Addis Ababa, December 10 (WIC) -The African Development Bank (AfDB) has approved a loan agreement amounting 115 million US dollars to finance the construction of a cross-border electricity highway running between Ethiopia and Kenya.

According to a press release issued by AfDB on Friday, the loan agreements were signed in Nairobi by Gabriel Negatu, AfDB's East Africa regional director, and Kenya's finance minister, Robinson Githae.

The 1.26 billion US dollars Ethiopia-Kenya power line project is a 1,068km high-voltage transmission line with a power transfer capacity of up to 2,000MW.

Upon completion, the project will promote power, economic trading and regional integration further contributing to the Eastern Africa Power Pool (EAPP) countries' social and economic development, and thereby playing tremendous roles in alleviating poverty across countries of the region.

"This project will facilitate export of surplus power from Ethiopia to Kenya and therefore increase power supply in the country," Githae said.
According to AfDB, the project will position Ethiopia as the main powerhouse and Kenya as the main hub for power trade in the East African region.

The project which is co-funded by the World Bank; the French Development Agency; and by the governments of Ethiopia and Kenya will ultimately connect power grids of five East African countries, namely Kenya, Rwanda, Uganda, Burundi and the Democratic Republic of Congo. Last September AfDB approved a second phase 348 million US dollars to fund the project.

Ethiopia is currently investing billions of dollars in building hydro-power dams as part of its ambitious plan to be a leading regional power exporter.

Ethiopia is currently exporting hydropower processed electricity to Djibouti and Sudan. It will

soon start exports to Kenya when the construction of power transmission inter-connector pipeline is complete.

South Sudan has also signed a memorandum of understanding with the Ethiopian government to a build transmission line that will enable it to import Ethiopia's electricity.

According to state utility, Ethiopia Electric and Power Corporation (EEPCo), Ethiopia has plans to invest over 12 billion US dollars to increase its power generating capacity to 10,000MW in 2015 from the current 2,000MW and to further boost it to more than 40,000MW of hydropower by 2035, which will then make the country Africa's largest power exporter.