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DFC QUESTIONAIRE

Initial Project Questions from the DFC:

1. What is your affiliation to the project? If you are a financial advisor, are you formally mandated by the project sponsor(s)?

GGF Africa (Pvt) Ltd is the Financial Advisor to the project and have a formal mandate from the project sponsor(s). Mr. Ian Hume is a collaborating financial Introducer with a mandate to support the Financial Advisory function.

2. Description of project.

Construction of the Bopoma Dam and Pipeline to supply approximately 25,000,000m3 per annum of water to Lower Ncema waterworks for consumption by residents of Bulawayo, the second largest city in Zimbabwe.

KEY FACTS

- Dam has capacity to store up to 129,000,000m3 of water
- Dam construction to be completed within 35 months
- A new and cost-effective solution to curb the current water crisis, saving lives, improving water and sanitation, preventing disease, and improving livelihoods of agricultural communities upstream;
- The project is to add 70ML daily of water to Bulawayo City Council.

3. Description of the project sponsors/developers. Evidence of the management team's proven track record of success in the industry.

SPV and Ownership Structure:

The Transaction is structured as a build–operate–transfer ("BOT") under a proposed 25-year concession held by an SPV "Glass Block Bopoma Dam Company" (GBBDC) with the key shareholders shown in Attachment 1 who consist of: **The Project Sponsors**; the **Zimbabwe National Water Authority (ZINWA**) and **New Equity** as described below:

- **Project Sponsors:**
  - **JR Goddard** (JRG), the project promoter, investor and EPC-M contractor, specialising in large-scale earthworks and bulk load-and-haul operations across southern Africa. Over 30 years' experience in Dam construction and has built more that 100 dams in Zimbabwe. JRG's history includes the construction of numerous earth embankment dams for the agricultural sector. In addition, J R G is experienced in the construction of Tailing dams, night storage dams, culverts, weirs, spillways, siphons, valve houses and pump stations.
  - **Sesani (Private) Limited**, a professional Project Development and Implementation company that develops projects from concept stage through to Feasibility study and project preparation to financial close. Sesani has expertise in the development of large infrastructure projects in the Water and Energy sectors including financial modelling through to project implementation. Sesani has very strong technical and contractual expertise in the implementation of projects and track record of delivering large scale projects for clients in Zimbabwe including most recently the construction of ISLAND Dam and pipeline Project for ZIMPLATS which included laying of a 12 km pipeline to supply the mine with water. Sesani's role will be the overall Programme Management of the project delivery from concept through to managing and supervising the project preparation/project structuring and fund raise to financial close and Construction Project Management of all the delivery disciplines during construction through to commissioning of the Dam and Pipeline.
  - **Genesis Global Finance (Private) Limited**, is a sustainable transformation firm working with organisations across sub-Saharan Africa on business, government & non-profit projects. Our teams and partners collaborate nationally and across borders to provide a comprehensive suite of solutions to deliver sustainable enterprise value. As a leading corporate finance boutique firm that assists entities in resource mobilisation GGF AFRICA's role is to develop a

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funding structure that attracts investors and mobilises resources for the successful completion of the project.

- **Zimbabwe National Water Authority** (ZINWA), the PPP Contracting Authority for Government, is a parastatal under MLAWFFR (see below).
- **New Equity:** Part of the financial raise will include a search for new equity investors.

GBBDC will be the BOT owner of the project and will be the borrower for debt funds raised.

- **Bulawayo City Council** (BCC) will be the primary beneficiary of the project and off-taker of the water under a Water Purchase Agreement. SEE ATTACHMENT 1 BELOW.

Other Key Stakeholders:

- **Government of Zimbabwe's Ministry of Lands, Agriculture, Water, Fisheries & Rural Resettlement** (MLAWFRR), the Government Ministry (Department) responsible for approving water infrastructure development projects.
- **Zimbabwe Investment and Development Agency** (ZIDA), the Government investment promotion agency.
- **Stewart Scott Zimbabwe (Private) Limited**, Owners Engineer for Dam and Pipeline, started operating in 1922 many projects have been undertaken for government, municipalities, parastatal bodies and private clients. The firm offers services regionally in the civil engineering disciplines; carries projects from inception to completion, commissioning and operation; The services offered cover reports, surveys, feasibility studies, engineering design, cost estimates, preparation of contract documents and tender evaluation, construction inspection services, and plant commissioning and monitoring

4. Development impact of the project (direct and indirect jobs created, contribution to economic growth, inclusion, technological innovation, positive climate impact, etc.):

- Enhanced Water Security for Bulawayo city as Bopoma Dam ensures a reliable water source which provides a stable basis for long term urban planning and Development.
- Reduced water cost due to Bopoma dam's lower lifetime cost and increased convenience.
- Improved Public Health and Sanitation due to improved access to clean water.
- Economic Growth and Development through job creation and improved business attraction.
- Climate resilience and ecosystem support.
- Infrastructural enhancement through modernization and upgrades to existing systems.
- Improved revenue collection due to lower water delivery costs.

5. Total project costs.

US$99,204,920

6. Amount of requested financing (in USD) and clear description of the use of proceeds.

US$61,895,035, in addition to the equity contributions stated below.
Use of the proceeds are:

Cost	Amount
Dam & Pipeline Construction and Ancillary costs	81,019,861
Project design and preconstruction costs	6,068,388
Construction Contingency Costs	5,671,390
Supervision Costs During Construction	5,201,476
Other Project Costs pre-construction	1,243,805
Total	**99,204,920**

7. Expected tenor of loan.

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13 Years.

8. Amount and source of equity to be contributed.

- JR Goddard: Contribution of works valued at US$27,309,885
- Proposal is being made to Government of Zimbabwe Through Zimbabwe National Water Authority (ZINWA) to provide a grant equivalent to US$10,000,000 to purchase the right to have the asset turned over to GOZ after 25 years, the grant to serve as effective equity contribution but without shareholding in the operating company (GBBDC).

9. Expected sources of repayment of the loan.

The loans will be paid from the monthly rates and other charges collected from Residents' billing by the Bulawayo City Council, with whom the project will have a Water offtake agreement. Current project estimates suggest that water will be delivered in bulk from the NCEMA waterworks to Bulawayo City at a cost of US$0.90/m3. Current retail tariffs for potable water in Bulawayo offer a margin for loan repayment and a reasonable return on capital invested. Foreign exchange for debt service will be under Reserve Bank authority.

10. Status of the environmental and social review conducted for the project. Please see DFC's Environmental & Social Policies and Procedures: https://www.dfc.gov/sites/default/files/media/documents/DFC_ESPP_07312020-final_1.pdf

A full EIA will be carried out in accordance with Environmental Management Authority requirements. This will include the effects that the project will have on the environment including flora and fauna, water courses and underground water and the air. It will also consider any potential effects of long-term climate change. BWC will be seeking grant funding to cover the costs of the EIA.

An assessment of the human, livestock and agricultural activity in the basin area will be carried out in order to come up with a well-structured and compassionate relocation and resettlement programme. This will include making and inventory of the peoples' assets, and acquiring land on which to construct new buildings and prepare new lands.

11. Has the company/project sought private financing? What gaps have been identified in the commercial market that DFC is being asked to fill? Will there be co-lenders?

Initial discussions with both local Zimbabwe banks and a major South African banking conglomerate have been opened on the assumption that they would consider forming and participating in a syndication of local/regional banks with a view to providing an as yet unstated portion of the debt financing. Specifics should be available in the coming few weeks.

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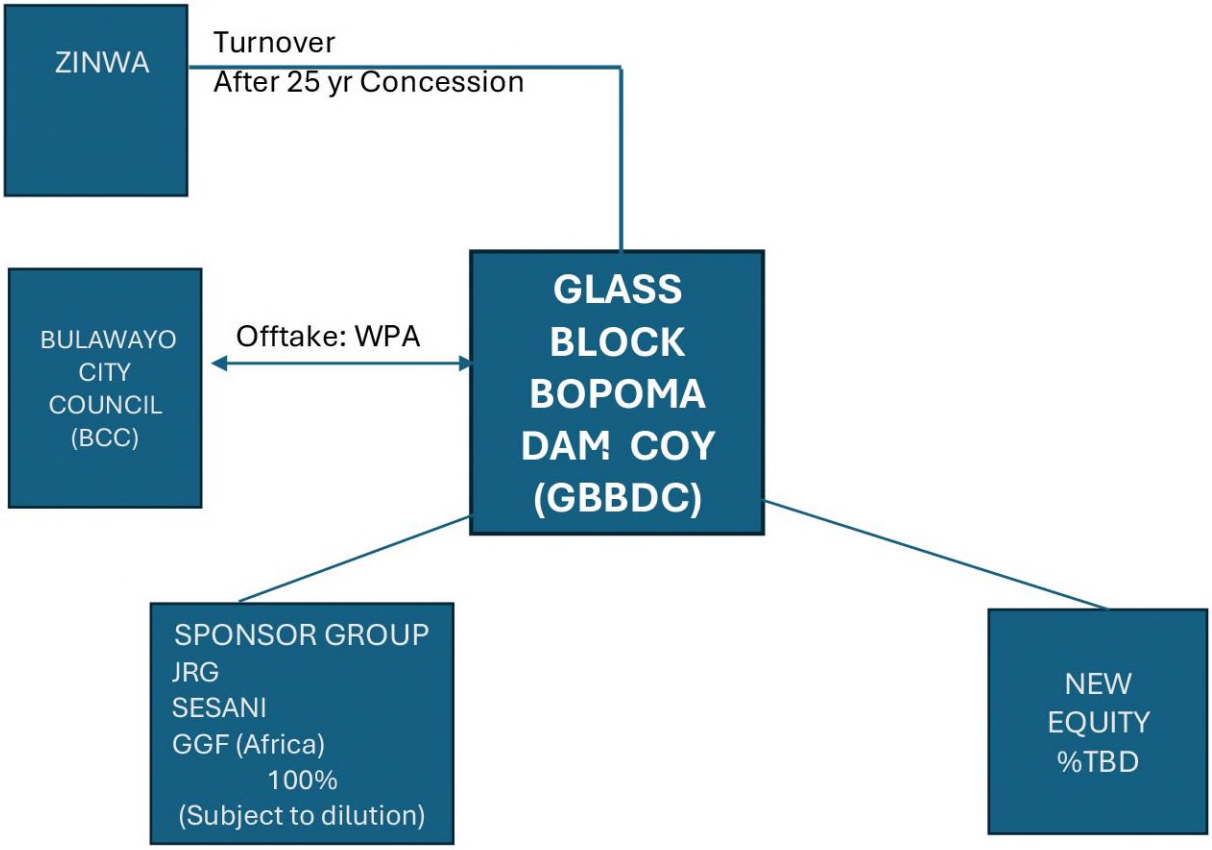
Attachment 1

STRUCTURE OF OWNERSHIP OF THE GLASS BLOCK BOPOMA DAM COMPANY (GBBDC) (Before Financial Raise).



This structure, including the 25-year private operating concession and the BOT provision to turn over the asset to government, are present proposals by the project sponsors to be approved by Cabinet, within the coming three to four months. 08/07/ 2024.

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