



**African Union Commission
Department of Infrastructure and Energy**

**Geothermal Risk Mitigation Facility (GRMF)
New GRMF Regulation**

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ELIGIBLE ENTITIES:

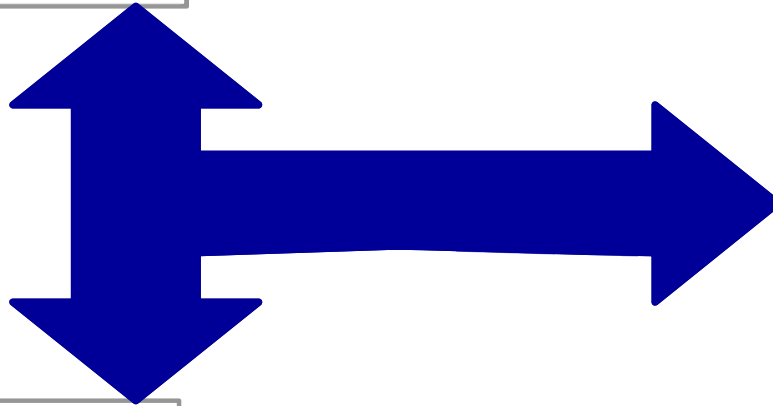
- Public Companies
- Private Companies
- Public Private Partnerships (PPP)

Donors:

- **BMZ**
- **EU**
- **DFID**
- **All fund channel through KfW**

ELIGIBLE COUNTRIES:

- Ethiopia, Kenya
- Rwanda, Tanzania,
- Uganda, Burundi,
- Comoros, Djibouti,
- DRC, Eritrea
- Zambia.

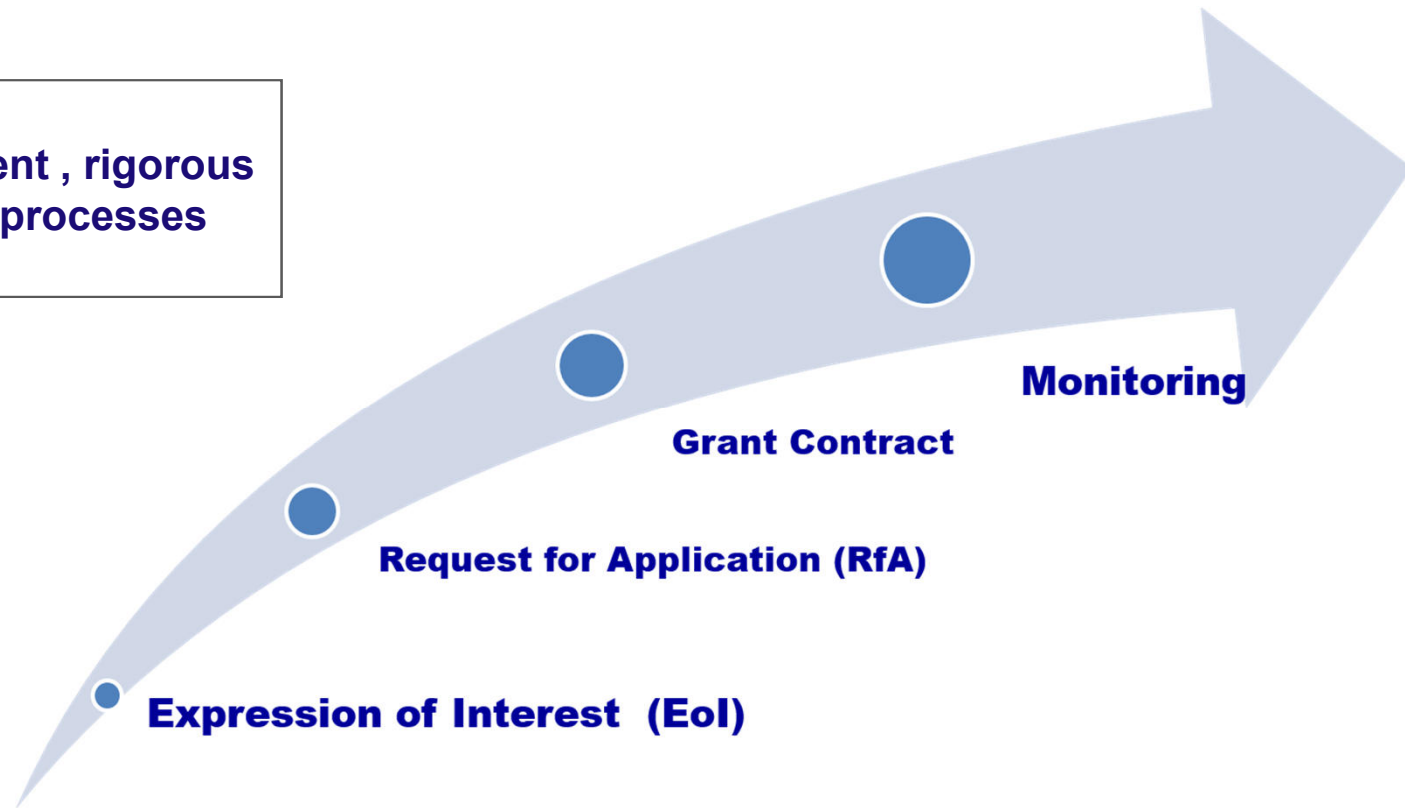


- ❑ **Infrastructure grants:** Up to 20% of the costs for infrastructure for surface studies drilling programmes (access roads, water, power)
- ❑ **Surface studies grants:** Up to 80% of the costs (excluding infrastructure costs)
- ❑ **Drilling grants:** Up to 40% of the costs for the exploration drilling and testing programme for reservoir confirmation wells (excluding infrastructure costs)
- ❑ **Continuation Premium:** Up to 30% of the developer's share for the drilling and testing programme in case developers wish to continue with project (depending on the availability of funds).



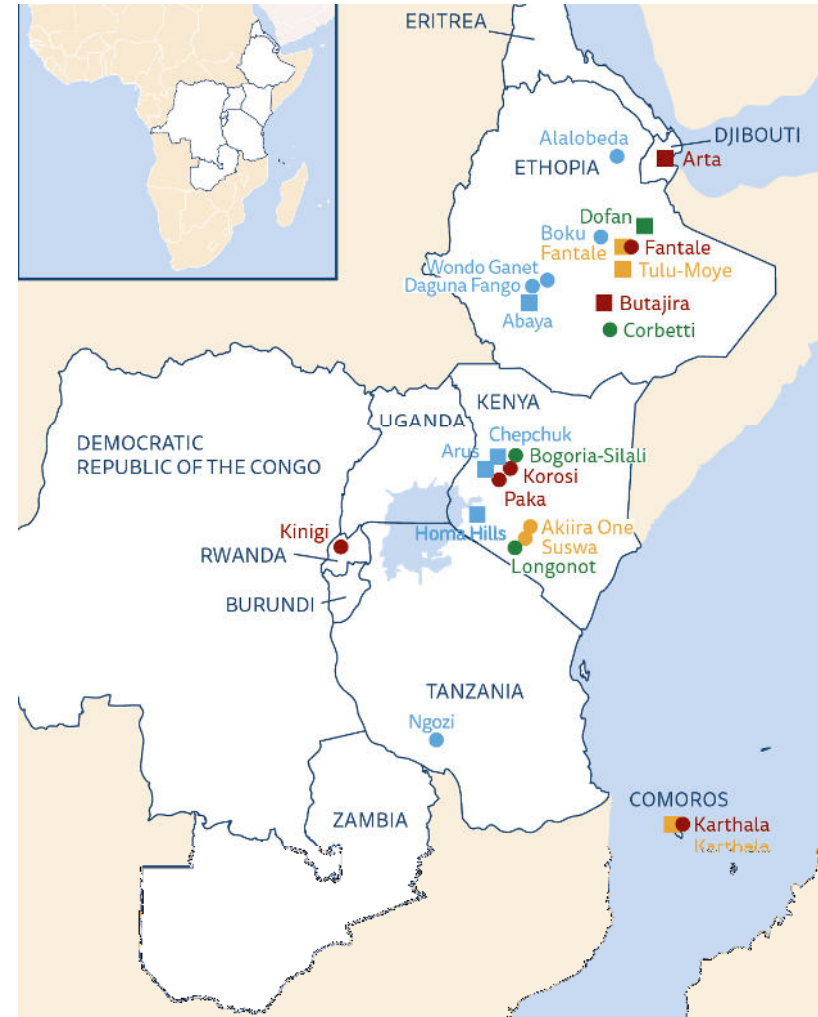
GRMF Phases

**competitive, transparent , rigorous
two-stage evaluation processes**



Projects Supported

- ❑ 26 Projects Supported by GRMF.
- ❑ Most projects from Kenya and Ethiopia
- ❑ The total grants awarded is about USD 80 Million



1 st Application Round	2 nd Application Round
● Drilling Programmes	● Drilling Programmes
■ Surface Studies	■ Surface Studies
3 rd Application Round	4 th Application Round
● Drilling Programmes	● Drilling Programmes
■ Surface Studies	■ Surface Studies



Challenges

- Delay in the projects Implementation;
- Secure Developers' Own Share;
- Regulatory and Legal framework;
- Limited/ no participation from some beneficiaries countries.



New GRMF Regulation

Project pipeline concept:

- Projects qualified for GRMF will be part of a project pipeline
- Only projects with a perspective for further proceeding shall be invited for grant contract signing;
- After fulfilment of all requirements a grant contract signing still depends on the availability of funds
- the required documents preferably to be submitted in one single set



New GRMF Regulation

funding of an additional full size well:

- Is open for projects with expired grant contracts, ready to sign grant contract and new projects application.

Option 1:

- Funding an additional full size well in initial drilling programme with funding intensity up to 40 % of eligible costs
- Limiting the eligible activities under the CP to the following :
 - Well-head unit(s) installation
 - Long term discharge testing (minimum six months)
 - Reservoir evaluation update
 - Feasibility Study

Option 2:

- No funding of an additional full size well in initial drilling programme
- All regulations regarding the CP remain unchanged; eligible activities include:
 - Additional full size well
 - Well-head unit(s) installation
 - Long term discharge testing (minimum six months).
 - Reservoir evaluation update.
 - Feasibility Study



Options Drilling Programmre

Initial drilling programmes	Possible drilling programmes acc. to new regulations
a) 2 full size wells	a) 2 full size wells
a) 3 slim holes	b) 3 slim holes
a) 2 slim holes & 1 full size well	c) 2 slim holes & 1 full size well
	d) 3 full size wells
	e) 3 slim holes & 1 full size well
	f) 2 slim holes & 2 full size wells



New GRMF Regulation

Procurement:

- Limits of procurement methods under GMRF Financing – Goods, Non-Consultancy Services and Works For drilling programmes:**

No	Method of Tendering	Goods	Works
1	International Competitive Bidding (ICB)	> 700.000 USD	> 1.000.000 USD
2	National Competitive Bidding (NCB)	Up to 700.000 USD	Up to 1.000.000 USD
3	Request for Quotation (min 3 quotations)	Up to 500.000 USD	Up to 700.000 USD
4	Single Source Procurement	Up to 100.000 USD	Up to 100.000 USD



New GRMF Regulation

Procurement:

❑ Limits of procurement methods under GRMF Financing – Consultancy Services:

No	Method of Tendering	Consultancy Services
1	International Competitive Bidding (ICB)	> 300.000 USD
2	Request for Quotation (min. 3 invitation to bid to 3 potential bidders)	Up to 300.000 USD
3	Single Source Selection	Up to 100.000



New GRMF Regulation

Reporting:

For drilling programmes:

- Monthly progress reports from start of activities until first well spud and from last well completion until the completion date
- Monthly reports during the drilling period consisting of:
 - Daily and weekly progress reports during the drilling period
 - Final report

For surface studies:

- Monthly progress reports
- Final report consisting



Thank you for your Attention

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