

 Early Warning System

MIGA-15022
Globeleq Menengai



Quick Facts

| | |
|--------------------------------|---|
| Countries | Kenya |
| Specific Location | Menengai, Soilo, Nakuru County |
| Financial Institutions | Multilateral Investment Guarantee Agency (MIGA) |
| Status | Proposed |
| Bank Risk Rating | B |
| Voting Date | 2024-10-03 |
| Borrower | Globeleq Africa Limited |
| Sectors | Energy |
| Investment Type(s) | Guarantee |
| Investment Amount (USD) | \$ 32.89 million |



Project Description

As stated by the MIGA, this summary describes the application made to MIGA to provide political risk insurance coverage to Globeleq Africa Limited of the United Kingdom, and/or any of its subsidiaries (Globeleq) for its equity and/or quasi-equity investments made into the project enterprise Globeleq Menengai Geothermal Limited, against the risk of Breach of Contract for an amount up to US\$32,890,000 and for a period up to 20 years.

The project involves the financing, design, procurement, construction, installation, completion, testing, commissioning, operation, and maintenance of a 35-megawatt geothermal power plant, including associated and auxiliary works, equipment, infrastructure, and interconnection facilities located at Menengai, Nakuru County. The estimated 280-gigawatt hour of annual power generated by the geothermal power plant will be evacuated via a 132 kilovolt (kV) on-site substation and a 13-kilometer double circuit 132 kV line from the Menengai site to Soilo substation, an associated facilities to the project.

The plant will receive all its geothermal steam from the Geothermal Development Company (GDC), a Kenyan government entity tasked with providing steam and related facilities to geothermal projects in Kenya. At the geothermal field, three 35 MW geothermal power plants will be developed: (i) Sosian Geothermal Power Station, operational since 2023 (ii) GML Geothermal power station (the Project); and (iii) Orpower22, under development. GDC will sell the steam to all these three power plants. Sosian, GML and Orpower22 constitute phase 1 of the development of the Menengai geothermal potential. GDC intends to develop up to 500 MW geothermal power in the next 20 years in phases 2 and 3.

The steam for the Project will be sourced from nearby wells and supplied to the plant. The (production & injection) wells, separators and transport pipes as well as the water pipes to the Project are part of GDC's facilities. The (production & injection) wells, separators, transport and water pipes are considered associated facilities to the Project.

A 132 kilovolt (kV) on-site substation and a 13km double circuit 132kV line from Menengai to Soilo substation have been constructed and energized by the Kenya Electricity Transmission Company (KETRACO) and are ready for connection. The substation and the 13 km 132 kV transmission line will be operated by KETRACO and are considered associated facilities to the Project.

The Engineering Procurement Construction (EPC) contractor was awarded to Toyota Tsusho Corporation (TTC) and their local subsidiary CFAO Kenya Limited. Construction started in January 2024. There are about 90 persons working on site, clearing, escalating, and leveling the project site, and the construction of offices and foundations. The construction is scheduled to last 23 months, with operations expected to start in December 2025. The Operation and Maintenance (O&M) activities will be performed by Globeleq from commercial operations date (COD) onwards.

Globeleq is an existing MIGA client. MIGA has three existing portfolio projects owned by Globeleq: (i) Kribi power plant, a 216 MW gas-fired (diesel backup) power plant located in Mpolongwe, Cameroon; (ii) Dibamba power plant, a 86 MW heavy fuel oil power plant located in Douala region of Cameroon; (iii) Central Térmica de Temane (CTT) in Mozambique. These projects are regularly monitored by MIGA, and to date the environmental and social (E&S) performance has been satisfactory.



Investment Description

- Multilateral Investment Guarantee Agency (MIGA)



Private Actors Description

As stated by Bloomberg, Globeleq Africa Limited provides power generation services. The Company owns and operates natural gas, solar, wind, and fuel oil power plants. Globeleq Africa serves customers worldwide.

As stated on the company's website, Toyota Tsusho is a member of the Toyota Group, which comprises 17 companies. CFAO Kenya Limited is its Kenyan subsidiary.

According to the MIGA, the Geothermal Development Company (GDC), a Kenyan government entity tasked with providing steam and related facilities to geothermal projects in Kenya.



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|-------------------------|----------------------|------------------------|----------------|--|----------------------|------------------------|
| Globeleq Africa Limited | Client | Energy | contracts with | Geothermal Development Company (Kenya) | Contractor | Energy |
| Globeleq Africa Limited | Client | Energy | contracts with | Kenya Electricity Transmission Company Limited (KETRACO) | Contractor | Energy |
| Globeleq Africa Limited | Client | Energy | contracts with | Toyota Tsusho Corp | Contractor | Industry and Trade |
| Globeleq Inc | Parent Company | Energy | owns | Globeleq Africa Holdings Limited | Client | Energy |
| Toyota Tsusho Corp | Contractor | Industry and Trade | owns | CFAO Kenya Limited | Subsidiary | Industry and Trade |



Contact Information

Client - Globeleq Africa Limited:

Rita Mwadime - ESG Manager

Address: Merchant Square, 4th Floor, Block A, Riverside Drive Nairobi, P. O. Box 66168, Kenya

E-mail: rita.mwadime@globeleq.com

Phone: +254 791651241

ACCOUNTABILITY MECHANISM OF MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



Bank Documents

- [Updated environmental and Social Impact Assessment Report - Part 1](#)
- [Updated environmental and Social Impact Assessment Report - Part 2](#)
- [Environmental and Social Action Plan \(ESAP\)](#)
- [Environmental and Social Review Summary](#)



Other Related Projects

- AFDB-P-KE-F00-001 ADF PRG MENENGAI
- MIGA-15297 Globeleq Malindi