

Somalia

POWER AFRICA

A U.S. GOVERNMENT-LED PARTNERSHIP

“Renewable and alternative energy sources, such as solar and wind power, present substantive opportunities to diversify and expand the energy infrastructure systems of Somalia...”

- National Development Plan (2017-2019)

Population: **14.74 million**
GDP Growth (2015-16): **4.9%**
GDP/Cap (PPP): **\$434.20**

ENERGY SECTOR OVERVIEW

Since the fall of Somalia’s central government in 1991, electricity service has solely been a role of the dynamic Somali private sector. The current installed generation capacity is approximately 106 megawatts (MW). While most power companies rely on diesel generators for electricity generation, interest and investment is growing in hybrid systems that draw on solar and wind energy resources. According to a recent study by the African Development Bank, Somalia has the highest resource potential of any African nation for onshore wind power and could generate between 30,000 to 45,000 MW. Solar power could potentially generate an excess of 2,000 kWh/m². Only an estimated 16% of the population has access to electricity. Somalia has higher tariffs compared to neighboring countries Kenya and Ethiopia.



GENERATION CAPACITY

Installed Capacity: 105.4 MW

- Diesel: 100 MW
- Solar/Wind: 6 MW

Power Africa new MW to Date

- Reached Financial Close: N/A
- 2020 target: 150 MW
- 2030 target: 500 MW



CONNECTIONS

Current access rate: 16%

- Rural: 3.5% Urban: 34.7%

Average Tariff: \$0.5-\$1.25/kWh

Households without Power: 2.4 million

INVESTMENT AND ENABLING ENVIRONMENT

Biggest Issues and Bottlenecks

1. Limited regulation & oversight of the sector
2. Monopoly distribution control in some areas
3. Acute shortage of qualified staff
4. Generation and distribution losses (up to 40%) due to poor infrastructure and collection
5. High electricity tariffs due in part to energy company inefficiencies
6. Insecurity and political instability

USAID/Somalia - Power Africa Interventions

1. Institutional capacity building for public energy agencies and associations
2. Technical assistance to improve efficiency and operations of private sector energy companies
3. Technical assistance to improve access to alternative energy solutions for targeted industries
4. Demand/generation studies



POWER AFRICA'S ENGAGEMENT IN SOMALIA

ENABLING ENVIRONMENT

Somalia's power sector faces significant challenges, including lack of sufficiently trained labor, a weak regulatory environment, high investment costs, scarcity of energy production supplies, and poor infrastructure. Given the unavailability of traditional project finance, coupled with local Islamic financial practices, Somalia has developed its own capital-raising mechanisms for infrastructure projects which are evolving as projects grow in size and scale. Companies have successfully raised significant sums from diaspora populations in the U.S. and beyond for energy projects. Despite great strides made recently by the private sector to increase the production and distribution of electricity, the annual consumption of electricity per capita remains among the lowest in Africa and customers pay a high rate 0.5-1.25 cents/kWh compared to 0.15 cents/kWh in Kenya and 0.6 cents/kWh in Ethiopia.

DONOR ENGAGEMENT

The World Bank completed a power master plan study in August 2018 which details a 20 year least cost plan, gap analysis of regulations, laws, standards, and the institutional and human resource development needs to develop the sector. USAID and other development partners will coordinate their efforts towards supporting the implementation of the plan. The Somali government has prioritized the drafting of an energy policy, strategy, and regulatory framework to facilitate more private sector investment in alternative renewable energy, and also to explore the possibility for technically viable cross-border energy trade with neighboring countries. The Somaliland Electrical Energy Act was prepared with the support of USAID and the UK's Department for International Development, while the Somalia National Energy Policy resulted from a European Union-funded project.

USAID currently supports the Somali government and private sector to increase the availability of quality energy and to reduce tariffs through the provision of a wide range of technical assistance to develop the electricity supply industry. Efforts include:

- Providing institutional capacity building for Somali public energy agencies;
- Providing technical assistance to private sector companies to improve the capacity and efficiency of operations;
- Improving collaboration between private sector entities throughout Somalia, including the country's energy association, in order to increase technical capacity within the energy sector;
- Undertaking targeted energy demand/generation studies; and
- For targeted industries, such as fisheries and dairy, improving access to renewable energy solutions.

ABOUT POWER AFRICA

Power Africa is comprised of 12 U.S. Government Agencies, 145 private companies, and 18 bilateral and multilateral development partners to support sub-Saharan governments by working together to increase the numbers of people with access to power. Power Africa's goal is to achieve 30,000 MW of new generated power and 60 million new connection by 2030 to reach 300 million Africans.

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