

US launches USD1bn push for off-grid Africa power

WASHINGTON: US companies have promised \$1 billion for off-grid power projects in Africa, putting a growing focus on small-scale and renewable energy in the push to ease the continent's chronic electricity shortages.



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President Barack Obama's administration announced commitments by 27 investors as it moves forward on a goal of doubling electricity access in sub-Saharan Africa, where a lack of power has been a key impediment to improving education and public health.

"With close to 600 million people without access to modern-day electricity, it is clear that centralized grid access is not a comprehensive solution for these countries in one of the world's least urban continents," Energy Secretary Ernest Moniz said on Tuesday on a visit to Ethiopia, according to a statement.

"But through solutions including off-grid and small scale energy projects, we can bring electricity to these rural areas," he said.

The commitments, which will total more than \$1 billion over five years, will include investments in solar and small-scale hydro power stations, training of African specialists and crowdsourcing of funds to support local power providers.

John Podesta, a counselor to Obama, said that falling costs of renewable energy as well as advances in power storage and other technologies had made off-grid options increasingly attractive.

"While the market is still young, it holds great promise to follow the mobile phone in leapfrogging centralised infrastructure across Africa," Podesta wrote on a White House blog.

Obama, on a trip to Africa a year ago, announced that the United States would mobilize \$7 billion in mostly private funds over five years to bring electricity to at least 20 million more homes and businesses.

It is the latest major US initiative for sub-Saharan Africa after former president George W. Bush championed action against AIDS and other diseases.

The electricity effort enjoys broad US support, with the Republican-led House of Representatives approving legislation last month with an even more ambitious goal of bringing electricity to 50 million Africans.

But corporations have pushed for US-backed financial institutions to ease restrictions against funding of carbon-intense projects that contribute to climate change, saying it is unrealistic to ramp up generation in Africa without significant investments in gas and power grids.

Environmentalists have countered that the initiative offers a chance to try a new approach amid predictions that Africa's poorest will be hit hard by climate change.

Justin Guay of the Sierra Club environmental group hailed the administration announcement as a "big shift," as off-grid energy was initially a small part of Obama's Power Africa initiative.

But he said the investment was just a first step and called for further funding of off-grid projects.

Source: AFP

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