Ghana’s experience

ISHMAEL EDJEKUMHENE
EXECUTIVE DIRECTOR, KITE
• National Electrification Scheme launched in 1989 to achieve universal access in 3 decades by 2020
  • Programme targeted all communities with population of 500+ (4,200)
  • 4,132 communities had been connected after (2 decades) at the end of 2009
  • Electricity access increased from 23% in 1989 to 66.5% in 2009
• Review of the NES in 2010 revealed an additional 4,552 communities with population of 500+ are eligible for electrification by 2020. In additional, 85,000 communities (70,000 of which have population of less than 100) still needed to be covered)
Road to Universal Access

• Cumulatively, the NES has helped increased access to electricity in Ghana from between **23-28% in 1989 to 85%** as end of 2019
  • Rural Access to electricity = **67.34%** & **Urban access = 94.19%** (2018)
  • Total amount spent so far is approximately **3 billion USD** funded primarily through grants, concessionary/non-concessionary loans with zero to limited private sector involvement
Is Ghana on course towards eradicating energy (electricity) poverty?

- Ghana touted as a huge success story as far electrification in concerned – 2nd only to South Africa in Sub-Saharan Africa
- BUT:
  - Still significant number of populace without electricity (no household connection) even in community where the national grid exist
  - Based on estimated total population of 30.28 million (2019 est), 85% access rate should have translated to 25.7 million with access to electricity. However, total residential customers of distribution utilities as at end 2019 was 4.046m. With average household of 4.5, this translate to around 18.2 million
  - Not all of these customers are active customers. For example, approximately 480,000 (12%) of ECG customers were classified as inactive in 2019)
Is Ghana on course towards eradicating energy (electricity) poverty?

- Limited use of electricity in productive applications
  - Lack of comprehensive strategy to ensure productive uses of electricity
  - Nature and attributes (capacity, duration, reliability, quality, etc) of connections to rural communities – single-phase as opposed to 3-phase connection
- Relatively high electricity tariffs for non-residential and industrial customers due to cross-subsidization
- Over-stretched and debt-ridden public distribution utilities obliged to serve un-profitable rural markets (ever-increasing technical/commercial losses averaging 25%)
- Weakened and financially unsustainable electricity supply industry in Ghana
Final thoughts

- Productive uses of electricity has to be proactively pursued since it would not happen by itself.
- Current tariff structure whereby residential consumers are subsidized by industrial and commercial customers needs to be looked at and reversed.
- Government/Public sector CAN’T achieve universal access to electricity.
- Role of the private sector both in maintaining the utility/usability of current access rate as well as extending the access to the 15% currently without access to electricity is inevitable. However, the enabling environment has to be right before private sector investments could be attracted.
THANKS FOR YOUR ATTENTION