Signing of Japanese ODA Loan with the Republic of Cameroon

- Project to Strengthen and Extend the Electricity Transmission and Distribution Networks -
- 1. On March 4, the Japan International Cooperation Agency (JICA) signed an agreement with the Government of Cameroon in the capital of Yaoundé to provide a loan of up to 2.939 billion yen for assistance for the Project to Strengthen and Extend the Electricity Transmission and Distribution Networks.
- 2. Under this project, electrical substations, medium- and high-voltage transmission lines and other electricity distribution infrastructures will be put into place in eight targeted provinces of the Republic of Cameroon. This will strengthen the capacity to transmit electrical power and improve electrical services for households and other locations without power, stimulating socioeconomic activities and improving the standard of living for residents, which are both objectives of this project.
- 3. The Republic of Cameroon has large-scale resources for producing hydroelectricity. The country is estimated to be the second largest potential source of hydropower capable of development in Africa at 20 gigawatts, of which only about 5 percent is now being utilized. Low-level capacity and poor reliability of the electricity supply are major issues because of aging power distribution facilities including transmission networks. As a result, the electrification rate in the Republic of Cameroon is only 22 percent nationwide, and as low as a mere 3.5 percent in some regional areas, which is a major impediment to solving poverty in agricultural areas.



Signing Ceremony

- 4. The government of the Republic of Cameroon has formulated a Document for Growth and Employment (DSCE for its French acronym) in 2009, which followed a Poverty Reduction Strategy Paper, and also has prioritized the energy sector in its 10-year strategy starting in 2010 as a key for economic growth and attracting investment. Under these conditions, the government has set the objectives of raising the overall domestic electrification rate to 48 percent and the regional rate to 10 percent by 2020, aiming to electrify 660 agricultural villages by connecting to existing transmission networks, as well as restoring and installing diesel power facilities and small hydroelectric facilities through priority investment planning for rural regions. This project is positioned to contribute to those objectives. The electrification of agricultural areas will lessen the use of fuel wood forests, which is expected to contribute to the reduction of greenhouse gas emissions.
- 5. JICA previously provided assistance to Cameroon in the road sector with the Transport Facilitation Program for the Bemenda-Mamfe-Ekok/Mfum-Abakaliki-Enugu Corridor (a Japanese ODA loan with an approved amount of 4.54 billion yen, signed in March 2009), and has a policy of providing effective assistance to Cameroon toward sustainable economic growth.

Related Link

Project Map (PDF/413KB)

Reference

1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period	Deferment	
		Project	Consulting services	(years)	period (years)	Procurement
the Project to Strengthen and Extend the Electricity Transmission and Distribution Networks	2,939	0.30 ^[1]	_[2]	40	10	General untied ^[3]

- [1] Climate change Japanese ODA Loan
- [2] This project will be implemented by the African Development Bank (AfDB), which will provide co-financing for the loan.
- [3] To be implemented according to AfDB procurement rules.

2. Project Summaries

the Project to Strengthen and Extend the Electricity Transmission and Distribution Networks

Executing Agency

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Planned Implementation Schedule

- (i) Completion of project: May 2014 when the facilities are put into service
- (ii) Issuing of letters of invitation for consulting services (including detailed design work): November 2010 (already sent)
- (iii) Tender announcement of initial procurement package for international competitive bidding on project construction: June 2011

