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# Brief facts about Ethiopia

- ❑ Landlocked country in **East Africa**
- ❑ **Population:** 98 million (2015/16),  
& growth rate 2.48% per year
- ❑ **Total Area:** 1.13 million sq.km
- ❑ **80+** ethnic groups and languages
- ❑ **GDP:** \$67 billion (2015) & per capita: \$739
- ❑ **Economic sectors:** Agriculture (37.5%),  
Industry (16.6%),  
Service (46.0%)



- ❑ Only 2.9 Million households are connected to electricity supply
- ❑ **Per Capita Energy Consumption** was 93 KWH in 2015/16

# *Barriers in renewable energy investment*

- ***Lack of Institutional and regulatory framework for private investment.***
- *For example; we have not a full institutional and complete regulatory framework for IPP/ppp*
- ***Low retail tariff/sales;*** -which is not encouraging the private sector to participate in renewable energy activities in terms of long term financial sustainability

**High Capital costs of RE** especially in large hydro project. — specifically, capital costs, or the upfront expense.

- Construction and operation of the hydropower project

# Cont.

**Transmission:-** To adequately take advantage of these resources, new transmission infrastructure is needed—and transmission costs money, and needs to be sited. This is currently a lot of transmission bottlenecks that are a challenge. A lot of investment will have to be made to improve the network to deliver all the renewable energy generated. Eg Holota transmission line guma

## Government playing in managing /bearing risks on the ff points

- *Currently new ppp law is being considered by parliament*
- *Government works on Risk mitigation in RE investment by doing Intensive resource assessment (qualification and quantification)*
- *Upstream Geothermal Resource Assessment and Mapping, Wind Resource Assessment and Mapping, collaborating with the IFC's Scaling Solar Project.*
- *Assist the private sector in securing risk mitigation finance from some risk mitigation facilities such as GRMF*
- *Promoting country renewable energy resources and consulting private investors*
- *Preparing the sectorial policy and strategy eg. energy proclamation*
- *The renewable energy policy and strategy is ongoing*

## ***The needs/gaps in context of risk mitigation***

- ***renewable energy regulatory framework for IPP / PPP***
- ***Renewable energy cost reflective tariff should be designed***
- ***Energy sector capacity building/institutional capacity strength***

**Thanks for your attention**

