



Press Release:

ECG Alone Not to Blame for Ghana's Power Woes: IPPG Africa Report Calls for Whole-Sector Reform



For many Ghanaians, the national energy crisis is synonymous with the Electricity Company of Ghana (ECG). From unreliable service to rising tariffs and poor customer care, ECG is the visible face of sector failure. But a new report by IPPG Africa warns that focusing solely on ECG masks the much deeper, structural issues at play across the entire energy value chain.

The report, **“Securing Ghana’s Energy Future: Policy Actions for Sustainability and Efficiency,”** presents a whole-system diagnosis of the country’s energy sector and outlines urgent actions for reform. It draws from an expert boardroom convening held in Accra in February 2025, which brought together stakeholders from civil society, academia, energy firms, law and accounting institutions, and independent power producers. Their conclusion is clear: ECG’s challenges are only the most visible layer of a complex, multi-point crisis that is draining public finances, undermining investment, and threatening Ghana’s long-term development.

The report highlights that ECG’s financial insolvency is compounded by structural inefficiencies that no amount of technical reform can fix in isolation. Chronic revenue underperformance, a mismatch between cedi-based collections and dollar-indexed obligations, and weak enforcement mechanisms are only part of the story. The company

also operates within a political and institutional environment that undermines its capacity to enforce discipline, control spending, or implement reforms at scale.

Beyond ECG, the report reveals a stagnant upstream oil and gas sector that has seen no significant new investment in eight years. This has weakened Ghana's production capacity, fiscal outlook, and potential for domestic job creation and technology transfer. In the midstream space, gas infrastructure remains underutilized due to operational misalignments and regulatory gaps, including limited pipeline connectivity and slow progress on critical projects such as the Takoradi–Tema Interconnection and the second gas processing plant.

At the same time, Ghana's renewable energy ambitions remain largely aspirational. Despite abundant solar and wind resources, the sector is constrained by outdated net-metering policies, overlapping institutional mandates, and limited grid integration capacity. The report argues that without resolving these systemic issues, attempts to pivot toward energy transition will continue to stall.

What emerges from IPPG's assessment is not a sector lacking in knowledge or planning, but one in which implementation has consistently been obstructed by fragmented governance, financial opacity, and political incentives that reward inaction. The report calls for a reset, not just in operational terms, but in political commitment and institutional discipline.

To address the crisis meaningfully, the report outlines a time-bound reform pathway. In the short term, it prioritizes revenue enforcement, transparent application of the Cash Waterfall Mechanism, engagement with upstream investors, and tighter expenditure control. Over the medium term, it calls for regulatory audits, policy clarity on renewables, and the rationalization of fuel subsidies. In the longer term, the report recommends regionalizing ECG's structure and introducing performance-based models of privatization, while repositioning the government as regulator and equity backstop rather than operator.

This is a call to act beyond the surface. Ghana's energy future cannot be secured through stopgap measures or isolated fixes. As the report makes clear, the challenge is systemic and so must be the response.

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