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John Kidenda

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# Africa Needs Reliable Energy. The Private Sector Is Best Equipped to Deliver

Aaron Cheng and John Kidenda

*Only the private sector can deliver what is badly needed to unlock the continent's potential.*

On a warm October morning, Daniel Agok woke up to another disappointing day at his school in Wanyjok, South Sudan. The back-to-back classes he had planned teaching computer skills to aspiring young professionals were canceled, due to an unreliable diesel generator and the absence of a municipal power grid in his area. Now, he would be losing frustrated customers as well as income—an exasperatingly frequent occurrence. Agok is just one of the hundreds of millions of people in sub-Saharan Africa, many of whom are business owners, who still do not have dependable electricity. This inequitable access to energy continues to put his livelihood and future at risk.

The current system keeps a lid on the economic talents of people like Agok and his students. We must instead unleash their abilities and let Africa reach its true economic potential. That means wiring Africa with clean, dependable energy.

Only the private sector can deliver what is badly needed to unlock the continent's potential.

As nearly any economist will tell you, reliable electricity is critical to economic prosperity. All developed countries today have an annual electricity consumption per capita of 3,000 kWh or greater.

Unfortunately, electricity consumption across sub-Saharan Africa is significantly lower—the average electricity consumption rate per capita is 150 kWh. Historically, national governments on the continent have led electrification efforts, but fewer than half of the people surveyed say that the national grid is providing a reliable supply of electricity.

This has led to expensive and harmful stopgap "solutions." In Nigeria alone experts estimate people spend \$13 billion every year on fuel for toxic, fume-emitting generators. That number will only grow as the continent's population hits 2.5 billion people by 2050. Deploying modern grid infrastructure with speed and at scale is essential to replacing these stopgap solutions with reliable and affordable alternatives.

The burgeoning private power sector in Africa holds the key to achieving the speed and scale necessary to close the continent's energy access gap. Private companies today are building world-class infrastructure and driving forward economic growth with business models that are scalable and sustainable. In fact, many governments agree and have begun to embrace the private sector as partners in providing reliable power at scale. In South Africa, President Cyril Ramaphosa has streamlined licensing requirements and enlisted the private sector to play a key role. The country will procure more than 5,000 MW of renewable power this year. (Full disclosure: We run PowerGen Renewable Energy, which builds and operates clean energy infrastructure in Africa for over 125,000 people today.)

The data shows that private companies are out performing the existing grid, delivering close to 100 percent of reliable power to over half a million people. Meanwhile, fewer than half of Africans recently surveyed say they enjoy a dependable supply of electricity from a national grid—businesses in Lagos for instance, experience an average of 32.8 power outages per month, according to the latest World Bank data.

South Africa is just one example. Across the continent, the private sector has delivered power faster and more reliably, and governments are increasingly turning to private partners.

With the right funding and structure in place, the private sector will come together to provide this essential service. After all, electrifying sub-Saharan Africa is a \$350 billion opportunity.

Today, Daniel Agok is steadily growing his business in South Sudan. His town of Wanyjok was electrified by a private company, providing clean, reliable, and affordable power to his business and his neighbors. Agok now operates his growing computer skills training business smoothly. His classes are no longer affected by the smell and the constant noise of the diesel generator, and he saves money with more affordable power.

His students—young children and teenagers—are developing hardware and software skills.

They represent the enormous economic potential of Africa's future. The growing private power sector is poised to make that future possible.

Aaron Cheng is the CEO at PowerGen Renewable Energy and is based in Lagos, Nigeria.

John Kidenda is the chief of utility operations at PowerGen Renewable Energy and is based in Nairobi, Kenya.

The views expressed in this article are the writers' own.

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