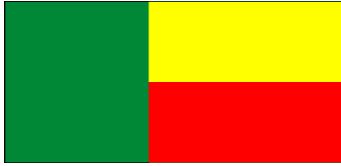




**BENIN**



**GHANA**



**NIGERIA**



**TOGO**



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## **TECHNICAL WORKSHOP ON NATURAL GAS REGULATION**

**3-5 DECEMBER 2014**

**Hyatt Regency Dar es Salaam, The Kilimanjaro  
24, Kivukoni Front  
Dar es Salaam  
Tanzania**

## **WEST AFRICAN GAS PIPELINE AUTHORITY PRESENTATION**

**By:**

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Director, Environment, Safety & External Relations***



# **OUTLINE OF THE PRESENTATION**

- 1. INTRODUCTION TO WAGPA**
- 2. WEST AFRICAN GAS PIPELINE (WAGP)**
- 3. INSTITUTIONAL FRAMEWORK**



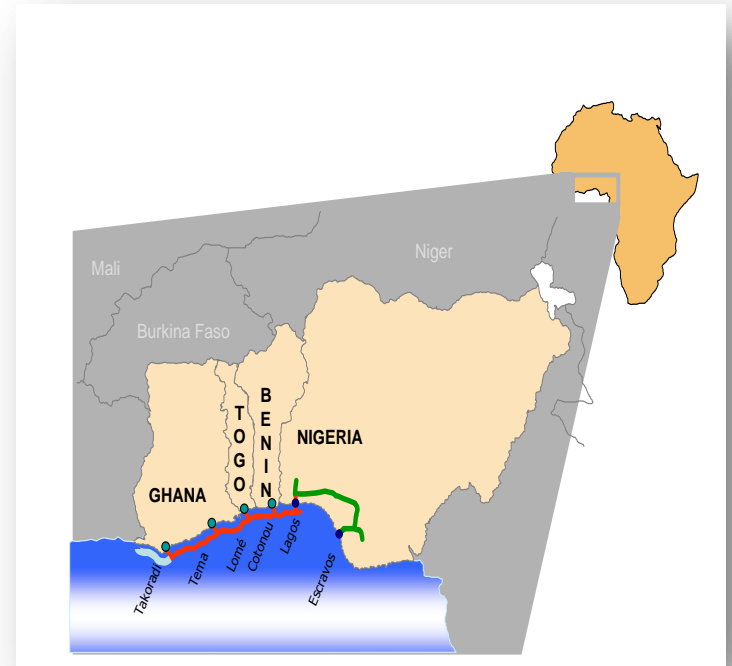
# 1. INTRODUCTION TO WAGPA

- **Establishment:** WAGPA is an international institution with legal personality and financial autonomy established by the WAGP Treaty signed on 31 January 2003 by the heads of the States Parties (Benin, Ghana, Nigeria and Togo) and witnessed by ECOWAS Commission
- **Functions :** representation, facilitation and regulatory
- **Organizational structure:** Committee of Ministers, Board of Governors and Director General
- **Location of corporate office:** Abuja (10, Zambezi Crescent, WAEC Building, 4<sup>th</sup> floor, Maitama), Nigeria



## 2. WEST AFRICAN GAS PIPELINE (WAGP)

- **Purpose:** transport Natural Gas from Nigeria to Benin, Togo and Ghana for power plants companies and heat-using industries
- **Length :** 681 km pipeline (more than 90% offshore) from Lagos (Nigeria) to Takoradi (Ghana)
- **Delivery points:** Cotonou (Benin Rep.), Lome (Togo), Tema & Takoradi (Ghana)
- **Pipeline Capacity :** Initial (2 compressors) 170 MMscf/day & Final (6 compressors) 474 MMscf /day
- **Operating Pressure:** 40-50 Barg under free flow & 140 -148 Barg when fully operational with full compression





## 2. WEST AFRICAN GAS PIPELINE (WAGP) (Continued)

- **Stakeholders (four States Parties, WAPCo, Buyers and Shippers)**
  - The four States Parties :
    - ✓ The Republic of Bénin
    - ✓ The Republic of Ghana
    - ✓ The Federal Republic of Nigeria
    - ✓ The Republic of Togo
  - West African Gas Pipeline Company (WAPCo)
    - ✓ PPP
    - ✓ Shareholders: Chevron (36.9%), NNPC (24.9%), Shell (17.9%), VRA (16.3%), Bengaz (2%) & Sotogaz (2%)
  - Buyers: Volta River Authority (VRA) and Communauté Electrique du Bénin (CEB)
    - ✓ VRA (Ghana): 123,212 MMBtu/d
    - ✓ CEB (Bénin and Togo) : 5,200 MMBtu/d for each country
  - Shippers (N-Gas)



## 2. WEST AFRICAN GAS PIPELINE (WAGP) (Continued)

### • Key dates

**1982** – ECOWAS proposes a Gas Pipeline across West Africa as a key Regional Economic Goal

**1992** – World Bank Study confirms Pipeline project viability based on ample reserves of Nigerian Natural Gas and Regional Energy Needs

**1995** – Leaders of Nigeria, Ghana, Togo and Benin sign Agreement for the Development of the West African Gas Pipeline based on Private Investment and Commercial Principles



**Jan 2003** — WAGP Treaty is signed

**May 2003** – 4 State Parties and WAPCo sign International Project Agreement for the Development of the Pipeline

**2005** – Construction of the West African Gas Pipeline (Offshore) Begins

**2006** – Onshore construction begins in Nigeria and Ghana

## 2. WEST AFRICAN GAS PIPELINE (WAGP) (Continued)



**Dec 2007** – Regulating and Metering (R&M) Station in Takoradi ready to receive uncompressed natural gas

**April 2008** – Commissioning of onshore and offshore pipeline begins with the opening of valves at Itoki inlet

**April 2009** – VRA (Ghana) generates electricity with natural gas from WAGP

**Dec 2010** – WAPCo starts full commissioning of WAGP system

**Feb 2011** – Compressed gas transported on WAGP for the first time

**Mar 2011** – Approval to Operate received from WAGPA

**Mar 2011** – WAPCo begins Commercial Operations

**July 2012** – Open Access to WAGP System



### 3. INSTITUTIONAL FRAMEWORK

- **The WAGP Treaty**

- Signed on 31 January 2003 by the Head of States of the 4 countries and ratified by their respective Parliaments;
- Establishes the harmonized legal , fiscal and commercial Regime within the 4 countries;
- Establishes the WAGP Authority as a Regional Regulatory body for transborder natural gas transmission;
  - ✓ WAGPA is supervised by a Board of Governors (BOG) and a Committee of Ministers (COM).
- Other institutions established by the Treaty
  - ✓ The WAGP Tribunal shall consist of five (5) judges. One appointed by each State Party. The fifth judge (presiding, not a citizen of one of the State Parties) shall be appointed by the President of the ECOWAS Court of Justice
  - ✓ The Fiscal Review Board shall consist of the head of the Tax Authority in each State Party (or his or her authorised representative).





### **3. INSTITUTIONAL FRAMEWORK** (Continued)

- **The International Project Agreement (IPA)**

- Signed on 22 May 2003 between WAPCo and the Governments of the 4 States Parties, witnessed by ECOWAS Commission;
- Establishes the commercial, legal, technical, economic and financial conditions for a fair & well balanced implementation of the WAGP project;
- Establishes the Tariff Methodology as well as the conditions of tariff and Access Reference Price calculation.

- **The Enabling Legislations**

- Specific WAGP legislations have been adopted in each of the 4 countries to enforce the harmonized Regime



### 3. INSTITUTIONAL FRAMEWORK (Continued)

- **The WAGP Regulations**

- Adopted by the relevant Minister in each country;
- Establish the technical and safety standards for the design, the construction, the inspection, the testing, the operation and the maintenance of the pipeline;
- Establish the guideline for the Damage Prevention Program (DPP) for both onshore and offshore;
- Establish the conditions of records and reporting by the operator and access to the facilities for the WAGP Authority;
- Establish the conditions for cathodic protection and corrosion control.



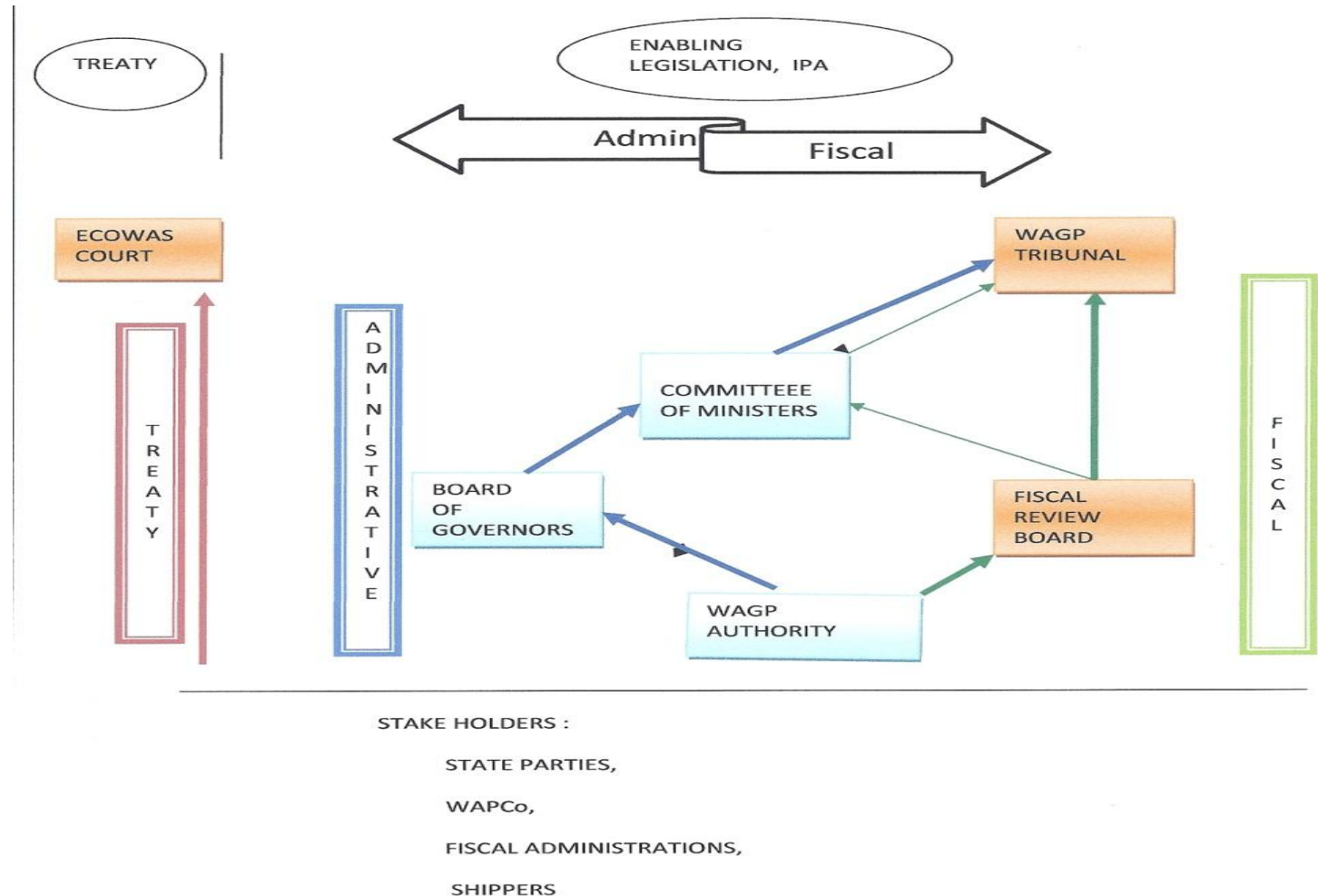
### 3. INSTITUTIONAL FRAMEWORK (Continued)

- **Other documents**

- The Pipeline Development Plan (PDP): Establishes the conditions of implementation of the initial and final developments and their respective costs;
- The Access Code: Establishes the conditions for the shippers to access WAGP and the quality of the natural gas acceptable;
- The Rule of Procedure: describes the mechanism for disputes settlement.

### 3. INSTITUTIONAL FRAMEWORK (Continued)

- ✓ Mecanism for disputes settlement





**THANK YOU!**

**QUESTIONS PLEASE?**