



Chobe Zambezi Water Transfer Scheme

Project Information Memorandum

July 2023

Private and Confidential: Commercially Sensitive



Botswana Advantage



Botswana is aptly suited for inviting investments for the growth and development of the country

Stable, Peaceful and Transparent

Botswana has zero tolerance for corruption and has a sound legal system and adhere to the rule of law; consistently being rated as the second least corrupt country in Africa by Transparency International.

Sound fiscal policy, economic freedom and has a steady growth rate

Botswana has the highest sovereign credit rating in Africa by S&P's global ratings (2021); named the 3rd freest economy in Africa by Heritage Foundation (2022);

The door to a massive market

Preferential access to the SADC entire marketplace –393 million+; duty-free access to South Africa, Namibia, Lesotho and eSwatini; duty-free and quota-free access to the European Union (EU) market.

Why Botswana?

Committed to continued growth

Consistently investing in new and improved core infrastructure such as power plants, fibre-optic networks, roads, railways and international banking institutions; establishing ourselves as a centre for Innovation and Research and Development (R&D) via the Botswana Innovation Hub.

Support from the Government

No foreign exchange controls or restrictions on business ownership; Reasonable taxation - 15% for manufacturing and International Finance Service Centres, 22% for other businesses and 25% for individuals; allows remittance and full repatriation of profits and dividends

Quality of Botswana's work-force

Well educated workforce — 90% are literate and most speak English; no labour tensions; different communities maintain harmonious relations

Botswana Investment Climate



Robust Investment Incentives

- > NO FOREIGN EXCHANGE CONTROLS; REMITTANCE AND FULL REPATRIATION OF PROFITS AND DIVIDENDS.
- > NO RESTRICTIONS ON BUSINESS OWNERSHIP
- > **100%** DUTY REBATE ON IMPORT OF MACHINERY AND RAW MATERIALS IMPORTED
- > **200%** DEDUCTIBLE TRAINING REBATE
- > LIBERAL TAX REGIME: 22% CORPORATE AND 25% PERSONAL TAX, WITH 15% CORPORATE TAX FOR MANUFACTURING AND IFSC-REGISTERED COMPANIES (LOWEST TAXES IN THE SADC REGION)
- > NEGOTIABLE TAX HOLIDAY UP TO **10 YEARS** (MAXIMUM)

Project Background



Botswana intends to tap into the **495 Mm^3/a** of water that it has been allocated from the Chobe/Zambezi river to meet the growing needs of the country

Context



- Botswana is water stressed and has suffered from repeated droughts. Climate change vulnerability is impacting regional trade leading to lowering of GDP
- There is rising water demand across growing sectors like urban, mining, power generation and agriculture.
- Long term yields of existing water sources will not be able to satisfy the growth in local water needs after 2025.

Opportunity



- To remedy this, Botswana intends to tap into the **495 Mm^3/a** of water that it has been allocated from the Chobe/Zambezi river.
- The river forms part of Botswana's northern border, and the water quota has been allocated to Botswana by the Zambezi Watercourse Commission (ZAMCOM).
- A ~1500+km pipeline is to be constructed from Kazungula to Mmamashia.

Plan



- **270 Mm^3/a** : Pandamatenga for the Zambezi Integrated Agro-Commercial Development Project
- The 1st section from Kazungula - Pandamatenga shall form approx. 110 km of pipeline
- **225 Mm^3/a** : to the demand nodes towards the eastern and southern part of the country for industrial and commercial use.
- The 2nd part (6 sections) shall form approx. 1300+ km pipeline



Project Snapshot

Concessionaire to take up Design, Build, Finance, Operate and Maintenance of the pipeline



Length of pipeline

~1500 km



Pipeline Structure

2 parallel lines



Expected PCOD

Jan, 2027



SDG Addressed

6. Clean Water and Sanitation

Key Stakeholders



Key stakeholders for the Chobe-Zambezi Water Transfer Scheme

Procuring Entity



Water Utilities Corporation (WUC)

Principal Off-taker

Off-taker for all PPP projects in water and related activities

Government Counterparties



Republic of Botswana

Ministry of Land Management, Water and Sanitation

Parent Ministry

Responsible for the management of land and water resources in Botswana

Ministry of Finance

Overseer

Oversees the project details through the PPP unit

Ministry of Agriculture

Secondary Off-taker

The Zambezi Integrated Agro-Commercial Development Project (ZIACDP) is the primary off-taker (of WUC) for the first section of the pipeline

Ministry of Environment, Natural Resources Conservation and Tourism

Stakeholder

Responsible for details on Forestry, Environment Impact Assessment etc.

Other Key Stakeholders are mining corporations, agro-commercial operators, other government stakeholders, etc.

Other Key Details

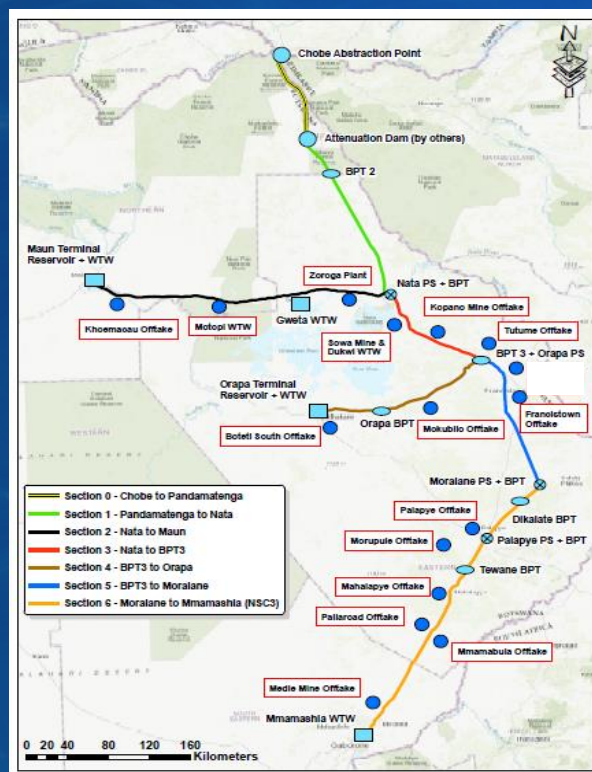


The project spans across the country geography and is of utter importance for National Water Security



Project Geography

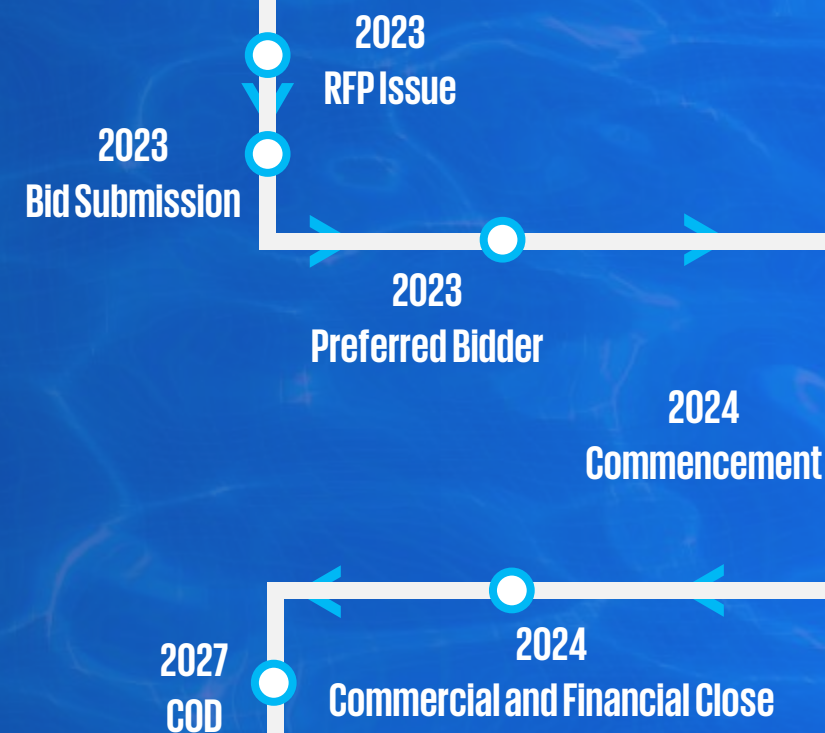
- 7 sections have been identified :
 - **Section 1:** Kazungula to Pandamatenga
 - **Section 2:** Pandamatenga to Nata
 - **Section 3:** Nata to Maun
 - **Section 4:** Nata BPT + PS to BPT 3
 - **Section 5:** BPT 3 to Orapa / Lethakane
 - **Section 6:** BPT 3 to Moralane BPT+PS
 - **Section 7:** Moralane BPT to Gaborone (NSC 3)



Please click on Map for details



Project Timelines





Purpose of the Document

This information memorandum (IM) is for market testing purposes only. Through this IM, the WUC wishes to disseminate information and engage with the market to assess the appetite for the project. Please note this process is not part of the procurement process. Capable and interested parties are encouraged to send their details to the email addresses below to be invited to a series of virtual sessions to discuss the project.

Please reach out to chobezambezi@kpmg.bw for more details

Project Map

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