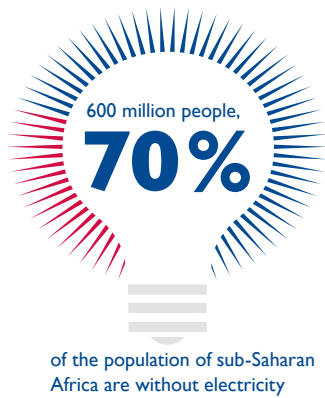


Leveraging Partnerships to Increase Access to Power in Sub-Saharan Africa

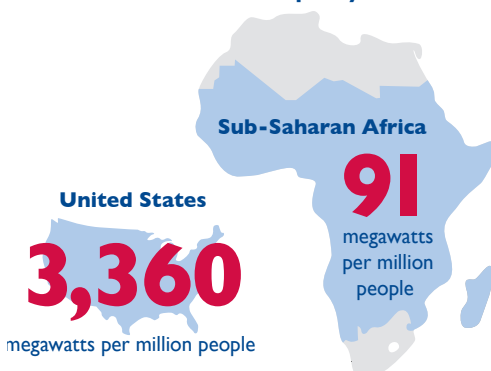


Two out of three sub-Saharan Africans — approximately 600 million people — lack access to electricity. As a result, people spend significant amounts of their income on costly and unhealthy forms of energy. Diesel is used to run factory generators, while scarce and smoky wood or expensive kerosene is used for daily cooking.

On June 30, 2013 in Cape Town, South Africa, President Barack Obama announced Power Africa — an initiative to increase the number of people with access to power in Sub-Saharan Africa. Utilizing the combined expertise of 12 U.S. Government agencies, Power Africa is unlocking the substantial wind, solar, hydropower, natural gas, biomass, and geothermal resources in the region to enhance energy security, decrease poverty, and advance economic growth.

Power Africa is working with African governments, the private sector, and other partners in six focus countries — Ethiopia, Ghana, Kenya, Liberia, Nigeria and Tanzania — to add more than 10,000 megawatts (MW) of cleaner, more efficient electricity generation capacity by 2020. The initiative has already helped financially close almost 2,800 MW worth of transactions and has secured commitments for another 5,000 MW, representing a total of almost 75% of the initial 10,000 MW goal.

Generation Capacity



Although Power Africa's implementation varies country-by-country, as a whole, the initiative will also advance energy sector reforms, identify barriers to investment, and work with each partner country to improve efficiency and capabilities of relevant government institutions.

In addition, Power Africa aims to reduce technical and commercial electricity losses by an average of 20% in the six focus countries by 2020; it also strives to increase regional cross border energy trading through the utilization of power pools and other energy sharing resources.

Power Africa is also enhancing energy resource management capabilities, allowing partner countries to meet their critical energy needs and achieve sustainable, long-term energy security.

Power Africa is also expanding mini-grid and off-grid solutions to increase access to underserved areas through "Beyond the Grid." This sub-initiative utilizes Power Africa's innovative transaction-focused model to galvanize collaboration, engage in critical actions to accelerate transactions, and drive systemic reforms in order to facilitate future investment for off-grid and small-scale renewable energy solutions. The Power Africa initiative already supports over 25 small-scale energy projects, but Beyond the Grid will expand this significantly – facilitating over \$1 billion in new private sector investments. Beyond the Grid will also unlock investment and growth for off-grid and small-scale energy solutions for millions of households, businesses and public facilities in underserved areas in Africa.

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.

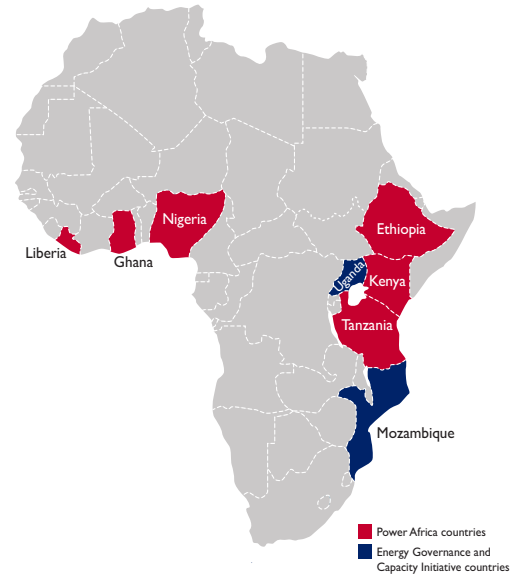
Tanzania Kiwira River Hydro Project — 10 MW: Power Africa approved a loan guarantee for the Kiwira River Hydro Project in Tanzania's agricultural corridor. This guarantee will facilitate local commercial finance for the mini-grid project.

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

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, the 12 U.S. Government agencies behind Power Africa have developed an innovative model that uses transactions with private investors and policy dialogue with key stakeholders to focus and drive energy reforms. By leveraging U.S. strengths in energy technology, private sector engagement, and policy and regulatory reform, Power Africa is galvanizing collaboration, making quick-impact interventions, and driving systemic reforms to facilitate future private investment. For the first five-year phase of Power Africa, the U.S. Government has committed more than \$7 billion in financial support and loan guarantees. To date, Power Africa has leveraged more than \$15 billion from the private sector for new on and off-grid projects in sub-Saharan Africa, meaning that every dollar the U.S. Government has committed to Power Africa has already leveraged more than two dollars in private sector investment commitments.



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 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.

For more information on Power Africa and to learn how to get involved, visit www.usaid.gov/powerafrica Or email powerafrica@usaid.gov

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

