

Geothermal Risk Mitigation Facility (GRMF)

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- 1. Overview with key highlights on GRMF Procurement Guidelines***
- 2. Overview with key highlights on GRMF Early Contracting Manual for Heat .***
- 3. Questions and Answers***
- 4. Closing***

DETAILED PROCEDURES

- Procurement Principles and***
- Categories in Procurement***
- Methods of Procurement***
- Thresholds / Limits***
- General Rules***

- Should clearly outline the foreseen procurement method and the justification for the respective methods and will be approved by the Contracting Authority.*
- The procurement plan must be provided together with the full application*
- The procurement plan needs to show the anticipated services to be contracted, including information on the estimated contract value and scheduled procurement method.*
- A management Tool which must be updated through complete project implementation.*

- ❖ *Clarity methods of procurement*
- ❖ *Increased thresholds for method of procurement*
- ❖ *Different and higher thresholds for Selection of Consultants*
- ❖ *Increased thresholds for Determination of No Objection : US\$ 1,000,000 for works, US\$ 700,000 for goods and US\$ 300,000 for Consultancy Services*

In a bid to accelerate procurement processes , the GRMF provided a process improvement strategy in the form of advance contracting or early contract . The Early Contracting Manual provides a step-by-step guide on the procedures when initiating such as process .

1st cut-off date on early contracting refers to the submission deadline of the Expression of Interest:

- *Costs from contracts signed with any third party before this date will not be eligible;*
- *Costs from contracts signed after this date will be eligible.*

2nd cut-off date on early contracting refers to the submission deadline of full application:

- *Any activity (and therefore any related costs) that shall be eligible for support by GRMF can only start after this date.*
 - *Exception 1: For public entities, cost from contracts signed for external consulting services relating to the preparation of the Expression of Interest documents and the full application after the kick-off workshop are eligible.”*
 - *Exception 2: Activities relating to the preparation of the Environmental & Social documentation that needs to be submitted with the full application may already start after the 1st cut-off date (for further exceptions related to the cut-off dates for E&S reporting please contact the GRMF management).*

- *Before Grant Signing ,the Developer must comply with all contractual responsibilities and provisions as prescribed in the GRMF Grant Contract Agreement, such expected responsibilities from the Developer are adhering to all procurement guidelines, monitoring and reporting requirements.*
- *The Developer shall notify the African Union Commission (AUC) in writing in case the Developer wishes to start early contracting activities – either sign contracts, select contractors, or commence early contracting activities. With the full application all contracts signed according to the first cut-off date – including documentation of the tender/procurement process need to be submitted (procurement plan as template provided).*
- *If the Developer is invited for a grant negotiation, detailed information about early contracted activities, such as reports for already commenced services according to the report requirements and notice forms for selected sub-contractor according to procurement requirements, shall be submitted to the AUC in appropriate time before the start of the grant negotiation. The early contracting, the work program and the completed works carried out in the early contracting period, shall comply with the respective country’s technical standards, environmental laws, relevant labor laws and other country’s laws applicable to the work. If specific country relevant technical standards are not in place, international best practice shall be applied.*

IMPORTANT CONSIDERATIONS TO NOTE :

- *If the application does not reach the threshold of 70 points in the application procedure, it will not be considered for a GRMF grant;*
- *In case of limited funding, the application might not be considered for a GRMF grant even if the threshold of 70 points or more is reached;*
- *The GRMF Grant Contract might cover only parts of the project that has been applied for; or,*
- *The GRMF Grant Contract might not be signed for any other reason.*

PROCUREMENT REQUIREMENTS

1. *The Developer shall award sub-contracts in line with the “GRMF Developer Procurement Guidelines”.*
2. *To keep a full written record of the awarding procedure for at least ten(10) years, and to allow the AUC and agents or auditors assigned by AUC or the Oversight Committee at any time full access to all documents and records of the awarding procedure.*
3. *No import duties may be financed from the Facility account, such import duties, if part of the grant value, shall be stated separately in the Contract for the goods and services and in the invoices. They will not be borne by the GRMF.*
4. *Developer shall request a determination of No Objection from the Contracting Authority, using the model in Annex VI of the Grant Contract, before entering any sub-contract which is above US\$ 1,000,000 for works, US\$ 700,000 for goods and US\$ 300,000 for Consultancy Services.*
5. *All Goods and Services supplied under the Grant Agreement shall have their origin in eligible countries and territories which are member states of the United Nations and/or African Union, and are not subject to UN, EU or AU sanctions.*

REPORTING REQUIREMENTS FOR SURFACE STUDIES

1. *Developer to inform the AUC on commencement of field work and completion.*
2. *To update the AUC on monthly progress reporting using standard templates provided in the Grant Contract Agreement. For the first set of surface measurements, the Developer shall provide raw data files, in accordance with contract agreement , which will be checked for quality and further verification.*
3. *After completion and within fifteen (15) months of signing the Contract, the Developer shall provide a final report consisting of a narrative report, a financial report and a feasibility study. The narrative report, is the integrated resource report, which should be provided to the AUC, in a prescribed format in the grant contract agreement.*
4. *The financial report shall include the expenditure verification report , and also the feasibility study provided to the AUC inline with applicable GRMF rules.*

- For additional information and reference to GRMF standard documents ,please visit the website below:

Geothermal Risk Mitigation Facility (GRMF)

www.grmf-eastafrika.org

**I thank you for your kind attention and participation
in this webinar.**