

**Africa-EU Renewable Energy
Cooperation Programme**
Creating opportunities for renewable energy



Fact File

**LEGAL FRAMEWORK AND NATIONAL STRATEGY
FOR THE ELECTRICITY SECTOR**

Background

Djibouti has great potential for renewable energy, particularly geothermal, wind and solar power. However, currently all electricity produced in Djibouti by the national electricity utility, Électricité de Djibouti (EDD), is generated from thermal generators powered by heavy use of fuel oil and diesel. In addition, Djibouti imports 80% of its electricity consumption from Ethiopia. The EUEI PDF received a request from the Ministry of Energy and Water in charge of Natural Resources (MEERN) for assistance in developing a legal framework for the electricity sector in the country.

Objectives

The objective was to assist MEERN in formulating a legal framework and strategy for the electricity sector in Djibouti. Concretely, in the framework of this intervention Country Energy Scenarios, an Electricity Strategy including an action/investment plan, as well as a draft Electricity Act were developed. This was done in collaboration with other stakeholders in the sector and the rural electrification sub-sector, including other ministries, the national electricity utility EDD, the Agence Djibouti-



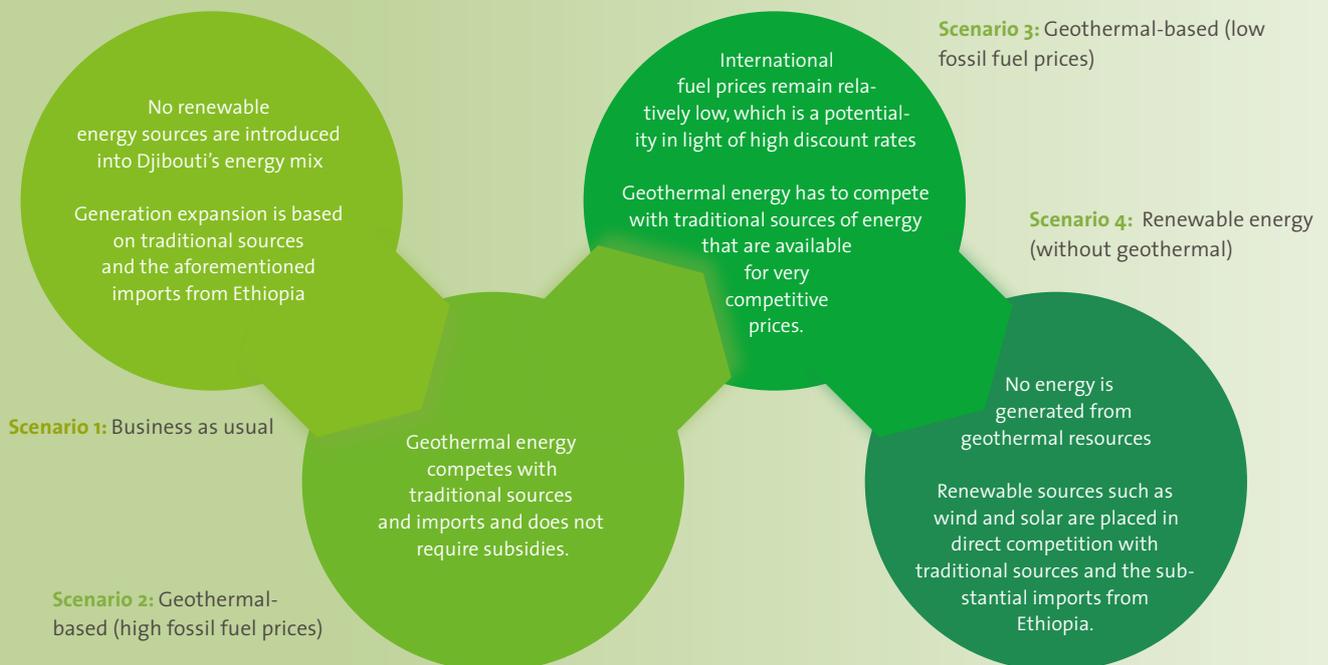
PROJECT OVERVIEW

Country/Region	Djibouti
Project partner	Ministry of Energy and Water in charge of Natural Resources
Term	September 2012 – November 2014

enne de Developpement Social (ADDs), but also the private sector, the Centre de Études et de Recherche de Djibouti (CERD) and other technical and financial partners and donors.

The expected outcome of the project was to contribute to improve energy security, a higher share of renewables in the energy generation mix as well as increased energy access. The project was therefore aligned with the Government's intention of developing a public policy for the sustainable use of energy resources.

**ENERGY SCENARIOS FOR A NATIONAL STRATEGY
IN THE ELECTRICITY SECTOR**





Activities

The activities carried out comprised:

- » Conducting a background analysis, stakeholder consultations and an inception workshop with the MEERN in January 2013
- » Creating energy scenarios in order to inform the setting of targets for the Electricity Strategy and estimate investment requirements
- » Developing and validating the Electricity Strategy and action/ investment plan covering improvements to the legal, institutional and regulatory framework as well as investments in power generation, transmission and distribution as well as off-grid solutions
- » Developing and validating the draft Electricity Act.

Results

The results of the analysis support the assumption that the introduction of renewable energy sources remains the most competitive option for Djibouti in addition to their environmental benefits in terms of reducing greenhouse gas emissions. The project conclusions therefore show that the **development of renewable energies in Djibouti – and more specifically geothermal, wind and solar – is a robust solution** under the considerations of costs and technical parameters used for the modelling.

The outcomes of the dialogue event, which were based on recommendations by the private sector, civil society and academia, as well as the scenarios workshop resulting in a comprehensive report, have fed into the development of an inclusive National Electricity Strategy. Moreover, the strategy then formed the basis for a draft electricity law.

The way forward

EUEI PDF appreciates that its engagements ranging from outlining potential scenarios to the development of a national electricity strategy through a consultative process with various stakeholders has directly informed and fed into the formal passing of a draft law. The draft law is planned to be ratified and adopted according to the common legislative procedures of the ministerial cabinet of Djibouti. Once this happens, the pursuit of the National Electricity Strategy will be facilitated by a sound legal framework which will integrate geothermal energy as well as other renewable sources into Djibouti's electricity generation mix.

Published by:

European Union Energy Initiative –
Partnership Dialogue Facility (EUEI PDF)

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International Zusammenarbeit (GIZ) GmbH
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December 2014