



**Geothermal Risk Mitigation
Facility for Eastern Africa**

Overview of the Application Procedure to Receive Funding by GRMF

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A. Eligibility

B. Financial Support

C. Application Procedure

D. General documents of interest

E. Procurement and tendering in particular about the Procurement Guidelines.

- Developer Manual

- Developers Procurement Guidelines

- Anticipated Well Cost (AWC) Guidelines

F. Documents that will be required in the:

- EoI

- Application

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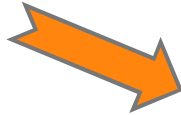
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ELIGIBILITY

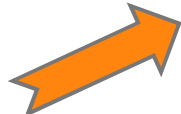
Eligible Entities:

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



Eligible Countries:

- Ethiopia
- Kenya
- Rwanda
- Tanzania
- Uganda



Eligible Activities:

- 1. Surface Studies** to determine the optimal location for reservoir confirmation wells at geothermal prospects that have previously been extensively studied are eligible for funding.
- 2. Exploration Drilling** at geothermal prospects once the optimal locations for the drilling and testing of reservoir confirmation wells have been determined.
- 3. Infrastructure** grant support may be available to cover infrastructure upgrades for both activities.

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FINANCIAL SUPPORT

The upper limits for financing support of the allowable field expenditure are as follow:

- **Surface studies grants:** 80% of approved allowable costs (excluding infrastructure costs)
- **Drilling grants:** 40% of approved allowable costs for the drilling and testing program for reservoir confirmation wells (excluding infrastructure costs)
- **Infrastructure grants:** 20% of approved allowable costs for infrastructure required for eligible surface studies or eligible reservoir confirmation wells (e.g. access roads, water, power)
- **Continuation Premium:** 30% of the developer's share of the approved allowable and expended costs for the drilling and testing program in case Developers continue to develop their project within 6 months of the submission of the final drilling report.

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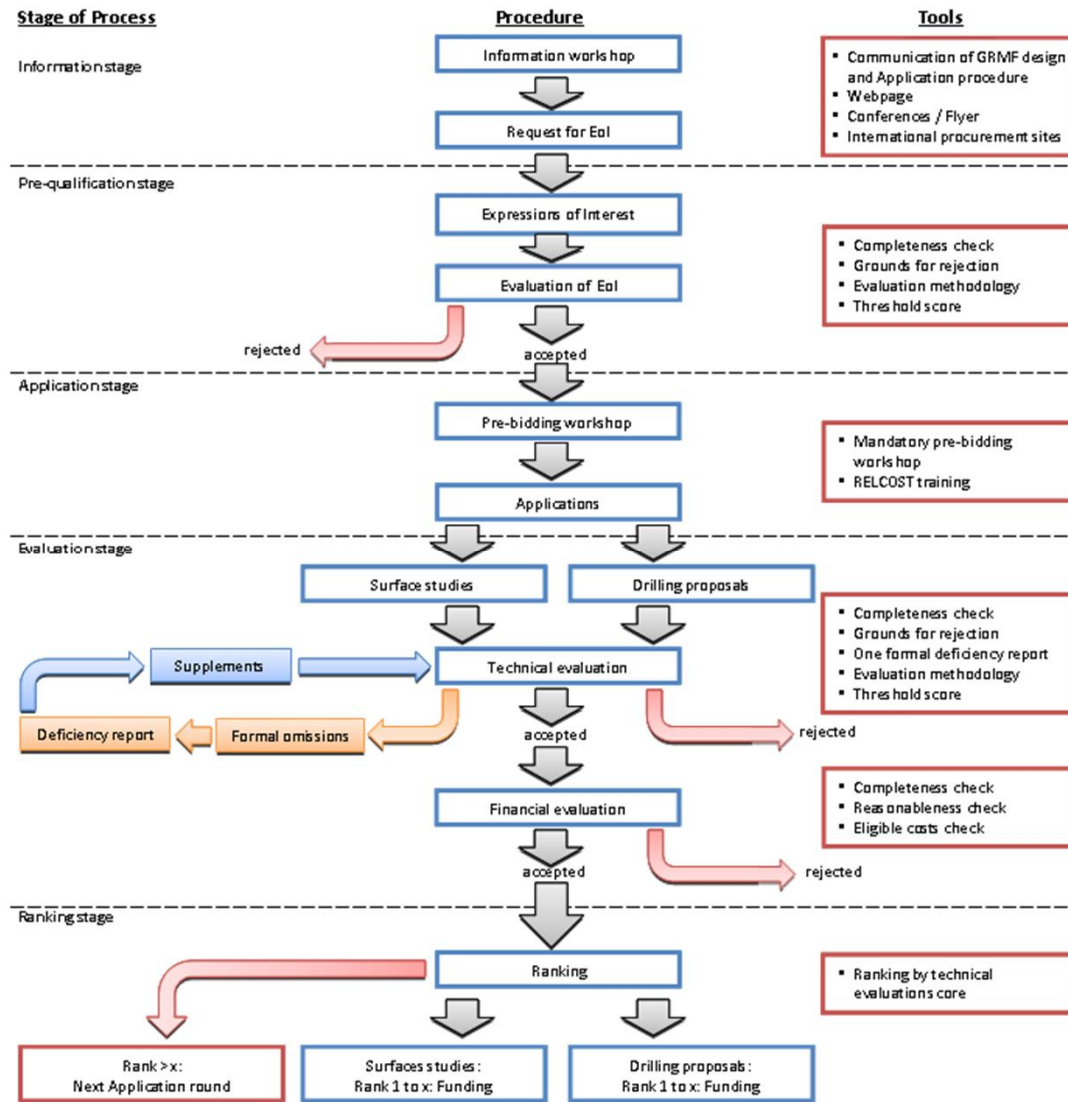
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APPLICATION PROCEDURE

- The Facility will provide grants to Developers through competitive, transparent and rigorous two-stage Application and evaluation processes.
- It is planned to conduct at least three application rounds within 4 years. There will be one application round including pre-qualification each year.

PROCESSING OF THE PRE-QUALIFICATION AND APPLICATION

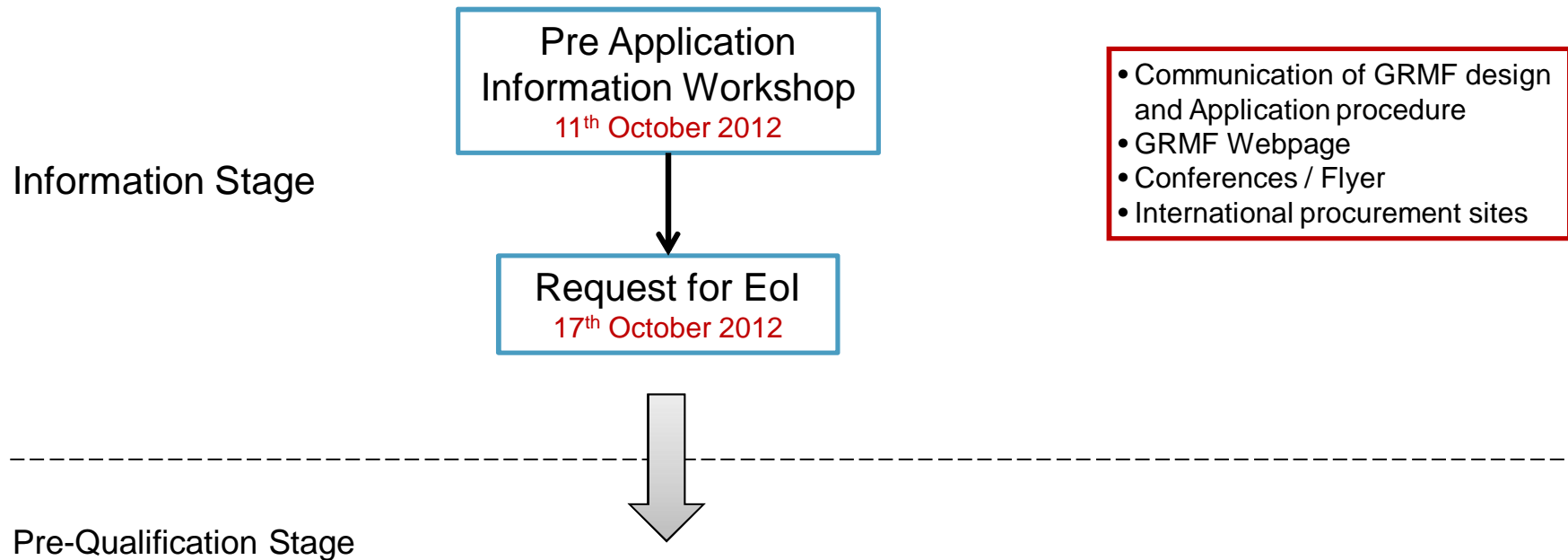


PROCESSING IN THE INFORMATION STAGE

Stage of Process

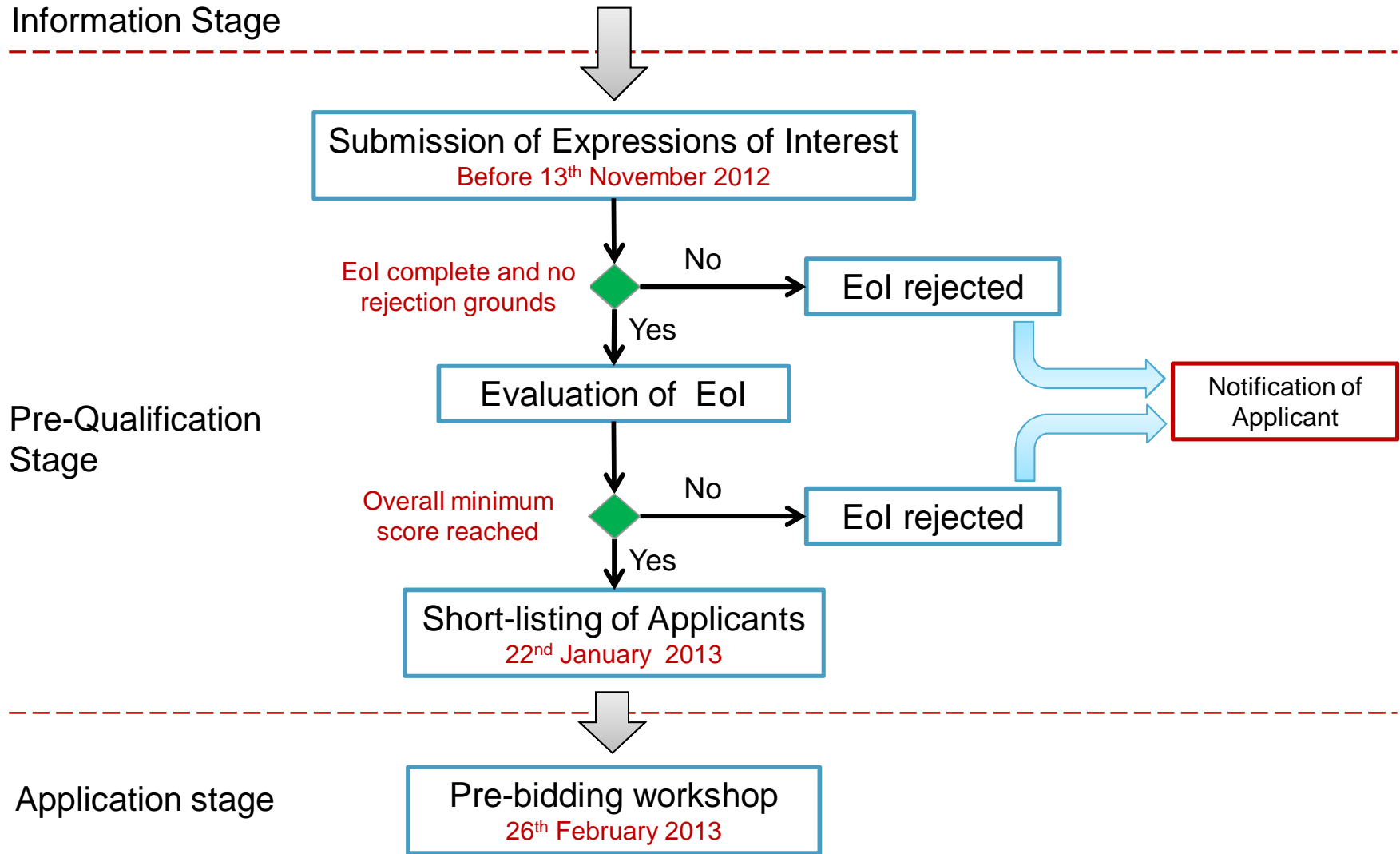
Procedure

Tools



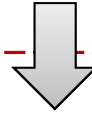
EVALUATION PROCEDURE OF EXPRESSION OF INTEREST

Information Stage

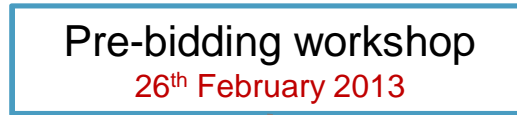


PROCESSING IN THE APPLICATION PHASE WITH EVALUATION

Pre-Qualification Stage



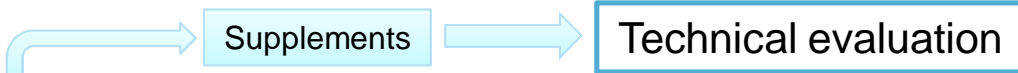
Application stage



- Mandatory pre-bidding workshop
- RELCOST training



- Completeness check
- Grounds for rejection
- One formal deficiency report
- Evaluation methodology
- Threshold score



- Completeness check
- Reasonableness check
- Eligible costs check

Evaluation Stage



PROCESSING IN THE RANKING STAGE

Evaluation Stage

Ranking Stage

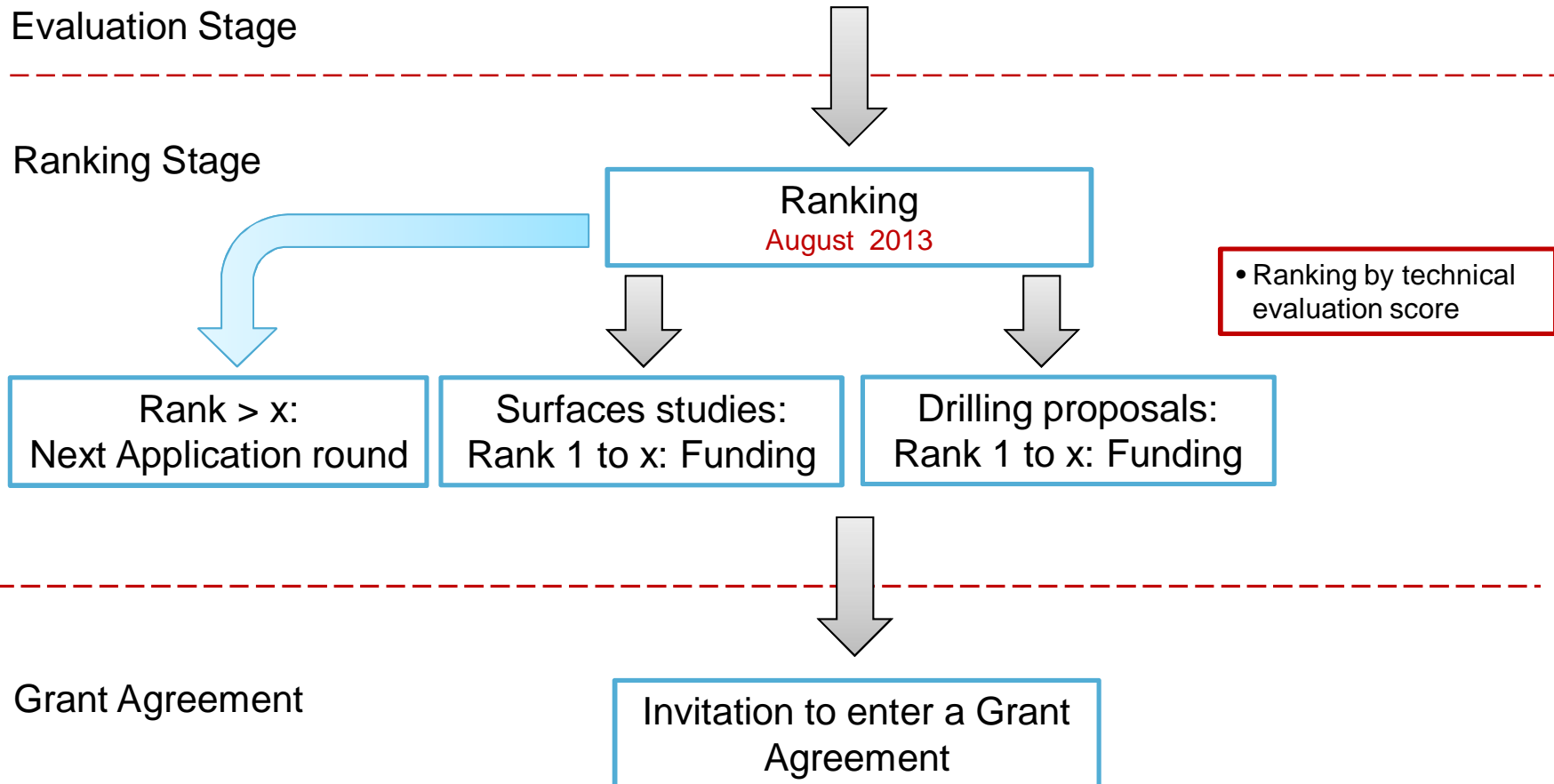


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GENERAL DOCUMENTS OF INTEREST (I)

Document	Purpose
Developers Manual	Gives a comprehensive overview of the GRMF program and its procedures
Developers Procurement Guidelines	Used by Developer to procure goods, works and services
Request for Expression of Interest (Eoi)	Submission forms to be provided by Applicant as a basis to be short listed by the GRMF facility
Anticipated Well Cost Guidelines	Specify the allowable cost structure for standard drilling cost items for drilling projects
Request for Application	Submission forms to be provided by Applicant as a basis for selection by GRMF facility (only to short listed bidders)

GENERAL DOCUMENTS OF INTEREST (II)

Can be downloaded from the GRMF webpage:

www.grmf-eastafrica.org



The screenshot displays the website for the Geothermal Risk Mitigation Facility for Eastern Africa (GRMF). The header includes the GRMF logo, the text 'Geothermal Risk Mitigation Facility for Eastern Africa', and the BMZ logo (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung). The navigation menu contains links for Home, About GRMF, News, Events, Application, Links, Contact, Geothermal Database, and Web GIS. The main content area is titled 'Background Documents' and lists three key documents for download: the GRMF Flyer (909 KB), the Developer Manual (414 KB), and the Developer Procurement Guidelines (179 KB). A sidebar on the right provides a 'GRMF at a glance' summary with dates, current stage, and facility size, along with contact and subscription information.

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DEVELOPER MANUAL

The Developer Manual has two purposes:

1. To provide information about the Facility so that Developers can decide whether or not to apply to the Facility
2. To assist Developers understand the Facility's main processes. Of particular interest to Developers and the main focus of the Developer Manual are the following processes:
 - Prequalification
 - Application Round
 - Evaluation
 - Grant Agreement
 - Grant Provision

DEVELOPER PROCUREMENT GUIDELINES

Document objective:

- The Procurement Guidelines are based on the AUC Procurement Manual and are intended for use by Developers awarded financial grants by the AUC for implementing activities under the GRMF program. All Developers awarded grants through GRMF funding shall ensure that best practices in procurement are observed and adhered to.
- The procurement guidelines seek to balance simplicity with upholding principles of procurement ethics in line with the AUC guidelines.

DEVELOPER PROCUREMENT GUIDELINES PRINCIPLES

Principle	Requirements
<i>Transparency and accountability</i>	Use of funds must allow public access to information on procurement actions and means to control and audit all procurement activities (record keeping).
<i>Ethics</i>	The recipient of public funds from the Facility shall not use his or her authority or office for undue personal gain
<i>Eligibility</i>	Eligible bidders cannot be individuals barred from participating in European Union or AUC public procurements; or companies with origin in countries blacklisted or sanctioned by the UN Security Council, the EU or the AU

PROCUREMENT METHODS

Seek to balance cost efficiency and transparency

Method
Open tendering
Restricted tendering
Request for quotations (shopping)
Direct procurement

ANTICIPATED WELL COST (AWC) GUIDELINES

- Only for drilling projects
- Applicants shall estimate costs for their proposed drilling programme in line with the AWC Guidelines
- Guidelines specify the allowable cost structure for standard drilling cost items (AWC items)
- Maximum allowable percentage of total AWC items cost that can be allocated to each AWC item is stated
- Different maximum percentages are given for wells of different types, diameters and depth intervals
- Guidelines outline the maximum allowable total drilling metre costs taking into account the total cost of AWC items
- Costs for non-AWC items must still be stated as separate cost item and clearly justified in the technical Application

ANTICIPATED WELL COST (AWC) GUIDELINES – EXAMPLE

		Standard Size -DEVIATED: KOP=450 M					
		Bottom conductor pipe to 500 m		500 m to 1500 m		1500 m to beyond	
Item	Description	Maximum allowable percentage to total AWC cost	Maximum allowable total AWC cost per metre drilled	Maximum allowable percentage to total AWC cost	Maximum allowable total AWC cost per metre drilled	Maximum allowable percentage to total AWC cost	Maximum allowable total AWC cost per metre drilled
	Rig move in	Maximum 11%					
A	Site Preparation including Conductor Pipe	10%	\$1.250,00	NA	\$1.800,00	NA	\$2.100,00
B	Consultancy / Management	3%		3%		3%	
C	Cementing	10%		9%		10%	
D	Directional Drilling	4%		4%		4%	
E	Drilling Fluids, Compressors	4%		5%		6%	
F	Drilling Tools Rental	4%		4%		4%	
G	Bits	6%		6%		6%	
H	BOP and Rotating Head	2%		2%		2%	
I	Well Logging	5%		5%		5%	
J	Casing	14%		14%		14%	
K	Casing Accessories and Liner Adapter	1%		1%		1%	
L	Surface Logging - Mud Logging	4%		4%		4%	
M	Fuels and Oils	8%		8%		8%	
N	Water Supply Pumps Rental and Water	5%		5%		5%	
O	Wellhead and Valves	2%		2%		2%	
P	Rig Operating Day Rate	32%		32%		32%	
Q	Camp Day Rate including Telecommunication	4%		4%		4%	
R	Welding and X-Ray Services	1%		1%		1%	
S	Pipe Inspection and Hardbanding Services	1%		1%		1%	
T	Support Services, Wellsite Security, Transport of Personnel	4%		4%		4%	
U	Documentation and reports	1%	1%	1%			
V	Contingency on long lead items	5%	5%	5%			
W	Contingency on services	5%	5%	5%			
X	Other contingencies	5%	5%	5%			
	Rig move out	Maximum 11%					

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REQUEST FOR EXPRESSION OF INTEREST

Will be extensively elaborated in the next presentation

REQUEST FOR APPLICATION

- Invites short-listed Applicants to submit an Application
- Refers to all underlying documents, states submission deadline and contact details
- Specifies submission procedure and evaluation methodology
- Gives instructions to Applicants and specifies form and content of Applications
- Annex 1: Draft cover letter for Applications
- Annex 2A: Application form for surface studies
- Annex 2B: Application form for drilling projects
- Annex 3: Draft Grant Agreement (GCC, SCC, Appendices)

APPLICATION FORM: REQUIRED DOCUMENTS

Section	Content
A: Summary	<ul style="list-style-type: none"> - List of annexes - Application Security Form - Declaration of Acceptance and Adherence to Procurement standards - Declaration of Non-Existence of Grounds for Rejection - Summary information about the project
B: Project description	Presentation of strategy, activities, and implementation
C: Concessional details	Exploration license, environmental permits
D: Market viability	Plan for bringing the proposed project at the concession area into sustainable power production, including business plan
E: Personnel and qualifications	Personnel, CVs, roles, experience, capabilities
F: Financing plan	Financing plan (also other sources) cost estimate and cash flow

**END SLIDE.
THANK YOU!**

Questions?

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Christina Schrage, M.Sc.

Sigrun Aasland, M.A.

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Project Executing Agency:

