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Energy Facility

SUPPORT TO THE EU-AFRICA PARTNERSHIP ON INFRASTRUCTURE (€10 M)

TECHNICAL ASSISTANCE TO THE POWER POOLS AND AFUR

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EUROPEAN COMMISSION

ACP-EC ENERGY FACILITY
Power Pools and AFUR

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First Energy Facility endowed with €220M**:**

- Allocation of €198M to a Call for Proposals
- Allocation of €10M outside the Call for Proposals to finance Technical Assistance for regional activities in support to the EU-Africa Partnership on Infrastructure and the New Economic Partnership for Africa's Development (NEPAD)

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- **EU-Africa Partnership on Infrastructure**: aims at securing the interconnectivity of the Africa region and it focuses on trans-boundary, regional and national infrastructures (water, transport and energy)

- The partnership responds to the development goals set by the African Union and its New Economic Partnership for Africa's Development (NEPAD)

- **Agreement between African Union & EU** on Technical assistance in support to four African Power Pools and AFUR

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Power Pools in SSA and AFUR

- The Southern African Power Pool **(SAPP)** was created in 1995 (12 SADC countries)

- The Western African Power Pool **(WAPP)** was created in 1999 (14 ECOWAS countries)

- The Central African Power Pool **(CAPP)** was created in 2003 (11 ECCAS countries)

- The East African Power Pool **(EAPP)** was created in 2005 (7 countries + 9 utilities)

- The African Forum for Utility Regulators **(AFUR):** created in 2002 to promote regulatory harmonisation at continental level (30 utilities and regulatory bodies)

What are Power Pools?

• Two or more electricity generating systems that are interconnected and operated on a coordinated basis to achieve economies and reliability in supplying their combined loads.

What are the benefits of pooling power?

• Reduced capital and operating costs

• Improved system reliability

• Enhanced security of supply

• Expansion of generation and transmission can be coordinated

• Development of regional electricity market

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What are the main objectives of Power Pools and AFUR?

- Create reliable and competitive energy regional markets by increasing cross-border interconnections, energy trading, network reliability and security
- Facilitate investments by the private sector
- Harmonise the energy regulatory frameworks
- Ensure sustainable energy regional policies through sound economic, environmental and social practice

What are the major challenges regarding development and operation of Power Pools?

- Lack of appropriate governing structure and human resources
- Insufficient revenues to allow a full scale development of the necessary activities
- Underdeveloped transmission networks
- Inadequate generating capacity and reserve margin
- Difficulties of mobilising investment for power projects
- Lack of rules for access to the transmission grid
- Lack of regional regulation and appropriate mechanism for dispute resolution

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How the Energy Facility is supporting the Power Pools and AFUR to overcome those challenges?

Five **technical assistance projects** endowed with 10€ and covering a period of 4 years. The assistance aims at:

- Enhancing human resources capacities
- Strengthening institutional and management capacities

Main financed activities

Trainings sessions on regional energy market development

- Studies on technical matters such as price and tariff set up
- Master and strategic plans
- Conferences and workshop organisation

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Priority Actions – WAPP	Priority Actions – CAPP
• Project Management • Reinforcement of ICT Centre • Advice & training on legal basis • Advice on Administration & Finance	• Advice on network operation • Advice on development of regional market • Develop regional regulatory body • Support Pilot Programme for cross-border electrification
Priority Actions – EAPP	**Priority Actions – SAPP**
• Baseline study of Eastern Africa power market • Strategic Plan 2007-2015 • Business Plan 2007-2010	• Training on: - transmission (network operation) - environmental issues - public-private partnerships

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Thank you for your attention and interest.