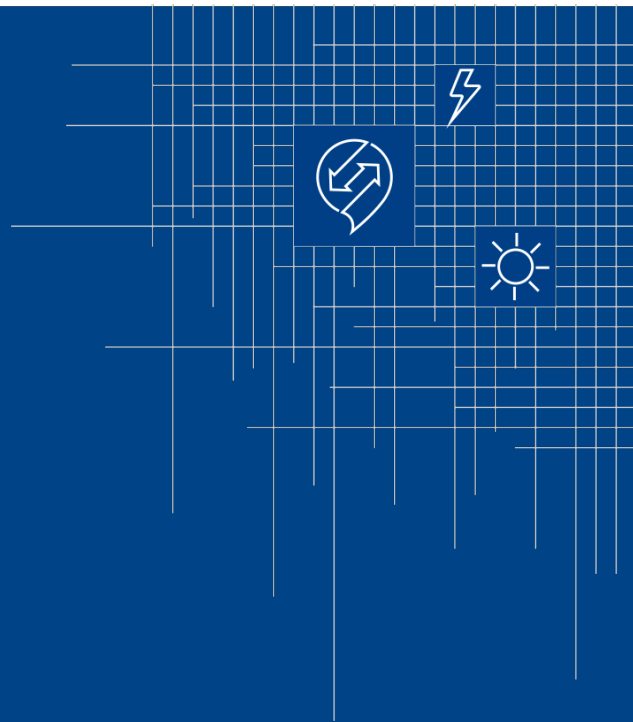


POWER AFRICA

A U.S. GOVERNMENT-LED PARTNERSHIP





The Challenge



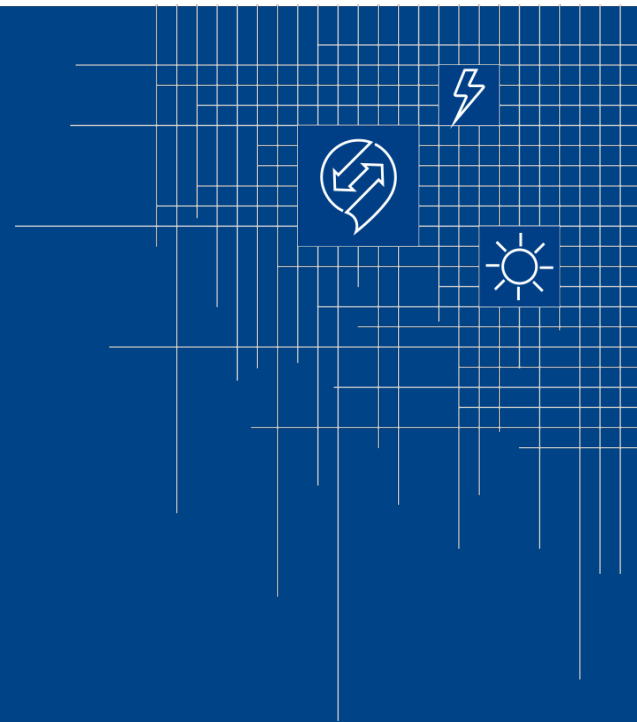
- **600+ million people** in sub-Saharan Africa without electricity
- Estimated **\$835 billion investment needed** to achieve universal electricity access in Africa by 2030
- Electricity access affects health, education, economic growth, stability; it is **a development and security imperative**



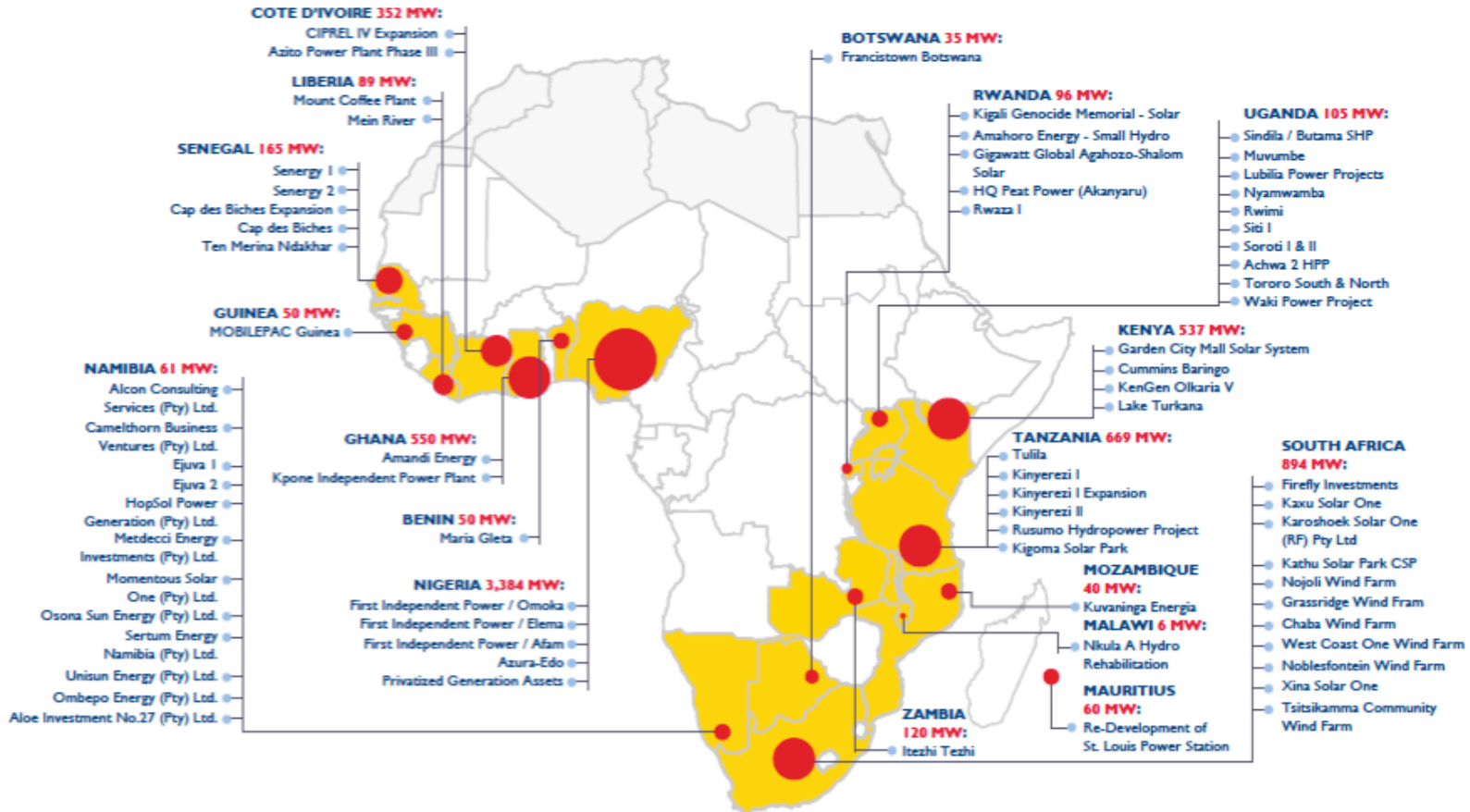


The Power Africa Model

- **Over 150** Private Sector Partners
- **17 Development Partners**
- Over **\$54 billion** leveraged



Where We Work





Technologies Supported



**WIND
TECHNOLOGY**
810 MW
Financially Closed
Transactions: **9**



**NATURAL GAS
TECHNOLOGY**
4315 MW
Financially Closed
Transactions: **19**



**HYDRO
TECHNOLOGY**
1030 MW
Financially Closed
Transactions: **18**



**DIESEL
TECHNOLOGY**
35 MW
Financially Closed
Transactions: **1**



**BIOMASS
TECHNOLOGY**
89 MW
Financially Closed
Transactions: **3**



**GEOHERMAL
TECHNOLOGY**
158 MW
Financially Closed
Transactions: **1**



**SOLAR
TECHNOLOGY**
628 MW
Financially Closed
Transactions: **25**



**HEAVY FUEL OIL
TECHNOLOGY**
196 MW
Financially Closed
Transactions: **4**

Power Africa

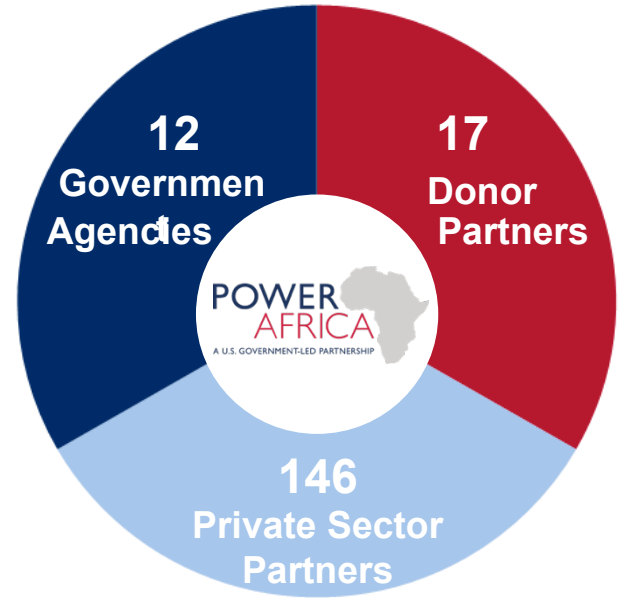
Snapshot

12.5 million
Connections

9,534
Megawatts

117
Transactions to
Reach Financial
Close

\$18 billion
in Projects at
Financial Close



Why the Power Africa Model is Working

Limited Taxpayer
Funds

Private Sector Driving
Development

Forces Reform

Clear and
Measurable Goals

Field Driven

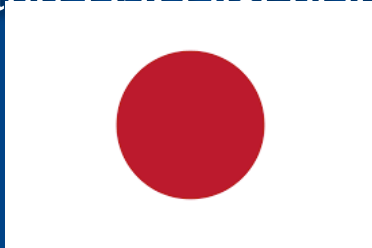
Inclusive Leadership
and Decision Making

Donors Pressed
to Coordinate

An Interagency
One Stop Shop

POWER AFRICA Partnerships

Success depends on **collaboration** among governments, the private sector, donors, civil society, and USG agencies



POWER AFRICA The Toolbox

- Very little direct funding
- International network of partners and skills
- Tools seek to:
 - Facilitate transactions that are win-win for government, citizens, and developers
 - Reduce investment risk in relatively difficult environments
 - Remove hurdles to financial close
 - Promote legal, regulatory, and institutional reforms

POWER AFRICA TOOLBOX

Tools & Resources to Unlock the Power of Sub-Saharan Africa



The Power Africa Toolbox provides a quick yet comprehensive view of the tools & resources Power Africa uses to drive deals & facilitate investment. These tools fall into five major categories:



Transaction Assistance

- Early-stage support for innovative energy solutions, resource evaluations, feasibility and grid impact studies, social and environmental impact studies, project appraisal and costing, engineering designs, public private partnerships, and other project preparation activities
- Late-stage expert technical, regulatory, and financial assistance to host country governments to advance power transactions to financial close and beyond

Who is it for?

Project developers, investors, host-country governments, entrepreneurs, African-owned and operated enterprises



Finance

- Equity, mezzanine financing, senior and sub-senior loans, guarantees, export credits, grants, and insurance programs

Who is it for?

Project developers, financing institutions, entrepreneurs, host-country governments, U.S. lenders and exporters



Policy/Regulatory Design & Reform

- Technical assistance to improve the enabling environment for private sector investment in the power sector through policy, legal, regulatory and utility reforms, improved procurement practices and power sector planning, and the adoption of financial incentives and risk mitigation schemes

Who is it for?

Host country governments, utilities, regulators, and other stakeholders



Capacity Building

- Technical assistance to support institutional strengthening, technical and regulatory skill development, and project development and management activities
- Trade missions to the U.S. and to sub-Saharan Africa

Who is it for?

Host country governments, utilities, energy regulators, public procurement agencies



Legal Assistance

- Legal assistance to strengthen host country government expertise and negotiating capacity in structuring, financing and closing power transactions

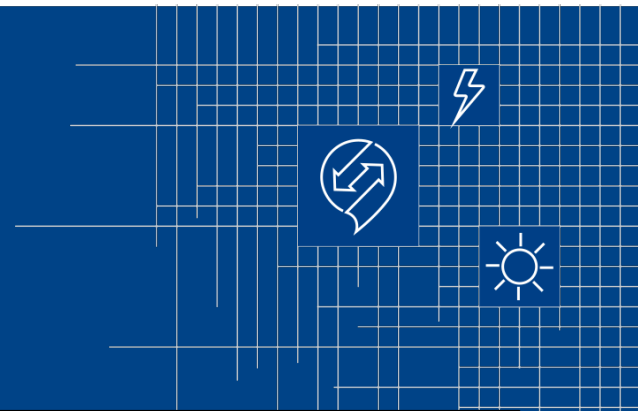
Who is it for?

Host-country governments and African utilities

www.usaid.gov/powerafrica/toolbox

POWER AFRICA Progress

- More than **9,500 MW** in transactions have reached financial close
- Over **12.5 million new connections** to homes and businesses created
- Currently tracking **800** potential projects to provide **75,000 MW**
- Unprecedented **international momentum** to invest in power sector



Replicating the Power Africa Model



**Choose Easily
Measurable
Results**



**Emphasize
Coordination**



**Focus on Private
Sector Interest**



**Centralize Budget
Authority**



**Create Interagency
One Stop Shop**



Power Africa's Capacity Building



- **LNG Handbook**
- **Power Project Financing Handbook**
- **Understanding PPAs Handbook**
- **Procurement Handbook**
- **Transaction advisory support** across the value chain and **help in accessing** private sector finance



The Financing Gap in Africa

- **2015 World Bank Study** estimates \$800 billion investment needed in the power sector to meet demand by 2040
- That's roughly **\$41 billion per year** between now and 2040
- From 1990 - 2013, the total investment was **\$2 billion per year**
- **Local markets cannot provide the amount or length needed** but **international debt is still too expensive**
- Must seek **standardization of PPA** and deal documentation
- Blended **commercial, concessional, or development** finance capital
- Providing financing in **local currency**, where possible





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