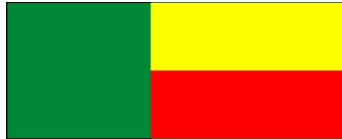




BENIN



GHANA



NIGERIA



TOGO



1

THE WEST AFRICAN GAS PIPELINE (WAGP)

GHANA GAS FORUM

Movempick Hotel Accra, Ghana, 29-30 November 2021

WAGP PROJECT

By

WAGP AUTHORITY

WAGPA or WAGP Authority : International Institution established by the WAGP Treaty to represent the 4 State Parties (Benin, Ghana, Nigeria and Togo), facilitate and regulate the WAGP.

Website: www.wagpa.org



1. Outline of the presentation

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BACKGROUND

- 1. WAGP SYSTEM TO DATE**
- 2. WAGP REGULATORY ENVIRONMENT**
- 3. WAGPA: ROLES AND FUNCTIONS**

CONCLUSION



2. Background

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- ❖ WAGP Project was conceived, among other things, to enhance the development of the ECOWAS Energy Program adopted by the Heads of States in 1982 as a key regional project to boost the West Africa countries economical development as well as promoting integration through sustainable supply of energy;
- ❖ Four States are committed in the first phase of the Project: Benin, Ghana, Nigeria and Togo;
- ❖ The Four States Parties signed a Treaty on 31 January 2003, at the sidelines of ECOWAS Heads of States meeting held in Dakar, Senegal with ECOWAS Commission as witness ;
- ❖ The Treaty creates the West African Gas Pipeline Authority (WAGPA), as an International Regulatory Authority;
- ❖ On 22 May 2003, the Four States Parties signed an International Project Agreement (IPA) with the Company; the West African Gas Pipeline Company (WAPCo) to build, Own and Operate the Pipeline System;
- ❖ The preceding slides will outline the WAGP system, its regulatory environment and the functions of WAGPA



OVERVIEW OF THE WAGP SYSTEM TO DATE



3. The WAGP System

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The WAGP consists of a pipeline system that transports natural gas from entry points to exits points to customers in Benin, Ghana, Nigeria and Togo

WAGP System comprises :

- A total pipeline length of 678 km including laterals;
- With a current Capacity of 170 MMsCF/D (East) expandable to 460 MMsCF/D (East);
- One compressor station located at Lagos Beach in Nigeria;
- Four Regulating and Metering (RM) Stations (Cotonu, Lome, Tema and Takoradi).



4. The WAGP System (Originally)

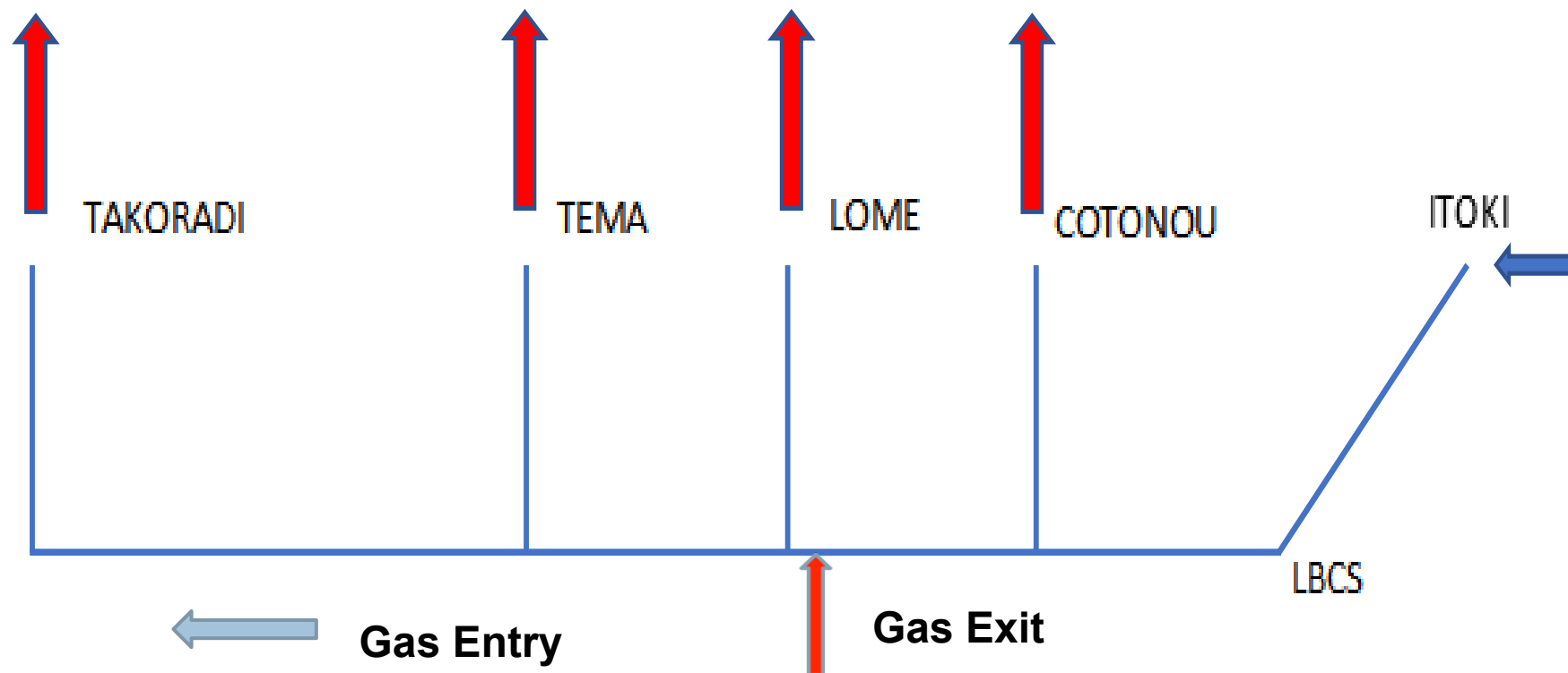




5. WAGP Network Model Until 2019

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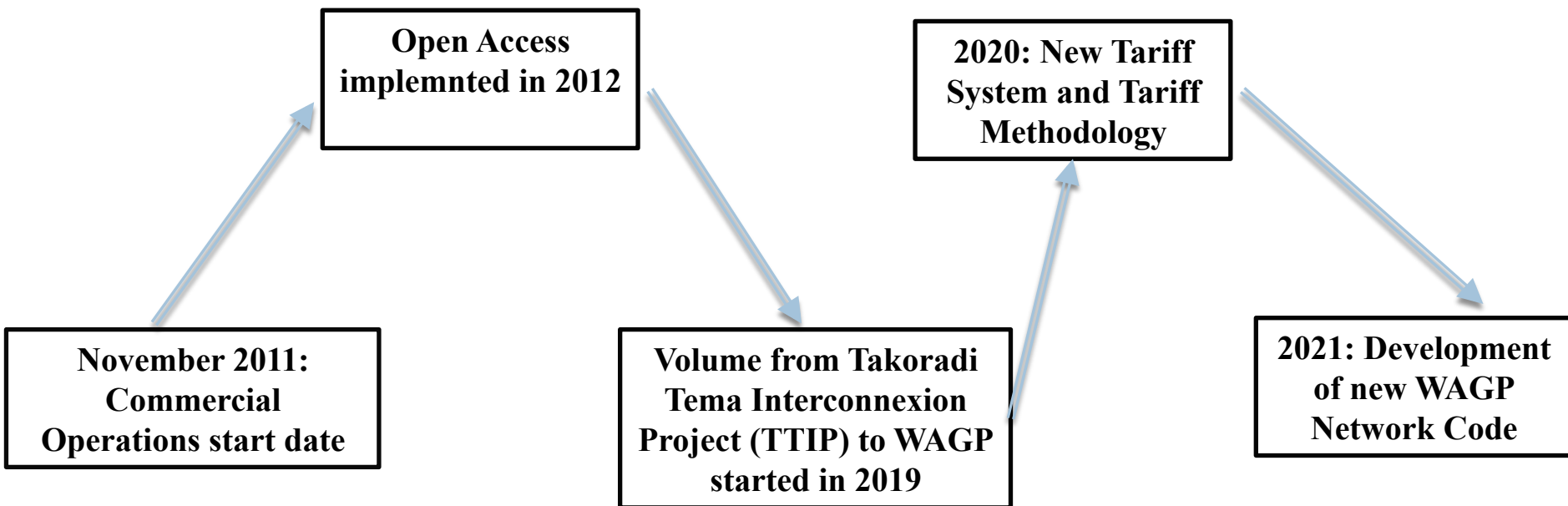
- ❖ ONE ENTRY (AT ITOKI)
 - ❖ MULTIPLE EXITS (BUYERS IN BENIN, TOGO AND GHANA)
- TARIFF SYSTEM: POSTAGE STAMP





6. Changes since 2011

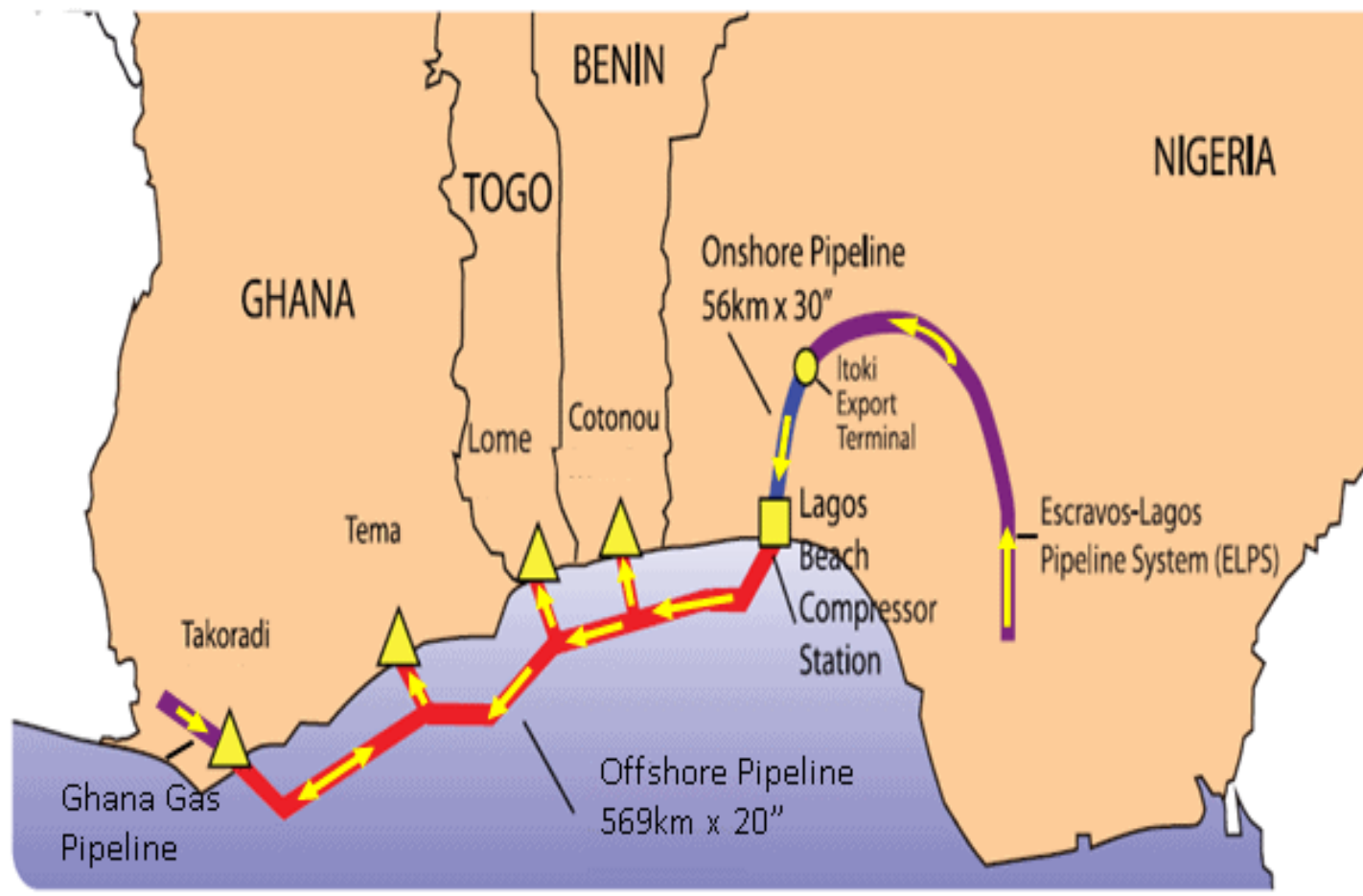
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7. WAGP Presentation since 2019

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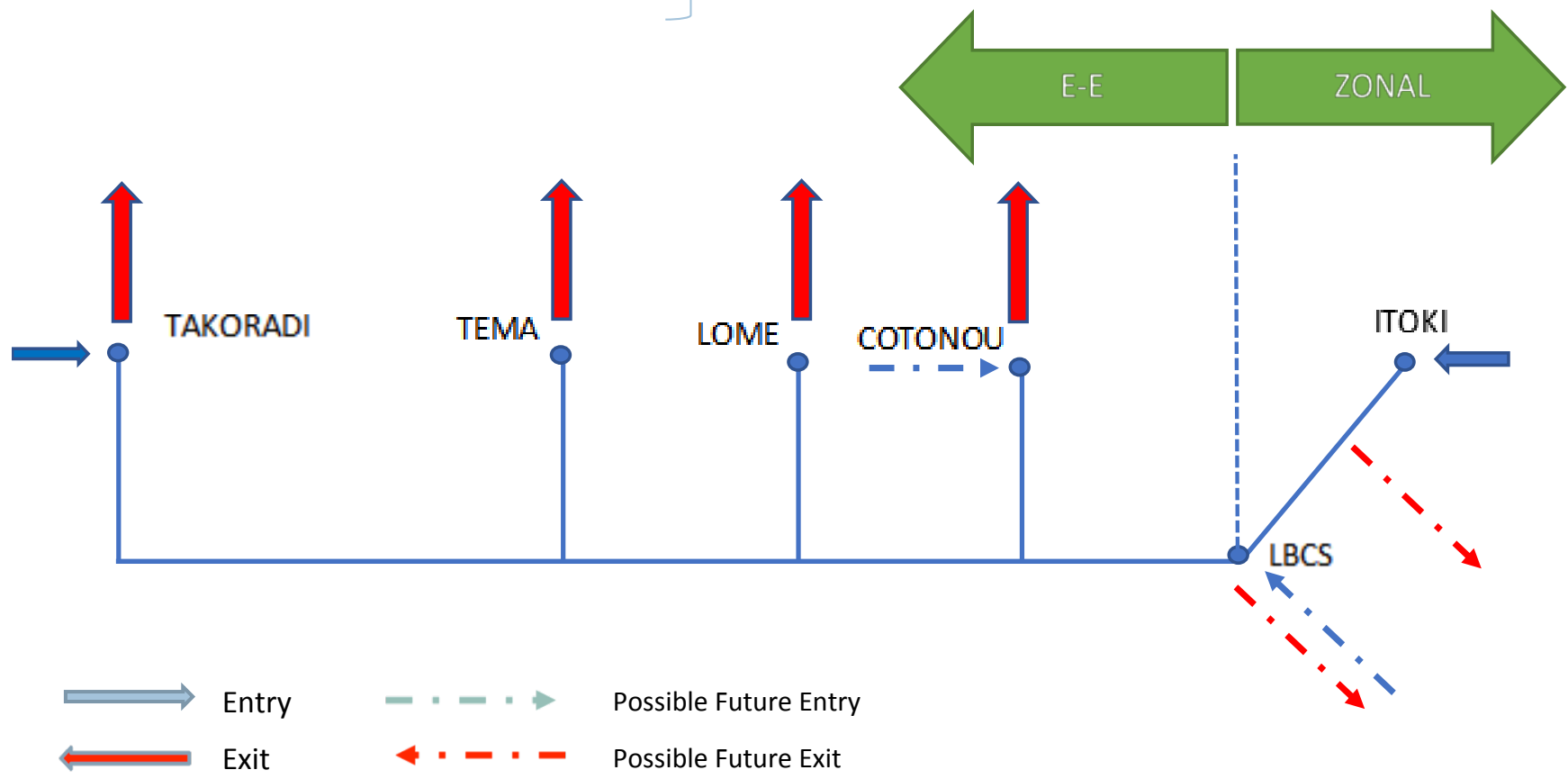




8. WAGP Network Model Since 2019

- ❖ MULTIPLE ENTRIES (IN NIGERIA, GHANA AND POSSIBLY BENIN)
- ❖ MULTIPLE EXITS (BUYERS)

CHANGE IN TARIFF SYSTEM: POSTAGE STAMP TO ENTRY-EXIT/ZONAL





WAGP REGULATORY ENVIRONMENT



9. The WAGP Project Documents

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□ Key WAGP Project Documents

- WAGP Treaty
- International Project Agreement (IPA)
- West African Gas Pipeline (or WAGP) Act passed by the Parliaments of each State Party
- WAGP Regulations
- Access Code – Soon to become WAGP Network Code
- Pipeline Development Plan
- Rules of Procedure

WAGPA is guided by all of the above in its oversight functions



9. WAGP Treaty

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1. The Treaty

- The WAGP Treaty, is the overarching document for the WAGP Project. It provides for:
 - The legal backbone and regulatory framework of the project;
 - Recognizes WAPCo as the company to build, own and operate the pipeline
 - Creates the WAGP Institutional Framework/Structures comprising a four-State Committee of Ministers (CoM), four Board of Governors, (BoG) of WAGPA, WAGP Tribunal and Fiscal Review Board and their respective roles
 - Establishes a dispute resolution framework
 - Commits to free transit of natural gas between the four countries
 - Commits parties to enter into an International Agreement to give credence to an Agreed Fiscal Regime for the project



9. International Project Agreement (IPA)

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2. The International Project Agreement (IPA)

The IPA was entered into by the States and WAPCo on the 22 May 2003

IPA is effectively the “Governor” for the WAGP Project as it establishes the Commercial and Regulatory terms of the WAGP Business

Key areas covered by the IPA are:

- Definition of the Agreed Regulatory Regime
- Agreed Fiscal Regime
- The funding of the WAGP Authority
- Outline of the WAGP Regulations
- Rules determining pipeline access
- Principles of tariff methodology
- Outline of the Pipeline Development Plan ensure WAPCo complies with its obligation of in respect of environmental impact assessment and management plan
- Guidelines on the construction, ownership, operation and maintenance of the pipeline
- Land Rights
- Rules for expansion of capacity and extension of the Pipeline
- Access Code principles
- Obligations of Company in respect of local procurement and employment
- The legislative process, including principle of harmonization of laws (Enabling Legislation)



9. Legislation

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3. WAGP Acts

They comprise one and the same document, in all material respects, and was passed into law by each of the four States. The Acts incorporate major aspects of Treaty, the Access Code in outline on the WAGP Project, financial matters comprising the Agreed Fiscal Regime and the IPA in respect of the WAGP into domestic law. The Acts constitute the Enabling Environment (EL) of the Project.

4. WAGP Regulations

WAGP Regulations set out the rules that govern the Operations and Maintenance (O&M) of the WAGP including Pipeline integrity, Damage Prevention Program (DPP) and recordkeeping for the life of the Pipeline

5. Rules of Procedure

The Rules of Procedure define the right of appeal to the Fiscal Review Board and the WAGP Tribunal against decisions, actions or inactions of the States, a State agency or the WAGP Authority.



9. The Access Code

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6. Access Code

- The Access Code covers the open access to the pipeline & transportation agreement arrangements including gas delivery points and gas quality issues:
 - ✓ Clause 26 of the IPA authorizes WAGP Authority (the Authority) and WAPCo (the Company) to negotiate the Access Code to apply to all Gas Transportation Agreements other than Foundation Gas Transportation Agreements;
 - ✓ The Foundation Gas Transportation Agreements were executed prior to the Final Investment Decision Date of the Project in 2004.
- The Access Code is administered primarily by WAPCo (the Transporter);
- The WAGP Authority exercises functions of mediation between prospective Shippers and the Transporter;
- For best practice business regulation the Authority is seeking to license all Shippers in the future. *But the Enabling WAGP Legislations adopted by each WAGP state must be amended. For now the Authority will register Shippers for administrative purpose only;*

ACCESS CODE

Near completion

WAGP NETWORK CODE



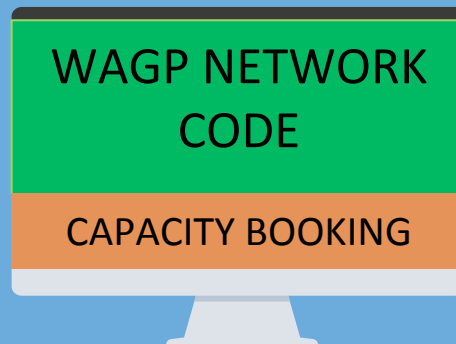
14. WAGP NETWORK CODE (WNC) : Illustration

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Access Code



**Foundation Gas
Transportation
Agreements**



**Approved Tariff
Methodology**

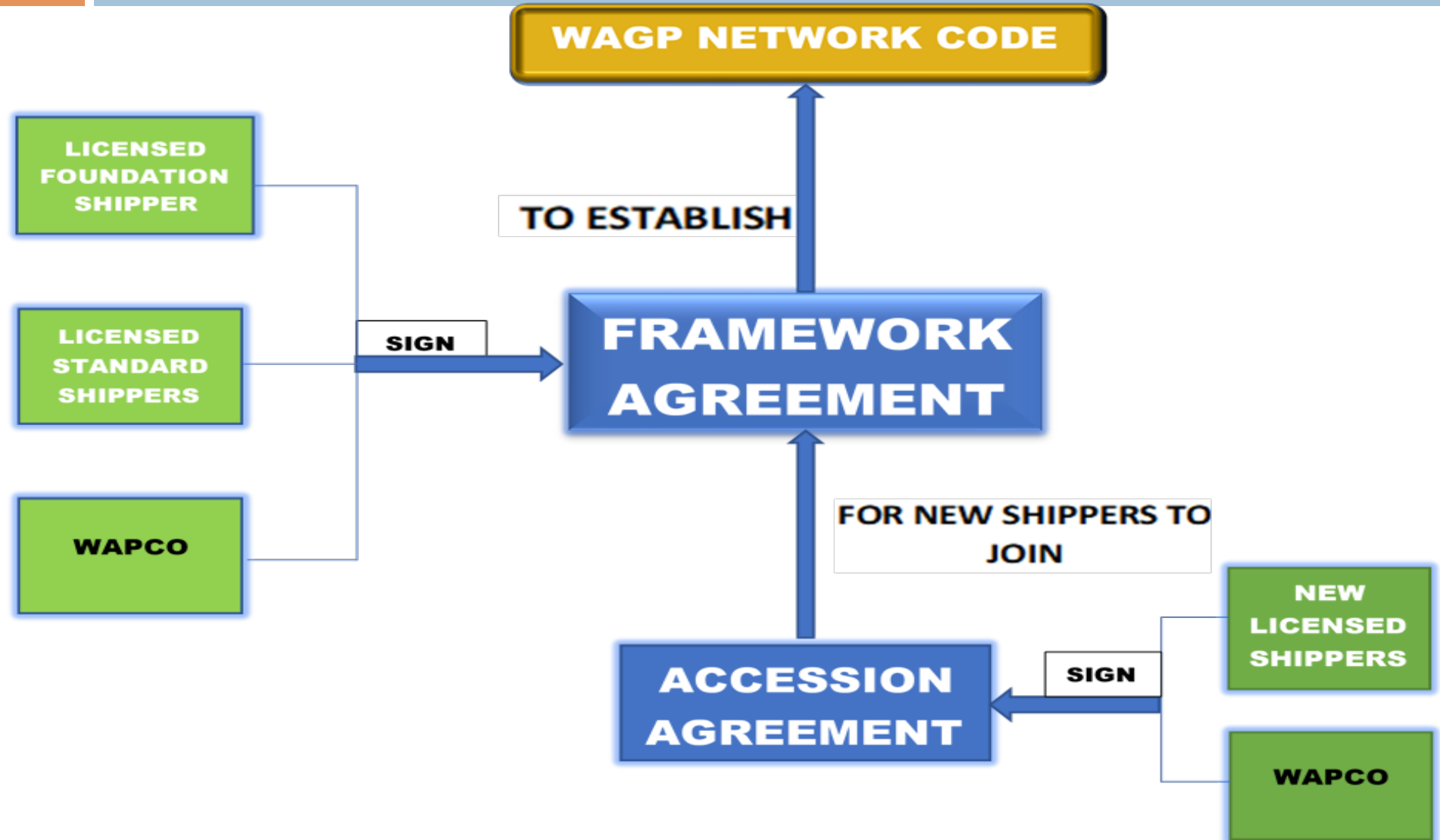


**Standard Gas Transportation
Agreements**

One LIVING document for the Management of the
WAGP



15. WNC: How Does It Work ?





WAGPA: ROLES AND FUNCTIONS



16. West African Gas Pipeline Authority

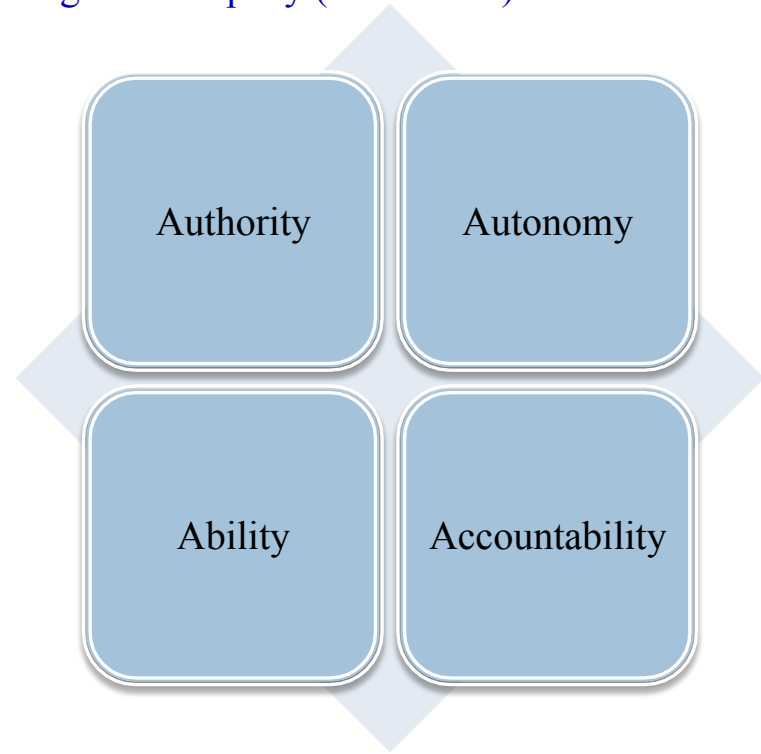
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WAGPA's Mandate

The Treaty creates WAGPA and specifies clearly three broad mandates:

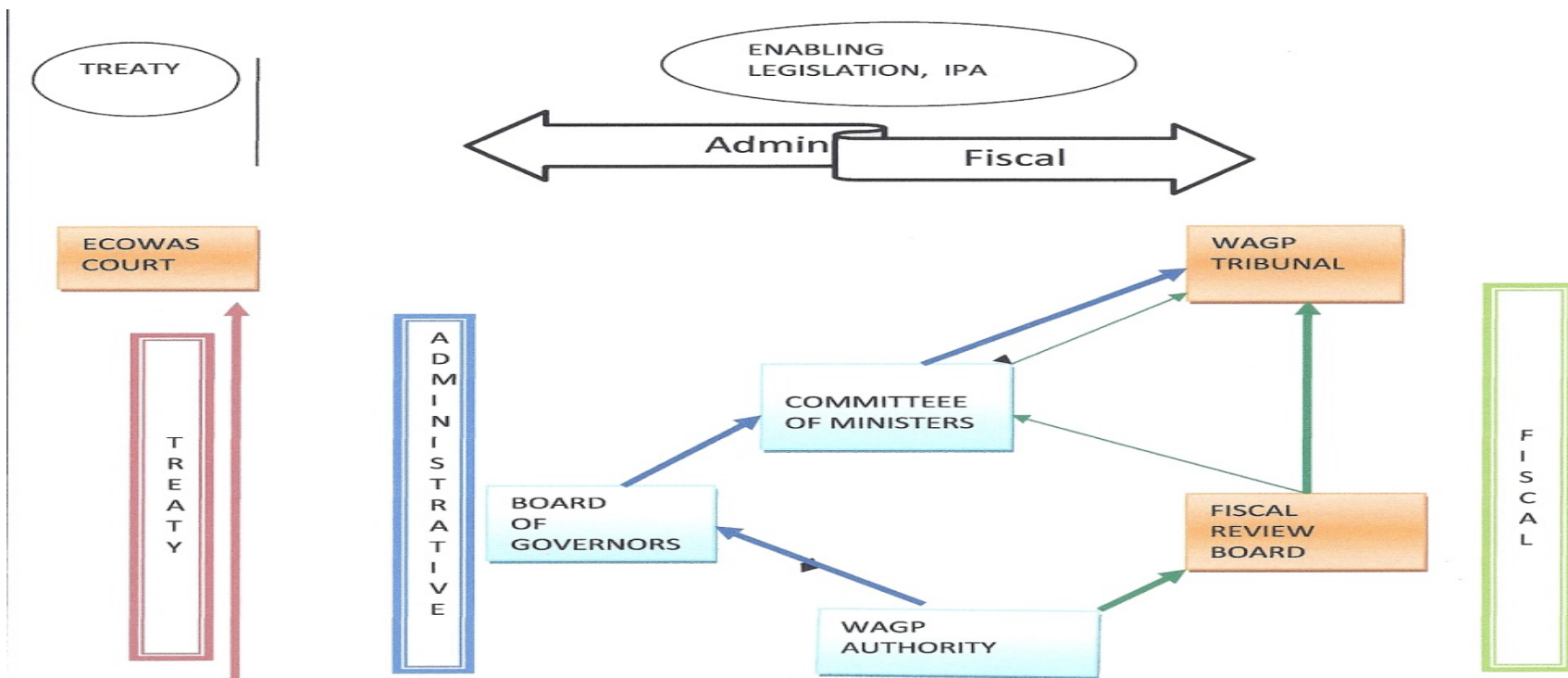
- Representation (31 functions)
- Facilitation (9 Functions)
- Regulation (5 functions), including regulating the Company (or WAPCo) and sometimes the States

And its mandate is based on four principles:



18. Representation of the Organs Responsible

Diagrammatic Representation of the Organs Responsible



STAKE HOLDERS :

- STATE PARTIES,
- WAPCo,
- FISCAL ADMINISTRATIONS,
- SHIPPERS



CONCLUSION

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- ❖ **WAGP Project is a multi States Public Private Partnership**
- ❖ **WAGP Project is dynamic and focuses on achieving its main purpose: Promoting ECOWAS regional integration and economic development through SOUND, SUSTAINABLE and FAIR Natural Gas Business;**
- ❖ **Let us all work to achieve this target.**

THANK YOU FOR YOUR ATTENTION