

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 Opportunity

- Historic **international momentum**
- Energy access is **a gateway to broader development gains**
- U.S. can play a **catalytic, game-changing role**
- Promotes **regional integration**
- **Business opportunities and jobs for U.S. firms**
- Strong **bipartisan support**

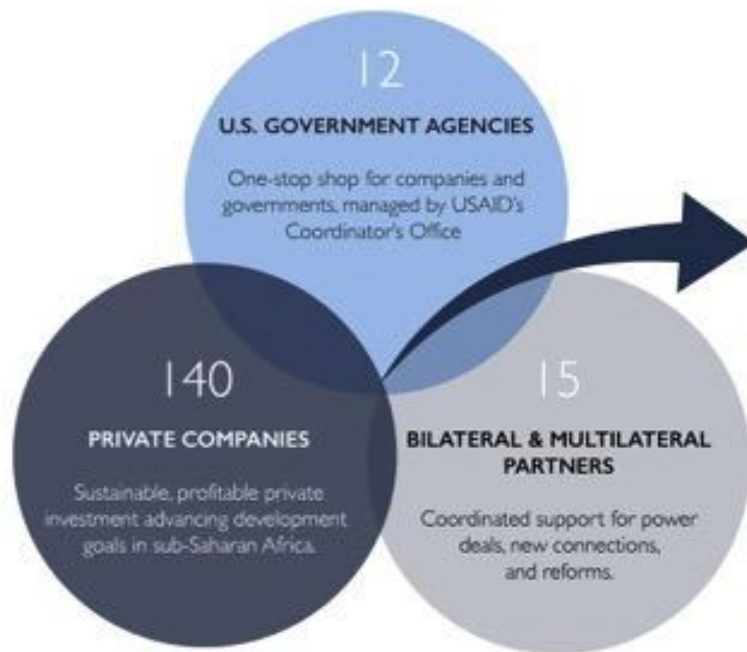




The Model



WHO WE ARE



HOW WE WORK

Power Africa uses the full breadth of U.S. Government and other donor tools to support sub-Saharan African governments and the private sector by unsticking deals, creating an attractive investment environment and driving reforms.

POWER AFRICA TOOLBOX -Examples of U.S. Government Tools-



CAPACITY BUILDING

USTDA reverse trade missions; Departments of Energy and Treasury technical expertise; USAID embedded advisors



FINANCING

OPIC, EXIM and USAID loans and guarantees



INFORMATION RESOURCES

Department of Commerce handbooks for UNG, Power Purchase Agreements, and Project Finance



TRANSACTION ASSISTANCE

U.S. Embassy staff and USAID Advisors in 20+ countries; Commerce Department Advocacy



POLICY/REGULATORY REFORM

MCC compacts; State Department diplomacy



GRANTS

USADF community-level grants; USTDA feasibility studies; MCC infrastructure grants

WHAT WE WILL ACHIEVE

30,000 MW

of new generated power by 2030

60 million

new connections to reach 300 million Africans

\$50+ billion

Private and non-USG public sector financing

40,000+

U.S. jobs by 2030

\$10+ billion

U.S. exports

"The Cap des Biches financing agreement is tangible evidence of the power of Power Africa. It is by far the fastest project that I have ever worked on in Africa, and Power Africa made all the difference. **This project would have taken four years in the absence of Power Africa. Instead it took one year.** This is the power of an idea that is embraced and sponsored by the

United States."
-Joseph Brandt
CEO of ContourGlobal

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 **7,300 MW** in transactions have reached financial close
- Over **10 million new connections** to homes and businesses created
- Currently tracking **760 projects** with potential to provide **75,000 MW**
- Unprecedented **international momentum** to invest in power sector





Power Africa's Contributions



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





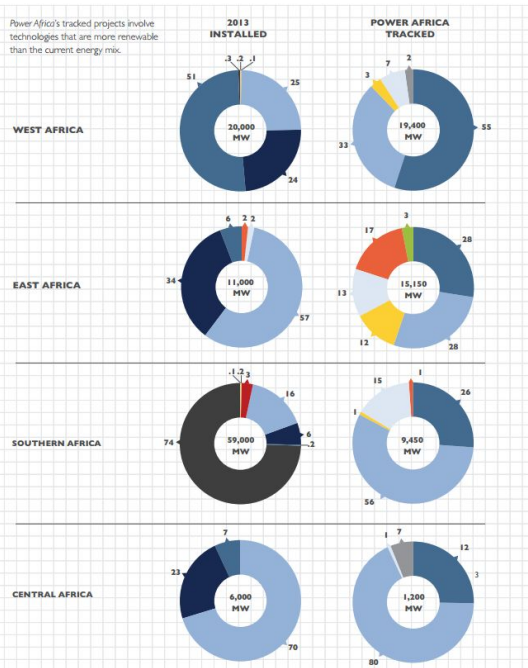
Looking Forward: Growth Market

TRACKED GENERATION PROJECTS VS
CURRENT INSTALLED CAPACITY BY
REGION AND TECHNOLOGY

Percent of MW, Q4 2015 (estimates)



Power Africa's tracked projects involve technologies that are more renewable than the current energy mix.



- Increase **efficiency** of existing generation
- Promote **competitive procurements**
- Utilize an **“all-of-the-above” approach** to technology





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