



Attracting Finance and Investment for the Energy Transition in Ethiopia

Stakeholders Meeting Report

15 August 2024, 9:00 A.M to 4:15 | Radisson Blu Hotel, Addis Ababa, Ethiopia

Ethiopia, through the Ethiopia Investment Commission (EIC) is a beneficiary of a technical assistance project promoting and facilitating finance and investment in energy transition. This 3-year project, led by the UN Trade and Development (UNCTAD), is implemented in cooperation with other UN departments.

One of the project's key outputs is to develop a strategy to attract finance and investment in energy transition-related projects, such as renewable energy and green technologies. As part of the strategy development process, UNCTAD and EIC jointly organized a consultation workshop with stakeholders from the private and public sectors, as well as development partners, in Addis Ababa on August 15, 2024. The meeting was attended by 61 participants, including 14 women, representing policy makers, regulatory agencies, the private sector, and development finance and technical assistance providers. The feedback, insights, and inputs gathered during this meeting directly contribute to the successful development and implementation of the strategy.



Opening

The meeting was opened by **Ms. Hanna Arayaselassie, Commissioner, Ethiopian Investment Commission (EIC)**, who outlined the investment priorities for Ethiopia in the energy sector, in particular renewables, and the country's long-term vision and goals. EIC and the Ethiopian government aim to increase Ethiopian power generation from 4.5GW today to 17GW by 2030 and ultimately to become an energy exporter.

Further setting out the priorities of government in the energy sector, **Mr. Gosaye Mengistie Abayneh, Senior Energy Advisor, Ministry of Water and Energy**, presented the challenges faced by Ethiopia in the energy sector, notably an annual funding gap of \$1 billion to achieve universal electricity access by 2030. Currently, only 54% of the population has electricity access, and just 10% of the population have access to clean cooking technologies. The ministry aims to expand clean cooking, ensure energy reliability, improve efficiency and sustainability.

Finally, **Ms. Diane Sayinzoga, Chief, Regional Office for Africa, UNCTAD**, introduced the UNCTAD-DESA project and the timeline of support to the country



Ms. Hanna Arayaselassie, Commissioner,
Ethiopian Investment Commission



Ms. Diane Sayinzoga,
Chief, Regional Office for Africa, UNCTAD

Background presentations

To set the meeting and project in the global context for investment in the energy transition, **Ms. Stephania Bonilla-Feret, Senior Economic Affairs Officer at UNCTAD**, provided a presentation of the latest investment trends and insights from the UNCTAD World Investment Report. Significantly, recent trends showed a slowing of foreign investment in the renewables sector, although the picture is nuanced, with some countries attracting significant greenfield investments including large projects in Africa.



Focusing the discussion on the Ethiopian context, **Dr. Tadesse Kassa Woldetsadik, Senior Policy Advisor, EIC**, provided an overview of the landscape for FDI in Ethiopia and how the power sector could help attract foreign investment. He described the potential for power generation in the country, the tariff structure of different electricity sources, and the different operating systems, and the modalities of investment. Currently Ethiopia has some of the cheapest electricity production costs anywhere and is aiming to reduce its dependence on hydropower from 92% to 80% of the energy mix to improve reliability and diversification.



Ms. Stephania Bonilla-Feret,
Senior Economic Affairs Officer, UNCTAD

Dr. Tadesse Kassa Woldetsadik,
Senior Policy Advisor, EIC

Panel discussion 1: Creating an enabling environment for green investments in Ethiopia

Moderated by **Dr. Mohamed Alhaj, Renewable Energy Expert, UNCTAD**, the session brought together a diverse and dynamic mix of speakers who provided insights into the energy sector in Ethiopia, as well as how to finance energy sector investment.

Ms. Leyla Traoré, Head of European Investment Bank Representation to Ethiopia and the African Union, provided an institutional investor perspective of financing opportunities and constraints, primarily at the utility level. The concessional financing provided by the bank requires projects with a minimum scale of \$20 million for the bank to offer lower costs of capital.

In contrast, **Mr. Carlos Bueso, SNV Netherlands Development Organisation**, described his organisation's financing activities, which were primarily aimed at the decentralized, off-grid market with projects valued at less than \$1 million.



Lastly, **Dr. Atsed Gualu, Chairperson, Ethiopian Women in Energy Alliance (EWiEN)**, contributed insights from her organization’s work that aims to address the gender dimension of electricity access. This involves not only ensuring access to domestic supply and employment opportunities in the energy sector, but addressing the negative externalities that may arise, such as extending women’s work hours.



Dr. Mohamed Alhaj,
Renewable Energy Expert, UNCTAD

Ms. Leyla Traoré,
Head of European Investment Bank
Representation to Ethiopia and the African
Union

Mr. Carlos Bueso,
SNV Netherlands Development Organisation

Dr. Atsed Gualu,
Chairperson, Ethiopian Women in Energy
Alliance (EWiEN)

Fireside chat: Lessons learned from the Distributed Renewable Energy – Agriculture Modalities (DREAM) initiative

Presenting a case study of the DREAM project, **Ms. Enas Abdulmalik, Country Lead Ethiopia, Global Energy Alliance for People and Planet (GEAPP)**, underscored the need for joined up thinking and coordinated action among ministries and DFIs, given the cross-sectoral nature of energy and the challenges faced by this project. The DREAM initiative will build the first solar mini-grid powered large scale irrigation systems in Africa, providing farmers with reliable, affordable, and sustainable irrigation.



In conversation with **Dr. Tadesse Kassa Woldetsadik, Senior Policy Advisor, EIC**, Ms. Abdulmalik described how mini grid projects either risk being underutilized or oversubscribed and that getting tariff rates right, providing grid access and overcoming other obstacles such as forex risk, are essential.



Dr. Tadesse Kassa Woldetsadik,
Senior Policy Advisor, EIC

Ms. Enas Abdulmalik,
Country Lead Ethiopia, Global Energy Alliance
for People and Planet (GEAPP)

Panel session 2: Financing the Future - the Role of Institutional Investors in the Energy Transition (Hybrid session)

Moderated by **Mr. Joseph Clements, Economic Affairs Officer at UNCTAD**, the session brought together institutional investors and institutional investment experts to provide an introduction to this group of investors, their needs and constraints, and how Ethiopia might leverage this relatively new source of infrastructure finance.

Ms. Meleket Sahilu, Deputy CEO, Ethiopian Investment Holdings (EIH), outlined EIH's role in co-financing infrastructure projects in the energy sector, supporting private investors and working with foreign public investors to derisk and help guarantee financing.



Echoing some of EIH’s activities at the regional level, **Mr. Dennis Munuvei, Principal Renewable Energy Investment Officer, Power, Energy, Climate and Green Growth, African Development Bank**, explained the Bank’s role with respect to derisking and helping pool resources to finance energy projects.

Finally, **Mr. Rahul Agarwal, Institutional Investment Expert, UNCTAD**, described the market for institutional investment at the global and regional levels and offered some insights into what is needed in Ethiopia to attract and benefit from institutional investment, including the development of capital markets and instruments.



Mr. Joseph Clements,
Economic Affairs Officer at UNCTAD

Ms. Meleket Sahilu,
Deputy CEO, Ethiopian Investment Holdings

Mr. Dennis Munuvei,
Principal Renewable Energy Investment Officer,
Power, Energy, Climate and Green Growth,
African Development Bank

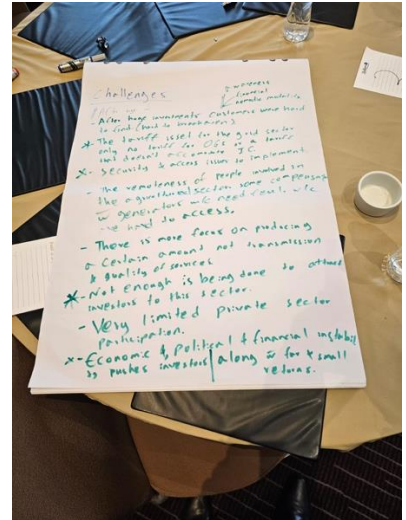
Mr. Rahul Agarwal,
Institutional Investment Expert, UNCTAD

Focus Groups: Catalyzing Green Investments - Overcoming Barriers and Identifying Opportunities in Ethiopia’s Energy Transition

In the final session of the workshop, participants formed three groups to brainstorm the challenges faced by Ethiopia’s energy sector to help better all stakeholders and UNCTAD better understand the



investment needs and obstacles in the country. The session also asked participants to come up with recommendations, many of which will be further elaborated and will feed into the strategy paper being developed by UNCTAD.



The workshop concluded with closing remarks from Ms. Diane Sayinzoga, representing UNCTAD and Dr. Zeleke Temesgen, Deputy Commissioner, EIC.



Market challenges and outlook

The country is planning to increase its installed capacity from 4.5GW today to 17GW by 2030 and ultimately to become an energy exporter. At the same time, it aims to reduce dependence on hydropower from 92% to 80% and currently has 18 solar and wind projects in the pipeline.

Nevertheless, the country faces an annual funding gap of \$1 billion to achieve universal electricity access by 2030 and currently. At 4cts/kwh, Ethiopia has one of the cheapest electricity tariffs anywhere. However, this can be problematic for investors and IPPs that require higher tariffs to be profitable. Private capital is therefore minimal in power production although policies have been put in place.

Moreover, only 54% of the population has access to electricity – a figure that has not changed significantly in the past five years, in part because of the dispersed, predominantly rural population not connected to the grid, which may impact women disproportionately due to, for example, a lack of clean cooking technologies. Embedding the gender lens when analyzing energy transition investments is essential and will maximize the benefits of clean energy projects.

Upgrading energy distribution, addressing remoteness, and improving coordination between ministries and other stakeholders are essential. Moreover, there is a need for introducing energy efficiency measures, improving tariff and transmission systems, and facilitating universal electrification programs, particularly in remote areas.

Regulatory environment

Despite putting in place a relatively comprehensive regulatory and policy regime for energy, the experience of investors suggests that implementation can be mixed. Obtaining licences and work permits is not always straight forward, for example. Reinstating the one stop shop would help streamline these processes.

Other policy changes are needed, including reforms to tariffs and coordinated energy strategies among government agencies. Better planning and policy reforms are also needed, including the allocation of foreign currency to the sector to facilitate investments, standardizing regulatory frameworks, and enhancing inter-sectoral coordination.

De-risking and packaging investments

There are many obstacles to attracting private investment, including a difficulty in finding customers, regional security issues, access issues, and economic, political, and financial instability. Comprehensive promotion of the energy sector, support for development and technology enhancement, and incentivizing private sector engagement will be critical and several options were referenced to help achieve this and address investor risk.

There is a strong role for DFIs and MDBs to help finance energy projects, either through equity or



debt, and provide reassurance to investors as well as potential guarantees, credit and credit rating support. This may also help to involve local companies and the creation of conglomerates or pooled, co-investments. For example, the European Investment Bank (EIB) has helped fund several projects. However, their focus is on large ticket sizes (EUR 20+ million), which is typically more appropriate for utility-scale projects. EIB's mechanisms such as the Energy Guarantee facility can play a big role in de-risking investments.

There is also a lack of financial products and financing options for those involved in the energy sector, particularly for off-grid solutions and in the agricultural sector. The introduction of incentives for off-grid systems, financing for the agricultural sector, and improving financing initiatives overall could help address these financing issues.

Closing

Participants were invited to evaluate the meeting. A total of 10 completed evaluation forms were received. Most participants rated the stakeholder meeting highly across all evaluation questions. The relevance and usefulness of the meeting for the respective works of the stakeholders received high ratings, with all respondents (100%) rating the meeting either “highly useful” or “somewhat useful” for their work. This demonstrates proper targeting of the audience by the organisers. All respondents considered that the meeting had either ‘fully’ or ‘reasonably’ met its objective.

Equally, all respondent participants rated the methodology and the organization of the meeting as either “excellent” or “good”. Moreover, all assessed the quality of the panel and focused group discussions as either “excellent” or “good”.

Participants also provided additional written comments, including:

- The energy sector has a great potential in Ethiopia but suffers from financial constraints. So, this project is timely and very significant to Ethiopia.
- Joint planning and implementation with EIC are key for effective implementation of the project and hope you will continue engaging experts from the partner EIC.
- As indicated in the panel discussion by the EIH deputy CEO, EIH has undertaken de-risking of investments to increase the participation of various stakeholders in sectors such as the energy sector.
- An assessment of the current situation before the project starts. It will serve as a baseline against which the impact of the intervention will be measured.
- To identify/Invite additional stakeholders that are keen to support the private sector development/participation and promote/attract investment to the country, for example European Union Delegation. Maybe establishing a formal platform with key stakeholders can be including high level officers from the relevant GoE.
- What is your specific tactical strategy to improve a sustainable entrepreneurial energy innovation ecosystem in Africa generally and in Ethiopia specifically? How can we promote domestic finance, financial transparency and accountability in the energy sector?



Attracting Finance and Investment for the Energy Transition in Ethiopia

Annex I: Programme

Stakeholders Meeting Programme

15 August 2024, 9:00 A.M to 4:15 PM Radisson Blu Hotel, Addis Ababa, Ethiopia

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One of the project’s key outputs is to develop a strategy to attract finance and investment in energy transition-related projects, such as renewable energy and green technologies. As part of the strategy development process, UNCTAD and EIC are jointly organizing this meeting to consult stakeholders from the private and public sectors, as well as development partners. The feedback, insights, and inputs gathered during this meeting will contribute to the successful development and implementation of the strategy.

8.30 – 9.00	Registration
	Opening
9.00 – 9.10	EIC opening remarks Ms. Hanna Arayaselassie, Commissioner, EIC
9.10 – 9.20	Remarks by the Ministry of Water and Energy (MoWE) Mr. Gosaye Mengistie Abayneh, Senior Energy Advisor, MoWE
9:20 – 9:30	UNCTAD Regional Office for Africa Ms. Diane Sayinzoga, Chief, Regional Office for Africa, UNCTAD



Background presentations

- 9.30 – 9.50 **Investment in the energy transition: Insights from UNCTAD World Investment Report**
Dr. Stephania Bonilla-Feret, Senior Economic Affairs Officer at UNCTAD
- 9.50 – 10.10 **The Ethiopian Investment Commission: Promoting Ethiopia in the global market as a top destination for FDI**
Dr. Tadesse Kassa Woldetsadik, Senior Policy Advisor, EIC

10.10 – 10.40 Coffee break

Panel discussion 1

- 10.40 - 11.45 **Creating an enabling environment for green investments in Ethiopia**
Moderator: Dr. Mohamed Alhaj, Renewable energy expert, UNCTAD
Ms. Leyla Traoré, Head of European Investment Bank Representation to Ethiopia and the African Union
Mr. Carlos Bueso, SNV Netherlands Development Organisation
Dr. Atsede Gualu, Chairperson, Ethiopian Women in Energy Alliance (EWiEN)

11.45 – 1.00 Lunch

Fireside Session

- 1.00 – 1.20 **Lessons learned from DREAM project**
Moderator: Dr. Tadesse Kassa Woldetsadik, Senior Policy Advisor, EIC
Ms. Enas Abdulmalik, Country Lead Ethiopia, Global Energy Alliance for People and Planet (GEAPP)

Panel discussion 2

- 1.20 – 2.20 **Financing the Future: The Role of Institutional Investors in the Energy Transition**
Moderator: Mr. Joseph Clements, Economic Affairs Officer at UNCTAD
Ms. Meleket Sahilu, Deputy CEO, Ethiopian Investment Holding (EIH)
Mr. Dennis Munuve, Principal Renewable Energy Investment Officer, Power, Energy, Climate and Green Growth, AfDB
Mr. Rahul Agarwal, Institutional Investment Expert, UNCTAD

Focus Groups

- 2.40 – 4.00 **Catalyzing Green Investments: Overcoming Barriers and Identifying Opportunities in Ethiopia Energy Transition**



Annex II: List of Participants

	Name of participant	Title	Affiliation
1.	Ms. Hanna Arayaselassie	Commissioner	Ethiopian Investment Commission (EIC)
2.	Mr. Zeleke Temesgen Boru	Deputy Commissioner	
3.	Mr. Mulatu Kibrit	Director, Industrial Park One-Stop-Service Coordination Directorate	
4.	Mr. Tadesse Kassa Woldetsadik	Senior Policy Advisor	
5.	Mr. Genanaw Girma Tadesse	Investment regulation Directorate Director	
6.	Mr. Mekonnen Hailu Abebe	Investment promotion and facilitation team leader	
7.	Mr. Yohannes Alemayehu	Public Relation	
8.	Amenti Dereje	Investment facilitation Expert	
9.	Mr. Ayalneh Tesfaye	Investment facilitation Expert	
10.	Mr. Elias Zekeria	Investment facilitation Expert	
11.	Mr. Habtamu Simachew	Advisor	
12.	Mr. Tibebu Yohannes	Advisor	
13.	Mr. Abdurehman Mohamed	Advisor	
14.	Mr. Yalew Getachew	Advisor	
15.	Ms. Selam Getu	Promotion Expert	
16.	Ms. Beza Fikiru	Legal Officer	
17.	Mr. Yechealew Birku	Cameraman	
18.	Ms. Enas Abdulmalik	Country Lead Ethiopia	Global Energy Alliance of People and Planet
19.	Ms. Atsede Gualu Endegnanew	Chairperson	Ethiopian Women in Energy Alliance (EWiEN)
20.	Ms. Linda Lapiso	Vice President	
21.	Mr. Atkilit Bekele	Board Member	
22.	Ms. Leyla Traoré	Head , Representation to Ethiopia and the African Union	European Investment Bank (EIB)
23.	Mr. Carlos A. Bueso	Sector Leader Renewable Energy	Netherlands Development Cooperation, SNV
24.	Mr. Gosaye Mengistie Abayneh	Senior Energy Advisor	Ministry of Water and Energy (MOWE)
25.	Mr. Mekuria Demissie	General Manager	Mekura Enviro Friendly Consultancy
26.	Mr. Yared Beyene	Consultant	
27.	Mr. Al Mudabbir Bin Anan	Programme Manager	Energizing Development, GIZ



28.	Mr. Dennis Munuve	Principal Renewable Energy Investment Officer	African Development Bank
29.	Mr. John Bukenya	Officer in Charge	
30.	Mr. Tesfaye Tamart Teklemariam	Energy expert	
31.	Ms. Meleket Sahu	Deputy CEO	Ethiopian Investment Holdings (EIH)
32.	Mr. Abel Dereje	Investment Analyst	
33.	Ms. Mena Zegeye	Analyst	Precise Consulting
34.	Ms. Sarah Hird	Country Director, Trade and Investment	British Embassy
35.	Mr. Wondimu Woldemichael	Project Manager	Precise
36.	Ms. Chloé Fang	Business Manager	Orton
37.	Jingjing Zhang	Business Manager	
38.	Toahua Yu	Boss	
39.	Yu Dai	General Manager	
40.	Yingbin Hu	Manager	
41.	Noah Xu	Business Manager	Orton Electric
42.	Dieng Ming	Business Manager	
43.	Zeng Song	Business Manager	
44.	Ms. Bizuwork Demissie	Deputy CEO	Ethiopian Electric Utility
45.	Mr. Tilahun Birhanu	Head	UGAP
46.	Ms. Mena Zegeye Alemu	Project Manager	Precise Consult
47.	Ms. Saron Berhane Habtom	Project Manager	
48.	Alamirevo Getu	Advisor to the Minister	Ministry of Transport
49.	Constantin von Hobe	Intern	United Nations Economic Commission for Africa
50.	Ms. Diane Sayinzoga	Chief, Regional Office, Africa	UNCTAD
51.	Ms. Stephania Bonilla	Economic Affairs Officer, DIAE	UNCTAD
52.	Mr. Joseph Clements	Economic Affairs Officer, DIAE	UNCTAD
53.	Mr. Mohamed Alhaj	Renewable Energy Expert. Consultant	UNCTAD
.	Remote participants		
54.	Ms. Nan Li	Director, DIAE	UNCTAD
55.	Mr. Yongfu Ouyang	Chief, Institutional Investment Section, DIAE,	UNCTAD
57.	Ms. Natalia Guerra	Senior Economic Affairs Officer, DIAE	UNCTAD
58.	Mr. Ermias Biadgleng	Legal Affairs Officer, DIAE	UNCTAD
59.	Mr. Rahul Agarwal	Institutional Investment Expert. Consultant	UNCTAD
61.	Mr. Nicolo Capomacchia	Consultant	UN-DESA



Annex III: Media Gallery



Enas Abdella Abdulmalik · 2e + [Suivre](#)

Strategy, Finance, Po...
3 mois · Modifié · 🌐

Great workshop held yesterday organized by [UN Trade and Development \(UNCTAD\)](#), @ministry of Water and Energy and the [Ethiopian Investment Commission \(EIC\)](#) on attracting finance and investment in energy projects in Ethiopia.

Discussed the investment opportunities that the off-grid sector holds including the vast amount of money needed in order to meet SDG7.

Deliberated on scaling up programs like DREAM that are private-sector led, and thus replicable, scalable and can contribute to moving the needle on energy access in rural Ethiopia.

[The Global Energy Alliance for People and Planet \(GEAPP\) African Development Bank Group](#)
[Stephania Bonilla-Feret Phd](#)

[Voir la traduction](#)



Leyla Traoré, Eng., FRM, SCR + [Suivre](#)

Head of EIB Represe...
3 mois · Modifié · 🌐

Insightful workshop today on Ethiopia's Green Energy Transition successfully organised by [UN Trade and Development \(UNCTAD\)](#) & [Ethiopian Investment Commission \(EIC\)](#) with the [#MinistryofWaterandEnergy](#).

We learned about:

- ➡ Ethiopia's ambitious renewable energy targets
- ➡ Government incentives for green investments
- ➡ EIC's role in sustainable project facilitation

During the panel discussion, I shared insights on the [European Investment Bank \(EIB\)](#)'s 40+ year partnership with Ethiopia, our engagement in 🇪🇹 energy sector since 1998, and responded to how EIB is creating an enabling environment for green energy investments across Africa through initiatives like:

- ➡ Africa Energy Guarantee Facility (<https://lnkd.in/eBupYGrS>);
- ➡ Africa Renewable Energy Fund (https://lnkd.in/ewgnd_Yu).

Thanks to the organisers for the invitation. Excited about Ethiopia's sustainable energy future!

[#ClimateBank](#) [#Ethiopia](#)
[#SustainableFinance](#)
[#GlobalGateway](#)





**Ethiopian
Investment C...**

+ Suivre ...

11 841 abonnés

4 mois · 🌐

The Ethiopian Investment Commission (EIC), in collaboration with the Ministry of Water & Energy, and UN Trade and Development (UNCTAD) has organized a stakeholders workshop focusing on attracting financing and investment for energy transition in Ethiopia.

As the energy sector is among the key strategic sectors, the Ethiopian government offers attractive incentives to increase private sector participation as we work to meet the ambitious 2030 goals to achieve universal coverage and quadruple generation capacity.

The workshop brings together all relevant public institutions, the private sector, UNCTAD and other organizations working on the area to explore opportunities and challenges, and forge a path forward.



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Stephania Bonilla-Feret Phd • You
Economist @UN Trade and Development (UNCTAD) | Office of the Di...
3mo • 🔒

Finance is not automatically inclusive! We need an inclusive enabling environment, policies and targeted measures - and we need to hear from the women in the sector! ...more



Enas Abdella Abdulmalik • 1st
Strategy, Finance, Policy, Advocacy
3mo • Edited • 🔒

Great workshop held yesterday organized by **UN Trade and Development (UNCTAD)**, @ministry of Water and Energy and the **Ethiopian Investment Commission (EIC)** on attracting ...more



Natalia Guerra and 36 others 6 comments

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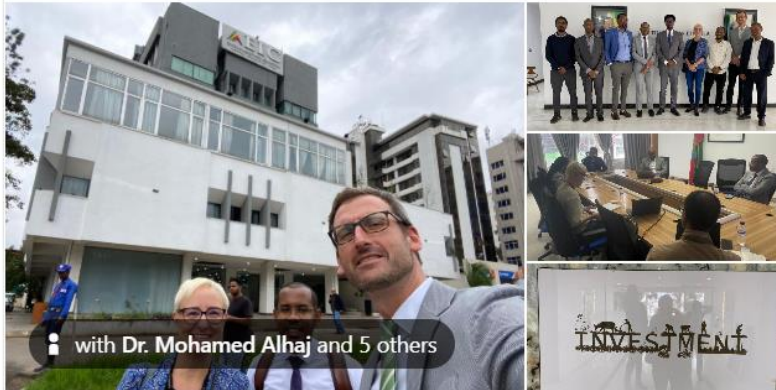
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Stephania Bonilla-Feret Phd • You
Economist @UN Trade and Development (UNCTAD) | Office of the Di...
3mo • 🔒

In vibrant Addis! Talking investment in the energy sector in Ethiopia 🌱 ☀️

Productive meetings with Commissioner Hanna Arayaselassie an ...more



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