

# First High Level Meeting of the Africa-EU Energy Partnership (AEEP)

14 / 15 September 2010 | Vienna Hofburg, Austria

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## **INTRODUCTION**

Madame Chairperson, Your Excellency Ambassador Irene Freudenschuss-Reichl,

Your Excellencies, Commissioners of the African Union and the European Union,

Honourable Ministers and Deputy Ministers from Africa and Europe,

Distinguished Invited Guests,

Ladies and Gentlemen,

I wish to start by expressing the appreciation of the Government of Ghana for this opportunity to participate in the First High Level Meeting of the Africa-EU Energy Partnership (AEEP). The deliberations yesterday were frank and very refreshing. I also found it quite inspiring the fact that we adopted the AEEP Declaration with specific political targets, most importantly,

- Doubling the capacity of cross border electricity interconnections,
- Building 10,000 MW of hydropower facilities,
- Building 5,000 MW of wind power facilities,
- Building 500 MW of all kinds of solar energy, and
- Achieving energy access for 100 million additional Africans.

There were many interesting debates and speeches, including the interventions by Commissioners Ibrahim, Oettinger and Piebalgs, and I like very much the fact that the Declaration was acknowledged as a living document,

leaving room for upward revisions of some of the targets, particularly the one on hydropower facilities where Africa really has a huge untapped potential.

## **Electricity**

The deliberations on energy access yesterday were also very interesting particularly our endorsement of the political target of providing access to additional 100 million Africans by 2020 as a contribution towards achieving a continent-wide rate of access to modern and sustainable energy of around 50%. Here too I would like to point out the importance of aligning with the global movement towards achieving universal access to basic energy services in Africa by 2030. I say this also because my own country Ghana has a national rate of access to electricity as at mid-2010 at around 70% and we are aiming for 100% by 2020.

We have not achieved this overnight. The Government of Ghana instituted a **National Electrification Scheme** in 1989 as an instrument to achieve its policy of extending electricity to all parts of the country over a thirty-year period (1990-2020). Access to electricity at that time was 15% of the total population and access for the rural population who formed 70% of the population was only 5%. It looked like an impossible task then but we made a long term commitment and we set for ourselves objectives which included

- Increasing people's standard of living, especially those in rural areas;
- Creating small-to medium-scale industries in rural areas;
- Enhancing activities in other sectors of the economy, such as, Agriculture, Health, Tourism, etc; and
- Creating jobs in the rural areas to reduce the rate of rural-urban migration.

As we stand today, poised to achieve universal access by 2020, our policy goals for the energy sector in Ghana include increasing power generation capacity from 2,000 Megawatts to 5,000 Megawatt by 2015; reducing system losses from 25% to 18% by 2015; and achieving 10% non-large hydro renewable energy in the total national energy mix by 2020. The Government and

Independent Power Producers (IPPs) are putting up a number of Gas fired and hydro plant towards achieving the 5,000 Megawatts target by 2020. We have also restructured our power sector such that today we have a separate company, the Ghana Grid Company (GRIDCo), focusing on efficient management of the transmission system and undertaking the necessary planning processes to effect adequate expansion to accommodate anticipated growth in both demand and supply. The Grid code launched recently by the Energy commission of Ghana clearly outlines the rules of transmission to ensure transparency and fairness by both IPP's and others.

## **Petroleum**

Madame Chairperson, Ladies and Gentlemen, I am sure you all know that Ghana has discovered significant oil and gas resources and commercial production of oil is expected to at the last quarter of this year. Our Jubilee Field is estimated to hold between 1.2 billion barrels and there are other recent discoveries with significant quantities of associated gas. The Government policy for zero/minimal flaring of gas provides opportunities to use the gas as a catalyst for **agricultural and industrial development**. Work is progressing in the construction of pipelines to convey gas from the Jubilee field to a proposed gas processing plant in the Western Region for power generation in line with the goal of increasing power generation from the current 2,000 Megawatts to 5,000 Megawatts by 2020.

Even before we discovered oil we pursued an aggressive LPG promotion programme to improve access to clean energy for cooking and LPG access currently stands at around 10%. The Energy Commission is currently working on a strategy for re-launching the national LPG programme with a medium-term view to ensuring access for at least 50% of our population by 2015. We know that this is an ambitious target but we are fully aware that the success of this programme will depend on innovative approaches that take into account the lessons of the past and empower private entrepreneurs to play a major role in advancing this cause. Now that Ghana is about to produce our own oil and gas most of the supply constraints should be removed and we shall essentially be using an indigenous energy resource.

## Energy Efficiency and Renewable Energy

Madame Chairperson, we undertook a pilot project in the Procurement and distribution of Compact Fluorescent Lamps (CFLs) to replace existing incandescent lights in 2008 with 6million CFLs which yielded the following results:

- Peak Saving of 113 MW; and
- Energy cost saving of US\$39.5 million a year.

Today CFLs have virtually replaced the hitherto incandescent lamps in households and industrial establishments in the country.

Other Energy Efficiency Programmes that we are in the process of implementing include

- Enforcement of Regulations on Refrigerator Efficiency,
- Introduction of Efficiency Standards & Labels for Refrigerators,
- Energy management and efficiency in public institutions,
- Public education on energy conservation, and
- Introduction of Prepaid meters in public institutions and households.

In the area of renewable energy our policy objective is to achieve 10% renewables (excluding large hydro) in the generation mix by 2010. A Renewable Energy Bill is currently before Parliament and is expected to be passed into law in the next session of parliament. The Bill seeks to provide the regulatory and pricing framework to address tariff issues and obligatory purchase of power generated from renewable energy sources to ensure that renewable energy companies remain in business.

The Renewable Energy Bill has several components to stimulate investment by the Private Sector, notably,

- **A Feed -in- tariff scheme** that guarantees the sale of electricity generated from renewable energy sources at a tariff that will ensure cost recovery by the private sector,

- **A Renewable Energy Purchase Obligation** to mandate electricity distribution utilities and bulk customers to produce a specified percentage of electricity purchased from renewable sources, and
- **A Green Energy Fund** to provide the financial resources with fiscal incentives that will help promote, develop and utilize renewable energy sources which will ensure that the private renewable energy sector is sustained.

I hasten to add that our Energy Commission has already worked out the fundamental elements of a GREENfund which it is currently discussing with interested financial institutions as well as bilateral and multilateral development partners. Implementation of the GREENfund within the context of the Renewable Energy Law and all its other components will put Ghana firmly on the road to setting a truly remarkable example for the rest of Africa to follow and I would urge interested parties to pull all hands on deck in the pursuit of this noble ambition not just for Ghana, not even just for Africa but for the world as a whole, clean and sustainable in the true sense of the word.

### **Regional Integration**

Madame Chairperson, Honourable Ministers and Deputy Ministers from Africa and Europe, Ladies and Gentlemen, Ghana is a firm believer in regional integration – we always have been, from the times of our first President, Dr Kwame Nkrumah – and we fully understand the political, social and economic benefits of regional power interconnections and gas pipelines.

The West African Power Pool (WAPP) which seeks to provide the sub region with increased access to stable and reliable electricity at affordable costs has Ghana as the backbone. Our drive to have 5,000 Megawatts of generation by 2015 and 10% power from renewable will go to strengthen the WAPP. The ECOWAS Regional Electricity Regulatory Agency (ERERA) is located in Ghana, housed free of charge by the Energy Commission, and we are determined to make sure that ERERA succeeds so that we and our neighbours may also succeed.

The West African Gas Pipeline which currently starts in Nigeria and goes through Togo and Benin to terminate in Ghana also seeks to make cheap natural gas available to power generation companies in the respective countries. As we develop our own gas reserves our plan is to take full advantage of the open access provisions in the West African Gas Pipeline Agreements and it is our aspiration that one day in the not too distant future that pipeline will proceed from Ghana through la Cote d'Ivoire and similarly from Nigeria through Cameroon to many other African countries.

### **Conclusion**

Madame Chairperson, I wish to conclude that with the electricity and gas infrastructure projects which my Government is committed to, Ghana is on course to become a major exporter of power and petroleum, and become an energy hub in the sub region. We also see ourselves, with our Renewable Energy Law and the GREENfund, playing a major role in exporting clean energy to our neighbours in the West African sub-region.

We believe that the provision of energy is critical to the socio economic development of our country and Africa as a whole. The Vision of the Ministry of Energy in Ghana is to develop an energy economy that would ensure secure and reliable supply of high quality energy services for all sectors of the Ghanaian economy and to become a major exporter of oil and power by 2012 and 2015, respectively. This vision is very much in line with the spirit of the Africa-EU Energy Partnership (AEEP) and I wish to end by saluting all of you who have worked tirelessly to bring the AEEP to this admirable stage.

I believe we can overcome all the many challenges Africa is confronted with, and working together we shall surely succeed.

Thank you.