

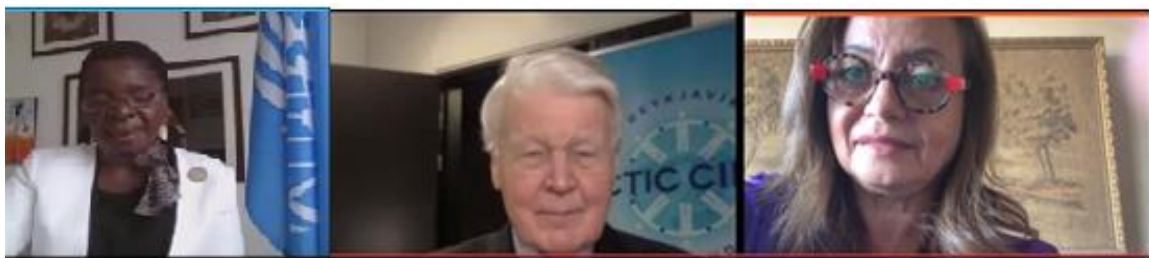
## DIRECTORATE OF INFORMATION & COMMUNICATION

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### **Harnessing Geothermal Energy in Africa**



H.E. Dr Amani Abou-Zeid, Commissioner for Infrastructure & Energy, spoke today at the opening session of 8<sup>th</sup>African Rift Geothermal Conference (ARGeo-C8) organized by the Government of the Republic of Kenya in collaboration with the African Union Commission, UNEP, Kenyan Electricity Generating Company (KenGen), Geothermal Development Company (GDC), the Geothermal Association of Kenya (GAK), Africa Energy Branch of the International Geothermal Association (IGA-ARB) and other relevant partners.

The main objective of the ARGeo conference was to promote and support the geothermal development in the East Africa Region. This international conference brought together policy makers, technical experts as well as developers and financiers of international and regional delegates. The conference also provided a platform to explore solutions on how to: (i) mitigate the risks associated with resource exploration, (ii) reduce lead times in developing geothermal projects, (iii) leverage investment to stimulate the growth of industry, and (iv) effectively develop, construct, and operate successful geothermal power plants.

Speaking at the opening ceremony, H.E. Dr Amani Abou-Zeid, said that “Currently, more than 600 million Africans lack access to electricity with many still relying on traditional biomass for cooking. This is having huge impacts on our efforts towards poverty reduction and human development in the Continent”. The Commissioner highlighted that Africa has a huge potential in renewable energy, especially in geothermal which is a viable energy resource estimated at over 15,000 megawatts in East Rift System Countries, that the Continent can leverage on to improve the energy-mix generation in East Africa.

H.E. Commissioner mentioned that the development of geothermal energy is one of the main focus areas for the African Union Commission. This is the reason the Geothermal Risk Mitigation Facility (GRMF) was established in 2012 by the AU Commission (AUC) in partnership with the German Federal Ministry for Economic

Cooperation and Development (BMZ) and the EU-Africa Infrastructure Trust Fund (EU-AU ITF) via KfW. Hence, GRMF has become since its launch in 2012 a reference in terms of risk mitigation and financial tool for supporting the geothermal energy development in Eastern Africa.

The Commissioner has pursued her remarks by highlighting the positive impacts that GRMF has made in terms of geothermal market development in East Africa. She pointed out that the Facility had launched successively 5 Application Rounds during which projects developers have been awarded grants totaling over USD 117 million to 30 projects with a potential to generate 2,800 Megawatts of electricity for a planned investment volume estimated to USD 9.2 million.

In order to provide more grants to project developers, both the the German Federal Ministry for Economic Cooperation and Development (BMZ) and DFID through KfW have extended their financial support to GRMF up to 2026 with possibility of additional renewal.

Dr Abou-Zeid called upon key stakeholders including implementing and grants beneficiary countries, technical partners and international financial institutions to joint efforts to meet both technical challenges and financial gaps to unlock the huge potential and untapped geothermal resources in East Africa.

The ARGeo conference is expected to come up with recommendations on various issues affecting the geothermal energy development in East Africa such as business models, regulatory frameworks to boost investments in sustainable energy. The Regional Geothermal Coordination Unit at AUC in collaboration with UNEP-ARGeo will be responsible for following up on the recommendations and reaching out to various partners for its successful implementation.

#### **Notes to the Editor:**

The Geothermal Risk Mitigation Facility (GRMF) was established to fund, facilitate, and accelerate geothermal development in eleven partner countries in the Eastern African Rift region. It is hosted and managed by the African Union Commission (AUC). Funding is provided by the German Federal Ministry for Economic Cooperation and Development (BMZ) together with the EU-Africa Infrastructure Trust Fund (EU Africa ITF) via KfW Development Bank (KfW), and the UK Department for International Development (DFID). The GRMF was launched in April 2012 and is implemented in a series of application rounds. The 6<sup>th</sup> Application Round was launched in May 2020. The GRMF programme has a total funding volume of approximately 100 million USD, which may be increased at the donors' discretion. The overall objective of the GRMF is to encourage public and private sector investment into geothermal power generation. This is achieved by providing financial support to mitigate the early stage exploration risk associated with geothermal power projects in order to improve project bankability and secure external financing. The GRMF therefore acts as a catalyst in establishing geothermal energy as a strategic option for power generation capacity expansion in the partner countries.

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