

AFRICAN UNION  
الاتحاد الأفريقي  
UMOJA WA AFRIKA



UNION AFRICAINE  
UNIÃO AFRICANA  
UNIÓN AFRICANA

---

Department of Infrastructure & Energy

---

**GEOHERMAL RISK MITIGATION FACILITY  
(GRMF)  
for Africa**



**GRMF POWER  
Conditions for Early Contracting  
(Tenth Edition)  
22 January 2025**

Project funded by:



European Union Africa  
Infrastructure Trust Fund



german  
cooperation  
DEUTSCHE ZUSAMMENARBEIT

**KFW**



---

**TECHNICAL CONSULTANT**

Rödl & Partner

**COWI**



---

|  |  |  |
|--|--|--|
|  <p>Geothermal Risk Mitigation<br/>Facility for Africa</p> | <p><b>Geothermal Risk Mitigation Facility (GRMF)</b></p> |  <p><b>African Union</b><br/>a United and Strong Africa</p> |
| <p>Tenth Edition (2025)</p>  | <p>GRMF POWER Conditions for Early Contracting</p>       | <p>Page 2/8</p>  |

## Contact

African Union Commission  
Roosevelt Street, W21K19  
P.O. Box 3243  
Addis Ababa, Ethiopia

**Joseph MWANGI**  
GRMF Project Manager  
Infrastructure & Energy Department  
Phone: +251 901 091 158  
E-mail: [grmf@africa-union.org](mailto:grmf@africa-union.org)  
E-mail 2: [grmf@roedl.com](mailto:grmf@roedl.com)  
Internet: [www.grmf-eastafrika.org](http://www.grmf-eastafrika.org)

|  |   |   |
|--|---|---|
|  <b>Geothermal Risk Mitigation Facility for Africa</b> | <b>Geothermal Risk Mitigation Facility (GRMF)</b> |  <b>African Union</b><br><small>a United and Strong Africa</small> |
| Tenth Edition (2025)   | GRMF POWER Conditions for Early Contracting       | Page 3/8  |

## Content



|          |   |          |
|----------|---|----------|
| <b>1</b> | <b>GENERAL CONDITIONS FOR EARLY CONTRACTING .....</b> | <b>3</b> |
| <b>2</b> | <b>SPECIAL CONDITIONS FOR EARLY CONTRACTING.....</b>  | <b>6</b> |
| 2.1      | Procurement Requirements .....                        | 6        |
| 2.2      | Reporting Requirements.....                           | 6        |
| <b>3</b> | <b>REFERENCE DOCUMENTS .....</b>                      | <b>8</b> |

### 1 GENERAL CONDITIONS FOR EARLY CONTRACTING

It is to be noted that according to general GRMF rules, the time for commencement of services and sub-contracting shall be according to the agreed Time Schedule forming a part of the Grant Contract **but no earlier than the effective date of the Grant Contract**. It is required that surface studies commence within 6 months of signing the Grant Contract and that drilling commence within 12 months of signing the Grant Contract. On an exceptional basis, alternative commencement dates can be negotiated.

Though, the GRMF acknowledges that the application process for funding poses challenges for project developers in respect to timing of the signing of contracts, as well as regarding the commencing of GRMF eligible activities. Therefore, the herein described early contracting regulations allow two exceptions (cut-off dates) to the general GRMF rules for GRMF POWER. These are described in the following:

1. 1<sup>st</sup> 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.
  
2. 2<sup>nd</sup> 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 (= eligible activity) can only start after this date.

|   |   |  |
|---|---|--|
|  <p>Geothermal Risk Mitigation Facility for Africa</p> | <b>Geothermal Risk Mitigation Facility (GRMF)</b> |  <p><b>African Union</b><br/>a United and Strong Africa</p> |
| Tenth Edition (2025)  | GRMF POWER Conditions for Early Contracting       | Page 4/8   |



- Exception: Activities relating to the preparation of the Environmental & Social documentation that needs to be submitted with the full application may already start after the 1<sup>st</sup> cut-off date (for further exceptions related to the cut-off dates for E&S reporting please contact the GRMF management).

In case of a “direct DP application” according to section 9.5 of the GRMF Developer Manual, the reference for the two cut-off dates is different, because no official timeline for GRMF application rounds applies. For direct DP applications the following two references must be considered:

1. 1<sup>st</sup> cut-off date on early contracting **for direct DP applications** refers to the submission date of the Notification Letter of the beneficiary.
  - 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.
2. 2<sup>nd</sup> cut-off date on early contracting **for direct DP applications** refers to the submission date of the full DP application.
  - Any activity (and therefore any related costs) that shall be eligible for support by GRMF (= eligible activity) can only start after this date.
  - Exception: Activities relating to the preparation of the Environmental & Social documentation that needs to be submitted with the full application may already start after the 1<sup>st</sup> cut-off date (for further exceptions related to the cut-off dates for E&S reporting please contact the GRMF management).



However, for the cases of “Early Contracting” the following conditions shall apply:

- The Developer has to comply with all duties and liabilities covered in the GRMF Grant Contract even before signing the Grant Contract (such as following all procurement guidelines, monitoring and reporting requirements and all other guidelines relevant to the Developer etc.) and will be excluded from funding if the terms and conditions of the contract herewith are not adhered to before or after signing of a GRMF Grant Contract.
- The Developer shall notify the African Union Commission (AUC) in writing in a case where it 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 receives an invitation for grant negotiation, detailed information about early contracted activities, e.g. reports for already commenced services

|   |   |   |
|---|---|---|
|  <b>Geothermal Risk Mitigation Facility for Africa</b> | <b>Geothermal Risk Mitigation Facility (GRMF)</b> |  <b>African Union</b><br><small>a United and Strong Africa</small> |
| Tenth Edition (2025)  | GRMF POWER Conditions for Early Contracting       | Page 5/8  |

according to the report requirements (section 2.2) and notice forms for selected sub-contractor according to procurement requirements (section 2.1), shall be submitted to the AUC in appropriate time before the start of the grant negotiation. The early contracting, the work programme and the completed works carried out in the early contracting period, shall comply with the respective country's technical standards, environmental laws, relevant labour laws and other country's laws applicable to the work. If in a specific country relevant technical standards are not in place, international best practice shall be applied.

- The Developer takes the full risk that:
  - The application does not reach the threshold of 70 points in the Application procedure and therefore will not be considered for a GRMF grant;
  - The application will not be considered for a GRMF Grant due to limited funding even if reached the threshold of 70 points or more;
  - The GRMF Grant Contract covers only parts of the project that has been applied for; or,
  - The GRMF Grant Contract will not be signed for any other reason.

|  |   |   |
|--|---|---|
|  <b>Geothermal Risk Mitigation Facility for Africa</b> | <b>Geothermal Risk Mitigation Facility (GRMF)</b> |  <b>African Union</b><br><small>a United and Strong Africa</small> |
| Tenth Edition (2025)   | GRMF POWER Conditions for Early Contracting       | Page 6/8  |

## 2 SPECIAL CONDITIONS FOR EARLY CONTRACTING

For “Early Contracting”, the Applicant has to comply with all requirements mentioned in the Request for Application.

Additionally the following special procurement and reporting requirements has to be adhered to as these will be required in case of the conclusion of a Grant Contract.

### 2.1 Procurement Requirements



1. The Developer shall award sub-contracts in line with the “GRMF Developer Procurement Guidelines”.
2. The Developer is required to keep a full written record of the awarding procedure for at least ten years, and to allow the AUC and agents or auditors assigned by AUC or the Oversight Committee at any time full access to any and all documents and records of the awarding procedure.
3. As 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 Contracts for the goods and services and in the invoices. They will not be borne by the GRMF.
4. The Developer shall request a determination of No Objection from the Contracting Authority, using the model in Annex VI of the Grant Contract, before entering into 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.

### 2.2 Reporting Requirements

The Applicant has to comply with the following reporting requirements when appointing contractors and commencing services which are part of the eligible activity applied for GRMF grant. All reports and notices shall be provided to the Facility upon request in case that the Applicant is short-listed for receiving a grant by GRMF.

#### 2.2.1 Reporting Requirements for Surface Studies

1. The Developer shall inform the AUC of commencement (initiation of field work) and completion (end of field work) of the Action.
2. The Developer shall update the AUC of the progress of the Action in monthly progress reports using the models in GC Annex VII-2 and Annex VII-5. For the first set of surface measurements the Developer shall provide raw data files, in

|   |   |   |
|---|---|---|
|  <b>Geothermal Risk Mitigation Facility for Africa</b> | <b>Geothermal Risk Mitigation Facility (GRMF)</b> |  <b>African Union</b><br><small>a United and Strong Africa</small> |
| Tenth Edition (2025)  | GRMF POWER Conditions for Early Contracting       | Page 7/8  |

accordance with GC Annex VII-1, which will be checked for quality and informational value.

3. After completion of the Action and within fifteen (15) months of signing the Contract, the Developer shall provide a final report consisting of a narrative report and a financial report:
  - a) The narrative report, which is the integrated resource report, should be provided to the AUC, using the model in GC Annex VII-3.
  - b) The financial report shall include the expenditure verification report as per section 2.2.3 using the model in GC Annex VII-4.



### 2.2.2 Reporting Requirements for Exploration Drilling

1. The Developer shall inform the AUC of commencement of the Action (start of construction of well pad), first well spud, first well completion and start and end of testing of the first well, last well spud, completion of last well and start and end of testing of the last well.
2. The Developer shall update the AUC, before well spud and after end of drilling, with monthly progress reports using the model in GC Annex VII-3; and from well spud until end of drilling, with daily and weekly drilling reports using the models GC Annex VII-1 and GC Annex VII-2, respectively. In addition an environmental and social performance report using the model in GC Annex VII-6 has to be submitted on a monthly basis.
3. Within six (6) months of demobilisation of the drilling rig of the final well the Developer shall provide a final report consisting of a narrative report and a financial report:
  - a) The narrative report, which is the completion report for drilling and testing including reservoir engineering if applicable, shall be provided to the AUC, using the model in GC Annex VII-4.
  - b) The financial report shall include the expenditure verification report as per section 2.2.3 using the model in GC Annex VII-5.

### 2.2.3 General Reporting Requirements

1. The expenditure verification report including all activities of the Action shall be verified by a certified auditor and shall cover all expenditures related to the Action.

The auditor examines whether the costs declared by the Developer are real, accurately recorded and eligible in accordance with the Contract, as well as the

|   |   |   |
|---|---|---|
|  <b>Geothermal Risk Mitigation Facility for Africa</b> | <b>Geothermal Risk Mitigation Facility (GRMF)</b> |  <b>African Union</b><br><small>a United and Strong Africa</small> |
| Tenth Edition (2025)  | GRMF POWER Conditions for Early Contracting       | Page 8/8  |

revenue of the Action and issues an expenditure verification report conforming to international standard.

The Developer grants the auditor all necessary access rights.

Based on the expenditure verification report, the AUC determines the total amount of eligible expenditure which may be deducted from the total sum of the agreed upon eligible expenditures under the Contract.

2. All reports and other information shall be provided in English language.

### 3 REFERENCE DOCUMENTS

1. **Annex IV** of the Grant Contract: Developer Procurement Guidelines
2. **Annex VI** of the Grant Contract: Notice Form for Contractor Selection by the Developer
3. **Annex VII** of the Grant Contract: Report Forms for Developers during Project Execution

#### Surface Studies

Annex VII-1: Geophysical Data Provision Guidelines for Initial Data Set

Annex VII-2: Monthly Progress Report Form

Annex VII-3: Integrated Resource Report Form

Annex VII-4: Financial Report

Annex VII-5: Environmental and Social Performance Progress Report Form

#### Drilling Programmes

Annex VII-1: Daily Drilling Report Form

Annex VII-2: Weekly Progress Report Form for Drilling and Testing

Annex VII-3: Monthly Progress Report Form for Drilling and Testing

Annex VII-4: Completion Report Form for Drilling and Testing

Annex VII-5: Financial Report

Annex VII-6: Environmental and Social Performance Progress Report Form