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Ethiopia has signed a preliminary agreement with a U.S.-Icelandic firm for a \$4bilo private sector investment intended to tap its vast geothermal power resources and help it become a major exporter of energy for East Africa. Reykjavik Geothermal, whose Icelandic geothermal expertise is backed by U.S. investors, signed a deal with Ethiopia on to construct a 1,000 MW geothermal power plant, Africa's largest, in the volcanically active Rift Valley. When complete, the project will be Ethiopia's biggest foreign direct investment, run by its first privately owned utility. In an economy traditionally dominated by state spending, the government has suggested that the nascent sector could be a model for increased private investment. Experts put its hydropower potential at around 45,000 MW and its geothermal potential at 5,000 MW from where only 7.3 MW power is currently being produced at a pilot plant, according to data from the Ministry of Mines. But Reykjavik says the accessible geothermal resources could be nearer 15,000 MW. "For 50 years (Reuters, Oct 24).

The Indian mining firm May Flower Mining Enterprise Ltd is to invest \$116 million in the Delbi Mining S.C.'s coal mine in south-western Ethiopia. The general manager of Delbi, Alemayehu Deressa, said the company was looking for a strategic partner to jointly develop the coal mine, and Mumbai-based May Flower agreed to invest over a three-year period. May Flower will import mining machinery, mining experts as well as the required finance for exploration and mining works. May Flower will own 70% of company shares, while Delbi will retain 30%. The Delbi coal mine is located in Oromia regional state, Jimma Zone, 400 km from the capital, Addis Ababa. About 53% of Delbi Coal Mining S.C. is owned by the Endowment Fund for the Rehabilitation of Tigray (EEFORT) and the balance 47% is held by the Oromia Investment Group. The Delbi Coal Mining concession covers a 39.2 sq. km with an estimated coal deposit of 11.4 billion t. Ethiopia's coal reserves, ranging from lignite to bituminous deposits, are estimated at around 376 million t (IANS, Oc. 27).

Cairo and Addis Ababa may soon reach a truce to calm their dispute over the construction of the Renaissance Dam on the Blue Nile in Ethiopia. Both countries have recently agreed to negotiate about the project. Egypt has even agreed to take part in building the dam, without declaring its conditions for doing so. Ethiopia's Prime Minister Hailemariam Desalegn announced that his country welcomes the participation of Egypt and Sudan in the construction of the dam and stressed that his government considers the dam to be jointly owned by Sudan, Ethiopia and Egypt. Cairo viewed his statement as a positive step toward reaching a consensus on the project (Al-Monitor). - Ethiopia, Sudan and Egypt agreed to examine the regional impact of a \$4.2 billion dam being built on a Nile river tributary in Ethiopia after experts said earlier studies were inconclusive (Bloomberg, Oct. 21). - A meeting of water ministers and delegates in Sudan's capital, Khartoum, on Nov. 4 will discuss conducting a new study of the hydropower project's downstream effect and more detailed appraisals of its environmental and social impact, said Fekahmed Negash, head of the Ethiopian Water Ministry's Boundary and Transboundary Rivers Affairs Directorate. In a June report, a group of international experts said Ethiopia's analysis of the dam's impact was "very basic, and not yet at a level of detail, sophistication and reliability that would befit a development of this magnitude, importance and with such regional impact (Al-Monitor).

Ethiopia and Kenya have secured funds for a \$1.26bn power line aimed at improving electricity supply. The project is expected to be completed in two years, an Ethiopian official said. Addis Ababa is poised to generate more revenue from power exports to its neighbor, beyond the border town of Moyale, which is already receiving a small amount. Though it has been investing in infrastructure, including expanding power supplies, Kenya has struggled to meet demand and faces constant blackouts. The project, a 1,068km high-voltage transmission line with a capacity of 2,000 MW, is co-funded by the World Bank, the African Development Bank, the French Development Agency and the Ethiopian and Kenyan governments. The electricity will originate from a number of existing and planned power plants in Ethiopia (WIC, Oct. 24).

Ethiopia has earned 71.6m USD from export of gold supplied to the National Bank of Ethiopia (NBE) by artisanal miners during the first three months of the budget year, Ministry of Mines (MoM) disclosed. Compared to the ministry's

projection for the first quarter, the amount of gold supplied to the central bank is nearly 73% (WIC, Oct. 26).

Africa's largest wind farm, the 120MW Ashegoda development in Ethiopia, was officially switched on. The project, first announced in 2008, is located 18 km from the northern city of Mekele and has been constructed in stages over the past four years. To date, 90 million kWh of electricity have already been sent to the grid, but at full capacity Ashegoda is expected to produce 400 million kWh a year. The facility was the first of its kind in Ethiopia when it launched in October 2009, but since then the Adama I and II wind farms have been completed south of the capital Addis Ababa, both of which have 51MW of capacity. Finance for the project has been provided by French bank BNP Paribas, the French Development Agency (ADF) and the Ethiopian Electric Power Corporation (EEPCo), which will run the plant (Business Greenm, Oct. 27).

Ethiopia will outsource the management of the Ethiopian Electric Power Corporation (EEPCo) to Power Grid Corporation of India Ltd (PGCIL), a company owned by the Indian government. PGCIL has won the tender floated by Ethiopia's Ministry of Water, Irrigation and Energy. Gosaye Mengeste, director in the ministry, told that Power Grid Corp surpassed other competitors in the technical evaluation. The company is currently doing a feasibility study on how it will satisfy customers and meet the expectations of the Ethiopian government. The company will be paid \$16.7m in two years. The power distribution will be under the authority of PGCIL, since it has become cumbersome for the EEPCo to manage the tasks of generation as well as distribution (IANS, Oc. 25).

An inauguration ceremony for the Project for the Expansion of Kulit 2 Primary School, Abeshige Woreda, Gurage Zone, SNNPRS, was held on 20 Oct., 2013. According to a statement of the embassy of Japan, the project was funded by the Japanese Grant-in-aid Scheme for Grassroots Human Security Projects (GGP), amounting to USD 121,447. The project provided new school buildings for the Kulit 2 Primary School to expand it to a full primary school. Through this project, two blocks with a total of eight fully furnished classrooms and one dry pit latrine with six rooms have been newly constructed. As a result, the students now have access to second cycle primary education and the class sizes will be reduced from 100 to 60 students per class (WIC Oct.26).