

# The changing face of Africa's energy projects

 By [Nicci Botha](#)

6 Feb 2017

The 10th Growing Economies [Project Finance Forum](#) met in Cape Town last week, bringing developers and financiers together to discuss how best to move African energy programmes forward in the face of current global political and economic headwinds.

“Commodity prices may be firmer, but there are still practical issues, which are responsible for the sombre mood. But there’s still optimism about greener, more sustainable energy mix,” said Christopher Marks, head of emerging markets, corporate banking, Europe, Middle East and Africa, Mitsubishi UFJ Financial Group.



Source: Tanesco

## Power Africa

Andrew Hercowitz, coordinator, [Power Africa](#) said despite the contradictions of Trump administration, he doesn’t foresee many affecting Power Africa.

Launched three years ago by the US government, Power Africa has access to a lot of tools, including the World Bank. “We are able to direct partners to all these tools. Initially we thought, the projects would be largely government subsidised, but we’re also facilitating private investment. We’re going to have allies in this administration, our job is to show results.”

He said that since its inception, Power Africa had provided 57,000MW of power and 8,6m connections on the continent. “But we can’t celebrate yet, the investment is still small and the installations are mostly solar lanterns, he said.

## Tanzania’s approach

Tanzania has taken a different route with power supply and the state-owned [Tanzania Electric Supply Company](#) (Tanesco) is involved in generation, transmission and distribution.

Felchesmi Mramba, former managing director of Tanesco explained that when restructuring the utility, the assets were separated into the respective streams. "We're looking at other restructuring, such as unbundling. The only thing is how slow this process is moving."

Tanzania only has two independent power producers, and both have been there for more than a decade.

"The energy sector needs a lot of investment especially when looking at the 7% growth predicted for the economy. However, when we look at pace at which projects are growing, especially those run by the government, progress is slow," he said.

By 2020, Tanzania will need 4,800MW. "Demand for power is going to grow very fast and current government programmes won't be able to match demand. We need a combination of approaches, such as private sector investments as well as public private partnerships," he said.

## ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

- #WomensMonth: Prudential's Leshni Dal-Harikaran on the beauty of a perfectly balanced spreadsheet - 10 Aug 2021
- #WomensMonth: MWay's Mvlogadi Kekana on the importance of financial independence - 6 Aug 2021
- #WomensMonth: Mamedupi Matsipa's passion for finance charted her career path - 5 Aug 2021
- #WomensMonth: Standard Bank's Simone Cooper asks, "How does your business grow?" - 4 Aug 2021
- #WomensMonth: Twané Wessels, product actuary at Just SA - 2 Aug 2021

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>