Early Warning System

AFDB-P-ER-FF0-002

Eritrea - The Integrated Solar Energy Project

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Quick Facts

Countries	Eritrea
Specific Location	Teseney, Kerkebet and Barentu; Gash Barka region
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	B
Voting Date	2026-02-18
Borrower	Government of Eritrea
Sectors	Energy
Investment Type(s)	Grant, Loan
Investment Amount (USD)	$ 57.00 million
Loan Amount (USD)	$ 36.64 million
Grant Amount (USD)	$ 20.36 million
Project Cost (USD)	$ 58.78 million

Project Description

As stated by the AfDB, the Integrated Solar Energy Project in Eritrea – Teseney, Kerkebet and Barentu – aims to expand access to clean and reliable electricity in the Gash Barka region through the development of 34 MW of solar photovoltaic mini-grids with battery energy storage systems (BESS). The total project cost is UA 43.31 million, financed by the African Development Fund under FAD-16 with UA 27 million from the Performance-Based Allocation and UA 15 million from the Transition Support Facility, complemented by a government in-kind contribution of UA 1.31 million, with no confirmed external co-financiers at appraisal stage. The project is implemented by the Ministry of Energy and Mines and aligns with Eritrea's National Energy Policy (2018), the Bank's Ten-Year Strategy 2024–2033, the High 5 priorities "Light up and Power Africa" and "Improve the Quality of Life for the People of Africa," Mission 300, and SDGs 7, 8, 9 and 13. By reducing dependence on imported diesel and deploying climate-resilient renewable infrastructure, the project strengthens energy security, supports green growth and contributes to significant reductions in greenhouse gas emissions.

The project seeks to improve access to renewable energy in Gash Barka and reduce greenhouse gas emissions by replacing diesel-based generation with solar mini-grids supported by battery storage. It aims to increase installed renewable capacity, expand last-mile connections, modernize distribution infrastructure and enhance system reliability in underserved communities. The intervention also promotes local economic development by supporting agro-processing, irrigation and small enterprises, while creating green jobs for youth and women and strengthening institutional and technical capacity within the Eritrean Electric Corporation and the Ministry of Energy and Mines. In the long term, the project contributes to a resilient, low-carbon energy system that enables inclusive growth and improved service delivery.

The project will directly benefit approximately 306,910 people, representing around 61,382 households in Teseney, Barentu and Kerkebet, with an estimated 30% women and 50% youth among the targeted population. Households, schools, health centers, small businesses and agro-processing units will gain access to reliable electricity, while irrigation schemes covering thousands of hectares will enhance agricultural productivity and food security. Public water pumping systems will improve access to safe water, and local technicians and enterprises will benefit from capacity-building and skills development in solar and battery technologies. Ultimately, communities across Gash Barka will experience improved livelihoods, enhanced economic opportunities and strengthened resilience to climate and energy shocks.

The implementing agency will be the Ministry of Energy and Mines.

Investment Description

- African Development Bank (AFDB)

Contact Information

AfDB Team Leader:

Anthony Karembu Njeru
Email: a.karembu@afdb.org

ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBÕs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process.

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: https://www.afdb.org/en/independent-review-mechanism/

Bank Documents

- Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP
- PROJECT APRRAISAL REPORT
- RAPPORT D'ÉVALUATION DE PROJET