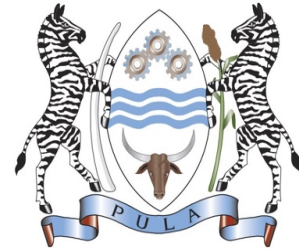




Republic of Namibia

**THE TRANS-KALAHARI RAILWAY
(TKR) PROJECT**



Republic of Botswana

DATE: SEPTEMBER 20, 2023

BRIEFING NOTES FOR:

**REQUEST FOR EXPRESSIONS OF INTEREST (EOI)
EOI NO: TKR – PMO/EOI-01/2023 - 24**

FOR

EXPRESSION OF INTEREST (EOI) FOR FUNDING THE FEASIBILITY STUDY AND DEVELOPMENT OF THE PROPOSED NEW RAILWAY CORRIDOR UNDERPINNED BY THE CONSTRUCTION OF THE NEW AND/OR THE UPGRADE OF EXISTING RAILWAY LINE BETWEEN BOTSWANA AND NAMIBIA I.E. TRANS KALAHARI RAILWAY LINE.

AGENDA

1. Opening and Welcome

2. Background of the TKR Project

3. Key Components of the TKR Project

4. Proposed Railway Route Alignment for the TKR Project

5. Challenges and Interventions Post Pre-Feasibility

6. Way-forward

7. Conclusion and Closing

8. Questions and Answer Session

1. OPENING AND WELCOME

- Let us call the Briefing Session to order.
- All Attendants are welcome to the Briefing Session. This is not a compulsory Briefing Session. However, potential respondents to the Expression of Interest are encouraged to attend in order to have the same amount of information being shared with the respondents.
- The objective of the briefing session is to provide background information regarding the TKR Project as well as some of the thought process regarding the preferred execution methodology by the Member States.
- It is worth-noting there has been a significant time lapse since the various studies (e.g. a prefeasibility study and a development study) were undertaken. Therefore, it is expected that due to the lapse of time, environmental factors are subject to change, which can have a significant change on the materiality of the initial assumptions.
- Kindly Note that the Prefeasibility Study report and the Development Plan report are posted in the TKR-PMO Website. Therefore, the contents of those documents will not be discussed in this briefing session.
- An opportunity will be provided to ask questions and/or seek clarifications at the end of the entire presentation. However, the questions and comments requesting for clarification will be limited to a maximum of ten (10), during this Briefing Session.
 - Answers to questions and/or clarifications, where possible, will be provided during the Briefing Session. However, where answers are not readily available, responses will be sent by email to all those who have provided contact information, within five (5) working days after the Briefing.

- Preference is to submit questions and/or enquires through an email to the Procurement Department of the TKR-PMO (i.e. procurement@tkrpmo.com).
- No verbal feedback must be construed as binding until it is in writing.
- The briefing session is being recorded for minute taking purposes. When asking questions, kindly state your name, very clearly.
- *General disclaimer: Should there be any errors, acts of omission or misinterpretations, then the EOI will take precedence.*

2. BACKGROUND OF THE TKR PROJECT

The Trans-Kalahari Railway Project (TKR) is a bilateral project between the Governments of the Republics of Botswana and Namibia.

The initial objective of the TKR Project was to construct a railway line linkage between the Republics of Botswana and Namibia to transport coal and other commodities to the overseas market, through Ports in the Republic of Namibia (the revised objective/strategy of this Project is covered in the section 5 of this briefing document).

The Governments of the Republics of Botswana and Namibia commenced discussions regarding this Project as evidenced by the signing of the Memorandum of Understanding (MOU) in 2010.

A prefeasibility study, regarding the TKR Project, was undertaken by CPCS Transcom International Limited (Canada) in 2009 and was completed in 2011.

The anchor commodity at the time of the Prefeasibility Study was coal .

The Pre-feasibility study concluded that the TKR Project was feasible, subject to the findings of a detailed feasibility study.

In view of the above, Member States concluded to progress the Project to the development stage that was signified by the Bilateral Agreement between the Member States on the Project.

3. KEY COMPONENTS OF THE TKR PROJECT

Key components of the TKR Project are as follows;

- To construct a railway line from the port of Walvis Bay (in the Republic of Namibia) to the coalfields at Mmamabula (in the Republic of Botswana), complete with appropriate rolling stock (i.e. locomotives and wagons) and maintenance facilities.
- To construct a terminal where trains will be off-loaded, to enable loading on ships at the Port (including construction of a conveyor belt system) around Walvis Bay area.
- To construct Loading facilities at the new Port, dredging of the Port (to allow large vessels to dock) and other necessary port infrastructure developments as well as equipment.
- To construct coal loading facilities around Mmamabula area (to cater for loading of coal from the Mines), and
- To construct Loading Areas to unlock other economic sectors en-route and/or at terminals.

4. PROPOSED RAILWAY ROUTE ALIGNMENT FOR THE TKR PROJECT

Member States had proposed a railway route alignment as follows;

- **In Botswana**

- To start at Mmamabula coal fields, thereafter connecting to and following the existing Railway alignment up to Rasesa, where it deviates to the west, passing North of Molepolole and South of Letlhakeng, and joining the Molepolole - Kang Road at Maboane, thereafter aligning to the Molepolole - Kang Road until Morwamosu, where it connects to the Trans-Kalahari Corridor through the Mamuno Border.

- **In Namibia**

- To follow the Trans-Kalahari Corridor past Gobabis, through Omitara where it deviates to the West, and realigns to the Trans-Kalahari Corridor at Okahandja onwards to Walvis Bay.

The Member States had agreed to construct a Cape Gauge Railway Line (i.e. 1067 mm railway gauge). Notwithstanding the aforementioned, the Member States may (subject to full technical feasibility study findings) reconsider the choice of the railway gauge.



Figure 1: Proposed Railway Route Alignment for TKR Project

The Member States had envisaged to have the Project developed through a Public Private Partnership (PPP) on a Design, Build, Own, Operate and Transfer (DBOOT) contractual arrangement, whereby the Developer/Investor;

- Undertakes the financing, design, construction, operation and maintenance of the Project.
- Owns the Project during the Concession Period.
- Operates the Project over the Concession Period, to recover its investment, operating and maintenance expenses of the Project, under such tariff structure, as may be agreed upon in the Concession Agreement or the Specific Project Regulatory Framework, and
- Transfers the Project at the end of the Concession Period to the Member States.

5. CHALLENGES AND INTERVENTIONS POST PRE-FEASIBILITY

There was concern of the **declining price of coal**, since the Pre-feasibility study was concluded and this gave rise to the TKR Development Plan Study.

The Development Study on the TKR Project was undertaken by Aurecon (Australia) in 2016 to assess the economic viability of this Project, as it was anchored on Coal.

The Study concluded that TKR Project (being anchored on coal and given the prevailing depressed coal prices (at that time) without any certainty on an increment in the foreseeable future) being a coal dependent railway line, may not be economically viable and sustainable, under those prevailing coal prices.

This Study recommended the need for an in-depth Economic Viability Study to be undertaken with the inclusion of other economic sectors in the Sub-region to make the Project economically viable and sustainable.

STRATEGY ADOPTED TO REPOSITION THE TKR PROJECT

In view of the above, the Member States considered and re-adapted the original concept of TKR Project from being a **Railway Development Project for Coal Export** to it being a **Regional Corridor Development Project** that will unlock economic potential along the corridor for both Member States, and beyond, whilst contributing to the wider social and economic benefits.

The emphasis of rebranding of the TKR Project was (and still is) to go beyond the construction of the railway line for coal movement, to include the development of various social and economic sectors.

These will include the development of various sectors to unlock economic potential within the two (2) Member States as well as at regional level.

6. WAY-FORWARD

With this Expression of Interest (EOI), Trans Kalahari Railway - Project Management Office (TKR -PMO) is inviting potential investors (who are interested in the design, build, finance, operate, maintain, and transfer the Project to Member States (after the Concessionary Period)) to express their interest.

Potential Investors should have demonstrated experience in delivering projects of a similar nature and magnitude (whether being a green field project, brown field or a combination of both brown field and green field).

Potential Investors are encouraged to consider other economic enablers, e.g. new/upcoming mining sectors, agricultural products and activities, construction, manufacturing, other cargo best destined to travel on rail, etc. that will further improve the economic and financial viability and sustainability of this Project, in line with the strategy to reposition the Project as a Regional Corridor Development Project.

7. CONCLUSION AND CLOSING

Practical implementation of the project is expected to be on a win-win basis whereby the Investor shall provide expertise in the delivery of this Project, with a PPP modality having a robust model attractive for both the Investor and the Member States.

The Expression of Interest (EOI) document can be downloaded from the TKR-PMO website at www.tkrpmo.com

Enquiries relating to the EOI document should be forwarded to procurement@tkrpmo.com

The **closing date and time** for this EOI is **08 November 2023 at 10:00 Hours (GMT+2)** delivered and registered at the TKR-PMO premises in **Windhoek, Namibia**.

Late submissions will be rejected.

We wish all the respondents to this EOI the best of luck and wish to see you in the future as Development Partners in the realization of the TKR Project.

Thank You.

8. QUESTIONS AND CLARIFICATIONS

- A maximum of ten (10) questions (being combination of questions and comments requiring clarifications) will be allowed during this Briefing Session.
- Other questions and clarifications will be directed through the email address dealing with the Expression of Interest.
- We shall have two (2) sets of questions of five (5) questions and/or areas seeking clarifications