GRMF - OVERVIEW & STATUS

6TH APPLICATION ROUND

Mr. Sylvain Degolmal Ngaryo
Webinar, 6th May 2020

A Catalyst for Geothermal Development
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1 GRMF IN GENERAL

• East Africa has an estimated geothermal resource potential of over 15,000 MW.

• Development of this resource has potential to:
  – Improve the regional power generation
  – Reduce CO₂ emissions
  – Improve security of energy supply
  – Reduce the frequency and severity of energy price fluctuations and black outs
  – Adding low cost power generating capacity in East Africa
  – Constitute further advantages of geothermal energy projects like direct-use

• Despite the high potential, geothermal resources in the region are largely unexploited

⇒ High cost and associated risk of discovering and proving the resource.
In order to mitigate the high risk of exploration and reservoir confirmation drilling, the Geothermal Risk Mitigation Facility (GRMF) for East Africa was established in 2012.

Mandate was given to the AUC by the Ministers of Energy from 11 countries of the EARS to establish the Regional Geothermal Programme.
1 GRMF IN GENERAL

- The Geothermal Risk Mitigation Facility (GRMF) is managed by the Regional Geothermal Coordination Unit (RGCU) within the Department of Infrastructure and Energy of the African Union Commission (AUC-DIE).

- Implementing Agencies & Donors:
1 GRMF IN GENERAL

Objectives:

• Fund, facilitate, and accelerate geothermal development in Eastern Africa.

• Encourage public and private sector investment into geothermal power generation.

• Act as a catalyst in establishing geothermal energy as a strategic option for power generation capacity expansion in eleven partner countries in the Eastern African Rift region.
GRMF IN GENERAL

GRMF offers:

- **Information** (pre-bidding workshops, geothermal database)

- **Capacity building** (constructive feedback during the application process, structured approach for coherent planning)

- **Funding to developers** (funding for surface studies, drilling programmes & necessary infrastructure upgrades)

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These activities all tie into the application process for GRMF funding.
2 FUNDING

Eligible Countries:
Ethiopia, Kenya, Rwanda, Tanzania, Uganda, Burundi, Comoros, Djibouti, DRC, Eritrea, Zambia, Somalia

Eligible Entities:
• Public or private as well as public private partnerships
• Limitation is set to provide GRMF grants to a maximum of three drilling programmes per eligible entity

Donors:
EU–ITF, BMZ, DFID

Financial Support:
• Infrastructure grants: up to 20% of the costs for infrastructure required for surface studies and drilling programmes (access roads, water, supply).
• Surface study grants: up to 80% of eligible costs for surface studies (excluding infrastructure costs).
• Drilling grants: up to 40% of cost of exploration drilling and testing programmes for reservoir confirmation wells (excluding infrastructure costs).
• Continuation Premium: up to 30% of the approved costs of continuation activities or up to 30% of the developer’s share of the eligible costs incurred during the initial drilling – whatever is lower.
3 PROJECT PHASES

Competitive, transparent, rigorous two-stage evaluation process

Express of Interest (EoI)

Request for Application (RfA)

Grant Contract

Monitoring & Disbursements
4 ORGANIZATIONAL STRUCTURE
5 APPLICATION ROUNDS 1 - 5

- Projects supported by GRMF: 30 projects
- Total grants awarded: USD 122.5 Million
- Estimated investment volume: USD 9.2 billion
- Estimated installed capacity: 2,800 MW

<table>
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<tr>
<th>Application Round</th>
<th>Duration (kick-off – deadline for full application)</th>
<th>Funded Projects (DP/SS)</th>
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<tr>
<td>AR 1</td>
<td>11\textsuperscript{th} October 2012 – 25\textsuperscript{th} April 2013</td>
<td>(3/0)</td>
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<td>AR 2</td>
<td>21\textsuperscript{st} October 2013 - 12\textsuperscript{th} September 2014</td>
<td>(1/3)</td>
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<td>AR 3</td>
<td>30\textsuperscript{th} October 2014 - 17\textsuperscript{th} July 2015</td>
<td>(4/3)</td>
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<td>AR 4</td>
<td>14\textsuperscript{th} June 2016 – 20\textsuperscript{th} January 2017</td>
<td>(5/4)</td>
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<td>AR 5</td>
<td>10\textsuperscript{th} October 2017 – 4\textsuperscript{th} June 2018</td>
<td>(3/4)</td>
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<td><strong>Total</strong></td>
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<td>(16/14)</td>
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5 APPLICATION ROUNDS 1 - 5

Projects from:
• Djibouti
• Ethiopia
• Kenya
• Tanzania
• Comoros
• Uganda

16 Drilling Programmes
14 Surface Studies
Thank you for your attention.

Please visit us on www.grmf-eastafrica.org

Now is the time for your questions.

Contact: grmf@africa-union.org