H. R.  

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

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

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,
SECTION 1. SHORT TITLE.

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

SEC. 2. PURPOSE.

The purpose of this Act is to improve access to affordable, reliable electricity in Africa in order to unlock the potential for economic growth, job creation, food security, improved health and education outcomes, and sustainable poverty reduction.

SEC. 3. FINDINGS.

Congress finds that—

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

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

(3) lack of access to electricity services disproportionately affects women – who often shoulder the burden of seeking sources of heat and light such as dung, wood or charcoal and are often more exposed to the associated negative health impacts. Women and girls also face increase risks of assault from walking long distances to gather fuel sources;
(4) people without access to electricity are often trapped in subsistence lifestyles and are unable to work their way out of poverty;

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

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

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

(8) electricity access can provide improved lighting options, internet access, mobile phone charging, and other new information and communication technologies that can greatly improve health and education outcomes as well as commercial possibilities;
(9) Africa’s consumer base of 1,000,000,000 people is rapidly growing and will create increasing demand for United States goods, services, and technologies, but the current African electricity deficit limits this growth in demand by restricting economic growth on the continent;

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

(11) the Millennium Challenge Corporation’s work in the energy sector shows high projected economic rates of returns that translate to sustainable economic growth and that the highest returns are projected when infrastructure improvements are coupled with significant legislative and regulatory and institutional policy reforms;

(12) in some countries, regulatory bottlenecks and legal constraints stifle the ability of private investment to assist in the generation and distribution of electricity; and

(13) without new policies and more effective investments in electricity sector enterprises to increase and expand electricity access in sub-Saharan Africa, over 70 percent of the rural population, and 48 per-
cent of the total population, will remain without access to electricity by 2030.

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

Congress declares that it is the policy of the United States, in consultation with sub-Saharan African governments, to—

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

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

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

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

(a) Strategy.—The President shall establish a comprehensive, integrated, multiyear strategy to assist countries in sub-Saharan Africa to develop an appropriate mix of power solutions, including renewable energy, to provide sufficient electricity access to people living in rural and urban areas in order to alleviate poverty and drive economic growth. Such strategy shall maintain sufficient
flexibility and remain responsive to technological innovation in the power sector.

(b) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the President shall transmit to the appropriate congressional committees a report setting forth the strategy described in subsection (a).

(2) REPORT CONTENTS.—The report required by paragraph (1) shall include a discussion of the elements described in paragraph (3), and should include a discussion of any additional elements relevant to the strategy described in subsection (a).

(3) REPORT ELEMENTS.—The elements referred to in paragraph (2) are the following:

(A) The general and specific objectives of the strategy described in subsection (a), the criteria for determining success of the strategy, and a description of the manner in which the strategy will increase production and improve access to electricity.

(B) Development of plans and regulations at the national, regional, and local level to increase power production, strengthen electrical
transmission and distribution infrastructure,
and improve access to electricity.

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

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

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

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

(G) An identification of the relevant execu-
tive branch agencies that will be involved in car-
rying out the strategy, the level and distribution
of resources that will be dedicated on an annual basis among the such agencies, the assignment of priorities to such agencies, a description of the role of each agency, and the types of programs that each agency will be undertaking.

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

(I) A description of the mechanisms to be established for monitoring and evaluating increased electricity access development, for learning and transmitting best practices among relevant executive branch agencies as well as among participating countries, and for terminating unsuccessful programs.

(J) A description of the engagement plan for working with local communities benefitting from the projects and affected by the projects
as well as the environment and social impacts of the projects.

(K) A description of the mechanisms that will be utilized to ensure greater coordination between the United States and foreign governments, international organizations, African regional economic communities, international financial institutions, and private sector organizations.

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

(M) An outline of how the Administration intends to partner with foreign governments, the World Bank Group, the African Development Bank Group, and the public sector to assist sub-Saharan African countries to conduct project feasibility studies and facilitate project development.

(N) A description of how the Administration intends to help facilitate transnational and
regional power and electrification projects
where appropriate.

SEC. 6. USAID.

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

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

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

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

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

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

(3) build a country’s capacity to monitor and
regulate the energy and electricity sector.
(c) USAID DEFINED.—In this section, the term “USAID” means the United States Agency for International Development.

SEC. 7. DEPARTMENT OF THE TREASURY.

In pursuing the policy goals described in section 4, the Secretary of the Treasury should direct the United States Executive Director at each institution in the World Bank Group and the African Development Bank to use the voice, vote, and influence of the United States to encourage each such entity to—

(1) commit to significantly increase power sector and electrification investments in sub-Saharan Africa;

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

(3) enhance coordination with the private sector in sub-Saharan Africa to increase access to electricity;

(4) provide technical assistance to the regulatory authorities of sub-Saharan African governments to remove unnecessary barriers to investment in commercially viable projects, reduce transmission and distribution losses, encourage end-use efficiency,
strengthen local markets, and unlock domestic investment in the power sector; and
(5) utilize clear, accountable, and metric-based targets to measure the effectiveness of such projects.

SEC. 8. OVERSEAS PRIVATE INVESTMENT CORPORATION.
(a) IN GENERAL.—The Overseas Private Investment Corporation should—
(1) in carrying out its programs and pursuing the policy goals described in section 4, place a priority on supporting investment in the electricity sector of sub-Saharan Africa and implement procedures for expedited review of and, where appropriate, approval of, applications by eligible investors for loans, loan guarantees, and insurance for such investments;
(2) to the extent permitted by its authorities, policies, and programs, support investments in projects that will—
(A) maximize the number of people with new access to electricity to support economic development;
(B) improve the transmission and distribution of electricity;
(C) provide reliable and low-cost electricity to people living in rural and urban communities;
(D) consider energy needs of individuals where access to an electricity grid is impractical or cost-prohibitive; and

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

(3) encourage small- and medium-sized enterprises and cooperative service providers to participate in investment activities in sub-Saharan Africa; and

(4) publish measurable development impacts of its investments.

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

(1) in section 233 (22 U.S.C. 2193)—

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

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

“(e) Investment Advisory Council.—The Board shall take prompt measures to increase the loan, guarantee, and insurance programs, and financial commitments, of the Corporation in sub-Saharan Africa, including through the use of an investment advisory council to
assist the Board in developing and implementing policies, programs, and financial instruments with respect to sub-Saharan Africa. In addition, the investment advisory council shall make recommendations to the Board on how the Corporation can facilitate greater support by the United States for trade and investment with and in sub-Saharan Africa. The investment advisory council shall terminate on December 31, 2017.”;

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

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

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

“(e) INSPECTOR GENERAL.—The Board shall appoint and maintain an Inspector General in the Corporation, in accordance with the Inspector General Act of 1978 (5 U.S.C. App.).”.

(e) POLICY.—Not later than 180 days after the date of the enactment of this Act, the Board of Directors and President of the Overseas Private Investment Corporation are hereby directed to issue policy guidance that permits significant investment in the electricity sector of the poorest and lowest pollution-emitting countries in a development-driven and environmentally-sensitive manner.
SEC. 9. TRADE AND DEVELOPMENT AGENCY.

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

(1) promote United States private sector participation in energy sector development projects in sub-Saharan Africa through project preparation activities, including feasibility studies, technical assistance, pilot projects, reverse trade missions, conferences and workshops; and

(2) seek opportunities to fund project preparation activities that involve increased access to electricity, including power generation and trade capacity building.

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

SEC. 10. PROGRESS REPORT.

Not later than three years after the date of the enactment of this Act, the President shall transmit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate
a report on progress made toward achieving the policy
goals described in section 4, including the following:

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

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

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

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

(C) the amount of actual United States
Government financing provided to such
projects, broken down by United States Govern-
ment funding source, including from the Overseas Private Investment Corporation, the United States Agency for International Development, the Department of the Treasury, and other appropriate United States Government departments and agencies;

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

(E) expected environmental and social impacts from each project;

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

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

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