

ELECTRICITY IN SUB-SAHARAN AFRICA

SOURCE: [THE WORLD BANK FACT SHEET ON ENERGY IN AFRICA \(2013\)](#)

Background

More than a century after the light bulb was invented most of the African continent is still in the dark after nightfall. School children often cannot read after dusk, businesses cannot grow, and clinics cannot refrigerate medicine or vaccines, and industries are idled hampering economic growth, jobs, and livelihoods.

Today some 25 countries in sub-Saharan Africa are facing a crisis evidenced by rolling blackouts. Although the African continent is well endowed both with fossil fuels and renewable resources, these are not evenly distributed, creating windfall profits for some countries and exacerbating the crisis in others.

Since the mid-1990s, external finance to Africa's power sector has averaged only around US\$600 million per year of public assistance, plus a similar volume of private finance. More recently, Chinese, Indian and Arab sources have also emerged as significant energy financiers. Nonetheless, it is estimated that doubling current levels of energy access by the year 2030 will require sustained investment at much higher levels.

Key Issues in Africa's Energy Sector

Low access and insufficient capacity - Some 24 percent of the population of sub-Saharan Africa has access to electricity versus 40 percent in other low income countries. Excluding South Africa, the entire installed generation capacity of sub-Saharan Africa is only 28 Gigawatts, equivalent to that of Argentina.

Poor reliability - African manufacturing enterprises experience power outages on average 56 days per year. As a result, firms lose 6 percent of sales revenues in the informal sector. Where back-up generation is limited, losses can be as high as 20 percent.

High costs - Power tariffs in most parts of the developing world fall in the range of US\$0.04 to US\$0.08 per kilowatt-hour. However, in Sub-Saharan Africa, the average tariff is US\$0.13 per kilowatt-hour. In countries dependent on diesel-based systems, tariffs are higher still. Given poor reliability, many firms operate their own diesel generators at two to three times the cost with attendant environmental costs.

Shortcomings in the power sector threaten Africa's long term economic growth and competitiveness. The cost to the economy of load-shedding is equivalent to 2.1 percent of GDP on average.