A SMART DEVELOPMENT INITIATIVE FOR ENERGY SECTOR GOVERNANCE: AFRICA

The CEE currently holds a five-year cooperative agreement with USAID, a “smart development” initiative to improve energy sector governance in a variety of geographic locations. Africa is the principle region of interest, and Ghana is the focus country at present.

The CEE began work in Ghana in 2003 (through its previous affiliation with the University of Houston). Accomplishments thus far include:

• Launching the Resource Center for Energy Economics and Regulation (RCEER);
• Production of technical assistance materials designed to support key stakeholders (the Public Utilities Regulatory Commission or PURC; Ministry of Energy or MoE; Energy Commission or EC) initiatives in petroleum product deregulation, electric power restructuring and expansion, and natural gas framework development; and
• Production of public information materials to address consumer issues and access (Guide to Electric Power in Ghana, emerging guide to natural gas) and associated public information workshops and events.

As a team, the CEE-UT has roughly 12 years of experience in international energy sector restructuring and development assistance through USAID funded contracts and other mechanisms. The team’s and member professionals’ geographic experience ranges from Central Asia and Turkey to Latin America, South Asia, and now Africa. Through its base at the Bureau of Economic Geology, the team has access to additional expertise and resources throughout the UT-Austin community and UT system. Finally, CEE-UT maintains a large and active network of international energy company donors and experts as well as individual and institutional collaborators at government and university organizations worldwide.

Expanding the Scope to West Africa

Under development is an expanded scope of work for CEE that would center on regional natural gas utilization following operation of the West Africa Gas Pipeline (WAGP). CEE will integrate these activities with other key programs like our research and public education consortium on liquefied natural gas (LNG) and the New Era in Oil, Gas & Power Value Creation training deck in order to optimize synergies and build appropriate regional linkages and networks.

• Improvements in policy and regulatory frameworks for private sector-led trade and investment in infrastructure primarily in Ghana and Nigeria but also in Benin and Togo to encourage and enable the development of a natural gas market place. This includes access to domestic as well as imported natural gas resources and energy sector governance that incorporates both the need for investor protection and mechanisms for balancing investor and public interests.
• Expansion of the existing RCEER, created to support improved energy sector governance and capacity building in Ghana, into a regional center of excellence that can funnel technical assistance and capacity building initiatives throughout USAID’s West Africa Regional Program (WARP) area. CEE-UT is evaluating various approaches and scenarios for implementing this transition, including potential restructuring and re-organization of the existing RCEER.

• Establishment of standards and managerial competence of necessary public sector companies and institutions as well as private sector enterprises to support a variety of natural gas applications in the WARP area.

• Strategic outreach activities to inform the public, especially key stakeholders such as large commercial and industrial customers, of available natural gas end-uses, safety, and associated benefits.

• Collaboration with the National Association for Regulatory Utility Commissioners (NARUC) for specific regulatory partnership and capacity building activities for national and regional regulators.

Private and public sector donor and resource partners are invited to match USAID support. Potential private sector support may derive from the WAGP owners and operators who have a commercial interest in expanding natural gas trade in the West Africa region (participation may be provided through either operating units or corporate foundations). Other potential matching resource may derive from private sector interests, foundations, nongovernmental institutions, or other organizations with key interests in the region. For more information on how you can become involved, contact Dr. Michelle Michot Foss, Chief Energy Economist and Head of CEE, energyecon@beg.utexas.edu.