

**Dr. Tagoe Avenue,**

**Ambassadorial Enclave**

**East-Legon, Ghana.**

**10TH JANUARY 2021**

**UNIVERSAL ELECTRIFICATION A GOOD SCHEME, BUT IES REMAINS SKEPTICAL ON RENEWED PROMISE**

The Institute for Energy Security (IES) has noticed the promise made by the President of the Republic His Excellency Nana Addo Danquah Akufu Addo during his swearing-in to ensure 100 percent electricity coverage in Ghana by the end of his second term. We believe that the decision is made from the understanding that electricity is critical in the national agenda for inclusive development and growth.

The need for universal electrification led to the adoption of the National Electrification Scheme (NES) in 1985 at what point electricity access stood at 25 percent within the country. The Scheme projected for a universal electrification in Ghana by 2020. By 2000, access to electricity had risen to 45 percent with an annual growth rate of 2 percent. The annual growth rate stood at 2.2 percent from 2000 to 2010 with national electricity access reaching 67 percent of the entire country. From 2010 to 2016, Ghana’s electricity access had an annual growth rate of 2.7 percent extending electricity national access to 83 percent of the country.

However, the country from 2016-2020 has experienced the lowest growth in electricity access over the last two decades. The annual electricity access growth the last 4 years stands roughly at 0.6 percent, bringing the national electricity access to just above 85 percent. This slow pace of growth from 2017 to 2020 resulted in the extension of the target date for the universal electrification to 2025.

With the current target in mind, the government must work to increase electricity access by at least 3.5 percent annually from now, up on to 2025. The growth must also be with the renewable energy sources as towns without electricity are in difficult-to-reach areas, mainly lakesides and islands. Government must ramp up its renewable energy drive from the current 1 percent in the national electricity mix to the 10 percent target from the Renewable Energy Act 2011 if it is certain on this task.

With the increase in the Ghanaian population and the current need for economic growth, the prospect of universal electrification access is key in boosting confidence in the local markets especially in the many people without access to electricity as that will make them viable markets for industries to reach.

The access to electricity as has been promised will be to mainly rural areas in the country. Their access to electricity will also ensure that their economic activities are improved and their produce adequately stored and marketed to a larger community. Government, in ensuring access must also ensure the reliability and affordability of the electricity it will be expected to extend across the remainder of the country. These are key elements in reaching many people who are mainly in the rural areas of the country.

Though the IES is pleased with government's renewed resolve to act on this mandate, it remains cautious in hope as recent history does not instill confidence. The IES as a result entreats the appropriate authorities to make the necessary investments and regulatory mechanisms to ensure a fulfilment of the promise.

Additionally, the government may wish to consider revising its decision to put a freeze on discussions and issuance of licenses for new Independent Power Producers (IPPs), including renewables that are cheaper and more environmentally friendly. A revision of the decision is necessary because it has stalled many renewable power project, some of which has secured all the technical permits from the relevant government and district agencies.

**Signed,**

Fritz Moses

Research Analyst, IES

(0241681742)

