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2^D SESSION

H. R. 2548

IN THE SENATE OF THE UNITED STATES

MAY 12, 2014

Received; read twice and referred to the Committee on Foreign Relations

AN ACT

To establish a comprehensive United States Government policy to encourage the efforts of countries in sub-Saharan Africa to develop an appropriate mix of power solutions, including renewable energy, for more broadly distributed electricity access in order to support poverty reduction, promote development outcomes, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Electrify Africa Act
5 of 2014”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to encourage the efforts
8 of countries in sub-Saharan Africa to improve access to
9 affordable and reliable electricity in Africa in order to
10 unlock the potential for economic growth, job creation,
11 food security, improved health, education and environ-
12 mental outcomes, and poverty reduction.

13 **SEC. 3. FINDINGS.**

14 Congress finds that—

15 (1) 589,000,000 people in sub-Saharan Africa,
16 or 68 percent of the population, did not have access
17 to electricity, as of 2010;

18 (2) in sub-Saharan Africa, electricity services
19 are highly unreliable and they are at least twice as
20 expensive for those with electricity access compared
21 to other emerging markets;

22 (3) lack of access to electricity services
23 disproportionately affects women and girls, who often
24 shoulder the burden of seeking sources of heat and
25 light such as dung, wood or charcoal and are often

1 more exposed to the associated negative health im-
2 pacts. Women and girls also face an increased risk
3 of assault from walking long distances to gather fuel
4 sources;

5 (4) access to electricity creates opportunities,
6 including entrepreneurship, for people to work their
7 way out of poverty;

8 (5) a lack of electricity contributes to the high
9 use of inefficient and often highly polluting fuel
10 sources for indoor cooking, heating, and lighting
11 that produce toxic fumes resulting in more than
12 3,000,000 annual premature deaths from respiratory
13 disease, more annual deaths than from HIV/AIDS
14 and malaria in sub-Saharan Africa;

15 (6) electricity access is crucial for the cold stor-
16 age of vaccines and anti-retroviral and other life-
17 saving medical drugs, as well as the operation of
18 modern lifesaving medical equipment;

19 (7) electricity access can be used to improve
20 food security by enabling post-harvest processing,
21 pumping, irrigation, dry grain storage, milling, re-
22 frigeration, and other uses;

23 (8) reliable electricity access can provide im-
24 proved lighting options and information and commu-
25 nication technologies, including Internet access and

1 mobile phone charging, that can greatly improve
2 health, social, and education outcomes, as well as
3 economic and commercial possibilities;

4 (9) sub-Saharan Africa's consumer base of
5 nearly one billion people is rapidly growing and will
6 create increasing demand for United States goods,
7 services, and technologies, but the current electricity
8 deficit in sub-Saharan Africa limits this demand by
9 restricting economic growth on the continent;

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

14 (11) the Millennium Challenge Corporation's
15 work in the energy sector shows high projected eco-
16 nomic rates of return that translate to sustainable
17 economic growth and that the highest returns are
18 projected when infrastructure improvements are cou-
19 pled with significant legislative, regulatory, institu-
20 tional, and policy reforms;

21 (12) in many countries, weak governance capac-
22 ity, regulatory bottlenecks, legal constraints, and
23 lack of transparency and accountability can stifle the
24 ability of private investment to assist in the genera-
25 tion and distribution of electricity; and

1 (13) without new policies and more effective in-
2 vestments in electricity sector capacity to increase
3 and expand electricity access in sub-Saharan Africa,
4 over 70 percent of the rural population, and 48 per-
5 cent of the total population, will potentially remain
6 without access to electricity by 2030.

7 **SEC. 4. STATEMENT OF POLICY.**

8 Congress declares that it is the policy of the United
9 States—

10 (1) in consultation with sub-Saharan African
11 governments, to encourage the private sector, inter-
12 national community, African Regional Economic
13 Communities, philanthropies, civil society, and other
14 governments to promote—

15 (A) the installation of at least an addi-
16 tional 20,000 megawatts of electrical power in
17 sub-Saharan Africa by 2020 to support poverty
18 reduction, promote development outcomes, and
19 drive economic growth;

20 (B) first-time direct access to electricity
21 for at least 50,000,000 people in sub-Saharan
22 Africa by 2020 in both urban and rural areas;

23 (C) efficient institutional platforms with
24 accountable governance to provide electrical
25 service to rural and underserved areas; and

1 (D) the necessary in-country legislative,
2 regulatory and policy reforms to make such ex-
3 pansion of electricity access possible; and

4 (2) to encourage private sector and inter-
5 national support for construction of hydroelectric
6 dams in sub-Saharan Africa that—

7 (A) offer low-cost clean energy consistent
8 with—

9 (i) the national security interests of
10 the United States; and

11 (ii) best international practices re-
12 garding social and environmental safe-
13 guards, including—

14 (I) engagement of local commu-
15 nities regarding the design, implemen-
16 tation, monitoring, and evaluation of
17 such projects;

18 (II) the consideration of energy
19 alternatives, including distributed re-
20 newable energy; and

21 (III) the development of appro-
22 priate mitigation measures; and

23 (B) support partner country efforts.

1 **SEC. 5. DEVELOPMENT OF A COMPREHENSIVE, MULTIYEAR**
2 **STRATEGY.**

3 (a) STRATEGY.—The President shall establish a com-
4 prehensive, integrated, multiyear policy, partnership, and
5 funding strategy to encourage countries in sub-Saharan
6 Africa to develop an appropriate mix of power solutions,
7 including renewable energy, to provide sufficient electricity
8 access to people living in rural and urban areas in order
9 to alleviate poverty and drive economic growth. Such strat-
10 egy shall maintain sufficient flexibility and remain respon-
11 sive to technological innovation in the power sector.

12 (b) REPORT.—

13 (1) IN GENERAL.—Not later than 180 days
14 after the date of the enactment of this Act, the
15 President shall transmit to the appropriate congress-
16 sional committees a report setting forth the strategy
17 described in subsection (a).

18 (2) REPORT CONTENTS.—The report required
19 by paragraph (1) shall include a discussion of the
20 elements described in paragraph (3), and should in-
21 clude a discussion of any additional elements rel-
22 evant to the strategy described in subsection (a).

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

25 (A) The general and specific objectives of
26 the strategy described in subsection (a), the cri-

1 teria for determining success of the strategy, a
2 description of the manner in which the strategy
3 will support partner country efforts to increase
4 production and improve access to electricity,
5 and criteria and indicators used to select part-
6 ner countries for focused engagement on the
7 power sector.

8 (B) Development, by partner country gov-
9 ernments, of plans and regulations at the na-
10 tional, regional, and local level to increase
11 power production, strengthen existing electrical
12 transmission and distribution infrastructure,
13 bolster accountable governance and oversight,
14 and improve access to electricity.

15 (C) Administration plans to support part-
16 ner country efforts to increase new access to
17 electricity, including a description of how the
18 strategy will address commercial and residential
19 needs, as well as urban and rural access.

20 (D) Administration strategy to support
21 partner country efforts to reduce government
22 waste, fraud, and corruption, and improve exist-
23 ing power generation through improvement of
24 existing transmission and distribution systems,
25 as well as the use of a broad power mix, includ-

1 ing renewable energy, and the use of a distrib-
2 uted generation model.

3 (E) Administration policy to support part-
4 ner country efforts to attract private sector in-
5 vestment and public sector resources.

6 (F) A description of the Administration's
7 strategy for the transfer of relevant technology,
8 skills, and information to increase local partici-
9 pation in the long-term maintenance and man-
10 agement of the power sector to ensure invest-
11 ments are sustainable and transparent, includ-
12 ing details of the programs to be undertaken to
13 maximize United States contributions in the
14 areas of technical assistance and training.

15 (G) An identification of the relevant execu-
16 tive branch agencies that will be involved in car-
17 rying out the strategy, the level and distribution
18 of resources that will be dedicated on an annual
19 basis among such agencies, timely and com-
20 prehensive publication of aid information and
21 available transmission of resource data con-
22 sistent with Administration commitments to im-
23 plement the transparency measures specified in
24 the International Aid Transparency Initiative
25 by December 2015, the assignment of priorities

1 to such agencies, a description of the role of
2 each such agency, and the types of programs
3 that each such agency will undertake.

4 (H) A description of the mechanisms that
5 will be utilized by the Administration, including
6 the International Aid Transparency Initiative,
7 to coordinate the efforts of the relevant execu-
8 tive branch agencies in carrying out the strat-
9 egy to avoid duplication of efforts, enhance co-
10 ordination, and ensure that each agency under-
11 takes programs primarily in those areas where
12 each such agency has the greatest expertise,
13 technical capabilities, and potential for success.

14 (I) A description of the mechanisms that
15 will be established by the Administration for
16 monitoring and evaluating the strategy and its
17 implementation, including procedures for learn-
18 ing and sharing best practices among relevant
19 executive branch agencies, as well as among
20 participating countries, and for terminating un-
21 successful programs.

22 (J) A description of the Administration's
23 engagement plan, consistent with international
24 best practices, to ensure local and affected com-
25 munities are informed, consulted, and benefit

1 from projects encouraged by the United States,
2 as well as the environmental and social impacts
3 of the projects.

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

11 (L) A description of how United States
12 leadership will be used to enhance the overall
13 international response to prioritizing electricity
14 access for sub-Saharan Africa and to strength-
15 en coordination among relevant international
16 forums such as the Post-2015 Development
17 Agenda and the G8 and G20, as well as the
18 status of efforts to support reforms that are
19 being undertaken by partner country govern-
20 ments.

21 (M) An outline of how the Administration
22 intends to partner with foreign governments,
23 the international community, and other public
24 sector entities, civil society groups, and the pri-
25 vate sector to assist sub-Saharan African coun-

1 tries to conduct comprehensive project feasi-
2 bility studies and facilitate project development.

3 (N) A description of how the Administra-
4 tion intends to help facilitate transnational and
5 regional power and electrification projects
6 where appropriate.

7 **SEC. 6. USAID.**

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

12 (1) loan guarantees to local sub-Saharan Afri-
13 can financial institutions that would facilitate the in-
14 volvement of such financial institutions in power
15 projects in sub-Saharan Africa; and

16 (2) partnerships and grants for research, devel-
17 opment, and deployment of technology that would
18 increase access to electricity in sub-Saharan Africa.

19 (b) GRANTS.—It is the sense of Congress that the
20 Administrator of USAID should consider providing grants
21 to—

22 (1) support the development and implementa-
23 tion of national, regional, and local energy and elec-
24 tricity policy plans;

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

3 (3) build a country's capacity to plan, monitor
4 and regulate the energy and electricity sector.

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

8 **SEC. 7. LEVERAGING INTERNATIONAL SUPPORT.**

9 In pursuing the policy goals described in section 4,
10 the President should direct the United States' representa-
11 tives to appropriate international bodies to use the influ-
12 ence of the United States, consistent with the broad devel-
13 opment goals of the United States, to advocate that each
14 such body—

15 (1) commit to significantly increase efforts to
16 promote investment in well-designed power sector
17 and electrification projects in sub-Saharan Africa
18 that increase energy access, in partnership with the
19 private sector and consistent with the host countries'
20 absorptive capacity;

21 (2) address energy needs of individuals and
22 communities where access to an electricity grid is
23 impractical or cost-prohibitive;

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

4 (4) provide technical assistance to the regu-
5 latory authorities of sub-Saharan African govern-
6 ments to remove unnecessary barriers to investment
7 in otherwise commercially viable projects; and

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

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

11 (a) IN GENERAL.—The Overseas Private Investment
12 Corporation should—

13 (1) in carrying out its programs and pursuing
14 the policy goals described in section 4, place a pri-
15 ority on supporting investment in the electricity sec-
16 tor of sub-Saharan Africa, including renewable en-
17 ergy, and implement procedures for expedited review
18 of and, where appropriate, approval of, applications
19 by eligible investors for loans, loan guarantees, and
20 insurance for such investments;

21 (2) support investments in projects and partner
22 country strategies to the extent permitted by its au-
23 thorities, policies, and programs, that will—

1 (A) maximize the number of people with
2 new access to electricity to support economic
3 development;

4 (B) improve the generation, transmission,
5 and distribution of electricity;

6 (C) provide reliable and low-cost electricity,
7 including renewable energy and on-grid, off-
8 grid, and multi-grid solutions, to people living
9 in rural and urban communities;

10 (D) consider energy needs of individuals
11 where access to an electricity grid is impractical
12 or cost-prohibitive;

13 (E) reduce transmission and distribution
14 losses and improve end-use efficiency; and

15 (F) reduce energy-related impediments to
16 business and investment opportunity and suc-
17 cess;

18 (3) encourage locally-owned, micro, small- and
19 medium-sized enterprises and cooperative service
20 providers to participate in investment activities in
21 sub-Saharan Africa; and

22 (4) publish in an accessible digital format meas-
23 urable development impacts of its investments, in-
24 cluding appropriate quantifiable metrics to measure

1 energy access at the individual household, enterprise,
2 and community level; and

3 (5) publish in an accessible digital format the
4 amount, type, location, duration, and measurable re-
5 sults, with links to relevant reports and displays on
6 an interactive map, where appropriate, of all OPIC
7 investments and financings.

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

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

11 (A) in subsection (b), by inserting after the
12 sixth sentence the following new sentence: “Of
13 the eight such Directors, not more than five
14 should be of the same political party.”; and

15 (B) by adding at the end the following new
16 subsection:

17 “(e) INVESTMENT ADVISORY COUNCIL.—The Board
18 shall take prompt measures to increase the loan, guar-
19 antee, and insurance programs, and financial commit-
20 ments, of the Corporation in sub-Saharan Africa, includ-
21 ing through the use of an investment advisory council to
22 assist the Board in developing and implementing policies,
23 programs, and financial instruments with respect to sub-
24 Saharan Africa. In addition, the investment advisory coun-
25 cil shall make recommendations to the Board on how the

1 Corporation can facilitate greater support by the United
2 States for trade and investment with and in sub-Saharan
3 Africa. The investment advisory council shall terminate on
4 December 31, 2017.”;

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

7 (3) in section 235(a)(2) (22 U.S.C. 2195), by
8 striking “2007” and inserting “2017”;

9 (4) in section 237(d) (22 U.S.C. 2197(d))—

10 (A) in paragraph (2), by inserting “, sys-
11 tems infrastructure costs,” after “outside the
12 Corporation”; and

13 (B) in paragraph (3), by inserting “, sys-
14 tems infrastructure costs,” after “project-spe-
15 cific transaction costs”; and

16 (5) by amending section 239(e) (22 U.S.C.
17 2199(e)) to read as follows:

18 “(e) INSPECTOR GENERAL.—The Board shall ap-
19 point and maintain an Inspector General in the Corpora-
20 tion, in accordance with the Inspector General Act of 1978
21 (5 U.S.C. App.).”.

22 (c) ANNUAL CONSUMER SATISFACTION SURVEY AND
23 REPORT.—

24 (1) SURVEY.—

1 (A) IN GENERAL.—For each of calendar
2 years 2014 through 2016, the Overseas Private
3 Investment Corporation shall conduct a survey
4 of private entities that sponsor or are involved
5 in projects that are insured, reinsured, guaran-
6 teed, or financed by the Corporation regarding
7 the level of satisfaction of such entities with the
8 operations and procedures of the Corporation
9 with respect to such projects.

10 (B) PRIORITY.—The survey shall be pri-
11 marily focused on United States small busi-
12 nesses and businesses that sponsor or are in-
13 volved in projects with a cost of less than
14 \$20,000,000 (as adjusted for inflation).

15 (2) REPORT.—

16 (A) IN GENERAL.—Not later than each of
17 July 1, 2015, July 1, 2016, and July 1, 2017,
18 the Corporation should submit to the congres-
19 sional committees specified in subparagraph (C)
20 a report on the results of the survey required
21 under paragraph (1).

22 (B) MATTERS TO BE INCLUDED.—The re-
23 port should include the Corporation's plans to
24 revise its operations and procedures based on

1 concerns raised in the results of the survey, if
2 appropriate.

3 (C) FORM.—The report shall be submitted
4 in unclassified form and shall not disclose any
5 confidential business information.

6 (D) CONGRESSIONAL COMMITTEES SPECI-
7 FIED.—The congressional committees specified
8 in this subparagraph are—

9 (i) the Committee on Appropriations
10 and the Committee on Foreign Affairs of
11 the House of Representatives; and

12 (ii) the Committee on Appropriations
13 and the Committee on Foreign Relations
14 of the Senate.

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

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

18 (1) promote United States private sector par-
19 ticipation in energy sector development projects in
20 sub-Saharan Africa through project preparation ac-
21 tivities, including feasibility studies at the project,
22 sector, and national level, technical assistance, pilot
23 projects, reverse trade missions, conferences and
24 workshops; and

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

5 (b) FOCUS.—In pursuing the policy goals described
6 in section 4, project preparation activities described in
7 subsection (a) should focus on power generation, including
8 renewable energy, improving the efficiency of transmission
9 and distribution grids, including on-grid, off-grid and
10 mini-grid solutions, and promoting energy efficiency and
11 demand-side management.

12 **SEC. 10. PROGRESS REPORT.**

13 Not later than three years after the date of the enact-
14 ment of this Act, the President shall transmit to the Com-
15 mittee on Foreign Affairs of the House of Representatives
16 and the Committee on Foreign Relations of the Senate,
17 and post through appropriate digital means, a report on
18 progress made toward achieving the policy goals described
19 in section 4, including the following:

20 (1) The number, type, and status of policy, reg-
21 ulatory, and legislative changes implemented in part-
22 ner countries to support increased electricity genera-
23 tion and access, and strengthen effective, account-
24 able governance of the electricity sector since United
25 States engagement.

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

5 (A) a description of how each such project
6 fits into the national power plans of the partner
7 country;

8 (B) the total cost of each such project and
9 predicted United States Government contribu-
10 tions, and actual grants and other financing
11 provided to such projects, broken down by
12 United States Government funding source, in-
13 cluding from the Overseas Private Investment
14 Corporation, the United States Agency for
15 International Development, the Department of
16 the Treasury, and other appropriate United
17 States Government departments and agencies;

18 (C) the predicted electrical power capacity
19 of each project upon completion, with metrics
20 appropriate to the scale of electricity access
21 being supplied, as well as total megawatts in-
22 stalled;

23 (D) compliance with international best
24 practices and expected environmental and social
25 impacts from each project;

1 (E) the estimated number of women, men,
2 poor communities, businesses, schools, and
3 health facilities that have gained electricity con-
4 nections as a result of each project at the time
5 of such report; and

6 (F) the current operating electrical power
7 capacity in wattage of each project.

Passed the House of Representatives May 8, 2014.

Attest:

KAREN L. HAAS,

Clerk.