

# ICA Annual Meeting

*Tunis, 5 – 7 May 2010*



## Project Implementation Status and Challenges

Presented by:

Marie AYE

PA/SG West African Power Pool








# Plan of the Presentation

## Presentation of WAPP and its Programs

- WAPP Priority Program
- Project Preparatory Studies
- Project Implementation
- Project Preparation and Implementation Challenges



# WAPP Priority Program

-  Coastal Trans Backbone Sub-program
-  Inter-Zonal Trans Hub Sub-program
-  North-core Trans Sub-program
-  OMVG/OMVS Development Sub-program
-  CLSG System Redevelopment Sub-program

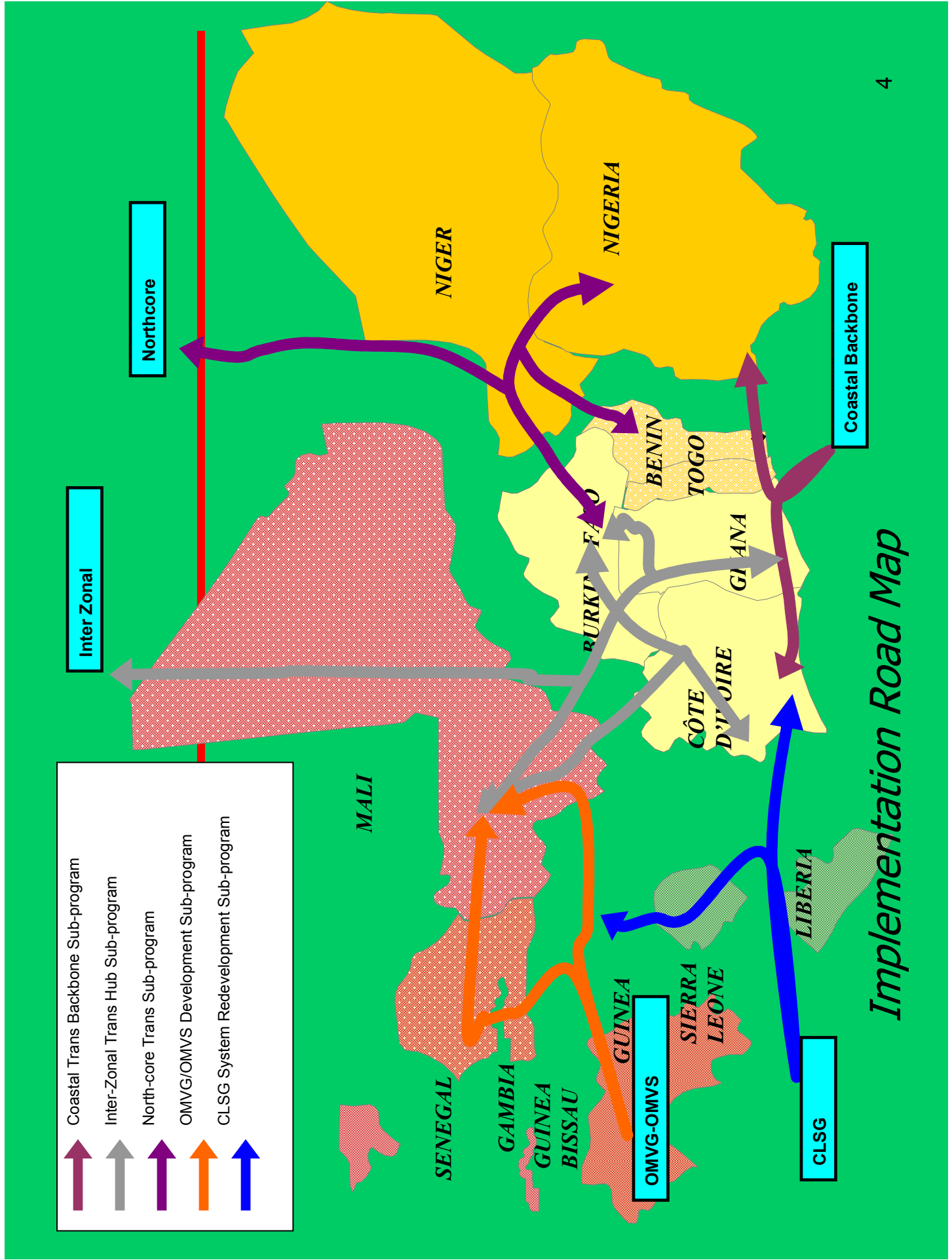
Inter Zonal

Northcore






Coastal Backbone

OMVG-OMVS

CLSG



# Implementation Road Map

-  Coastal Trans Backbone Sub-program
-  Inter-Zonal Trans Hub Sub-program
-  North-core Trans Sub-program
-  OMVG/OMVS Development Sub-program
-  CLSG System Redevelopment Sub-program

Inter Zonal

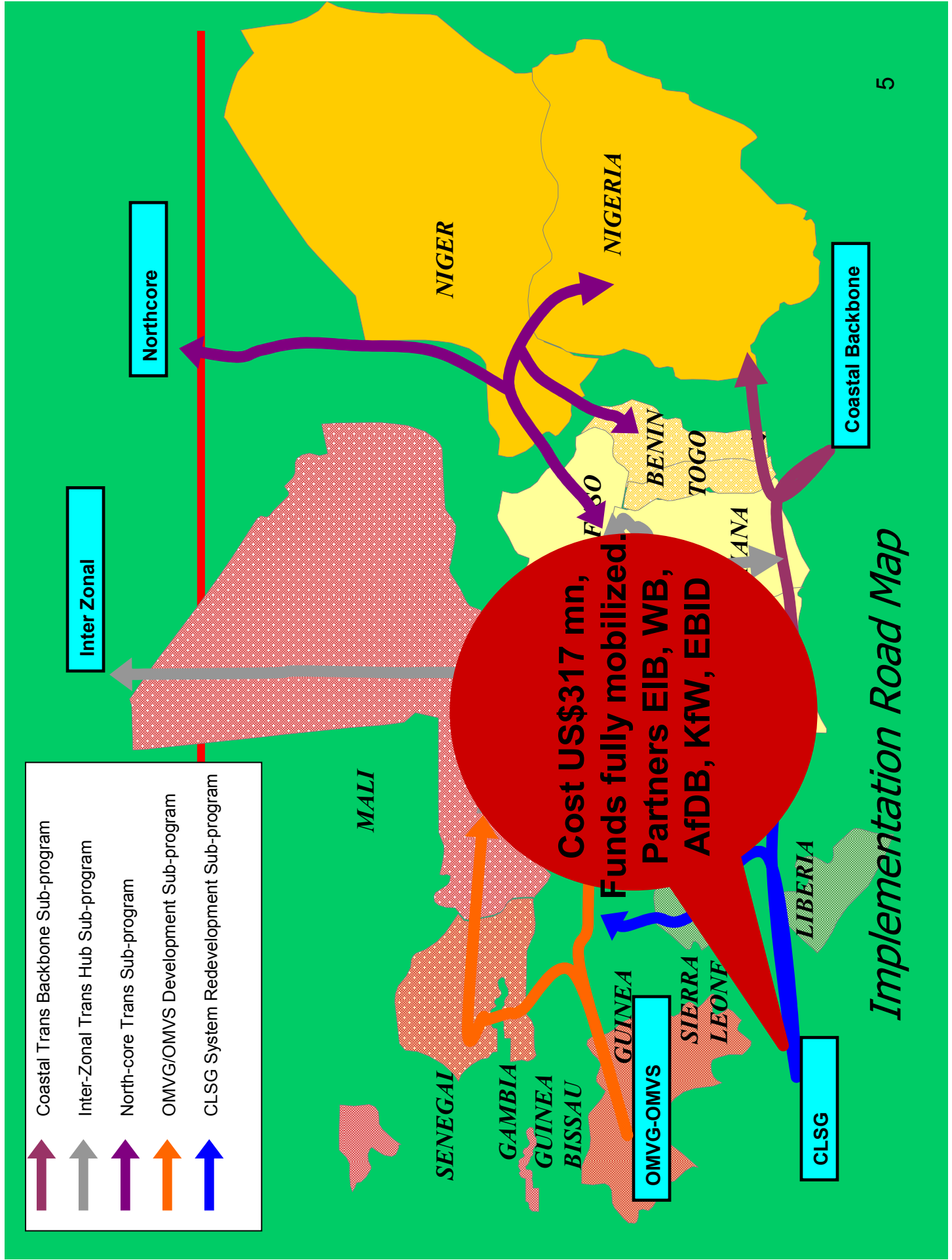
Northcore

Coastal Backbone






OMVG-OMVS

CLSG

**Cost US\$317 mn,  
Funds fully mobilized.  
Partners EIB, WB,  
AfDB, KfW, EBID**



*Implementation Road Map*

-  Coastal Trans Backbone Sub-program
-  Inter-Zonal Trans Hub Sub-program
-  North-core Trans Sub-program
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Inter Zonal

Northcore

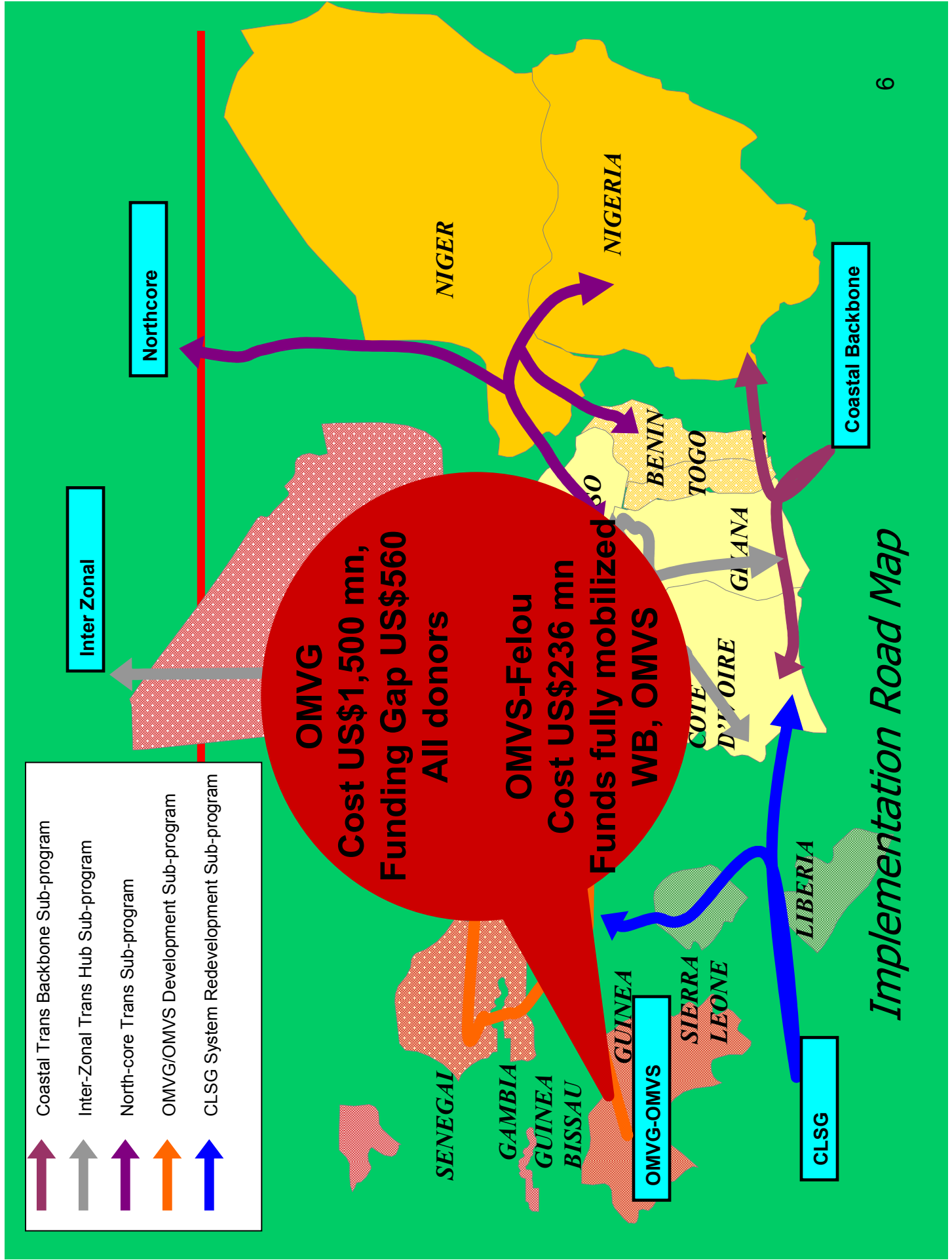
Coastal Backbone

CLSG

OMVG-OMVS

**OMVG**  
 Cost US\$1,500 mn,  
 Funding Gap US\$560  
 All donors

**OMVS-Felou**  
 Cost US\$236 mn  
 Funds fully mobilized  
 WB, OMVS



*Implementation Road Map*

- ↑ Coastal Trans Backbone Sub-program
- ↑ Inter-Zonal Trans Hub Sub-program
- ↑ North-core Trans Sub-program
- ↑ OMVG/OMVS Development Sub-program
- ↑ CLSG System Redevelopment

Inter Zonal

Northcore

Coastal Backbone

OMVG-OMVS

CLSG

**So far US\$ 2,000 mn Fully Funded**  
**Partners WB, EIB, Kuwait Fund, AfDB, KfW**

**Third project under feasibility study by EIB.**  
**Final cost unknown but full need for funding**



*Implementation Road Map*

- ↑ Coastal Trans Backbone Sub-program
- ↑ Inter-Zonal Trans Hub Sub-program
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- ↑ OMVG/OMVS Development Sub-program
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Inter Zonal

Northcore

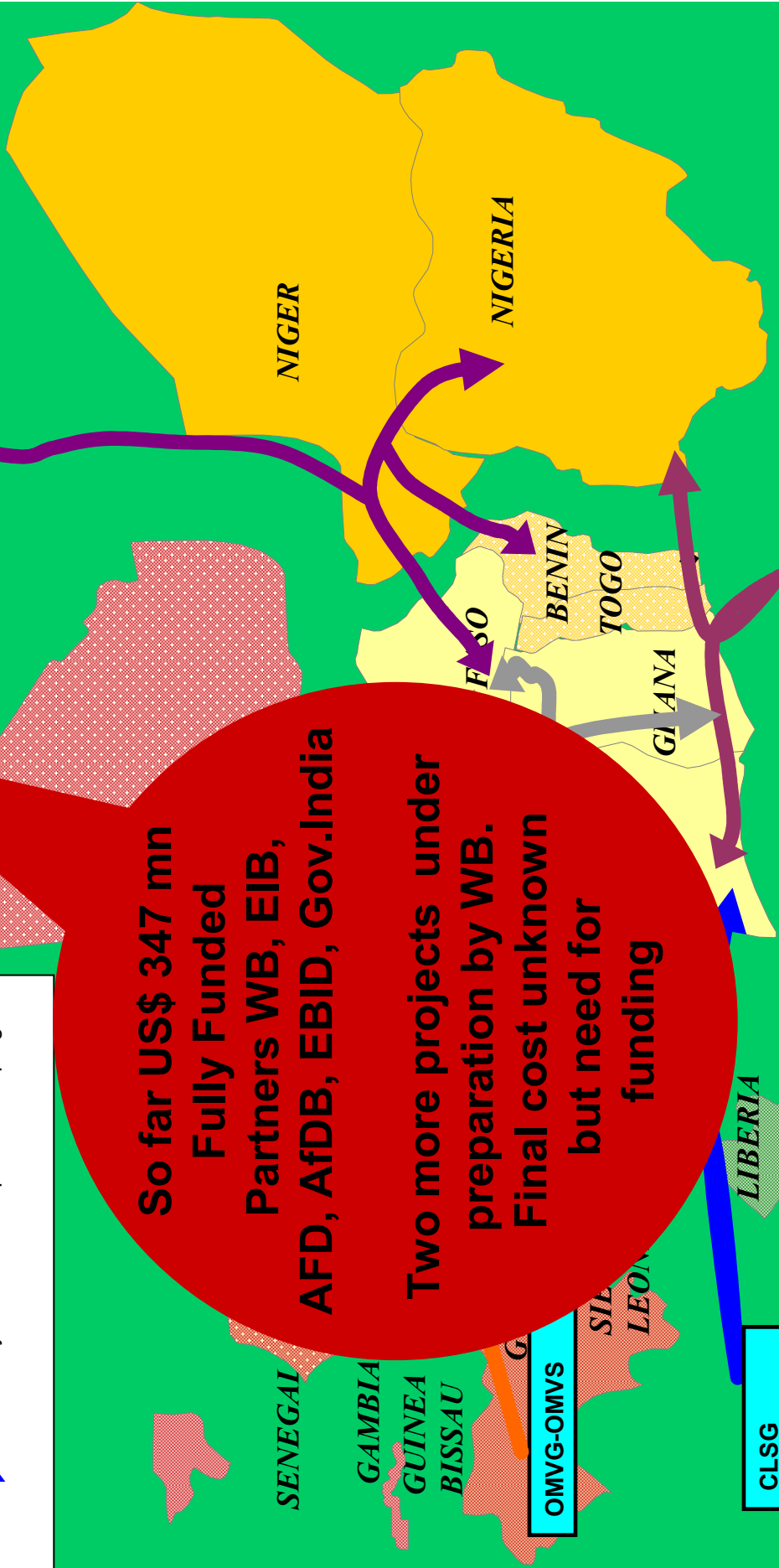
Coastal Backbone

OMVG-OMVS

CLSG






**So far US\$ 347 mn Fully Funded Partners WB, EIB, AFD, AfDB, EBID, Gov.India**

**Two more projects under preparation by WB. Final cost unknown but need for funding**



*Implementation Road Map*



-  Coastal Trans Backbone Sub-program
-  Inter-Zonal Trans Hub Sub-program
-  North-core Trans Sub-program
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Inter Zonal

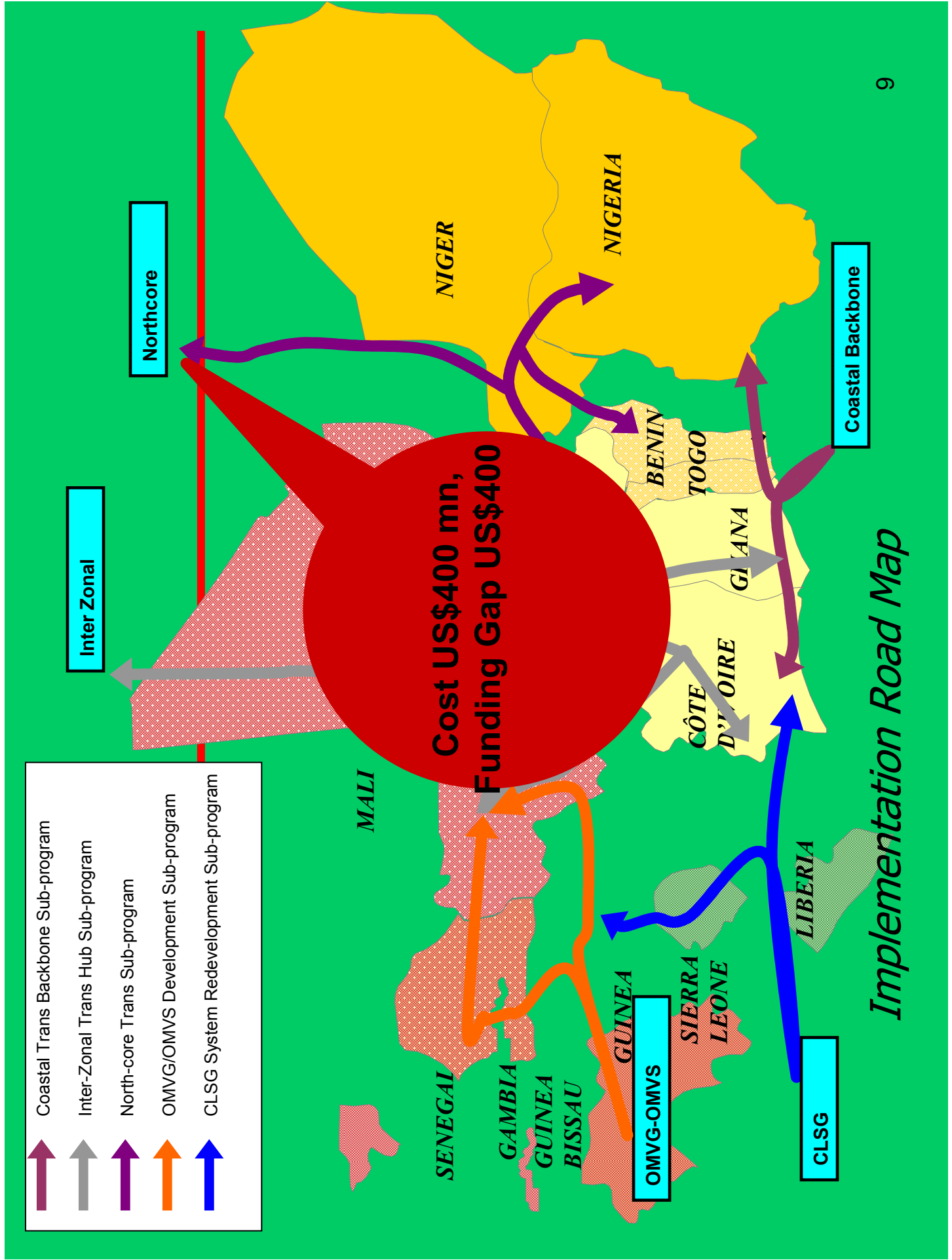
Northcore

Coastal Backbone

CLSG

OMVG-OMVS

**Cost US\$400 mn,  
Funding Gap US\$400**



*Implementation Road Map*



# Project Preparation and Implementation Challenges



# Project Preparation and Implementation Challenges

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## Principles

- **Resource Mobilization**
  - Nature and types of existing financing
  - Donor financing instruments
- **Institutional frameworks**
  - At country level
  - At regional level
  - At donor level
- **Stakeholder Involvement**
  - Regional Organizations (WAEMU, ECOWAS)
  - Member States and Electricity Companies
  - Private Promoters
  - WAPP

# Project Preparation and Implementation Challenges



## Resource Mobilization

- Nature and types of current financing
  - Public, private, mixed
  - Subsidy, grant, loan, credit (line of credit, financing facility, etc.)
- Donor financing instruments
  - Bilateral and/or multilateral concessional loans granted to States
  - Grants and subsidies granted to States and regional development organizations
  - Guarantees for private or mixed financing
  - Participation in public/private financing
  - Promotion of private investments

# Project Preparation and implementation Challenges



## Institutional Frameworks

- **At country level**
  - States give priority to project preparation and implementation mechanisms on a country by country basis
- **At regional level**
  - ECOWAS has defined a project preparation and implementation framework based on the establishment of SOS single project management structures (Additional Acts.....)
  - Regional electricity regulatory authority (ERERA)
  - Sub-regional gas regulatory authority (WAGPA)
- **At donor level**
  - Regional energy assistance strategy (World Bank – RIAS, EU – PIR du 10<sup>th</sup> EDF and EU-ACP Energy Facility...)
  - Intervention programs with States and electricity companies

# Project Preparation and Implementation Challenges



## Stakeholder Involvement

- **Regional Organizations (WAEMU, ECOWAS)**
  - Programs and policies are defined and implemented by regional organizations
  - Cooperation relations with development partners are managed by the same organizations
  - Specialized institutions, except those with specific mandate, have little or no direct relations with these partners
- **Member States and Electricity Companies**
  - Have access to all the above-mentioned types of financing
  - Long procedures and narrow markets, long implementation time frames
  - Little interest in regional project implementation mechanisms
- **Private Promoters**
  - Little private stakeholder involvement in power production and transmission projects
  - Unavailability of project studies, little or no incentives and cost effectiveness rarely demonstrated
  - No resources for project preparation
- **WAPP**
  - Resource mobilization, preparation & coordination of project implementation



# Conclusion

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- Security and sustainable use of energy resources in Africa require:
  - Concerted and integrated financing of energy production and transmission infrastructures of regional States groupings;
  - Strengthening of regional initiatives (Power Pools);
  - Adoption and application, by Member States, of appropriate and effective regional project implementation mechanisms to ensure implementation within reasonable time frames and at competitive costs;
- Appropriate financing mechanisms, constraints on regional institutions (Power Pools) in resource mobilization, coordination and monitoring of projects;
- Capacity building for Institutions responsible for planning, development and implementation of electric grid interconnections (Power Pools, SPC, electricity companies);
- Capacity building for organs responsible for defining national and regional energy sector development policies;

**WAPP : Put an end to darkness in West  
Africa!**

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**Thank you for your  
attention**

**WAPP General Secretariat**

**06 BP 2907 Cotonou – Republic of Bénin**

**Tel: + (229) 21 37 41 95 / 21 37 71 44**

**Fax : + (229) 21 37 41 96 / 21 37 71 43**

**Email: [info@ecowapp.org](mailto:info@ecowapp.org)**

**Website: [www.ecowapp.org](http://www.ecowapp.org)**