




U.S. Treasury – USAID – DOE – Infrastructure Consortium for Africa Collaboration

Tackling the Problems of Private Investment in African Power

U.S. Treasury – ICA – USAID – DOE

- ▶ Collaboration goals:
 - Identifying problems in attracting private sector investment in the power sector.
 - Engaging both private and public sector in dialogue.
 - Finding targeted solutions to specific problems.
 - Finding sustainable solutions that can be used by other partners.
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- ▶ “Virtual Working Group”
 - Treasury, USAID's Africa Infrastructure Program and ICA teamed up with World Bank's Global Development Learning Network (GDLN) to hold series of video-conferences – the “Virtual Working Group.”
 - ICA and USAID paid for initial VCs. DOE has also joined the collaboration.
 - Large group of participants representing all facets of public-private partnerships in the African power sector.

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- ▶ Have had some very useful conversations, including a series of case studies that highlighted successful IPPs:
 - ContourGlobal's Togo plant
 - Aldwych's Rabai plant in Kenya
- ▶ Held the fourth session on March 22.
- ▶ Last session, hosted by the U.S. Department of Energy, had presentation by Kenya's Permanent Secretary for the Ministry of Energy, Dr. Patrick Nyoike.
- ▶ Looking at the second half of January for the next VC that could focus on Nigeria.

U.S. Treasury – ICA – USAID – DOE Virtual Working Group: outcomes

Arising from discussions of the VWG sessions, ICA Secretariat conducted a Technical Assistance Diagnostic to identify the needs and gaps. The report came up with following recommendations:

① *Provide additional Capacity Building/TA in*

(i) financial modelling

(ii) risk allocation and risk management

(iii) project finance and

(iv) tariff setting

② *Provide Assistance to streamlined processes and implement standardized agreements (e.g. PPA) and benchmark tariffs*

③ *Provide key guidelines in PPA negotiation and risk allocation*

④ *Search and identify alternatives for governmental guarantees*

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- ▶ Treasury values the collaboration with ICA and USAID's Africa Infrastructure Program (<http://www.africaninfrastructureprogram.org/vwg/>).
 - ▶ Feedback has been very positive on this effort to bring together private and public sector.
 - ▶ Need to address recent technology hurdles with the VC connection.
 - ▶ We want to continue this work and find ways to capture the value of this dialogue.
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