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By Dr. Stephanie M. Burchard

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Dr. Stephanie M. Burchard is a Research Staff Member in the Africa Program at the Institute for Defense Analyses.

Nigerian people look for their names before they register to vote in Lagos, Nigeria, Saturday, April 11, 2015. Nigerians voted for state governors and assemblies in elections where the opposition hoped to make gains following its stunning victory that unseated President Goodluck Jonathan. (Source: AP Photo/Sunday Alamba.)

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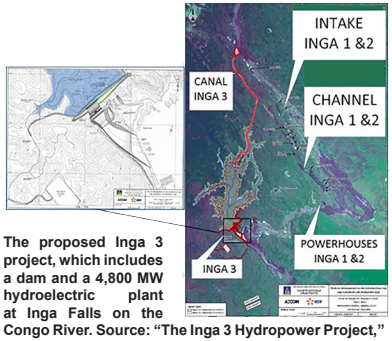
In sub-Saharan Africa today, only around 30 percent of the population has access to electricity. This fact negatively affects many aspects of daily life, from industry to education to community health, and it is a powerful impediment to development. African governments and the private sector have begun to address this problem in a serious fashion. Through their own efforts and with international assistance, such as from the U.S. "Power Africa" program, Africans are making progress on electrification. At the same time, the continent's population is increasing rapidly. Can electrification outpace population growth? Will today's power outages, brownouts, and load shifting become things of the past, or are they harbingers of worse to come? Are traditional energy sources the solution, or can renewables play a significant role? *more...*



The proposed Inga 3 project, which includes a dam and a 4,800 MW hydroelectric plant at Inga Falls on the Congo River. Source: "The Inga 3 Hydropower Project," International Rivers, http://www.internationalrivers.org/campaigns/the-inga-3-hydropower-project. Licensed under Creative Commons.

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IDA's three federally-funded research and development centers provide objective analyses of national security issues and related national challenges, particularly those requiring scientific and technical expertise.

IDA's Africa team focuses on issues related to political, economic, and social stability and security on the continent.

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2015 General Elections

On April 1, incumbent president Goodluck Jonathan of the People's Democratic Party (PDP) conceded defeat to All Progressives Congress (APC) presidential candidate Muhammadu Buhari. For the first time since the transition from military dictatorship to multiparty democracy in 1999, an opposition party claimed victory over the PDP, which was once considered virtually unbeatable in the polls. APC candidates took a majority of seats in both the House of Representatives and the Senate.

Federalism in Nigeria

As important as the national elections are, Nigeria is governed as a federal republic, which means that power is shared between the federal government and 36 states. State governors under the Nigerian system are extremely powerful. They control state budgets—approximately 50 percent of government spending in Nigeria occurs at the state level—and have a significant impact on infrastructure, public services, and overall development at the local level.

Governors are responsible for implementing policy. Unfriendly governors could cause problems for the new Buhari regime because he has promised significant reform that will require state-level cooperation to succeed. Governors also have extensive appointment powers. As a nod to their influence, Buhari reportedly met with APC governors-elect in early May to discuss ministerial appointments and Senate leadership. By law, each state must be represented by at least one federal minister in the executive cabinet, and many governors believe they should be consulted about these nominations.

The National Governors Forum (NGF) is a voluntary organization that brings together governors from all 36 states to discuss various issues related to politics and governance in Nigeria. Under Jonathan's presidency, he frequently found himself at odds with the NGF, and some feared it was too powerful a lobbying organization. Although the federal government is uniquely responsible for issues related to security, Jonathan frequently blamed northern governors for the gains made by Boko Haram, claiming that they created the "conditions" necessary for terrorism to take root.

2015 State-Level Elections

State-level elections were not nearly as orderly as the national-level elections. Three states – Kogi, Imo, and Taraba – had to rerun their entire elections due to massive irregularities in the process. Violence broke out in several states, including Akwa Ibom, Delta, Ebonyi, Katsina, Lagos, Rivers, and Taraba. Turnout, considered low at 40 percent in the general elections, was believed to be even lower in state-level elections.

The APC's victory at the national level was to some extent reinforced by the outcome of state-level elections. APC gubernatorial candidates won elections in 19 states, while PDP candidates won in 10 states. Before the elections, the PDP controlled 22 states. After these elections, the APC now controls 22 states to the PDP's 13. The All Progressives Grand

Alliance (APGA), one of the few opposition parties not to merge with the APC, controls Anambra state. Also, for the first time since 1999, the ruling party will control Lagos state, long a bastion of opposition party support.

The PDP did retain control of several key states in the South-East and South-South, including oil-producing states such as Bayelsa, Delta, and Rivers. Because revenues from these states form the backbone of the total government budget, relations between the federal government and the governments of these states will be key to successful governance.

(Source: http://www.un.org/Depts/Cartographic/map/profile/nigeria.pdf.)

Last, note that the APC is a coalition of members from several opposition parties (Action Congress of Nigeria, All Nigeria People's Party) and disaffected members of the PDP who defected before the 2015 elections. Governors from eight states (Adamawa, Benue, Kaduna, Kano, Katsina, Kebbi, Kwara, and Sokoto) are former members of the PDP. Because party switching is nothing new in Nigeria, and given the autonomy and power of governors, it is not clear how committed these APC members will remain to the party. Buhari seems well aware of the tendency of politicians in Nigeria to flock to the party in power and has publicly stated that he would not be appointing any post-election PDP defectors to his cabinet.

Conclusion

As momentous as the Nigerian general elections were, they were only the more visible of the two important elections held in the country in 2015. President-elect Buhari's success at effectively governing and implementing the broad changes in the economic and security sectors that he campaigned on will depend in large part on how closely his regime is able to work with Nigeria's new state governors.

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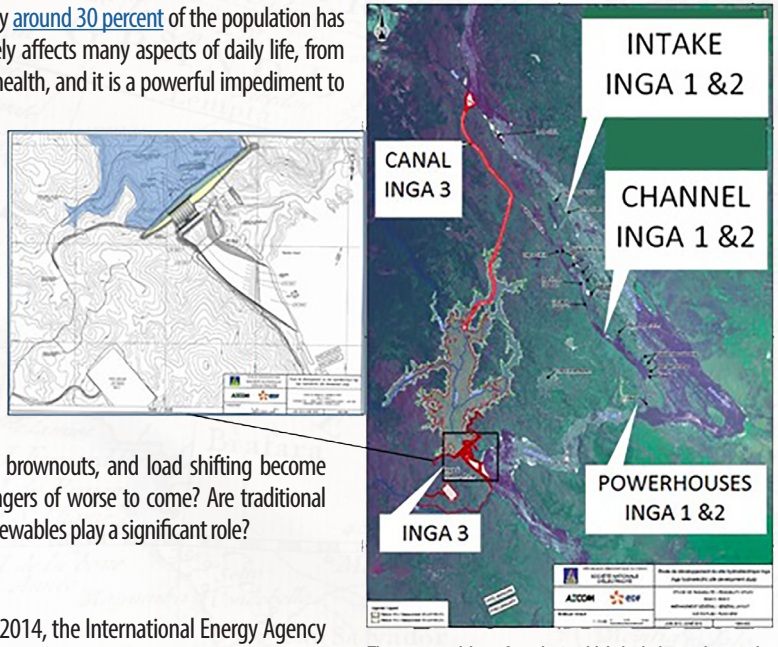

The proposed Inga 3 project, which includes a dam and a 4,800 MW hydroelectric plant at Inga Falls on the Congo River. Source: "The Inga 3 Hydropower Project," International Rivers, http://www.internationalrivers.org/campaigns/the-inga-3-hydropower-project. Licensed under Creative Commons.

Resource Rich—Power Poor

In a special report produced in 2014, the International Energy Agency presented a comprehensive picture of the current energy situation in Africa and the outlook for the future. The facts cited here are drawn from that report. Energy usage per capita in Africa is one-third of the world average. More than 40 percent of the total demand is accounted for by two countries, Nigeria and South Africa, which represent only 25 percent of the population. Grid-based electric generation capacity has recently been increasing relatively rapidly, from 68 gigawatts in 2000 to 90 gigawatts in 2012 (a 32 percent increase), but sub-Saharan Africa's population has increased even faster, from 666 million in 2000 to 905 million in 2012 (36 percent). According to the IEA report, coal-fired generation capacity was 45 percent of the total, followed by hydropower (22 percent), oil-fired (17 percent), and gas-fired (14 percent). Renewable sources, excluding hydropower, provided less than 1 percent. Diesel- and gasoline-fueled generators also provide electricity, but at high monetary and environmental costs.

Sub-Saharan Africa's energy paradox is that it is energy rich while being power poor. As the IEA reports, "energy resources in sub-Saharan Africa as a whole are more than sufficient to meet regional needs, both now and into the foreseeable future. This holds true across the range of energy resources . . .." For example, recoverable reserves of oil will last for around 100 years at the current level of production, and new discoveries are being made. Sub-Saharan Africa accounted for nearly 30 percent of global oil and gas discoveries in the period 2009 through 2013. In terms of renewable energy, the IEA sees substantial potential in hydropower, geothermal, solar, and wind.

Africa's Future Energy Challenge

The challenge for Africa is to expand access to electricity at a rate faster than population growth. To accomplish this, African countries will need to radically expand their energy and power infrastructures, engage effectively with their domestic private sectors, and attract international support. Both the IEA report referenced above and a February 2015 study by McKinsey & Company estimate that sub-Saharan Africa can meet this challenge, but both project that efforts will fall short of complete success.

While the studies differ in detail, they come to similar conclusions. McKinsey's analysis foresees slightly greater population growth by 2040 than does the IEA—a doubling of population versus an increase on the order of 90 percent—and McKinsey projects a quadrupling of demand for electricity, to 1,600 terawatt hours, while the IEA foresees somewhat more than a tripling, to 1,300 terawatt hours. The McKinsey report includes an important observation, which is that countries with electrification rates of less than 80 percent of the population consistently suffer from reduced GDP per capita. It projects that by 2040 sub-Saharan Africa will reach an electrification rate of more than 70 percent, still less than the 80 percent standard. Finally, both studies reach similar conclusions on the number of people in sub-Saharan Africa who will remain without electricity in 2040—530 million in the case of the IEA and between 370 and 550 million in the case of the McKinsey study.

The Components of Potential Progress

For the 25-year push toward greater electrification, Africa has the advantage of being positioned to draw upon multiple sources of energy, several of which represent significant, new potential:

- **Proven natural gas reserves** that have increased 80 percent since 2000. Mozambique and Tanzania have emerged recently as potential producers of significant natural gas.
- **New oil discoveries** in East Africa. Despite the slump in oil prices, exploration activity in countries such as Kenya and Uganda is continuing. The Lake Albertine Rift basin in Uganda may contain deposits estimated at 3.5 billion barrels of oil equivalent.
- **Large-scale hydropower** in countries such as Ethiopia and the Democratic Republic of the Congo (DRC). Previous editions of *Africa Watch* have discussed the potential of the Grand Ethiopian Millennium dam and the Gibe III dam, also in Ethiopia. The potential of the projected Grand Inga dam in the DRC would dwarf the Ethiopian projects and could deliver twice the power of the world's largest power station, the Three Gorges dam in China. Given the situation in the DRC, development on that scale is unlikely. It is within the bounds of possibility, however, to project that the government in Kinshasa will be successful in putting together the $12 billion in financing to build the Inga 3 dam, which would deliver 4.8 gigawatts.
- **Geothermal power in East Africa**. It can be expanded to play an even more important role than today. Kenya currently produces inexpensive base-load power from geothermal energy in the Rift Valley, and Ethiopia, Tanzania, and other East African countries are undertaking explorations.
- **Solar and wind**. These have real potential. According to Bloomberg, sub-Saharan African countries were set to add more wind and solar power in 2014 than in the past 14 years, amounting to 1.8 gigawatts of capacity. South Africa is in the lead on wind and solar, planning to bring 6.9 gigawatts of capacity online by 2020. In programming its renewable energy investments, South Africa has used a market-based system called the Renewable Energy Independent Power Producer Procurement Program (REIPPPP). Three rounds of bidding have been completed in the REIPPPP, and $14 billion has been committed for projects that will provide 3.9 gigawatts of capacity. Over the three rounds, the price for solar photovoltaic power has dropped 68 percent, and the price of wind power has dropped 42 percent. Despite these auspicious developments, solar and wind power will play only a minor role in eliminating Africa's energy deficit until around 2030.

Investment Is the Key

The cost of constructing the fuel infrastructure, power plants, and electrical distribution networks needed in sub-Saharan Africa will be large. McKinsey cites the need for $490 billion in capital spending by 2040 for power generation. The $20 billion in investments that the U.S. Power Africa initiative has so far leveraged is a start, but only that. Continued commitment by the United States and other external donors will be necessary. It will fall to the countries of Africa themselves, however, to prioritize spending on power generation and to create the needed incentives for the private sector to do its work. Ethiopia is financing its hydropower largely on its own using a government-driven model. South Africa is making progress with a market-driven approach. Can other countries find effective models for financing their energy futures? Time will tell, but time is short.

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