

 Early Warning System

WB-P179036

RETRADE-EAPP MPA Phase 2: Ethiopia-Somalia Interconnector Project



Quick Facts

Countries	South Africa
Financial Institutions	World Bank (WB)
Status	Canceled
Bank Risk Rating	A
Voting Date	2026-03-20
Borrower	Government of Somalia
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	\$ 230.00 million
Loan Amount (USD)	\$ 230.00 million
Project Cost (USD)	\$ 700.00 million



Project Description

According to the WB, the Project Development Objective is to enable regional power trade among the Horn of Africa countries of Ethiopia and Somalia.

The proposed Investment Project Financing (IPF) project will support Ethiopia and Somalia to benefit from regional power trade under the EAPP. The proposed project will also support the HoAI concerted effort to collectively augment the sub-region's development trajectory through regional integration and cooperation. It will provide support towards the construction of a 400kV transmission line to interconnect Ethiopia and Somalia to enable the interchange of power between the two countries as well as with the other EAPP countries in the region. The project will also support to enhance the institutional capacity of the EAPP to accelerate the development of the EAPP power market. The investments expected to be realized through the proposed project are as follows: (i) Ethiopia-Somalia Transmission line Interconnector to Hargeisa and Berbera (350km); (b) Regional Power Trade Facilitation to (i) support Somalia to establish a Transmission System Network with an associated National Control Center in Somalia; and (ii) Technical assistance and capacity building to the national sector institutions and regional entities, including the EAPP; and (c) Project Implementation Support and Feasibility Studies.

Component A. Construction of Ethiopia-Somalia 400 kV interconnector. The interconnector preliminary routing identified is Jijiga-Tog Wajaale (Ethiopia-70km) - Hargeisa-Berbera (Somali-280Km). The line is one of the priority infrastructure in the HoAI and would: (a) establish the first segment of the electricity transmission backbone in Somalia; (b) ensure that Somalia can benefit from power trade by accessing additional supply capacity from Ethiopia at a lower cost than the existing diesel generation that would foster the country's post conflict economic recovery, increase electricity access and job creation; and (c) reduce GHG emission by displacing the predominantly diesel based generation in Somalia. This component will also include construction of the associated substations (400/230/132/33) at the major off-taker load points at Jijiga (Ethiopia) and Hargeisa and Berbera (Somalia).

Component B. Establishment of a Transmission System Network and National Control Center in Somalia. This will include construction of sub-transmission infrastructure in the major load centers en-route the transmission interconnector to create off-taker bulk supply points. The component is complimented by the ongoing Somalia Electricity Recovery Project (ESRP) (P173088) approved by the Board on December 8, 2021. The ESRP among others is aimed at the establishment of the infrastructure fundamentals such as distribution network integration and network reinforcement that will be the major load off-takers of the electricity to be supplied by the transmission line. This component will also support construction of National Control Center in Hargeisa and the associated System Control and Data Acquisition (SCADA) infrastructure.

Component C. Technical Assistance and capacity building for regional power integration. This Component will provide technical assistance and capacity building to the Eastern Africa Power Pool (EAPP) and its member countries. The activities to support will build on and complement the ongoing activities focused on the operationalization of the regional power market and institutional strengthening of the EAPP and the Independent Regulatory Board (IRB). Preliminary proposed activities under this component include: (a) upstream analytical and preparatory studies for priority regional transmission projects; (b) advisory and capacity building support to member countries (through the EAPP) for interconnected grid operation and power trade (contractual, operational and commercial readiness); (c) strengthening of the coordination of power trade and operationalization of the regional power market, including monitoring and coordination of power flows through a new Grid Coordination Unit; (d) strengthening for the EAPP technical committees to effectively undertake their roles and responsibilities; and (e) institutional building of the IRB to make it fully operational. It is also proposed to include an assessment of how the electricity sectors in the region might be impacted by climate change and what options exist for its management. The key objective of the climate change assessment is to identify; among others, required near-term actions to foster dialogue, to further inform sector practitioners, to disaggregate climate impacts local settings, and to improve the electricity sector knowledge base.

Component D. Project implementation Support and Institutional Support. This component is proposed to support project implementation and enhancing the institutional capacities of Ethiopia and Somali Energy sectors in readiness for operation of the integrated transmission systems and power trade. The capacity building will also include activities as will be identified in the gender



Investment Description

- World Bank (WB)



Contact Information

No contacts available at the time of disclosure

ACCESS TO INFORMATION

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Bank Documents

- [Concept Environmental and Social Review Summary \(ESRS\) - Horn of Africa Regional Power System Transf](#)
- [Eastern and Southern Africa - EASTERN AND SOUTHERN AFRICA - P179036 - RETRADE-EAPP MPA Phase 2: Ethi](#)