This country transition snapshot was produced as part of the report *Powering Across Divides – Clean energy cooperation in a fragmented world*, published November 2026. The full report is available from **https://www.e3g.org/publications/powering-across-divides-clean-energy-cooperation-fragmented-world/**

Ethiopia's transition snapshot

Key facts

Ethiopia has the fourth-cleanest energy grid globally, with clean resources making up 99.8% of electricity generation, and hydropower accounting for 97%.[1] Clean power growth over the past 25 years has largely been driven by major infrastructure projects, including the Grand Ethiopian Renaissance Dam (GERD), in operation since 2022, and the Koysha Dam, nearing completion. Largely due to the GERD, installed capacity more than doubled from 4.5 GW to 9.8 GW over the past seven years.[2] The GERD, Africa's largest hydroelectric dam, was financed innovatively and entirely domestically and through diaspora fundraising, without international loans or finance.[3]

However, Ethiopia's overall energy system is still dominated by traditional biomass and imported oil. In 2024, biofuels and waste accounted for 86% of total energy supply, and around 85% of final consumption with electricity making up only 4.3%.[4] Less than half of Ethiopia's population has access to electricity,[5] which partly explains this reliance on biomass. However, even grid-connected households often reserve electricity for lighting and small appliances but still cook with biomass, the most energy-intensive household end use, often because of the cost of electric stoves and unreliable supply.[6] At the same time, Ethiopia produces no oil, so all of its oil products are imported. They account for about 8% of total energy supply and 9% of total consumption, and power almost all transport and much of industry and agriculture.

Ethiopia's transition challenge is therefore less about generating enough clean power than about delivering it across the economy and making sure it is used. The country has built one of the cleanest electricity systems in the world, but that clean power has yet to reach most households, industry and transport. Distribution networks have lagged behind generation, and most energy demand is still met by traditional biomass and imported oil. Closing this gap, through wider access to electricity for clean cooking,

[1] IEA, 2024, **Ethiopia** (webpage, accessed 28 July 2026)
[2] Powers of Africa, 14 July 2026, **Electricity: Ethiopia expands power exports to Kenya**
[3] ENA, 29 March 2025, **New Campaign Launched to Mobilize 3 Million USD from Ethiopian Diaspora for GERD** (webpage, accessed 28 July 2026)
[4] IEA, 2024, **Ethiopia** (webpage, accessed 29 July 2026)
[5] Ibid.
[6] World Bank Group, 2025, **Mission 300: National Energy Compact for the Federal Democratic Republic of Ethiopia**

industrial use and transport, is central to turning clean generation into a broader energy transition.

Opportunities for international collaboration

Regionally, as a key member of the Eastern Africa Power Pool and chair of its Council of Ministers in 2026–2027, Ethiopia is well positioned to support regional integration, cross-border trade and wider access to clean electricity, including through projects such as the Ethiopia–Kenya interconnector.

Ethiopia's COP32 presidency offers a platform to advance development-focused transitions and position the country, and Africa, as a leader in climate solutions, resilience, clean energy and sustainable investment. Ethiopia enters the Presidency with a growing climate leadership role, built in part through hosting the 2025 UNFCCC Climate Week in Addis Ababa. As COP32 President, Ethiopia can draw on its clean electricity story and success in domestically funding the GERD to highlight both the transformational potential of renewable energy in Africa and how to overcome the systemic finance and technology barriers that constrain delivery at scale. Its COP Presidency can also advance policy and business interests across the continent by reflecting the asks of the African Group of Negotiators within negotiations; doing so would elevate African-led initiatives across the broader COP framework and build bridges between investors and African partners so that implementation platforms reflect regional priorities and demonstrate delivery.

Ethiopia also hosted the second Africa Climate Summit (ACS2) in Addis Ababa in September 2025, which consolidated Africa's climate agenda and priorities. Three priority themes for Africa from the ACS2 agenda are particularly relevant to shaping the COP32 process: adaptation, green industrialisation and climate finance. Each offers clear areas for international partners to engage in supporting their delivery and implementation. For instance:

1. On **adaptation** support climate-resilient energy and water infrastructure.
2. On **green Industrialisation** reinforce investment in clean energy-powered manufacturing and regional transmission under the Eastern Africa Power Pool.
3. On **climate finance** promote and fund blended instruments for the distribution networks and off-grid solutions needed to close the access gap.

By aligning their support with these ACS2 priorities, international partners can help Ethiopia use COP32 to secure a major energy outcome, one that positions Africa's transition as an economic opportunity while keeping development, energy access and adaptation at the centre of the international agenda.

ABOUT E3G

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We drive systemic action on climate by identifying barriers and constructing coalitions to advance the solutions needed. We create spaces for honest dialogue, and help guide governments, businesses and the public on how to deliver change at the pace the planet demands.

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