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ECONOMIC COMMISSION FOR AFRICA

**Intergovernmental meeting of African
Gas Transportation Experts**

**Ota, Ogun State, Nigeria
16-18 September 1992**

**FINAL REPORT
OF THE INTERGOVERNMENTAL MEETING OF AFRICAN
GAS TRANSPORTATION EXPERTS**

I. INTRODUCTION

1. The Intergovernmental meeting of African Gas Transportation Experts was held from 16 to 18 September 1992 at the Gateway Hotel, Ota, Ogun State, Nigeria. It was organised by the United Nations Economic Commission for Africa (ECA) in cooperation with the Federal Ministry of Transport and Communications and the Federal Ministry of Petroleum and Mineral Resources of Nigeria.

II. ATTENDANCE

2. The meeting was attended by representatives of the following member States: Algeria, Burundi, the Central African Republic, the Gambia, Guinea, Kenya, Liberia, Mali, Mauritania, Morocco, the Niger, Nigeria, Uganda, Rwanda, Senegal, the United Republic of Tanzania and Tunisia.

3. Also attending the meeting was representative of the research consulting firm Posch and Partners Consulting Engineers and Darsh Consult.

4. The list of participants is attached as annex to the reports.

III. ACCOUNT OF PROCEEDINGS

(Agenda item 1) Opening of the Meeting

5. As the Minister of Transport of Nigeria was unable to attend the meeting owing to prior commitments a member of the Nigerian delegation welcomed participants to the meeting, and declared the Intergovernmental meeting of African Gas Transportation Experts open.

6. A member of the ECA secretariat then made a statement on behalf of Mr. Layashi Yaker, United Nations Under-Secretary-General and Executive Secretary of the Economic Commission for Africa welcoming the participants.

7. He recalled that by its resolution ECA/UNTACDA/Res.83/28, adopted in Cairo in March 1983, the Conference of African Ministers of Transport, Communications and Planning requested ECA to carry out a study on "the design of a network of gas pipelines for marketing African natural gas".

8. A pre-feasibility study on that project had been commissioned by ECA and executed. The final report of the study had been transmitted to member States in 1991 for their comments and follow-up.

9. According to the report, the proven natural gas reserves in Africa were estimated at more than 7,000 billion cubic metres, but had generally been very little exploited.

10. He reckoned that given the vast gas reserves of the continent, if the necessary technical and financial support was available, Africa could enhance its utilization facilities and improve its distribution system and marketing management of natural gas in order to meet partially or totally the natural gas demand of African countries and consolidate its position on the international market.

11. Underscoring the advantages of intensifying natural gas exploitation and distribution in Africa, the speaker indicated that the project would provide potential natural gas producing countries in Africa with a means of selling their gas products on the foreign market, and all other things being equal, a means of making profit, while the consumer countries would have a market where they could obtain gas to meet their energy and other needs.

12. Implementation of the gas pipelines project in Africa would enable gas-producing countries to make savings on the foreign exchange which they were currently spending to import gas and other energy materials.

13. Increasing the production of African natural gas would certainly promote its use in Africa, and this would indirectly protect the environment against destruction caused by pollution and/or deforestation resulting from the use of wood for various purposes.

14. For the development natural gas production in Africa to have a genuine stimulating effect, it was absolutely necessary to establish efficient systems for transporting the gas to the consumption centres.

15. Indeed, a well-designed system of gas pipelines network would help to expand the export market and at the same time facilitate supply to potential African natural gas consumers along the route of the pipelines.

16. The representative of the secretariat then recalled the main conclusions and recommendations of the pre-feasibility study on the design of a network of gas pipelines and an integrated communications system for marketing African natural gas. He drew the attention of the participants to the task ahead of them namely consideration of the report of the study, particularly its conclusions and recommendations, in order to establish its relevance and to give specific directions regarding follow-up actions to be taken with the ultimate aim of providing the continent with a reliable network for producing and distributing natural gas.

17. He finally informed the participants that the recommendations that would result from their work would be submitted to the

Conference of African Ministers of Transport, Communications and Planning at its ninth meeting scheduled for March 1993.

(Agenda item 2) Election of officers

18. The meeting elected the following officers:

Chairman -	Nigeria
Vice-Chairman	Algeria
Rapporteur	Kenya and Senegal

(Agenda item 3) Adoption of the agenda and organisation of work

19. The meeting adopted the following agenda after amendment:

1. Opening of the meeting;
2. Election of officers;
3. Adoption of the agenda and organization of work;
4. Report by ECA on the background of the study and on its main conclusions and recommendations;
5. Consideration of the main conclusions and recommendations of the study;
6. Adoption of the report of the meeting and the recommendations made;
7. Closure of the meeting.

Agenda item 4) ECA's report on the background of the study on the main Conclusions and Recommendations

20. A member of the secretariat introduced document TRANSCOM/566 on the background of the study on the design of a network of gas pipelines and an integrated communications system for marketing African natural gas. In his presentation, he indicated that apart from sending the final report to African member States to secure their views, ECA had organized and fielded sensitization missions to a number of its member States. The document summarizing the comments made by those member States on the said study, namely document TRANSCOM/585 that had been submitted to participants, could help them to recommend appropriate follow-up to the project.

21. The debates and exchange of views following this presentation centred on consideration of the approach proposed for carrying out the study and on its conclusions and recommendations.

(Agenda item 5) Consideration of the report of the study

22. The following points emerged from the debates and exchange of views:

(a) The study had taken greater account of the objective of exporting African gas to Europe in order to maximise the economic profitability of the trans-African gas pipeline than that of marketing it within the African continent;

(b) The study neither took sufficient account of the local and subregional markets nor of the specific objectives concerning desertification control, environmental protection and reduction of the oil bill of African countries;

(c) The study was silent on the fact that some countries had limited gas reserves, but had already embarked on their

exploitation at the small-scale level in order to replace some of the fuel oil used in industry or for electricity production;

(d) The route of the trans-Saharan pipeline should take account of the concerns of the other countries in the subregion which are potential consumers of national gas, while ensuring the economic profitability of the entire project.

(e) The study on the design of a trans-Saharan gas pipeline should be updated to include changes that had taken place on the West European gas market since 1989.

(f) The profitability rate of the trans-Saharan gas pipeline project, initially estimated at about 18.5 per cent, should be reviewed in light of the possibilities offered by the plans to expand the TRANSMED gas pipeline and the Maghreb-Europe pipeline via Morocco and the Strait of Gibraltar. /

23. On the whole, the report was considered to be a good one given the difficulties often experienced in collecting the reliable data to conduct such a study. However, the study needed to be updated by harmonising the projects approved and those identified by regional and subregional economic institutions or groupings.

24. Concerning the Trans-Sahara gas pipeline project, the meeting took note of the declaration by the delegation of Nigeria which is quoted below:

"For the moment, Nigeria is fully committed to its LNG project. However, Nigeria is not against further studies on the Trans-Sahara gas pipeline network."

25. In view of the position of the Nigerian delegation the meeting could not make any recommendation on the follow-up of this project.

(Agenda item 6) Adoption of the report of the meeting and the recommendation made

26. The meeting made a number of recommendations to be submitted to the Conference of African Ministers of Transport, Communications and Planning at this meeting in March 1993. (see Annex 1 of the report).

27. Finally, the meeting adopted the report after some amendments.

28. The Intergovernmental meeting of African Gas Transportation Experts was declared closed on 18 September 1992 at 4.00 p.m.

Recommendations of the meeting

(a) Recommendation to all African Governments

Having noted the importance of the exploitation and use of natural gas as a viable alternative to the existing sources of energy i.e. fossil fuels and firewood, the meeting recommended to all African Governments to encourage gas prospecting, production and transportation within their countries. This would make it possible to determine the level of exploitation and investments required to link up and integrate the various gas pipelines for the benefit of the whole continent. This approach would facilitate the establishment of viable linkages between local consumers and suppliers.

(b) Recommendation on the Tanzania-Kenya Gas distribution/utilization network

After noting the position of the representatives of Kenya and Tanzania, the meeting recommended that a detailed feasibility study on a gas distribution utilization network covering Kenya, Tanzania, Uganda and any other interested country in the region should be conducted.

The study should take account of existing development programmes in the PTA subregion.

(c) Recommendation on the Mozambique-Zimbabwe Gas distribution/utilization network

The meeting noted that the proposed detailed feasibility study was in keeping with the desire of the countries concerned to

develop and use the available quantities of natural gas within the region. However, owing to the absence of representatives from the two countries, the meeting was unable to consider all the procedural aspects of the implementation and location of the projects from the point of view of the national interest of the two countries. As such, it was recommended that consideration of the study on the project should be continued within the framework of the Preferential Trade Area (PTA).

(D) Recommendation on the Ethiopian Gas distribution/utilization network

The meeting noted the importance of this project given the considerable impact that such projects could have in alleviating environmental degradation. However, it was observed that the Government of Ethiopia should be requested to declare the level of priority it was according to the project and to decide whether the feasibility study should be started or not. In the event of the Ethiopian Government deciding to carry on with the project, it would be necessary for it to liaise closely with the regional economic entity i.e. the Preferential Trade Area (PTA). The meeting made the above recommendation after noting the absence of the Ethiopian delegation.

ECONOMIC COMMISSION FOR AFRICA

COMMISSION ECONOMIQUE POUR

Intergovernmental Meeting of
African Gas Transportation Experts

Réunion intergouvernementale
des experts africains
transport du gaz

16-18 September 1992,
Ota, Ogun State (Nigeria)

16-18 septembre, 1992
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LIST OF PARTICIPANTS/LIST DES PARTICIPANTES

ALGERIA

Mr. Abderrahim Abdelhafid
Directeur, Division Etude et Développement
SONATRACH
Sedi Arcine BP 54
EC Harrach
Algers
Algerie

BURUNDI

Mr. Nakumuryango Terence
Ministry Advisor
Ministère des transport
BP 2000 Bujumbura
Fax: 26 900 Bujumbura
Tel. 22 5991

REP. CENTRAFRICAINE

Mr. Bissengue Gobert
Secrétaire General du Transporte
B.P 941
Bangui
Rep. Centrafricaine

THE GAMBIA

Mr. Whyte William
Chief Geologist
Geological Unit
12 Marina Parade
Banjul
The Gambia

GUINEE

Mr. Ibrahim Sory Soumah
Ambassade de Guinée
BP 1190
Addis Abéba
Ethiopie

KENYA

Mr. Nzuki Solomon Mwanja
Transport Economist
Ministry of Transport & Communications
P. O. Box 52692
Nairobi
Kenya

LIBERIA

Mr. Abednego B-GO Dahuri
Deputy Managing Director, Operations
Liberian Petroleum Refining Company
P. O. Boxes 10-0090,
1000 Monrovia 10
Liberia

MALI

Mr. Coulibaly Abdrahamane
Chargé d'Etudes
Direction Nationale des Transport
B.P. 78
Tlx. NALITRA 2520 MJ
Bamako
Mali

MAROC

Mr. Sennoune Mohamed
Chef de service de distribution
5 Avenue Tadla N 5, Rabat
Maroc

MAURITANIA

Mr. Abderrahaman Ould Bobo
Chief, Maritime Transport Division
Ministry of Fisheries
Nouakchott
Mauritania

NIGER

Mr. Bougabar Nalado Idi
Direction de l'Energie
DE/MME
BP 11700
Niamey
Niger

NIGERIA

Mrs. Gladys R. Okungbowa
Deputy Director (TCI)
Federal Ministry of Transport
and Communications
1, Joseph Street
Lagos
Nigeria

Mrs. M. Salahu
Federal Ministry of Petroleum &
Mineral Resources
Federal Secretariat
Ikoyi
Lagos, Nigeria

Mr. F.O. Akintimehin
Nigerian Gas Company
Fed. Ministry of Transport &
Communications
Lagos, Nigeria

Mr. M. O. Ighile
 Mrs. Jokotoye
 Mr. A. K. Opatola
 Mr. T.O.A. Awodipe
 Fed. Min. of Transport &
 Communications
 Lagos, Nigeria

RWANDA

Mr. Bugabo Aloys
 Attache
 La Direction des Transport
 Ministransco
 BP 720
 Kigali, Rwanda

SENEGAL

Mr. Bodian Idrissa
 Chef Bureau Exploration, Production
 Petroliere
 Direction Energie, Mines et Geologie
 Dakar
 Senegal

TANZANIA

Mr. Wapalila Erasto Senegula
 Planning Officer
 P. O. Box 9144
 Telex: 81100 COMTRA T2
 Telephone: 22445
 Arusha
 Tanzania

TUNISIE

Mr. Ben Salah Jonaa
 Directeur Due Gaz
 3, Rue Kabadou
 1005 El Onrane
 Tunis
 Tunisie

Mr. Slah Jebali
 Directeur General Adjoint
 SOTUGAT Immeuble Saadi
 2080 Tunis
 Tunisie

UGANDA

Mr. Tumusiime Enos K.
Secretary
P. O. Box 7150
Kampala
Uganda

ECA SECRETARIAT

Mr. P. Chechekhin
EAO, TCTD

Mr. C. Miraruro
Economist, TCTD

Mr. B. Saint-Roch
EAO, IHSD

Mr. P. Niyimbona
Advisor, NRD

Mr. E. Nwukor
English Translator

Mr. A. Naoual
French Translator

Ms. Yeshi Kibite
Secretary
Economic Commission for Africa
Addis Ababa, Ethiopia

OBSERVER

Mr. Hannes Posch
Managing Director
A-6170 Innsbruck
Austria