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WEST AFRICA

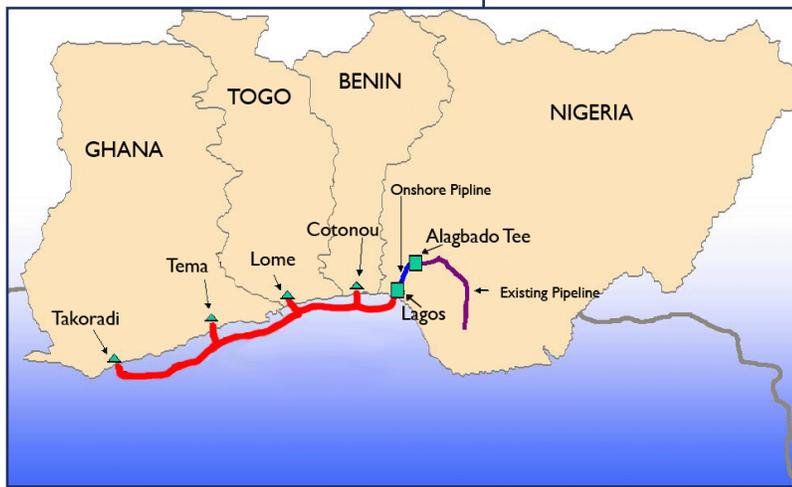
CASE STUDY

Pipeline Brings Clean, Cheap Energy

Lower pollution and fuel costs improve economic growth and quality of life

Challenge

High fuel prices, energy shortages, and environmentally damaging energy practices are common in the West African energy market. In the short term, this cuts into productivity and economic development. In the long term, this is not sustainable, neither economically nor environmentally.



Map: Nexant Corporation/Alain Rossier

Initiative

At the request of the Government of Ghana, USAID launched a technical assistance program to develop business mechanisms to build a regional natural gas pipeline. The pipeline would deliver fuel from gas fields in Nigeria to Benin, Togo, and Ghana at 50 percent of the existing

The West Africa Gas Pipeline stretches overland and underwater from Nigeria to Ghana.

cost. The pipeline project brought forth legal, economic, commercial, and cultural complexities that needed resolution before all parties could reach agreement and construction could begin. Although the pipeline idea had originated in the early 1990's, it made little headway. In 1999, USAID funded efforts to develop Build-Own-Operate Pipeline Agreements with private contractors, harmonize national rules and regulations, and foster an environment in which all four countries could cooperate in developing and regulating a commercially-built and operated cross-border gas pipeline.

“We in the region see the international gas transmission system as the cornerstone of our energy security and sustainability strategy,” said Paa Kwesi Nduom, former Ghanaian Energy Minister.

Results

What had seemed as an impossible dream will soon become reality. Construction on the West Africa Gas Pipeline started early in 2005. USAID helped the parties overcome complex hurdles to arrive at this point. These included regulatory and gas market studies, a West Africa Gas Pipeline Treaty and International Project Agreement, and final investment commitments of over \$600M. West African markets can expect to see their first gas deliveries by late 2006, which will cost 50 percent less than current gas deliveries and produce 25 percent fewer less carbon emissions than the fuel currently in use.

Telling Our Story
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