



Expanding the Grid: Success of the Electrify Africa Act

The Obama Administration made the [electrification of Africa](#) a major policy initiative during its second term. In 2013, the administration launched a multilateral partnership among the American government, African governments and various development partners to expand the electricity grid in sub-Saharan Africa. This initiative, known as *Power Africa*, led to the collaboration of 12 different government departments and agencies with the goal of doubling access to electricity in sub-Saharan Africa.

On February 8, 2016, President Obama signed the [Electrify Africa Act](#) (S.2152) into law. The legislation was first introduced in 2013, and then again on October, 7 2015 by Senator Bob Corker (R-TN). The bill passed the House and Senate the second time around with bipartisan support.

The Electrify Africa Act has two primary purposes. First, it ensures that the Obama Administration's Power Africa initiative remains operative and empowered. Second, it reinforces the sentiment that electricity alleviates poverty by accelerating economic growth and development. The Electrify Africa Act provides the Power Africa initiative with the government support needed to implement its agenda and achieve its goals.

The Electrify Africa Act builds on the Obama Administration's initiative by making it [U.S. government policy](#) to create a multilateral government and private sector collaborative effort in order to:

- Promote first-time access to over 50 million people in sub-Saharan Africa by 2020
- Encourage the installation of an additional 20,000-megawatt generation capacity by 2020
- Provide rural and under-served areas with reliable and affordable energy
- Encourage reforms necessary to support market-based power generation and distribution
- Promote a diverse energy strategy including the use of oil, coal and renewable energies
- Remove barriers to private financing and assistance for projects

The Electrify Africa Progress Report

In May 2019, the United States Agency for International Development (USAID) released the Electrify Africa Progress Report of 2018, detailing the continued successes of the Electrify Africa Act. The report explains the successes of the legislation in the generation of additional megawatts (MW), increasing access to energy and enabling communities to more efficiently produce and distribute electricity.

As of January 2019, Power Africa, with the support of the Electrify Africa Act, achieved the following results:

- \$20.5 billion invested in Power Africa transactions
- 58,552,435 beneficiaries gaining access to electricity
- 10,095 MW reaching financial close



- 2,652 MW moved from financial close to operation

Generation of Additional Megawatts

With experience in the energy and investment sectors, Power Africa's professionals help sub-Saharan African governments prioritize, coordinate and efficiently implement power projects. This team of professionals has helped 120 projects reach financial close, totaling 10,095 MW. As of January 2019, there are an [additional 945 transactions](#) with the prospect of creating 85,291 MW power generation capability.

This growth in megawatt power generation is in large part thanks to Power Africa's innovative financing solutions, technical solutions and personnel training. Power Africa's support of the Nigeria Bulk Electricity Trading Company prompted negotiations with the Ministry of Finance to provide payment assurances to developers and investors without adding to Nigeria's debt burden. These negotiations provide a template for other African governments to lower risk for future energy projects and also lead to an additional 450 MW of power generation in Nigeria.

Improving Access to Energy

Promoting off-grid access to energy is a crucial step to advancing the self-reliance of sub-Saharan African countries - a key reason why electricity alleviates poverty. Power Africa's Beyond the Grid (BTG) program seeks to use USAID and the United States African Development Foundation (USADF) resources to:

- Support off-grid private-sector companies to promote and implement innovative products and services
- Facilitate private-sector success through regulatory and policy regimes specific to each countries' market
- Improve access to financing opportunities for off-grid companies

BTG has made [large strides](#) in achieving its goal of expanding access to electricity in off-grid communities. So far, BTG has created an additional 12 million off-grid connections, providing over 55 million beneficiaries with access to electricity. This, in large part, is due to the work of BTG to secure \$12 million in financing for local businesses to implement development projects and accelerate access to the electricity grid.

Promoting an Enabling Environment

Power Africa seeks to promote an environment that enables developmental projects by providing personalized technological and policy guidance to key ministries, regulators and other power-sector officials. The strategy helps to advance current transactions and supports future private investment in the energy sector. This has been accomplished by reforming policy, regulation and legislation, increasing the building capacity by providing technical assistance and strengthening regional power tools.



Power Africa helps lower risk and increase investor confidence by clarifying pricing, land rights and environmental and social performance standards. Power Africa provides support and funding to the African Development Bank to hire competent and ethical legal counsel to negotiate equitable and sustainable deals that will help expand local economic activity and access to electricity. In addition, USAID and the State Department's Bureau of Energy Resources provided the technical assistance necessary to facilitate the cross-border trade of electricity, enhancing energy security and utilizing local energy resources at a lower cost. This strategy helped local sub-Saharan African distribution companies increase revenues by a combined \$58.6 billion, train over 4,000 staff members and connect an additional 546,000 new customers to the electricity grid.

Impact of the Electrify Africa Act

So far, the Electrify Africa Act is a great success. The growth in access to a generation of electricity speaks for itself. It empowers the Obama Administration's Power Africa initiative to provide millions of off-grid sub-Saharan Africans with access to electricity and has generated thousands of additional megawatts with the opportunity for thousands more.

It is important to look at this success in the context of how electricity alleviates poverty. The Electrify Africa Act has led to the development of local economies by providing communities with new or expanded access to electricity. This piece of legislation demonstrates how an efficiently structured aid system and increased financing can create a lasting impact on alleviating poverty in developing countries throughout Africa, and eventually, the world.

Building Support

As one of the only organizations that advocated for the Electrify Africa Act, The Borgen Project held nearly 400 meetings with congressional offices since the legislation was first introduced in 2013. The organization also mobilized over 6,300 emails from constituents to their members of Congress in support of the bill. Of the Congressional Leaders who cosponsored the Electrify Africa Act:

- 25 Leaders cosponsored after meeting with [The Borgen Project](#)
- 13 Congressional Leaders cosponsored after receiving emails from Borgen Project constituents in their district

Of the Congressional Leaders voting Yes for the legislation:

- 75 Leaders met with The Borgen Project
- 78 Congressional Leaders received emails from Borgen Project constituents in their district