

DIRECTORATE OF INFORMATION AND COMMUNICATION

PRESS RELEASE N°190/2011

SIGNING CEREMONY FOR A GEOTHERMAL RISK MITIGATION FACILITY FINANCING AGREEMENT BETWEEN THE AUC AND KfW



Addis Ababa, Ethiopia, 15 December 2011 – The African Union Commission (AUC), through its Department of Infrastructure and Energy organized today a signing ceremony with KfW Entwicklungsbank, the German Development Bank, for a total commitment of Euro 50 Million, in Addis Ababa, Ethiopia.

The geothermal risk mitigation facility financing agreement, with an innovative concept, will partially offset the high financial risk of non-discovery of exploratory drillings, thus wining investors for the construction of geothermal power plants in Easter Africa.

In his opening remarks, Mr. Aboubakari Baba-Moussa, Director of Infrastructure and Energy of the AUC welcomed all representatives and expressed his enthusiasm towards the successful signing of the agreement.

Dr. Thomas Duve, KfW Director of Regional Programmes in Africa, on his part stressed the need to harness this unique potential to tackle Africa's energy challenges, further expressing his enthusiasm towards a strengthening partnership with the AUC.

Echoing on the Director's statement, H.E. Gary Quince, Head of the European Union (EU) Delegation to the AU, noted that this signing represented a "flagship project of European cooperation with the AUC", adding that it will reduce barriers for capital investment and promote regional integration as well as sustainable economic growth.

Speaking on behalf of the Beneficiary Countries, the Deputy Minister of Energy of Tanzania welcomed the initiative and stressed the notable impact that such an agreement will have on the development of Infrastructure within Africa.



Mrs. Lieselore Cyrus, Ambassador of Germany to Ethiopia expressed her deep appreciation of this cooperation and stressed the importance of this agreement in terms of impacting development and guaranteeing quality, accessible and cost-effective power resources as well as the promotion of regional cooperation. The Ambassador further appreciated the involvement of the European Union in this partnership and thanked all stakeholders for making this ceremony possible.

H.E. Elham Ibrahim, Commissioner for Infrastructure and Energy of the AUC, after noting that financing is a key factor to Africa's energy challenges, showed her appreciation to the Government of Germany and the EU for this key cooperation opportunity. She called upon all African countries that are not yet participating to take part in this initiative in order to achieve the intended production and utilization levels of geothermal resources. She further called upon other development partners to join the current cooperation initiative.

For more information, please visit the AUC web site at <http://www.au.int>

