I. Project Context

Country Context

The 15 member states of the Economic Community of West African States (ECOWAS) occupy some five million square kilometers and are currently home to about 250 million people. Half of the present population lives in poverty, with per capita income barely above US$300 per year. Despite the region’s large energy endowment, the per capita consumption of electricity is among the lowest in the world with approximately 171 kWh per capita in 2010. Faced with this power system expansion challenge, ECOWAS Member States have acknowledged that past efforts to achieve national self-sufficiency in electricity supply have been uneconomical due to the high cost of establishing power generation and transmission infrastructure. They also acknowledge two major shortcomings in the region at the present time: (a) low-cost, sizeable, and complex hydro-based power plants and systems cannot be developed in the national context alone, but are key to providing low-cost electricity in a region that has among the highest electricity prices in the world, and (b) the lack of adequate transmission infrastructure (within and between national power systems) is the weakest link in the drive towards greater cooperation in power sector development.

To address these challenges ECOWAS has formed and put in place the West Africa Power Pool (WAPP) - a cooperative power pooling mechanism for integrating national power system operations into a unified regional electricity market - with the expectation that it will, over the medium to long term, assure citizens of a stable and reliable electricity supply at affordable costs.

As part of these efforts, the WAPP has established a program of priority projects for which the respective Governments have entrusted the WAPP with their preparation. In 2006 the WAPP identified the Côte d'Ivoire - Liberia - Sierra Leone -Guinea (CLSG) Interconnection Project, which aims to interconnect Liberia, Sierra Leone, and Guinea into the WAPP System, and help develop the least cost hydropower resources in these countries. The CLSG countries are among the most fragile countries in the ECOWAS region. The economic development impact of this transmission line is expected to be significant.

The wider WAPP CLSG Interconnection Project concept seeks the following outcomes:

- Provide residents of; Greater Monrovia Area in Liberia; Bo, Kenema and Western Areas in Sierra Leone; and, the Forest Region of Guinea, with improvements in power supplies in the short term.
- Pursue a regional infrastructure developmental approach that will provide over the medium to long term adequate electricity to the people in a more efficient and cost effective way, boosting economic and social development.
- Establish a regional regulatory framework for the sector that is conducive to the participation of private/strategic partners in the development of the power sector; and,
- Ensure the technical capacity, management competence and the financial viability of the institutions of the electricity sub-sector for the sustainable provision of services and specifically, the viability of those agencies that are responsible for operating an open access transmission network and associated support services that enable competitive delivery of power to consumers.

II. Sectoral and Institutional Context

The Heads of State of Côte d'Ivoire, Liberia, Sierra Leone, and Guinea (CLSG) project have entrusted the preparation of this project to the WAPP. They established the WAPP Joint Implementation Committee (JIC), which gathered representatives from all four countries' ministries in charge of energy and the power utilities. Following the adoption of the WAPP Liberia - Sierra Leone - Guinea (LSG) sub-program and the setting up of the WAPP JIC in 2007, the four countries have jointly pursued the preparation of this project, which has been considered a high priority project for the sub-region. If constructed, it would constitute the first interconnection of power systems ever among these four countries.

The WAPP JIC has overseen the preparation of the project's feasibility study, the Environmental and Social Impact Assessments (ESIAs), and the institutional studies that defined the institutional framework for the project. They have endorsed final reports and studies, as well as concepts...
for moving forward. In 2008, the WAPP endorsed the establishment of "Special Purpose Companies" (SPCs) as a major vehicle for the implementation of WAPP regional priority projects, including the WAPP CLSG Interconnection Project. An international draft treaty for the establishment of such an SPC entitled "CLSG Regional Transmission Company" has been endorsed by the CLSG Ministers in charge of energy respectively on the 5th and 18th of March 2012. The CLSG Regional Transmission Company is expected to become operational by October 2012.

III. Project Development Objectives

The project development objectives for the two sub-projects are (i) to reduce the cost of and increase the electricity supply at utility level, and to increase the export capability of Côte d’Ivoire, and (ii) to increase the technical integration of the WAPP network.

IV. Project Description

Component Name
- Component A: Power interconnection between Côte d’Ivoire, Liberia, Sierra Leone, and Guinea
  - Sub-Component A-1: Transmission and Distribution Interconnection
  - Sub-Component A-2: Substations
  - Sub-Component A-3: Supervisory Control and Data Acquisition (SCADA)
  - Sub-Component A-4: Installation and Supply of Compensation and Frequency Regulation Equipment
  - Sub-Component A-5: Implementation of the Environmental and Social Management Plan (ESMP) and the Interest During Construction
- Component B: Institutional framework and project oversight
  - Sub-Component B-1. Establishment of the Regional Transmission Company
  - Sub-Component B-2. Implementation support through the Owner’s Engineer
  - Sub-Component B-3. Audit

V. Financing (in USD Million)

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<th>For Loans/Credits/Others</th>
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<td>African Development Bank</td>
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<td>EC European Investment Bank</td>
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<td>GERMANY KREDITANSTALT FUR WIEDERAUFBAU (KFW)</td>
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<td>LOCAL BENEFICIARIES</td>
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<td>Total</td>
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VI. Implementation

Sub-project 1 will be implemented by the CLSG Regional Transmission Company. Sub-project 2 will be implemented by the WAPP.

VII. Safeguard Policies (including public consultation)

<table>
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<td>Projects in Disputed Areas OP/BP 7.60</td>
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VIII. Contact point

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