ECOFIN AGENCY · ETHIOPIA · PIPELINE

Ethiopia Joins Clean Power Alliance to Build Grid Pipeline

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Ethiopia has joined the Global Clean Power Alliance Finance Mission, a UK- and Brazil-led initiative designed to prepare electricity infrastructure projects for private investment, with a particular focus on transmission networks. The move signals Ethiopia's intent to close the gap between project conception and investor-ready bankability in its power sector.

Under the programme, one or two Ethiopian projects may be selected to receive technical, regulatory, and commercial preparation support. This structured preparation process is intended to improve the projects' prospects of attracting private capital, addressing a persistent barrier in emerging-market infrastructure where promising projects frequently stall at the development stage due to incomplete feasibility work, unclear regulatory frameworks, or unattractive risk profiles.

The emphasis on transmission is notable given Ethiopia's existing generation capacity ambitions. The country hosts the Grand Ethiopian Renaissance Dam, which upon full commissioning is expected to be the largest hydropower facility on the African continent, with an installed capacity of 5,150 megawatts. Despite significant generation assets in development, inadequate transmission infrastructure has constrained Ethiopia's ability to distribute power domestically and export surplus electricity to regional neighbours under frameworks such as the Eastern Africa Power Pool. Strengthening the transmission network is therefore a prerequisite for monetising generation investments already underway.

The Global Clean Power Alliance Finance Mission draws on the convening power of the UK and Brazil to mobilise technical assistance and de-risking instruments for clean power projects across developing economies. By joining the initiative, Ethiopia gains access to a structured development pathway that can include grid studies, regulatory reform support, and transaction advisory services, all of which are typically prerequisites before development finance institutions or commercial lenders will commit capital.

For the broader regional energy market, Ethiopia's participation underscores a growing recognition that the bottleneck to electrification in sub-Saharan Africa is frequently not the absence of generation resources but the absence of transmission and distribution infrastructure capable of delivering power to end users and across borders. Multilateral and bilateral initiatives that target this preparation phase are increasingly viewed as essential complements to direct project financing, helping to convert a large pipeline of announced projects into a smaller but fundable set of investment-grade opportunities. The selection of one or two specific Ethiopian projects under the alliance will be a key development to watch, as it will define which assets receive the concentrated advisory and de-risking support needed to reach financial close.

Why this matters to partners and clients of Saga

This is an early-stage programme membership with no contracts or tenders open. Norwegian service companies active in power infrastructure or grid development should monitor which specific projects are selected for preparation support — those selections will signal where commercial procurement is likely to follow in 2-4 years. Relationship-building with the UK and Brazilian programme administrators, as well as Ethiopia's Ministry of Water and Energy, is the appropriate step at this stage.

PARTNER ANGLES

- **Pipeline:** Transmission grid build-out in Ethiopia may require HV cable supply and installation expertise; monitor project selection announcements for early engagement opportunities.

- **Service:** Transaction advisory and feasibility study firms can explore a role in the technical preparation workstreams the alliance is mandated to deliver.
- **Subsea/FPSO:** No direct relevance at this stage; monitor only if cross-border subsea power cable routes are identified in later project scoping.
- **LNG:** No direct relevance; transmission focus excludes gas infrastructure at this stage, though hybrid grid projects could emerge during preparation.

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