



FACTSHEET

ETHIOPIAN-GERMAN ENERGY COOPERATION ON HYDROPOWER

Ethiopia and Germany are committed to foster a secure and sustainable supply and utilization of energy that is mindful of international climate protection efforts. Both countries recognize the importance of hydropower in promoting renewable energy and energy efficiency, with hydroelectric plants making up the main component of Ethiopia's electrification strategy. The rehabilitation of existing plants is an important step towards achieving Ethiopia's energy goals.



German Chancellor H.E. Dr. Angela Merkel and Ethiopia's Minister of Water, Irrigation and Energy H.E. Dr. Seleshi Bekele on November 19, 2019 at the Chancellery in Berlin.

Establishment of the Cooperation

The global programme "Support to bilateral energy partnerships in developing countries and emerging economies", commissioned by the German Federal Ministry for Economic Affairs and Energy (BMWi), provides support for the development of reliable, renewable energy systems in partner countries. It builds on stakeholder dialogues and the ample expertise of the German energy transition ("Energiewende").

The cooperation was established in November 2019 with a joint declaration of intent signed between the Ministry of Water, Irrigation and Energy (MoWIE) of the Federal Democratic Republic of Ethiopia, H.E. Dr. Seleshi Bekele, and the German Federal Ministry for Economic Affairs and Energy (BMWi), H.E. Peter Altmaier.

The energy cooperation provides a framework for implementing selected projects aiming to enhance political dialogue and cooperation in the energy sector. To this end, it will build on existing bilateral initiatives on energy and climate issues. The main objective of the project-based energy partnership is developing and upgrading a sustainable energy infrastructure and fostering modern and efficient energy markets, in particular through the increased use of renewable energy and energy efficiency technologies. Both Ethiopia and Germany highlighted their shared objective to support the secure and sustainable supply and utilization of energy, also in the light of international climate protection efforts.

The Energy Cooperation relies on three key components: supporting innovative approaches to solar powered rural electrification, promoting demonstrational centres for solar PV in selected

locations, and supporting the rehabilitation of hydropower stations in Ethiopia, in cooperation with the MoWIE. First activities started in early 2020; the Ethiopian project component was officially commissioned by BMWi in October 2020 and endowed with EUR 2.53 million. Additional funding has been made available for hydropower upgrade activities under a contract managed through the GIZ business unit International Services.

Focus on Hydropower

At present, hydropower is making up only 2.6% (1119 ktoe) of Ethiopia's total energy supply. In terms of electricity generation however, hydropower accounts for over 96% of the electricity produced in the country. Even with total hydro capacity further boosted by additional large-scale projects, such as the Grand Ethiopian Renaissance Dam (GERD), keeping up with population growth and progressing industrialization means energy supply capacity must be significantly expanded in order to meet demand. This becomes obvious when considering that only 45% of the Ethiopian population had access to electricity in 2018, and almost 90% of Ethiopia's energy is obtained from traditional sources (largely biomass), according to the latest data from the International Energy Agency.

GIZ supports capacity development for hydro-energy via the establishment of a hydropower maintenance program, in cooperation with German private sector expertise. Together with MoWIE, a jointly selected, existing pilot hydropower plant is rehabilitated, including spare part analysis and support on the procurement of urgently needed equipment.



Ethiopian Water, Irrigation and Energy Minister, H.E. Dr. Seleshi Bekele (left) and Federal Minister for Economic Affairs and Energy Minister H.E. Peter Altmaier (right) during the signing of the letter of intent.

Finally, discussions with MoWIE and Ethiopian Electric Power (EEP) led to Gilgel Gibe II 420MW-hydropower station being selected for maintenance, training (of whom?) and upgrade in cooperation with a leading German private sector enterprise. A two-year maintenance contract between Ethiopian Electric Power (EEP) and German company Voith Hydro has been signed in February 2020. BMWi supports the provision of necessary spare parts and digital performance monitoring equipment through a separate contract, while the Energy Cooperation Secretariat serves to facilitate communication between GIZ, BMWi MoWIE and EEP. Delivery of equipment will commence in March 2021, and will be followed by installation, commissioning, specialized trainings and remote support

PROJECT FACTS

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German Federal Ministry for Economic and Energy Affairs (BMWi)

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On behalf of the Federal Ministry for Economic Affairs and Energy (BMWi)