

Sun, water are Africa's energy hopes, says World Bank expert

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Johannesburg - Solar electricity generation could, with further research and development, be the "number one saviour" for sub-Saharan Africa's power problems, World Bank lead energy specialist Reynold Duncan said yesterday.

But in the absence of breakthroughs in solar technology, hydroelectric generation was the next best option, he told delegates to the Energy 2009 conference on energy solutions for Africa.

Duncan was speaking in the context of development banks acting as enablers for a new generation of large-scale generation projects on the continent. He said a less risk-averse approach to hydro was being adopted, while coal-fired and oil-fired projects were regarded as risky.

Eskom is in talks with the World Bank for a \$5 billion (R50 billion) loan as it rolls out a massive programme to increase its coal-fired generating capacity. Duncan would not be drawn on whether the bank would opt for greater participation in the country's energy financing needs.

Development finance institutions such as the World Bank have been playing an increasing role in funding infrastructure projects in developing countries as a result of the credit crunch.

Duncan pointed out that only 5 percent of Africa's hydropower potential had been tapped. But he cautioned that it would be difficult to raise financing for a massive hydropower project such as Grand Inga in the Democratic Republic of Congo, given its location far from markets in southern Africa. While multilateral financial institutions could help, the project would require substantial private sector financing, "and that is difficult to find".

At 39 000 megawatts, Grand Inga would be the world's largest hydropower project at a projected cost of about \$80 billion.