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**STATEMENT BY DR. ELHAM M.A. IBRAHIM  
AU COMMISSIONER FOR INFRASTRUCTURE AND ENERGY**

**Geothermal Risk Mitigation Facility**

**Signing Ceremony**

**Nairobi, 27<sup>th</sup> November 2013**

- **Excellency Eng. Joseph Njoroge, Principal Secretary, Ministry of energy and petroleum, Kenya**
- **Regional director KfW**
- **President, CEO Agil**
- **Dear partners,**
- **Distinguished Guests,**
  
- **Ladies and Gentlemen:**

It is my great honor and pleasure to be in Nairobi, beautiful and multicultural city of Africa, for a very significant event in the development of geothermal energy.

1. I would like to welcome you on behalf of the African Union Commission and on my own behalf in signing ceremony of grant agreement for providing financial support to African Geothermal International Ltd (Agil) to develop Longonot geothermal prospect.
2. Allow me to recall the context and the process led us to reach this remarkable signing ceremony for GRMF grant agreement, AUC has exerted great effort and overcome many challenges and difficulties.
3. AUC started with the mandate given to the it by energy ministers of 11 African countries in 2009, urging AUC to develop a regional geothermal program to remove constrains and promote the regional geothermal energy in the East Africa Rift System (EARS) countries. A region that has a remarkable geothermal energy potential of more than 15,000 MW. However, this resource is currently used to a limited extent.
4. Following the mandate given to the AUC, and as the result of many consultation meetings, workshops and seminars, The Geothermal Risk Mitigation Facility (GRMF) has been established by the African Union Commission (AUC) with the financial support of the German Ministry for Economic Cooperation and the EU-Africa Infrastructure Trust Fund through KfW, with initial fund of 50 Million euro to support development of geothermal energy in Eastern Africa.
5. The objective of GRMF is to encourage public and private investors (project developers) to develop geothermal prospects for power

generation in Eastern Africa by providing cost share grants for surface studies and drilling of reservoir confirmation wells.

6. Today, the first application round of Geothermal Risk Mitigation Facility, launched in October 2012 is concluding by awarding grants to five projects coming from Kenya and Ethiopia, with a total amount of about 22 million USD, possible to increase to 32 Million USD if all developers apply for additional incentive set in the GRMF.
7. As we are fully aware, the economic growth of Africa is on the rise, being the fastest in comparison to other continents. There is no doubt that energy demand is also increasing, and this should strongly motivate all of us to improve the energy infrastructure and eradicate the numerous constraints imposed on energy access.
8. The role of GRMF in geothermal development in eastern African countries is essential to create the environment necessary to increase access to the modern energy, create thousands of jobs and build capacities that urgently required in the region.
9. The African Union Commission will continue its role and commitment to develop the energy sector in our continent including coordinating policies, creating enabling environment for development, and building the required capacities with special emphases on geothermal energy in eastern African countries.
10. The GRMF program, which originally targeted 5 countries, is now extended to include eleven countries for the 2nd application round launched in October 21, 2013. The countries included in 2nd application round are: Burundi, Eritrea, Ethiopia, Comoros, Democratic Republic of Congo, Djibouti, Kenya, Rwanda, Tanzania, Uganda and Zambia.

▪ **Distinguished Guests,**

- We have reached at this specific phase of the project through the efforts of the concerned countries of the rift valley, but especially with the partners, who were willing to trust in the AUC.

- I would like to take this opportunity to thank them all, especially I wish to express our gratitude to the German government and its Federal Ministry for Economic Cooperation and Development (BMZ) and European Union for the financial and technical support to GRMF. Without this support we would not be here today to sign the first contract

11. I would like also to thank our countries of rift valley for their political commitment and especially Kenya as leading country in the field of geothermal energy, for the strategic role played in facilitating this project in a regional approach coordinated by the AUC.

2. Once again, I would like to express our sincere wishes to all eligible countries to succeed and share these grants so as to contribute in the very near future to the development of this region by providing clean, renewable, environment-friendly and indigenous energy.

3.

11. Before closing my remarks, I wish to reiterate our thanks to the Kenyan Authorities for well organizing this event.

I would like to end here and **I thank you all for your kind attention.**