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Ranking of Priority Projects and Programs
Case of Energy Sector

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Ranking of Priority Projects and Programs Process Adopted – Case of Energy Sector

Process

- A pro-active approach adopted
- Process involved Teams consisting of ADB, NEPAD, World Bank, RECs and the Power Pools
 - WAPP-ADB, World Bank, ECOWAS
 - SAPP – ADB, DBSA, NEPAD, SADC
 - EAPP – ADB, COMESA, EAC
 - CAPP – ADB, ECCAS

What was Done

- reviewed with each power pool, the status of priority short, medium and long term regional projects/programs
- agreed criteria and approach for ranking
- agreed on preliminary ranked list of priority projects and program of action for each project,
- discussed the proposal with the relevant REC
- final ranked priority projects and related action plan endorsed by the RECs and Power Pools of a given region.





Ranking of Priority Projects and Programs Process Adopted – Case of Energy Sector

Note

- The ranking of priority projects utilised Regional Master Plan (where they existed) in evaluating the optimal option for developing generation and transmission capacities (SAPP, WAPP, EAC).
- Some other power pools are still at an early stage of preparation of their Master Plan (CAPP, EAPP).
- Overall the ranking of priority projects consisted of a compromise between technical and economic optimization of the regional grid and between integrating the constraint of national requirements and interest of individual countries.



Ranking of Priority Projects and Programs Process Adopted – Case of Energy Sector

Factors used in Ranking (SAPP)

- Size of the project [MW]
- Levelised costs [USD/MWh] (Present Value of Life Cycle Cost/Optimum Value of Electricity Generated)
- Transmission integration
- Economic impact
- Percentage off-take committed [PPA, MoU, etc]
- Regional contribution as a percent of project capacity
- Reach - Number of participating countries

Factors Used in Ranking (WAPP)

- Economic impact
- Regional contribution of the project
- Size of the project [MW]
- Unit costs [USD/MWh]
- Reach - Number of participating countries.

CAPP – Factors Used in Ranking

- Projects that are under preparation,
- Projects that have Inter Governmental and Inter Utilities Agreements,
- Projects that have received financing commitments or expression of interest by Funding Agencies,
- Projects with high integrating capacity.





Ranking of Priority Projects and Programs Way Forward

- Similar process has commenced for Transport Sector (ECOWAS, SADC, EAC) and other sectors – would need to be intensified.
- We intend to ensure a broad based team is assembled for this
- It is important that key partners plan to participate in this exercise.
- The MLTSF would provide a comprehensive strategy for ranking of priorities in the long run.

