

Ethiopia Aims To Turn Itself Into a Regional Energy Giant

The Gilgel Gibe 3 Dam on the Omo River will be Africa's largest, providing power to a nation with one of the world's lowest per capita levels of access to electricity, the Guardian reported.

Ethiopia's government has set itself an ambitious target: in just a few years it aims to take an undeveloped country, with one of the world's lowest levels of per capita access to electricity, and turn it into a regional powerhouse, exporting energy to its neighbors.

To achieve this, Prime Minister Meles Zenawi is advocating a spending spree to develop Ethiopia.

Ethiopia is pinning its hopes on the Gilgel Gibe 3 Dam in the Omo valley, 350km south of Addis Ababa. Work started in 2006 and by 2012 there should be a dam 240 meters high, the largest in Africa. It will feed a 1,800 MW hydroelectric power station producing twice as much electricity as Ethiopia used in 2009.

Over the past few years not a month has gone by without the opening of a new road, university, school or health centre. In the past two years alone three dams have come into service. "... Ethiopia is one of the few African countries where work is completed and corruption does not swallow all the money," a western diplomat said.

Both the World Bank and the African Development Bank expressed initial doubts about the Gibe 3 scheme, so the government turned to the Chinese.

On 19 May the CEO of the Ethiopian Electric Power Corporation, Mihret Debebe, and the president of the Dongfang Electric Corporation, Luo Zhigang, signed an agreement worth \$459m for Gibe 3. The total cost of the dam is estimated to be \$1.8bn (compared with \$25bn gross domestic product in 2009).

According to Debebe, the Industrial and Commercial Bank of China has committed itself to cover 85% of total outlay. The design office at Sinohydro is already working on plans for Gibe 4, also on the Omo.

"Ethiopia has enormous hydro-electric potential," says Debay Tadesse, a researcher at the Institute for Security Studies in the capital. The government aims to achieve a nine-fold increase in capacity in just a few years, rocketing from 1,000 to 9,000 MW.

"It is inconceivable to develop the country without electrical energy. How else can we power the schools, hospitals, businesses and irrigation systems?" Tadesse asks.

Over and above the problem of connecting homes in Ethiopia to the power grid - which raises the question of a transmission and distribution network - the prime objective is to export energy and earn foreign currency.

This should soon be the case thanks to the dam on Lake Tana - at the source of the Blue Nile - built by an Italian firm, Salini, and officially opened last month. A contract to export electricity to Sudan is slated to bring in \$150,000 a day. Other contracts have been signed with Kenya and Djibouti.