



**THE UNITED REPUBLIC OF TANZANIA
OFFICE OF THE VICE PRESIDENT**

**SPEECH BY H.E. DR. PHILIP ISDOR MPANGO, VICE PRESIDENT OF THE
UNITED REPUBLIC OF TANZANIA DURING THE OFFICIAL OPENING OF THE
10TH AFRICAN RIFT GEOTHERMAL CONFERENCE (ARGeo-C10)**

**JULIUS NYERERE INTERNATIONAL CONVENTION CENTRE
23RD OCTOBER, 2024**

- ***Hon. George Mkuchika (MP), Minister of State, President's Office & Caretaker Minister of Energy;***
- ***Hon. Shaibu Kaduara (Rep.), Minister of Water, Energy & Minerals, RGZ;***
- ***Hon. Ministers here present;***
- ***Hon. Judith Kapinga (MP.), Deputy Minister of Energy & other Deputy Ministers here present;***
- ***Hon. Albert Chalamila, Dar es Salaam Regional Commissioner;***
- ***Dr. Kamugisha Kazaura, Director of Infrastructure and Energy, AUC;***
- ***Eng. Felchesmi Jossen Mramba, Permanent Secretary, Ministry of Energy, and other Permanent Secretaries here present;***
- ***Excellencies Ambassadors, High Commissioners & Representatives of International Organisations;***
- ***Madam Inger Andersen, Executive Director, UNEP;***
- ***Madam Marit Brommer, Executive Director, International Geothermal Association (IGA);***
- ***Dr. Peter Omenda, Interim President, African Geothermal Association (AGA);***
- ***Distinguished Religion Leaders;***
- ***Distinguished Delegates;***
- ***Members of the Media Fraternity;***
- ***Ladies and Gentlemen.***

Good morning!

It is indeed an honor and privilege for me to stand in for H.E. Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania to preside over the official opening of the 10th African Rift Geothermal Conference. I wish to extend a proudly Tanzanian welcome to all delegates, *Karibuni sana*. I also wish to express our appreciation for choosing the United Republic of Tanzania to host this Conference of great value.

Distinguished Delegates,

This Conference, which goes under the theme *"Accelerating the Development of Geothermal Resources in Africa for a Just Transition, Carbon Markets and Net Zero Emissions"*, has come at an opportune time, when the world is facing a critical shortage of energy supply, and the soaring cost of fossil fuels. The projection for global electricity demand are 6% or 2,200 terawatt-hours (TWh) by 2035 (World Energy Outlook, 2024), an indication of a looming global energy shortage. Tanzania's total installed capacity is 2,800 MW, of which Hydro accounts for 54.2%; Gas 42.2%; and Fossil Fuels 3.2%. However, there has been a number of years where droughts led to shortfalls in electricity supply and the country had to rely on thermal and gas for generation of electricity. Consequently, the Government decided to diversify the energy generation mix and specifically targeting to increase generation from renewable sources, including wind, solar and geothermal. The target is to increase the generation

capacity to over 5000 MW by 2030, with particular emphasis on increased renewable energy, notably geothermal which has a potential of generating 5000 MW.

As opposed to fossil fuels which lead to high CO₂ emission, geothermal energy is a clear and sustainable source, and has the potential to significantly reduce our dependency on hydrocarbons. In that regard, the Government of Tanzania decided to accelerate the development and utilization of geothermal energy in July 2014 by establishing the Tanzania Geothermal Development Company (TGDC), which was mandated to oversee geothermal development in the country and thereby enhance energy security, expand energy access, while at the same time protecting the environment. In its mandate, the TGDC has trained its personnels and entered into memoranda of understanding with the universities of Dar es Salaam, Dodoma and Mbeya University of Science and Technology to collaborate in teaching geothermal subjects.

Distinguished Participants,

As of now, Tanzania has completed the initial stages of exploration of geothermal resources in five sites along the rift valley, and has started drilling at one of the sites located at Lake Ngozi in the western arm of the rift, to confirm availability. Also, surface exploration is being carried out in our flagship projects namely Kyejo-Mbaka, Luhoi and Natron. Similarly, other remarkable geothermal milestones include training of an increased number of Tanzanians with geothermal expertise and procurement of a drilling rig. We are thankful for the financial and technical support extended to us by development partners including JICA, United Nations University-Geothermal Training Program, Ministry of Foreign Affairs - Iceland/Icelandic International Development Agency and UNEP.

Distinguished Delegates,

The quest to accelerate development of geothermal resources in our continent for a Just Energy Transition, Carbon Markets, and Net Zero Emissions, indeed justifies our presence here to deliberate on this subject and consequently help our governments to make sound, informed decisions towards improvement of policies and strategies in that regard. Pursuit of a just energy transition is motivated by the need to ensure energy security and access to all, as well as adoption of appropriate technologies and resources to empower our people, especially the youth, to harness renewable energy. In this regard, learning from countries like neighboring Kenya that have already invested in the production of geothermal energy, it is evident that there are many more potential uses of this resource especially for countries which are still dominated by the agricultural sector. These include drying grains, pasteurizing milk, cooling greenhouses, powering hatcheries, tourism, recreational and food security in general. Geothermal also offers an opportunity to increase energy security, as it is not amenable to fluctuations as it is for water, wind and solar.

Distinguished Participants,

Before winding up my brief opening remarks, allow me to propose, to this August assembly, the following issues for consideration in your subsequent discourse.

First, one clear lesson which we can draw from Tanzania's experience is that there are very high initial costs associated with geothermal development which pose as a formidable barrier to expediting exploration and utilization of geothermal resources in many of our countries. Consequently, what is required of ARGeo is cooperation and coordinated efforts in exploration, as well as in soliciting the needed investment to realize this potential. It is also imperative that we scale up sharing of knowledge, best practices and technologies. Thus, we call upon ARGeo member states to devise and undertake regional exploration programs. Let us seize the opportunity offered by this conference to do exactly that, in order to expedite the development of geothermal resources and thereby hasten our transition from the costly fossil fuels.

Second, it is also important for each of our countries to have a dedicated institution to spearhead geothermal development, together with appropriate legal and regulatory frameworks that can facilitate private sector participation.

Third, we propose that the ARGeo countries should consider having a regular and structured dialogue with the Multilateral Development Banks like AfDB & the Asian Infrastructure Development Bank to de-risk energy efficiency financing and thereby make private investment in the exploitation of geothermal resources more attractive. This proposal is backed up by the fact that individual national government budgets are insufficient to cover the bulky investment needed in the development phase of geothermal projects.

Fourth, I would like to use this opportunity to invite all potential investors to come and work with us in Tanzania in our top geothermal potential sites, notably Ngozi (70MW) Kyejo-Mbaka (60MW) Songwe between (5 - 35MW), Natron (60MW) and Luhoi (5MW). Tanzania is ready for investment in this sub-sector, given the uninterrupted peace and tranquillity that we have enjoyed since our independence in 1961; political stability and an attractive investment climate; commitment to policy and structural reforms under the 4Rs philosophy of H.E. Dr. Samia Suluhu Hassan which stands for reforms, rebuilding, reconciliation and resilience; as well as domestic and international agreements on resolution and settlement of investment disputes to which Tanzania is a signatory. Besides, our country has sustained robust economy growth above 5% for the post-COVID period and the international credit rating agencies have recently given scores that attest to our debt sustainability and investor confidence (Moody's gave us a score of B1 with a stable outlook and Fitch a score of B+).

Distinguished Delegates,

As I conclude, allow me to do some advertising. Tanzania is endowed with abundant minerals of all kinds (gold, diamonds, Tanzanite, strategic minerals and rare earth elements, nickel, rubby, soda ash etc.) and unforgettable tourists' attractions including

Mount Kilimanjaro – the roof top of Africa, tree climbing lions in Lake Manyara National Park, Ngorongoro Crater and Olduvai Gorge – the cradle of mankind, the Serengeti national Park which is world famous for the sensational wildebeest annual migration as well as pristine beaches all around the spicy islands of Zanzibar. Since you will spend the last two days of this seven-day conference, visiting and learning from our geothermal projects in Songwe and Lake Ngozi, as well as other sites, I trust that you will also enjoy the beauty of Tanzania landscapes, as well as tourist attractions, including Mikumi National Park, Udzungwa mountains, the Mbozi Meteorite, Lake Ngozi, Kitulo National Park and many more. I strongly urge you to please set aside a few days after this conference to enjoy all these, and sample the warm hospitality of the people of Mainland Tanzania and Zanzibar. I promise you that you won't regret making that decision.

It would be improper to end my address without expressing my sincere appreciation to the organisers of this conference for facilitating the exchange of ideas and sharing of knowledge. Let me assure you that the Government of Tanzania will continue to value your efforts and will at all times, provide all the required support.

With these remarks, it is now my singular honour and privilege to declare the 10th African Rift Geothermal Conference, officially opened.

I thank you.