



Electrify Africa

Helping sub-Saharan Africa increase modern electricity access will save lives, boost education, alleviate extreme poverty and accelerate growth

THE PROBLEM

In sub-Saharan Africa, 589 million people do not have access to electricity. In 30 African countries, endemic power shortages, at all economic levels, are a way of life. The President and Congress are working with African leaders and the private sector to dramatically change this dire situation. We know energy access is one of the most urgent priorities for people in sub-Saharan Africa with one in five Africans citing infrastructure – including electricity – as their most pressing concern.

The lack of electricity impacts people's lives in at least five major ways, with a disproportionately negative impact on women and girls:

Poor healthcare: In sub-Saharan Africa, 30% of health facilities do not have electricity – they cannot store vaccines and lifesaving drugs, nor can they operate essential lifesaving medical equipment like incubators and x-ray machines.

Stifled Economic Growth: According to survey data of African businesses, reliable energy access is a bigger concern than corruption, access to capital, or sufficiently trained labor.

Toxic fumes: Each year, there are more than 3 million worldwide premature deaths from exposure to the toxic smoke of indoor open fires and kerosene for cooking, heating and lighting. That's more deaths than malaria and HIV/AIDS combined.

Limited or no education: 90 million children in sub-Saharan Africa attend schools that lack electricity. In many places, women and girls are forced to spend hours each day in the time-consuming task of hunting for fuel, often a key reason why girls spend less time in school than boys.

Lack of safety: Without streetlights, telephones or other means of communication, women and girls are particularly vulnerable after dark.

Power Africa

On June 30, 2013, President Obama announced a new \$7 billion U.S. commitment to the energy sector in Ethiopia, Ghana, Kenya, Liberia, Nigeria, and Tanzania. The President's Power Africa initiative is aimed at increasing electricity access by 20 million households and businesses and electricity generation by 10,000 megawatts over the next 5 years. His plan includes efforts to improve African energy governance systems and national energy plans, as well as investments from the Export-Import Bank, the Overseas Private Investment Corporation, the Millennium Challenge Corporation, USTDA and USAID. Power Africa will build on Africa's enormous power potential, including oil and gas, and the potential to develop clean geothermal, hydro, wind and solar energy.

Power Africa also includes \$9 billion in commitments from the private sector, including General Electric, Heirs Holdings, Symbion Power, Aldwych International, Harith General Partners, and Husk Power Systems.

The Electrify Africa Act of 2013

On June 27, 2013, Representatives Royce (R-CA) and Engel (D-NY), the Chairman and Ranking Member of the House Foreign Affairs Committee, introduced H.R. 2548, the ***Electrify Africa Act***. This legislation is a bold vision for U.S. engagement in the energy sector in Africa. The bill seeks to prioritize and coordinate U.S. government resources to achieve three goals in sub-Saharan Africa by 2020:

- Encourage the installation of at least an additional 20,000 megawatts of electrical power.
- Promote first-time access to electricity for at least 50 million people, particularly the poor.
- Promote efficient institutional platforms that provide electrical service to rural and underserved areas.

Coordinated U.S. Strategy: The legislation requires the Administration to develop a comprehensive, multi-year strategy to achieve energy access goal in sub-Saharan Africa.

USAID: Encourages USAID to make loan guarantees to local African financial institutions to facilitate investment in power projects in Africa and encourages USAID to provide additional grants and technical support to countries in order to develop country and regional electricity policy plans, expand distribution of electricity to the poorest, and build regulatory capacity.

Department of the Treasury: Encourages Treasury to use its voice and vote at the World Bank and African Development Bank to commit to significantly increase power sector and electrification investments in sub-Saharan Africa; enhance coordination with the private sector; and provide technical assistance to regulatory authorities.

Overseas Private Investment Corporation (OPIC): Encourages OPIC to place a priority on supporting investment in the electricity sector in sub-Saharan Africa to:

- Maximize the number of people with new access to electricity to support economic development.
- Improve the transmission and distribution of electricity.
- Provide reliable, low-cost electricity to people living in rural and urban communities.
- Consider energy needs of individuals where access to an electricity grid is impractical or cost-prohibitive.
- Reduce transmission and distribution losses and improve end-use efficiency.

Unlocks OPIC's investment potential by requiring OPIC to revise its existing policy on the carbon emissions of its investments to permit significant investment in the electricity sector of the poorest and lowest pollution-emitting countries in a development-driven and environmentally-sensitive manner.

Strengthens OPIC by extending its authorization for 3 years; encouraging small and medium sized enterprises and cooperative service providers to participate in investment activities; requiring the publication of measurable development impacts of its investments; and other institutional reforms.

U.S. Trade and Development Agency: Encourages USTDA to promote US private sector participation in energy sector development projects in sub-Saharan Africa through project preparation activities.

Budgetary Impact: According to the bill sponsors, this bill will reduce the deficit since OPIC generates revenue for the budget every year.