



### Press Release N.154/2014

#### **African Union Commission hosts a pre-bidding workshop for pre-qualified developers of the 2<sup>nd</sup> application round of the GRMF facility**

**Adds Ababa, 17 July 2014** - The African Union Commission (AUC) through the Department of Infrastructure and Energy held a pre-bidding workshop for short-listed bidders for the 2<sup>nd</sup> application round of the Geothermal Risk Mitigation Facility (GRMF) in Addis Ababa, Ethiopia, on 15-16 July, 2014.



The GRMF is a grant program set by AUC with financial support from the German Federal Ministry for Economic Cooperation and Development (BMZ) and EU-Africa Infrastructure Trust Fund through the German KfW Entwicklungsbank with the overall objective to encourage public and private sector developers active in geothermal development in Eastern African Countries by providing grants for surface studies and drilling programs including infrastructure upgrades in order to mitigate the risk associated with geothermal resource exploration. Hence, risks and costs of early stage geothermal development are reduced and the access to equity or other funding sources are promoted. Thus, GRMF fosters the development of geothermal power plant as an option in power expansion planning of the participating countries in Eastern Africa.

In his opening remarks the Director of KfW Office in Ethiopia, Mr. Klaus Pfeiffer expressed his gratitude to AUC, BMZ and European Union Trust Fund for a job well



done in operationalising the GRMF which in turn will improve the quality of livelihoods of the people of Eastern Africa.

The Head of the EU delegation to the African Union, H.E. Gary Quince in his speech recalled on the journey for setting up the GRMF facility two years ago and the immense achievements attained by this fund which originally

targeted 5 countries and has now been expanded to a total of eleven countries. He commended the AUC for the tremendous work done so far in hosting and executing the facility.

In a speech read by Mr. David Kajange, Head of Transport & Tourism Division, on behalf of H.E. Dr. Elham M.A. Ibrahim, Commissioner for Infrastructure and Energy, it was underscored that the GRMF programme is one of the AUC key initiatives in improving and expanding access to modern energy services in Africa. H. E. Dr. Elham M. A. Ibrahim pointed out, that it is a well-established fact that our continent still remains the least electrified and also ranks the lowest in energy supply and consumption among other regions of the world. We are aware that this situation is one of the biggest constraints to economic development and a big challenge for the continent to be competitive and to eradicate poverty. We know that the African continent possesses huge amounts and various types of energy resources including hydropower, solar, wind, bioenergy, fossil fuels, and especially geothermal energy.

The objectives of the workshop were as follows: (i) provide an overview on the GRMF Facility and related topics within a plenary session (ii) provide feedback on the expression of interest (Eol) for the 2<sup>nd</sup> application round to short-listed bidders in individual basis in order to improve the document quality for the coming Request for Application, (iii) give explanation on the Request of Application procedure, forms and requisite documents to the short-listed bidders and respond to their inquiries and questions and to provide training on economic issues.

The workshop brought together shortlisted applicants representing 10 entities who submitted Eols for fifteen projects with the members of the Regional Geothermal Coordination Unit and the team of the Fund Management Consultant Rödl & Partner and Mannvit. Applicants were both from the public and private sectors from the following six countries: Comoros, Ethiopia, Kenya, Rwanda, Tanzania and Uganda.

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