2nd Horn of Africa Initiative Regional Power Trade Technical and Coordination Workshop

APRIL 11, 2022
World Bank Support for Regional Power Trade in Eastern Africa

- The region can benefit substantially from power trade to lower overall costs of supply

- Efficient enabling frameworks, and credible institutions are critical

- WB has a comprehensive package of support to the EAPP and HoA region focused on the development of regional power trade. Including technical assistance being implemented by EAPP GS:
  - a $10 million IDA grant under the Tanzania-Zambia interconnector project, and,
  - a $5 million project preparation grant for the HoA RISES project
  - more than $7 million in bank-executed TF resources

- With critical infrastructure being developed, there is increased focus on the enabling soft infrastructure, institutional strengthening and stakeholder outreach.

- Critical agreements/decisions around institutional arrangements and design are needed with active participation of EAPP member countries.

- Sustained regional coordination and active participation of member countries, is needed

- The World Bank remains committed to supporting the EAPP and its members in advancing this strategic and important agenda
Horn of Africa Regional Integration for Sustainable Energy Supply (HoA RISES) Project

Project Rationale

- An integral part of the HOA Initiative to enhance regional integration infrastructure
- Lower supply costs (e.g., Sudan, Djibouti, Somalia) and generate revenue (e.g., Ethiopia)
- Promote peace by extending energy services to the most fragile, vulnerable population in HOA borderlands
- Reap significant climate co-benefits

Proposed Project Objectives and Scope

- HoA RISES aims to enhance regional integration of energy supply and to improve energy access in the borderlands in Horn of Africa region including Ethiopia, Kenya, Djibouti, Sudan, and Somalia
- The following components comprise the proposed project:
  - Component 1: New interconnector infrastructure and strengthening existing interconnector between Ethiopia-Sudan, US$509m
  - Component 2: Energy access in the borderlands through off-grid solar, mini-grids, grid infrastructure, clean cooking solutions, US$60m
  - Component 3: Technical assistance and capacity building for regional power integration, and financing preparatory assessments for prospective Ethiopia-Somalia interconnectors, US$6m
  - Component 4: Project preparation and implementation support to regional implementing agencies (EAPP, IGAD) and project countries, US$25m
- Total estimated project cost is US$600m. Project is currently under preparation and planned for FY23.

Expected Project Outcomes

- Increase carrying capacity for power trade 2000-3000MW through regional interconnectors
- Create scalable market for access to modern energy services for last-mile communities in the borderlands