African Union | AUDA-NEPAD AFRICAN UNION DEVELOPMENT AGENCY | GOVERNO DE ANGOLA

III LUANDA FINANCING SUMMIT FOR AFRICA'S INFRASTRUCTURE DEVELOPMENT

INVESTMENT PROSPECTUS – CAMEROON – GABON INTERCONNECTOR

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PROJECT SUMMARY	
Project Name	Cameroon – Gabon Interconnector
Location	Originates at Ebolowa or Mengong (Cameroon) and stops in the energy-deficient zones at Mekambo or Oyem (Gabon) | Strategic Central African transmission corridor linking Cameroon's hydropower surplus regions to Gabon's energy-deficient northern zones, establishing critical Cameroon-Gabon connectivity within CAPP (Central African Power Pool) framework and CEMAC (Central African Economic and Monetary Community) regional integration strategy
Sector	Energy
Sub-Sector	Transmission Infrastructure | 225 kV HVAC transmission interconnector supporting Cameroon hydropower export strategy, Gabon northern region energy deficit mitigation, and Central African regional electricity market integration within CAPP coordination framework and PIDA prioritization
Development Stage	S0 stage: Enabling Environment & Needs Assessment | S0 project identification stage requiring comprehensive feasibility studies (technical, environmental, social assessments), cross-border regulatory framework harmonization, and CAPP coordination mandate establishment

Project Sponsor	The governments of Cameroon and Gabon, in collaboration with CAPP | Bilateral government sponsorship representing Cameroon-Gabon strategic energy cooperation within CAPP regional coordination framework, CEMAC integration objectives, and AUDA-NEPAD continental infrastructure development support
Project Cost	The estimated CAPEX is not known at this stage | CAPEX to be comprehensively assessed during feasibility studies for 200-250 km 225 kV transmission line infrastructure, substation construction at Ebolowa/Mengong (Cameroon) and Mekambo/Oyem (Gabon), right-of-way acquisition through complex terrain, and grid harmonization requirements
Funding Requirement	No specific commitments have been made by potential financial partners towards the CAPEX | Funding requirements to be comprehensively assessed during feasibility studies with expected bilateral government financing coordination, blended financing mechanisms for cross-border transmission infrastructure, CAPP facilitation support, and development finance institution engagement for S0→S1 project maturity progression
Project Preparation Status	S0 stage: Enabling Environment & Needs Assessment | S0 project preparation requiring comprehensive feasibility studies completion (technical, environmental, social), CAPP coordination mandate establishment, Cameroon-Gabon bilateral regulatory framework finalization, and stakeholder engagement enhancement
Expected Commercial Operation Date	To be determined during feasibility studies | Commercial operation date to be established through comprehensive feasibility study conclusions, with phased development approach considering Cameroon hydropower export strategy implementation timeline and Gabon northern region energy deficit mitigation urgency

FINANCIAL OVERVIEW	
Total Project Cost	The estimated CAPEX is not known at this stage | CAPEX requiring comprehensive assessment during feasibility studies for 200-250 km 225 kV transmission line, substation infrastructure, complex terrain routing, grid harmonization between Cameroon and Gabon systems, environmental compliance, and land acquisition costs
Capital Structure	To be determined during feasibility studies with bilateral government financing coordination, blended financing mechanisms combining development finance institution

	support, concessional loans and grants alignment, innovative cross-border transmission financing approaches supporting CAPP framework implementation and CEMAC regional integration
Financial Metrics	To be comprehensively assessed during feasibility studies including Cameroon hydropower export revenue optimization, Gabon northern region electricity cost reduction through thermal generation replacement, cross-border electricity trade financial viability analysis, Power Purchase Agreements (PPAs) structuring, and investment recovery projections based on regional market development potential
Revenue Model	Electricity trade between Cameroon and Gabon, wheeling charges for cross-border transmission, Power Purchase Agreements (PPAs) between utilities | Revenue generation through Cameroon hydropower surplus monetization, Gabon cost reduction from expensive thermal generation replacement with cheaper hydropower imports, cross-border transmission wheeling charges, PPAs between SONATREL (Cameroon) and SEEG (Gabon), cost-reflective tariffs implementation supporting financial sustainability
Market Demand	With abundant hydropower resources, Cameroon is positioned to export electricity to the energy-deficient parts of Gabon | Strong market demand driven by Cameroon hydropower surplus requiring export optimization and Gabon northern region energy deficits creating import demand, enhanced by industrialization requirements, rural electrification needs, CAPP regional electricity market development, and CEMAC economic integration objectives

SUSTAINABILITY AND IMPACT	
Social Impact	The project offers significant social benefits, such as improved electricity access, job creation, and better infrastructure in rural areas | Transformational social impact through Gabon northern region improved electricity access enhancing industrial, commercial and residential customer service quality, job creation during construction and operation phases, rural electrification supporting socio-economic development, Cameroon hydropower export revenue generation maximizing returns on generation investments, enhanced economic development through stable electricity supply across both countries
Environmental Impact	The environmental impact primarily involves potential disturbances including deforestation, wildlife habitat disruption in sensitive areas, and soil erosion from construction. The construction phase may lead to pollution with waste, noise, and machinery emissions |

	Comprehensive ESIA (Environmental and Social Impact Assessment) required addressing deforestation risks and biodiversity disruption in sensitive Central African ecosystems, environmental management strategies implementation, biodiversity offsets development, soil erosion mitigation, construction pollution control, Resettlement Action Plan (RAP) development for land acquisition impacts, international environmental standards adherence ensuring project adverse effects minimization
Strategic Importance	The project was selected as a CAPP priority and is prioritised under PIDA. The interconnector complements the Cameroon – Equatorial Guinea and Cameroon – Chad interconnectors, forming a robust framework for a Central African regional power market | Exceptional strategic importance as CAPP priority project and PIDA prioritization establishing Cameroon-Gabon connectivity within Central African regional power market framework, complementing Cameroon-Equatorial Guinea and Cameroon-Chad interconnectors for comprehensive Central African grid integration, CEMAC regional integration strategy implementation, AfCFTA (African Continental Free Trade Area) cross-border electricity trade facilitation, Agenda 2063 continental infrastructure objectives alignment
SDG and Agenda 2063 Alignment	Strong alignment with Sustainable Development Goal 7 (Affordable and Clean Energy) through enhanced Cameroon-Gabon cross-border electricity trade and clean hydropower access improvement, SDG 9 (Industry, Innovation, Infrastructure) supporting 225 kV HVAC transmission technology and Central African regional connectivity enhancement, African Union Agenda 2063 Goal 10 (World-class Infrastructure) advancing continental infrastructure integration through CAPP framework and CEMAC regional power market development

TECHNICAL DETAILS	
Project Description	The project is likely to be planned as follows: Originates at Ebolowa or Mengong (Cameroon) and stops in the energy-deficient zones at Mekambo or Oyem (Gabon). Voltage level: 225 kV. Length: 200 to 250 km, depending on the final routing | 225 kV HVAC transmission interconnector establishing 200-250 km cross-border link from Cameroon hydropower surplus regions (Ebolowa or Mengong substations) to Gabon energy-deficient northern zones (Mekambo or Oyem substations), enabling substantial cross-border electricity trade supporting Central African regional market integration

Technology & Design	225 kV HVAC transmission technology | Proven 225 kV HVAC transmission technology optimized for Central African cross-border interconnection requirements, compliance with CAPP technical coordination frameworks and international transmission standards, robust design addressing complex terrain challenges and tropical climate conditions
Capacity/Size	To be determined during technical feasibility studies considering Cameroon hydropower export potential, Gabon northern region power demand projections, grid stability requirements, and CAPP regional market development scenarios
Construction Timeline	To be determined during comprehensive feasibility studies considering S0→S1→S2→S3 project maturity progression, complex terrain construction challenges, environmental compliance requirements, cross-border coordination optimization, and Gabon energy deficit mitigation urgency
Route Details	200 to 250 km, depending on the final routing | Strategic 200-250 km routing from Ebolowa or Mengong substations (Cameroon) to Mekambo or Oyem substations (Gabon northern energy-deficient zones), with final routing determination during feasibility studies considering terrain complexity, environmental sensitivity areas, land acquisition optimization, and technical grid integration requirements
Substation Infrastructure	Substation construction at Ebolowa or Mengong (Cameroon origin point) and Mekambo or Oyem (Gabon destination point) | New substation infrastructure development at origin point (Ebolowa or Mengong, Cameroon) and destination point (Mekambo or Oyem, Gabon), with grid harmonization addressing differing standards between SONATREL (Cameroon) and SEEG (Gabon) systems, comprehensive technical specifications to be established during feasibility studies
Grid Harmonization	Grid harmonization requirements addressing differing technical standards between Cameroon (SONATREL) and Gabon (SEEG) systems, synchronized grid operations protocols development, CAPP technical coordination frameworks compliance ensuring seamless cross-border power flow and operational reliability

RISK MANAGEMENT	
Risk Assessment	The project faces numerous challenges, including technical difficulties from complex terrains and grid integration issues due to differing standards. Financial risks stem from high capital costs, inflation, and revenue uncertainty from power

	purchase agreements | Comprehensive risk assessment addressing technical challenges from complex Central African terrain and Cameroon-Gabon grid harmonization requirements, financial risks including high capital costs and currency fluctuations, revenue uncertainty from Power Purchase Agreements structuring, experienced contractor selection with proven cross-border transmission expertise, construction phase security protocols
Regulatory Risks	Institutional hurdles like regulatory misalignment and delays in permitting | Regulatory risk mitigation requiring Cameroon-Gabon bilateral regulatory framework harmonization, cross-border transmission tariff coordination, CAPP technical standards compliance, CEMAC integration protocols alignment, environmental and land-use permitting acceleration, regulatory delays addressing through streamlined approval processes
Environmental and Social Safeguards	Environmental and social concerns, such as biodiversity disruption and land acquisition, demand careful mitigation and stakeholder engagement. The project may require land acquisition and relocation, affecting households and communities | Comprehensive ESIA critical for biodiversity protection in sensitive Central African ecosystems, Resettlement Action Plan (RAP) development for community consultation and displacement mitigation, deforestation prevention strategies, archaeological sites protection, stakeholder engagement enhancement fostering community trust and transparent communication, international environmental standards adherence
Implementation Risks	Operational risks post-commissioning, such as reliability issues and power flow disputes, further complicate the project's implementation and sustainability. Technical challenges including grid harmonisation and terrain constraints | Implementation risk mitigation addressing post-commissioning reliability through robust operation and maintenance frameworks, power flow dispute resolution mechanisms establishment, SONATREL (Cameroon) and SEEG (Gabon) institutional coordination enhancement, capacity building for utility governance improvement, transparent competitive bidding for EPC contracts

KEY STAKEHOLDERS	
Sponsors	The governments of Cameroon and Gabon, in collaboration with CAPP | Primary project sponsors including Government of Cameroon (through SONATREL - Société Nationale de Transport de l'Electricité), Government of Gabon (through SEEG - Société d'Energie et d'Eau du Gabon), CAPP

	(Central African Power Pool) coordination, representing comprehensive bilateral cooperation framework within CEMAC regional integration strategy
Current Partners	Africa Union Development Agency (AUDA-NEPAD) and CAPP | Strategic partnership network including AUDA-NEPAD for continental infrastructure development coordination, CAPP for regional technical coordination and Central African power market facilitation, CEMAC for economic and monetary community integration support, complementary to Cameroon-Equatorial Guinea and Cameroon-Chad interconnector initiatives
Potential Investors	To be identified during project structuring | Comprehensive development finance institution engagement expected including African Development Bank and World Bank for cross-border transmission financing expertise, International Finance Corporation for innovative financing mechanisms, bilateral development finance institutions for Cameroon-Gabon cooperation funding, blended financing providers combining concessional loans and grants, political risk insurance providers
Contractors & Operators	To be selected through competitive international procurement emphasizing 225 kV HVAC transmission expertise and cross-border interconnector experience, complex terrain construction capabilities, operation and maintenance by SONATREL (Cameroon) and SEEG (Gabon) under bilateral operational coordination agreements and CAPP technical frameworks
Legal and Financial Advisors	To be appointed during project structuring including legal advisors for Cameroon-Gabon bilateral framework development and cross-border regulatory compliance, financial advisors for blended financing mechanisms and Power Purchase Agreements structuring, technical advisors for CAPP integration and grid harmonization solutions

WAY FORWARD	
Investment Ask	CAPEX to be comprehensively assessed during feasibility studies for 200-250 km 225 kV transmission line infrastructure, substation construction at Cameroon (Ebolowa/Mengong) and Gabon (Mekambo/Oyem) origin-destination points, complex terrain routing, grid

	harmonization, environmental compliance, and land acquisition
Next Steps	Several critical actions must be prioritised: complete all feasibility studies, encompassing technical, environmental, and social assessments, to ensure well-informed decision-making. Align regulatory frameworks in both countries for grid codes, electricity tariffs, and cross-border energy trade agreements. Accelerate the approval processes by streamlining environmental, land-use, and construction clearance procedures | Critical immediate actions including comprehensive feasibility studies completion (technical, environmental, social assessments), CAPP coordination mandate establishment with Cameroon and Gabon governments, bilateral regulatory framework harmonization for grid codes and tariffs, cross-border energy trade agreements finalization, environmental and land-use permitting acceleration, stakeholder engagement enhancement
Implementation Timeline	To be determined during comprehensive feasibility studies with S0→S1→S2→S3 project maturity progression, considering Cameroon hydropower export strategy implementation priorities, Gabon northern region energy deficit mitigation urgency, CAPP regional market development schedule, complex terrain factors optimization
CAPP Regional Integration	Strategic integration within Central African Power Pool (CAPP) framework, enhancing cross-border electricity trade facilitation, resource optimization enabling Cameroon hydropower surplus export to Gabon deficit regions, regional electricity trading platform development toward comprehensive Central African electricity market, harmonized regulatory frameworks and synchronized grid operations
CEMAC Economic Integration	Critical component of CEMAC (Central African Economic and Monetary Community) regional integration strategy prioritizing shared infrastructure development for industrialization facilitation, energy cost reduction, and economic competitiveness enhancement, complementing Cameroon-Equatorial Guinea and Cameroon-Chad interconnectors for robust Central African regional power market framework

AfCFTA Trade Facilitation	Strategic alignment with African Continental Free Trade Area (AfCFTA) objectives promoting intra-African electricity trade, industrial development through reliable energy access, rural electrification advancement, cross-border investment attraction in energy-dependent sectors (mining, agro-processing, logistics), regional economic competitiveness and energy security enhancement
Cameroon Export Strategy	Implementation of Cameroon hydropower surplus export strategy leveraging abundant hydropower resources for electricity export to energy-deficient Gabon northern regions, maximizing returns on generation investments, supporting regional electricity market participation, reducing generation redundancies through supply-demand balance optimization
Gabon Energy Security	Critical priority addressing Gabon northern region energy deficit mitigation through stable electricity imports from Cameroon cheaper hydropower, reducing reliance on costly thermal generation (expensive liquid fuels in ageing power plants), electricity cost reduction improving household affordability and industrial competitiveness, enhanced energy security supporting economic development
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