

Time Schedule and Financial Support



KFW



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BMZ  Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung

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Time Schedule

It is planned to conduct at least three application rounds within 4 years. There will be one application round including prequalification each year. A pre-application information workshop in Addis Ababa will be conducted at the beginning of round one and will provide detailed information for potential applicants as to what is required.

Pre-application information workshop:	11.10.12
Start of first application round:	17.10.12
Start of second application round:	17.10.13
Start of third application round:	17.10.14

Financial Support

The upper limits for financial support of the allowable expenditure (AE) at the time of proposal submission, in the form of a grant agreement, to winning applicants for surface studies and exploration drilling and testing programmes are as follows:

- **Infrastructure grants:** 20% of approved allowable costs for infrastructure required for eligible surface studies or eligible drilling programmes (e.g. access, water, power)
- **Surface studies grants:** 80% of approved allowable costs (excluding infrastructure costs)
- **Drilling grants:** 40% of approved allowable costs for the exploration drilling and testing programme (excluding infrastructure costs)
- **Continuation premium:** 30% of the developer's share of the approved allowable and expended costs for the drilling and testing programme in case of continuation of the project.

The disbursements will be based on actual costs up to the limits stated above.

For more information and updates as well as registration for the information workshop please visit the GRMF webpage:

www.grmf-eastafrica.org

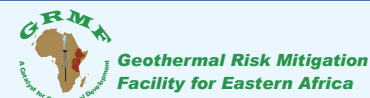
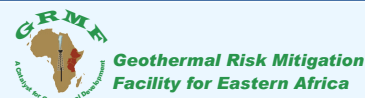
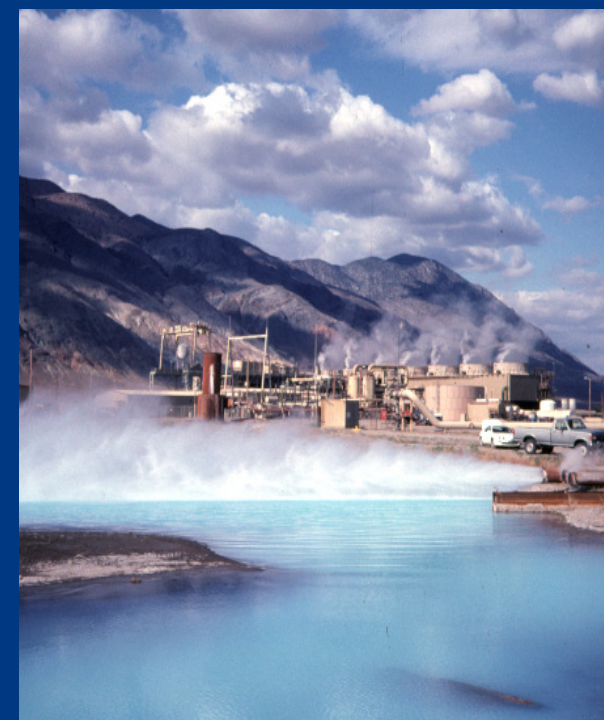
For general queries considering GRMF please contact us via email:

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Geothermal Risk Mitigation Facility (GRMF) for Eastern Africa

A catalyst for geothermal development



What is GRMF?

Objectives and Financiers

The African Union Commission (AUC), on the one side, and the German Federal Ministry for Economic Cooperation and Development (BMZ) and the EU-Africa Infrastructure Trust Fund (the Trust Fund) via KfW Entwicklungsbank (KfW), on the other side, have agreed to establish the Geothermal Risk Mitigation Facility (GRMF) for Eastern Africa (the Facility). The Facility, funded at 50 million EUR (20 million EUR from BMZ and 30 million EUR from the Trust Fund), is now in place and hosted and managed by the AUC.

The overall objective of GRMF is to encourage public and private sector developers by providing partial grants for surface studies leading to drilling and for reservoir confirmation drilling in order to mitigate the risk associated with geothermal resource exploration. As a result, reduced risks and costs of early stage geothermal development are expected to encourage the development of further geothermal investments. It is expected to improve access to equity or other funding sources and thus play a catalytic role in establishing geothermal energy as a strategic option in power expansion planning of the participating countries of Eastern Africa.

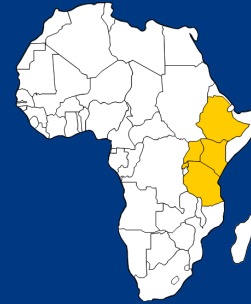


Eligibility

GRMF Initial Target Countries

Initially, GRMF will support geothermal activities in the following pilot countries:

- Ethiopia
- Kenya
- Rwanda
- Tanzania and
- Uganda



Other countries may become eligible for GRMF funding in a later phase if additional funds become available.

GRMF Eligible Activities

1. Surface Studies

Surface studies to determine the optimal location for reservoir confirmation wells at geothermal prospects that have previously been extensively studied are eligible for funding. Surface studies are geophysical surveys (e.g. seismic, gravity, magnetics or magnetotellurics), including supplementary geological, hydrogeological and/or geochemical surveys if necessary for siting of reservoir confirmation wells. Furthermore, required infrastructure improvements may also be eligible for grant funding.

2. Exploration Drilling Programmes

Exploration drilling at geothermal prospects are eligible for funding once the optimal locations of reservoir confirmation wells have been determined. Such a programme may comprise up to two full size reservoir confirmation wells or up to three slim hole wells or a combination of two slim holes and one full size reservoir confirmation well. In addition, grant support may be available to cover infrastructure upgrades.

Application Procedure

General Procedure

The GRMF will provide grants to developers through competitive, transparent and rigorous two-stage application processes.

Prequalification Phase

The first stage of the application procedure is an open prequalification process inviting potential applicants to submit their expressions of interest (EoI) within a specified period. It is allowed to provide multiple EoI for eligible activities related to different sites. EoI that score over a certain threshold will successfully pass the prequalification and will be shortlisted. Short-listed applicants will be invited to participate in a mandatory pre-bidding workshop and to submit an application.

Application Phase

In the second stage, applications from short-listed applicants will be accepted within a specified period. Applications that score over a certain threshold will be eligible to enter into contract negotiations with the AUC. The actual number of awards will be limited to available funding.

Grant Agreement

In the case of a successful negotiation, the grant agreement will be concluded between the AUC and the applicant with the concurrence of the Oversight Committee. The grant agreements set requirements for the follow-up monitoring and reporting phase for the surface studies and the reservoir confirmation drilling and testing projects as well as specifications on the disbursement of grants.