

Ghana's Nuclear Energy Dynamics: FOCAC and Global Competition

Part 1



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WRITTEN BY:

Dr. Isaac Ankrah
Senior Research Fellow, ACCPA
E: isaac@africachinacentre.org

Starter

"A stitch in time saves nine." This adage underscores the importance of timely action, resonating deeply with Africa's energy landscape. In 2005, a crippling power crisis left millions of Ghanaians in the dark, highlighting the urgent need for a reliable, sustainable energy source. Fast forward to today, Ghana, along with other African nations, is considering nuclear power as a solution to its energy woes.

While the consideration might be new, Ghana's nuclear energy competitors remain familiar: Russia, China, the United States, France, and South Korea. The competition is not just about providing electricity but also about gaining geopolitical influence. As nations race to secure the contract for Ghana's first nuclear power plant, the crucial question remains: which partnership offers the most benefit for the country's energy future?

Why Nuclear Energy?

The move towards nuclear energy in Africa is driven by a combination of necessity and opportunity. For Ghana, the journey began in the 1960s when the country first considered nuclear power. However, political instability, marked by a coup, derailed these early efforts. The current program took off in 2008 after a nationwide power crisis in 2006 and 2007 underscored the urgent need for a reliable energy source. The initial plan was to have a nuclear power plant by 2018, but this target was revised due to a lack of political and financial commitment from successive governments. Supported by the International Atomic Energy Agency, Ghana resumed its nuclear ambitions, seeing nuclear energy as a viable solution to its persistent electricity shortages.

The prospects are significant. Unlike fossil fuels, nuclear power is a low-carbon energy source, making it an attractive option for countries aiming to reduce their carbon footprints while meeting growing energy demands. In contrast to renewable sources such as solar and wind, which are dependent on weather conditions, nuclear energy provides a stable and continuous power supply, appealing to many African nations. Additionally, nuclear power plants have a high-energy density, meaning they can produce a large amount of electricity from a relatively small amount of fuel. This efficiency is crucial for countries looking to maximize their energy output while minimizing resource consumption.

Beyond these technical benefits, nuclear energy has the potential to drive industrial growth and economic development. Reliable electricity can boost productivity, attract foreign investment, and create jobs. For Ghana, which has faced frequent power outages and energy crises, nuclear energy promises a path to energy security and economic resilience.

Its establishment will not only address current energy deficits but also support long-term economic growth.



The Geopolitics

Interestingly, African nations, including Ghana, inevitably step into a complex web of geopolitical maneuvering by developing nuclear energy infrastructure. The decision invites not just investment but also political gamesmanship from global powers eager to expand their influence on the continent.

Russia's Influence and China's Strategic Position

Russia's influence in Africa's nuclear sector is substantial and growing. Through its state-owned corporation Rosatom, Russia has been forging energy partnerships across the continent. Notable examples include Egypt, where a \$25 billion contract was signed to construct the Dabaa Nuclear Power Plant, and agreements with Burkina Faso and Uganda to build their first nuclear power plants.

For China, its relationship with Africa has been exceptionally close, akin to a “Wi-Fi signal at full bars”. It has positioned itself strategically in Africa, with significant investments in infrastructure across the continent. China's approach has often been characterized by efficiency and reliability, making it a formidable partner among African nations.

The Western Response and Challenges

The Western response to this geopolitical shift is marked by competition and concern. The dynamics are further complicated by the strained relations between Western countries and both Russia and China. There have been concerted efforts to isolate Russia from global energy markets, particularly following its war with Ukraine. For example, the European Union has imposed severe sanctions on Russian energy companies, reducing their ability to operate within European markets. The United States has also implemented measures to limit Russia's access to advanced technology crucial for energy production and development.

In response to China's growing influence, particularly through its extensive infrastructure projects under the Forum on China-Africa Cooperation (FOCAC), the United States has enacted the Strategic Competition Act of 2021. This legislation is designed to counter China's influence globally, including in Africa. The Act authorizes increased funding for U.S. diplomatic and development efforts to provide a strategic alternative to Chinese investments. European countries have also increased their scrutiny of Chinese investments, particularly in strategic sectors such as technology and energy, to counterbalance China's expanding footprint.

However, Western countries face several challenges. Their engagement with Africa has often been criticized for being condescending and marred by delays and unfulfilled promises. For instance, the Millennium Challenge Corporation's projects in Africa, although significant, have often been delayed due to bureaucratic red tape and stringent conditions that are sometimes seen as paternalistic.

Similarly, the European Union's Economic Partnership Agreements have faced criticism for imposing conditions that many African countries find restrictive and not tailored to their developmental needs. We can also not forget the emphasis on human rights conditions which sometimes complicate relationships. The International Monetary Fund (IMF) recently warned Ghana that its economy could suffer if the controversial LGBTQ+ bill is signed into law, illustrating how Western loans and investment repeatedly come with strings attached. These conditionalities associated with Western aid and investment stand in stark contrast to Russia and China's approach of delivering on their commitments and respecting the host countries' sovereignty.

Strategic Path Forward for Ghana and Other African Nations

Ghana's nuclear ambitions sit at the intersection of these geopolitical currents. It must consider and evaluate the benefits, knowing that the choice of a nuclear partner is not just a technical decision but a strategic one, with implications for its energy future.

To chart a successful path towards nuclear energy, several critical questions must be considered: Who has proven to be a reliable partner in the past. Can China, with its extensive infrastructure investments and efficient project delivery, offer the most benefits? Or will Russia's established energy partnerships and technical expertise prove more beneficial? What about the United States and other Western countries – can they overcome the apparent challenges and present a compelling case for partnership?

Ultimately, which partnership will African countries believe maximizes their interests, ensuring both sustainable energy development and economic growth?

In the next part of this series, there will be a table with key metrics indicating each potential partner's strengths and suitability for developing Ghana and Africa's nuclear energy ambitions.



Author:

Dr. Isaac Ankrah

Senior Research Fellow, [Africa-China Centre for Policy and Advisory](#).

Lecturer, **Ghana Communication Technology University.**