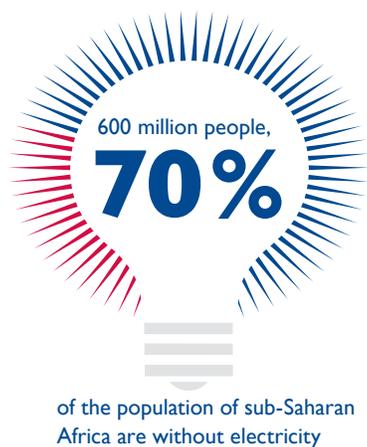


# Leveraging Partnerships to Increase Access to Power in Sub-Saharan Africa

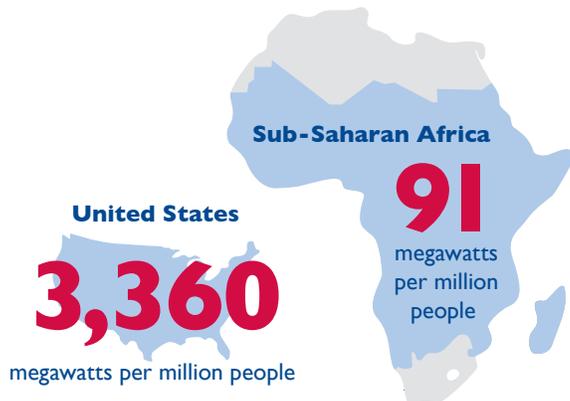


Two out of three sub-Saharan Africans — 600 million people — lack access to electricity, forcing them to spend significant amounts of their income on costly and unhealthy forms of energy, like diesel to run factory generators and smoky and scarce wood for indoor fires for cooking.

On June 30, 2013 in Cape Town, South Africa, President Obama announced Power Africa — an initiative to double the number of people with access to power in Sub-Saharan Africa. Power Africa will achieve this goal by unlocking the substantial wind, solar, hydropower, natural gas, and geothermal resources in the region to enhance energy security, decrease poverty, and advance economic growth.

Power Africa will start by working with African governments, the private sector, and other partners such as the World Bank and African Development Bank in six focus countries — Ethiopia, Ghana, Kenya, Liberia, Nigeria and Tanzania — to add more than 10,000 megawatts (MW) of clean, efficient electricity generation capacity. By expanding mini-grid and off-grid solutions and building out power generation, transmission, and distribution structures, Power Africa will make electricity access available for 20 million people and commercial entities. At the same time, Power Africa will enhance energy resource management capabilities, allowing partner countries to meet their critical energy needs and achieve sustainable, long-term energy security.

## Generation Capacity



## A New Operating Model: Mobilizing Investments in Energy

The level of funding needed to electrify the continent far outstrips the capacity of African governments and foreign donors. As a result, 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. By leveraging U.S. strengths in energy technology, private sector engagement, and policy and regulatory reform, Power Africa will galvanize collaboration, make quick-impact interventions, and drive systemic reforms to facilitate future investment.

The Power Africa model is part of President Obama's new approach to development, which builds local capacity and supports innovative ways to make traditional assistance programs more effective and sustainable. Power Africa also is partnering with Uganda and Mozambique on responsible oil and gas resource management.

## Highlighted Transactions

**Kenya Aeolus Wind** — 60 MW: The Government of Kenya, project financiers, and Aeolus Kenya Ltd. are closing agreements for the funding and construction of the Kinangop Wind Park. Power Africa also supports the implementation of a grid management program to assist Kenya in managing integration of intermittent renewable energy.

**Nigeria Power Privatization** — 2,000 MW: Fifteen companies will purchase the assets of ten electricity distribution units and five power generation units during the initial phase of privatizing the Power Holding Company of Nigeria. Power Africa is supporting these companies' efforts to improve operations and maintenance and obtain additional investment, which is projected to result in a 2,000 MW increase of power generation by 2018.

**Ethiopia Corbetti Geothermal** — Up to 1,000 MW: The Government of Ethiopia and the Ethiopian Electric Power Corporation entered into a project agreement with Reykjavik Geothermal to establish the Corbetti Geothermal Power Plant — the first independent power project in Ethiopia's history. Power Africa will provide transactional and technical advice to move the Corbetti project forward.

**Tanzania Kiwira River Hydro Project** — 10 MW: Power Africa approved a loan guarantee for the Kiwira River Hydro Project in Tanzania's agricultural corridor. This guarantee will facilitate local commercial finance for the mini-grid project.

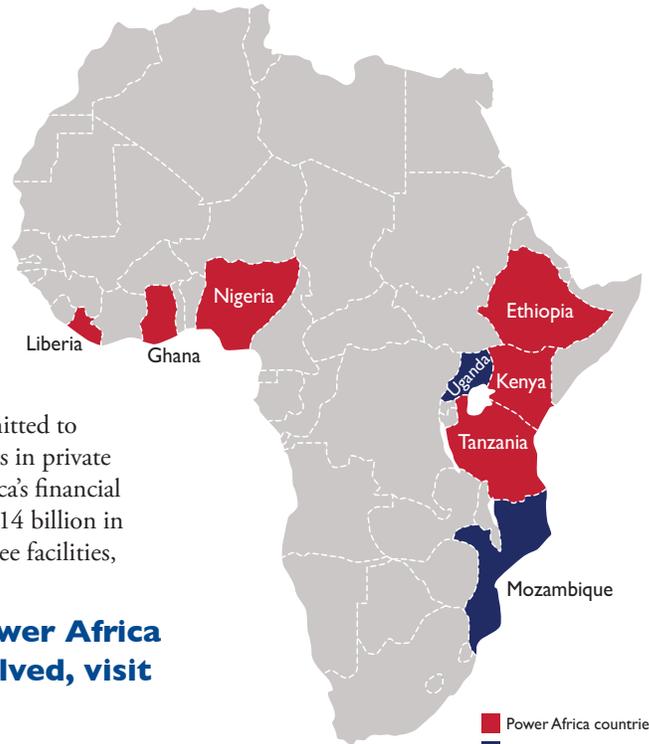
## Highlighted Private Sector Partners

- General Electric
- Heirs Holdings
- Symbion Power
- Aldwych International
- Harith General Partners
- Husk Power Systems
- United States Energy Association
- Aelous Kenya Ltd
- Africa Infrastructure Investment Managers
- American Capital Energy & Infrastructure
- Corporate Council on Africa
- Nedbank Capital
- Standard Bank Group
- The Abraaj Group
- NextGen Solar
- Denham Capital

## The Partnerships

For the first, five-year phase, through 2018, of Power Africa, the U.S. Government has committed more than \$7 billion in financial support and loan guarantees, in addition to the coordinated support and expertise of 12 U.S. government agencies. Power Africa is also working closely with development finance partners, such as the African Development Bank and the World Bank, to enhance the availability of energy sector resources in Africa.

Every dollar the U.S. Government has committed to Power Africa has already leveraged two dollars in private sector investment commitments. Power Africa's financial partners have committed to providing over \$14 billion in project finance through direct loans, guarantee facilities, and equity investments.



■ Power Africa countries  
■ Energy Governance and Capacity Initiative countries

**For more information on Power Africa and to learn how to get involved, visit [www.usaid.gov/powerafrica](http://www.usaid.gov/powerafrica)**

The Power Africa Toolbox			
	Technical assistance		Direct grants to African governments for energy projects
	Grants to off-grid communities for access		Feasibility, project preparation and technical assistance grants
	Risk mitigation insurance		Advocacy of legal, regulatory and institutional reforms
	Loan guarantees		Advise on government budgeting and financial accountability
	Medium and long-term direct loans for U.S. investments in Africa		Reverse trade missions and training
	Working capital loans for U.S. exporters		African trade promotion programs
	Loans to African purchasers of U.S. goods and services		Transaction advisory services



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