

Type 2 partnership proposal presented by the French government

TITLE: Energy integration in Western Africa

PARTNERS:

Sponsor of the initiative: Ministry of Foreign Affairs, DGCID/DCT/ERN, 20 rue Monsieur, 75700 Paris, France

Associated partners: Economic Community of West African States (ECOWAS), IEPE

Other partners approached: USAID, the French Development Agency [*Agence Française de Développement (AFD)*], *Electricité de France (EDF)*

Subsequent integration with the European energy initiative

DESCRIPTION:

A summary description and outline of the connection with Agenda 21 or the Millennium Declaration:

In Rio, the concept of sustainable development renewed this general-interest idea. It added the environmental variable to those of economics and social concerns. The regional integration of energy systems is a factor in sustainable development and in regional political stability.

This is especially true for the ECOWAS countries. In these countries, reforms in the energy sector, carried out within the framework of liberalization programmes, have ensured the autonomy of businesses and, because of this, have deprived governments of their means of supervising and directing the market. Several of these countries also have shortfalls in their capacity for electricity production. This may be structural (a lack of investment) or due to conditions (the effects of drought on the water levels behind dams).

Joined together in the West African Power Pool (WAPP), these countries are planning to reinforce the interconnections between their networks in order to optimize the use of their installed capacities, eliminate emergency purchasing of thermal units, make the most out of their regional resources, and increase energy efficiency.

Called upon to support the WAPP project, France intends to participate in order to:

- Help restore to the Member States a capacity for the design and coordination of energy policy;
- Assist the ECOWAS in acquiring the institutional and technical capacity needed to enable it to stimulate a regional policy, with complete independence;
- Contribute to setting up a legal infrastructure, which is an indispensable prerequisite to any physical investment;
- Promote, by means of investment programmes of any type that may emerge from the initiative (electricity production, especially those utilizing water or gas resources, transport and regulation equipment, etc.), an approach that respects the role of the Member States in environmental, social, and territorial development terms.

Expected results:

The partnership with ECOWAS and the Member States will make it possible for them to set up the EEEOA (West African Electrical Energy Exchange System) and to ultimately develop a regional electrical energy market called the West African Power Pool (WAPP). This institutional partnership is aimed at reinforcing the capacity of the Member States to establish national sustainable energy policies that are in line with their long-term interests. This support will enable the Member States:

- To orient their contribution to the production and consumption of energy toward national strategies for local development and territorial improvements;
- To adopt these energy-efficiency policies in all activity sectors (housing, industry, transportation, and services) that consume energy;
- To set priorities on the production and consumption of energy;
- And to adopt, at the regional level, the legislative corpus and the tax rules to provide a stable framework and to cover the risks of national and international private investors.

ESTIMATED TIMETABLE for implementation: start of activities in September 2002

EXPECTED MEANS OF IMPLEMENTATION:

Funding: to be shared by USAID and MAE: impact and benefit studies on the Nigeria–Ghana gas pipeline, study of the institutional and regulatory model, projections of supply and demand until 2010, and creation of an energy monitoring agency within the ECOWAS. The World Bank will finance the interconnection projects, and the other backers will fund the upgrading of national systems.

Evaluation process: the evaluation procedures are defined by each financial backer. For the MAE, the contribution of national energy policies to sustainable development will be the main criterion.

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Additional information is available on the Website: www.diplomatie.fr