



ELECTRICITY COMPANY OF GHANA LTD.

***LOCAL CONTENT
DEVELOPMENT IN GHANA;
THE JOURNEY SO FAR***

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OUTLINE OF PRESENTATION

- Introduction
- ECG Local Content Policy
- Opportunity For Local Content
- Development Within The Power Sector
- Implication For Local Content
- Conclusion



1. Introduction

This presentation seeks to highlight

- a. ECG's Local Content Policy
- b. Opportunities & development within the Power Sector and its implications for Local Contents



Electricity Company Of Ghana

- The Electricity Company of Ghana (ECG) is an electricity distribution company that is wholly owned by the state of Ghana. ECG operates in the Southern part of the country
- The mandate of ECG is to supply quality, reliable and safe electricity services to support economic growth and development of Ghana.
- ECG over the last two decades through very progressive procurement practices has supported local manufacturers by patronizing the products from these companies.



ECG Local Content Policy

- ECG is guided by its Local Content Policy in the procurement of goods, works and services.
- The policy covers :
 - Local manufacturers of materials, equipment/accessories produced locally and used by ECG
 - Electrical contractors, service providers and vendors

ECG Local Content Policy

The ECG Local Content Policy Seeks

- To Stimulate the participation of Ghanaians in the value addition process in electricity distribution.
- To facilitate the creation of complementary industries that will help sustain electricity distribution operations, management and leadership in the Power Sector
- To empower ECG's vendors to develop capabilities to produce goods and services domestically to compete with international businesses

ECG Local Content Policy - Implementation

ECG has made efforts to encourage, support and nurture local entrepreneurs , particularly in the Energy Sector. These includes

- Meter reading;
- Meter installations for new service connections and provision of separate meters;
- Revenue collection through vending of electricity units for prepaid customers and the use of bonded cashiers;



ECG Local Content Policy - Implementation

- Medium and high voltage network installations
- Supply of locally manufactured or assembled equipment such as energy meters, conductors, cables and accessories, wood poles and distribution transformers.
- Outsourcing of repair works on some major network equipment etc



ECG Local Content Policy - Implementation

Some Statistics : In The Manufacturing Sector

- 4 Wood Pole Treatment Companies
(Dupaul Wood Treatment, Bye & Ways Limited, Busi & Stephenson and Ipalco Limited)
- 6 Meter Manufacturing Companies
(Ghana Electrometer, Alpha Ventures, MBP Power, Nuri Telecom, IMES and Sneda Smart Meters)
- 3 Cable & Conductor Companies
(Nexans Kabelmetal, Tropical Cable, Reroy Power)
- 3 Distribution Transformer Companies
(Sneda Transformer Technology, African Transformers, and Westrafo Limited)

ECG Local Content Policy - Implementation

Some Statistics : In The Manufacturing Sector

- 4 Wood Poles Companies
(Estimated workforce of 400 excluding plantation workers)
- 6 Meter Manufacturing Companies
(Estimated workforce of 350)
- 3 Cable & Conductor Companies
(Estimated workforce of 300)
- 3 Distribution Transformer Companies
(Estimated workforce of 150)

ECG Local Content Policy - Implementation

Some Statistics In Service

- 1380 Local Registered Suppliers
- 1222 Registered Electrical Contractors
- 1112 Registered vendors



Development In The Power Sector

GoG initiated the power sector reforms in 1994

- Establishment of PURC – PURC was established as the economic regulator
- Establishment of Energy Commission – EC was established as the technical regulator
- Unbundling of VRA – The transmission functions of VRA were transferred to GRIDCO
- Transformation of ECG into a Limited Liability Company with GoG as its sole shareholder
- Introduction of IPPs into Ghana's energy sector – The reforms created favourable conditions for the successful entry of IPPs into Ghana's energy sector



Development In The Power Sector

- The Government of Ghana signed Compact II in August 2014 with The Millennium Challenge Corporation (MCC), an independent United States Government Agency.
- The Compact is being implemented through the Millennium Development Authority (MiDA).
- A major aspect of the Compact is the ECG Financial and Operational Turnaround (EFOT) Project which seeks to strengthen the governance and management of ECG by bringing in an acceptable ECG Private Sector Participant (PSP).
- The Government of Ghana (GoG) has opted for the Single Concession

Development In The Power Sector

- Prospective Bidders / Concessionaires have been shortlisted
- Request For Proposal (RfP) have been launched
- The RFP does not contain any local content targets to be met by the concessionaire except for concessionaire adherence to Applicable Laws
- The RfP does not appear to address in full the local content issues



Implication For Local Content

- Concessionaire may or may not sign up to any local content targets
- Concessionaire may or may not be interested in local content policy



Way Forward

- Lobbying MiDA/GoG to re-consider issues bordering on local contents in the RfP and their impact on local job creation/national economy.



CONCLUSION

- We have supported and patronized products from the local manufacturers in order to guarantee jobs for Ghanaians and also help them to build the capacity to enable these companies compete effectively.
- We are proud to be associated with the modest achievements by the local manufacturers especially when we hear positive comments from foreign visitors on the quality of products from local producers of conductors and cables.
- We shall continue to offer our support to these manufacturers because we have felt and tasted the benefits from this collaboration and wish to recommend it to all stakeholders



THANK YOU

