

Federal Democratic Republic of Ethiopia and Republic of Kenya**Eastern Electricity Highway Project under the first phase of the Regional Eastern Africa
Power Integration Program****SUMMARY OF DISCUSSION*****Meeting of the Executive Directors****July 12, 2012**

Executive Directors approved the credit to the Federal Democratic Republic of Ethiopia in the amount of SDR 156.8 million (US\$243 million equivalent), and a credit to the Republic of Kenya in the amount of SDR 284.5 million (US\$441 million equivalent) for the Eastern Electricity Highway Project under the First Phase (APL1) of the Regional Eastern Africa Power Integration Program on the payment terms and conditions set out in the President's Memorandum (R2012-0171).

Directors welcomed the regional dimension of the project and its pivotal role in the integration of power infrastructure for greater economic opportunities to overcome poverty in East Africa. Directors highlighted the importance of the Program in increasing electricity supply, lowering the cost of electricity, promoting climate resilient and low-carbon development, and encouraging regional cooperation.

Directors commended authorities for their commitment to the project and noted the challenges in implementation. In this context, the authorities were urged to exercise utmost diligence in supervision to ensure timely and successful completion and achievement of the Project's development objectives. Directors also stressed the importance of following environmental and social safeguards, and urged the Bank to assist the authorities' efforts to mitigate any negative impacts. They also called for clear guidelines on the definition of associated projects for future operations. The importance of addressing the challenge of intergovernmental coordination, along with attracting private investors, was underscored. Directors urged the Bank to engage with authorities to ensure long-term financial viability for this and future power projects. Given the complexity of the project, the importance of clearly communicating and consulting with civil society was also highlighted.

*This summary is not an approved record.