GRMF - OVERVIEW & STATUS

7TH APPLICATION ROUND

Mr. Joseph Mwangi
Webinar, 22nd June 2021
# GRMF - OVERVIEW & STATUS

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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).

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
- Constitute further advantages of geothermal energy projects like direct-use
- Improve security of energy supply
- Reduce CO2 emissions
- Reduce the frequency and severity of energy price fluctuations and black outs
- Adding low-cost power generating capacity in East Africa

Implementing Agencies & Donors:
1 GRMF IN GENERAL

• 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.

• In 2020 Somalia was added to the list of eligible countries.
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:
## 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 offers:

- **Information** (pre-bidding workshops, geothermal database)
- **Capacity building** (constructive feedback during the application process, structured approach for coherent planning)
- **Funding for Surface Studies** to determine the optimal sites for exploration wells at geothermal prospects once they have been studied.
- **Funding for Drilling Programmes** once the optimal locations for exploration wells as well as targets at depth have been determined.

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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

Oversight Committee (OC)

- African Union Commission (AUC)
- KfW Entwicklungsbank
- Department for International Development (DFID)
- Representative of eligible countries

Project Executing Agency

- AUC-Directorate of Infrastructure and Energy

Geothermal Risk Mitigation Facility for Eastern Africa (Instrument)

Executing Secretariat

- Regional Geothermal Coordination (RGCU)

Project Developer

- Surface studies
- Drilling of exploration wells

Technical Consultant

- Auditor
- Legal Advisor

Reporting

Monitoring

Overall Direction

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# 4 APPLICATION ROUNDS 1 - 5

- Projects supported by GRMF: 30 projects
- Total grants awarded: USD 125.9 Million
- Estimated investment volume: USD 9.2 billion
- Estimated installed capacity: 2,800 MW

<table>
<thead>
<tr>
<th>Application Round</th>
<th>Duration (kick-off – deadline for full application)</th>
<th>Funded Projects (DP/SS)</th>
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<tbody>
<tr>
<td>AR 1</td>
<td>October 2012 – April 2013</td>
<td>(3/0)</td>
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<tr>
<td>AR 2</td>
<td>October 2013 - September 2014</td>
<td>(1/3)</td>
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<tr>
<td>AR 3</td>
<td>October 2014 - July 2015</td>
<td>(4/3)</td>
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<tr>
<td>AR 4</td>
<td>June 2016 – January 2017</td>
<td>(5/4)</td>
</tr>
<tr>
<td>AR 5</td>
<td>October 2017 – June 2018</td>
<td>(3/4)</td>
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<tr>
<td>AR 6</td>
<td>May 2021 – January 2021</td>
<td>To be published in June 2021</td>
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<td><strong>Total</strong></td>
<td></td>
<td>(16/14)</td>
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</table>
5 APPLICATION ROUNDS 1 - 5

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

16 Drilling Programmes
14 Surface Studies
6 QUESTIONS & ANSWERS

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