

113TH CONGRESS
2D SESSION

S. 2508

To establish a comprehensive United States Government policy to assist countries in sub-Saharan Africa to improve access to and the affordability, reliability, and sustainability of power, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 19, 2014

Mr. MENENDEZ (for himself, Mr. CORKER, Mr. COONS, Mr. ISAKSON, Mr. MARKEY, and Mr. JOHANNIS) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To establish a comprehensive United States Government policy to assist countries in sub-Saharan Africa to improve access to and the affordability, reliability, and sustainability of power, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Energize Africa Act of 2014”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

TITLE I—POLICIES TO IMPROVE ACCESS TO POWER IN SUB-SAHARAN AFRICA

- Sec. 101. Purpose.
- Sec. 102. Statement of policy.
- Sec. 103. Development of comprehensive, multiyear strategy.
- Sec. 104. Sense of Congress on priorities with respect the energy sector of sub-Saharan African countries.
- Sec. 105. Prioritization of assistance for power projects in sub-Saharan Africa by the United States Agency for International Development.
- Sec. 106. Prioritization of assistance for power projects in sub-Saharan Africa by the Trade and Development Agency.
- Sec. 107. Prioritization of assistance for power projects in sub-Saharan Africa by the Overseas Private Investment Corporation.
- Sec. 108. Prioritization of assistance for power projects in sub-Saharan Africa by the World Bank Group and the African Development Bank.
- Sec. 109. Prioritization of assistance for power projects in sub-Saharan Africa by the United States African Development Foundation.
- Sec. 110. Progress report.

TITLE II—OVERSEAS PRIVATE INVESTMENT CORPORATION

- Sec. 201. Extension of issuing authority.
- Sec. 202. Expedited procedures for financing of small projects related to power generation and distribution in sub-Saharan Africa.
- Sec. 203. Activities in sub-Saharan Africa; investment advisory council.
- Sec. 204. Pilot program for expansion of eligible investors.
- Sec. 205. Pilot program for direct investment and local currency guaranties for power projects in sub-Saharan Africa.
- Sec. 206. Extension of maximum term of obligation for renewable energy projects in sub-Saharan Africa.
- Sec. 207. Inspector General.
- Sec. 208. Assessment of customer satisfaction.
- Sec. 209. Schedule B hiring authority.
- Sec. 210. Sense of Congress on funding.
- Sec. 211. Report on equity authority.

1 SEC. 2. FINDINGS.

2 Congress makes the following findings:

3 (1) As of 2010, approximately 589,000,000
 4 people in sub-Saharan Africa, or 68 percent of the
 5 population, did not have access to power.

6 (2) Lack of access to power services
 7 disproportionately affects women, who often shoulder
 8 the burden of seeking sources of heat and light such

1 as dung, wood, or charcoal and are often more ex-
2 posed to the associated negative health effects.

3 (3) Women and girls also face increased risks
4 of assault from walking long distances to gather fuel
5 sources.

6 (4) Access to power creates opportunities for
7 people to work their way out of poverty, including
8 through entrepreneurship.

9 (5) A lack of power contributes to the high use
10 of inefficient and often highly polluting fuel sources
11 for indoor cooking, heating, and lighting that
12 produce toxic fumes resulting in more than
13 3,000,000 annual premature deaths from respiratory
14 disease.

15 (6) Reliable access to power is crucial for the
16 storage of vaccines and antiretroviral and other life-
17 saving medical drugs, as well as for the operation of
18 modern lifesaving medical equipment.

19 (7) Access to power can be used to improve
20 food security by enabling post-harvest processing,
21 pumping, irrigation, dry grain storage, milling, and
22 refrigeration, and for other uses.

23 (8) Access to power can provide improved infor-
24 mation and communication technologies that can

1 greatly improve health and education outcomes as
2 well as economic and commercial opportunities.

3 (9) For the majority of people with access to
4 power in sub-Saharan Africa, power services are
5 highly unreliable and remain at least twice as expen-
6 sive compared to other emerging regions.

7 (10) According to Enterprise Surveys of the
8 World Bank, power cuts in sub-Saharan Africa cost
9 companies more than 10 percent of sales in certain
10 countries.

11 (11) The consumer base in sub-Saharan Africa
12 of approximately 1,000,000,000 people is rapidly
13 growing and will create increasing demand for
14 United States goods, services, and technologies, but
15 the current power deficit in sub-Saharan Africa lim-
16 its that growth in demand by restricting economic
17 growth on the continent of Africa.

18 (12) Approximately 30 countries in sub-Saha-
19 ran Africa face endemic power shortages, and nearly
20 70 percent of surveyed businesses in sub-Saharan
21 Africa cite unreliable power as a major constraint to
22 growth.

23 (13) The work of the Millennium Challenge
24 Corporation in the energy sector shows high pro-
25 jected economic rates of returns that translate to

1 sustainable economic growth and the highest returns
2 are projected when infrastructure improvements are
3 coupled with significant legislative, policy, and regu-
4 latory reforms and institutional strengthening.

5 (14) Sub-Saharan Africa has abundant renew-
6 able and fossil fuel resources with which to generate
7 power.

8 (15) In some countries in sub-Saharan Africa,
9 weak governance capacity, undue regulatory bar-
10 riers, and unnecessary legal constraints, as well as
11 a lack of transparency and accountability, stifle the
12 ability of public and private investment to assist in
13 the generation and distribution of power.

14 (16) Without new policies and more effective
15 public and private investments in power sector enter-
16 prises to increase and expand access to power in
17 sub-Saharan Africa, more than 70 percent of the
18 rural population, and 48 percent of the total popu-
19 lation, are likely to remain without access to power
20 through at least 2030.

21 (17) Consumers in sub-Saharan Africa spend
22 billions of dollars annually on kerosene and other
23 fuels for household needs, which can, for poor fami-
24 lies, represent more than 15 percent of household in-

1 come and can expose residents to significant fire and
2 toxicity risks.

3 (18) Kerosene lamps used in homes can cause
4 fires and severe burn injuries and expose users to
5 hazardous air pollutants in close quarters, and
6 switching from fuel-based lighting to cheaper, clean-
7 er systems would provide higher quality light with no
8 negative health effects while achieving significant
9 economic savings.

10 (19) New technological advances in power gen-
11 eration coupled with more efficient appliances are
12 resulting in robust, affordable, and non-polluting off-
13 grid power solutions and entrepreneurs are devel-
14 oping new business models allowing off-grid house-
15 holds to finance systems over time, resulting in a
16 rapidly growing off-grid power market.

17 **TITLE I—POLICIES TO IMPROVE**
18 **ACCESS TO POWER IN SUB-SA-**
19 **HARAN AFRICA**

20 **SEC. 101. PURPOSE.**

21 The purpose of this title is to assist countries in sub-
22 Saharan Africa to improve access to affordable and reli-
23 able power in order to unlock the potential for economic
24 growth and promote development, job creation, food secu-

1 rity, improved health, educational, and environmental out-
2 comes, and reduce poverty.

3 **SEC. 102. STATEMENT OF POLICY.**

4 Congress declares that it is the policy of the United
5 States to partner, consult, and coordinate with the govern-
6 ments of sub-Saharan African countries, international fi-
7 nancial institutions, African regional economic commu-
8 nities, and the private sector, in a concerted effort to—

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

13 (2) encourage the installation of at least 20,000
14 additional megawatts of electrical power in sub-Sa-
15 haran Africa by 2020 using a broad mix of energy
16 options to help reduce poverty, promote sustainable
17 development, and drive economic growth;

18 (3) promote reliable, affordable, and sustainable
19 power in urban areas (including small urban areas)
20 to promote economic growth and job creation;

21 (4) promote efficient institutional platforms and
22 financing to provide electrical service to rural and
23 underserved populations;

24 (5) encourage the necessary in-country reforms
25 to make such expansion of power access possible;

1 (6) promote reforms of power production, deliv-
2 ery, and pricing, as well as regulatory reforms and
3 transparency, to support long-term, market-based
4 power generation and distribution; and

5 (7) promote policies to displace kerosene light-
6 ing with other technologies.

7 **SEC. 103. DEVELOPMENT OF COMPREHENSIVE, MULTIYEAR**
8 **STRATEGY.**

9 (a) STRATEGY REQUIRED.—

10 (1) IN GENERAL.—The President shall establish
11 a comprehensive, integrated, multiyear strategy to
12 assist countries in sub-Saharan Africa to implement
13 national power strategies and develop an appropriate
14 mix of power solutions, including renewable energy,
15 to provide access to sufficient reliable, affordable,
16 and sustainable power in order to reduce poverty
17 and drive economic growth and job creation.

18 (2) FLEXIBILITY AND RESPONSIVENESS.—The
19 President shall ensure that the strategy required by
20 paragraph (1) maintains sufficient flexibility for and
21 remains responsive to technological innovation in the
22 power sector.

23 (b) REPORT REQUIRED.—Not later than 180 days
24 after the date of the enactment of this Act, the President
25 shall submit to the Committee on Foreign Relations of the

1 Senate and the Committee on Foreign Affairs of the
2 House of Representatives a report that contains the strat-
3 egy required by subsection (a) and includes a discussion
4 of the following elements:

5 (1) The general and specific objectives of the
6 strategy.

7 (2) The criteria for determining the success of
8 the strategy.

9 (3) A description of the manner in which the
10 strategy will support efforts of countries receiving
11 assistance pursuant to the strategy to improve ac-
12 cess to power using a broad mix of energy options
13 and improve the affordability and reliability of power
14 in sub-Saharan Africa.

15 (4) A general description of regional and coun-
16 try plans and significant local efforts, as appro-
17 priate, in sub-Saharan Africa to—

18 (A) increase power production;

19 (B) strengthen electrical transmission and
20 distribution infrastructure;

21 (C) provide for regulatory reform and
22 transparent and accountable governance and
23 oversight;

24 (D) improve the reliability of power;

25 (E) maintain the affordability of power;

1 (F) maximize the financial sustainability of
2 the power sector; and

3 (G) improve access to power.

4 (5) A description of plans to support efforts of
5 countries receiving assistance pursuant to the strat-
6 egy to increase access to power in urban and rural
7 areas, including a description of plans designed to
8 address commercial, industrial, and residential
9 needs.

10 (6) A description of plans to support efforts of
11 such countries to reduce waste and corruption and
12 improve existing power generation through the use
13 of a broad power mix, including fossil fuel and re-
14 newable energy, distributed generation models, and
15 other technological innovations, as appropriate.

16 (7) An analysis of existing mechanisms for en-
17 suring, and recommendations to promote—

18 (A) commercial cost recovery in countries
19 receiving assistance pursuant to the strategy;

20 (B) commercialization of electric service
21 through distribution service providers to con-
22 sumers;

23 (C) improvements in revenue cycle man-
24 agement, power pricing, and fees assessed for
25 service contracts and connections;

1 (D) reductions in technical losses in the
2 transmission systems and commercial losses re-
3 sulting from inefficiencies, including inefficien-
4 cies in the billing and collection cycle, theft, and
5 manipulation of meter reading and billing sys-
6 tems; and

7 (E) access to power, including rec-
8 ommendations on the creation of new service
9 provider models that mobilize community par-
10 ticipation in the provision of power services.

11 (8) A description of United States Government
12 efforts to support the efforts of countries receiving
13 assistance pursuant to the strategy to leverage pri-
14 vate sector resources and public sector financing
15 pursuant to the strategy.

16 (9) A description of the reforms being under-
17 taken or planned by countries in sub-Saharan Africa
18 to ensure the long-term economic viability of power
19 projects and to increase access to power, including—

20 (A) reforms designed to allow third parties
21 to connect power generation to the grid
22 affordably, quickly, and without undue regu-
23 latory burdens;

1 (B) policies to ensure there is a viable,
2 adequately resourced, independent, and capable
3 utility regulator;

4 (C) strategies to ensure utilities become or
5 remain creditworthy;

6 (D) regulations that permit the participa-
7 tion of independent power producers and pri-
8 vate-public partnerships;

9 (E) policies that encourage private invest-
10 ment in power generation;

11 (F) policies that ensure compensation for
12 power provided to the electrical grid by on-site
13 producers;

14 (G) policies to unbundle power services;
15 and

16 (H) regulations to eliminate conflicts of in-
17 terest in the utility sector.

18 (10) A description of plans to ensure—

19 (A) local consultation, as appropriate, in
20 the planning, long-term maintenance, and man-
21 agement of investments designed to increase ac-
22 cess to power in sub-Saharan Africa; and

23 (B) that such investments are sustainable
24 and transparent, including through the provi-
25 sion of technical assistance and training.

1 (11) An identification of the relevant United
2 States Government departments and agencies that
3 will be involved in carrying out the strategy.

4 (12) A description of the level and distribution
5 of resources that will be dedicated on an annual
6 basis among those departments and agencies.

7 (13) A description of the role of each such de-
8 partment or agency and the types of programs that
9 each such department or agency will conduct.

10 (14) A description of the mechanisms that will
11 be used to coordinate the efforts of United States
12 Government departments and agencies in carrying
13 out the strategy to avoid duplication of efforts, en-
14 hance coordination, and ensure that each such de-
15 partment or agency conducts programs primarily in
16 the areas in which that department or agency has
17 the greatest expertise, technical capabilities, and po-
18 tential for success.

19 (15) A description of the mechanisms to be es-
20 tablished for—

21 (A) monitoring and evaluating increased
22 access to, and reliability and affordability of,
23 power in sub-Saharan Africa for individuals,
24 communities, and businesses;

1 (B) maximizing the financial sustainability
2 of power generation, transmission, and distribu-
3 tion in sub-Saharan Africa;

4 (C) sharing best practices among relevant
5 United States Government departments and
6 agencies and with other countries and institu-
7 tions participating in efforts to increase access
8 to power in sub-Saharan Africa;

9 (D) establishing metrics to demonstrate
10 progress on meeting goals relating to access to
11 power, power generation, and distribution in
12 sub-Saharan Africa; and

13 (E) terminating unsuccessful programs.

14 (16) A description of the engagement plan for
15 working with local communities benefitting from or
16 affected by projects carried out pursuant to the
17 strategy.

18 (17) A description of the mechanisms that will
19 be used to ensure greater coordination between the
20 United States and foreign governments, inter-
21 national organizations, African regional economic
22 communities, international financial institutions,
23 international fora such as the G-8 and G-20, and
24 private sector and civil society organizations.

1 (18) An outline of how the President intends to
2 partner with foreign governments, the World Bank
3 Group, the African Development Bank, the private
4 sector, and other development partners to assist sub-
5 Saharan African countries to conduct project studies
6 and facilitate project development.

7 (19) A description of how the President intends
8 to help facilitate transnational and regional elec-
9 trification projects where appropriate.

10 (20) A description of how the President intends
11 to help sub-Saharan countries use new or potential
12 fossil fuel and other resources in order to provide
13 power to their citizens.

14 (21) A description of how the President intends
15 to promote trade in electrical equipment with coun-
16 tries in sub-Saharan Africa, including a description
17 of how the government of each country receiving as-
18 sistance pursuant to the strategy—

19 (A) plans to lower or eliminate import tar-
20 iffs or other taxes for energy and other power
21 production and distribution technologies des-
22 tined for sub-Saharan Africa, including equip-
23 ment used to provide energy access, including
24 solar lanterns, solar home systems, and micro
25 and mini grids; and

1 (B) plans to protect the intellectual prop-
2 erty of companies designing and manufacturing
3 products that can be used to provide energy ac-
4 cess in sub-Saharan Africa.

5 (22) A description of how the President intends
6 to work with the African Development Bank and
7 other partners to increase the capacity of sub-Saha-
8 ran African utilities to—

9 (A) develop standardized power purchase
10 agreements and other contracts to streamline
11 project development; and

12 (B) negotiate and monitor compliance with
13 power purchase agreements and other contracts
14 entered into with the private sector.

15 (23) A description of how the President intends
16 to encourage the growth of distributed renewable en-
17 ergy markets in sub-Saharan Africa, including off-
18 grid lighting and power, that includes—

19 (A) a country-by-country analysis of the
20 state of distributed renewable energy in sub-Sa-
21 haran Africa, including off-grid lighting and
22 power;

23 (B) a description of market barriers to the
24 deployment of distributed renewable energy

1 technologies both on- and off-grid in sub-Saha-
2 ran Africa;

3 (C) measures United States Government
4 departments and agencies, including the United
5 States Agency for International Development
6 and the Overseas Private Investment Corpora-
7 tion, can take—

8 (i) to overcome or eliminate market
9 barriers or enhance financing opportunities
10 for distributed renewable energy solutions
11 in sub-Saharan Africa; and

12 (ii) to assist multilateral organizations
13 such as the World Bank Group in efforts
14 to eliminate such barriers or enhance such
15 opportunities;

16 (D) the amount and kind of financial sup-
17 port and financing provided to participants in
18 distributed energy markets by the United
19 States Government, international financial in-
20 stitutions, and other international organiza-
21 tions;

22 (E) an analysis of the efficacy of efforts by
23 the Overseas Private Investment Corporation
24 and the United States Agency for International
25 Development to facilitate the financing of the

1 importation, distribution, sale, leasing, or mar-
2 keting of distributed renewable energy tech-
3 nologies; and

4 (F) a description of how bolstering distrib-
5 uted renewable energy can enhance the overall
6 effort to increase power access in sub-Saharan
7 Africa.

8 (24) Any other issues the President determines
9 are relevant to the strategy.

10 (c) AFRICAN POWER ADVISORY GROUP.—

11 (1) ESTABLISHMENT.—For the purposes of de-
12 veloping the strategy required by subsection (a), the
13 President shall establish an African Power Advisory
14 Group to advise on the development and implemen-
15 tation of the strategy and report required by this
16 section and assistance provided pursuant to this sec-
17 tion.

18 (2) MEMBERSHIP.—The African Power Advi-
19 sory Group shall be composed of 12 members ap-
20 pointed by the President, including the following:

21 (A) The Coordinator of the President's
22 Power Africa Initiative.

23 (B) Seven individuals from the power sec-
24 tor, of whom—

1 (i) at least one shall have experience
2 in the fossil fuel power sector;

3 (ii) at least one shall have experience
4 with the rural electrical cooperatives;

5 (iii) at least one shall have experience
6 in the renewable energy sector; and

7 (iv) at least one shall have experience
8 in the distributed generation sector.

9 (C) Three individuals, other than individ-
10 uals described in subparagraph (B), who shall
11 have experience in working with the business
12 community in Africa or with governments of
13 countries in Africa.

14 (D) One individual who shall have experi-
15 ence with utility regulation.

16 (3) FUNCTIONS.—The President shall call upon
17 members of the African Power Advisory Group, ei-
18 ther collectively or individually, to advise the Presi-
19 dent regarding the development and implementation
20 of the strategy and report required by this section
21 and assistance provided pursuant to this section.

22 (4) MEETINGS.—The African Power Advisory
23 Group shall meet not later than 60 days after the
24 date of the enactment of this Act and not less fre-
25 quently than annually thereafter.

1 (5) FEDERAL ADVISORY COMMITTEE ACT.—The
2 African Power Advisory Group established under
3 this section shall not be subject to the Federal Advi-
4 sory Committee Act (5 U.S.C. App.).

5 **SEC. 104. SENSE OF CONGRESS ON PRIORITIES WITH RE-**
6 **SPECT THE ENERGY SECTOR OF SUB-SAHA-**
7 **RAN AFRICAN COUNTRIES.**

8 It is the sense of Congress that—

9 (1) as the United States deepens its engage-
10 ment with countries in sub-Saharan Africa pursuant
11 to the authorities provided under this Act, priority
12 should be given to countries with a demonstrated
13 commitment to—

14 (A) transparency, accountability, and
15 credibility in energy sector governance;

16 (B) prudent macroeconomic management
17 of energy resources, including sound fiscal and
18 debt management;

19 (C) energy sector reforms, including tariff
20 reform, unbundling of vertically integrated utili-
21 ties, and access for independent power pro-
22 ducers;

23 (D) responsible development of newly dis-
24 covered energy resources;

1 (E) expansion of power generation, trans-
2 mission, and access, including distributed mini-
3 grid and off-grid solutions; and

4 (F) private sector and investment climate
5 reforms, such as strong rule of law and robust
6 controls over the business regulatory environ-
7 ment; and

8 (2) the United States should consider, in
9 prioritizing efforts carried out pursuant to this
10 Act—

11 (A) opportunities for the United States
12 private sector to contribute to the energy sector
13 in sub-Saharan African countries through tech-
14 nology, innovation, and project development;

15 (B) the potential of such efforts to facili-
16 tate regional power trade and expand power ac-
17 cess across borders;

18 (C) private sector interest and participa-
19 tion in the energy sector of sub-Saharan Afri-
20 can countries;

21 (D) the long-term financial viability of en-
22 ergy sector projects in development;

23 (E) opportunities to collaborate with inter-
24 national donors and partners in energy sector
25 development involving multilateral institutions

1 such as the World Bank Group and the African
2 Development Bank;

3 (F) the availability of United States Gov-
4 ernment resources and appropriate funds to
5 support the expansion of technical assistance,
6 delivery units, and transaction advisors and
7 teams to implement United States Government
8 programs to expand power access in sub-Saha-
9 ran Africa; and

10 (G) mechanisms to promote efficient and
11 effective coordination among United States
12 Government departments and agencies, includ-
13 ing allocation of well-defined roles for each such
14 department or agency.

15 **SEC. 105. PRIORITIZATION OF ASSISTANCE FOR POWER**
16 **PROJECTS IN SUB-SAHARAN AFRICA BY THE**
17 **UNITED STATES AGENCY FOR INTER-**
18 **NATIONAL DEVELOPMENT.**

19 (a) LOAN GUARANTEES.—In pursuing the policy
20 goals described in section 102, the Administrator of the
21 United States Agency for International Development
22 should prioritize loan guarantees to local financial institu-
23 tions in sub-Saharan Africa, as appropriate, to—

1 (1) facilitate the involvement of such institu-
2 tions in power projects and markets, both on- and
3 off-grid, in sub-Saharan Africa;

4 (2) allow such institutions to partner with other
5 investors to leverage expertise and increase the im-
6 pact of such loan guarantees for energy access and
7 power production projects in sub-Saharan Africa;

8 (3) allow such institutions to partner with other
9 investors to fund local research, development, and
10 deployment of technology in order to specifically in-
11 crease access to reliable, affordable, and sustainable
12 power in sub-Saharan Africa; and

13 (4) allow such institutions to fund the develop-
14 ment of plans to increase distribution coverage, in-
15 cluding off-grid projects and services in rural areas
16 of sub-Saharan Africa.

17 (b) GRANTS.—The Administrator shall prioritize as-
18 sistance to—

19 (1) support the implementation or development,
20 as appropriate, of national, regional, and local en-
21 ergy and economically sustainable power policy plans
22 in sub-Saharan Africa;

23 (2) expand power access across sub-Saharan
24 Africa, including specifically to the poorest popu-
25 lations and rural and isolated communities;

1 (3) build the capacity of countries in sub-Saha-
2 ran Africa to monitor and appropriately and trans-
3 parently regulate the power sector and encourage
4 private investment in power production and distribu-
5 tion; and

6 (4) increase access to reliable, affordable, and
7 sustainable power in sub-Saharan Africa, including
8 the development of plans to increase power access in
9 rural areas.

10 (c) EFFECTIVENESS MEASUREMENT.—In providing
11 the loan guarantees and assistance prioritized pursuant to
12 this section, the Administrator shall use clear, account-
13 able, and metric-based targets to measure the effectiveness
14 of such guarantees and assistance in achieving the goals
15 described in section 102.

16 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
17 tion shall be construed to authorize modifying or limiting
18 the portfolio of the United States Agency for International
19 Development in other developing regions.

20 **SEC. 106. PRIORITIZATION OF ASSISTANCE FOR POWER**
21 **PROJECTS IN SUB-SAHARAN AFRICA BY THE**
22 **TRADE AND DEVELOPMENT AGENCY.**

23 (a) IN GENERAL.—The Director of the Trade and
24 Development Agency should prioritize, as appropriate—

1 (1) the promotion of United States private sec-
2 tor participation in energy sector development
3 projects in sub-Saharan Africa by conducting project
4 preparation activities for projects in sub-Saharan Af-
5 rica, including feasibility studies, technical assist-
6 ance, pilot projects, reverse trade missions, con-
7 ferences, and workshops; and

8 (2) the funding of project preparation activities
9 for projects in sub-Saharan Africa that involve in-
10 creased access to power, including power generation
11 and trade capacity building.

12 (b) FOCUS.—The project preparation activities de-
13 scribed in subsection (a) should focus on supporting
14 projects in sub-Saharan Africa that enhance efficiencies
15 in the areas of power generation, transmission, and dis-
16 tribution grids, including on-grid, off-grid, and micro-grid
17 solutions, and best practices in demand-side management.

18 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
19 tion shall be construed to authorize modifying or limiting
20 the portfolio of the Trade and Development Agency in
21 other developing regions.

1 **SEC. 107. PRIORITIZATION OF ASSISTANCE FOR POWER**
2 **PROJECTS IN SUB-SAHARAN AFRICA BY THE**
3 **OVERSEAS PRIVATE INVESTMENT CORPORA-**
4 **TION.**

5 (a) IN GENERAL.—The Overseas Private Investment
6 Corporation should, as appropriate—

7 (1) prioritize support for private sector invest-
8 ments in the power sector of sub-Saharan Africa, in-
9 cluding in renewable energy, that will—

10 (A) maximize the number of people with
11 new access to power and power services;

12 (B) improve and expand the transmission
13 and distribution of power and off-grid lighting
14 and power solutions;

15 (C) provide reliable power to people and
16 businesses in urban and rural communities;

17 (D) address the energy needs of people liv-
18 ing in areas where there is little or no access
19 to a power grid;

20 (E) reduce transmission and distribution
21 losses and improve end-use efficiency and de-
22 mand-side management; and

23 (F) reduce energy-related impediments to
24 business productivity and investment;

25 (2) implement procedures for expedited review
26 of and, where appropriate, approval of, applications

1 by eligible investors (as defined in section 238 of the
2 Foreign Assistance Act of 1961 (22 U.S.C. 2198))
3 for loans, loan guarantees, and insurance for such
4 investments;

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

9 (4) publish information on the effects of its en-
10 ergy investments on development in sub-Saharan Af-
11 rica.

12 (b) RULE OF CONSTRUCTION.—Nothing in this sec-
13 tion shall be construed to authorize modifying or limiting
14 the portfolio of the Overseas Private Investment Corpora-
15 tion in other developing regions.

16 **SEC. 108. PRIORITIZATION OF ASSISTANCE FOR POWER**
17 **PROJECTS IN SUB-SAHARAN AFRICA BY THE**
18 **WORLD BANK GROUP AND THE AFRICAN DE-**
19 **VELOPMENT BANK.**

20 (a) IN GENERAL.—The Secretary of the Treasury
21 should direct the United States Executive Directors of the
22 World Bank Group and the African Development Bank
23 to, as appropriate, use the voice, vote, and influence of
24 the United States to help ensure the World Bank Group
25 and the African Development Bank—

1 (1) prioritize—

2 (A) increasing their investment in, and ef-
3 forts to promote investment in, well-designed
4 power sector and electrification projects in sub-
5 Saharan Africa;

6 (B) creating financing opportunities, pro-
7 vide financing, and provide technical assistance
8 to promote both on- and off-grid power and
9 lighting solutions in sub-Saharan Africa;

10 (C) stimulating private investment in reli-
11 able, affordable, and sustainable power in sub-
12 Saharan Africa; and

13 (D) providing technical assistance to the
14 regulatory authorities of governments in sub-
15 Saharan Africa to—

16 (i) remove unnecessary regulatory and
17 legal barriers to investment in commer-
18 cially viable power projects and markets;

19 (ii) modify regulatory and legal re-
20 gimes to assist providers in reducing power
21 transmission and distribution technical
22 losses;

23 (iii) implement cost-based power tar-
24iffs and provide for commercial cost recov-
25ery;

- 1 (iv) encourage end-use efficiency and
2 demand-side management in the power
3 sector;
- 4 (v) strengthen local power markets;
- 5 (vi) reduce corruption in the power in-
6 dustry, including in government and regu-
7 latory processes associated with power pro-
8 duction and distribution;
- 9 (vii) encourage domestic investment in
10 the power sector;
- 11 (viii) improve transparency and good
12 governance with respect to regulatory and
13 legal processes and requirements in the
14 power sector;
- 15 (ix) encourage affordable and exped-
16 ited interconnection for distributed energy
17 systems and independent power producers;
- 18 (x) ensure compliance with the best
19 practices of the World Bank Group and
20 the African Development Bank; and
- 21 (xi) implement regulatory and legal
22 reforms that facilitate efficient power gen-
23 eration, transmission, and distribution and
24 efficient off-grid energy markets;

1 (2) use clear, accountable, and metric-based
2 targets to measure the effectiveness of investment
3 and other assistance provided by the World Bank
4 Group or the African Development Bank, as the
5 case may be, for power sector and electrification
6 projects in sub-Saharan Africa; and

7 (3) support the efforts of the World Bank
8 Group to foster growth in the off-grid lighting and
9 power markets.

10 (b) **RULE OF CONSTRUCTION.**—Nothing in this sec-
11 tion shall be construed to authorize the Secretary of the
12 Treasury to advocate for modifying or limiting the port-
13 folio of the World Bank Group or the African Develop-
14 ment Bank in other developing regions.

15 **SEC. 109. PRIORITIZATION OF ASSISTANCE FOR POWER**
16 **PROJECTS IN SUB-SAHARAN AFRICA BY THE**
17 **UNITED STATES AFRICAN DEVELOPMENT**
18 **FOUNDATION.**

19 (a) **IN GENERAL.**—The Board of Directors and the
20 President of the United States African Development
21 Foundation should seek opportunities to make grants and
22 provide technical support to businesses and organizations
23 in sub-Saharan Africa that qualify for assistance from the
24 Foundation and are developing on- and off-grid solutions

1 to meet the power needs of rural communities underserved
2 by national grids.

3 (b) FOCUS.—The mission of the United States Afri-
4 can Development Foundation under subsection (a) is to
5 meet the needs of underserved communities and close crit-
6 ical development gaps with speed, efficiency, and effective-
7 ness.

8 **SEC. 110. PROGRESS REPORT.**

9 (a) IN GENERAL.—Not later than 3 years after the
10 date of the enactment of this Act, the President shall sub-
11 mit to the Committee on Foreign Relations of the Senate
12 and the Committee on Foreign Affairs of the House of
13 Representatives a report on progress made toward achiev-
14 ing the policy goals described in section 102 that includes
15 the following:

16 (1) A report on United States programs sup-
17 porting implementation of policy and legislative
18 changes leading to increased power generation and
19 access in sub-Saharan Africa, including a description
20 of the number, type, and status of policy, regulatory,
21 and legislative changes initiated or implemented as
22 a result of programs funded or supported by the
23 United States in countries in sub-Saharan Africa to
24 support increased power generation and access after
25 the date of the enactment of this Act.

1 (2) A description of power projects receiving
2 United States Government support and how such
3 projects, including off-grid efforts, are intended to
4 achieve the policy goals described in section 102.

5 (3) For each project described in paragraph
6 (2)—

7 (A) a description of how the project fits
8 into, or encourages modifications of, the na-
9 tional energy plan of the country in which the
10 project will be carried out, including encour-
11 aging regulatory reform in that country;

12 (B) an estimate of the total cost of the
13 project to the consumer, the country in which
14 the project will be carried out, and other inves-
15 tors;

16 (C) the amount of financing provided or
17 guaranteed by the United States Government
18 for the project;

19 (D) an estimate of United States Govern-
20 ment resources for the project, itemized by
21 funding source, including from the Overseas
22 Private Investment Corporation, the United
23 States Agency for International Development,
24 the Department of the Treasury, or other ap-

1 appropriate United States Government depart-
2 ments and agencies;

3 (E) an estimate of the number of individ-
4 uals, communities, businesses, schools, and
5 health facilities that have gained power connec-
6 tions as a result of the project, with a descrip-
7 tion of how the reliability, affordability, and
8 sustainability of power has been improved as of
9 the date of the report; and

10 (F) an assessment of the increase in the
11 number of people and businesses with access to
12 power and in the operating electrical power ca-
13 pacity in megawatts as a result of the project
14 between the date of the enactment of this Act
15 and the date of the report.

16 (4) A description of any significant estimated
17 non-economic effects of the efforts carried out pur-
18 suant to this Act.

19 **TITLE II—OVERSEAS PRIVATE** 20 **INVESTMENT CORPORATION**

21 **SEC. 201. EXTENSION OF ISSUING AUTHORITY.**

22 Section 235(a)(2) of the Foreign Assistance Act of
23 1961 (22 U.S.C. 2195(a)(2)) is amended by striking
24 “2007” and inserting “2019”.

1 **SEC. 202. EXPEDITED PROCEDURES FOR FINANCING OF**
2 **SMALL PROJECTS RELATED TO POWER GEN-**
3 **ERATION AND DISTRIBUTION IN SUB-SAHA-**
4 **RAN AFRICA.**

5 (a) IN GENERAL.—Not later than 180 days after the
6 date of the enactment of this Act, the Overseas Private
7 Investment Corporation should, as appropriate, simplify
8 and streamline the application, approval, and post-ap-
9 proval processes for insurance, financing, investment, or
10 reinsurance for projects or subprojects, including off-grid
11 efforts, in sub-Saharan Africa for which the total support
12 of the Corporation is less than \$20,000,000, by—

13 (1) expediting the review and consideration of,
14 and determinations with respect to, applications for
15 insurance, financing, investment, or reinsurance,
16 consistent with investment best practices, including
17 appropriate risk management, for such projects and
18 subprojects; and

19 (2) reducing the burdens of project manage-
20 ment for, and eliminating duplicative or unnecessary
21 oversight of such projects and subprojects after ap-
22 proval of insurance, financing, investment, or rein-
23 surance for projects or subprojects.

24 (b) CONSIDERATION OF BEST PRACTICES.—In revis-
25 ing its procedures as required by subsection (a), the Over-
26 seas Private Investment Corporation should consider best

1 practices established by the International Finance Cor-
2 poration of the World Bank Group.

3 **SEC. 203. ACTIVITIES IN SUB-SAHARAN AFRICA; INVEST-**
4 **MENT ADVISORY COUNCIL.**

5 Section 233(e) of the Foreign Assistance Act of 1961
6 (22 U.S.C. 2193(e)) is amended to read as follows:

7 “(e) **ACTIVITIES IN SUB-SAHARAN AFRICA; INVEST-**
8 **MENT ADVISORY COUNCIL.**—

9 “(1) **IN GENERAL.**—The Board should take
10 prompt measures to prioritize, as appropriate, the
11 loan, guarantee, and insurance programs, and finan-
12 cial commitments, of the Corporation in sub-Saha-
13 ran Africa in the areas of power generation, dis-
14 tribution, and off-grid power and lighting, including
15 through the use of an investment advisory council to
16 assist the Board in developing and implementing
17 policies, programs, and financial instruments with
18 respect to sub-Saharan Africa.

19 “(2) **RECOMMENDATIONS.**—The investment ad-
20 visory council described in paragraph (1) shall make
21 recommendations to the Board on how the Corpora-
22 tion can facilitate greater support by the United
23 States for private sector trade and investment with
24 and in sub-Saharan Africa.

1 “(3) TERMINATION.—The investment advisory
2 council described in paragraph (1) shall terminate
3 on December 31, 2018.

4 “(4) APPLICABILITY OF FEDERAL ADVISORY
5 COMMITTEE ACT.—The investment advisory council
6 described in paragraph (1) shall not be subject to
7 the Federal Advisory Committee Act (5 U.S.C.
8 App.).”.

9 **SEC. 204. PILOT PROGRAM FOR EXPANSION OF ELIGIBLE**
10 **INVESTORS.**

11 (a) IN GENERAL.—The Overseas Private Investment
12 Corporation shall conduct a pilot program under which en-
13 tities that are covered by section 238(c)(3) of the Foreign
14 Assistance Act of 1961 (22 U.S.C. 2198(c)(3)) and are
15 substantially beneficially owned by United States citizens
16 shall be considered eligible investors under section 238(c)
17 of that Act for the sole purpose of receiving assistance
18 from the Corporation for power projects in sub-Saharan
19 Africa.

20 (b) CAP ON ASSISTANCE.—Assistance provided by
21 the Corporation for a power project in sub-Saharan Africa
22 pursuant to subsection (a) to an entity that is covered by
23 section 238(c)(3) of the Foreign Assistance Act of 1961
24 (22 U.S.C. 2198(c)(3)) and is substantially beneficially

1 owned by United States citizens shall not exceed the lesser
2 of—

3 (1) the share of ownership in the entity of such
4 United States citizens; or

5 (2) the percentage of the investment of the enti-
6 ty in the project.

7 (c) TERMINATION OF PILOT PROGRAM.—The pilot
8 program under subsection (a) shall terminate on the date
9 that is 5 years after the date of the enactment of this
10 Act.

11 (d) CONTINUED VALIDITY OF EXISTING SUPPORT.—
12 Notwithstanding subsection (c), any support provided be-
13 fore the date that is 5 years after the date of the enact-
14 ment of this Act pursuant to the pilot program under sub-
15 section (a) shall remain valid on and after that date.

16 **SEC. 205. PILOT PROGRAM FOR DIRECT INVESTMENT AND**
17 **LOCAL CURRENCY GUARANTIES FOR POWER**
18 **PROJECTS IN SUB-SAHARAN AFRICA.**

19 (a) IN GENERAL.—The Overseas Private Investment
20 Corporation shall conduct a pilot program to—

21 (1) make loans to eligible investors under sec-
22 tion 234(c) of the Foreign Assistance Act of 1961
23 (22 U.S.C. 2194(c)) for power projects in sub-Saha-
24 ran Africa and for which the total support of the
25 Corporation does not exceed \$50,000,000; and

1 (2) issue local currency guarantees under sec-
2 tion 234(h) of the Foreign Assistance Act of 1961
3 (22 U.S.C. 2194(h)) to African subsidiaries of for-
4 eign financial institutions if the issuance of such
5 guarantees directly facilitates lending for power
6 projects in sub-Saharan Africa undertaken by eligi-
7 ble investors.

8 (b) ELIGIBLE INVESTOR DEFINED.—In this section,
9 the term “eligible investor” means an eligible investor as
10 defined in section 238(c) of the Foreign Assistance Act
11 of 1961 (22 U.S.C. 2198(c)) or described in section
12 204(a) of this Act.

13 (c) TERMINATION OF PILOT PROGRAM.—The pilot
14 program under subsection (a) shall terminate on the date
15 that is 5 years after the date of the enactment of this
16 Act.

17 (d) CONTINUED VALIDITY OF EXISTING LOANS AND
18 GUARANTEES.—Notwithstanding subsection (c), any loans
19 made or local currency guarantees issued pursuant to the
20 pilot program under subsection (a) before the date that
21 is 5 years after the date of the enactment of this Act shall
22 remain valid on and after that date.

1 **SEC. 206. EXTENSION OF MAXIMUM TERM OF OBLIGATION**
 2 **FOR RENEWABLE ENERGY PROJECTS IN SUB-**
 3 **SAHARAN AFRICA.**

4 Section 237(e) of the Foreign Assistance Act of 1961
 5 (22 U.S.C. 2197(e)) is amended to read as follows:

6 “(e) MAXIMUM TERM OF OBLIGATION.—

7 “(1) IN GENERAL.—Except as provided in para-
 8 graph (2), no insurance, guaranty, or reinsurance of
 9 any equity investment shall extend beyond 20 years
 10 after the date of issuance.

11 “(2) EXTENDED TERM OF OBLIGATION FOR
 12 CERTAIN PROJECTS.—An insurance, guaranty, or re-
 13 insurance of an equity investment in a renewable en-
 14 ergy project in sub-Saharan Africa may extend up to
 15 30 years after the date of issuance.”.

16 **SEC. 207. INSPECTOR GENERAL.**

17 (a) IN GENERAL.—Section 8G(a) of the Inspector
 18 General Act of 1978 (5 U.S.C. App.) is amended—

19 (1) in paragraph (2), by inserting “the Over-
 20 seas Private Investment Corporation,” after “the
 21 National Science Foundation,”; and

22 (2) in paragraph (4)—

23 (A) in subparagraph (G), by striking “;
 24 and” and inserting a semicolon;

25 (B) in subparagraph (H), by inserting
 26 “and” after the semicolon; and

1 (C) by adding at the end the following:

2 “(I) with respect to the Overseas Private
3 Investment Corporation, such term means the
4 Board of Directors of the Overseas Private In-
5 vestment Corporation (established under section
6 233(b) of the Foreign Assistance Act of 1961
7 (22 U.S.C. 2193(b));”.

8 (b) CONFORMING AMENDMENT.—Section 239 of the
9 Foreign Assistance Act of 1961 (22 U.S.C. 2199) is
10 amended by striking subsection (e).

11 **SEC. 208. ASSESSMENT OF CUSTOMER SATISFACTION.**

12 Section 239 of the Foreign Assistance Act of 1961
13 (22 U.S.C. 2199) is amended by adding at the end the
14 following:

15 “(I) ASSESSMENT OF CUSTOMER SATISFACTION.—

16 “(1) IN GENERAL.—Each fiscal year, the Cor-
17 poration shall conduct a survey of a sample of its
18 customers to assess the satisfaction of those cus-
19 tomers with the operation and procedures of the
20 Corporation, with particular attention to customers
21 of the Corporation that are small businesses and co-
22 operatives.

23 “(2) REPORT TO CONGRESS.—The Corporation
24 shall include in its annual report required under sec-
25 tion 240A a report on the survey conducted under

1 paragraph (1) that includes, as appropriate, sum-
2 maries of recommendations made by customers of
3 the Corporation with respect to ways to improve the
4 operations and procedures of the Corporation.”.

5 **SEC. 209. SCHEDULE B HIRING AUTHORITY.**

6 In carrying out the purposes of this Act and its re-
7 sponsibilities under this Act, the Overseas Private Invest-
8 ment Corporation may, in addition to other authorities
9 available, employ not more than 20 individuals, on a lim-
10 ited-appointment basis, pursuant to schedule B of subpart
11 C of part 213 of title 5, Code of Federal Regulations, for
12 the purpose of furthering specific efforts in sub-Saharan
13 Africa with respect to power production and generation
14 and distribution, including off-grid efforts.

15 **SEC. 210. SENSE OF CONGRESS ON FUNDING.**

16 It is the sense of Congress that appropriations for
17 the administrative expenses and activities under section
18 234(g)(5) of the Foreign Assistance of 1961 (22 U.S.C.
19 2194(g)(5)) of the Corporation in each of the fiscal years
20 2015 through 2019 should be adjusted to reflect the re-
21 sources needed to carry out the purposes of this Act, in-
22 cluding enabling the Corporation to hire personnel and to
23 upgrade systems infrastructure, as appropriate, to imple-
24 ment the purposes of this Act.

1 **SEC. 211. REPORT ON EQUITY AUTHORITY.**

2 Not later than one year after the date of the enact-
3 ment of this Act, the Inspector General of the Overseas
4 Private Investment Corporation (appointed pursuant to
5 the amendments made by section 207) shall submit to
6 Congress a report on the authorities of the Corporation
7 to effectively meet its statutory objectives, including as
8 modified by this Act, that includes an assessment of the
9 following:

10 (1) The effectiveness of the existing authorities
11 of the Corporation in promoting investment in en-
12 ergy and infrastructure projects.

13 (2) The effect granting the Corporation the au-
14 thority to directly invest in projects would have on—

15 (A) the ability of the Corporation to sup-
16 port development projects, including infrastruc-
17 ture and energy projects, that advance the for-
18 eign policy goals of the United States;

19 (B) the risk profile of the Corporation;

20 (C) the budget of the Corporation;

21 (D) the success rate of projects, measured
22 in terms of capacity to meet development goals
23 and financial targets;

24 (E) sectors or regions in which equity in-
25 vestment would be particularly beneficial or

1 harmful to furthering the mission of the Cor-
2 poration; and

3 (F) the capability of the Corporation to
4 meet its statutory objectives, including as modi-
5 fied by this Act, including whether granting
6 such authority would limit the effectiveness of
7 the Corporation in meeting its goals with re-
8 spect to stimulating United States private sec-
9 tor investment in such projects, including in-
10 vestment by small- and medium-sized enter-
11 prises.

12 (3) The effect of any other financing instru-
13 ments that may be better suited to energy or infra-
14 structure projects.

15 (4) The competitiveness of financing provided
16 by the Corporation relative to financing provided by
17 development finance institutions of other major
18 economies.

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