa bill with the president's signature on it is already sparking angry outbursts from Obama's political base. That's bizarre but predictable - congressional action would give Obama a big boost for his June 30, 2013, "Power Africa" initiative, which - amazingly - is an "all of the above" energy program and not one of those weasel-worded "all except fossil fuels" shams the White House usually perpetrates. The White House fact sheet specifically said, "Power Africa will partner with Uganda and Mozambique on responsible oil and gas resources management." It was silent about coal, which is plentiful in Africa.

When Energy Secretary Ernest Moniz touts his department's "Beyond the Grid" initiative to encourage greenie-approved off-grid and small-scale energy projects, he takes care to avoid disparaging fossil fuels because they're part of Obama's Power Africa plan.

Obama's Big Green base is furious that a measly president of the United States would dare to thwart their exalted global mission to force people in developing nations to live off-grid with only the energy for two lightbulbs, a fan and a radio - a standard measure of “energy access” used by the U.N.'s callous “Sustainable Energy for All” initiative.

A recent Sierra Club report, “Clean Energy Services for All,” defines energy access for poor nations as living on 0.15 percent of the average Californian's annual usage, according to several critiques. Sierra Clubbers, please lead by example.

The Sierra Club's sourpuss misers got a nasty slapdown in June from the Breakthrough Institute, a brainstorming enterprise formed in 2004 by Big Green bad boys Ted Nordhaus and Michael Shellenberger. The unknown pair published a provocative essay titled "The Death of Environmentalism" - drubbing everything wrong with mainstream environmentalism - and presented all the dirty laundry at the annual retreat of the Environmental Grantmakers Association. They weren't unknown afterward.

They have matured wonderfully into welcome thought leaders with their April publication, "Our High Energy Planet -- A Climate Pragmatism Project." In the past I have disparaged some of their more leftward shenanigans, so I offer the following quote from their executive summary as part contrition, part admiration:

“Today, over 1 billion people around the world — 500 million of them in sub-Saharan Africa alone — lack access to electricity. Nearly 3 billion people cook over open fires fueled by wood, dung, coal, or charcoal. This energy poverty presents a significant hurdle to achieving development goals of health, prosperity, and a livable environment.”

I have friends in sub-Saharan Africa, from my days working with leaders of the Congress of Racial Equality, two of whom run CORE Uganda, Fiona Kobusingye and her husband Cyril Boynes. Kobusingye is also an outspoken promoter of DDT sprays as coordinator of Uganda’s Kill Malarial Mosquitoes Now Brigade. She is a victim of malaria herself, requiring lifelong medical treatment — I was seated next to Fiona at a 2004 conference in New York City when she suffered an attack and went to a hospital where none of the doctors had ever seen malaria — and she has lost many cherished family members to the disease.

I asked CORE’s national chairman, Roy Innis, how he felt about the two energy-for-Africa bills now in Congress. Although best known for his activism in the civil rights movement of the 1960s, he is also a long-time champion of energy access for the disadvantaged — and author of "Energy Keepers, Energy Killers: The New Civil Rights Battle."

Innis said, “A short visit to most of Africa reveals a crushing shortage of controlled and developed energy. It appears that on this legislation, HR 2548 and S 2508, we can avoid the usual fights that bogged down the legislative branch. We hope that the executive branch can follow.”

CORE Uganda hopes so in particular. The Ugandan census of 2002 reported that 7.7 percent of households used electricity for lighting (only 2.6 percent of rural households), with 74.8 percent of households using "tadooba," a form of paraffin candle, for lighting. Most tourist areas need backup generators because of grid failures. In 2002, the network fed by hydroelectric dams on Lake Victoria provided power to only 33 of the 54 districts of Uganda. Things have improved with diesel-fueled power turbines and co-generation from sugar works, bringing most numbers up about 50 percent since 2002. And in February, the Ugandan Ministry of Energy signed a deal with three European – not American – oil companies to develop its petroleum reserves estimated at over 3.5 billion barrels, based on limited drilling and testing.

Assuming that Congress does the right thing and puts an energy-for-Africa bill on Obama's desk soon, the new law and his Power Africa initiative may together have the momentum to steamroller the would-be energy-starvation despots of the world into the frozen darkness of Dante's Ninth Circle of Hell and lift the Breakthrough Institute's report title into global reality - "Our High-Energy Planet."

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5. Power Africa: Opinion - Powering Africa From the Ground Up | July 17 | Fair Observer

Source URL: http://www.fairobserver.com/region/africa/powering-africa-from-the-ground-up-77329/

Kwaku Osei | July 17, 2014

The Dallas "Cowboys Stadium uses more power than the entire country of Liberia." Let that sink in.

Ellen Johnson-Sirleaf, the Liberian president, made this revelation in a recent article. Unfortunately, the situation she describes is not unique to Liberia. More than two-thirds of sub-Saharan Africans live without electricity, and more than 85% of those in rural areas lack access to power. African governments have tried, with varying levels of success, to address this issue. Their efforts received a boost with the Obama administration's announcement of the Power Africa initiative — a commitment of $7 billion in financial support to help increase power generation across the continent.

As laudable as these efforts are, the real race to power Africa is being run — and won — below the government level, by a host of African start-ups. We live in an age of the start-up, where every problem, or systemic inefficiency, is just another company waiting to be formed. In this regard, Africa is no different. There is, perhaps, no larger problem on the continent than a lack of generation and access to power. So it is no surprise that a fair number of companies in Africa's digital boom have chosen to offer solutions in this area. Over the past year, their efforts have begun to bear fruit and investors have started to pay attention.

Transforming Africa

Recently, Off Grid Electric, a "solar-as-a-service" start-up providing solar energy to rural communities in Tanzania, raised $7 million from a consortium of investors to support their bid to "light Africa in a decade." They are not alone. In 2013, Persistent Energy Partners, a New York-based venture capital fund, acquired Impact Energies, a two-year-old start-up that sells and leases solar home systems in Ghana, for a sum rumored to be in the seven figure range. The union created a new arm, Persistent Energy Ghana, which plans to reach over 25,000 households by 2016.

These investors, however, are not the first to show interest. D. Link, which provides solar lanterns to rural customers in over 40 countries, and M-Kopa, which provides a complete solar power home system on an affordable payment plan, have, in the past, managed to raise money from the Acumen Fund and Gray Ghost Ventures among others.

A lack of significant investor backing, however, has not deterred dozens of other companies from facing the power problem head-on with innovative solutions. ARED in Rwanda and Solarkiosk in Ethiopia are looking to outfit the small kiosks — ubiquitous across many African countries — with solar panels and empower them to provide energy solutions within rural communities. Zamsolar in Zambia, Barefoot Power in Ghana and Dungo Energy Solutions in Ethiopia are looking to deliver solar solutions directly to households by employing local distribution networks. Taking a different approach, ECO Power Africa and Green Energy Park in South Africa are looking to convert biomass into the energy the continent so desperately needs. The multitude of solutions being offered by these companies speaks to the scale of the problem they are hoping to solve.

More than two-thirds of sub-Saharan Africans live without electricity, and more than 85% of those in rural areas lack access to power.

Cheap, Renewable and Localized Solutions

What these solutions have in common is that they are cheap, renewable, distributed and highly localized. As the cell phone boom in the 1980s and 1990s proved, in Africa, this is the way to succeed where governments have failed. As Emeka Okafor, a popular tech blogger, explains:

"Following the central-station model as practiced in the West meant that Africa had no tele-communications for decades. Cellular telephone technology allowed local entrepreneurs to build small, cheap, and rapidly deployable cell towers. Cellular technology enabled Africa to avoid replicating the expensive centralized model. The same can be done with electricity generation. Instead of investing billions in constructing major power stations, transmission towers, and distribution and metering infrastructure, it is much easier to deploy micro-to-small power generating nodes that will supply electricity efficiently on a localized basis."

It is arguable, even more so than the telecommunications market, that the energy industry in Africa is primed for this revolution. The constant hum of the thousands of diesel generators on Victoria Island in Nigeria is a reminder of how the continent's wealthier inhabitants have already solved their energy problem. The high price of diesel has prevented this model from being widely adopted. Affordable solar or biomass products avoid this problem. There is every reason to believe the small energy start-ups of today will soon compete with telecom companies for dominance of the African corporate space.

The Obama administration's Power Africa initiative pays lip service to the importance of mini-grid and off-grid solutions. Yet the majority of investments announced seem to be directed toward large-scale, centralized interventions that will increase power generation capacity and hopefully get more people on the grid. In the meantime, smaller, fast-moving start-ups are racing to provide alternative solutions for millions of people who remain off the grid. If they continue at their current pace, citizens in Liberia — and other countries — will have near complete access to off-grid power before the Dallas Cowboys win another Super Bowl.

The views expressed in this article are the author's own and do not necessarily reflect Fair Observer's editorial policy.

6. Power Africa: Opinion - The U.S.-Africa Leaders Summit: Deepening Trade and Commercial Ties | July 24 | Brookings Institution

Source URL: http://www.brookings.edu/blogs/africa-in-focus/posts/2014/07/24-deeping-trade-commercial-ties

Editor's Note: The U.S.-Africa Leaders Summit blog series is a collection of posts discussing efforts to strengthen ties between the United States and Africa ahead of the first continent-wide summit. On August 4, Brookings will host "The Game Has Changed: The New Landscape for Innovation and Business in Africa," at which these themes and more will be explored by prominent experts. Click here to register for the event.

Trade and investment will be an important topic at this year's U.S.-Africa Leaders Summit. However, while the fact that the annual U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum, often called the AGOA Forum, is folded into the summit will ensure that the trade relationship is on the agenda, it also means that the trade forum is getting less individual attention than normal. With the African Growth and Opportunity Act (AGOA) legislation expiring at the end of next year and other major players such as China constantly enhancing and adjusting their trade and investment policies as they relate to the continent, the U.S. administration must use the summit and the forum as opportunities to ensure that it isn't simply rehashing the old stories of the past decade, but announcing new, improved and meaningful strategies for trade and commercial engagement with African leaders.

Trade Trends with Africa's Leading Partners

Over the past decade, the U.S. has gone from a leading trading partner with Africa to being far surpassed by the European Union and China. The EU has been a major traditional trading partner of Africa, and over the last decade its trade with the continent has more than doubled: In 2013 it amounted to over $200 billion. China started from a smaller base but has seen much more explosive growth—moving from $10 billion in 2000 to over $170 billion in total trade in 2013. Japan trails the U.S. in its total trade with Africa but, unlike Japan, the U.S. has actually seen its total trade decline in recent years, in 2013 amounting to about $60 billion—importing about $40 billion from the continent and exporting around $20 billion. In 2011, the U.S. imported close to $80 billion from African countries—most of which entered duty-free under AGOA or the Generalized System of Preferences—and exported around $20 billion consistently for the last five years. The decline and flat lining in U.S.-Africa trade begs the questions for the administration: What more can be done to see an increase in this commercial partnership similar to what the EU and China are experiencing? What has the U.S. done and what should the U.S. be doing to be a better partner to sub-Saharan Africa?

U.S. Trade and Commercial Engagement Strategy

Right now the U.S. has a variety of strategies, preferences, programs and people on the ground in Africa to promote commercial engagement. AGOA is a trade preference that allows for duty-free export access to the U.S. market for around 6,000 products in eligible sub-Saharan African countries. The USAID trade hubs work to help exporters in sub-Saharan Africa utilize AGOA, but are located in only three different countries (though the West Africa Trade Hub has an additional satellite location and smaller resource centers in many countries in the region). U.S. Foreign Commercial Service Officers (CSOs), which assist U.S. exporters in targeting African markets, are based in four countries on the continent: Ghana, Kenya, Nigeria and South Africa. The U.S. Department of Commerce also announced in April 2014 plans to expand several of its existing offices and double its presence in Africa by opening its first-ever offices in Angola, Tanzania, Ethiopia and Mozambique.

The U.S. also has the Trade Africa initiative, which is a partnership between the U.S. and sub-Saharan Africa to increase both internal and intra-regional African trade, and "expand trade and economic ties among Africa, the United States, and other global markets," though with an exclusive focus on the East African Community. In 2012, the U.S. Commerce Department launched its Doing Business in Africa campaign to encourage and support U.S. business engagement with the region. The U.S. is working to deepen its commercial engagement with the continent in many ways including integrating the private sector in three of its key initiatives: Feed the Future, Power Africa and the Young African Leaders Initiative. The new CEO Summit, which will include CEOs from Africa and the U.S. in a day long conversation with President Obama and African leaders, should also be a new, helpful strategy for identifying key obstacles to trade and investment as well as identifying strategies for removing those obstacles. These new U.S. approaches could pay significant dividends in the coming years.

Enhancing the U.S.-African Trade Relationship

Both sides stand to gain from a more cohesive and substantial commercial strategy. African exports make up around 2 percent of total world trade and increasing this number (including exports destined for the U.S.) will be positive for African countries. On the other hand, African countries represent an important market for U.S. products and exporters -- as the continent's middle class is growing, there's more spending power and more growth -- meaning more potential for exports in not only consumer goods but also construction, infrastructure, energy, health care, transportation equipment and sectors, where U.S. companies have a lot to offer. In fact, the current level of U.S. exports to Africa, just over $20 billion, translates into support for more than 100,000 American jobs.[1] There is a win on both sides *if* both sides are interested in making the relationship work with ease.

Changing Paradigm of Partner Engagement with Africa

It's obvious that the U.S. is not the only partner that has seen the great market potential of Africa, and many others have adapted quickly to engage. China is always the example, with its higher risk appetite, innovative financing and fewer restrictions on its loans and assistance strategies than OECD Development Assistance Committee (DAC) countries like the U.S., and it has managed to engage all over the continent. The Chinese government's website indicates that it has over 150 commercial attaches located on the continent—making identifying opportunities, partnerships and markets easier than for the U.S., which has a fraction of this number doing the same work (with only four countries housing Department of Commerce offices, holding no more than two officers each). Its Export-Import Bank even has an office on the continent, while the U.S. Export-Import Bank has to watch its reauthorization debated by Congress.

The EU is also changing its strategy with regards to Africa, as evidenced by the Economic Partnership Agreements (EPAs) that it wants to implement with Africa. The EPAs are reciprocal trade preferences that, unlike AGOA, would give the EU an advantage when exporting to African countries—preferences that the U.S. and other regions wouldn't have. This has been a point of contention for many African countries because EPAs undermine regional integration in the sense that they give European countries even greater trade preferences than afforded to other African countries. The EPAs also give EU exporters preferential access to the disadvantage of U.S. companies and exporters. In July 2014, the first-ever EPAs between the EU and African regions were concluded with six of the 15 countries in the Southern African Development Community (SADC) signing the EPA, and the Economic Community of West African States (ECOWAS) and Mauritania endorsed for signature by ECOWAS heads of state. The U.S. must consider how the EU's implementation of the EPAs may influence its own trade strategies with African countries and regional organizations.

The Opportunity for Promoting Deepened Trade and Commercial Ties Through the Summit

As the U.S. prepares for the U.S.-Africa Leaders Summit, the importance of their trade partnership is apparent, and the U.S. is clearly attempting to increase its efforts to engage, so having a clear message on what the next steps are for increasing this trade relationship will also be important. The U.S. should focus on announcing and acting on three items: extending the AGOA legislation; clarifying the country's interests in external trade policy that relate to Africa; and having a more ambitious and cohesive agenda for promoting U.S.-Africa trade.

Expressing a clear commitment to extending AGOA

The renewal of the AGOA legislation prior to its pending expiration will be a major talking point for African leaders during the summit. Legislation is in the process of being drafted on the hill, but hearing from both the administration and Congress that they will support it as well as make efforts to increase the effectiveness of it in promoting African exports will be critical. Trade capacity building, monitoring and reporting, and AGOA country strategies are all items that new legislation should consider. There should also be a clear commitment to extend the legislation for a period long enough to promote investment—10 or more years being a critical requirement for reassuring new investors and getting positive trade development. Announcing this at the summit will show clear signs of the U.S.'s interest in continuing to promote growth, industrial development and deepened commercial ties.

Promoting increased utilization of AGOA through targeted strategies with African countries

AGOA has been a useful tool in promoting trade through allowing sub-Saharan African countries duty-free access to the U.S. market, but many countries are exporting little to nothing to the U.S. using these benefits. Encouraging countries to create AGOA export strategies—for those who have not already—will be important. Finding ways to increase support for trade capacity building efforts and regional integration could be achieved through dialogue initiated at the summit with African leaders that also includes regional organizations and the United Nations Economic Commission for Africa and the African Development Bank. Strategizing with these groups could have powerful effects for enhancing renewed legislation.

Indicating interest in supporting Africa's trade development without reciprocal arrangements

The EU wants African countries to sign on to the EPAs, as indicated, but the possible negative consequences for the continent have been well documented and the advantage it would give to EU countries is counter to U.S. interests. While such agreements can't be considered off the table in the future, noting that the U.S. is dedicated to increasing Africa's trade capacity in the medium term through AGOA and not EPA-like agreements sends a strong signal to African countries.

Pushing forward trade facilitation efforts

The U.S. should also make a point at the summit to reinforce its commitment to supporting a better trade environment in Africa by agreeing to contribute more to the trade facilitation enhancements that are part of the Bali agreement. In essence, the Bali agreement requires countries to make certain changes to increase trade facilitation—create one-stop border shops, increase transparency in the legal and regulatory framework, and increase efficiency regarding processes and fees, and the like. This agreement has become a point of contention in Washington as those who are interested in renewing AGOA want to see African countries do as much as possible to make trading with the continent easier, and do not understand hesitation from African countries to make relevant reforms. Some African countries and other developing countries have expressed concern about the reform obligations placed upon them under the agreement, with worries that the cost of implementing them could be great, and the lack of funds could constrain them in other areas. They want to have specific funding in place to ensure that this will not be an issue.

The U.S. has a clear opportunity to support these efforts. Ensuring that the Bali agreement is effectively implemented would be beneficial to African countries trading with one another and the U.S. as well. The U.S. already provides some assistance through the USAID Partnership for Trade Facilitation, which was launched in 2011 and works to help countries prepare for implementing the agreement. A recent USAID publication, *A Comprehensive Approach to Trade Facilitation and Capacity Building*provides an impressive and detailed strategy for further engagement. It also recognizes concerns about sufficient donor support. The U.S. could make a great difference through increasing technical support geared towards implementing the agreement and providing increased funding to address African countries' concerns about the Bali agreement, through vehicles like the African Development Bank's Trade Fund, for example. The summit could serve as an excellent forum at which to announce specific plans like this that would show a serious commitment to enhancing U.S.-Africa trade.

Moving towards a more cohesive African trade and investment strategy

Lastly, as we can see, the U.S. has multiple programs, preferences, agencies and initiatives working to promote enhanced U.S.-Africa trade, but making a clearer channel of engagement seems to make sense for both sides. Navigating the different programs and initiatives that exist can be daunting for U.S. businesses looking to break into African markets and understanding the assistance available for African exporters in eligible countries under AGOA can be equally unclear. Creating both an online hub for directing businesses on available resources and programs as well as housing a U.S.-Africa trade promotion authority within a specific department could simply make engagement easier for both sides. Announcing and following through on such a plan at the Leaders Summit could be an exciting next step in deepening commercial ties.

The summit will prove an excellent opportunity for so many levels of engagement, and obviously all African countries will come with their own agendas and interests as well. Conversations surrounding trade will take place, but clear and detailed ideas for moving towards an enhanced trading relationship is what will be needed.

The U.S. Export-Import Bank is up for reauthorization and is attracting an unprecedented amount of controversy in Congress. The Ex-Im Bank, which works to finance the export of U.S. goods and services to foreign markets, is an institution that is critical and relevant for supporting U.S. trade—now more than ever in the increasingly competitive global market. Its support is particularly relevant for doing business with emerging markets, where export/import credit is hard to come by or insufficient for some of the large-scale projects taking place. And it's especially important to U.S. business when doing work in regions like sub-Saharan Africa, where there is a global rush to do more business. Sub-Saharan Africa is, in fact, one of the three congressionally mandated areas of focus for the Ex-Im Bank. Thus, the bank's role in supporting U.S. business in Africa and, through this, African development, should be taken into consideration as its reauthorization is debated.

To give a broad overview, most leading economies have export credit agencies (ECAs) playing a similar role to that of the Ex-Im Bank. For example, the Berne Union of ECAs, which is a global union of export credit and investment companies, has 49 member companies from all around the world. The Ex-Im Bank in particular serves as an especially effective example of an ECA: It does not cost U.S. taxpayers money given its low delinquency rates, and it received the best global ECA award for the second time in 2013 from the magazine *Trade Finance*. The Ex-Im Bank, in fact, earns money for the U.S. government; over the last five years it's earned $2 billion for U.S. taxpayers and has supported the existence of 1.2 million jobs.

When it comes to Africa, the Ex-Im Bank's efforts on the continent are ever expanding; in 2013 it financed a record 188 transactions in Africa with authorizations totaling over $600 million supporting exports in 35 of 49 sub-Saharan African countries. In the first seven months of the current 2014 fiscal year the Ex-Im Bank authorized $1.1 billion for sub-Saharan Africa, amounting to over $5 billion over the last five years. Its website notes that the majority of its authorizations for sub-Saharan Africa benefit "small-business exporters of spare parts, consumer goods and other products" through short-term export credit insurance, which is contrary to notions that the Ex-Im Bank is just supporting big businesses.

The Ex-Im Bank is working across a range of sectors on the continent, with many large-scale transactions supporting needed infrastructure and construction work, including exports geared at transportation, power and port-related equipment. Highlights from its most recent annual report include authorizations of $155 million towards exports needed for a hospital expansion project in Ghana, $108 million for locomotive kits for a rail, port and pipeline company in South Africa, and $15.7 million for firefighting trucks to Nigeria. In 2012, almost $300 million in authorizations went towards small business-supported exports.

Thus, the work the Ex-Im Bank is doing is important not only to U.S. companies looking to export to the continent, but also to the communities buying U.S. goods. The bank's annual report goes into detail about the loan to Ghana to finance American exports for a hospital expansion project in the capital, stating that the hospital will serve as the primary hospital for greater Accra and be "among the most advanced medical facilities in West Africa.

Moreover, the Ex-Im Bank works with multiple U.S. government initiatives focused on U.S.-Africa business and African development. It is part of the U.S. Department of Commerce's Doing Business in Africa campaign, which is working to promote enhanced U.S.-Africa business and also part of the U.S.-Africa Clean Energy Development and Finance Center, which is a "coordinated interagency approach" to help promote the development of clean energy on the continent. The Ex-Im Bank is also playing an important role as part of President Obama's Power Africa initiative, where it works with other U.S. agencies—the U.S. Agency for International Development, the U.S. Trade and

Development Agency, the Overseas Private Investment Corporation, the Department of State and the Department of Energy—with the goal of doubling sub-Saharan Africa's access to electricity.

If the Ex-Im Bank ceased to exist it is possible that some projects couldn't proceed or would be delayed due to unavailability of financing or similar constraints, but what is more likely is that one of the many big players outside the U.S. would be the partner of choice instead. As quoted from a statement by Tom Donohue, president and CEO of the U.S. Chamber of Commerce, and Jay Timmons, president and CEO of the U.S. National Association of Manufacturers, "If Ex-Im is not reauthorized, products of all shapes and sizes, from planes to medical equipment, will still be purchased overseas. They just will not be produced in the U.S. [and not] by American workers."[1] The Ex-Im Bank is facilitating partnerships with U.S. and African businesses that could not exist or be financed without U.S. government support.

As Congress questions whether or not the Ex-Im Bank should be reauthorized, members should contemplate one key question: Does the U.S. want to have the capability to be a partner of choice to emerging markets like those in Africa, home to some of the fastest growing economies in the world, or does it want to stand on the sidelines while the continent continues to rise without it?

Last month, Moody's Investors Service assigned a debut sovereign rating of B1 to the government of Ethiopia. A B1 rating is equivalent to a B rating in Fitch Ratings' scale, which is the agency that rates most African sovereigns. The rating puts Ethiopia on par with Rwanda but a notch below countries such as Kenya, Ghana and Zambia, all rated B+ by Fitch. Oil exporters such as Angola and Nigeria are rated better at BB-.

Moody's Investors Service rating of B1 for Ethiopia is based on four main key drivers: (1) the country's small economy and low per capita income, balanced by a track record of strong economic growth over the past decade; (2) weak institutional setups in comparison with B-rated countries; (3) moderate fiscal strength, with debt burden and related financing costs remaining low given a largely concessional funding base balanced by its increasing reliance on non-concessional financing; and (4) moderate susceptibility to event risk, which balances credit strength and credit constraints.

Ethiopia's sovereign rating is an indicator of its government's ability and willingness to repay its debt. Typically, obtaining a sovereign rating is a precursor to a government's access to international debt markets. However, the Ethiopian government announced late last year that it would be seeking a sovereign credit rating to attract foreign investment rather than to issue debt. Unlike international borrowing, foreign direct investment (FDI) puts little or no burden on public finances, is less volatile than portfolio flows, and is more likely to increase economic growth.

As one of the fastest growing African nations, with a population of over 85 million, an expanding middle class, growing urbanization and a budding green energy sector, Ethiopia has large potential for attracting FDI (Figure 1). In addition, increased FDI would help finance Ethiopia's worsening balance of payments (Figure 2). It should also lead to higher economic growth if accompanied with the right measures, especially those leading to a deeper and well-supervised financial sector and those improving governance.

To understand the importance of the need to increase foreign investment to Ethiopia, it is useful to review the country's current policy environment. Ethiopia follows a public sector-led development strategy based on high public investment under its Growth and Transformation Plan (GTP). Reports from the Ethiopian government and international financial institutions like the International Monetary Fund indicate that under the GTP, Ethiopia has made considerable progress in terms of economic growth, poverty reduction and stabilizing inflation. However, the GTP requires huge investments that the country cannot generate domestically. In the absence of sufficient domestic funding for large scale projects, Ethiopia will have to rely heavily on FDI to achieve the objectives of the GTP.

Some studies indicate that, for sub-Saharan African countries, obtaining a credit rating has a positive and significant impact on attracting FDI. This trend is not surprising as credit ratings are explained largely by a few, mainly macroeconomic, indicators. In general, though, additional factors drive FDI depending on whether investments are market-seeking (driven by economy size and country location), efficiency-seeking (driven by human capital or infrastructure quality) or resource-seeking (driven by the availability of natural resources or other strategic assets). Attracting FDI also depends on a country's institutional and regulatory frameworks, which include judicial independence, labor market flexibility, corruption, level of indirect tax rates on foreign firms and business regulations.

Lessons for Attracting FDI

Ethiopia's record on a number of these factors is at best mixed—hence the B-rating. In our view, the Ethiopian government should quickly draw the lessons from its recent experience in attempting to attract FDI. We focus on the following five issues:

First, critics of the macroeconomic policy of the Ethiopian government often cite the former misguided policy of continuous currency devaluation, as the major reason for the current macroeconomic imbalances in Ethiopia. Instead of inducing export growth, past devaluations aggravated inflation, in part because of the nature of export items and the limited role of the domestic private sector in the economy.

Second, Ethiopia's policies to attract foreign investment in the agriculture sector have faced some challenges. Thanks to government incentives, foreign investors started leasing vast areas of agricultural land—a trend that is often criticized as a "land grab." Environmentalists and human right groups have also objected to these policies, citing the associated risks of environmental degradation and human displacement. Investors were given huge tracts of forested land in southwestern Gambella in western Ethiopia at very low lease rate of $1 per hectare per annum. So far, the record of these ventures and other similar foreign investments in agriculture are, at best, mixed to say the least. Thus, Ethiopia's efforts in encouraging FDI in agriculture have not yet led to higher exports.

Third, the government's recent strategy to attract foreign investment in urban areas is also facing challenges. The government has recently focused on attracting investment to cities located around the capital Addis Ababa in Oromia regional state. The new "master plan" may lead to the displacement of more than 6 million inhabitants without compensation. The government is being accused of violently repressing fierce public protests in Oromia against this policy. Moreover, the government is also attempting to attract FDI by leasing large areas of farmland, displacing farmers in the vicinity of Addis Ababa, to flower companies. Again, concerns have arisen about the displacement of farmers and their compensation.

Fourth, the institutional environment remains challenging. There is an economic and political polarization of the majority not affiliated with the ruling party; growing youth and female unemployment rates; and a widening income gap between the poor and the emerging rich. These factors aggravate the pre-existing grievances of the marginalized and vulnerable poor. Moreover, there are concerns that antiterrorism rules and draconian media laws are mainly being used to crack down political opponents. Rampant corruption also increases the cost of doing business, while the restrictive rules that regulate civil society organizations narrow the political and economic space needed to enhance economic growth. These could be some of the reasons why the World Bank's 2014 *Doing Business* report ranks Ethiopia 125 out of 189 countries.

Fifth, in contrast to most of sub-Saharan Africa, Ethiopia won't allow foreign investment in services such as banking, telecommunications and other industries monopolized by the state or restricted to only Ethiopian companies. Sectors that typically attract foreign investors—and which have attracted the lion's share of FDI on the continent induced by high demands associated with rising income—are closed to them. This policy will limit the efficacy of the credit rating because other areas such as agriculture have not so far proved attractive to foreign investment.

Given the difficult institutional environment, Ethiopia appears to be increasing its reliance on foreign investment to specific sectors (like land) or from specific regions (China, which accounts for 20 percent of total FDI in 2010 and rising). In addition to reducing the size of the public sector and giving more space for the Ethiopian private sector to develop, the government of Ethiopia should definitely take a second look at the determinants of foreign investment mentioned above if it wants to succeed in attracting FDI sustainably, in more sectors, and from more types of investors. At the end of the day, the goal should be for FDI to also lead to higher economic growth. But not all FDIs are equal in this regard, as shown by the poor record of African natural resource-rich countries. Ethiopia, which is resource poor, can pave the way on how African countries can attract FDI beyond those related to oil, gas and other extractive industries.

7. Power Africa: Opinion - The U.S.-Africa Leaders Summit: Far from "bungled" | July 22 | BusinessDay

Source URL: http://businessdayonline.com/2014/07/the-u-s-africa-leaders-summit-far-from-bungled/

July 22, 2014 | Filed under: Analysis | Author: Amadou Sy

madou Sy is a senior fellow in the Africa Growth Initiative at the Brookings Institution.

As the clock ticks down towards the U.S.-Africa Leaders Summit on August 4, the level of expectation is ramping up as to what the summit will deliver. Foreign Policy's Gordon Lubold is the latest to distill views from Africa experts, and his does not make for encouraging reading. But while the article does a good job of building a discussion around this important event, it makes the common mistake of focusing too heavily on China's engagement with the continent and ignores the key successes of the summit in the process. In a recent blog, my colleagues and I compare the U.S.-Africa Leaders Summit with similar forums organized by not only China but also the European Union and Japan. Although not all our recommendations have been followed, we believe that the main measure of success of the first summit between African leaders and the 44th U.S. president should be whether the United States can seize an unprecedented opportunity to build a strategy "together" with Africa.

Here is where I disagree with FP: Argument 1: African leaders will compare their treatment at the U.S. summit with the way they are received by China's leadership. It is true that, unlike his Chinese counterpart, President Obama is not scheduled to have one-on-one meetings with his African guests. Holding bilateral meetings would have been a "first-best" solution but it will not be a deal breaker. African leaders will be coming to Washington, D.C. because they see benefits in engaging the U.S. administration on key economic and political issues. Furthermore, the format of the August

6 Summit Leader Meetings allows for a broad, constructive dialogue that will help President Obama play his role as a welcoming host. We suggest that, in addition, he meets bilaterally with the leaders of the African Union and the Regional Economic Communities.

Argument 2: The U.S. is too late, and China is winning. It is true that China has been holding summits with African leaders for 14 years now. But the U.S. coming late to the summit game does not mean it is losing the continent. In fact, the U.S. loss of competiveness relative to China is often blown out of proportion.

China is very active on the continent, and most of the recent growth in aid, trade and investment to Africa can be attributed to China. China is now Africa's largest bilateral trade partner. But the U.S. has a long-standing economic relationship with the continent. In a recent blog on foreign direct investment (FDI) to the continent, we note that the U.S. and France were the largest sources of FDI stock for sub-Saharan Africa in 2012 at $31 billion each, followed by the U.K. with $25 billion. The potential for more U.S. FDI is huge given that less than 1 percent of U.S. global FDI stock abroad is destined for the region. While China invested 3.4 percent of its FDI stock abroad in the region in 2012, but that only accounts for $18 billion (estimates range from $18 to $21 billion depending on the data source).

Argument 3: The business forum will not lead to major deals and therefore is of limited value.

I also do not expect major deals, but the U.S. has an opportunity to shape how the U.S. private sector can engage the continent. President Obama's Power Africa initiative aims at considerably strengthening the role of the U.S. private sector in energy projects in the continent.

At a time when the aid community is recalibrating its model towards more "blended" programs that leverage the public sector's role to partner with the private sector, Power Africa is a welcome innovation.

In addition, commitments from the U.S. and African private sector have already been announced. The U.S.-Africa Leaders Summit should not be seen as the beginning of a process, but rather as another important step in ongoing U.S. engagement with Africa. It will certainly build on a number of recent meetings such as the U.S.-Africa Energy Ministerial in Addis Ababa or Commerce Secretary Penny Pritzker's visit to the continent earlier this year. President Obama's scheduled presence at the business forum shows its importance for the U.S. administration.

Argument 4: African leaders will resent the U.S. message on human rights. I find this argument difficult to digest. First, the U.S. has been consistent in its message to strengthen governance, defend human rights and promote democracy, so this should come as no new surprise to African leaders. Secretary of State John Kerry's recent visit to the Democratic Republic of Congo is a good illustration of the U.S. stance on such matters. But why focus only on how African leaders may feel? How about African citizens, civil society organizations and members of opposition political parties? The U.S.-Africa Leaders Summit is an opportunity to have a genuine conversation about difficult and sensitive issues. Future generations of Africans deserve such a debate.

And while China may have no qualms doing business with countries with dubious human rights records, it refuses to invite countries that recognize Taiwan to its summit.

8. Power Africa: Opinion - U.S. Hopeful On 'Power Africa' Project in Nigeria, Others | July 14 | The Guardian

Source URL: http://allafrica.com/stories/201407151672.html

By Olalekan Okusan, 14 July 2014

AS Nigeria and five other African nations are bracing up for the $7 billion intervention fund pledged by President Barack Obama for the upgrade of power supply in sub Saharan Africa, the United States is optimistic that the Power Africa initiative would be successful in the continent.

According to Assistant Secretary for African Affairs, Linda Thomas-Greenfield, the tremendous progress in working with initial countries like Nigeria, Kenya, Ethiopia, Liberia, Ghana and Tanzania that are part of Power Africa have given the U.S. government hope that the project would succeed.

"We have made tremendous progress in working with the six initial countries that are part of Power Africa, and working with the private sector to ensure that we get more investment on the continent.

"So, we have moved forward in working with these companies that are looking at how they might improve power on the continent of Africa. And from everything I've heard in speaking with companies and countries - I was just in Malabo - there was great excitement about Power Africa and the improvements that have been made in terms of companies investing in power on the continent and countries opening up markets so that it is easier to invest in power on the continent," she said.

She added: "We've made a great deal of progress. We're looking forward to sharing that progress with African leaders during the summit in August and seeing how we can further the efforts to improve power on the continent of Africa. I think everything is open for a discussion in terms of how we improve energy availability on the continent of Africa. And the CEOs - there will be some energy-related CEOs, I think, are prepared and ready to invest. We've seen that. We have seen billions of dollars being put on the table for investing in energy in Africa.

"And energy can come in lots of different forms, and hydro is a major form of energy that is clean energy that is a possibility."

On the expiration of the Africa Growth and Opportunity Act (AGOA), she said: "As you know, the AGOA legislation expires in September of 2015. The President has announced that there will be seamless renewal. How long it will be extended is the prerogative of our Congress, our legislature, and they are looking at the AGOA legislation now, and it is our hope that they will make a decision on extension in - before the September 15th, 2015 deadline. How long that extension will be I'm not at liberty to say. We're all waiting for that decision."

Ahead of the African Leaders Summit holding next month in New York, leaders from Sudan, Eritrea and Zimbabwe would not be part of the meeting, however, Linda Thomas-Greenfield said those not invited are countries suspended by the African Union (AU) as well as those not in good standing with the U.S. government.

9. Power Africa: U.S. Debating 'Historic' Support for Off-Grid Electricity in Africa | July 21 | Inter Press Service

Source URL: http://allafrica.com/stories/201407220323.html?viewall=1

By Carey L. Biron, 21 July 2014

Washington — Pressure is building here for lawmakers to pass a bill that would funnel billions of dollars of U.S. investment into strengthening Africa's electricity production and distribution capabilities, and could offer broad new support for off-grid opportunities.

With half of the U.S. Congress having already acted on the issue, supporters are now hoping that the Senate will follow suit before a major summit takes place here during the first week of August. That event is expected to include heads of state or representatives from as many as 50 African countries.

"We could see an energy revolution that looks similar to what happened with mobile phones - leapfrogging centralised systems altogether and moving towards transformative solutions." -- Justin Guay

The summit, the first time that such an event has been organised in Washington, will focus in particular on investment opportunities. As such, many are hoping that the three-day event's centrepiece will be President Barack Obama's signing of a broad investment deal aimed at Africa's power sector.

"The overwhelming majority of the African leaders are going to be coming to Washington emphasising trade and investment, and in that context this issue is very central to their many constituencies - touching on economic, political and social issues," Ben Leo, a senior fellow at the Center for Global Development, a think tank here, told IPS.

"Coming forward with something concrete that will lead to additional capital, tools or engagement will be noticed and welcomed. But lack thereof would also have a message for African leaders and others travelling to Washington."

A U.S. Senate subcommittee did pass a bill, called the Energize Africa Act, late last month, but much remains to be done. The legislation now needs to be voted on by the full Senate, after which the final proposal would have to be brought into alignment with a similar bill voted through by the House of Representatives in May.

Meanwhile, the entire Congress is scheduled to go into recess for a month at the end of July. Still, backroom talks are reportedly well underway.

"There's growing pressure and momentum in the Senate, as well as a growing appreciation of how doing this is both strategic and important," Leo says. "Not having a bill to sign would certainly be a missed opportunity in terms of the optics and concreteness of action, either before or when everyone's in Washington."

Some 68 percent of the sub-Saharan population lacks access to electricity. Both the House and Senate bills would seek to assist African countries in expanding basic electricity access to some 50 million people.

"Our support for this bill is a direct response to what we hear from African leaders, citizens and global development experts," Tom Hart, U.S. executive director of ONE, an advocacy group that focuses on eliminating poverty in Africa and has mounted a major campaign in favour of the Senate bill, said in a statement.

"[O]ne of the biggest challenges for overcoming extreme poverty is the inability for millions of people to access the basic electricity necessary to power health clinics, farms, schools, factories and businesses."

Beyond the grid

The current legislative push comes a year after President Obama unveiled a new initiative called Power Africa, proposed during his June 2013 trip to the continent. Seen as the president's signature development plan for the region, Power Africa aims to double energy access in sub-Saharan countries through a mix of public and private investment.

While Power Africa is ambitious, its long-term impact greatly depends on the legislation currently under debate.

For instance, while Power Africa directly affects just six countries, the bills before Congress take a continental approach. Likewise, as an executive-level project, the initiative's policy priorities can only be cemented through full legislation.

Power Africa initially came under significant fire from environmental and some development groups for its reliance on fossil fuel (particularly natural gas) and centralised power projects. Many groups say that such a focus is ultimately counterproductive for poor and marginalised communities.

Yet last month, the United States announced a billion-dollar initiative to focus on off-grid energy projects across the continent. This approach could now be codified through the legislative discussions currently taking place in Congress.

"Congress is now looking to pass a bill that would be relatively historic in terms of its support for beyond-the-grid markets," Justin Guay, Washington representative for the Sierra Club, a conservation and advocacy group, told IPS. "The [Senate] bill is the first legislation we've seen starting to drive investment to unlock that potential."

To date, Guay says, most investment from the U.S. government and multilateral agencies has skewed in favour of fossil fuels and centralised power generation. For the first time, the new legislation could start to balance out this mix - a potential boon for the environment and local communities alike.

"If you look at the energy access problem in sub-Saharan Africa, it's largely a rural issue. So this bill could stimulate distributed, clean-energy solutions that can get into the hands of poor populations today, rather than forcing them to wait decades in the dark for power," Guay says.

"In this way, we could see an energy revolution that looks similar to what happened with mobile phones - leapfrogging centralised systems altogether and moving towards transformative solutions."

The House's companion bill includes fewer progressive provisions than the Senate version, but it also doesn't include amendments that could deliberately doom the legislation. Still, it remains to be seen how conservatives in the House react to the Senate's proposals.

Strengthened support

These new opportunities have broadened support for the Senate's legislation. On Friday, for instance, the Global Off Grid Lighting Association, a Germany-based trade group, expressed its "strong support" for the Energize Africa Act.

The legislation is also being welcomed by African environmentalists.

"We believe this bill has emerged as a strong source of support for our efforts to address energy poverty," Mithika Mwenda, secretary general of the Pan African Climate Justice Alliance, said in a letter to U.S. lawmakers from earlier this month.

"We are particularly supportive of new efforts to expand loan guarantee authority at USAID" - the main U.S. foreign aid agency - "as well as the goal of ending kerosene based lighting. Both of these aspects are critical to ending energy poverty in poor rural areas."

Meanwhile, both the House and Senate bills have enjoyed an unusual level of bipartisan support. Still, it's not clear whether that will translate into the passage of a new law - particularly by the U.S.-Africa Leaders Summit, slated for Aug. 4-6.

"There's not a lot of time left, so it's is very difficult," the Center for Global Development's Leo says. "However, if it doesn't pass by the summit, the summit will invariably create a lot of action shortly thereafter."

10. Power Africa: U.S. Firm Secures Africa Power Deal | July 16 | CAJ News Africa

Source URL: http://allafrica.com/stories/201407160956.html

Nairobi — THE country is poised to benefit from Tetra Tech's announcement it had been awarded a $64 million contract to provide technical assistance for the Power Africa Transactions and Reform Programme that the United States Agency for International Development (USAID) is funding to improve power supply in the African continent.

Tetra Tech, the United States-headquartered firm, has been awarded the five-year contract to support the Power Africa Initiative.

This contract has a base period of three years with two option years.

Kenya is set to benefit from United States President Barak Obama's Power Africa initiative which US Energy Secretary, Ernest Moniz, launched in June this year in Addis Ababa, Ethiopia.

Over five years, the United Nations Foundations' Energy Access Practitioner Network along with other founding partners will help ‘Beyond the Grid' leverage partnerships and direct investments of at least $1 billion into off-grid and small scale solutions in sub-Saharan Africa, helping to take innovative business models to scale and bringing electricity to an anticipated 20 million households and businesses.

Formally launched by President Obama in June 2013, the initiative has already helped complete almost 2 800 MW worth of transactions and has secured commitments for another 5,000 MW, representing almost 75 percent of the initial goal of bringing an additional 10 000 MW of cleaner, more reliable energy to Power Africa's six focus countries - Ethiopia, Ghana, Kenya, Liberia, Nigeria and Tanzania.

According to Tetra Tech, under Power Africa, Tetra Tech will support the U.S. Government to accelerate the generation and transmission of sustainable electric power in regions throughout Africa, including the Power Africa focus countries.

"Tetra Tech will identify and design innovative approaches to develop small-scale clean energy projects to increase access in rural areas, develop a robust pipeline of power generation projects using a transaction-based approach, support the strengthening of regulatory and institutional policies, and provide direct programmatic support to the Power Africa Coordinator's Office," said Tetra Tech in a statement.

11. Power Africa: U.S.-Africa Leaders Summit Highlights U.S.-Africa Commitment | July 23 | AFKInsider

Source URL: http://afkinsider.com/65474/part-1-u-s-africa-leaders-summit-packed-three-days/

This is the first of a four-part series exploring U.S. President Barack Obama's upcoming U.S.-Africa Leaders Summit Aug. 4-6 in Washington, D.C. Part one illustrates the issues and events surrounding the summit.

The upcoming U.S.-Africa Leaders Summit will focus on trade and investment opportunities that could mean new markets for U.S. companies. But even U.S. CEOs already doing business in Africa aren't necessarily fully committed, a stakeholder told *AFKInsider*.

The first-of-its-kind meeting in Washington, D.C. starting Monday, Aug. 4-6 will bring together about 45 heads of state and 100 ministers from across Africa. The hope is those in attendance will build on the progress made since U.S. President Barack Obama's trip to Africa last summer.

The stated goal of the summit: to highlight U.S. commitment to Africa's security, democratic development, and its people.

Monday Aug. 4 is set aside for side events including five "signature events" focused on different topics and different elements in which the U.S. federal government will participate, a U.S. State Department official told *AFKInsider*.

Those five sessions include: Civil Society; Global Health; Women's Issues; Wildlife Trafficking; and, Climate Change and Food Security.

There are hopes that some U.S. companies will see the African Union's "common African position on climate change" as a business opportunity and an opportunity for technology transfer.

"I think there is (interest) and we're encouraging it as we are seeing companies interested in the issues of climate change as a business opportunity," said Stephen Hayes, president and CEO of the Corporate Council on Africa in an *AFKInsider* interview.

U.S. trade representative Michael Froman will host the African Growth and Opportunity Act (AGOA) Ministerial at the World Bank. It's there that African and U.S. trade officials will discuss the future of the U.S.-Africa trade program. The U.S. plans to pursue renewal of the AGOA legislation, which expires in 2015.

"AGOA has been largely one way and hasn't really worked as well as I think that people had hoped," Hayes said. There are bound to be some changes made, he added. "There does need to be some changes to make it far more effective and also to make it more supportive of the U.S. economy as well."

The Senate Foreign Relations and House Foreign Affairs committees will host a welcome reception for the African leaders on Capitol Hill Aug. 4.

On Tuesday, Aug. 5, U.S. Department of Commerce Secretary Penny Pritzker and Bloomberg Philanthropies' former New York Mayor Mike Bloomberg will co-host the U.S.-Africa Business Forum. This full-day event at the Mandarin Oriental will focus on the new economic realities African trade and investment opportunities hold for U.S. CEOs.

"They're expecting about 300 people and I don't have the list – it's ever changing, and Commerce and Bloomberg are the ones that are managing it with the White House," a State Department official told *AFKInsider*.

The "select" U.S. business leaders will consist of those already actively investing in Africa, and others who are considering the possibilities of new opportunities for trade and investment in the region. Those invited range from small enterprises to large multinational companies involved in power and energy, infrastructure, capital investment, information and communication technologies, consumer goods, and agriculture.

"I think that the White House felt that they needed a prominent CEO that was easily identified by other CEOs to draw CEOs into the program. So, U.S. Department of Commerce and Bloomberg have selected the CEOs to be there," Stephen Hayes, president and CEO of the Corporate Council on Africa told *AFKInsider.*

The nonprofit Corporate Council on Africa helps U.S. companies do business in Africa and is the designated private sector facilitator for both the Power Africa and Trade Africa initiatives.

Hayes said it's problematic that the people who do the work on African market development are often not the company CEOs, but rather the company's Africa staff: vice presidents and so forth.

"(The Administration is) thinking is that if you're going to get more U.S. companies involved, you have to get the CEO turned on to Africa. And that's an uphill climb in a lot of places," Hayes told *AFKInsider.* "And even some of our companies tell us the same thing — that their CEOs aren't necessarily committed."

The forum will inform CEOs about U.S. government support for investors and exporters through agencies such as the U.S. Export-Import Bank and Overseas Private Investment Corporation in addition to building working relationships between the African and U.S. private and public sectors.

"Power Africa will be covered, Trade Africa, some of the investment opportunities and public-private partnerships, and Doing Business in Africa, which is a Commerce Department initiative," the State Department official told *AFKInsider.* "We're also expecting some folks from Congress to be there."

The Commerce Department's Business in Africa Campaign was created in 2012 for the purpose of increasing trade promotion and enticing more U.S. companies to investigate sub-Saharan trade and investment possibilities.

According to the State Department, the African business leaders invited were identified by the department's U.S. missions in the field, as well as U.S. business leaders, African heads of state, U.S. government agencies, and members of Congress.

President and Michelle Obama will host a dinner Aug. 5 at the White House for African heads of state and government and select guests.

On Wednesday, Aug. 6, African leaders will meet all day at the U.S. State Department with Obama and other agency officials during three sessions.

The first opening plenary session, “Investing in Africa’s Future,” will involve a discussion of inclusive, sustainable development as well as fostering sustainable economic growth.

Next, the Peace and Regional Stability session will focus on shared concerns regarding regional peace and discuss how to further augment cross-boarder security cooperation, including the challenges and opportunities in advancing these shared security goals.

Finally, the session on Governing for the Next Generation will focus on the responsibility of all African governments to plan for the next generation by tackling obstacles to job development. One focus will be on resources squandered to corruption and illicit finance in Africa, and explore how the U.S. and African governments can jointly redirect revenue toward inclusive economic growth; transparent and effective institutions; and provide opportunities for youth.

Michelle Obama will mingle with the spouses of the African leaders during an event, co-hosted by former First Lady Laura Bush and the Bush Institute at The Kennedy Center. The daylong spouses symposium will focus on the impact of investments in education, health, and public-private partnerships.

According to the State Department, those African leaders who were invited are in good standing with the African Union and the U.S., “so there are a few countries that were excluded, including Zimbabwe, Sudan, Central African Republic, and Guinea-Bissau.”

“I don’t have any idea who’s coming when and for how long – you know how these things go. They’re presidents, heads of states, they may come for the whole week, they may come for just the plenary session,” said the State Department official.

“I think just about all of them will come with maybe one ore two exceptions – we’ll see. And it probably has nothing to do with other countries being excluded,” Hayes told *AFKInsider*.

While Obama is expected to participate in a portion of the Tuesday Business Forum, there are no one-on-one White House meetings so far planned with any African leaders.

12. Ethiopia: Ethiopia's Nile dam project signals its intention to become an African power | July 14 | Guardian Weekly

Source URL: http://www.theguardian.com/global-development/2014/jul/14/ethiopia-grand-renaissance-dam-egypt

The 4x4 roars off, kicking up a cloud of dust. With one hand on the wheel, the other stifling a yawn, Semegnew Bekele could do this trip with his eyes shut. A construction engineer, he has driven down this track at every hour of the day or night over the past three years. "Ordinary people are building an extraordinary project," he says. He is referring to the Grand Ethiopian Renaissance dam (Gerd), in the north-west corner of the country close to the border with Sudan. Four hours away from the town of Assosa more than 8,500 workers and engineers are labouring on a massive project to harness the waters of the Blue Nile.

The site is closely guarded. Only officially authorised vehicles are allowed through the three checkpoints. As the kilometres flicker by, the din of the diggers becomes more audible. Then the gigantic site itself appears, with thousands of tonnes of aggregate piled up and smooth expanses of concrete lining the bottom of the Guba valley, ringed by arid hills. The hundreds of families belonging to the Gumuz indigenous people, who lived off fishing, have been moved to a location several tens of kilometres away, making room for a hydroelectric power station that will be the largest in Africa when it comes online in 2017. At present only a third of it has been built.

Bekele, who works for the Ethiopian Electric Power corporation, has already worked on two dam construction jobs, both on the river Omo in the south-west. He answers our questions with a flood of figures: the dam will be 1,780 metres long and 145 high, with a reservoir covering 1,874 sq km expected to contain 70bn cubic metres of water. Output from the 16 turbines will total 6,000MW. It will be sufficient to meet growing demand in Ethiopia, now Africa's second most populous country, where gross domestic product is estimated to have grown by 10.5% annually over the past five years.

The countdown has already started for Bekele: he has three years left to complete this concrete colossus. "I don't feel like a special person," he says, "just an engineer leading the project." True enough, the driving force behind the dam is former prime minister Meles Zenawi, who ran the country for more than two decades. He was obsessed with the country's rebirth. The structure will be built, whatever the cost, he asserted, upon laying the first stone in April 2011. He died the following year.

International bodies such as Amnesty International and Human Rights Watch were extremely critical of his record on human rights, but he knew how to rouse national fervour and mobilise the country for the five-year growth and transformation plan launched in 2010, which included Gerd.

The scheme is expected to cost $4.1bn. As the country has not received any international funding, the government has appealed to the population to buy treasury bonds. For civil servants it is mandatory. Companies have urged their personnel to give up a month's wages to support Gerd. In a country where information is under strict control, it is hard to say whether they have much choice. "We agreed, we want to contribute to development," bank clerk Birhanu Libsework, 25, tells us in a cafe in Addis Ababa. "We're prepared to make sacrifices for better living standards and more energy," says Genet Getachew, an Amharic teacher. A single mother, she helps her daughter with her homework by candle light during the frequent outages in the capital. "The government mustn't try to do a thousand things at once, but this one is necessary," says Yeshi Negash (name changed at her request), a sociology graduate.

The government has already raised more than $350m, a third of which has been contributed by Ethiopians abroad.

Ethiopia hopes to become an African lion. "We have finished with the syndrome of dependence," says Zadig Abraha, deputy-head of Gerd coordination. "We want to recover our past glory," he adds.

Some neighbouring countries are less upbeat about the project. Citing two treaties, dating from 1929 and 1959, Egypt claims a historic right over the Nile. It fears that the dam will restrict the flow of water. The treaties, signed with the UK and Sudan, allocate two-thirds of the Nile's water resources to Egypt, with the right to veto any project affecting the world's longest river.

"These treaties are now obsolete. We are entitled to build the dam," says Alemayehu Tegenu, Ethiopia's minister of water, energy and irrigation. "For a long time we derived no benefit from our river."

Mohamed Ghoneim, the Egyptian representative to the African Union, disagrees. "It's impossible to undertake a project on this scale without environmental impact studies to assess the consequences for downstream countries," he counters, speculating on a range of potential disasters: salt may accumulate in the soil; land downstream could turn to desert or the flow be interrupted; the dam might even break. "The Nile is a vital resource for 80 million Egyptians," he adds.

In 2012, a year after work started, Addis Ababa tasked an international panel of experts (from Ethiopia, Egypt and Sudan among others) with a study of the project's human and economic impact. In May 2013 they reported that further studies were needed. The Ethiopians have refused, saying enough time has already been wasted. Egypt is demanding a second international panel. Negotiations between Ethiopia and Egypt are deadlocked.

Night falls on the site. In the temporary lodgings, several thousand workers are falling asleep, while the next shift are playing football, soon to resume work. In a few years the Guba valley will be flooded. "The whole area will become a tourist attraction," Bekele suggests hopefully. But what will happen to the Gumuz community, we inquire. The engineer tells us to turn off the recorder. "We're all making sacrifices for our country," he says. "It seems only natural."

This article appeared in Guardian Weekly, which incorporates material from Le Monde

13. Ethiopia: Tripartite Talks Over Gerd to Resume | July 20 | Ethiopian Radio and Television Agency

Source URL: http://allafrica.com/stories/201407210527.html

Ethiopia, Sudan and Egypt will resume tripartite negotiations over the construction of Ethiopia's hydro power plant project known as the Grand Ethiopian Renaissance Dam (GERD).

The Ethiopian foreign ministry said Cairo has this week officially asked the resumption of the tripartite talks which had been suspended in January after they failed to reach an agreement over key points of contention.

Cairo says the project, which is the largest along the Nile river would reduce the amount of electricity generated by the Aswan Dam as well as would affect its agricultural production.

Cairo officially asked the resumption of the talks after Ethiopian Prime Minister Hailemariam Desalegn and newly elected Egyptian president Abdel-Fattah al-Sisi hold meeting in Malabo, Equatorial Guinea on the sidelines of the African Union summit.

Government sources said the new round of talks between the three countries would resume on the basis of the seven point agreed between Hailemariam and Al-Sisi.

"One of the areas to be discussed will be the resumption of the activities of the tripartite technical committee tasked with the implementation of the recommendation of the International Panel of Experts (IPoE)" said ministry of foreign affairs.

Director of Boundary & Trans-boundary River Affairs with Ethiopian Water, Irrigation and Energy Ministry, Fekahmed Negash stated that the committee will "pick up where it left off to discuss the formation of a committee for conducting two proposed studies."

He said the "committee will comprise members drawn from all the three countries who will select contractors to conduct the two studies."

The joint technical committee will be tasked to in further studying possible impacts on the implementation of recommendations made by the panel.

The study involves a hydrology simulation model and a trans-boundary social, economic and environmental Impact assessment.

The International panel of experts in their final report said Ethiopia's dam project would not result in any significant harm to the two downstream countries, Sudan and Egypt.

14. Ghana: Ghana Powers Up: The Largest Solar Plant in Africa is Coming | July 16 | Ventures Africa

Source URL: http://www.ventures-africa.com/2014/07/ghana-powers-up-the-largest-solar-plant-in-africa-is-coming/

VENTURES AFRICA – The sun is shining on Aiwiaso, a village of 6,600 people in western Ghana. Some 200 kilometres north of the Ghanaian port at Takoradi, 100 kilometres east of the border with the Ivory Coast, the biggest solar power plant ever conceived on the continent is taking shape. Promising enough energy to power 100,000 homes, this may well change the way African governments think about the future of energy.

Scheduled for completion in October 2016, the Nzema solar power plant will be not just the largest in Africa but one of the largest in the world. It will add to Ghana’s current electricity generation capacity by 5.5 percent. And it will get the country 20 percent of the way to the 2020 goal set by the country’s 2011 Renewable Energy Act – to source 10 percent of its total energy from renewable sources. The project will cover 182 hectares, its 630,000 photovoltaic panels mounted on 37,000 tonnes of supporting steel framework with 2,000 kilometres of connecting cables.

The solar array will be huge but the vision behind this plant is even bigger: it will be the first test of the country’s ability to meet its energy act goals. If it is seen as a success, Ghana should be able to attract more investors like the UK-based Blue Energy Group, which was chosen in December 2012 to build Nzema.

Ghana wants to increase its electricitygeneration from 2,846 MW today to 5,000 MW by 2016, and the Nzema plant will contribute 155 MW, but there are other benefits. Nzema is expected to create 200 permanent jobs for Ghanaians. More reliable power thanks to the plant could create 2,100 more jobs throughout the economy. Finally, the plant is expected to pay $100 million in taxes to Ghana during its estimated 20-year operating lifetime.

Soaking up Some Rays

The 630,000-plus panels planned for Aiwiaso are photovoltaic (PV). When sunlight strikes a photovoltaic panel, it generates direct current (DC) electricity, which is then converted into alternating current (AC) for transmission by an inverter. Photovoltaics are cheaper and more flexible than concentrated solar power, an alternate technique that requires an array of mirrors and a turbine, and they do not require a source of water. They can even generate electricity on cloudy days. One disadvantage of the photovoltaic method is that the power captured cannot yet be stored economically. Since Ghana is short of power, however, the electricity generated will be injected directly into the grid, making this less of an issue.

A Hopeful Forecast

Since 1965, when the Akosombo dam was built to provide power for an aluminium smelter in Tema, Ghana has depended on hydroelectric power, a source that worked well until 1983. Since then, the country has seen increasingly frequent droughts, which not only disrupt power but have caused food shortages and much suffering. A major drought in 2006-2007, and one beginning in 2012 that arguably continues today, have required load shedding (rolling blackouts). In December 2013, the acting CEO of the Volta River Authority (VRA), Kirk Coffie, assured Ghanaians that there would be no load shedding in 2014, but already by January the VRA's Communications Director was warning consumers of a possible power crisis due to low water levels at Akosombo.

For over 10 years, Ghana has been working to reduce its vulnerability to droughts. It has significantly cut its proportion of hydroelectric power from 91.5 percent of total power in 2000 to 67.5 percent in 2011. The belief that has propelled the Renewable Energy Act is that solar power will become a more reliable source of energy. It has a particular advantage in Africa in that much of the continent's terrain is ideal for solar installations.

The technology will not develop in the region without private investment. Until Ghana passed the Renewable Energy Act with an eye to winning private funding for such projects, an unsupportive regulatory environment and energy under pricing had discouraged investors.

Even before the Renewable Energy Act was passed, Ghana had decided to follow the path of deregulation of the electricity sector. According to Doug Coleman, the Project Director for Nzema at Blue Energy, the firm that is building the plant, the state began privatising its power assets when it separated electricity generation from transmission and distribution.

Privatisation is far from complete but its impact on the sector is already showing. The government has by now stopped building new plants using state funds – although it does still hold the shares of the Ghana Grid Company (GRIDCo), Electricity Company of Ghana and the Volta River Authority (VRA), the country's main energy suppliers. The Renewable Energy Act guarantees investors a fixed tariff for the first 10 years and biannual reviews after that for the life of the plant. The country is also building a legal framework for regulating renewable energy projects that integrates its two energy regulatory bodies, an Energy Commission that gives approval to projects and a Public Utilities Regulatory Commission that, among other things, sets incentivising tariffs. These changes are making Ghana a more appealing environment for outside renewable energy investors.

The Nzema plant itself is a positive sign. Blue Energy became involved in Ghana after hearing about its plan to attract private investors with feed-in tariffs, a favourable kWh price set to encourage investment in renewable energy. The firm has completed six projects since its 2010 founding – three solar and three wind – and currently has nine renewable energy projects including Nzema at various stages of progress. The Ghanaian plant is the company's first big project outside the UK.

Blue Energy received the country's first private renewable energy license. Its feed-in tariff has been publicly set at $0.20 per kWh. With a projected capacity of 240,000 Mwh per year and an estimated plant cost of $400 million, Nzema could break even in less than 11 years. Obtaining Ghana's first renewable energy licence has brought challenges, naturally. "Converting high-level strategic policy into procedures and processes takes time, especially when the existing procedures weren't written with renewables in mind," says Coleman. Blue Energy's environmental permit process was especially rigorous, taking two and a half years. Coleman, who is confident that all the paperwork will be in order by the time Blue Energy is ready to begin construction in summer 2014, believes this is a good thing. Although the Ghanaian government is still shaping registration procedures and regulations, Coleman calls the authorities "very clear," "very transparent," and "delightful" to work with, and says they provide "strong guidance." "You know what you have to do," he says.

Blue Energy appears to be in Ghana for the long term. The business climate for renewables in the UK is not altogether favourable – feed-in tariffs there are dropping, especially for larger installations, and in October 2013, Prime Minister Cameron pledged to roll back "green charges" in order to reduce electric bills. On the Ghanaian side, the company has committed to funding education and healthcare facilities in the Aiwiaso area and to supporting small businesses. Communities in the area of the plant will also receive land lease revenues.

According to Coleman, financing should be locked in by the end of the second quarter of 2014, and construction will start by the end of the year. Blue Energy is still talking to three engineering, procurement and construction contractors but is close to making a decision. Its 630,000 photovoltaic panels are expected to come from a market-leading manufacturer in China.

A Dawning Opportunity

Ghana's government is actively courting investors from all over the world to help realise the dream of a renewable- powered Ghana – one where Ghanaians benefit and the country becomes an exporter of electricity and fuel. At the beginning of 2014, Emmanuel Armah- Kofi Buah, the country's Minister of Energy and Petroleum, promised "universal access to electricity" by 2016. And in an interview in February 2013, Ghana's former energy minister, Joe Oteng-Adjei, offered international backers transparency and integrity and vowed that the country would not nationalise any investments.

Blue Energy is not the only major foreign energy company beginning work in Ghana. The Abu Dhabi National Energy Company, TAQA, is investing $330 million to increase the capacity of the Takoradi II thermal power plant by 50 percent. The project will convert the gas-fired plant into a combined-cycle unit without increasing its carbon emissions. Jacobsen Jelco Ghana Ltd, a subsidiary of Jacobsen Elektro Holding of Norway, plans to build a 360-MW thermal power plant at Aboadze. Furthermore, the State Atomic Energy Corporation of Russia is negotiating with Ghana to build a nuclear power plant that would be completed sometime after 2016.

The country realises that simply increasing its capacity for electricity generation will not assure reliable power. It is also taking steps to eliminate congestion in its transmission system by the end of 2015; to increase delivery efficiency and reduce system losses; and to further promote conservation and energy-efficient technologies. In 2013, construction began on two new 161 kV transmission lines and three new 330 kV lines.

A Place in the Sun

Since 90 percent of Blue Energy's building materials will be imported, the plant site had to be connected by good roads to a deep-water port. Aiwiaso's proximity to the port of Takoradi, its abundant, stable solar irradiation and its adjacency to the 161 kV West African Power Pool transmission line made it a solid choice. The company has secured port access at Takoradi. The West African Highway, which runs from there to Aiwiaso, is being enlarged from two to three lanes.

The sun will always shine but clouds are less reliable by nature. Coleman points out that fluctuations in sunlight – and in the resulting ability to generate power – have meant a learning curve as the company works with GRIDCo and network operators to integrate this variable supply into Ghana's existing system. Countries like Kenya and Uganda already have some experience with integrating variable loads and working with Ghana to implement these new systems has been an "enjoyable challenge," Coleman says. The sentiment seems sincere. If the weather is never 100 percent reliable even in this part of the world, there's one thing that is for certain, Coleman concludes, "the plant will get built"

By Joshua Shoemake

15. Ghana: Ghana to harness tidal energy to generate 1,000MW of power | July 22 | African Review

Source URL: http://www.africanreview.com/energy-a-power/renewables/ghana-to-harness-tidal-energy-to-generate-1000mw-of-power

According to officials from ECG, the Swedish firm has signed an agreement with ECG, to install a hydro power plant under the sea and utilise the strong tides generated at the Ada Estuary to generate power.

Tidal energy is created through the use of generators. Large underwater turbines, placed in areas with high tidal movements, are designed to capture the kinetic motion of the ebbing and surging of ocean tides to produce electricity.

George Marfo, manager of the ECG Training School, said this project was part of the electricity company's decision to engage power producers to generate sufficient electricity for consumers and businesses across Ghana.

Marfo added that TC Energy will produce five megawatts of power by December 2014, and periodically upgrade its capacity by 200MW until it reaches the intended 1,000MW by 2016. Two other independent power producers, which have used the same technology to produce power on ships, have also been consulted to help generate 450MW of power for the project.

The technology involved in harnessing tidal wave power has been used in Peru, where the tides aren't as strong as those at Ada Estuary. Marfo said that studies conducted near the estuary have confirmed that it is a suitable location to build an underwater hydro plant.

16. Ghana: Gov Improves Power Supply in Ashanti | July 21 | The Chronicle

Source URL: http://allafrica.com/stories/201407212619.html

21 July 2014

The government has taken a number of measures to improve electricity supply to Kumasi and other parts of the Ashanti Region.

These include the installation of a new 130 megawatts bulk supply point (BSP) at Anwomaso, and the construction of workshops and stock yard for cables, transformers, poles, and other materials at Boadi. Added to these, is the building of two separate administrative blocks for the Electricity Company of Ghana (ECG) for efficient service delivery to consumers.

Mr. John Abu Jinapor, Deputy Minister of Energy and Petroleum Resources, on Thursday, inspected these projects to assess the progress of work. The ECG Network Projects Director, Mr. Samuel Boakye-Appiah, informed him that the BSP was almost ready, and that they had been carrying out test runs.

Together with the existing 250 megawatts from the Ridge supply point, there would now be 380 megawatts of electricity that would help to significantly tackle the distribution challenges in the region. He said the situation where the company kept materials and other logistics for the Kumasi East and West offices at a depot in Tema would end after completion of the workshops and stock yard.

This, he noted, would tremendously enhance their operations. Mr. Jinapor expressed satisfaction with both the pace and quality of work done by the contractors, and said the projects would assure the people of reliable power supply. He spoke of the determination of the government to ensure a substantial increase of the power generation mix.

17. Kenya: Kenya Power in ambitious plan to connect 300,000 to national grid | July 22 | Standard Digital News

Source URL: http://www.standardmedia.co.ke/business/article/2000129145/kenya-power-in-ambitious-plan-to-connect-300-000-to-national-grid

BY Macharia Kamau

Kenya power will over the next two months start connecting new customers to the national grid on credit and recover connection fees over a two year-year period through monthly bills.*The new customers will only pay Sh7,000 as deposit*

The utility firm said it would connect 300,000 new customers over the next four years without requiring them to pay an upfront fee of Sh35,000, which is the cost of getting a single phase connection at the moment. Kenya Power said it would use a Sh3.6 billion loan from the French Development Agency (AFD) and the European Union to undertake the project.

In addition to loans that will be processed by Kenya Power, the utility firm also said it has partnered with Equity Bank and National Bank in an arrangement that will see the two banks finance new customers to get connected.

The power firm, however, said the loans advanced by the two banks will be under different terms, which might mean that customers might pay higher interest rates.

Kenya Power Managing DirectorÂ Dr Ben Chumo said the project is an upgrade of Stima Loan service the utility firm has been piloting since 2010, through which 53, 836 new customers have been connected at a cost of Sh1.2 billion.

He also said the first tranche of the loan facility amounting to Sh480 million will be disbursed in the next two months and will mainly benefit applicants for single phase electricity connections whose quotations do not exceed Sh35, 000.

"Stima Loan is one of the initiatives we are spearheading in collaboration with the Government, AFD and EU to ease the cost of power connections and help accelerate access to electricity by more Kenyans in line with the country's development vision," said Dr Chumo.

New customers will be required to pay 20 per cent of the connection fee, which translates to Sh7, 000 deposit while the remaining Sh28, 000 will be repayable over a two-year period. The loan will attract what Kenya Power terms as an administration fee of five per cent.

"A five per cent administration fee is charged on the loaned amount. The period of disbursing subsequent Stima loan tranche amounting to Sh472 million (4 million Euros) will depend on the rate of loan uptake," Chumo explained.

He observed that while Kenya Power handles the bulk of Stima Loan applicants, it has partnered with local banking institutions including Equity Bank and National Bank of Kenya under different terms for ease of financing for its customers.

Dr Chumo added that other prospective financiers under the new power connection scheme are currently at different stages of evaluation by the company.

18. Kenya: Manufacturers concerned over high power cost | July 14 | The Star

Source URL: http://www.the-star.co.ke/news/article-176695/manufacturers-concerned-over-high-power-cost

Monday, July 14, 2014 - 00:00 -- BY RICHARD MUNGAI

The steep increase in power tariffs will lower the competitiveness of manufacturers in the Kenyanl market against cheaper, manufacturers are concerned.

Bidco Oil Refinery managing director Vimal Shah said that higher tariffs, which kicked off this month, will increase the cost of manufacturing products locally hence giving imports a competitive advantage. “Increase in power bills makes our products more expensive and if they are not bought, it will led to loss of jobs,” he told the star on phone.

The Kenya Association of Manufaturers chief executive officer, Betty Maina said any increase in energy costs affects consumers because manufacturers are forced to increase prices of products in a bid to avoid an over flow in production cost.

"The increase in power bills started last year and we have always said it will lead to high cost of products. But we are viewing it as a temporary problem since the country is now shifting away from thermal power which is very unreliable due to unpredictable weather patterns," she said.

The new retail electricity tariffs are under the second phase of billing structure set by the Energy Regulatory Commission in November last year. The review is set to run to June 2016.

In December, manufacturers consuming up to 15,000 kilowatt per hour commenced paying between three and 10.6 per cent over the average of Sh17.10 per unit to Sh17.99. This marked an average 5.2 per cent rise in their power bills.

The high energy consumers constitutes 40 per cent of total energy consumers. They are expected to pay Sh14 in energy charge per kWh at the end of this month.

However, the ERC says the bills should start falling in subsequent years since the government is rolling out geothermal and solar energy, which are deemed to be more reliable, to the national grid.

The chief executive officer of Devki Steel Mills, Narendra Raval feared that some consumers may be unable to afford locally manufactured products since many manufacturers will increase retail cost. “You cannot sustain competition against importation if the local energy tariff is double the international tariff,” he said.

During the launch of the new retail electricity tariff review last year, ERC managing director Fred Nyang noted that the changes were arrived at after considering all factors raised by stakeholders.

“As we eliminate expensive fossil fuel powered plants in the mix under the 5,000MW+ programme, we will end up with power bills decreasing significantly,” he said.

19. Kenya: Strathmore University Goes Big On Solar Power Use | July 22 | Capital FM

Source URL: http://allafrica.com/stories/201407230320.html

By Margaret Wahito, 22 July 2014

Nairobi — "Kenya sits on the Equator making it a country that has the sun the whole year. But it is a paradox because you have less than 2 percent of solar power installations," muses Professor Izael Pereira Da Silva, Director of Energy Research Centre at Strathmore University.

The remaining 98 percent of solar installations, he says, are in countries which are outside the sun-belt. So, where lies the problem?

"First, there is the problem of awareness where most people don't know much about solar. Secondly, you don't have a specific industry for solar; very few people are trained to install and maintain this thing and thirdly, the government is not very much willing to design policies that can favour the industry," he said during an interview at the university.

But despite the challenges, Strathmore University in Madaraka, Nairobi has decided to take the solar power route to not only save on energy costs, but also sell excess power, among other benefits.

The university has installed one of the largest rooftop PV solar power plants in the region producing over 600 kilowatts which consists of 2,400 solar panels and 30 inverters.

According to Professor Da Silva, the new project will now save the university close to Sh1.8 million every month in terms of electricity bills, adding the savings will be used to service the loan which was used to finance the project at the beginning.

The project was financed through secured green funds at concessionary rates from the Co-operative Bank of Kenya.

"We hope to get about 70 percent of our bills knocked off," Da Silva says smiling, "It is like renting a house and buying a house. Now, I am buying a house. In about seven and a half year's time we will have paid the loan, then we will benefit with the project perhaps for the next 20 years."

The plant has been installed by Quest Works Limited, a local real estate project management and consulting company which is the first of its solar project in the country and the region.

The system is spread over the rooftops of six buildings within the university and has a daily power production of 2.2 to 2.8 megawatt hours, monitored at panel level.

According to Quest Works Lead Consultant and CEO Raul Figueroa, this kind of project is meant for heavy power users and during daytime like large institutions and factories. "People who use more power during the night and not during the day are not candidate," Figueroa says.

Even as he urges organisations to embrace solar power, his emphasis is on investing in enough research prior to solar installations to ensure they get the required results.

Strathmore University is now in the process of signing a contract with Kenya Power to sell excess electricity as they are now under the class of Independent Power Producer (IPP) according to the energy regulations.

"We will be selling power to them for the next 20 years at perhaps 12 cents of a dollar. It is little because we pay 23 and they pay 12. But it is money; it is free money. With this project we will get close to 30,000 or 40,000 dollars per year." Professor Da Silva says.

The university also plans to use the project as a 'training lab' for students even from other institutions with the aim of increasing the number of solar experts in the country.

Similar existing plants are at United Nations Environment Programme (UNEP) headquarters (500 KW) and Williamson tea factory (1 MW).

20. Liberia: 'Bong Power Plant Project On Course' | July 18 | The News (Monrovia)

Source URL: http://allafrica.com/stories/201407181226.html

18 July 2014

The United States Embassy in Monrovia has disclosed that the hydro power plant project in Suakoko, Bong County, remains on course.

Recently, this paper reported that USAID has withdrawn support from the construction of a one megawatt hydro project in Bong County.

However, U.S. Ambassador Deborah Malac clarified that USAID is still committed to provide financial support for the construction of the hydro Power plant on the Mein River in Suakoko.

She said delay in the continuation of the project is due to problem with the contractor.

"I want to make it very clear that we are going to build that plant; the issue related to a contractor that is for many partners, he was to build that as well as three other projects and he has not been able to complete any contract. So that particular project will be moved to a new contractor and new partner to continue the work on it," the U.S Envoy.

Ambassador Malac said the current contractors' contract ends in October this year and that they are unable to complete it at the assigned time.

"So we are moving ahead with the project, it's just that the previous contractor will not be doing it; he is just moving to another contract so I want make sure that it is clear, we do intend to build a power plant which will serve the Phebe Hospital, Cuttington University, 2,500 households and 150 commercial customers," she said.

21. Nigeria: Ekedc to Generate 1000mw Via Embedded Power Project | July 22 | Daily Independent

Source URL: http://allafrica.com/stories/201407230135.html

By Anayo Korie, 22 July 2014

Eko Electricity Distribution Company of Nigeria Plc has concluded plans to generate over 1000mw of electricity through embedded power generation model by 2019 , Mr Brent Hampton, vice president, Project Services of the power distribution firm, has said.

Hampton who spoke in Lagos recently during a one day workshop on embedded power project organised by the Consulate General of the Federal Republic of Germany, Lagos explained that the generation of electricity through this initiative would be done in phases .

According to him, the first quarter of 2014 was dedicated to collect the application of the investors who expressed interest in the project ,adding that 39 out of the 49 investors who applied for the project were successful as National Electricity Regulation Commission NERC had approved the list .

A breakdown of some of the power stations to be located in Lagos include Orile, 60mw; Agbara, 50mw; Lekki, 10mw;Victoria Island, 10mw; and Kirikiri, 20mw, amongst others. .

Laying emphasis on the roadmap of the power project, he said, 2014 was set aside for prequalification, evaluation and the signing of the project , while 2015 would be used to execute projects under phase one, 2016 and 2017 for building projects under phase two.

He added that 2017 and 2020 was set aside for the execution of phase three projects .

Speaking further on the application of renewable energy, he noted that source of power supply will be added to generate electricity in the second phase of the initiative. .He listed creditability and liquidity of the distribution firms, payment of security structure, regulatory and contractual framework and capacity, access created by distribution firms for federal government connection condition and fees, as some of the challenges .

Mr Jurgen Ophey CEO of 2G Africa Commercial and Feasibility, in his contribution said, the high demand for embedded power generation will go a long way in solving the challenges of energy crisis in Nigeria.

He revealed that Germany generates over 90 percent of her energy from Bio-gas

According to him Germany generates over 70,548mw of electricity, adding that over 14,000 of the generated power is sourced from embedded electricity . He observed that the electricity generated cannot be compared with a mere 3526mw generated to meet the power need of Nigeria with a population of 167 million people.

22. Nigeria: Nigeria Makes Progress with $5 billion Investment in Solar PV | July 22 | Solar Novus Today

Source URL: http://www.solarnovus.com/nigeria-makes-progress-with-5-billion-investment-in-solar-pv_N7994.html

Written by Shem Oirere 22 July 2014

Nigeria's determination to generate an additional 500MW from solar PV by next year and create a base for increasing the capacity to 4,000MW by 2025, appear to be on course after the recent signing of a major renewable energy development deal with a global clean energy development joint venture.

The agreement between the government of Nigeria and SkyPower FAS Energy, a joint venture between SkyPower Global and FAS Energy in May, for the development of 3000MW of utility-scale solar PV projects in the West Africa nation in the next five years, has boosted the country's efforts to generate 18% of its electricity from renewable sources by 2030.

The $5 billion solar PV investment by SkyPower FAS Energy, to be developed in phases, is part of Nigeria's strategy of pursuing an integrated renewable energy development programme that would enable it meet an anticipated annual electricity demand of between 6390MW and 10,800MW by 2020 up from the 3760MW.

The 3000MW solar PV will be developed in Nigeria's Delta State and other states, yet to be identified and would entail what the company describes as "a multi-phase development and build schedule that will result in production of clean, sustainable, cost-effective energy to support the growing energy needs of Nigeria." The company said details about the projects' sites, financial close and signing of the power purchase agreement will be confirmed later.

"SkyPower FAS Energy is committed to work closely with both governments for the planning, financing and construction of 3000 MW of utility-scale solar PV energy projects for the Nigerian power grid which are expected to reach commercial operation in phases starting in 2015," said Canadian Kerry Adler, President and Chief Executive Officer of SkyPower Global.

"Global partnerships such as these are key to bringing together extensive expertise from around the world."

SkyPower FAS Energy said the US$5 billion funding would be raised through a combination of bank debt, development bank financing, and equity partners. "Over the life of the projects, it is estimated that more than 30,000 jobs will be created in Nigeria," said Stephen Bordes, Chief Financial Officer of SkyPower Global.

SkyPower, says it has more than 25,000MW of renewable energy projects at various stages of development from greenfield to construction and has also secured contracts worth more than $4 billion of energy sales to utilities globally.

Analysts have previously said if Nigeria devotes 1% of its land for solar PV modules, an estimated 1850 x103 GWh of solar electricity would be generated per year...

The company is expected to take advantage of Nigeria's conducive solar radiation levels and on-going energy sector reforms, which has been in the works since 2001 to woo independent power producers and private sector investors to take advantage of new policies in investing in the energy sector.

Nigeria's Ministry of Power says the country's solar radiation is said to be "fairly well distributed with average solar radiation of about 19.8 MJ/m2/day and average sunshine hours of 6hrs/ day." Analysts have previously said if Nigeria devotes 1% of its land for solar PV modules, an estimated 1850 x103 GWh of solar electricity would be generated per year, which is more than 100 times the current grid electricity consumption level in Nigeria.

Another incentive SkyPower FAS Energy is likely to take advantage of is Nigeria's commitment to have 10% target for renewable energy mix for all new connections by 2020 set by the National Electric Power Policy of 2001, which Nigeria is using as a base for developing its alternative energy sources.

Nigeria's Electricity Regulatory Commission has also published Feed-In-Tariffs for most renewable energy in June 2012 "providing investors cost recovery and guaranteed return on investment."

The reforms also include the establishment of the Nigerian Bulk Electricity Trading Plc, which the government says is "as a credible and creditworthy off-taker of power including renewables."

The off-taker, which is supported by World Bank Partial Risk Guarantee, will sign power purchase agreements (PPAs) with independent power producers with the backing of credit letters from the government.

Nigeria's Energy Commission (ECN), through its Energy Research Centre has developed different solar technologies which could be exploited for commercial energy production such as solar PV application, solar water heaters, solar dryers, solar chicken brooders, water distillers and solar thermal refrigerators.

The commission says some local government agencies and ventures are already investing in solar PV street lighting and water pumping. However, ECN says the government and independent power producers would have to grapple with some challenges in developing the country's solar PV potential such as the high initial investment costs, lack of access to capital, reluctance by commercial financiers like banks to fund renewable energy projects, delay of government subsidies on renewable energy technologies and challenges in mobilising human resource with technical know-how in production of the renewable energy equipment and components locally.

Written by Shem Oirere, a freelance writer specializing in solar energy.

23. Nigeria: Solar Technology to Drive Rural Electricity Projects - Nebo | July 15 | Daily Independent

Source URL: http://allafrica.com/stories/201407160134.html

Abuja — Minister of Power, Chinedu Nebo has said Federal Government has put in place measures to ensure that henceforth solar technology solution would replace the traditional use of generators as primary source of energy for the rural electrification projects across the country.

Nebo disclosed this on Tuesday in Abuja when a group of officers from the Defence Command and Staff College of Bostwana, led by Brigadier Shadrack Moloi visited him.

The minister who was represented by the Permanent Secretary, Dr. Godknows Igali said that with improvement in the storage capabilities of solar, it is now possible for rural folks to enjoy basic electricity throughout the night, that would provide them basic lighting.

He said the ministry would soon put in place well structured governance that would ensure that electricity users are made to pay some amount into a pool that will be channeled towards minor replacements and maintenance.

He also identified the need for training of locals in the maintenance of solar panels and other ancillary facilities, adding that solar power is not only sustainable, but also renewable hence far better than generators with diesel, describing this as unsuitable in view of modern development in the solar technology.

Responding to a question about privatization, as the profit motive of the new owners could make electricity un-affordable, the Minister said, "Nigeria has in place an effective regulatory framework the Nigerian Electricity Regulatory Commission (NERC) which has a fixed tariff structure, not the new owners".

24. Tanzania: Climate Change Impacts Hydropower Generation | July 23 | Tanzania Daily News

Source URL: http://allafrica.com/stories/201407230654.html

Morogoro — CLIMATE change has been pointed out as a reason to decreasing electricity generation from hydropower sources, which has had an adverse impact on the economy.

Deputy Permanent Secretary in the Ministry of Energy and Minerals, Mr Ngosi Mwihava, said the country had for a long time depended on hydropower generation as it is cheaper compared to other sources.

Opening a training seminar for energy sector experts, Mr Mwihava said climate change had resulted in the lowering of dam water levels, thus producing insufficient power to run turbines and forcing the government to look for other power generation sources.

As a result, he said, the government was spending a lot of money on the purchase of heavy diesel oil for running power generators.

He said while the public has been blaming Tanesco and the government for hiked power tariffs, increasing running costs were really the reason for the hike.

The PS gave the example of Nyakato power station in Mwanza city which spent 300,000 litres of heavy fuel oil per day, which was far higher than the revenue from the generated power.

As an alternative, he said the government was considering other options for cheaper and more reliable power generation which took into account the environmental aspect according to the 2025 National Development Vision.

He said it would be unwise for the country to resolve to advance economically while putting future generation of power at the mercy of climate change ravages.

The training facilitator, Prof Pius Yanda, from the University of Dar es Salaam, said much as environmental impact was not that big in Africa, caution had to be taken, especially in Tanzania where deforestation was fast increasing owing to charcoal production and bush fires in rural areas.

He called for concentrated efforts in addressing power generation challenges caused by climate change, saying if the situation was left unchecked by 2030 worse ravages would befall the country.

25. Tanzania: Government facilitates people's access to reliable energy | July 21 | African Manager

Source URL: http://www.africanmanager.com/site_eng/detail_article.php?art_id=22312

Tanzanian President Jakaya Kikwete has said his government is striving hard to reduce electricity tariffs to enable the majority of the East African nation's population to access reliable energy for development.

Kikwete, currently on a week-long tour of the southern Ruvuma Region, made the remark at a public rally after inspecting rural development projects undertaken by different communities and private institutions. The projects included small hydropower generation and irrigation schemes as well as road construction.According to Energy and Minerals Minister Sospeter Muhongo, who is accompanying the President on the tour, a unit of electricity in Tanzania is currently sold at 16.8 US cents compared to 18 cents and 18.5 cents in neighbouring Kenya and Uganda respectively, while in Rwanda it costs 23 cents.Tanzania Electric Supply Company (TANESCO), wholly owned by the government, is the country's main power generator.This month, the government embarked on a one-year Electricity Supply Reform Strategy aimed at creating a financially-sound power infrastructure through increased investment from both private and public sectors.According to its outline, the strategy is aligned with Tanzania's development vision of becoming a middle-income economy by 2025, with an annual per capita income of at least US$3,000. By then, the population is projected at 69.5 million and would require electricity supply capacity of at least 10,000 MW.About 24 percent of the nearly 45 million Mainland Tanzanian population, of which 7 per cent is in rural areas, is presently connected to electricity services, while the national demand for electricity grows between 10 percent and 15 percent per year.Muhongo said ongoing efforts aim to raise power connection levels to 30 percent before the end of 2015 and 50 percent by 2025. “The objective of the reform is to improve electricity supply industry governance and performance for sustainable socio-economic transformation and environment protection anchored on active participation of the private sector.As of May 2014, Tanzania's installed total power generation capacity was 1,583 MW composed of hydro 561 MW (35 percent), natural gas power plants of 527 MW (34 percent), and liquid fuel power plants of 495 MW (31 percent).According to the country's power supply master plan of 2012, short-term financing requirements from 2012 to 2017 were put at US$11.4 billion, about US$1.9 billion per year, of which 73.5 percent was for power generation.In order to improve the security of supply, the government has started diversifying the sources of electricity generation to include natural gas, coal, hydro, uranium and renewable energies.

26. Tanzania: Tanzania turns to more gas and coal to meet its energy needs | July 23 | Thomson Retuers Foundation

Source: Thomson Reuters Foundation - Wed, 23 Jul 2014 15:15 GMT

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DAR ES SALAAM, Tanzania (Thomson Reuters Foundation) – Despite facing a direct threat from climate change, Tanzania plans to rely heavily on coal and natural gas for its future energy needs as the country strives to develop its economy.

The east African nation has suffered from a growing energy deficit in the last several years, caused partly by recurring droughts that have crippled hydropower capacity. Critics say the government has mostly failed to tap the country's other renewable energy potential to help bridge the power gap.

In June this year, the government launched its 2014-2025 Electricity Supply Industry Reform Strategy and Roadmap, under which it aims to increase electricity generation from 1,583 megawatts (MW) to 10,800 MW in the next 10 years.

Key to the strategy is a diversification of power generation sources to include much more natural gas and to introduce coal. Two-thirds of the country's projected total energy capacity will come from coal and natural gas by the end of the plan, it shows.

Currently, natural gas accounts for about one-third of Tanzania's electricity generation, with hydropower and liquid fossil fuel contributing in roughly equal measures to the balance.

Hydropower capacity is projected nearly to quadruple but will make up only 19 percent of the mix by 2025. Wind, solar and geothermal will together generate just 500 MW, less than 5 percent, according to the plan.

While natural gas discoveries off the county's southern coast offer prospects for economic growth and a stable energy supply that would end decades of electricity shortages, experts say increasing use of fossil fuels, especially coal, will double the country's emissions of climate-changing greenhouse gases, contributing to more extreme weather and other problems.

'IRREPARABLE DAMAGE'

"The use of coal for industrial production will undoubtedly cause irreparable damage to the environment," said Riziki Kajule, an environmental expert from the Dar es Salaam Association of Environmental Engineers.

"Policy makers need to carefully think about it and assess what would be the impact before they decide to use it on a larger scale," he said.

Besides its effect on the stability of the global climate, Kajule said coal releases pollutants such as acid rain-inducing sulfur dioxide which could harm the environment. Mining also often destroys trees and other plants, and topsoil, he said.

Tanzania has reserves of coal estimated to total 5 billion tonnes. Sospeter Muhongo, Tanzania's minister for energy and minerals, said that the government, through the state-owned power utility, TANESCO, plans to generate 2,900 MW of power from coal by 2025.

TANESCO also plans to boost power generation from natural gas-fired turbines from the current level of 527 MW to almost 4,500 MW by 2025.

Although natural gas is less damaging than coal as a fuel, with almost no sulfur dioxide emissions, it too is responsible for the emission of greenhouse gases, Kajule noted.

AIMING FOR GDP BOOST

The energy roadmap is part of the government's strategy to raise per capita income in Tanzania from $640 to at least $3,000. To achieve that target, according to Muhongo, the country's GDP must grow from $2 billion annually to $181 billion annually by 2025.

"In order for our country to industrialise and effectively participate in the global economy, growth in the productive sector of the economy is important and will require huge investment in electricity infrastructure," Muhongo said.

The minister said the government needs finance of $11.4 billion for electricity projects between 2012 and 2017, with three-quarters of the money going to power generation.

According to the plan, the government also aims to participate in the eastern Africa and southern Africa energy pools to meet present and future demands for electricity.

Government statistics show that only 24 percent of Tanzanians are connected to the national grid, while the demand for electricity is growing between 10 and 15 percent per year.

According to the 2012 census, over 70 percent of Tanzanians live in rural areas, but only 7 percent of these residents were connected to an electricity supply.

Little access to electricity coupled with low purchasing power has excluded many rural households from participating effectively in economic activities, the government said.

The desire for new energy source is particularly strong because persistent drought has repeatedly depleted water levels in major rivers in Tanzania, plunging most of the hydropower-reliant country into power cuts that have caused huge business losses and affected government revenues.

CLIMATE THREAT TO FARMERS

But Tanzania also is highly vulnerable to climate change, a problem whose impacts are particularly severe for the country's farmers due to their heavy dependence on rain-fed agriculture.

Although the government has put in place a number of policy interventions to address that threat, such as training farmers to adopt climate-smart agriculture techniques, experts say problems with weather extremes are likely to continue to affect agricultural production and the families that rely on it.

The problem is not entirely Tanzania's to solve, however, experts point out.

Henry Mahoo, a climate change expert from Sokoine University of Agriculture in Morogoro, noted that the climate change affecting Tanzania and other African countries is caused primarily by the greenhouse gas emissions of industrial countries in the developed world.

"It is a global issue we are entangled (in)," Mahoo said. "When it comes to adaptation (to climate change) we are the weakest because our economies are very poor."

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