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|------------------------------------|--|-------------------------------------|-------------------------------------|--------------------------|
| | Reduction of Inequalities (methodology for marker and tagging under development) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Covid-19 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| BUDGET INFORMATION | | | | |
| 12. Amounts concerned | Budget line(s) (article, item): BGUE-B2022-14.020120-C1-INTPA Total estimated cost: EUR 34 250 000 Total amount of EU budget contribution EUR 15 950 000 ¹ . This action is co-financed in joint co-financing by: France (Agence Française de Développement (AFD) for an amount of EUR 18 300 000 The Action contributes to the TEI on Smart, Green and digital recovery in Ghana, to which the Czech Republic, Denmark, France, Germany, Hungary, Spain, The Netherlands as well as the European Investment Bank participate, for a total grand amount of circa 800-850 MEUR. | | | |
| MANAGEMENT AND IMPLEMENTATION | | | | |
| 13. Type of financing ² | This contribution to the Regional Blending Platform shall be implemented in indirect management by the entities indicated in the annex to this Action Document, in accordance with the Regional Blending Facility Platform’s award procedure. | | | |

1.2 Summary of the Action

The proposed action contributes to the *Priority Area 1* of the Joint Programming Document *Green growth for jobs*, and aims to achieve the *Specific objective 4: Support Ghana's energy transition* and related Result 4.1: Energy efficiency in buildings, and in transmission/distribution network is increased and Result 4.2: Access to electricity from renewable sources is increased.

The action supports the Volta River Authority group (a state-owned energy utility of which the Northern Electricity Distribution Company – NEDCo - is a subsidiary) to improve its efficiency and strengthen the network in northern Ghana, to further support integration of Renewable Energies in the mix. It will be done in collaboration with AFD and the EIB and will complement the activities previously managed by them to refurbish the Kpong hydroelectric production pole, and allow the modernisation and digitalisation of the distribution network in and around the city of Tamale, along the Ghana – Burkina Faso 330KV interconnection (also supported by the EU/AFD/EIB).

While Ghana benefits of a rate of electrification of 85% of the population, this has important geographic disparities: in the three Northern regions, 70% of the population have access to a largely unreliable electricity supply, with old and low-tension distribution lines. Electricity generation, mainly localised in the south of the country, is largely thermal (69%) and hydro (29.9%) with negligible solar production (1%).

The energy sector is currently characterised by overcapacity, financial unsustainability, and obsolete infrastructure, with technical and commercial losses of more than 35%. World Bank (WB) and Kreditanstalt für Wiederaufbau (KfW) are supporting the “Energy Sector Recovery Plan”, a roadmap of immediate, near-term, and medium-term actions needed to bring the sector into balance by the end of 2023. In the absence of new investments, EU efforts focus therefore on improving technical and commercial efficiency, rebalancing the infrastructural gap existing between the south and the north of the country.

The action contributes primarily to climate change mitigation and to economic growth in the north (Overall Objective/Impact) by fostering energy efficiency, access to energy and decreasing technical and commercial losses. The following results (outputs) are foreseen:

¹ This action contributes to the TEI on Smart, Green and digital recovery in Ghana and is co-financed in a team Europe spirit. The additional indicative contributions from the AFD is EUR 18.3 million to the Strategic Objective 1 of this Action. In addition, the will contribute EIB EUR 45 million and KfW possibly EUR 30 million (pending parliamentary approval for the 2023 budget). The contributions of EIB and KfW will be done in parallel under separate arrangements. All these contributions mutually reinforce each other.

² Art. 27 NDICI