



KEYNOTE ADDRESS

HON. MINISTER OF ENERGY, JOHN PETER AMEWU

**GHANA UNIVERSAL ACCESS AND MINI-GRIDS SESSION OF THE 5TH MINI
GRID ACTION LEARNING EVENT JOINTLY ORGANIZED BY THE
GOVERNMENT OF GHANA/WORLD BANK ESMAP/DFID/SREP**

MOVENPICK AMBASSADOR HOTEL | ACCRA GHANA, JUNE 25, 2019

The World Bank Country Director
Colleague Ministers here present
Distinguished Ladies and Gentlemen
All Protocol observed

It is my privilege as the sector Minister to deliver the keynote address on the 5th Mini Grid Action Learning Event and Summit which focuses on Ghana.

On behalf of the Government and people of Ghana, I welcome you all to this beautiful national capital of ours and I entreat you to enjoy the warm hospitality of our people.

We are indeed proud to co-organized the 5th Mini Grid Learning Event and Summit especially at this crucial moment that we are pushing the boundaries to Universal access to electrification for our people.

Distinguished Guests, permit me therefore to express my special thanks to all the partners particularly, the Ghana Team, the World Bank Energy Sector Management Assistance Program, the United Kingdom Department for International Development (DFID) and the Climate Investment Funds' Scaling-up Renewable Energy Program for working hard to create this platform for the next few days in Ghana to deliberate on cross-cutting issues and to come out with solutions to accelerate the market.

Distinguished ladies and gentlemen, having the right resources including human capital, financing both internal and external, the right policies and business models, social interest and political will are key requirements to scale up mini grids electrification.

However, in order to fast track the process to achieve the SDG7 - global universal electrification access target - critical thinking and analysis, innovation and flexibility are essential. Intimately, we must approach the mini grid electrification agenda from a multitier perspective where wholesale, one-sided attempts and models are discouraged.

Invited Guests, the sciences and several reports paint a glooming image about post SDG7, particularly, for those of us in Africa. Even though global access today stands at approximately 90%, an estimated number of 800 million people would still be without access post 2030 and over 95% of these people would be in sub-Saharan region of Africa.



Today in Africa, many member countries, South Sudan, Liberia, Niger, etc., have national electrification access rates below 20%.

Ladies and gentlemen, these are the challenges that we are faced with and must confront without compromise. Decisive and timely solutions are needed, if we must avoid a post SDG7 pitfall. The decisions and solutions must be home-grown and supported by well-meaning partners.

Having given these general remarks, I would like to place emphasis on the **“Ghana Reaching Universal Access by 2020 and Mini Grid”**. The subject matter is timely as the country strives to achieve the last mile electrification within the framework of the 30 years National Electrification Scheme plan which expires in 2020.

In 1989, Ghana set out a 30-year National Electrification Scheme (NES) program to achieve universal access of reliable electricity supply between 1990-2020. The baseline at the time showed a National Electricity Access of about 25% with only 5% Rural Penetration.

As at the end of 2018, National Electricity Access reached 84.32% with 93% Urban and 71% Rural coverage. Much as this may be a remarkable feat, I must admit that the goal of universal access by 2020 is fast eluding us.

Ladies and gentlemen, we have therefore revised our target and developed new strategies to push the boundaries to achieve our overarching goal of universal access by 2025 the most.

It is in view of this that mini grids and standalone renewable solutions have been developed to compliment national grid extension and intensification.

To ensure harmonization, speed of implementation, respect for our social and national constitutional structures, we have mainstreamed the mini grid program into the National Electrification Scheme to stimulate socio-economic development and promote growth of micro and small enterprises (MSMEs), curb rural-urban drift and improve quality of life and standard of living of our rural population.

Distinguished guests, for the sake of emphasis and avoidance of doubt, I would like to clarify key aspects of the National Mini Grid policy as follows;

- Just as the Government has led invested in all aspects of rural electrification from 5% in 1990 to the current 71%, same approach will apply for the mini grids where national grid extension is not plausible.
- The existing Public Utilities will be responsible for the ownership and operations and management of the mini grid systems. Thus, Volta River Authority (VRA) and distribution utilities (ECG/PDS and

NEDCo) will take full responsibility for the operation and maintenance of the mini grid systems on our islands and mainland respectively, taken into account jurisdictional issues.

- There will be Zero connection fee for mini grid customers during the project implementation phase just as enjoyed by customers under the rural electrification program.
- To bridge viability gaps and ensure long term sustainability, the uniform pricing tariff applies. Here, the cost of installation, operation and maintenance of the entire system is embedded in the national electricity tariff process and approved by PURC for the three state utilities.

Thanks to the World Bank for providing the needed technical assistance in the studies that culminated in the development and approval of this policy.

Ladies and gentlemen, we have conducted the funding gap analysis and I wish to state that the overall financial impact of the public-led mini grid policy on the national tariff is less than 0.5%. We are comfortable with this figure and would be able to cover all islands and key lakeside communities with mini-grids to provide affordable and reliable electricity services to our people.

Distinguished Guests, with an IDA Loan Facility from the World Bank, we constructed and operationalized five (5) mini grids under this policy and I am happy to inform that we have achieved more than 98% customer

connection on these mini grids. You will see this for yourselves when you visit the Pediatorkope mini grid facility which is about 80km East of Accra on the last day of the 5th mini grid learning event.

Following the success in the implementation of the five projects, we are now moved into the scale-up drive. In 2015, the Climate Investment Funds gave a unanimous approval for the Two Hundred and Thirty Million United States Dollars (US\$230m) Investment Plan for the Scaling-up Renewable Energy Program (SREP), which would among other things deliver 55 new mini grids for islands and Lakeside communities in the Sene East, Krachi East and West, Pru, Nkwanta North and South, Gonja Central, East and West and Krachi Nchumuru Districts of Ghana. The project when completed would improve the well-being of the people.

Preparatory work for the 55 units of mini grids have been completed and the project is ready for full implementation from next year. Thanks to the Climate Investment Funds for providing the projects preparatory grant of US\$1.5m and the African Development Bank for the timely and efficient disbursement of the facility.

Ladies and Gentlemen, we are pursuing other opportunities to leverage and compliment the Climate Investment Funds to cover all islands and lakeside communities with mini -grids where the national grid extension is not plausible.



I would like to single out the roles of the Swiss Government through SECO, the African Union Development Agency (AUDA-NEPAD) for joining hands with us to mobilize resources which would be used for the construction of 9 new mini grids in the Lala and Okpalama archipelagos in the Sene East District of the newly created Bono East Region and, Alfive, Azizakpe and Alorkpem in the Ada East District of the Greater Accra region.

The World Bank is funding our GESTIP which would also among other interventions, review the situation of unelectrified areas and geotag these communities as well as establish the investment requirements needed to execute the last mile electrification.

The United States Government through USTDA and USAID have also risen to the occasion by committing to provide the needed support for mini-grids in Afram Plains South District. Currently, the feasibility study is ongoing and is expected to deliver outputs that would lead to massive investment in mini-grid electrification in that district.

Ladies and gentlemen, this year, Government has provided budgetary allocation to fund mini grid projects. We would continue to increase government resources to implement mini grid projects across the country in line with the universal access policy and to achieve the desired leverage ratio for the SREP.

I cannot conclude without acknowledging the UK Government's DFID support which led to the delivering of 26 micro grid systems to provide improved health care delivery in the country. I commissioned the 26 facilities last year and directed my team at the Ministry to quickly put the excess generation capacities on these micro grids into small distribution networks for the greater benefit of the host communities. I welcome any further supports from our UK colleagues.

Ladies and gentlemen, the universal access goal in Ghana is back on course and we would continue to create the enabling environment for acceleration. We would continue to provide low risk opportunities for the private sector especially in the engineering, procurement and construction and where possible concession management contracts for the mini grids sector.

As I bring my address to conclusion, permit me to stress the need for us to remain focused on the objectives of our gathering here which includes learning from one another our experiences on what it would take to accelerate the development of mini grids.

I encourage you to engage in a dispassionate conversation and come out with actionable strategies, financing, business cases, policy recommendations, institutional arrangement to improve the performance of the mini grid space in Ghana and beyond.



WORLD BANK GROUP



Department
for International
Development



Thank you all and I wish you successful deliberations.