

JONATHAN FLAGS-OFF FIRST PHASE OF \$1BILLION AZURA-EDO POWER PLANT

President Goodluck Jonathan on Friday flagged-off the first phase of the \$1billion Azura-Edo power plant.

The Azura-Edo power plant is the first fully privately financed Independent Power Plant, IPP, in the country and is located in Ihovbor/Orior Odemwende communities of Edo state.

Mr. Jonathan asked communities who are hosts to federal, state and private sector projects to play a developmental role in terms of partnering with the government.

The President said the federal government will continue to ensure that the growth of the power industry becomes self-sustaining and sustainable.

“I want to use this opportunity to call on all the local communities around the country who are hosts to several federal, state and even private sector projects; that have been hindered by community disruptions, to recognize that in partnership there is development and so, everyone must play their roles,” the President said.

“My administration is fully committed to continuously improving the framework and enabling environment based on sound policy formulation, access to long-term low interest finance, and transparent and consistent regulatory guidelines.”

The first phase of the Azura-Edo IPP is a 450 MW green field, open cycle gas turbine power station, with a total capital cost of \$735 million. It represents the first phase of a 1,500 MW power plant facility.

Azura-Edo is also the first fully financed private sector power plant project. It is the first power generation project to receive the World Bank Partial Risk Guarantee and Multilateral Investment Guarantee Agency, MIGA, support.

The IPP project, a 450 megawatts of new generation capacity, which is expected to be completed by early 2017, has attracted almost a billion dollars, mainly in foreign direct investment, into the power sector; comprised \$700 million in construction of the power plant, and \$300 million in associated gas supply infrastructure.

The president said the flag-off of the project is the first signal from the global financial industry, that the years of work that his administration has dedicated to the reform of the power sector, in order to attract private sector developers and financing, were yielding results.

According to the president, the Azura-Edo project, demonstrates “a strong foundation on which we are building a sound and sustainable electricity industry, with great expectations for robust growth in the sector. However,

success in any endeavour does not happen by accident, but is facilitated by sound decisions, conscious effort, and immense persistence”.

Dr. Jonathan said his government is committed to repositioning the Nigerian power sector as a pivot for the attainment of the nation’s developmental targets.

“We are also maintaining our policy push for increased diversification of our energy, expanding investments in large hydro power projects through public-private partnerships, and the provision of necessary support to accelerate the exploitation of our coal resources,” he said.

Assuring that the Federal Government will remain focussed on his Transformation Agenda regardless of the challenges faced, the President said it is in the interest of the nation and its people, in the present and the generations to come.

He charged the project sponsors and their contractors to ensure that the estimated completion date of early 2017, is met, adding that he is eagerly looking forward to when the Azura IPP begins to supply power to the national grid.

In his remarks the Edo State Governor, Adams Oshiomhole, said that the financial support received by the investors from the international finance community only goes to confirm that Nigeria remains an investment haven.

He said Dr. Jonathan has been able to foster the required confidence for investors to participate in the sector, though the privatization of the power sector had been on since 1999.

Mr. Oshiomhole added that the success recorded by the Jonathan administration in its power reform has further shown that government works better with synergy and collaboration between the federal and state governments, ministries and other government agencies. The Minister of Power, Prof. Chinedu Nebo, said the flag-off was a testimony of the effectiveness of inter-ministerial collaboration between the ministries of power, petroleum, and finance, the Central Bank of Nigeria, CBN, and other agencies of government.

According to the co- Managing Director of Azura West Africa, David Ladipo, the project which is still in its first phase is being financed by the World Bank, Africa Development Bank, United States Development Bank, China Development Bank and a consortium of local banks in the country.

He said the project would create 1,000 direct and 20,000 indirect jobs during its construction, assuring that Azura would continue to be a key driver in the power industry to ensure an increase in the nation’s total grid-based power generation capacity for a long time to come.

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