

# Promotion of a Climate-friendly Electricity Market in the ECOWAS Region (ProCEM II)

## Context

The expansion of the electricity market and the promotion of renewable energies (RE) and energy efficiency (EE) remain among the political priorities of the ECOWAS Commission. To meet the growing demand for energy services and achieve the goal of universal access to modern energy services, there is an urgent need to invest in the expansion and modernisation of electricity generation, transmission and distribution.

In 2022, the Economic Community of West African States (ECOWAS) 15 member states adopted the regional policy for the diffusion of green hydrogen in the ECOWAS region and the regional ECOWAS Regional Climate Strategy including an action plan (2022 - 2030). The five action points of the ECOWAS Climate Strategy in the energy sector aim to establish a framework for national policies (e.g., introduction of regional standards, harmonisation of targets).

A common electricity market enables greater cross-border electricity trading. This, in turn, increases the quality of energy supply, lowers costs and reduces investment risks.

Despite significant improvements, only small amounts of electricity are traded across borders so far. The energy sector is ill-equipped for electricity trading due to various reasons: Energy utilities still face structural deficits and lack operational performance. The full potential of renewable in the region has not yet fully exploited and staff is not yet well-qualified to actively participate in the market.

The prerequisites for a climate-friendly electricity market in the ECOWAS region are therefore still lacking at both the regional as well as national level (*core problem*).

## Objective

The programme strives to improve the institutional, technical, legal and regulatory frameworks for a climate-friendly regional electricity market.

## Approach

The implementation partners of ProCEM II are the ECOWAS specialised institutions in the energy sector: the West African Power Pool (WAPP), the ECOWAS Regional Electricity Regulatory Authority (ERERA) and the ECOWAS Center for Renewable Energy and Energy Efficiency (ECREEE).

All three institutions have a strong political mandate and are well-connected in the region.

The sustainability of the interventions is guaranteed by drafting the findings together with the partner institutions and disseminating them exclusively by those institutions. Changes are sought in strategies, policies and regulations that continue beyond the end of the module. The instruments, methods and information devised with the support of the project are also disseminated by participating project partners.

Programme name	Promotion of a Climate-friendly Electricity Market in the ECOWAS Region (ProCEM II)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Region	ECOWAS region: Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo
Lead executing agency	ECOWAS Commission
Duration	2022 – 2024

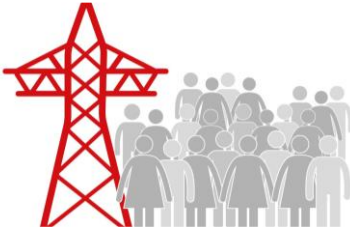


Left. to right:

High-voltage power transmission installation. ©GIZ

Target region, ECOWAS region. ©GIZ

Illustration e-forum/exchange platform for energy distribution companies in the ECOWAS region. ©GIZ/ ProCEMII



Left to right:  
Illustration regional electricity market.  
Solar PV installation.  
A trainer and a female trainee/ Training on clean energy mini grids.  
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The Capacity development strategy of the programme involves the development of capacities at the three levels: individual (technical/managerial skills of key market players), organisational (improvement of service delivery processes, new service offers) and societal (dialogue between public, private-sector and civil-society stakeholders).

## Intervention areas/ Outputs

ProCEM II focuses on four main areas:

### Operationalisation of the Regional Electricity Market

WAPP, ERERA and other key electricity market players are supported in developing and implementing the necessary instruments and processes for the operationalisation of the second phase of the regional electricity market. The developed instruments and processes are introduced and applied by the relevant institutions, leading to the improvement of the institutional, legal and regulatory framework for the operation of the regional energy trading and the integration of Renewable Energy into the grid.

Important instruments in this context are the regional transport pricing model, the market and metering grid codes, connection and planning codes.

### Strengthening of the operational performance of utilities

Interventions focus on improving the operational performance of selected energy utilities enabling them to actively participate in the regional electricity market. The energy utilities are supported to evaluate their existing deficits, develop a regional strategy for leveraging their technical and economic potentials and take measures to improve their operational performance based on specific actions plans. In this way energy utilities are accompanied to be perceived as reliable business partners in the regional energy market.

### Improvement of the framework conditions for the expansion of renewable energy including Battery Energy Storage Systems

Relevant regional and national partner institutions are supported to develop key instruments aiming at improving the **technical, legal and regulatory frameworks for expanding RE** power plants and grid-connected **Battery Energy Storage Systems (BESS)**.

The introduction and application of such instruments thus assure the climate-friendly and socially responsible expansion of renewable energy power plants and BESS in accordance with international standards.

The key activities under this component are on the one hand, the implementation of the *West Africa Clean Energy Corridor (WACEC)* program, including its integrated capacity development program and, at the other hand, the development of least cost investment plan and regulatory frameworks for BESS deployment in the WAPP interconnected grid.

### Improvement of the capacity building offer for the implementation of the regional electricity market

WAPP's **network of regional Centres of Excellence** and other regional training institutions are strengthened to develop and implement high quality and practice-oriented technical and non-technical (online) training courses for the energy actors in the ECOWAS region. The technical and methodological-didactic competences of selected trainer staff are perfected in special train-the-trainer courses.

The actors benefitting from these courses will be able to effectively and efficiently handle the electricity market and implement RE / EE projects.

Gender mainstreaming and the consequent consideration of female trainers and female professionals in the training courses are integral parts of the programme (e.g. *development of a brief manual for gender assessment in grid-connected renewable energy projects*).

Further main activities are the implementation of the *ECOWAS Certification for Sustainable Energy Skills* in collaboration with ECREEE and selected examination and training centres and the operationalisation of the WACEC program in cooperation with the *African Development Bank*.

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