Early Warning System

AFDB-P-Z1-FA0-180

MULTINATIONAL - Ethiopia Djibouti Second Power Interconnection Project, Phase II - Djibouti Part

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Quick Facts

Countries	Djibouti, Ethiopia
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	U
Voting Date	2021-07-07
Borrower	*Borrower information not provided at the time of disclosure*
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 14.27 million

Project Description

According to bank provided information, the proposed project marks a new milestone in boosting regional integration in Eastern Africa, particularly in the Horn of Africa sub-region by enhancing cross-border trade in electricity. The 1st Ethiopia-Djibouti Interconnection project has been operational for the last 10 years and the power exchange between the two countries also increased within the same period from 155 GWh in 2011 to 532 GWh in 2020. Since the first interconnector was commissioned, in addition to the increase in demand in Djibouti, the industrial and railway line development around Dire Dawa in Ethiopia introduced transmission network congestion problems. Hence, the proposed Ethiopia-Djibouti 230 kV second transmission interconnection from Semera (Ethiopia) to Nagad (Djibouti) is the best option to increase by more than 30% the clean and relatively cheaper power supply to Djibouti and allow Ethiopia to increase foreign exchange revenue from power trade while reducing the amount of fossil fuelgenerated electricity in Djibouti. This project involves (i) the construction of 230 kV double circuit Transmission Line from Semera (Ethiopia) to Nagad (Djibouti). The line length is 292 km (102 km in Ethiopia and 190 km in Djibouti). Each circuit will have a rated power transfer capacity of 160 MW (ii) an extension of the existing Semera 230 kV Substation (Ethiopia) and extension of 230/63/20 kV substation at Nagad (Djibouti, (iii) strengthening of the existing 230 Kv transmission line between Kombolcha-Mile to Semera, 170 km long; and construction of 230 kV new substation at Mile and extension of Kombolocha and Semera existing 230 kV substations (Ethiopia), (iv) Last mile connection in Djibouti; (v) Technical Assistance and Capacity Building on Master Plan study and Power Trade Agreements and creating strong trading units in EEP (<< Ethiopian Electric Power >>) and EdD (<< Electricite de Djibouti >>). It will be implemented over a period of 48 months.

The ultimate development objective (DO) of the project is to increase power trade between Ethiopia and Djibouti and enhance regional integration in the Horn of Africa. The project will contribute towards the achievement of Djibouti's climate mitigation commitments outlined in its Nationally Determined Contribution, specifically the construction of double circuit high voltage transmission lines with a combined capacity of 250 MW to import clean electricity from Ethiopia. The project supports the extension of the interconnector from Semera in Ethiopia side to Nagad in Djibouti to export additional power to the Djibouti National grid. This will enable e Djibouti to satisfy the growing energy demand in the country using relatively cheaper and clean imported energy. When completed the proposed second interconnection project will substantially raise the power transmission capacity between the two systems and increase reliability of power supply to Djibouti.

Ultimately, the beneficiaries of the proposed operation are the citizens of Djibouti and Ethiopia who will achieve sustainable livelihood as a result of improved access to electricity, economic and climate resilience. Direct beneficiaries include the private business, public institution and railway transport system through improved access to reliable and affordable on grid electricity supply and climate resilience. Targeted interventions will be undertaken to ensure that vulnerable people and women are among the key beneficiaries of the program's activities.

Investment Description

- African Development Bank (AFDB)

Contact Information

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ACCESS TO INFORMATION

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