

STRATEGIC OBJECTIVE 3.2

PROMOTE ENERGY SECURITY, ACCESS TO CLEAN ENERGY, AND THE TRANSITION TO A CLEANER GLOBAL ECONOMY

Performance Goal 3.2.1

By September 30, 2017, using 2013 baseline figures, increase U.S. diplomatic engagement to promote and expand membership of the International Energy Agency, International Renewable Energy Agency, and Extractive Industries Transparency Initiative and build their capacity to create foundations for sound energy policy and governance.

Impact Statement

Adapting and expanding the key institutions of global energy governance – the International Energy Agency (IEA), the International Renewable Energy Agency (IRENA), and the Extractive Industries Transparency Initiative (EITI) to include emerging economies that account for virtually all global energy demand growth is critical to fostering energy markets conducive to economic growth and to addressing climate change.

Overview

As energy demand shifts to the developing world, energy markets will need additional timely, verifiable, and transparent market data to guide investment decisions. Organizations such as the IEA, of which the United States is one of 28 member states, play an important role in augmenting market transparency through regular publication of energy data, forecasts, and best practices. It will be increasingly more important for institutions like the IEA to capture accurately data from developing countries so as to send markets correct signals, which will improve the investment climate as well for the transition to a clean global energy economy. In 2014, the International Energy Agency expressed its intention to initiate multilateral cooperation with key non-member partner countries, primarily major emerging economies. Deeper association in coming years can provide a means to work with these emerging economies in areas such as transparency, energy efficiency and renewable energy, as well as energy security. Also critical will be to support broader engagement with IRENA, which promotes the widespread adoption and use of all

forms of renewable energy. The expansion of the International Renewable Energy Agency will strengthen the adoption of renewable energy.

Changing dynamics in the world’s resources picture, including the rise in bridge fuels such as natural gas, increasingly affordable renewable technologies, and the emergence of new producers of traditional hydrocarbons, will transform markets as suppliers strive to meet rapidly growing demand. The transition to a clean energy global economy will call for capable institutions in energy-producing countries to responsibly manage their energy resources.

IEA	IRENA	EITI
28 members	130 members	25 EITI compliant countries

STRATEGIC GOAL 3: PROMOTE THE TRANSITION TO A LOW-EMISSION, CLIMATE-RESILIENT WORLD WHILE EXPANDING GLOBAL ACCESS TO SUSTAINABLE ENERGY



STRATEGIC OBJECTIVE 3.2

PROMOTE ENERGY SECURITY, ACCESS TO CLEAN ENERGY, AND THE TRANSITION TO A CLEANER GLOBAL ECONOMY

The unique technical and economic factors associated with natural resource development are particularly prone to inefficiencies. Governments need both the capacity to manage these sectors responsibly, and the political will to do so. Improving the capacity of governments to understand the financial, legal/regulatory, environmental and social aspects of responsible sector management can also increase the efficient allocation of resources to the world’s growing energy sector. Global initiatives, such as EITI, create standards and expectations for transparency can help developing countries and emerging economies improve energy governance.

Key Indicator: The number of U.S. diplomatic engagements with key institutions of global energy governance

	FY 2013 Baseline	FY 2014	FY 2015	FY 2016	FY 2017
Target		35	37	40	42
Actual	30				

Contextual Snapshot: International Renewable Energy Agency



Members of the Agency
 States in the process of becoming Members (Signatories/States in Accession)

Currently, IRENA has 130 Members and more than 35 States have started the formal process of becoming Members.

Source: [IRENA](http://www.irena.org)

STRATEGIC GOAL 3: PROMOTE THE TRANSITION TO A LOW-EMISSION, CLIMATE-RESILIENT WORLD WHILE EXPANDING GLOBAL ACCESS TO SUSTAINABLE ENERGY



PROMOTE ENERGY SECURITY, ACCESS TO CLEAN ENERGY, AND THE TRANSITION TO A CLEANER GLOBAL ECONOMY

Achieving the Performance Goal

Strategies



Leverage our role in energy-related international organizations to expand membership to account more closely for current global energy consumption patterns.



Support legal, regulatory, and policy environment conducive to cleaner energy investments.



Ensure responsible, transparent, and effective management of energy resources in the developing world.



Encourage greater engagement and interaction by developing countries with IRENA and EITI.



Through a multitude of bilateral strategic dialogues in the fields of energy and climate, significantly augment engagement with emerging energy consumers.



Domestic implementation of EITI. The United States believes that others will follow this lead, and will use bilateral diplomacy to encourage greater participation in EITI and similar transparency initiatives.



Work closely with multilateral institutions such as the World Bank, as well as with the private sector, and NGOs engaged on transparency issues.



PROMOTE ENERGY SECURITY, ACCESS TO CLEAN ENERGY, AND THE TRANSITION TO A CLEANER GLOBAL ECONOMY

STRATEGIC GOAL 3: PROMOTE THE TRANSITION TO A LOW-EMISSION, CLIMATE-RESILIENT WORLD WHILE EXPANDING GLOBAL ACCESS TO SUSTAINABLE ENERGY

Performance Goal 3.2.2

By September 30, 2017, using 2013 baseline figures, increase the use of renewable energy and improve energy efficiency in developing countries as well as increase energy-related exports and investments in the Western Hemisphere through regional power interconnections. In Asia, U.S. diplomacy will significantly advance energy-related trade and investment through the U.S. Export-Import Bank and the Overseas Private Investment Corporation.

Impact Statement

U.S. access to global energy markets will create jobs in the United States, help diversify the global fuel mix as we bring to bear expertise in clean and renewable energy technologies, and radically reduce CO2 emissions through efficiency technologies ranging from smart grids to green buildings.

Overview

In the next 25 years, the world is going to need up to \$17 trillion in new investment to generate and transmit electricity. An energy transformation of this magnitude cannot be accomplished by governments alone; most of the needed investment will come from the private sector.

Paving the way for large-scale infrastructure investment is critical to accelerating market transformation and will provide significant export opportunity for U.S. energy technologies, equipment and other goods and services.

Moving from historic bilateral cross-border power trade agreements towards larger regional interconnection strategies requires multilateral engagement. The State Department will continue to use its bilateral, multilateral and regional diplomacy, and work through existing initiatives like the Energy and Climate Partnership of the Americas, to encourage progress in Connect 2022.

Connect 2022 is a hemispheric initiative, which establishes a decade-long goal to achieve universal access to electricity through enhanced electrical interconnections, power sector investment, renewable energy development, and cooperation.

CURRENTLY	THE WESTERN HEMISPHERE PRODUCES:		
			
20%	NEARLY 40%	ALMOST 33%	NEARLY 33%
OF HUMANITY LACKS ACCESS TO ELECTRICITY	OF THE WORLD'S RENEWABLE-BASED ELECTRICITY	OF THE WORLD'S NATURAL GAS	OF THE WORLD'S ELECTRICITY



STRATEGIC OBJECTIVE 3.2

PROMOTE ENERGY SECURITY, ACCESS TO CLEAN ENERGY, AND THE TRANSITION TO A CLEANER GLOBAL ECONOMY

STRATEGIC GOAL 3: PROMOTE THE TRANSITION TO A LOW-EMISSION, CLIMATE-RESILIENT WORLD
WHILE EXPANDING GLOBAL ACCESS TO SUSTAINABLE ENERGY

Key Indicator: Total of electricity traded through the regional power market in Central America, which has been a focus of U.S. policy and technical assistance engagements to increase power sector integration (in GWh)

	FY 2013 Baseline	FY 2014	FY 2015	FY 2016	FY 2017
Target		961.8 GWh	1442.7 GWh	1875.6 GWh	2250.7 GWh
Actual	506 GWh				

Key Indicator: Total of electricity imported and exported through regional power pools or through bilateral agreement (in MWh)

	FY 2014	FY 2015	FY 2016
Target	FY 2014 will serve as baseline. Future targets to be published in FY 2016 APP.		

Key Indicator: Total of public and private funds (in USD) leveraged by USG for energy projects

	FY 2011	FY 2012	FY 2013 Baseline	FY 2014	FY 2015	FY 2016
Target				1.489 billion	154.501 million	205.436 million
Actual	26.247 million	1.114 billion	1.384 billion			

Key Indicator: Clean energy generation capacity installed or rehabilitated as a result of USG assistance

	FY 2013 Baseline	FY 2014	FY 2015	FY 2016
Target		250	Targets to be published in FY 2016 APP.	
Actual	29			



PROMOTE ENERGY SECURITY, ACCESS TO CLEAN ENERGY, AND THE TRANSITION TO A CLEANER GLOBAL ECONOMY

Achieving the Performance Goal

Strategies

Support policies abroad that create an enabling environment for private sector investment.

Deepen engagement in the United Nations/World Bank Sustainable Energy for All initiative (SE4ALL), a public-private partnership which seeks to leverage and facilitate flows of private sector capital to increase energy access, increase the rate of energy efficiency and the share of renewable energy, and progress on this front can be advanced by 2017.

Encourage the establishment of financially viable electric power systems, through specific initiatives in the Western Hemisphere, Africa, and Asia.

Support regional transmission planning.

Foster the development of regional electricity grids and promote regulatory harmonization.

Why Connect 2022 Matters?

Interconnection expands the size of power markets, creating economies of scale that can attract private investment, lower capital costs, and reduce electricity costs for consumers, making business more competitive and creating jobs.

THE NEW GLOBAL ENERGY MARKET IS EXPECTED TO BE **\$6 Trillion** WITH 4 BILLION USERS

What is Connect 2022's impact?

Energy is at the nexus of national security, economic prosperity, and the environment. The State Department works to put energy diplomacy at the forefront of U.S. foreign policy.

200% INCREASE Electricity demand in Latin America and the Caribbean will double over the next decade

\$700 Billion in power sector investments



STRATEGIC OBJECTIVE 3.2

PROMOTE ENERGY SECURITY, ACCESS TO CLEAN ENERGY, AND THE TRANSITION TO A CLEANER GLOBAL ECONOMY

Performance Goal 3.2.3

Increase access to electricity for both urban and rural populations and facilitate at least 20 million new household and commercial connections in focus countries by 2020.

Impact Statement

Increase access to reliable, affordable, and cleaner electric power.

Overview

More than half of the citizens in sub-Saharan Africa (SSA) have no access to electricity. The International Energy Agency estimates that \$300 billion is needed between now and 2030 to bring about universal access to electricity in SSA. The magnitude of SSA's energy poverty is too great for government and donor funding to address alone. A lack of infrastructure and an uninviting policy and regulatory environment currently deters private sector energy investment, which is the critical enabler of electric sector development in SSA.

The President's 2012 strategy towards SSA seeks to alleviate poverty and spur economic development. In line with the President's strategy, USAID is addressing extreme poverty. The lack of access to power is one of the main impediments to economic growth, as well as a factor that limits progress under other development objectives such as health.

Power Africa is the whole of government initiative drawing on the expertise and services of 12 department and agencies intended to achieve the President's announced goal of adding 10,000 megawatts to the grid and bring access to 20 million households and businesses in six priority countries in SSA in support of the President's 2012 strategy for SSA.

Power Africa Focus Countries



STRATEGIC GOAL 3: PROMOTE THE TRANSITION TO A LOW-EMISSION, CLIMATE-RESILIENT WORLD WHILE EXPANDING GLOBAL ACCESS TO SUSTAINABLE ENERGY



STRATEGIC OBJECTIVE 3.2

PROMOTE ENERGY SECURITY, ACCESS TO CLEAN ENERGY, AND THE TRANSITION TO A CLEANER GLOBAL ECONOMY

Key Indicator: Number of new electric power connections as a result of USG assistance

	FY 2014	FY 2015	FY 2016
Target	20,600	Targets to be published in FY 2016 APP.	

Key Indicator: Number of MWs of USG supported generation transactions that have achieved financial closure

	FY 2014	FY 2015	FY 2016
Target	4,999	Targets to be published in FY 2016 APP.	

Achieving the Performance Goal

Strategies

Recognizing energy as a key driver of economic growth – both in terms of required resources to power commercial activity and the economic growth that investment in the energy sector propels – the U.S. government seeks to increase and accelerate SSA economic growth through increased access to reliable, affordable, and renewable electric power.

On June 30th, 2013, the White House announced the beginning of a new Presidential Initiative, called “Power Africa,” to address key elements within the 2012 U.S. Strategy Toward Sub-Saharan Africa by accelerating and diversifying SSA economic growth through increased generation and distribution of cleaner, reliable, affordable, and sustainable power. Power Africa seeks to unlock the region’s tremendous energy potential, including new discoveries of vast reserves of oil and gas, and the development of clean geothermal, hydro, wind and solar energy,

in order to accelerate economic growth. Power Africa will help countries responsibly develop newly discovered energy resources, expand power generation and transmission, and increase the reach of mini-grid and off-grid power solutions.

Power Africa has adopted a new, dual-track approach. The first, a focus on quickly closing key energy transactions, is reinforced by the second, focused energy sector reforms. This dual-track approach expedites near-term progress and tangible results on selected power projects to encourage improvements in energy governance leading to increased private investment. If successful, increased supply and demand for sustainable energy will open new markets and drive continued progress, investment, and reform.



**PROMOTE ENERGY SECURITY, ACCESS TO CLEAN ENERGY,
AND THE TRANSITION TO A CLEANER GLOBAL ECONOMY**

Although Power Africa's approach is to help ensure that key energy projects stay on track, a key goal is to encourage sustained private sector investment in energy infrastructure in lieu of public sector investment and ownership. Power Africa adopts a broad-based, value-added approach that leverages U.S. government strengths in energy technologies, transactions, and policy and regulatory reform to address energy sector gaps not covered by other actors and programs. Shifting the typical development paradigm to a transaction-centered approach provides host governments, the private sector, and donors with a focal point to galvanize collaboration, provide near-term results, and drive systemic change that will facilitate the development of future independent power producers (IPPs) and public private partnerships (PPPs).

Power Africa's success relies on the establishment of a robust network of U.S.-fostered partnerships that join together the U.S. government, African host-governments, and regional and international private sector investors to collectively and cooperatively tackle the financial, technological, policy, and regulatory barriers to energy sector development in SSA. The U.S. government will seek to leverage an increased US presence, investment, and leadership to promote alignment of the efforts of other partners. Ensuring the sustainable use of the available energy resources will require the combined and coordinated efforts of the U.S. government, African partner governments to deliver results, as well as the willingness and ability of private sector investors and donor countries to increase and focus their investments in Africa in a manner aligned with this strategy.

Power Africa will bring to bear a wide range of U.S. government tools to support investment in Africa's energy sector. From policy and regulatory best practices, to pre-feasibility support and capacity building, to long-term financing, insurance, guarantees, credit enhancements and technical assistance, Power Africa will provide coordinated support to help African partners expand their generation capacity and access. USAID and the National Security Council staff (NSC) lead interagency coordination efforts in Washington, DC. Each participating agency maintains its own mission, mandate, and authorities, while simultaneously focusing and linking their priorities and selected programs and activities toward achieving Power Africa's goals. Coordination and synchronization are achieved in the field through interagency teams at Posts. In Washington this is achieved through the "Power Africa Working Group" (PAWG). The PAWG was derived from the sub-Interagency Policy Committee on energy to identify and prioritize power projects in focus countries and to coordinate appropriate whole-of-government assistance packages. The PAWG is the focal point to coordinate SSA power project assistance, bringing together financing and technical assistance resources from across the U.S. government to expedite implementation of priority projects.

