

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 2548
OFFERED BY MR. ROYCE OF CALIFORNIA AND
MR. ENGEL OF NEW YORK**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Electrify Africa Act
3 of 2014”.

4 SEC. 2. PURPOSE.

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

11 SEC. 3. FINDINGS.

12 Congress finds that—

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

16 (2) in sub-Saharan Africa, electricity services
17 are highly unreliable and they are at least twice as

1 expensive for those with electricity access compared
2 to other emerging markets;

3 (3) lack of access to electricity services
4 disproportionally affects women and girls, who often
5 shoulder the burden of seeking sources of heat and
6 light such as dung, wood or charcoal and are often
7 more exposed to the associated negative health im-
8 pacts. Women and girls also face an increased risk
9 of assault from walking long distances to gather fuel
10 sources;

11 (4) access to electricity creates opportunities,
12 including entrepreneurship, for people to work their
13 way out of poverty;

14 (5) a lack of electricity contributes to the high
15 use of inefficient and often highly polluting fuel
16 sources for indoor cooking, heating, and lighting
17 that produce toxic fumes resulting in more than
18 3,000,000 annual premature deaths from respiratory
19 disease, more annual deaths than from HIV/AIDS
20 and malaria in sub-Saharan Africa;

21 (6) electricity access is crucial for the cold stor-
22 age of vaccines and anti-retroviral and other life-
23 saving medical drugs, as well as the operation of
24 modern lifesaving medical equipment;

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

5 (8) reliable electricity access can provide im-
6 proved lighting options and information and commu-
7 nication technologies, including Internet access and
8 mobile phone charging, that can greatly improve
9 health, social, and education outcomes, as well as
10 economic and commercial possibilities;

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

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

21 (11) the Millennium Challenge Corporation's
22 work in the energy sector shows high projected eco-
23 nomic rates of return that translate to sustainable
24 economic growth and that the highest returns are
25 projected when infrastructure improvements are cou-

1 pled with significant legislative, regulatory, institu-
2 tional, and policy reforms;

3 (12) in many countries, weak governance capaci-
4 ty, regulatory bottlenecks, legal constraints, and
5 lack of transparency and accountability can stifle the
6 ability of private investment to assist in the genera-
7 tion and distribution of electricity; and

8 (13) without new policies and more effective in-
9 vestments in electricity sector capacity to increase
10 and expand electricity access in sub-Saharan Africa,
11 over 70 percent of the rural population, and 48 per-
12 cent of the total population, will potentially remain
13 without access to electricity by 2030.

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

15 Congress declares that it is the policy of the United
16 States—

17 (1) in consultation with sub-Saharan African
18 governments, to encourage the private sector, inter-
19 national community, African Regional Economic
20 Communities, philanthropies, civil society, and other
21 governments to promote—

22 (A) the installation of at least an addi-
23 tional 20,000 megawatts of electrical power in
24 sub-Saharan Africa by 2020 to support poverty

1 reduction, promote development outcomes, and
2 drive economic growth;

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

6 (C) efficient institutional platforms with
7 accountable governance to provide electrical
8 service to rural and underserved areas; and

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

12 (2) to encourage private sector and inter-
13 national support for construction of hydroelectric
14 dams in sub-Saharan Africa that—

15 (A) offer low-cost clean energy consistent
16 with—

17 (i) the national security interests of
18 the United States; and

19 (ii) best international practices re-
20 garding social and environmental safe-
21 guards, including—

22 (I) engagement of local commu-
23 nities regarding the design, implemen-
24 tation, monitoring, and evaluation of
25 such projects;

1 (II) the consideration of energy
2 alternatives, including distributed re-
3 newable energy; and

4 (III) the development of appro-
5 priate mitigation measures; and

6 (B) support partner country efforts.

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

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

18 (b) REPORT.—

19 (1) IN GENERAL.—Not later than 180 days
20 after the date of the enactment of this Act, the
21 President shall transmit to the appropriate congress-
22 sional committees a report setting forth the strategy
23 described in subsection (a).

24 (2) REPORT CONTENTS.—The report required
25 by paragraph (1) shall include a discussion of the

1 elements described in paragraph (3), and should in-
2 clude a discussion of any additional elements rel-
3 evant to the strategy described in subsection (a).

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

6 (A) The general and specific objectives of
7 the strategy described in subsection (a), the cri-
8 teria for determining success of the strategy, a
9 description of the manner in which the strategy
10 will support partner country efforts to increase
11 production and improve access to electricity,
12 and criteria and indicators used to select part-
13 ner countries for focused engagement on the
14 power sector.

15 (B) Development, by partner country gov-
16 ernments, of plans and regulations at the na-
17 tional, regional, and local level to increase
18 power production, strengthen existing electrical
19 transmission and distribution infrastructure,
20 bolster accountable governance and oversight,
21 and improve access to electricity.

22 (C) Administration plans to support part-
23 ner country efforts to increase new access to
24 electricity, including a description of how the

1 strategy will address commercial and residential
2 needs, as well as urban and rural access.

3 (D) Administration strategy to support
4 partner country efforts to reduce government
5 waste, fraud, and corruption, and improve exist-
6 ing power generation through improvement of
7 existing transmission and distribution systems,
8 as well as the use of a broad power mix, includ-
9 ing renewable energy, and the use of a distrib-
10 uted generation model.

11 (E) Administration policy to support part-
12 ner country efforts to attract private sector in-
13 vestment and public sector resources.

14 (F) A description of the Administration's
15 strategy for the transfer of relevant technology,
16 skills, and information to increase local partici-
17 pation in the long-term maintenance and man-
18 agement of the power sector to ensure invest-
19 ments are sustainable and transparent, includ-
20 ing details of the programs to be undertaken to
21 maximize United States contributions in the
22 areas of technical assistance and training.

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 such agencies, timely and com-
3 prehensive publication of aid information and
4 available transmission of resource data con-
5 sistent with Administration commitments to im-
6 plement the transparency measures specified in
7 the International Aid Transparency Initiative
8 by December 2015, the assignment of priorities
9 to such agencies, a description of the role of
10 each such agency, and the types of programs
11 that each such agency will undertake.

12 (H) A description of the mechanisms that
13 will be utilized by the Administration, including
14 the International Aid Transparency Initiative,
15 to coordinate the efforts of the relevant execu-
16 tive branch agencies in carrying out the strat-
17 egy to avoid duplication of efforts, enhance co-
18 ordination, and ensure that each agency under-
19 takes programs primarily in those areas where
20 each such agency has the greatest expertise,
21 technical capabilities, and potential for success.

22 (I) A description of the mechanisms that
23 will be established by the Administration for
24 monitoring and evaluating the strategy and its
25 implementation, including procedures for learn-

1 ing and sharing best practices among relevant
2 executive branch agencies, as well as among
3 participating countries, and for terminating un-
4 successful programs.

5 (J) A description of the Administration's
6 engagement plan, consistent with international
7 best practices, to ensure local and affected com-
8 munities are informed, consulted, and benefit
9 from projects encouraged by the United States,
10 as well as the environmental and social impacts
11 of the projects.

12 (K) A description of the mechanisms that
13 will be utilized to ensure greater coordination
14 between the United States and foreign govern-
15 ments, international organizations, African re-
16 gional economic communities, international
17 fora, the private sector, and civil society organi-
18 zations.

19 (L) A description of how United States
20 leadership will be used to enhance the overall
21 international response to prioritizing electricity
22 access for sub-Saharan Africa and to strength-
23 en coordination among relevant international
24 forums such as the Post-2015 Development
25 Agenda and the G8 and G20, as well as the

1 status of efforts to support reforms that are
2 being undertaken by partner country govern-
3 ments.

4 (M) An outline of how the Administration
5 intends to partner with foreign governments,
6 the international community, and other public
7 sector entities, civil society groups, and the pri-
8 vate sector to assist sub-Saharan African coun-
9 tries to conduct comprehensive project feasi-
10 bility studies and facilitate project development.

11 (N) A description of how the Administra-
12 tion intends to help facilitate transnational and
13 regional power and electrification projects
14 where appropriate.

15 **SEC. 6. USAID.**

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

20 (1) loan guarantees to local sub-Saharan Afri-
21 can financial institutions that would facilitate the in-
22 volvement of such financial institutions in power
23 projects in sub-Saharan Africa; and

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

4 (b) GRANTS.—It is the sense of Congress that the
5 Administrator of USAID should consider providing grants
6 to—

7 (1) support the development and implementa-
8 tion of national, regional, and local energy and elec-
9 tricity policy plans;

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

12 (3) build a country’s capacity to plan, monitor
13 and regulate the energy and electricity sector.

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

17 **SEC. 7. LEVERAGING INTERNATIONAL SUPPORT.**

18 In pursuing the policy goals described in section 4,
19 the President should direct the United States’ representa-
20 tives to appropriate international bodies to use the influ-
21 ence of the United States, consistent with the broad devel-
22 opment goals of the United States, to advocate that each
23 such body—

24 (1) commit to significantly increase efforts to
25 promote investment in well-designed power sector

1 and electrification projects in sub-Saharan Africa
2 that increase energy access, in partnership with the
3 private sector and consistent with the host countries'
4 absorptive capacity;

5 (2) address energy needs of individuals and
6 communities where access to an electricity grid is
7 impractical or cost-prohibitive;

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

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

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

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

18 (a) IN GENERAL.—The Overseas Private Investment
19 Corporation should—

20 (1) in carrying out its programs and pursuing
21 the policy goals described in section 4, place a pri-
22 ority on supporting investment in the electricity sec-
23 tor of sub-Saharan Africa, including renewable en-
24 ergy, and implement procedures for expedited review
25 of and, where appropriate, approval of, applications

1 by eligible investors for loans, loan guarantees, and
2 insurance for such investments;

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

6 (A) maximize the number of people with
7 new access to electricity to support economic
8 development;

9 (B) improve the generation, transmission,
10 and distribution of electricity;

11 (C) provide reliable and low-cost electricity,
12 including renewable energy and on-grid, off-
13 grid, and multi-grid solutions, to people living
14 in rural and urban communities;

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

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

20 (F) reduce energy-related impediments to
21 business and investment opportunity and suc-
22 cess;

23 (3) encourage locally-owned, micro, small- and
24 medium-sized enterprises and cooperative service

1 providers to participate in investment activities in
2 sub-Saharan Africa; and

3 (4) publish in an accessible digital format meas-
4 urable development impacts of its investments, in-
5 cluding appropriate quantifiable metrics to measure
6 energy access at the individual household, enterprise,
7 and community level; and

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

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

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

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

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

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

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

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

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

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

15 (A) in paragraph (2), by inserting “, sys-
16 tems infrastructure costs,” after “outside the
17 Corporation”; and

18 (B) in paragraph (3), by inserting “, sys-
19 tems infrastructure costs,” after “project-spe-
20 cific transaction costs”; and

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

23 “(e) INSPECTOR GENERAL.—The Board shall ap-
24 point and maintain an Inspector General in the Corpora-

1 tion, in accordance with the Inspector General Act of 1978
2 (5 U.S.C. App.).”.

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

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

6 (1) promote United States private sector par-
7 ticipation in energy sector development projects in
8 sub-Saharan Africa through project preparation ac-
9 tivities, including feasibility studies at the project,
10 sector, and national level, technical assistance, pilot
11 projects, reverse trade missions, conferences and
12 workshops; and

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

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

1 **SEC. 10. PROGRESS REPORT.**

2 Not later than three years after the date of the enact-
3 ment of this Act, the President shall transmit to the Com-
4 mittee on Foreign Affairs of the House of Representatives
5 and the Committee on Foreign Relations of the Senate,
6 and post through appropriate digital means, a report on
7 progress made toward achieving the policy goals described
8 in section 4, including the following:

9 (1) The number, type, and status of policy, reg-
10 ulatory, and legislative changes implemented in part-
11 ner countries to support increased electricity genera-
12 tion and access, and strengthen effective, account-
13 able governance of the electricity sector since United
14 States engagement.

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

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

22 (B) the total cost of each such project and
23 predicted United States Government contribu-
24 tions, and actual grants and other financing
25 provided to such projects, broken down by
26 United States Government funding source, in-

1 cluding from the Overseas Private Investment
2 Corporation, the United States Agency for
3 International Development, the Department of
4 the Treasury, and other appropriate United
5 States Government departments and agencies;

6 (C) the predicted electrical power capacity
7 of each project upon completion, with metrics
8 appropriate to the scale of electricity access
9 being supplied, as well as total megawatts in-
10 stalled;

11 (D) compliance with international best
12 practices and expected environmental and social
13 impacts from each project;

14 (E) the estimated number of women, men,
15 poor communities, businesses, schools, and
16 health facilities that have gained electricity con-
17 nections as a result of each project at the time
18 of such report; and

19 (F) the current operating electrical power
20 capacity in wattage of each project.

Amend the title so as to read: “A bill 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 de-

velopment outcomes, and drive economic growth, and for other purposes.”.

