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Eastern Africa Launches $1.6bn Regional Energy Programme to Strengthen Power Trade and Accelerate Clean Growth

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Eastern Africa is set to take a major step towards a more connected and resilient energy future following the approval of a $1.6 billion regional programme designed to expand cross-border electricity trade, strengthen transmission infrastructure and unlock greater economic opportunities across the region.

The Regional Energy Transmission, Trade & Decarbonization Programme for Eastern Africa (RETRADE-EA) is a 10-year initiative aimed at transforming how electricity is generated, transmitted and traded across Eastern Africa. Beyond new infrastructure, the programme seeks to build the institutional and regulatory foundations needed for a fully integrated regional power market.

For project professionals, RETRADE-EA represents one of the region's most ambitious energy integration programmes, combining complex infrastructure delivery with policy reform, market development and multinational stakeholder coordination.

Building a Regional Power Network

At the heart of the programme is the recognition that many countries in Eastern Africa possess significant renewable energy resources but lack the transmission infrastructure and market mechanisms required to fully utilise them.

The initiative will support new transmission links, strengthen existing networks and improve system resilience, while helping countries currently outside the regional grid, including Somalia, become

integrated into the wider power system.

It will also support the launch of the Eastern Africa Power Pool (EAPP) Day-Ahead Market, a major milestone that will enable electricity to be traded more efficiently between participating countries.

For project leaders, the programme highlights the growing importance of viewing energy infrastructure through a regional rather than national lens. Instead of countries building isolated generation capacity, integrated power systems allow electricity to flow where it is needed most, improving reliability while reducing costs.

Uganda-Tanzania Interconnector Moves Forward

The first phase of RETRADE-EA includes the Uganda-Tanzania Interconnector Project (UTIP), which will receive $250 million in concessional financing.

The project will finance approximately 260 kilometres of new 400-kilovolt double-circuit transmission lines linking Wobulenzi, Masaka and Mutukula on the Uganda-Tanzania border.

Once completed, the interconnector will create transmission capacity of up to 1,000 megawatts and establish a critical link between Uganda’s electricity system and broader regional markets.

The project addresses a long-standing challenge for Uganda, which currently generates more electricity than it consumes domestically, leaving substantial hydropower capacity underutilised.

By creating a route to export surplus electricity, the project transforms excess generation into a regional economic asset while helping neighbouring countries access cleaner and potentially lower-cost power.

By 2031, the interconnector is expected to facilitate at least 452 gigawatt-hours of annual electricity trade between Uganda and Tanzania.

Managing Complexity Beyond Infrastructure

While the transmission line is a significant engineering undertaking, the broader programme demonstrates that successful regional energy projects depend as much on governance and coordination as on physical construction.

Alongside infrastructure investment, RETRADE-EA includes support for market coordination, regulatory harmonisation, regional planning and operational improvements.

The programme allocates additional funding to strengthen the Eastern Africa Power Pool’s institutional capacity and support the Regional Power Trade and Market Project.

By 2031, the initiative is expected to enable more than 5,000 gigawatt-hours of annual cross-border electricity trade while strengthening links between the Eastern Africa Power Pool and the Southern African Power Pool.

For project managers, this highlights a growing trend in major infrastructure programmes: success increasingly depends on managing complex systems of stakeholders, institutions and regulations alongside traditional project delivery requirements.

Decarbonisation Through Regional Integration

The programme also demonstrates how infrastructure investment can simultaneously address economic development and climate objectives.

As regional interconnections increase, countries will be able to access cleaner energy sources more efficiently, reducing reliance on expensive and carbon-intensive thermal generation.

Across the wider Eastern Africa Power Pool, the increased use of Uganda's hydropower resources is projected to avoid approximately 25.8 million metric tonnes of carbon dioxide emissions.

This shift illustrates how regional energy integration can become a practical decarbonisation strategy, allowing countries to share renewable resources and reduce overall system emissions without compromising reliability.

A Project Delivery Challenge on a Regional Scale

The scale and ambition of RETRADE-EA make it one of the most significant energy programme management challenges currently underway in Africa.

Delivering new transmission infrastructure across borders requires alignment between governments, utilities, regulators, financiers and local communities, while maintaining consistent technical standards and delivery schedules.

The programme will also seek to attract greater private sector participation, including through Independent Transmission Projects, reflecting a broader move towards blended delivery models in major infrastructure programmes.

For project professionals, RETRADE-EA offers a clear example of how modern infrastructure programmes are evolving beyond standalone assets into integrated systems designed to deliver economic, environmental and social outcomes simultaneously.

If successfully delivered, the initiative could provide a blueprint for regional infrastructure development elsewhere in Africa, demonstrating how coordinated project delivery can strengthen energy security, reduce emissions, improve access to electricity and create new opportunities for economic growth across multiple countries.