



“Access to electricity is ... the connection that’s needed to plug Africa into the grid of the global economy. In partnership with African nations [and the private sector], we’re going to develop new sources of energy. We’ll reach more households ... We’ll expand access for those who live currently off the power grid. And we’ll support clean energy to protect our planet and combat climate change. This is America’s vision: a partnership with Africa that unleashes growth, and the potential of every citizen”

*– President Barack Obama
Cape Town South Africa, June 30, 2013*

3rd Annual Workshop on Advancing SE4All Country Action in Africa
February 9, 2016
Katrina Pielli, USAID/Power Africa
Senior Energy Advisor; Lead – Beyond the Grid

The Opportunity

Over 600 Million
people in sub-Saharan
Africa are
without electricity



Power Africa Model

Leveraging effective partnerships that link public and private sector goals and resources, and connect investors and entrepreneurs to business opportunities in Africa.



Power Africa goal: Double Access to Electricity in sub-Saharan Africa

- 30,000 MW of new, cleaner power generation capacity
- 60 million new household and business connections



Private Sector Commitments



Over 100 private sector partners committing to \$31B+ worth of power project development



Development & Strategic Partner Commitments



- The **World Bank Group** - committing **\$5 billion** in new technical and financial support, including loans and guarantees.
- The **African Development Bank** - Power Africa anchor partner, with an initial commitment of **\$3 billion**.
- The **Government of Sweden** - catalyze **\$1 billion** to advance Power Africa, including support for transmission and distribution upgrades.
- The **EU** - providing **\$2.8B** over the next five years to advance goals of establishing modern and sustainable energy sectors and to fight energy poverty.
- **UK DFID** - **leverage investments in cleaner energy; support power pools and access through regional integration**. Power Africa also supports the [Energy Africa campaign](#).

Development & Strategic Partner Commitments

- **Norway** - bringing online **1,500 MW** in renewable energy projects over the next five years.
- **SE4All** - coordinate on **off-grid and small-scale solutions; sharing project information and investment data; and expanding country-specific collaboration.**
- **NEPAD** - advance **key Africa Power Vision transactions** that meet the shared goals of increased energy production and access.
- **IRENA** - information sharing to maximize use of the **Power Africa Tracking Tool** and IRENA's **Sustainable Energy Marketplace.**

THE POWER AFRICA ROADMAP

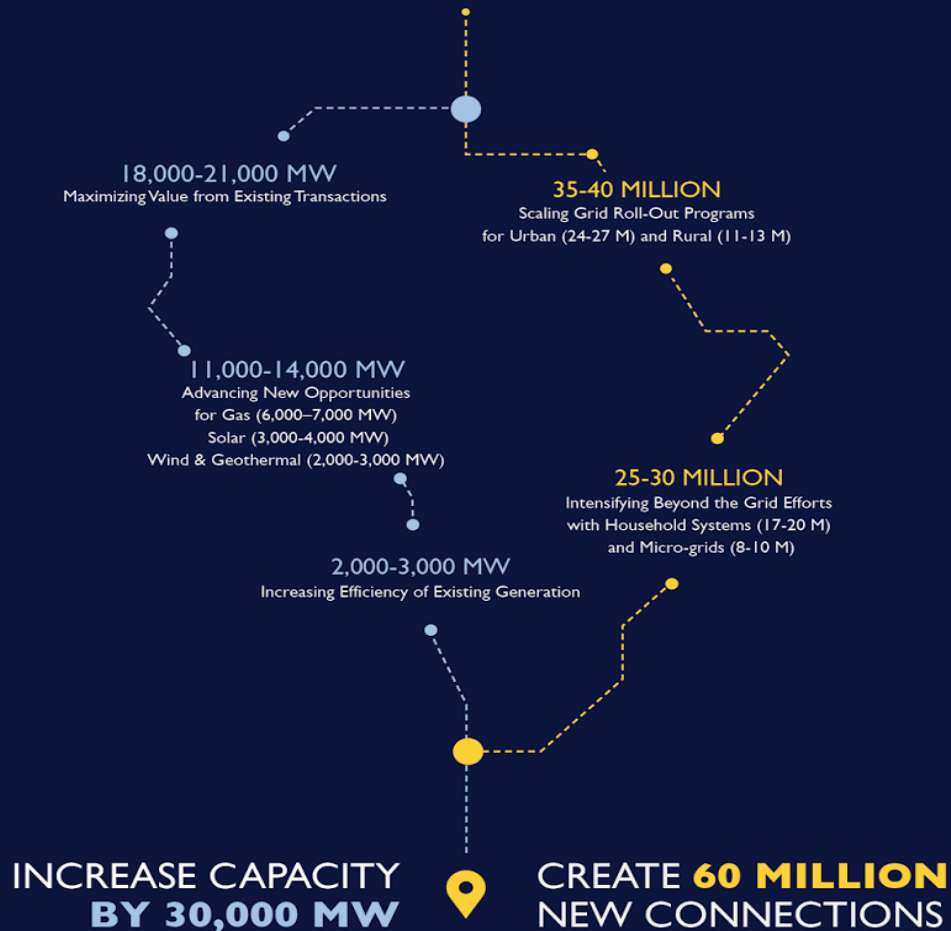


TOOLS & RESOURCES

Transaction Assistance • Finance • Policy / Regulatory Design & Reform • Capacity Building • Legal Assistance

PARTNERSHIPS

Working together to increase energy across the continent by supporting innovation, effective and suitable development.



- Power Africa combines the **resources and global know-how** of our **partners** to provide resources and mechanisms that **drive deals** between the private sector and African governments.
- Power Africa puts these tools in the hands of **our African partners** so they **can advance the energy sector themselves** and control their own energy destiny.
- Five categories of Power Africa tools:
 - Transaction Assistance:
 - Finance
 - Enabling Environment
 - Capacity Building
 - Legal Assistance

<https://www.usaid.gov/powerafrica/toolbox>

Early-stage support

- Innovative energy solutions
- Feasibility and grid impact studies
- Project appraisal and costing
- Public private partnerships
- Additional project preparation support

2015 USTDA grant for development of full-scale business model & financing plan for a 2 MW solar hybrid mini-grid in Tanzania.

Late-stage support

- Technical, regulatory and financial assistance to host country governments to advance transactions to financial close

Tools include:

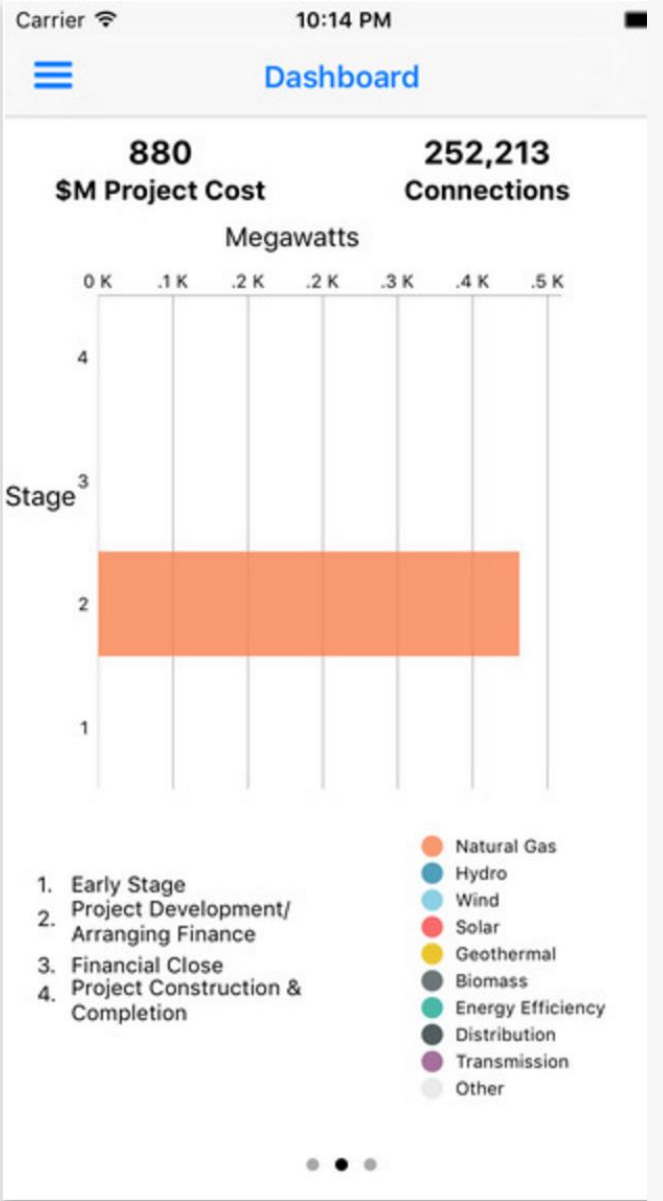
- USAID Development Innovation Ventures grant competition for innovative, transformative solutions
- US Trade & Development Agency (USTDA) grants for project preparation support (pre-feasibility studies, feasibility studies, pilot projects).
- Sustainable Energy Fund for Africa (SEFA) early-stage funding for small- and medium-size renewable energy projects
- Power Africa transaction advisors
- US-Africa Clean Energy Finance project preparation support

Power Africa Tracking Tool (PATT)



iPhone app that tracks power projects as they progress through the development pipeline.

MOU with IRENA to explore further linkages with Sustainable Energy Marketplace



Equity, loans, guarantees, export credits, grants and insurance programs.

Tools include:

- USAID Development Credit Authority – partial-credit guarantees to mobilize commercial debt capital
- Export-Import Bank direct loans with long-term fixed rate financing to purchase US equipment and services
- Overseas Private Investment Corporation (OPIC) direct loans and investment guarantees
- African Development Bank direct equity investments
- OPIC partial-risk and credit guarantees; political risk insurance

2015 OPIC \$15 million loan commitment to Nova-Lumos' Nigerian subsidiary Txtlight Power Solutions Limited to finance the deployment of rooftop solar panel kits to approximately 70,000 residential and small commercial customers in Nigeria using a lease-to-own model.

Technical assistance to improve the enabling environment for private sector investment through policy, regulatory, legal, and utility reforms, improved procurement practices and power sector planning.

Tools include:

- Millennium Challenge Corporation (MCC) Compact
- U.K. Department for International Development (DfID) capacity building trainings / workshops, including the Energy Africa campaign
- US-East Africa Geothermal Partnership providing assistance to support geothermal development
- US Department of Energy natural gas trainings and workshops
- USTDA reverse trade missions and trainings

2015: \$46 million for off-grid electrification in Benin as part of the MCC \$375 million Compact focused on electric power. MCC will increase access to electricity by supporting public policies and regulation that enable off-grid electrification, as well as grants and other mechanisms.

Legal assistance to strengthen host country government legal expertise & negotiating capacity in structuring, financing and closing power sector transactions.

Tools include:

- African Legal Support Facility (ALSF)
- Commercial Law Development Program (CLDP)

CLDP in partnership with ALSF published the *Understanding Power Purchase Agreements* to provide a balanced understanding of the challenges involved in PPAs and an insight into the practical reality of overcoming these challenges when negotiating these complex agreements.

Available in French & English

- Power Africa Toolbox
 - Technical assistance, financing, capacity building
- Power Africa Tracking Tool (PATT)
- Coordinated activities in-country -- Power Africa staff at USAID missions, regional Power Africa transaction advisors, and SE4All focal points
- Targeted projects, including Power Africa / SE4All Energy Efficiency Roadmap for Uganda
- Additional opportunities?

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