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The ABCs of Power Africa

Context: Power Africa is a US government electrification initiative. With over $50 billion in aggregate commitments since its creation in 2013, it is one of the world's largest public-private development partnerships. The program has two clear and measurable goals: 30 gigawatts of new generation capacity and 60 million new connections for homes and businesses.

How Power Africa works

- **Multi-actor partnership with a heavy focus on attracting private capital.** Power Africa is coordinated by a team based at USAID, but involves at least 12 different agencies of the US government, 17 development partners, and 100+ private companies.
- **Transaction-centered, not master-planning.** The approach is not to design the ideal power system for any country but rather to track potential projects and identify specific bottlenecks where some intervention would help move a project forward.
- **Demonstration effect.** While individual projects may attract capital and attention, the model is to improve the enabling environment and thus catalyze additional follow-on investment without external intervention.

Types of support

1. **Transaction assistance**, including market research, business development, technical assistance, and project preparation.
2. **Finance**, including loans, loan guarantees, and insurance.
3. **Regulatory reform and policy design** on tariff regimes, utility restructuring, economic reforms, and legal changes.
4. **Capacity Building**, including legal and technical assistance to utilities and ministries, negotiating capacity, debt management, litigation, and investment agreements.

$54 Billion

IN FINANCING FOR 120 TRANSACTIONS AND 10GW OF NEW GENERATION

Progress to date

- **Generation.** Total projects reaching financial close have added 10 GW of new generation capacity in 19 countries (Table 1) deploying a range of technologies (Table 2). This is one third of the way to the 2030 goal.
- **Connections.** Progress is less far along on connections. The 12.5 million reported so far is about one-fifth of the way. However, a March 2019 report from the USAID inspector general questioned counting 8.3 million solar lanterns.
- **New emphasis on transmission and distribution.** The new strategy (Power Africa 2.0) continues with the overall model, but is stressing missing or deteriorating transmission and distribution infrastructure. This shift is to ensure new generation coming online can be delivered to industrial and residential customers.

Conclusion: Power Africa is showing that interagency cooperation on development is not only possible, but can be successful when focused on a few clear measurable goals.

Table 1: Power Africa generation projects by country, 2013-18

	Transactions	MW
Nigeria	5	3,034
South Africa	15	3,007
Tanzania	7	669
Ghana	2	550
Kenya	5	537
Côte d'Ivoire	2	352
Senegal	6	323
Zambia	3	196
Uganda	13	136
Rwanda	7	123
Namibia	15	108
Guinea	2	100
Mali	1	90
Liberia	2	89
Mozambique	2	81
Mauritius	1	60
Botswana	1	35
Burkina Faso	1	33
Malawi	1	12

Source: Power Africa 2018 Annual Report

Table 2: Power Africa generation projects by technology, 2013-18

	MW
Natural Gas	3,998
Wind	2,314
Solar	1,562
Hydro	1,064
Heavy Fuel Oil	283
Geothermal	158
Biomass	114
Diesel	35

Source: Power Africa 2018 Annual Report