

HIGHLIGHTS FROM SREP

PROMOTING RENEWABLE ENERGY IN MALI

First Malian AfDB-CIF project completed

Mali is tapping \$40 million in grant and near-zero interest credit financing from the SREP to support policy and institutional strategies, financial and regulatory frameworks, and sustainable investments in renewable energy solutions. The goal is to target proven technologies and best practices that will allow productive use of energy and improve the livelihoods of Malian populations.

Focus is on removing barriers inhibiting the scaling-up of private sector investments and increasing electricity access in rural areas through standardized business models for solar PV and biofuel hybrid mini-grid schemes and development of mini/micro hydroelectricity.

The **Promoting the Scaling Up of Renewable Energy Project**, completed in 2021, supported efforts to create an investor-friendly enabling environment. It has contributed to the approval of 38 renewable energy projects in Mali, totaling \$1.1 billion in public and private renewable energy financing, since 2015. The project has successfully organized 39 communications initiatives, 21 consultation workshops, and a national monitoring system for the renewable energy sub-sector. The project has also contributed to the creation of a national media network and hosted several media trainings on renewable energy.



The Bank, in partnership with the CIF and other partners, organized the second edition of the Malian Week of Renewable Energy.

The event was held on the sidelines of the Regional Energy and Sustainable Development Fair, organized on October 15 and 16, 2021 in Abidjan by the Light On on the theme of «innovation at the service of the energy sector to improve the living conditions of populations». The Fair had more than 700 participants, eighteen stands of exhibition, four conferences and four round tables on electrification and renewable energies. It brought together actors from the public and private sectors of five West African countries (Burkina Faso, Côte d'Ivoire, Mali, Senegal and Togo) to deal with various themes related to energy and sustainable development in the region.

“This fair was a necessity to meet energy needs. increasingly growing populations and to support the economic and sustainable development of African States. He praised the African Development Bank and the Climate Investment Funds for their support since the first edition of the Week, held in February 2019 in Bamako.”

Moussa Ombotimbe
Technical Advisor, Minister of Mines, Energy and Water of Mali

“This Fair allows Mali to confirm its pioneering role in the field of renewable energies. It will allow the Renewable Energies Agency of Mali to have influence beyond national borders and to achieve the objectives of its new ambition to be a regional and reference center in the West African Economic and Monetary Union (WAEMU) space.”

Souleymane Berthé
Director General of the Renewable Energies Agency of Mali

GEOHERMAL ENERGY POWERING KENYA'S FUTURE

First AfDB-SREP approved



Geothermal power generation, whose potential is estimated at a total of 10,000 MW, is the Government of Kenya's preferred choice for the future because it is a base load power plant with high plant factor, indigenous and least-cost. In six years, Kenya has more than tripled production, from 198 to nearly 672 MW, becoming Africa's leading producer of geothermal energy in the process and the 8th top geothermal country worldwide. The commissioning of the Menengai geothermal power plant enabled the East African country to eliminate its electricity deficit to overcome the severe shortages it experienced in the late 2000s.

It has helped establish, and has been the first project to test, a new model to fast-track the development of geothermal resources in the East African Rift Valley. The model entails the financing of the early stage and high-risk activities mainly related to drilling by development finance institutions, such as the Bank's using concessional financing, which in turn paves the way for private investors to step in and convert the steam into power.

The Menengai project was undertaken by the Geothermal Development Company (GDC), set up by the government to undertake exploration and sell steam to IPPs. The Project target of availing enough steam for the generation of 105 MW has been achieved exceeding the target. CO₂ emissions are expected to be reduced by 600,000 tonnes from 2022.

The support received from both CIF and the Bank was crucial in permitting the public sector to play its role of

attracting private sector investment by absorbing the high development costs and mitigating resource availability risks. Similarly, investments in the steam development phase, made by the public sector and supported by Development Financial Institutions (DFIs), underpinned an effective package of financial incentives and risk assurance that attracted private sector investors. In the Menengai public-private partnership, DFI supported investments by the public sector in the exploration and field development phase permitted an effective package of financial incentives and risk assurance to get the private sector on board.

This project serves as a good example for countries or entities seeking to develop alternative power sources, particularly when power development is seen as financially risky, uncertain, or in need of hedges against risk to engage private capital.

Key results

- 94 staff members (44% women) received training in drilling, contracting and financing, as well as health and safety management
- 249 staff members of the Geothermal Development Society, including 93 women, received group training
- 500,000 households benefitting, including 70,000 in rural areas of the country, as well as businesses and industries
- 49 wells drilled with total capacity of 170 MW at well head
- 600 jobs have been created

“Geothermal resource is uniquely abundant in this part of Africa and in Kenya. We have developed enough steam to put up the power plants here”

Johnson Ole Nchoe
Chief Executive Officer of GDC

“GDC is using heat from geothermal steam to pasteurise milk, heat greenhouses and fish ponds at the Menengai project demo site. That is critical for food security.”

Joseph Njoroge
Energy Principal Secretary