

General Procedure

The GRMF provides grants to developers by means of the following competitive, transparent, and rigorous two-stage application process:

Pre-Qualification Phase

The first stage of the application procedure is an open pre-qualification process. Potential applicants are invited to submit their expressions of interest (EoIs) by a specified deadline.

EoIs for eligible activities scoring above a certain threshold successfully pass pre-qualification and will be invited to participate in a mandatory pre-bidding workshop, and to submit a full application.

Application Phase & Project Pipeline

In the second stage, applicants with pre-qualified EoIs must submit a full application by a set deadline. Applications that score above a certain threshold will be included in a project pipeline upon approval by the GRMF Oversight Committee. Only these projects will be invited for grant contract signing subject to the availability of funds the condition and project information as requested by the Facility are submitted and approved.

Grant Contract

Once the beneficiary has successfully fulfilled all requirements, a grant contract will be signed between the AUC and the applicant accordingly.

Among others, the grant contract delineates requirements for follow-up monitoring and reporting regarding the project and specifies the milestones and disbursement schedule of the grant.

Time Schedule

Deadlines to submit EoIs for an Application Round are announced on the GRMF website.



**Geothermal Risk Mitigation
Facility for Eastern Africa**



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**For More Information and updates
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Objectives and Financiers

The Geothermal Risk Mitigation Facility (GRMF) was established to fund, facilitate, and accelerate geothermal development in eleven partner countries in the Eastern African Rift region. It is hosted and managed by the African Union Commission (AUC). Funding is provided by the German Federal Ministry for Economic Cooperation and Development (BMZ) together with the EU-Africa Infrastructure Trust Fund (EU Africa ITF) via KfW Development Bank (KfW), and the UK Department for International Development (DFID).

The GRMF was launched in 2012. It conducts a series of Application Rounds to identify eligible projects and determine appropriate project funding levels. The 5th Application Round was finalised in October 2018. The GRMF programme has a total funding volume of approximately 100 million USD, which may be increased at the donors' discretion.

The overall objective of the GRMF is to encourage public and private sector investment into geothermal power generation. This is achieved by providing financial support to mitigate the early stage exploration risk associated with geothermal power projects in order to improve project bankability and secure external financing. The GRMF therefore acts as a catalyst in establishing geothermal energy as a strategic option for power generation capacity expansion in the partner countries.

Eligible Countries and Application Round Results

The following map shows the eleven eligible countries, as well as surface studies and drilling programmes that were awarded grants in the respective Application Rounds.



1 st Application Round	2 nd Application Round	3 rd Application Round	4 th Application Round	5 th Application Round
● Drilling Programmes	● Drilling Programmes	● Drilling Programmes	● Drilling Programmes	● Drilling Programmes
■ Surface Studies	■ Surface Studies	■ Surface Studies	■ Surface Studies	■ Surface Studies

GRMF Eligible Activities and Financial Support

1. Surface Studies

Financial support is available for surface studies to determine the optimal location for reservoir confirmation wells at geothermal prospects that have previously been studied extensively. Eligible activities for surface studies are geophysical surveys (e.g. seismic, gravity, magnetic, or magnetotelluric) as well as supplementary geological, hydrogeological, and geochemical surveys. The GRMF funds up to 80 % of approved eligible cost (excluding infrastructure cost).

2. Drilling Programmes

Exploration drilling and testing programmes are eligible for funding once the optimal locations of reservoir confirmation wells have been determined. According to the new GRMF regulations of August 2017, such a programme may comprise:

- up to three full size reservoir wells ($\geq 5"$ diameter of the last casing or liner) or
- a combination of up to three slim hole wells ($< 5"$ diameter of last casing or liner) and one full size reservoir confirmation well or
- a combination of up to two slim holes- and two full size reservoir confirmation wells.

The GRMF funds up to 40 % of approved eligible cost (excluding infrastructure cost).

3. Infrastructure Upgrades

Infrastructure upgrades required for eligible surface studies or eligible drilling and testing programmes (e.g. access roads, water supply) can also receive GRMF funding. The infrastructure grant covers up to 20 % of approved eligible cost. It is only available in conjunction with a surface study or drilling programme grant.

4. Continuation Premium

A continuation premium is available to beneficiaries who successfully complete a GRMF-funded drilling programme and fulfilled the original grant contract obligations. Depending on the initial drilling programme and the selected option for the wells (see above), the continuation premium may be applied towards an additional full size well, well-head unit(s) installation, long term discharge testing (minimum six months), a reservoir evaluation update, or a Feasibility Study. The maximum amount of the continuation premium is capped at the lower of either 30 % of approved eligible and expended continuation activity costs, or at 30 % of the developer's share of the approved eligible and expended costs of the preceding drilling programme (excluding infrastructure upgrades).