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“The Future of Energy in Africa”

U.S. Rep. Chris Smith (NJ-04)

Chairman

*House Subcommittee on Africa, Global Health,
Global Human Rights & International Organizations*

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In the 21st century, energy has become vital to modern societies. We no longer have to shop for food each day because refrigerators keep food cold and preserved longer – whether in our homes, in restaurants or during the process of trade. Cell phones, computers, televisions and other electronics require electrical power to allow us to lead more productive lives in the modern world. As we have seen in the current Ebola epidemic, it is necessary that medicines and plasma be kept cold so that they do not lose their potency.

It is both unfortunate and unnecessary that more than half a billion Africans, especially in rural areas, live without electricity.

Perhaps, the great irony is that Africa has more than enough energy capacity to join the rest of the world in utilizing modern technologies that require regular energy supplies. Ironically, 30% of global oil and gas discoveries over the past five years have been in sub-Saharan Africa. Yet currently, only 290 million out of 914 million Africans have access to electricity, and the total number lacking such access continues to rise. Bioenergy, mainly fuel wood and charcoal, is still a major source of fuel. Hydropower accounts for about 20% of total power supply in the region, but less than 10% of its estimated potential has been utilized.

This hearing will examine the current and prospective impact of U.S. government programs such as Power Africa and Electrify Africa, as well as private international energy projects.

Last year, Chairman Royce—backed by Ranking Members Elliot Engel and Karen Bass—and I introduced H.R. 2548 – the Electrify Africa Act. This legislation seeks to build the African power sector – from increased production to more effective provision of energy. H.R. 2548 passed the House this past May, but has languished in the Senate ever since. If no Senate action is taken during the remaining days of this session of Congress, this legislation will have to be reintroduced next year.

Days after the Electrify Africa Act was introduced in the House, the Administration announced its Power Africa initiative and has committed up to \$7.81 billion in various types of U.S. technical and credit assistance and other aid to build the capacity of the African power sector.

It seems that every few months, there is yet another discovery of petroleum or natural gas in Africa. Nevertheless, African countries remain net importers of energy, and the distribution of power

from the many new sources of energy in Africa remains unfulfilled. This constrains trade and economic progress, social development and overall quality of life in Africa. Even now, one country – South Africa – accounts for two-thirds of Africa’s electricity generation. All of Africa produces less than 10% of the energy produced in the United States.

Meanwhile, people across the continent are forced to meet their energy needs by gathering or purchasing charcoal or wood, often putting women in dangerous situations too far from home. Even when such fuels are safely brought back home, their use produces indoor pollution that too often contributes to sickness and early death.

The current situation cannot continue much longer. Even with 13% of the world’s population, Africa represents only 4% of the world’s energy demand, but this situation is changing. According to a report this year by the International Energy Agency (IEA), since 2000, sub-Saharan Africa has seen rapid economic growth and a rise in energy use by 45%.

We often speak of the rise in African economies, but for that rise to be truly realized, the rates of power generation and supply must match the growing demand for power. Those cell phones that are transforming all forms of commerce in Africa must be charged. The consumer goods the growing African middle class is purchasing need electricity. Africans are increasingly unwilling to accept the blackouts and power surges that have made life so difficult for so long. Africans who have traveled or lived elsewhere know this doesn’t have to be their lot in life. In fact, even those who don’t travel have seen how others live on their televisions – when power is available for them to operate.

During the colonial period in Africa, countries were limited in their industrialization, but that period is now long past. It must no longer be used as the reason why African countries are behind in the process of industrialization or power generation. Today, this lag in power generation is more due to inadequate or unrealistic regulation, lack of finance for significant power generation projects, underinvestment in power generation even when financing is available, the disconnection of rural populations from national and regional power grids, high costs for electricity and other factors.

These obstacles can be overcome, but they will require international and national collaboration, public-private partnerships and the will of governments and their citizens. We will not get to the point we believe is necessary overnight, but we will not get there at all if we do not take serious measures now and implement them faithfully and completely.

African people, like people everywhere, deserve the benefits that modern technology has produced. Africa has become a prized global consumer market, but that market cannot be fully realized without electricity. Anyone visiting stores in Africa can see the many modern technologies offered to African consumers today; they merely need guaranteed electricity for those goods to be useful.

With regular electricity, young students can not only study under electrical light, but also use computers to advance their studies. Homemakers can keep food fresh longer with refrigerators and can stretch household income farther. And hospitals can preserve blood plasma and medicines that can save lives.

Our two panels today will examine international and national programs to achieve regular, sufficient electrical power in Africa and private projects to add to the supply of energy on the continent. The future of energy in Africa is brighter than it has been in the past, but diligent actions must be taken now to seize the opportunities that lay before us.