

113TH CONGRESS
1ST SESSION

H. R. 2548

To establish a comprehensive United States Government policy to assist countries in sub-Saharan Africa to develop an appropriate mix of power solutions for more broadly distributed electricity access in order to support poverty alleviation and drive economic growth, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2013

Mr. ROYCE (for himself, Mr. ENGEL, Mr. SMITH of New Jersey, and Ms. BASS) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a comprehensive United States Government policy to assist countries in sub-Saharan Africa to develop an appropriate mix of power solutions for more broadly distributed electricity access in order to support poverty alleviation and drive economic growth, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Electrify Africa Act
3 of 2013”.

4 **SEC. 2. PURPOSE.**

5 The purpose of this Act is to improve access to af-
6 fordable, reliable electricity in Africa in order to unlock
7 the potential for economic growth, job creation, food secu-
8 rity, improved health and education outcomes, and sus-
9 tainable poverty reduction.

10 **SEC. 3. FINDINGS.**

11 Congress finds that—

12 (1) 589,000,000 people in sub-Saharan Africa,
13 or 68 percent of the population, do not have access
14 to electricity, as of 2010;

15 (2) electricity services are highly unreliable and
16 remain at least twice as expensive compared to other
17 emerging regions for the majority of people with ac-
18 cess to electricity in sub-Saharan Africa;

19 (3) lack of access to electricity services dispro-
20 portionally affects women—who often shoulder the
21 burden of seeking sources of heat and light such as
22 dung, wood or charcoal and are often more exposed
23 to the associated negative health impacts. Women
24 and girls also face increase risks of assault from
25 walking long distances to gather fuel sources;

1 (4) people without access to electricity are often
2 trapped in subsistence lifestyles and are unable to
3 work their way out of poverty;

4 (5) a lack of electricity contributes to the high
5 use of inefficient and often highly polluting fuel
6 sources for indoor cooking, heating, and lighting
7 that produce toxic fumes resulting in more than
8 3,000,000 annual premature deaths from respiratory
9 disease, more annual deaths than from HIV/AIDS
10 and malaria in sub-Saharan Africa;

11 (6) electricity access is crucial for the storage
12 of vaccines and anti-retroviral and other lifesaving
13 medical drugs, as well as the operation of modern
14 lifesaving medical equipment;

15 (7) electricity access can be used to improve
16 food security by enabling post-harvest processing,
17 pumping, irrigation, dry grain storage, milling, re-
18 frigeration, and other uses;

19 (8) electricity access can provide improved
20 lighting options, internet access, mobile phone
21 charging, and other new information and commu-
22 nication technologies that can greatly improve health
23 and education outcomes as well as commercial possi-
24 bilities;

1 (9) Africa’s consumer base of 1,000,000,000
2 people is rapidly growing and will create increasing
3 demand for United States goods, services, and tech-
4 nologies, but the current African electricity deficit
5 limits this growth in demand by restricting economic
6 growth on the continent;

7 (10) approximately 30 African countries face
8 endemic power shortages, and nearly 70 percent of
9 surveyed African businesses cite unreliable power as
10 a major constraint to growth;

11 (11) the Millennium Challenge Corporation’s
12 work in the energy sector shows high projected eco-
13 nomic rates of returns that translate to sustainable
14 economic growth and that the highest returns are
15 projected when infrastructure improvements are cou-
16 pled with significant legislative and regulatory and
17 institutional policy reforms;

18 (12) in some countries, regulatory bottlenecks
19 and legal constraints stifle the ability of private in-
20 vestment to assist in the generation and distribution
21 of electricity; and

22 (13) without new policies and more effective in-
23 vestments in electricity sector enterprises to increase
24 and expand electricity access in sub-Saharan Africa,
25 over 70 percent of the rural population, and 48 per-

1 cent of the total population, will remain without ac-
2 cess to electricity by 2030.

3 **SEC. 4. STATEMENT OF POLICY.**

4 Congress declares that it is the policy of the United
5 States, in consultation with sub-Saharan African govern-
6 ments, to—

7 (1) encourage the installation of at least an ad-
8 ditional 20,000 megawatts of electrical power in sub-
9 Saharan Africa by 2020;

10 (2) promote first-time access to electricity for
11 at least 50,000,000 people in sub-Saharan Africa by
12 2020 in both urban and rural areas; and

13 (3) promote efficient institutional platforms to
14 provide electrical service to rural and underserved
15 areas.

16 **SEC. 5. DEVELOPMENT OF A COMPREHENSIVE, MULTIYEAR**
17 **STRATEGY.**

18 (a) STRATEGY.—The President shall establish a com-
19 prehensive, integrated, multiyear strategy to assist coun-
20 tries in sub-Saharan Africa to develop an appropriate mix
21 of power solutions, including renewable energy, to provide
22 sufficient electricity access to people living in rural and
23 urban areas in order to alleviate poverty and drive eco-
24 nomic growth. Such strategy shall maintain sufficient

1 flexibility and remain responsive to technological innova-
2 tion in the power sector.

3 (b) REPORT.—

4 (1) IN GENERAL.—Not later than 180 days
5 after the date of the enactment of this Act, the
6 President shall transmit to the appropriate congres-
7 sional committees a report setting forth the strategy
8 described in subsection (a).

9 (2) REPORT CONTENTS.—The report required
10 by paragraph (1) shall include a discussion of the
11 elements described in paragraph (3), and should in-
12 clude a discussion of any additional elements rel-
13 evant to the strategy described in subsection (a).

14 (3) REPORT ELEMENTS.—The elements re-
15 ferred to in paragraph (2) are the following:

16 (A) The general and specific objectives of
17 the strategy described in subsection (a), the cri-
18 teria for determining success of the strategy,
19 and a description of the manner in which the
20 strategy will increase production and improve
21 access to electricity.

22 (B) Development of plans and regulations
23 at the national, regional, and local level to in-
24 crease power production, strengthen electrical

1 transmission and distribution infrastructure,
2 and improve access to electricity.

3 (C) Administration plans to increase access
4 to electricity, including a description of how the
5 strategy will address commercial and residential
6 needs, as well as urban and rural access.

7 (D) Administration strategy to reduce
8 waste and improve existing power generation
9 through the use of a broad power mix and use
10 of a distributed generation model.

11 (E) Administration policy on engaging and
12 leveraging private sector resources and public
13 sector financing.

14 (F) A description of the strategy for the
15 transfer of relevant technology and skills to
16 local participation in the long-term maintenance
17 and management of such investments to ensure
18 power sector investments are sustainable, in-
19 cluding the details of the programs to be under-
20 taken to maximize United States contributions
21 in the areas of technical assistance and train-
22 ing.

23 (G) An identification of the relevant execu-
24 tive branch agencies that will be involved in car-
25 rying out the strategy, the level and distribution

1 of resources that will be dedicated on an annual
2 basis among the such agencies, the assignment
3 of priorities to such agencies, a description of
4 the role of each agency, and the types of pro-
5 grams that each agency will be undertaking.

6 (H) A description of the mechanisms that
7 will be utilized to coordinate the efforts of the
8 relevant executive branch agencies in carrying
9 out the strategy to avoid duplication of efforts,
10 enhance coordination, and ensure that each
11 agency undertakes programs primarily in those
12 areas where each such agency has the greatest
13 expertise, technical capabilities, and potential
14 for success.

15 (I) A description of the mechanisms to be
16 established for monitoring and evaluating in-
17 creased electricity access development, for
18 learning and transmitting best practices among
19 relevant executive branch agencies as well as
20 among participating countries, and for termi-
21 nating unsuccessful programs.

22 (J) A description of the engagement plan
23 for working with local communities benefitting
24 from the projects and affected by the projects

1 as well as the environment and social impacts
2 of the projects.

3 (K) A description of the mechanisms that
4 will be utilized to ensure greater coordination
5 between the United States and foreign govern-
6 ments, international organizations, African re-
7 gional economic communities, international fi-
8 nancial institutions, and private sector organi-
9 zations.

10 (L) A description of how United States
11 leadership will be used to enhance the overall
12 international response to prioritizing electricity
13 access for sub-Saharan Africa and to strength-
14 en coordination among relevant international
15 forums such as the G8 and G20.

16 (M) An outline of how the Administration
17 intends to partner with foreign governments,
18 the World Bank Group, the African Develop-
19 ment Bank Group, and the public sector to as-
20 sist sub-Saharan African countries to conduct
21 project feasibility studies and facilitate project
22 development.

23 (N) A description of how the Administra-
24 tion intends to help facilitate transnational and

1 regional power and electrification projects
2 where appropriate.

3 **SEC. 6. USAID.**

4 (a) LOAN GUARANTEES.—It is the sense of Congress
5 that in pursuing the policy goals described in section 4,
6 the Administrator of USAID should identify and
7 prioritize—

8 (1) where loan guarantees to local African fi-
9 nancial institutions would facilitate the involvement
10 of such financial institutions in power projects in Af-
11 rica; and

12 (2) where partnerships and grants for research,
13 development, and deployment of technology would
14 increase access to electricity in Africa.

15 (b) GRANTS.—It is the sense of Congress that the
16 Administrator of USAID, acting through USAID’s Bu-
17 reau for Africa and Economic Growth, Education and En-
18 vironment, should consider providing grants to—

19 (1) develop national, regional, and local energy
20 and electricity policy plans;

21 (2) expand distribution of electricity access to
22 the poorest; and

23 (3) build a country’s capacity to monitor and
24 regulate the energy and electricity sector.

1 (c) USAID DEFINED.—In this section, the term
2 “USAID” means the United States Agency for Inter-
3 national Development.

4 **SEC. 7. DEPARTMENT OF THE TREASURY.**

5 In pursuing the policy goals described in section 4,
6 the Secretary of the Treasury should direct the United
7 States Executive Director at each institution in the World
8 Bank Group and the African Development Bank to use
9 the voice, vote, and influence of the United States to en-
10 courage each such entity to—

11 (1) commit to significantly increase power sec-
12 tor and electrification investments in sub-Saharan
13 Africa;

14 (2) consider energy needs of individuals where
15 access to an electricity grid is impractical or cost-
16 prohibitive;

17 (3) enhance coordination with the private sector
18 in sub-Saharan Africa to increase access to elec-
19 tricity;

20 (4) provide technical assistance to the regu-
21 latory authorities of sub-Saharan African govern-
22 ments to remove unnecessary barriers to investment
23 in commercially viable projects, reduce transmission
24 and distribution losses, encourage end-use efficiency,

1 strengthen local markets, and unlock domestic in-
2 vestment in the power sector; and

3 (5) utilize clear, accountable, and metric-based
4 targets to measure the effectiveness of such projects.

5 **SEC. 8. OVERSEAS PRIVATE INVESTMENT CORPORATION.**

6 (a) IN GENERAL.—The Overseas Private Investment
7 Corporation should—

8 (1) in carrying out its programs and pursuing
9 the policy goals described in section 4, place a pri-
10 ority on supporting investment in the electricity sec-
11 tor of sub-Saharan Africa and implement procedures
12 for expedited review of and, where appropriate, ap-
13 proval of, applications by eligible investors for loans,
14 loan guarantees, and insurance for such investments;

15 (2) to the extent permitted by its authorities,
16 policies, and programs, support investments in
17 projects that will—

18 (A) maximize the number of people with
19 new access to electricity to support economic
20 development;

21 (B) improve the transmission and distribu-
22 tion of electricity;

23 (C) provide reliable and low-cost electricity
24 to people living in rural and urban commu-
25 nities;

1 (D) consider energy needs of individuals
2 where access to an electricity grid is impractical
3 or cost-prohibitive; and

4 (E) reduce transmission and distribution
5 losses and improve end-use efficiency;

6 (3) encourage small- and medium-sized enter-
7 prises and cooperative service providers to partici-
8 pate in investment activities in sub-Saharan Africa;
9 and

10 (4) publish measurable development impacts of
11 its investments.

12 (b) AMENDMENTS.—Title IV of chapter 2 of part I
13 of the Foreign Assistance Act of 1961 is amended—

14 (1) in section 233 (22 U.S.C. 2193)—

15 (A) in subsection (b), by inserting after the
16 sixth sentence the following new sentence: “Of
17 the eight such Directors, not more than six
18 should be of the same political party.”; and

19 (B) by adding at the end the following new
20 subsection:

21 “(e) INVESTMENT ADVISORY COUNCIL.—The Board
22 shall take prompt measures to increase the loan, guar-
23 antee, and insurance programs, and financial commit-
24 ments, of the Corporation in sub-Saharan Africa, includ-
25 ing through the use of an investment advisory council to

1 assist the Board in developing and implementing policies,
2 programs, and financial instruments with respect to sub-
3 Saharan Africa. In addition, the investment advisory coun-
4 cil shall make recommendations to the Board on how the
5 Corporation can facilitate greater support by the United
6 States for trade and investment with and in sub-Saharan
7 Africa. The investment advisory council shall terminate on
8 December 31, 2017.”;

9 (2) in section 234(e) (22 U.S.C. 2194(e)), by
10 inserting “eligible investors or” after “involve”;

11 (3) in section 235(a)(2) (22 U.S.C. 2195), by
12 striking “2007” and inserting “2016”; and

13 (4) in section 239(e) (22 U.S.C. 2199(e)) to
14 read as follows:

15 “(e) INSPECTOR GENERAL.—The Board shall ap-
16 point and maintain an Inspector General in the Corpora-
17 tion, in accordance with the Inspector General Act of 1978
18 (5 U.S.C. App.).”.

19 (c) POLICY.—Not later than 180 days after the date
20 of the enactment of this Act, the Board of Directors and
21 President of the Overseas Private Investment Corporation
22 are hereby directed to issue policy guidance that permits
23 significant investment in the electricity sector of the poor-
24 est and lowest pollution-emitting countries in a develop-
25 ment-driven and environmentally sensitive manner.

1 **SEC. 9. TRADE AND DEVELOPMENT AGENCY.**

2 (a) IN GENERAL.—The Director of the Trade and
3 Development Agency should—

4 (1) promote United States private sector par-
5 ticipation in energy sector development projects in
6 sub-Saharan Africa through project preparation ac-
7 tivities, including feasibility studies, technical assist-
8 ance, pilot projects, reverse trade missions, con-
9 ferences and workshops; and

10 (2) seek opportunities to fund project prepara-
11 tion activities that involve increased access to elec-
12 tricity, including power generation and trade capac-
13 ity building.

14 (b) FOCUS.—In pursuing the policy goals described
15 in section 4, project preparation activities described in
16 subsection (a) should focus on power generation using
17 clean energy sources, improving the efficiency of trans-
18 mission and distribution grids, including on-grid, off-grid
19 and mini-grid solutions, and promoting energy efficiency
20 and demand-side management.

21 **SEC. 10. PROGRESS REPORT.**

22 Not later than three years after the date of the enact-
23 ment of this Act, the President shall transmit to the Com-
24 mittee on Foreign Affairs of the House of Representatives
25 and the Committee on Foreign Relations of the Senate

1 a report on progress made toward achieving the policy
2 goals described in section 4, including the following:

3 (1) The number and type of policy and legisla-
4 tive changes implemented in partner countries to
5 support increased electricity generation and access
6 since United States engagement.

7 (2) A list of power sector and electrification
8 projects United States Government instruments are
9 supporting to achieve the policy goals described in
10 section 4, and for each such project—

11 (A) a description of how each such project
12 fits into the national power plans of the partner
13 country;

14 (B) the total cost of each such project and
15 predicted United States Government contribu-
16 tions to such projects broken down by United
17 States Government funding source, including
18 from the Overseas Private Investment Corpora-
19 tion, the United States Agency for International
20 Development, the Department of the Treasury,
21 and other appropriate United States Govern-
22 ment departments and agencies;

23 (C) the amount of actual United States
24 Government financing provided to such
25 projects, broken down by United States Govern-

1 ment funding source, including from the Over-
2 seas Private Investment Corporation, the
3 United States Agency for International Devel-
4 opment, the Department of the Treasury, and
5 other appropriate United States Government
6 departments and agencies;

7 (D) the predicted electrical power capacity
8 in megawatts of each project upon completion;

9 (E) expected environmental and social im-
10 pacts from each project;

11 (F) the number of individuals, businesses,
12 schools, and health facilities that have gained
13 electricity connections as a result of each
14 project at the time of such report;

15 (G) the predicted number of individuals
16 gaining electricity connections as a result of
17 each project upon completion; and

18 (H) the current operating electrical power
19 capacity in megawatts of each project.

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