



MALAWI GOVERNMENT



MALAWI INVESTMENT PROJECTS



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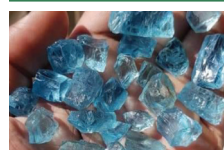
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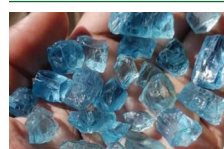
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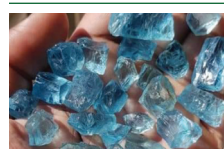
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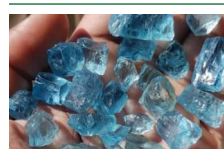
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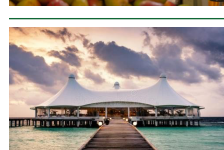
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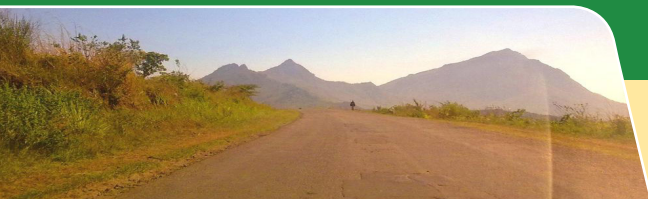
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GOVERNMENT PROJECTS

TRANSPORT PROJECTS



CONSTRUCTION OF BLANTYRE CITY BY-PASS

NAME OF PROJECT PROMOTER

The Government of Malawi (GoM), through the Ministry of Transport and Public Works

CONTACT DETAILS OF PROJECT PROMOTER

Ministry of Transport and Public Works, Private Bag 322. Lilongwe.

LEVEL OF INVESTMENT (US\$)

US\$84 million

INVESTMENT OPPORTUNITY

Transport Infrastructure

BUSINESS/PARTNERSHIP MODEL

Public - Private Partnership (PPP)

DOES THE PROJECT HAVE A FEASIBILITY STUDY?

Not yet (the feasibility study will commence soon)

PROJECT VIABILITY (NPV, IRR, PAYBACK PERIOD)

This will be informed by the feasibility study

SOCIAL AND ECONOMIC IMPACT

Some of the anticipated socio-economic benefits of this project include the following;

- Ensure that there is an alternative link for the transit traffic.
- It will promote regional integration through the efficient movement of goods and persons thereby promoting regional trade;
- Encourage the development of value chains in real and productive sectors, particularly agriculture;
- Reduction of traveling costs and time for the residents of Blantyre and transit traffic;
- Contribute to poverty reduction by offering rural communities along the Project route access to markets and other social services;
- It will Facilitate the transportation of farm inputs and perishable and nonperishable farm produce which would allow farmers to sell their agricultural produce at competitive prices

PROJECT LOCATION

Blantyre City By-Pass will be located in the southern part of Malawi, in Blantyre City.



CONSTRUCTION OF NEW MZUZU AIRPORT

NAME OF PROJECT PROMOTER

The Government of Malawi (GoM), through Ministry of Transport and Public Works

CONTACT DETAILS OF PROJECT PROMOTER

Ministry of Transport and Public Works, Private Bag 322. Lilongwe.

PROJECT DESCRIPTION

The project is to provide a modern regional airport in Mzuzu to facilitate air access to the area through commercial air services, serving the business, trade and tourism sectors.

LEVEL OF INVESTMENT (US\$)

270,512,000.00

INVESTMENT OPPORTUNITY

Economic Infrastructure

BUSINESS/PARTNERSHIP MODEL

Public - Private Partnership (PPP)

DOES THE PROJECT HAVE A FEASIBILITY STUDY?

No (procurement for a consultant to conduct feasibility study is underway)

PROJECT VIABILITY (NPV, IRR, PAYBACK PERIOD)

This will be informed by the feasibility study

SOCIAL AND ECONOMIC IMPACT

Some of anticipated socio-economic benefits of this project include the following;

- Establishment of air services to Mzuzu would bring economic and social benefits to the region and country such as employment opportunities.
- Promoting tourism activities taking place in the region.
- Increase jobs opportunities in northern region
- They can also facilitate international trade and commerce by connecting businesses to global markets.
- The airport will serve the mining activities in the northern region

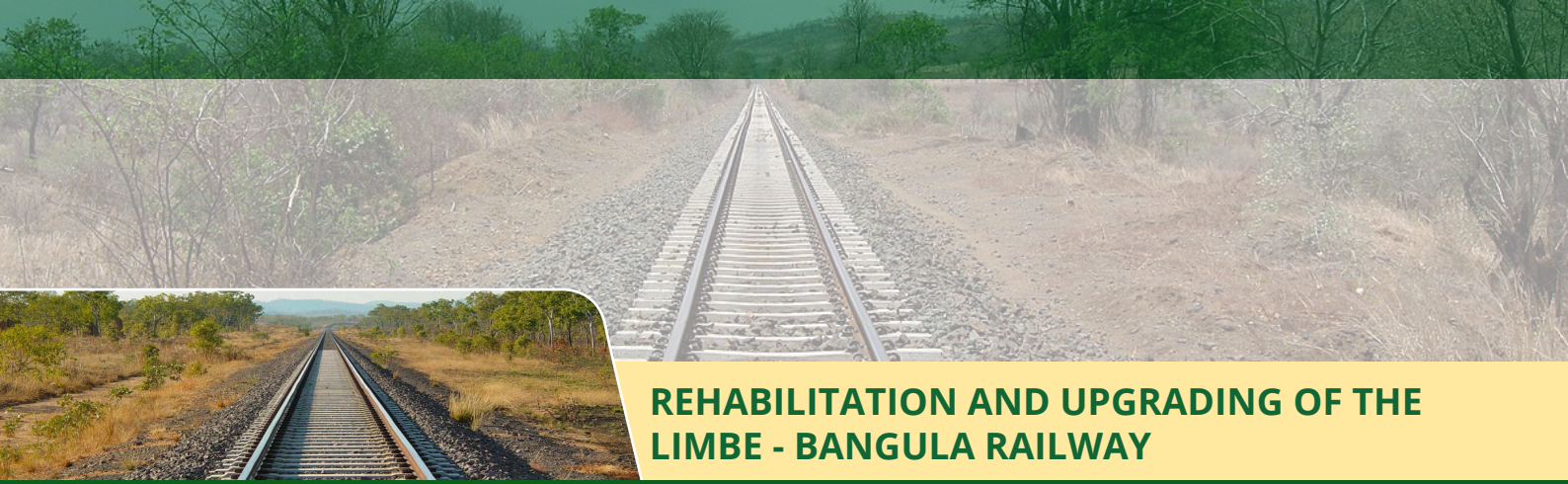
PROJECT LOCATION

New Mzuzu Airport will be located in the northern part of Malawi, in the city of Mzuzu.



AN UPGRADE OF LILONGWE EASTERN BY-PASS

NAME OF PROJECT PROMOTER	The Government of Malawi (GoM), through the Ministry of Transport and Public Works
CONTACT DETAILS OF PROJECT PROMOTER	Ministry of Transport and Public Works, Private Bag 322. Lilongwe.
PROJECT DESCRIPTION	An upgrade of the 12 km Lilongwe Eastern By-pass to a high-standard motor way that would divert transit to and from the North and South of the city of Lilongwe.
LEVEL OF INVESTMENT (US\$)	US\$ 12 million
INVESTMENT OPPORTUNITY	Economic Infrastructure
BUSINESS/PARTNERSHIP MODEL	Public - Private Partnership (PPP)
DOES THE PROJECT HAVE A FEASIBILITY STUDY?	Not yet (the feasibility study will commence soon)
PROJECT VIABILITY (NPV, IRR, PAYBACK PERIOD)	The NPV of the project is \$43,620,648 with an IRR of 15.87% based on analysis done in 2017
SOCIAL AND ECONOMIC IMPACT	<p>Some of anticipated socio-economic benefits of this project include the following;</p> <ul style="list-style-type: none"> • Reduction of transport costs for the transit traffic on the North-South as the road provides an alternative road. • Reduction of travelling costs and time through and within the city of Lilongwe. • Reduction of congestion on the roads in the city of Lilongwe by removing the transit traffic. • Promotion of regional integration through efficient movement of goods and persons through improvement of transport infrastructure. • Facilitation of the transportation of farm inputs and perishable and nonperishable farm produce which would allow farmers to sell their agricultural produce at competitive prices; and
PROJECT LOCATION	Lilongwe eastern By-Pass will be located in the capital city of Malawi, Lilongwe City.



REHABILITATION AND UPGRADING OF THE LIMBE - BANGULA RAILWAY

NAME OF PROJECT PROMOTER	The Government of Malawi (GoM), through the Ministry of Transport and Public Works.
CONTACT DETAILS OF PROJECT PROMOTER	Ministry of Transport and Public Works, Private Bag 322. Lilongwe.
PROJECT DESCRIPTION	The project involves the rehabilitation, realignment, and reconstruction of the Limbe - Marika line and upgrading of bridges to 20-ton axle load from the current 15.5-ton axle load
LEVEL OF INVESTMENT (US\$)	US\$ 198.81 million
INVESTMENT OPPORTUNITY	Transport Infrastructure
BUSINESS/PARTNERSHIP MODEL	Public-Private Partnership (PPP)
DOES THE PROJECT HAVE A FEASIBILITY STUDY?	Yes
PROJECT VIABILITY (NPV, IRR, PAYBACK PERIOD)	NPV and IRR of the project are US\$ 82.57 million and 17.4 % respectively
SOCIAL AND ECONOMIC IMPACT	<p>Some of anticipated socio-economic benefits of this project include the following;</p> <ul style="list-style-type: none"> • Reduction in haulage costs from and to the port of Beira resulting in US\$ 42 million in annual transport cost savings. • Reduction in travel time for cargo from and to the Port of Beira which is the nearest port to Malawi from Blantyre. • Reduction in gas emissions following a modal shift that may be implemented by the project since rail transport uses less diesel fuel per consignment when compared to road transport. • Reduction in road maintenance cost as the railway will complement road transportation and reduce the traffic on the roads. • Improved safety as rail transport is safer than road transport • Development of the Shire valley region as the railway will open up the region to local and foreign markets. The investment in rail will complement investments being made on the Shire Valley Transformation Project which seeks to increase agricultural productivity in the region.
PROJECT LOCATION	NPV and IRR of the project are US\$ 82.57 million and 17.4 % respectively



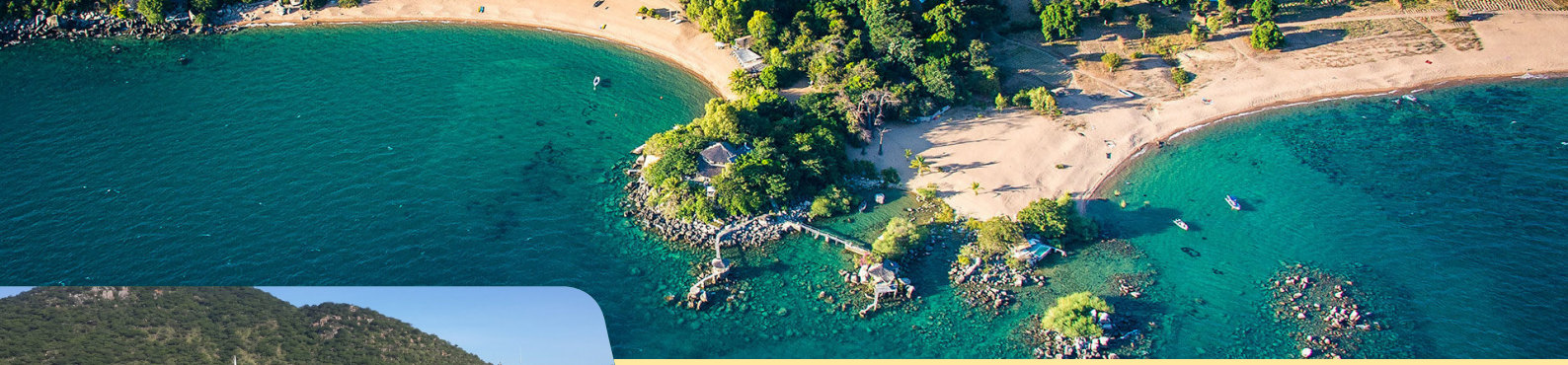
UPGRADE OF NKAYA – MCHINJI RAILWAY LINE

NAME OF PROJECT PROMOTER	The Government of Malawi (GoM), through the Ministry of Transport and Public Works
CONTACT DETAILS OF PROJECT PROMOTER	Ministry of Transport and Public Works, Private Bag 322. Lilongwe.
PROJECT DESCRIPTION	The project will involve restructuring and upgrading the railway infrastructure, increasing the capacity of the line and stations, increasing the axle load to 18t and installing welded rails
LEVEL OF INVESTMENT (US\$)	US\$ 238,397,518
INVESTMENT OPPORTUNITY	Transport Infrastructure
BUSINESS/PARTNERSHIP MODEL	Public-Private Partnership (PPP)
DOES THE PROJECT HAVE A FEASIBILITY STUDY?	Yes
PROJECT VIABILITY (NPV, IRR, PAYBACK PERIOD)	<ul style="list-style-type: none"> • The IRR of the project is 13.63%, and is over the discount rate (8%). • The NPV of the project is US\$ 170.77 Million
SOCIAL AND ECONOMIC IMPACT	<p>Some of anticipated socio-economic benefits of this project include the following;</p> <ul style="list-style-type: none"> • Reduction of transport cost as rail is cheaper than road transport. • Reduction in gas emissions following a modal shift that may be implemented by the project since rail transport uses less diesel fuel per consignment when compared to road transport. • Reduction in road maintenance cost as the railway will complement road transportation and reduce the traffic on the roads. • Improved safety as rail transport is safer than road transport • Creation of employment opportunities
PROJECT LOCATION	From Nkaya to Mchinji



REHABILITATION OF CHILEKA INTERNATIONAL AIRPORT

NAME OF PROJECT PROMOTER	The Government of Malawi (GoM), through the Ministry of Transport and Public Works.
CONTACT DETAILS OF PROJECT PROMOTER	Ministry of Transport and Public Works, Private Bag 322. Lilongwe.
PROJECT DESCRIPTION	The project involves bringing the Chileka Airport up to the minimum level of compliance with ICAO standards and to certify it as an international airport. The project will also enable Chileka Airport to handle a wide-bodied plane of the range of Boeing 777. The project will also involve extension of the main runway and construction a new apron to accommodate 4 class 4E aircraft. Additionally, the project will provide air navigation equipment to enable flight operations in all-weather conditions.
LEVEL OF INVESTMENT (US\$)	US\$ 101,709,000
INVESTMENT OPPORTUNITY	Transport Infrastructure
BUSINESS/PARTNERSHIP MODEL	Public-Private Partnership (PPP)
DOES THE PROJECT HAVE A FEASIBILITY STUDY?	Yes



REHABILITATION OF LAKE PORTS

NAME OF PROJECT PROMOTER

The Government of Malawi (GoM), through Ministry of Transport and Public Works

CONTACT DETAILS OF PROJECT PROMOTER

Ministry of Transport and Public Works, Private Bag 322, Lilongwe.

PROJECT DESCRIPTION

The project will involve the rehabilitation of major Lake Ports, namely: Chipoka, Nkhata Bay and Chilumba ports thereby improving the conditions of the ports and promoting water transport in Malawi.

LEVEL OF INVESTMENT (US\$)

- Chipoka US\$ 15 million
- Nkhata bay US\$ 20 million
- Chilumba US\$ 1.5 million

INVESTMENT OPPORTUNITY

Transport Infrastructure

BUSINESS/PARTNERSHIP MODEL

Public-Private Partnership (PPP)

DOES THE PROJECT HAVE A FEASIBILITY STUDY?

No

PROJECT VIABILITY (NPV, IRR, PAYBACK PERIOD)

This will be informed by the feasibility study

SOCIAL AND ECONOMIC IMPACT

Some of anticipated socio-economic benefits of this project include the following

- Reduction of transport cost for the tourist and business people
- Creation of employment opportunities; It is projected that about 1000 workers will be employed during the design and construction phase.
- Creation of Business Opportunities; The construction phase shall also increase business opportunities for the local traders around the proposed port communities.
- Increased Source of Government Revenue; The construction works will increase the sources of Government revenue through various taxes and levies.
- Improved efficiency of port operations; The time to handle cargo and process passengers will decrease and this will improve the satisfaction of passengers and importers/exporters.

PROJECT LOCATION

All the 3 ports are located on Lake Malawi and their specific locations are as follows;

- Chilumba Port is located along the western shores of Lake Malawi, at the southern end of Karonga District, in the Northern Region of Malawi.
- Chipoka Port is also located along the western shores of Lake Malawi in Salima district, Central Region of Malawi.
- Nkhata Bay Port is also located in the western shores of lake Malawi in Nkhata-Bay District, Northern Region of Malawi.

ENERGY PROJECTS



CHIWETA GEOTHERMAL PPP PROJECT

PROJECT DESCRIPTION

The Chiweta geothermal prospect is located in the Rumphi district which is in Northern Region of Malawi and is 470km from Lilongwe. The site falls in the northern portion of the Malawi rift and is underlain by biotitic gneisses of the Basement Complex, covered by clastic sediments of the Karoo System and by a thin level of Quaternary deposits. The geoscientific investigations performed over the prospect, inclusive of geological, geochemical, gravimetric and geoelectrical surveys, allowed to elaborate the conceptual model of the field and to define at a preliminary level the main characteristics of the geothermal system. Business Activity include the Drilling, install a fluids conveyance system, power plant construction and construction of transmission line.

LOCATION

The Chiweta geothermal prospect is located in the Rumphi district which is in Northern Region of Malawi and is 470km from Lilongwe.

BENEFITS OF THE PROJECT/ ALIGNMENT OF PROJECT TO GOVERNMENT GOALS

The project is aligned with Government's energy sector and economic development goals as outlined in the National Energy Policy and the Malawi Growth and Development Strategy respectively. Malawians will benefit from the project as it will provide more power to the national electricity grid and their access to electricity for households as well industries will be expedited and increased. Employment opportunities will also be created during and after construction of the project. Implementation of the project will increase Malawi's power generation capacity which will boost industrialization (both import substitution and value addition). It is expected that surplus power from the project will be exported to the Southern African Power and Pool (SAPP) and this will generate foreign exchange for the country.

FINANCIAL REQUIREMENTS

Costs relevant to the construction of the geothermo-electric power plant and to its operation can be grouped into two major components, which is capital nents have been estimated on the basis of updated information and experience of the Consultant in other geothermal projects of similar characteristics, as well as of direct inquiries at the potential manufactures and service providers. For each considered item costs have been expressed in 2018 US Dollars. The pre-development costs are estimated, rounding off, at USD (2,905,000 x 3)/2 + engineering (4.5%) + contingencies (8%) ≈ USD 5,000,000.

Capital expenditures relevant to the construction of the 10 MW power plant include the following main components: 1. Drilling and testing of production and reinjection wells; 2. Fluid conveyance system from the production wells to the power house and from the power house to the reinjection wells; 3. Power plant and power plant facilities; and 4. 66 kV transmission line to the grid connection point. The total CAPEX of the Chiweta geothermal project is approximated to be 76.2 million USD.

PROJECT FEASIBILITY

The pre-feasibility studies conducted reveal that the project is technically, economically, financially and environmentally viable. The project is expected to generate up to 10 MW of power. Government plans to start developing the project as soon as the IPP is identified. The development phase will cover engineering, mobilization and preparatory works, civil works as well as construction of a transmission line.

FINANCIAL FEASIBILITY

The project is financially viable. According to the Malawi Feed-In Tariff (FIT) Policy, Renewable Energy Resource Generated Electricity in Malawi, issued by the Malawi Energy Regulatory Authority in March 2013, the fixed tariff for the geothermal generated electricity is 10.5 USD cents per kWh. The resulting Financial Internal Rate of Return (FIRR) is 12.7%. Assuming a discount rate of 10% for the financial expenses and the benefit, the obtained Levelized Cost of Energy is 10.4 USD cents per kWh, which is very close to the FIT.

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CHASOMBO HYDROPOWER PROJECTS ON BUA RIVER IN NKHOTAKOTA DISTRICT

PROJECT DESCRIPTION

Chasombo hydropower project is a project owned by the government of Malawi under the Ministry of Energy. The feasibility studies for the Chasombo on the Bua River were conducted. The project feasibility report covers the hydropower scheme design and financial analysis. The project also conducted the Environmental and Social Impact Assessment (ESIA), which was submitted through a separate report. The project aims at generating 50 MW from Chasombo hydro power at investment cost of 451.4 million USD.

LOCATION

The Chasombo dam site is located in the left bank of the African Rift valley (whose axis is located along the Lake Malawi). The site is thus included within the western ridge of the rift where a tectonic and seismic activity is on-going, owing to the extension movement of the plaques. The Chasombo site is located in a hilly area, favorable to gravity reservoir dam implementation. Near Chisombo project there is Chizuma 50MW hydropower power potential site. Considering the Chizuma development, the Chasombo and Chizuma schemes are developed considering that Chasombo is built first.

BENEFITS OF THE PROJECT/ ALIGNMENT OF PROJECT TO GOVERNMENT GOALS

The project is aligned with Government's energy sector and economic development goals as outlined in the National Energy Policy and the Malawi Growth and Development Strategy respectively. The project will benefit Malawians and the Southern African Power Pool (SAPP). Malawians will benefit from the project as it will provide more power to the national electricity grid and their access to electricity for households as well industries will be expedited and increased. Employment opportunities will also be created during and after construction of the project. Implementation of the project will increase Malawi's power generation capacity which will boost industrialization (both import substitution and value addition). It is expected that surplus power from the project will be exported to the Southern African Power and Pool (SAPP) and this will generate foreign exchange for the country.

FINANCIAL REQUIREMENTS

A Bankable feasibility study conducted for the project reveals that the investment cost for the project is 451.4 million USD. The project is designed to be financed through mixed approach which include public financing, grant, Loan and equity financing.

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENT/ CONTRACT TYPE)

Government preference is to develop the project through an Independent Power Producer (IPP) arrangement. The project will be implemented following a build-own-operate and transfer (BOOT) model with thirty years long concession period. A Special Purpose Vehicle (SPV) will be established to oversee the implementation of the project. After construction an operations and maintenance contractor will be engaged to operate the plant.

PROJECT FEASIBILITY

The reservoir operation study and the energy calculation for Chasombo show that an economical optimum is found for an operating level of 730 m, and a design discharge of 40 m³/s. The average annual production of Chasombo is 231 GWh.

FINANCIAL FEASIBILITY

The economic optimum for a base operating mode is at an operating level of 730 m, and a design discharge of 40 m³/s. In this case, the EIRR of 16.3% shows that the Chasombo HPP scheme is economically viable

CONTACT

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CHIZUMA HYDROPOWER PROJECT ON BUA RIVER IN NKHOTAKOTA DISTRICT

PROJECT DESCRIPTION

Government of Malawi through the Ministry of Energy conducted the feasibility study of the Chizuma hydropower project. The project has potential to generate 50MW. Chizuma hydropower project is located on Bua River in Khotakota district. In the same Bua River near Chizuma project there is Chasombo project which has potential of 50MW. In the study of Chizuma project it was established that Chasombo project is also important for the implementation of Chizuma hydropower project. Chizuma project to realize its full potential requires the Chasombo and Chizuma projects form a cascade of 2 dams on the Bua River, not far from the Lake Malawi. While the Chasombo dam is a storage dam, permitting a flow regulation and maximizing guaranteed power capacity, the Chizuma dam is a smaller dam permitting the diversion of the water to a water intake. The main users of domestic water supply within the basin are the urban water supply scheme under Central Region Water Board. CRWB is responsible for water supply to rural town centres with a licensed abstraction value of 5600 m³/day.

LOCATION

Chizuma project site is located in the left bank of the African Rift valley (whose axis is located along the Lake Malawi). The site is thus included within the western ridge of the rift where a tectonic and seismic activity is on-going, owing to the extension movement of the plaques. The Chasombo site is located in a hilly area, favorable to gravity reservoir dam implementation. Near Chizuma project there is Chasombo 50MW hydropower power potential site. Considering the Chizuma development, the Chasombo and Chizuma schemes are developed considering that Chasombo is built first.

BENEFITS OF THE PROJECT/ ALIGNMENT OF PROJECT TO GOVERNMENT GOALS

The project is aligned with Government's energy sector and economic development goals as outlined in the National Energy Policy and the Malawi Growth and Development Strategy respectively. The project will benefit Malawians and the Southern African Power Pool (SAPP). Malawians will benefit from the project as it will provide more power to the national electricity grid and their access to electricity for households as well as industries will be expedited and increased. Employment opportunities will also be created during and after construction of the project.

Implementation of the project will increase Malawi's power generation capacity which will boost industrialization (both import substitution and value addition). It is expected that surplus power from the project will be exported to the Southern African Power and Pool (SAPP) and this will generate foreign exchange for the country.

FINANCIAL REQUIREMENTS

The total construction cost is 451.4 MW million USD including 20% of miscellaneous items and taking into account the administration / studies and physical contingencies.

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENT/ CONTRACT TYPE)

Government preference is to develop the project through a Public Private Partnership (PPP) arrangement. The project will be implemented following a build-own-operate and transfer (BOOT) model with thirty years long concession period. A Special Purpose Vehicle (SPV) will be established to oversee the implementation of the project. After construction an operations and maintenance contractor will be engaged to operate the plant.

PROJECT FEASIBILITY

Chizuma hydropower project is viable only with a storage dam upstream through the Chasombo and Chizuma projects form a cascade of 2 dams on the Bua River.

FINANCIAL FEASIBILITY

Chizuma hydropower project was found financially viable at the discount rate of 10%, the NPV of the Net Benefit is 0.54 MUSD and the EIRR is 34.0%.

CONTACT

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THE 300 MW KAMMWAMBA COAL FIRED POWER PLANT (CFPP) PROJECT.

PROJECT DESCRIPTION

The Malawi Kammwamba Thermal Power Plant is 300MW coal fired power project. It is planned in Southern Region, Malawi. The project is being developed and currently owned by Electricity Generation Co Malawi. The company has a stake of 100%. It is a Steam Turbine power plant. The fuel will be procured from Moatize Mine. The project cost is expected to be around \$530.282m. The project is expected to add 300 MW power to the current grid. The plant will be designed to have a potential to increase generation capacity of up to 1000 MW in future.

LOCATION

The project site for the 300 MW Kammwamba coal fired power plant is located about 50 kilometers northwest of the city of Blantyre. The site is accessible via the M6 national road running about 700 - 800 m west of the plant area. From the M6 road several country roads are available, which require certain road construction improvements and pavement to enable heavy equipment transport. A single-line railway, which starts at Moatize coal mine and ends in Nacala Port in Mozambique (total length of 912 km) is running northwest of the site in about 300-400 m distance

BENEFITS OF THE PROJECT/ ALIGNMENT OF PROJECT TO GOVERNMENT GOALS

The basic principle of this project is to build a safe and reliable power plant, fully compliant with government regulations and economic development objectives. The plant will be capable of supplying firm baseload power to the main line grid in a manner which will yield both economic and social benefits to the investors and to society as a whole. The country is desperately short of power, which is having an adverse impact on economic growth and development. The project will go a long way in improving security and regularity in supply of electricity and meet the growing demand that currently exists in Malawi. The feasibility study shows the project to be financially and economically viable.

FINANCIAL REQUIREMENTS

The total EPC cost for the project is estimated at 600 million US\$, which corresponds to approx. 2000 US\$/kWnet (with Net Power Output 6 x 50 MW). The variable O&M costs amount to 8.0 million US\$ per year or 3.8 US\$/MWh (assuming 7,000 full load operating hours per year). The aggregate of the Fixed O&M costs amounts to 16.6 million US\$ per year resulting in the total O&M costs of 24.6 million US\$ per year. With the Financing Structure of 80% debt leverage, of which 50% is provided by a concessional loan at 2% interest and 50% by a commercial loan with 12% interest.

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGE- MENT/CONTRACT TYPE)

80% debt leverage, of which 50% is provided by a concessional loan at 2% interest and 50% by a commercial loan. The project will be implemented as a PPP between EGENCO and a prospective joint venture with possible shareholding of 50:50.

PROJECT FEASIBILITY

- The project has :
- updated system descriptions and technical key parameters / data based on latest coal analysis as well as updated documents received from Egenco
 - It has integration to high voltage grid
 - Update of plant layout
 - update of time schedule
 - Done risk analysis
 - Done procurement and implementation plan
 - Done financial model calculations based on CAPEX and OPEX assumptions
 - Overall, it has proved to be technically feasible

FINANCIAL FEASIBILITY

The project is financially viable With the Debt leverage: 70% (30% equity) · Commercial debt (12% interest): 30% of debt · Concessional financing (2% interest): 70% of debt · Equity IRR Target: 12%. With this financing structure, the Project requires a base tariff in 2021 terms of 7.72 USct/kWh, which is about 6% above the average SAPP price, but significantly below the tariff of peer projects in the region. The minimum DSCR is 1.1. The average DSCR during the first 10 repayment semester is 1.31, which is even favorable for a Project Finance Transaction.

CONTACT

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SONGWE RIVER BASIN DEVELOPMENT PROGRAMME-HYDROPOWER PLANT (HPP) PROJECT

PROJECT DESCRIPTION

The Songwe River Basin Development Programme is a bilateral initiative between Malawi and Tanzania on the transboundary Songwe River. Initiated more than a decade ago by the concern for stabilizing the meandering course of the lower Songwe River, as it forms part of the border between Malawi and Tanzania, the Songwe River Basine Development Program (SRBDP) has now grown to become a major international, transboundary river basin development programme consisting of significant multipurpose water resources and power infrastructure, the establishment of an international joint commission to manage the water resources of the basin and further investments aimed at improving the livelihoods and opportunities of the people of the Songwe River Basin. The Songwe River Basine Development Program is a very extensive programme with the goal of contributing to the economic growth, reduced poverty, improved health and living conditions, while reducing the economic and social impacts of the meandering river on the communities living near the Lower Songwe River, and ensure enhanced food and energy security for the people within the Basin in the context of the overall socio-economic development of the two countries. The project objectives are to assist the two countries in creating a long-term strategic framework, investment plans, and an enabling environment for basin wide socioeconomic development based on joint management of the shared waters. Songwe River Basine Commission will rely on the implementation and operational abilities of TANESCO and ESCOM to manage the proposed SRB expansion, rather than become involved as owner/operator retailing of electricity would be done by TANESCO and ESCOM.

The Lower Songwe Dam and Hydropower Plant (HPP) is a 115 m high concrete dam located in Ileje District in Tanzania and in Chitipa and Karonga Districts in Malawi. It is a multipurpose project contributing to:

- generation of hydroelectric power with an installed capacity of 180.2 MW of which 175 MW are generated by the three main turbines and 5.2 MW from the Small Hydropower Plant (SHPP), generating annual revenues around US\$ 62 million;
- the additional power available in the region due to the Lower Songwe Dam and HPP also supports rural electrification in the SRB;
- irrigation of the two Lower Songwe Irrigation and Drainage schemes, LSRT (Tanzania) and LSRM (Malawi), supplying water through both wet and dry seasons;
- stabilization of the lower reaches of the Songwe River channel, which also forms the international boundary between Tanzania and Malawi, through moderating the flow regime downstream of the dam;
- flood protection for the lower Songwe floodplain through capturing flood flows in the reservoir (associated with the use of an early warning system for dam operation);
- water supply for the towns of Kasumulu (Tanzania) and Songwe (Malawi) taking bulk source water from the irrigation feeder canals;
- the potential for promoting the development of fisheries and tourism

The Business Activity is to development of the Lower Songwe Hydropower Power Project.

LOCATION

Songwe River Basin (SRB) lies in the Southwest of Tanzania and North of Malawi with an area of 4,243 km² covering parts of seven Districts of: Karonga and Chitipa in Malawi; and Kyela, Ileje, Mbozi, Mbeya Rural and Momba in Tanzania with a population of 341,104 (2013). 180 MW songwe Hydro Power with capital expense of USD 829.0 Million USD (joint project with Tanzania). The SRBDP is an international, transboundary river basin development programme in the territories of Tanzania and Malawi.

BENEFITS OF THE PROJECT/ ALIGNMENT OF PROJECT TO GOVERNMENT GOALS

Investment in Water Resources Development Infrastructure and Management of the basin will lead to:

- a) Reduced frequency of floods in the flood plain (Over 52,000 people to be relieved);
- b) Increased access to electricity for 60% of the populations in the basin and the entire two countries;
- c) Increased irrigated land and crop yield (5,500 farm families in the basin to benefit +);
- d) Increased access to water supply, and sanitation (Over 260,000 people by year 2025);
- e) Increased employment (5,244 full-time jobs/year in agric. sector and 5,560 & 3,000 per son-years during constr. & O&M for 50yrs respectively for both Agric & HPP);
- f) Enhanced livelihood for the people living in the Basin; and g) Improved cooperation in Trans-boundary WRM between the two Governments through a formal framework under the SRBC

FINANCIAL REQUIREMENTS

The capital expenditure requirement for the 180 MW Songwe Hydro Power project is USD 829.0 Million USD. The proposed financing structure is, grants, public financing and loans.

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGE- MENT/CONTRACT TYPE)

Projects under the SRBDP are expected to be funded by a combination of funders with varying mandates and objectives. The sources of financing can be grouped into three areas:

- a) Public sector/donors;
- b) Private sector; and
- c) Innovative sources such as Climate financiers, etc.

Implementation through PPP approach:

- a) Financing process for engaging a Transaction Advisor (TA) for the PPP approach is underway.
- b) The African Legal Support Facility (ALSF) under AfDB will provide a Grant USD1,700,000. for the TA services.
- c) In October, 2017 the NEPAD-IPPF approved a Grant USD500,000 as its contribution for the cost of a TA

PROJECT FEASIBILITY

Full feasibility level designs were prepared for:

- Lower Songwe Dam and HPP
- Middle Songwe Dam and HPP
- Upper Songwe Dam and HPP
- Lower Songwe River Tanzania Irrigation and Drainage Scheme
- Lower Songwe River Malawi Irrigation and Drainage Scheme
- Stabilisation of the Course of the Lower Songwe River
- Flood control for the Lower Songwe River
- Domestic water supply for the towns of Kasumululu (Tanzania) and Songwe (Malawi) and the rural areas surrounding them.

Additionally, other infrastructure related projects are analysed at a more preliminary level. These include:

- Water supply service areas around the basin
- Kaseye Irrigation Scheme in the upper basin area of Chitipa
- Development of fisheries
- Development of tourism
- Rural electrification

FINANCIAL FEASIBILITY

Economic and financial aspects for the Lower Songwe Dam and HPP are:

- Estimated construction period: 60 months
- Capital Cost: \$US 513.70 million (according to February 2014 cost estimation)
- Annual Revenues: \$US 66.1 million
- As a standalone hydropower project:
 - Economic Internal Rate of Return (EIRR): 11.28%
 - Economic Benefit Cost Ratio (EBCR): 1.13 (discount rate 10%)
- As a multipurpose project supporting the two irrigation schemes:
 - EIRR : 11.02%
 - EBCR : 1.10 (discount rate 10%)

The contribution of government and social services to the economy was calculated with the help of data given in IMF country summaries to increase by 3.6% per annum for Tanzania and 3.4% per annum for Malawi

CONTACT

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AGRICULTURE PROJECTS



NTHOLA-ILORA-NGOSI RICE IRRIGATION SCHEME

1. BACKGROUND TO THE IMPLEMENTING AGENCY

Greenbelt Authority (GBA) is the implementing agency of the Nthola-Ilora-Ngosi Rice Irrigation Scheme Project. GBA was created by an Act of Parliament in 2017 with the aim of contributing to the economic development of Malawi through wealth creation among Malawians. The Authority was established for the strategic oversight, direction and co-ordination of implementation of irrigation policies and programmes within Malawi's greenbelt areas. GBA uses available water and land resources for large scale commercial irrigation farming to increase agricultural productivity, enterprise development, and promote exports of value-added agricultural products.

This is cognizant of the country's vulnerability to food insecurity and economic shocks due to the overdependence on rain-fed agriculture. Given the abundance of these water resources in Malawi where 13 perennial rivers and 3 lakes cover almost 20% of the country, GBA projects not only reduce heavy reliance on unreliable rain-fed agriculture, but also hedge against the negative effects of global climate change on food, nutrition and income security

2. PROJECT OUTLINE

2.1 SYNOPSIS OF THE PROJECT

The project aims to develop 1,000 hectares of irrigable land for rice production in Karonga, the Northern part of Malawi bordering Tanzania.

2.2 WHY RICE?

The aromatic Kilombero rice of Malawi has proven to only suit climatic conditions of Malawi. Currently, the demand for this aromatic Malawi rice at the international market stands at 800,000MT per year whilst national rice exports to formal markets are at 20,000MT. Within COMESA alone, Malawi only meets 2.5% of the total market demand. With this, it is estimated that Malawi is potentially losing an opportunity of earning U\$480million every year.

2.3 INVESTMENT FEATURES

The Nthola-Ilora-Ngosi Rice Irrigation Scheme will cost around US\$ 17,340,000, this includes irrigation infrastructure and a rice processing plant. The scheme will produce 4610MT of rice on an initial 465ha of land with an estimated turnover of USD 3, 227,000.00 annually. Production estimates are expected to double in 4 years as the area under the scheme increases to 1000ha. Financial analysis of the project yields a NPV of US\$5,627,911, an IRR of 11% and a payback period of 6 years, 5 months.

2.4 PROJECT SITE

The project will be implemented in partnership with small holders who have expressed commitment to lease and subject their land to irrigation scheme development. Figure 1 below shows the aerial view of the project site.

Figure 1: Map of the project site



2.5 IMPLEMENTATION ARRANGEMENT

GBA intends to undertake the project through a joint venture agreement with a potential investor via a Special Purpose Vehicle. The structure of this Special Purpose Vehicle shall be defined by a joint venture agreement with the selected partner on the basis of such factors as ease of doing business, cost efficiency and management flexibility.

GBA's contribution will be the cost for feasibility study documents and project designs, and the cost of agro-processing equipment. The JV Partner will provide the capital contribution (in whole or part thereof) as equity to develop the irrigation infrastructure and also provide private operator services. As a private operator, the investor will be responsible for operating and maintaining both the irrigation scheme and the processing plant as well as post-harvest sales and marketing activities.

The Partnership management structure, profit sharing structure, capital obligations of each party and the relationship between GBA and the investor shall be governed by signed joint venture agreement.

2.6 PROJECT CHARACTERISTICS

- i. Effecting lease agreements with land owners for 1000ha
- ii. Installing irrigation infrastructure on 631ha of land

- iii. Establishing an agro-processing facility for value addition
- iv. Product marketing and sales

2.7 EXPECTED IMPACT

- i. Increase in production, productivity and commercialization of rice in the project catchment area.
- ii. Improved management and utilization of natural resources in the project catchment area.
- iii. Secure land tenure for smallholder farmers and access to reliable irrigation services.
- iv. Increased household wealth and enterprise development.
- v. Increase in employment in the agriculture sector.

2.8 PROJECT ACTIVITIES CARRIED OUT BY GBA

- i. Completed land parceling to enable issuance of ownership certificates and signing of lease agreements
- ii. Conducted a feasibility study
- iii. Developed scheme designs for 357 hectares of the land.
- iv. Tendered out for construction of water intake at the lake
- v. Tendered out for the infrastructure of the agro-processing plant

2.9 EXISTING PROJECT DOCUMENTS

Feasibility study report is available together with irrigation scheme designs for 357 hectares of the land.



RICE INVESTMENT

Investment Summary

Problem	<p>In the agriculture sector, rice has potential to enhance Malawi's economic growth owing to its wide cultivation across the country and high demand both locally and internationally. Rice has many value chains which if properly harnessed could potentially enhance agriculture value addition, which is key to Malawi's wealth creation and self-reliance vision.</p> <p>However, Malawi's rice production is constrained by low yield as a result of inferior seed varieties, use of recycled seeds, low mechanization i.e. manual powered tilling and weeding, and ineffective market systems, which result in lower returns on investment.</p> <p>Rice marketing is also faced with poor and inefficient marketing environment; lack of effective rice processing systems and equipment; lower prices and marketing incentives i.e. higher taxes especially on cross-border trade; and ineffective market logistics. All these factors reduce motivation for investment in and marketing rice.</p>		
Solution	<p>To address the challenges in the rice value chain, Decentralized Aggregation and Processing Centers is proposed. Under this Model, the Private Investor establishes rice processing and aggregation centers within the geographical proximity of rice production zones, to ease logistics, enhance quality and facilitate marketing. The following propositions are presented for consideration.</p> <ul style="list-style-type: none"> • The Farmers form or are grouped into commercially oriented cooperatives • Cooperatives enter into an agreement with potential off-taker who decides the quantities to be produced and quality required. • Off-taker decide varietal preference and invests in seed production/multiplication • The off-taker invests in power tillers and cono weeders as one way of enhancing productivity • The off-taker invests in the processing equipment and agrees with cooperatives on terms and conditions of private use of the equipment. • The off-taker identifies the market for the product and strikes business deal with cooperatives on regularity of production, quality and returns over agreed period. • Government provides a conducive environment for investment such as infrastructure, export tax incentives. • Investor may take advantage of the Government secured export markets e.g. South Sudan as its export window. 		
Investment Outlay	Private Sector	Warehouse, State-of-the Art Processor; Seed multiplication, mechanization, ESMPs	USD 1,359,755
	Public	Duties and taxes incentives	USD _____
Products and Services	Seed production/multiplication, rice purchase from producers, milling, sorting, grading, packaging, domestic selling and exporting, EIA		
Forecast initial market/demand	Domestic sales and export to regional markets, the SADC and COMESA, Europe and Asia		
Scale	Processing and Aggregation Centres	1 in each region based at locations with high logistical comparative advantage i.e. Karonga, Salima and Blantyre	
Profitability Indicators	NPV: US\$ 2,016,385.82 IRR: 64% Discounted PBP: 1.6 years		
Socio-Economic Impact	Farmer benefits	Initially all those around the processing/aggregation facilities contracted then expanding to all regional producing entities	
		Increased food and income securities due to enhanced production and productivity	
		Readily available lucrative market for the product	
	National benefits	Increased formal exports	
		Increased off-farm employment	
Environmental Impact	The biggest threat is management of rice husks. To reduce pollution, improved disposal and management of rice husks as an alternative energy source will be implemented		
Enabling environment	Investment Approval and licensing	Government can facilitate registration of the Processing/Aggregation centers in line with national laws	

		Availability of Processing/Aggregation facilities need national and international certification to make its products competitive
	Fiscal Incentives	Government can reduce import duty or introduce tax waivers on processing equipment and export tax levies
	Policy Incentives	Enhanced seed quality monitoring and control systems
		Restrict imports of rice
Interconnected Investments	Private Seed companies, Livestock Feed companies, Farm Inputs suppliers, Food outlets, robust research and extension system	

PROJECTED FINANCIAL STATEMENT

Table 1: Investment Summary

Item	Year 0	Year 1	Year 2	Year 3	Year 4
Total Investments	1,359,755.00	107,317.00	118,049.00	129,854.00	142,839.00
Overheads/Fixed costs (Including labour cost)	53,658.54	170,243.90	194,707.31	207,836.59	221,790.97
Operational costs	-	12,805,379.10	14,085,839.44	15,494,354.62	17,043,712.50
Total Cost	1,413,413.54	13,082,940.00	14,398,595.75	15,832,045.21	17,408,342.47
Total Sales (US\$)	-	14,048,760.00	15,453,636.00	16,998,999.60	18,698,899.56
Profit (US\$)	-1,413,413.54	965,820.00	1,055,040.25	1,166,954.39	1,290,557.09

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Operational costs	-	12,805,379.10	14,085,839.44	15,494,354.62	17,043,712.50
Total Cost	1,413,413.54	13,082,940.00	14,398,595.75	15,832,045.21	17,408,342.47
Total Sales (US\$)	-	14,048,760.00	15,453,636.00	16,998,999.60	18,698,899.56
Profit (US\$)	-1,413,413.54	965,820.00	1,055,040.25	1,166,954.39	1,290,557.09

Table 2: Net Present Value

NPV (MK)	Year 0	Year 1	Year 2	Year 3	Year 4
Number	0	1	2	3	4
Cashflow (MK)	-1,413,413.54	965,820.00	1,055,040.25	1,166,954.39	1,290,557.09
Discount Factor (11% Savings Bond National Bank rate)	0	0.11	0.11	0.11	0.11
Discounted Cash flows (MK)	-1,413,413.54	870,108.11	856,294.34	853,266.99	850,129.93
NPV (MK)	2,016,385.82				
PBP (Years)	1.4	965,820.00	1,055,040.25	1,166,954.39	1,290,557.09
Discounted PBP (Years)	1.6				
IRR	64.61%				



BANANA PRODUCTION

INVESTMENT OPPORTUNITY

COMMERCIALISATION OF BANANA PRODUCTION AND PROCESSING

INVESTMENT SUMMARY

<p>Problem</p>	<p>Malawi's banana industry has been hit by Banana Bunchy Top Virus disease that wiped out the bananas in the country since 2004. About 7,480 of 58,000 hectares of banana were affected. Government advocated a campaign to uprooting and replacement of orchards. About 3,550 hectares were uprooted but only 950 hectares were replanted using imported 550,000 invitro banana suckers from France and South Africa, an extra burden on the forex needs for the country. The reduced plantation hectarage has led to reduced banana production and the country continues to rely on fruit banana importation from neighbouring countries. Currently, Malawi is importing about 20,000 metric tons of banana fruit valued at almost 12 million US dollars, annually for a commodity that the country can easily produce.</p> <p>The Banana production in Malawi is mainly practiced by smallholder farmers. The caliber of these farmer category has banana management challenges and very small land holding sizes of less than 0.3 ha that is also subjected to other crop enterprises such as maize with very little area spared for banana production. Additionally, most farmers do not practice any form of irrigation and only rely on four months' rainfall season. In Malawi, the rainfall season is from December to April, which leave almost eight months' dry season in a calendar year. As such area, farmers do not maintain the right banana plant population with a banana mat having more than 20 plants against a general recommendation of 3 plants per mat. The increased banana population density pose competition for nutrients and light thereby compromising on banana productivity.</p> <p>Besides maintaining huge population density, the smallholder farmers do not apply the required organic and inorganic fertilizers and these lead to farmers achieving less than 5 metric tons per hectare against a potential yield of 70 metric tons per hectare. The low banana productivity further leads to low volumes for value addition initiatives such as processing into either flour or chips. Overall, the major problem remains with the current banana seed system in the country. Farmers continue to share the planting materials, which are normally associated with diseases such as banana bunchy top virus because of low access to invitro plantlets that are both screened for diseases and are also high yielding.</p>		
<p>Solution</p>	<p>To address these challenges, the concept proposes two investment models.</p> <p>1. Anchor Farm Development of commercial banana orchards that will act as anchor farm for the smallholder farmers. These anchor farms will be owned and managed by progressive banana farmers. The orchards shall be at least 5 ha for substantial volumes of banana fruits and a processing unit for value addition. Within a farm there shall be a packhouse for the purposes of fruit aggregation, grading, packing, transportation, and marketing. The processing facility will also support aggregation of banana fruit from smallholder farmers through formal contract arrangements.</p> <p>2. Joint Venture among private players The commercial farmers will be encouraged to collaborate through joint venture to establish commercial orchards and processing plants with support from existing laboratories for screening plantlets. This will help in mobilizing more resources that can increase banana production and productivity.</p>		
<p>Investment Outlay</p>	<p>Private Sector</p>	<p>Commercial Orchards</p>	<p>USD 137,307.70</p>
	<p>Public Sector</p>	<p>Tax Levies; Matching Grants</p>	<p>USD _____</p>

Product/ Service	Commercial Banana Orchards	Banana fruits, Banana flour and Banana chips
Forecast initial market/demand	Commercial Orchards	The population of Malawi is estimated to be 19 million, this is the domestic demand; Exports to Zambia
Scale	Commercial Orchards	Mulanje, Thyolo, Phalombe, Blantyre, Zomba, Machinga, Mangochi, Salima, Kasungu, Mchinji, Lilongwe, Ntcheu, Ntchisi, Nkhotakota, Nkhatabay, Mzimba, Rumphu, Karonga and Chitipa
Profitability Indicators	NPV: USD 100,578.66 PBP (Discounted cash flow): 3.05 years IRR: 32.05 %	
Socio- Economic Impact	Commercial Orchards and Tissue Culture laboratory	50 progressive farmers and scaling up to 150 smallholder farmers, at least a total of USD 1.2million realized per annum; A minimum of 300 permanent jobs created.
	Smallholder farmers	At least 8,000 farmers assisted by progressive farmers in the anchor farm model; Sales to increase estimated at USD650 per individual; Nutrition status improved through increased consumption of fruits
Environmental Impact	Promotion of biodiversity and protection of the environment. The limited use of inorganic fertilizers in the orchards reduced the impact of chemical pollution.	
Enabling Environment	Investment Approval	Government to facilitate approvals of licenses
	Fiscal Investment	Tax levies; Matching grants; Agriculture loans
	Policy Investment	Imports restrictions and protection of investors;
Interconnected Investment	Already existing Tissue laboratory plantlets being absorbed by newly established banana orchards. Government seed certification system ensuring product quality for local and international markets.	

Table 1: Investment Summary

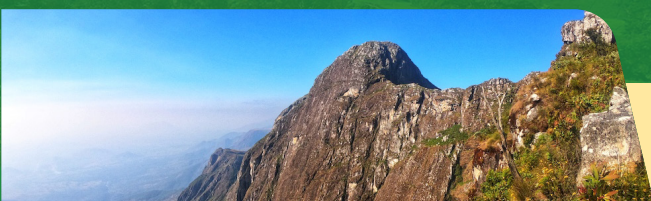
	Item	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	Investment cost (USD)	137,307.70	2	3	4		
Expenditure	Fixed Costs (USD)	-	653.80	196.20	196.20	196.20	196.20
	Total Operation Costs with Labour and Contingency	-	15,371.40	15,371.40	15,371.40	15,371.40	15,371.40
	Total Expenditure (USD)	137,307.70	16,025.20	15,567.60	15,567.60	15,567.60	15,567.60
Revenue	Total Sales (USD)	0.00	26,150.00	97,050.00	97,050.00	97,250.00	98,550.00
	Profit/Loss (USD)	-137,307.70	10,124.80	81,482.40	81,482.40	81,682.40	82,982.40

Note: Appendix A presents the detailed investments costs

Table 2: Net Present Value

NPV (MK)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Number	0	1	2	3	4	5
Cashflow (US\$)	-137,307.70	10,124.80	81,482.40	81,482.40	81,682.40	82,982.40
Discount Factor (11% Savings Bond National Bank rate)	0	0.11	0.11	0.11	0.11	0.11
Discounted Cash flows (US\$)	-137,307.70	9,121.44	66,132.94	59,579.23	53,806.73	49,246.02
NPV (US\$)	100,578.66					
PBP (Years)	2.56					
Discounted PBP (Years)	3.05					
IRR (%)	32.05					

TOURISM PROJECTS



MOUNT MULANJE INTEGRATED CABLE CAR RESORT

NAME OF PROJECT PROMOTER

Ministry of Tourism

CONTACT DETAILS OF PROJECT PROMOTER

Private Bag 326, Lilongwe 3, Malawi
Contact email: noah.nansongole@visitmalawi.mw

PROJECT DESCRIPTION

The Integrated Cable Car Resort (ICCR) will consist of a Cable way and cars; Health and Wellness Centre; restaurant; and Information centre at the base station. A 16-room eco-lodge will be built at the base station, while a 30-room Mountain Inn is proposed for the top station.

The access to this development will be on the eastern slopes of the mountain, past Likhubula Forest station. There will be a secure shaded parking for 20 cars and 4 coaches at the Likhubula Forest Station. Parking for overnight visitors to the Mountain Inn, and a drop-off point will also be provided at the Base Station.

Covering 640,000 hectares, Mount Mulanje (3005m above sea level) is a massive with 62 peaks and activities include hiking, trekking, nature walks, photographic safaris, fly fishing, swimming in natural pools, bird watching including an annual mountain race every July. Chambe peak has the longest rock climb in Africa (1.7km). The mountain was designated a biosphere reserve by UNESCO in 2000 and protects over 500 unique species of flora and fauna including two species of dwarf chameleons and fish species not found anywhere in the world. Small mammals on the mountain include klipspringer, bush buck and forest duiker. The mountain was gazette a forest reserve in 1927.

LEVEL OF INVESTMENT (US\$)

USD 45.99 million

INVESTMENT OPPORTUNITY

As an integrated project, there are several opportunities for investment in cable way, tourist accommodation (base camp lodge and mountain inn), restaurant, transport (tour buses and coaches), gift shops, hiking and trekking gear shops

BUSINESS/PARTNERSHIP MODEL

Public Private Partnership arrangement

DOES THE PROJECT HAVE A FEASIBILITY STUDY?

Yes - a pre-feasibility study for the project was conducted and report is available

PROJECT VIABILITY (NPV, IRR, PAYBACK PERIOD)

NPV - USD54.4 million
IRR - 10.5%
Payback period - 11 years

SOCIAL AND ECONOMIC IMPACT

- Increased employment for youth and women in surrounding communities
- Increased income for local tour guides from increased visitor numbers
- Increased economic utilization of resource will motivate conservation and increase tourism revenue
- Provide opportunity for those who cannot hike to access the mountain

PROJECT LOCATION

Mount Mulanje Forest Reserve, Mulanje Malawi



Financial Information

Capital Expenditure (CAPEX)

USD 43.29 million

Internal Rate of Return (IRR)

12.4%

Payback period

9 years

Revenue

USD 143 million in 10 years

Proposed Financing Structure

The project will be implemented under a PPP arrangement.

Country Macroeconomic Profile (2021)

Inflation

9.3%

GDP Per Capita (2021)

634.8 USD

Government Gross Debt (% of GDP)

63.9%

Unemployment Rate (2021)

7.02%

Contact Information

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MALAWI

Salima Integrated Tourism Resort

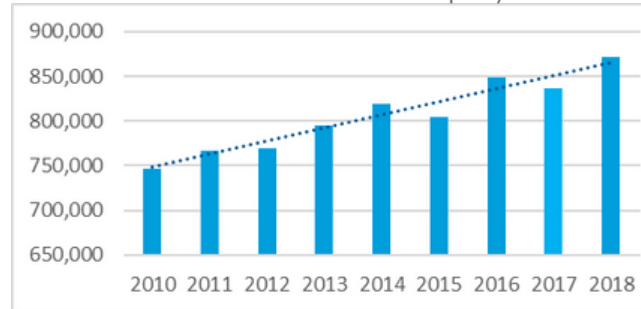
Project Details

The Salima Integrated Tourism Resort project is part of the Ministry of Tourism's development strategy. The integrated lakeshore resort includes construction of an inland port, hotels, casinos, a 1000-seater conferencing facility, shopping mall, sporting complex, housing estate, entertainment complex, and an underground aquarium. The project will be structured as a public-private partnership arrangement. The Government of Malawi has already acquired the land covering 17 hectares with a 700m beachfront. The expected timeline envisioned for completion of the project is three years.

Investment Case

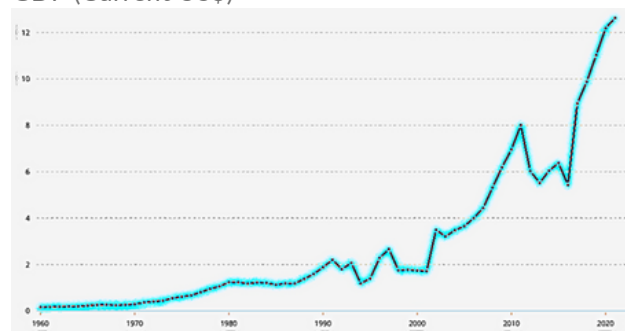
The tourism sector in Malawi is already a significant contributor to the economy, with a 5.8% contribution to GDP and 6.7% employment. Malawi is well endowed with wildlife and a diverse landscape that offers rich sports, leisure and cultural touristic experiences.

Number of tourists arrivals to Malawi per year



The project taps an opportunity to capitalize upon the sector's growth whilst contributing to sustainable local development and responsible tourism. Malawi has a clear tax and investment incentive regime for foreign investors and is politically stable.

GDP (Current US\$)



SDG Alignment



This project is estimated to generate 3,500 direct jobs.



The project will include construction of a wide array of social infrastructure facilities including in the housing and entertainment sectors.



PRIVATE SECTOR PROJECTS



INTRODUCTION

YAMI GEMSTONE LAB & EXPORTS (YAGLE) LTD is registered under the Malawi Government Business Registration ACT. It offers gemological and mining services. YAGLE leverages its international and local expertise with over 30 years of experience in gemstone prospecting, mining and marketing. It also has a mini gemstone lab, and can issue gemstone reports and certificates of origin.

The Managing Director of YAGLE has over 8 years' experience in the gemstone sector, mastering the gemstone value chain system and the Cadastre system. He is a graduate gemologist from the prestigious Gemological Institute of America (GIA).

PROJECT DESCRIPTION

The developer of Yami Gemstone Lab and Export LTD (YAGLE) is looking for suitable investors/partners to raise a minimum of US\$5 million for the operation and marketing of several gemstones in Malawi.

The opportunity offered is unique and offers attractive quarterly returns. The current developer has invested over US\$0.6 million in research and exploration; and has in the process discovered rare rose quartz, aquamarine, sunset tourmaline, amethyst, ruby, sapphire, spinel, agates, zircon and gold mines across Malawi.

PROJECT BENEFITS

The project is capable of generating quarterly revenues of US\$5 million and increasing government's contribution from the sector from the current 1% to over 5%. The project will employ over 50 professionals from different fields and over 300 miners and they anticipate this figure to double by 2024. In value addition, YAGLE has already identified master cutters from Thailand who will train local cutters. They have set plans to have a heating facility which will enhance the quality of gemstones.

LOCATION & FEASIBILITY STUDIES

YAGLE has gemstones mines in Mzimba, Ntcheu and Mangochi and can source several types of gemstones from all the districts in Malawi. In addition, YAGLE has all the relevant documents such as the Environmental

impact assessment and Department of Forestry permits. YAGLE has the capacity to supply over 300 tons of various gemstones per month.

ESTIMATED COST OF PROJECT & CONTRACT TYPE

The project seeks financiers or equity partners to help it sell its current inventory in return of 15% commission or inject \$5 million in return of 10% shareholding in Yami Gemstone Lab & Export Ltd.

FINANCIAL FEASIBILITY

Net Present Value: US\$130 million
Payback Period: 12-24 months

CONTACT

Yamikani Jimusole GG GIA
 Chief Executive Officer

YAMI GEMSTONE LAB & EXPORT LTD
 P.O Box 2989, Lilongwe
 Tel : +265 (0) 999 600 972
 Email : yagle6097@gmail.com



IRRIGATION SYSTEM FOR MACADAMIA PLANTATION

NAME OF PROJECT PROMOTER

Conforzi Plantations Limited

CONTACT DETAILS OF PROJECT PROMOTER

Managing Directors, Mr. Ismail Aniz, Phone: +265 888 666 788
Email: ismail@priceworthmw.com

PROJECT DESCRIPTION

Dams & Irrigation System to improve the quality of the Macadamia crop.

LEVEL OF INVESTMENT (US\$)

US\$ 3,439,753

INVESTMENT OPPORTUNITY

The investment will result in increased in the macadamia harvested as the crop will be irrigated thereby increasing forex earnings for the company and the country.

BUSINESS/PARTNERSHIP MODEL

Term Loans and grants

DOES THE PROJECT HAVE A FEASIBILITY STUDY?

Yes

PROJECT VIABILITY (NPV, IRR, PAYBACK PERIOD)

Payback of approximately 5 years

SOCIAL AND ECONOMIC IMPACT

The project will result in creation of additional 10 to 15% jobs for the surrounding local communities thereby improve their social standing.

PROJECT LOCATION

Thyolo District, Malawi



Financial Information

Capital Expenditure (CAPEX)

USD 15 million

Payback period

15 years

Revenue

USD 55 million

Proposed Financing Structure

Debt/Equity

Country Macroeconomic Profile (2021)

Inflation

9.3%

GDP Per Capita (2021)

634.8 USD

Government Gross Debt (% of GDP)

63.9%

Unemployment Rate (2021)

7.02%

Contact Information

Modie Chanza, Investment Promotion Manager, Malawi Investment and Trade Centre – mchanza@mitc.mw

MALAWI

Press Agriculture Macadamia Project

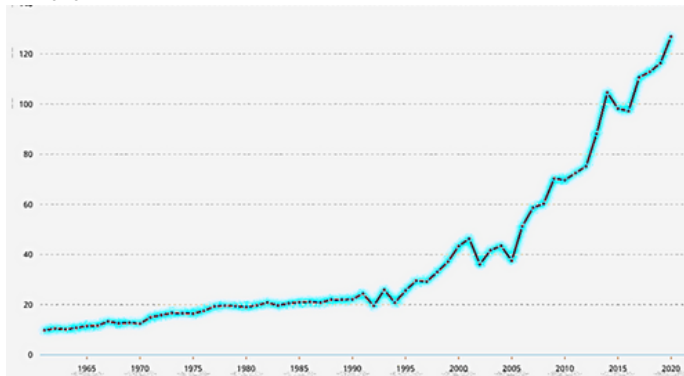
Project Details

The project concerns greenfield development of a 1,000-hectare macadamia nut farm for the export market. As one of the largest landowners in Malawi, Press Agriculture has the potential to expand cultivation of this promising value-added crop. With a growing macadamia demand in South Africa and Europe, among other export markets, this project will enable Malawi to increase macadamia production hence improving farmers' livelihoods and the country's export earnings.

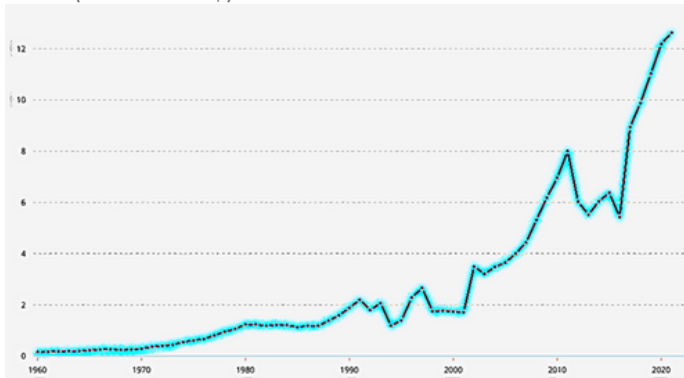
Investment Case

Agriculture is the backbone of Malawi's economy, accounting for approximately 22.7% of GDP and employing more than 76% of the total workforce. With an annual growth rate of 5.2% (2021), the sector is set to grow even further.

Crop production index (2014-2016 = 100)



GDP (Current US\$)



SDG Alignment



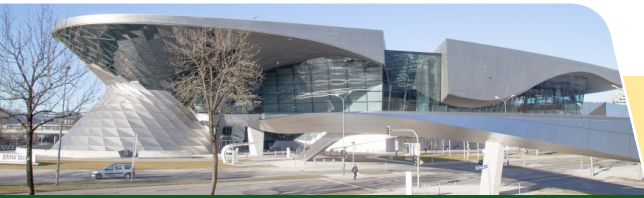
This project will create decent employment in the macadamia production chain as well as in other crops to be incorporated in the estate.



The project will adhere to international labour standards and protocols.



This project will contribute to Malawi's carbon emission reduction through carbon sequestration by the Macadamia trees.



RAYONI INTERNATIONAL CONVENTION CENTER (RICC)

NAME OF PROJECT PROMOTER	Dr Anthony J. Mukumbwa Asimenye Mukumbwa
CONTACT DETAILS OF PROJECT PROMOTER	+265 (0) 993 951 720 - amukumbwa@gmail.com +265 (0) 881 806 958 - asimenyemukumbwa@gmail.com
PROJECT DESCRIPTION	<p>Rayoni Holdings Limited (RAHOL) is wholly owned investments company of Mughona Trust (my family trust). RAHOL was incorporate in January 2022 with the aim of investing in viable businesses in Malawi and the African region. Since incorporation RAHOL has embarked on very ambitious investments as follows: (1) Rayoni International Convention Centre Limited (RICC): This will offer facilities for Meetings, Incentives, Conferences and Exhibitions (MICE). There will be SIX pillars as below. There will be INCENTIVES programs embodied as part of MICE.</p> <p>(a) Eco-tourism: Rayoni Tourism Centre will create tours for international tourists involving Lake Tourism, Game Parks Tourism and mountain and rivers tourism.</p> <p>(b) Cultural-tourism: This will involve traditional/cultural dances and performances from all over Malawi and African region</p> <p>(c) Conferencing-tourism: Rayoni Conferencing Centre will create and attract national, regional and international short duration courses, seminars, conferences, trainings etc. bringing in people from all over the world to RICC. International Events management companies will be engaged.</p> <p>(d) Exhibitions-tourism: Rayoni Exhibitions Centre will create thematic exhibitions involving different countries per each product theme. For example, Coffee week would bring in companies that produce coffee or auxiliary products for coffee production from all over the world to exhibit.</p> <p>(e) Golfing tourism: The company has acquired 30 hectares of land on which it will construct a golf course attached to the Hotel and Convention. Local and international tourists attending the conferences will be able to be entertained at the golf course, lake Malawi excursions and Nyika and/or Vwaza game viewing (f) Convention Centre: Under Sheraton by Marriott franchise, the facility will be managed by Aleph Hospitality Company of Dubai and will comprise the following:</p>
LEVEL OF INVESTMENT (US\$)	22,071,679.70 (debt – 80%, equity – 20%)
INVESTMENT OPPORTUNITY	Hospitality
BUSINESS/PARTNERSHIP MODEL	Shareholders → investments → flights, local transportation & convention center → marketing strategies (Conferencing, Eco, spiritual & cultural tourism) → customers → Revenue & profit Stakeholders
DOES THE PROJECT HAVE A FEASIBILITY STUDY?	Yes
PROJECT VIABILITY (NPV, IRR, PAYBACK PERIOD)	NPV: US\$ 35,287,074.96 IRR: 14% Payback period: 13 years
SOCIAL AND ECONOMIC IMPACT	This project will have a positive socioeconomic impact by stimulating employment opportunities and supporting women entrepreneurs who supply goods and services to the hotel. Additionally, the project contributes to the nations foreign exchange earnings through the promotion of tourism activities, which further strengthen the local economy.
PROJECT LOCATION	Mzuzu: Dunduzu



REVOLUTIONIZE DIGITAL BANKING AND MOBILE MONEY SERVICES FOR SUSTAINABLE FINANCIAL INCLUSION IN MALAWI - KAKUPAY SMART MONEY

NAME OF PROJECT PROMOTER

Wealthnet Finance PLC

CONTACT DETAILS OF PROJECT PROMOTER

ceo@wealthnetfinance-mw.com
or ceo@mvuma.com
Mobile +265999661361

PROJECT DESCRIPTION

Wealthnet Finance PLC (Wealthnet) is registered and regulated by the Reserve Bank of Malawi as a Deposit Taking Microfinance Institution. The company does banking and mobile money businesses. The company developed and owns a digital banking and mobile platform called KakuPay Smart Money. The platform is approved and regulated by the Reserve Bank of Malawi. At Wealthnet, we believe that the future of African trade is digital. This is the reason that the company developed KakuPay Smart Money to effectively respond to the needs local businesses by providing tailor-made financial products. In other words, Wealthnet is deliberately building a local financial institution with strong capabilities of mobilizing deposits for on-lending while effectively promoting financial inclusion. Wealthnet exists to ensure that Malawian businesses are adequately financed to produce quality products for the local and international market.

LEVEL OF INVESTMENT (US\$)

The company is looking for growth capital of \$2million as either debt or equity or a combination of both debt and equity

INVESTMENT OPPORTUNITY

- Wealthnet Finance PLC is strategically targeting to exploit opportunities in the following areas:
- (i) Expanding the reach of digital mobile money payments by promoting customer-to customer transactions using KakuPay Small Business Module. In Malawi the common financial transaction is still cash based. Mobile money transactions between customer to business is less than 10% and is highly under saturated.
 - (ii) Leveraging village savings and loan associations (VSLAs) to mobilize deposits for on-lending or intermediation.
 - (iii) Provide targeted finance for micro, small and medium enterprises (MSMEs) to attract more deposits. We mostly give loans to those who bank and transact using KakuPay Smart Money. This means that we mobilise deposits and earn transaction fees before someone qualifies to get a loan from us.
 - (iv) Deeper Micro-Insurance Penetration: Insurance in Malawi is accessible to about 3% of the population. Wealthnet partnered with a local insurance company called Smile Life Insurance to provide micro insurance to poor Malawians in rural areas. The modules for micro-insurance are live on KakuPay Smart Money. We simply need the capital to hit the ground and scale the product.

BUSINESS/PARTNERSHIP MODEL

Wealthnet is in partnership with the following organizations: NGOs that do their village bank activities on our digital banking and mobile money platform; integrators that connects our digital banking platform with service providers such as Escom for electricity bill payments; local business women that are mobilized into village savings and loan associations (VSLAs); The Reserve Bank of Malawi and World Bank of a project called Financial Inclusion and Entrepreneurship Scaling (FinES) Project; and local financial institutions.

DOES THE PROJECT HAVE A FEASIBILITY STUDY?

The project emanates from various studies such as United Nations Capital Development Fund research papers, FinMark Trust surveys, Malawi Government reports, Reserve Bank of Malawi publications and many other sources.

PROJECT VIABILITY (NPV, IRR, PAYBACK PERIOD)

NPV = USD 2million, IRR= 49%, Payback Period = 3years.

SOCIAL AND ECONOMIC IMPACT

Improve livelihoods at household level, access to capital will enable increased economic activities especially in the rural areas, move most households from poverty, encourage ethical and environmentally friendly businesses, promote sustainable renewable energy sources, promote better health and nutrition to local households. Increased employment opportunities, Improved financial literacy skills in rural areas, Greater participation in and benefit from economic activities by women and youth in rural areas.

PROJECT LOCATION

Malawi



FOOD PROCESSING PROJECT

PROJECT DESCRIPTION

Mulanje Agro-Industrial is a food processing and packaging/canning company that will add value on Malawi's fresh fruit and vegetables. It seeks to produce over 900,000 tonnes per annum. The project is being set up with a clear dedicated and committed vision to excel and grow into one of the best Agro based industries within the SADC Region taking advantage of the abundant raw materials produced in Malawi to create quality products for the local and export market.

Malawi is pre-dominantly a net importer of most value-added products including tomato products, fruit jams and juices. Although approximately 200 000 small holder farmers grow over 1.5 million metric tonnes of tomatoes every year, half of their harvest is lost before reaching the market and the remaining 50% is subject to significant downward pressure on price due to common gluts in the market and the perishable nature of the crop. It is for this reason that Mulanje Agro-Industrial believe that our plant will have a processing capacity of 200 metric tonnes per day during the peak farming season creating employment for skilled, semi-skilled and unskilled manpower. This will in turn have a ripple effect in creating employment upstream with our suppliers and downstream with our distributors.

LOCATION

The project is located within the Blantyre industrial Area in the proximity of the largest concentration of horticulture farmers in Malawi's Southern region namely Mulanje and Chiradzulu.

PROJECT FEASIBILITY

Financial analysis done. Land available. Full feasibility and Environmental Impact assessment will commence once funds are available

PROJECT FINANCING

Required financing for the project is US\$3.7 million. The project is looking for debt/equity financing

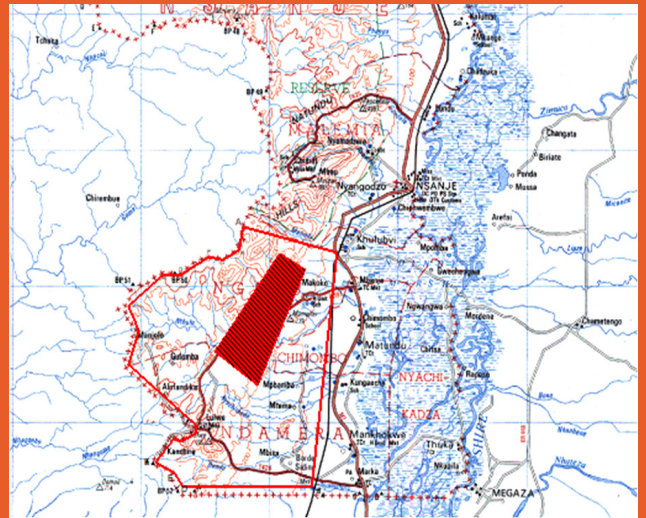


RIFT VALLEY MINING COMPANY

PROJECT PROFILE

Limestone Quarrying and Processing | Nsanje District | Malawi

Rift Valley Mining Company Limited is a Malawian company that has been established to quarry and process limestone into lime products, namely Hydrated Lime, Quick Lime and Agricultural lime for both local and export markets.



PROJECT SUMMARY

Location	Malawi
Sector of Operations	Mining, Limestone Quarrying
Products	Hydrated Lime, Quick Lime, Agricultural Lime
Total Project Cost (Debt & Equity)	USD 34 million
Project Status	Currently Carrying Out Advanced Project Preparation

STATUS OF THE PROJECT

The company currently holds an approved Mining License with attendant Environmental Impact Assessment Approvals and Environmental Management Plan for its licenced area in Nsanje District, Malawi. The mining license area covers 28 square km and has enough limestone deposits to support a mining life of 45 years. The project is currently updating its geological reserve estimates and feasibility studies through a certified International Competent Person.

HIGH LEVEL OVERVIEW



Activity	Completed	In Process	Not Started	On Hold
Exploration Licence	√			
Mining Licence	√			
Exploration Works		√		
Environmental Impact Assessment	√			
Economic Analysis	√			
Offtake Agreements	√			
Development of Export Markets		√		
Bankable Feasibility Study		√		



OFF TAKERS

Rift Valley Mining Company has already entered into off-take agreements with some of the largest lime end users in Malawi and is in the process of developing export markets in the region. Currently the Africa region only produces 50% of its requirement and the rest is imported from overseas. The off-take agreements govern the mechanism of price and volume which will make up a substantial part of our revenue projections.

PROJECT FINANCING

Project Financing & Investor Benefits

Total Project Cost	\$ 34	Million
Debt tenor	15	years
IRR	17.72	%
The payback period,	6.42	years

Project Impacts

Creation of Jobs; Manufacturing & Industrialization; Import substitution and export potential to regional markets

PROJECT PRODUCTS

Hydrated Lime

Quick Lime

Agricultural Lime

Limestone has a wide product range with key applications in agriculture, the construction industry, environmental protection, steel manufacturing and water treatment to name a few.

MARKET

The global limestone market size was valued at USD 73.02 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 4.4% from 2020 to 2027. Increasing infrastructural developments across the world are anticipated to increase the demand for limestone during the coming years. Rift Valley Mining Company is strategically positioning itself to capture the regional opportunities presented by these dynamics.



Project Term: 45 Years | Construction Period: 18 months | Anticipated Production Date: Q4 2023

Project Summary | September 2021 | Confidential

Contact: Russel Thornicroft, Managing Director, Rift Valley Mining Company Ltd.
Phone: +265999830461 Email: Russelt@riftvalleymining.com



#	Item	Description
14	Products	<ul style="list-style-type: none"> The project will produce: <ul style="list-style-type: none"> Hydrated lime Quick lime Agricultural lime
15	Markets	<ul style="list-style-type: none"> Off – taker agreements are in place with two of Malawi’s largest lime end users Development of export markets Several expressions of interest secured to purchase our products.
16	Environmental	<ul style="list-style-type: none"> Environmental Impact Social Assessment (ESIA) approved
17	Social and community Engagement	<ul style="list-style-type: none"> Social and labour plan approved by community
18	Financial	<ul style="list-style-type: none"> Total Project Cost: \$34 million NPV: \$9.3 million IRR: 17.72% Payback Period: 6.42 years Loan Term: 15 years
19	Project plan	<ul style="list-style-type: none"> Construction: Months 1-18 Operation: Month 19
22	Funding requirements	<ul style="list-style-type: none"> \$ 24 million loan for mine development activities \$10 million equity for working capital requirements



Malawi Limestone Quarrying and Processing Project

#	Item	Description
1	Project stage	<ul style="list-style-type: none"> • Mine development: Opencast limestone mining project, significant test work completed • Seeking funds for mine development activities • Mine to be brought into production in phases
2	Location	<ul style="list-style-type: none"> • Malawi
3	History	<ul style="list-style-type: none"> • Project has been developed over an 8-year period
4	Corporate structure	<ul style="list-style-type: none"> • SPV: 100% owned by family business
5	Development team	<ul style="list-style-type: none"> • Mid-tier mining company
6	Permits and licences	<ul style="list-style-type: none"> • Mining licence secured
7	Geology	<ul style="list-style-type: none"> • The greater part of the project area is made up of crystalline granulites, gneisses and subordinate schists of the Mozambique belt ascribed to the Precambrian System. These are penetrated by calcitic dyke swarms of Karma age and by late Jurassic to early Cretaceous plutons, volcanic vents and minor intrusions. • Detailed trenching and pitting was established to cover the project area and the geochemical analysis indicated CaO 55% and MgO 3.66% and the limestone which varied from coarse, medium to fine grained.
8	Advanced Exploration Works	<ul style="list-style-type: none"> ○ Drilling ○ Logging ○ Sampling ○ Assays ○ Mineral Resource Estimate
9	Resources and reserves	<ul style="list-style-type: none"> • 14 million tonnes – Mineral Resource Estimate to be confirmed by advanced exploration works in accordance with the JORC or SAMREC codes which will be prepared by a Competent Person.
10	Mining	<ul style="list-style-type: none"> • Mining method: opencast mining <ul style="list-style-type: none"> ○ Stripping ratio: 0.5:1 ○ Contractor mining
11	Processing	<ul style="list-style-type: none"> • Mineral concentrator process plant designed entailing: <ul style="list-style-type: none"> ○ Primary and secondary crushing ○ Dense medium separation ○ Sorting into different fractions by screening ○ Rotary kiln process ○ Hydration process ○ Primary milling ○ Grinding into fine powder
12	Production parameters	<ul style="list-style-type: none"> • Phased ramp-up • Peak production: 140,000 Mtpa ore • Stripping ratio: 0.5:1 • Life of mine: 45 years

CONTACT DETAILS:

Russel J. Thornicroft | Managing Director
+265 999 830 461
russelt@rif t valleymining.com
P.O Box 31275 Chichiri, Blantyre 3, Malawi.

Solid Municipal Waste To Energy

PROJECT EXECUTIVE SUMMARY

CONTACT INFORMATION

KNIGHT AND KNIGHT, ATTORNEYS AND LAW CONSULTANTS, LEXINGHAM CHAMBERS, 7 HANNOVER STREET, 2 FLOOR PARKWAY HOUSE, BLANTYRE

+265-(0)-999-616-537

P.O.Box E198, Post Dot Net, Blantyre, Malawi

info@gebisenergyltd.co.mw

www.gemisenergyltd.co.mw

FINANCIAL INFORMATION

Company Stage: Early Stage

Financing

Project Development

Intent: Financial Close (FC)

Capital Seeking: \$230,000.00

CapEx

Intent: Power Plant

Capital Seeking: \$132.1 mn

Use of Funds:

Project Dev. Grant

20%-Project Documents Update
20%-Financial Close Review and Support

15%-Legal & Negotiations

45%-Operations

CapEx

0.1%-Predevelopment Costs

80.2%-EPC Costs

13.2%-Duty, Taxes and Clearing

0.5%-Local Equipment

2.4%-Raising costs

3.4%-Interest During Construction

MANAGEMENT TEAM

- Director, Chairperson: Mrs Doreen Chanje.
- Director & Co-Founder: Dr Mwayiwawo Madanitsa.
- Director & Co-Founder: Mr Masinkho Madanitsa.

ADVISORS & CONSULTANTS

- ASPIRE Consulting
- F.C Consulting Engineers (MW)
- Sustainable Infrastructure and Technology in Energy (SITE) Engineering (MW).
- Knight and Knight Attorneys at Law (MW)

PITCH

Profitably processing urban municipal solid waste in the city of Blantyre to generate electricity. The electricity will be fed into the local power grid servicing the geographical market segments.

PROBLEM/OPPORTUNITY

Reliable power supply and sustainable municipal waste management are two major developmental challenges in urban municipalities. This is further compounded by high urbanization rate of 5% per annum.

SOLUTION/PRODUCT

This Municipal Solid Waste to Electricity plant presents an opportunity for the safe and sustainable management of hazardous municipal waste and contribution to reliable power supply.

BUSINESS MODEL

Direct sales model to Single Buyer (PML). Levelized tariff over 25 year period at US\$ equivalent.

MARKET

Dual market segment; urban municipality through 90% waste collection and disposal service, and domestic and industrial electricity consumers by meeting 25-40% of peak demand deficit Blantyre.

COMPETITORS

Limited installed capacity to meet suppressed demand by EGENCO with compound generation risks (hydrological, equipment). ESCOM Mapanga 20MW backup diesel generators to meet peak demand deficit but cost constrained continuous generation. Limited IPPs with direct grid injection to provide firm power. Limited off-grid solar systems consumers.

COMPETITIVE ADVANTAGE

Indigenous IPP promoter, novel power plant generating firm power at competitive cost for grid stability compared to other systems.

EXECUTION PLAN/GO TO MARKET STRATEGY

Leveraging technical and financial partnerships, and strategic expertise to deliver the project on time and on budget. 3 months finalization of project documents (IA, PPA and CA), 6 months Financial Close, and 24 months Commercial Operation Date.

TRACTION

MITC Registered Investor, Feasibility Study, Approved ESIA, BCC Waste Supply Agreement, Land Offer, ESCOM Term Sheet, Advanced draft Power Purchase Agreement (PML), Connection Agreement (ESCOM) and Implementation Agreement (GoM).

IMPACT

Green House Gas Equivalent (GHGE) emissions reduction est. 568,822 MTCO2e/Year, > 1,000 direct and indirect jobs, increase waste collection from 40% to 95%, +2.4% national grid baseload.

	14.14MWe (13.8MW IC)	\$0.98/Kwh	IRR 40.25%	NPV \$58,437,493.00
		PBP 9.41 Yrs	ROI 80.90%	Min.Net DSCR 1.03
FINANCIALS (000 \$)	Year 1	Year 2	Year 3	
REVENUES	31,497.85	31,497.85	31,497.85	
EXPENSES	11,114.58	11,271.78	11,447.11	
EBITDA	20,383.27	20,226.01	20,050.74	

Overview



MM (Operations) Limited (the “Company”) is a vertically integrated agro-processing company which is comprised of the following: **(1)** Global-GAP certified farms planted with 295 Ha of a wide cultivar mix of mangoes under drip irrigation (total land 476 Ha), expansion to 323 Ha at full production by 2024 **(2)** 10 Community Orchards (totalling 40 Ha of drip irrigated mango under production) and 2,200 smallholder farmers (both Global-GAP certified) who grow mangoes for MM’s processing facility **(3)** 10,000m² fully-certified (BRC, Halal, Kosher) processing facility, currently supplying international customers **(4)** 4 Ha of state of the art drip-irrigated nurseries which are being utilised for business diversification and **(5)** strong and well established technical, sales and marketing partnerships with global industry players for the production and distribution of fresh and dried mango to regional and international markets

Financing Requirement

The Company is looking to raise between \$2m-\$3m in preferred equity or subordinated debt to finance the growth as its mango production base increases to full yield in the next five years, the Company’s diversification and renewable energy strategies. The Company has a senior secured capex facility for \$3.5m which has been used for factory expansion over the past 3 years. The Company is 99.9% owned by Horticultural Innovations Holding Limited (HIHL) a Jersey Holding Company that has only one ultimate beneficial owner. The Company has been financing through intercompany loans from the Jersey Holding company in addition to the capex facility.

Social and Economic Impact

- Our social and environmental impact is core to our business strategy and management systems
- MM’s ESIA policies are compliant with local and international regulations, and **IFC Performance Standards**. The Company has been **SMETA certified since 2021**
- The Company has created approx. **200 full time jobs** (anticipated to grow to 400 by 2025) in Malawi and hires over **1,200 seasonal workers**
- MM has generated approx. **USD \$8M in export revenue** since 2018, At full production the Company will generate approx. **USD \$12M-\$15M per annum in export revenue**.
- To date approximately **USD750K** has been spent buying fruit from smallholders
- The Company works with approx. **2,200 active smallholders** across our Outreach programme impacting approx. **18,000 individuals**
- The Company has recently signed an MOU with USAID to support the regional expansion of its Community Orchards by up to **350 Ha** (further extend the growing season through agro-ecological zones) and implement **renewable energy** at its Farms and Factory

Product Overview

Fresh mango

- Alphonso (premium air freight product)
- Tommy Atkins (South Africa)

Dried mango

- Tommy Atkins, Kent, Keitt, Brooks & Yembe (indigenous Malawian variety). Size specification includes chunks, slices and cheeks

Dried puree mango rolls

- Mixed varieties of fruit rolls

Key Markets

- The Company has sales agreements in place with industry leading partners and distributors that supply major retailers in Europe, UK and South Africa
- The Company is currently exporting dried mango into the South African, UK and EU markets. Expansion plans target Eastern and US markets
- Currently exporting fresh Alphonso to the Indian, Middle Eastern, Far East and UK markets. Malawian mango season is counter seasonal to the Indian Market
- MM gained SPS access to the South African market in 2022 to take advantage of the early availability of Alphonso and Tommy Atkins in Malawi for supply into the fresh and fresh cut (pre-packed mango salad) markets

Summary Financials

In (\$USD)	FYE 30 June 2020	FYE 30 June 2021	FYE 30 June 2022
Total Revenue	\$1,186,715	\$1,617,578	\$3,372,915
% Growth		36%	109%
Cost of Sales	\$1,539,029	\$758,162	\$1,281,557
Gross Profit	-\$352,314	\$859,417	\$2,091,358
% Margin	NM	53%	62%
EBITDA	-\$2,243,158	-\$988,247	\$121,069
% Margin	NM	NM	3.6%

Key Contacts

Charlie Leaper – Director / General Manager: charlie@malawimangoes.com
 Tanek Amin – Director / CFO: tanek@malawimangoes.com
www.malawimangoes.com



Farms



- MM's Farms grow **five varieties of mango** including Alphonso, Tommy Atkins, Kent, Keitt and Brooks. The Farms produce fruit from **November to February** each year, offering regional counter-seasonal supply
- Our Farms total **295 Ha** split by 43 Ha of Alphonso, 101 Ha of Tommy Atkins, 60 Ha of Kent, 77 Ha of Keitt, 8 Ha of Brooks and 6Ha of R&D, all under drip irrigation and **Global-GAP and SMETA** certified
- MM are also trialing a number of alternative early and late season varieties to **further extend the season and to target additional fresh and dried markets**

Factory



- Commissioned in 2014, MM's 10,000 m² processing facility is certified to supply international clients. **The factory is BRC (British Retail Consortium), HACCP, Kosher and Halal approved**
- MM commenced a capital programme in 2018 to install its drying facilities and ancillary equipment – **cold storage capacity of 740 Mt** (16 cold stores) and **drying capacity of 30 Mt / day** (6 x 1.5 Mt and 6 x 3 Mt dryers), drying capacity **will increase to 45 Mt / day by 2026**
- Backup power provided through two 350kVA gen-sets. The Company is seeking funding to implement renewable energy in 2023

Community



- Since 2011, MM have registered **5,000 smallholder farmers** and **grafted 37,000 indigenous mango trees** in the Salima District of Malawi.
- From 2017 to 2019 MM established **ten (66 Ha) Cooperative Community Orchards** in the Salima District of Malawi. The capital development was funded by an **EU Grant** and is the **anchor of MM's Outreach program**
- MM's growers are producing Tommy Atkins and Kent. The Company's inclusive Outreach model consists of embedded services such as business planning, technical support, guaranteed purchase and transport of mangoes to MM's processing facility
- MM's Outreach program is **Global-GAP and SMETA** certified, **Fairtrade and Organic certification** is planned for 2023-24

Markets and Partners

MM works with multiple distributors into regional and global retail and wholesale markets

Customers include:

- **UK retail:** Asda, Marks and Spencer, Sainsbury's, Tesco and Waitrose
- **EU retail:** ALDI, LIDL and Mercadona
- **South African retail:** Woolworths SA, In2Foods (fresh cut)
- Wholesale markets in South Africa, India, the Middle East, UK and the Far East



Key Contacts

Charlie Leaper – Director / General Manager: charlie@malawimangoes.com
 Tanek Amin – Director / CFO: tanek@malawimangoes.com
www.malawimangoes.com



PROPOSED NEW FIVE STAR HOTEL AT NKOPOLA



1. PROJECT DESCRIPTION

1.1 PROJECT OWNERSHIP

The project is owned by Sunbird Tourism Plc Malawi's leading hospitality Sunbird Hotels and Resorts is Malawi's leading hotel chain with 9 properties including four city hotels in all three regions of Malawi namely; Sunbird Capital, Sunbird Mount Soche, Sunbird Lilongwe, and Sunbird Mzuzu, three popular beach resorts along Lake Malawi namely; Sunbird Waterfront, Sunbird Livingstonia, Sunbird Nkopola, a beachside Inn on the northern lakeshore, Sunbird Chintheche, and an iconic mountain resort in the former capital city of Zomba; Sunbird Kuchawe. Sunbird Hotels & Resorts "the home of hospitality" is known for offering excellent and personalized services, great cuisine and comfortable accommodation.

1.2 BUSINESS MODEL

The proposed development will have a 150-key resort-conference hotel with 215 beds, a conference catering for up to 415 delegates and a shopping arcade. Besides the main features the facility will have some other unique attractions including a night club and floating restaurant. Below is a summary of the outlets.

1.3 OBJECTIVES OF THE PROJECT

- Close the gap for an upmarket five-star hotel in Mangochi
- Grow tourism by attracting upmarket leisure clientele
- Create synergies with the existing Sunbird Nkopola

1.4 SECTOR OF OPERATION

- Hospitality and Tourism

1.5 BUSINESS ACTIVITY

- Accommodation
- Conferencing

- Catering
- Watersports
- Entertainment

1.6 COMPETITIVE ADVANTAGE/GAP ANALYSIS

Currently there is no five-star hotel within Mangochi and the surrounding area and therefore the proposed five-star hotel with Children's water park, Spa, Casino, Night Club and purpose-built conference facility will be unique in the area and have the ability to attract both conferencing and upmarket leisure clients. Having an adjacent sister property will also be an advantage as this will allow for large events to be hosted due to the 250 rooms that will be available across the complex.

2. LOCATION

The site of the proposed hotel is -14.3209703o latitude 35.1459533o longitude in Nkopola, Mangochi District. The site generally flat with clusters of trees. It is currently used by the local residents to access Lake Malawi. There is a seasonal stream drain at the end of the plot to the East.

The site is next to Lake Malawi, the third largest lake in Africa which has unique fauna and clear waters including the Lake Malawi National Park which is a UNESCO heritage site. Sunbird Nkopola which is adjacent to the site, is an established and popular conference hotel which will assist in driving business to the new property.

The plot is bordered by Lake Malawi to the East. To the West is informal settlements. To the North is Sunbird Nkopola. To the South, the plot borders the Sunbird Nkopola camping site. The site is currently bordered by a stone wall on two-sides. The frontage of the land is on beach front which makes it visible from the lakeside.



3. BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

The government of Malawi identified tourism as one of the growth sectors for the economy and hence developed the tourism investment master plan which identified potential areas for investment in the tourism sector. In the master plan Mangochi was identified as one of growth centers for tourism. Sunbird's plan to develop this five-star hotel and conference center in Mangochi is inline with government vision and goals.

There are several benefits to be derived from the project and these include employment creation and forex generation.

The project is expected to create employment right from the construction phase where locals from surrounding areas are expected to gain employment as laborers at the construction site, upon project completion the hotel is expected to employ in excess of 200 people. The new hotel will also create business opportunities for local small scale traders including fish vendors and those that sell farm produce.

Since the project is to fill the gap for an upmarket 5-star hotel at the lake it expected to attract high profile clientele ones that will spend much more than the regular tourist, it is therefore expected that the hotel will help generate forex for the country. Besides forex from tourists the addition of 150 rooms at Nkopola and a 400-conference center means that Malawi will now be able to attract high profile international conferences

4. FINANCIAL REQUIREMENTS

4.1 TOTAL DEVELOPMENT COST

The project will require an investment of between US\$35million and US\$50 million.

4.2 WORKING CAPITAL REQUIREMENT

The project has a working capital requirement of about US\$2 million - US\$4 million

4.3 PROPOSED FINANCING STRUCTURE

A healthy mixture of debt and equity, with a debt-equity ratio of 60-40 proposed in the feasibility.

5. PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE)

5.1 JOINT VENTURE PARTNERSHIP

Sunbird is looking for JV partners for the SPV that will be formed to implement the project. The land will be demarcated and transferred to the joint venture.

5.2 FINANCING

JV partners will contribute capital at agreed participation levels and the JV will borrow funds for the project.

5.3 MANAGEMENT

Sunbird will operate the property on a management contract.

6. PROJECT FEASIBILITY

6.1 TECHNICAL FEASIBILITY

Sunbird has previously undertaken projects of similar magnitude and hence has the experience and expertise to undertake such a project.

6.2 FEASIBILITY STUDY

A feasibility study was already conducted, the conclusion of the study is that the project is viable.

6.3 ENVIRONMENTAL IMPACT ASSESSMENT

An environment impact assessment study will be undertaken by the end of the year.

6.4 TECHNICAL DESIGNS

The technical designs have not been done but the company is about to go to the market to identify a team of experts to come up with the designs, the expectation is that the designs will be ready by the end of the year.

6.5 LICENSES

Licenses will be obtained after submitting technical designs and this will likely be in 2024.

6.6 MARKET FEASIBILITY STUDY

A market feasibility was conducted whose conclusion was that the project is viable.

6.7 FINANCIAL FEASIBILITY

The project is financially viable as shown below with an IRR above the borrowing cost of 8%



PROPOSED MIXED-USE DEVELOPMENT AT SUNBIRD CAPITAL, LILONGWE



1. PROJECT DESCRIPTION

1.1 PROJECT OWNERSHIP

The project is owned by Sunbird Tourism Plc. Sunbird Hotels and Resorts is Malawi's leading hotel chain with 9 properties including four city hotels in all three regions of Malawi namely; Sunbird Capital, Sunbird Mount Soche, Sunbird Lilongwe, and Sunbird Mzuzu, three popular beach resorts along Lake Malawi namely; Sunbird Waterfront, Sunbird Livingstonia, Sunbird Nkopola, a beachside Inn on the northern lakeshore, Sunbird Chintheche, and an iconic mountain resort in the former capital city of Zomba; Sunbird Kuchawe. Sunbird Hotels & Resorts "the home of hospitality" is known for offering excellent and personalized services, great cuisine and comfortable accommodation.

1.2 BUSINESS MODEL

The project entails a mix of complementary activities within a location. The business activities include a 150-room apartment hotel which is basically a hotel with rooms that contain a living room, bedroom and kitchenette. Such hotels are particularly attractive to long stay guests. A 500-seater conference center and retail space targeting high end regional retailers.

1.3 OBJECTIVES OF THE PROJECT

- Close the gap for an upmarket apartment hotel in Lilongwe
- Close the gap for a high-end multistorey shopping mall in Lilongwe

1.4 SECTOR OF OPERATION

- Hospitality and Tourism

1.5 BUSINESS ACTIVITY

- Accommodation
- Conferencing
- Catering
- Retail

1.6 COMPETITIVE ADVANTAGE/GAP ANALYSIS

The proposed aparthotel will benefit from the limited supply of quality fully-furnished and serviced apartments in Lilongwe. It will attract business and leisure travelers as it is ideally programmed in terms of facilities and also benefits from an ideally visible location. The retail centre will be unique in provision of high-end facilities which are currently not available in the area.

2. LOCATION

The site of the hotel is-13.9565405° latitude 33.8007125° longitude and is located in Area 11, a prime location within Lilongwe City. The site is an 11.0 acres land parcel that is currently partially cleared for a kitchen garden and the remainder has a forest cover. The land is gently sloping from the North to the South. There is a seasonal stream/storm drain a quarter of the way into the plot from the road.

Figure 6: Proposed project site - Lilongwe



Source: Google Earth

The plot is bordered by Sunbird Capital to the West. To the North and East is various residential developments. To the South, the plot faces the Presidential Way Road. Upper floors of the development would be able to see The Bingu wa Mutharika International Convention Centre (BICC) complex to the North-West and the city centre. The site is currently bordered by a stone wall on 3-sides with a tree-lined boundary separating it from Sunbird Capital.

3. BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

The government of Malawi identified tourism as one of the growth sectors for the economy and Lilongwe being the capital city is focal point for visitors to Malawi for private business and meetings with government officials. The project is therefore expected to complement government efforts to grow the tourism

There are other benefits to be derived from the project and these include employment creation and forex generation and foreign direct investment.

The project is expected to create employment right from the construction phase where locals from surrounding areas are expected to gain employment as laborers at the construction site, upon project completion the hotel is expected to employ in excess of 300 people.

Potential clients for the retail space are regional retailers who are expected to bring foreign direct investment to the country.

4. FINANCIAL REQUIREMENTS

4.1 TOTAL DEVELOPMENT COST

The project will require an investment of between US\$70 million - US\$90 million.

4.2 WORKING CAPITAL REQUIREMENT

The project has a working capital requirement of about US\$2 million - US\$4 million

4.3 PROPOSED FINANCING STRUCTURE

A healthy mixture of debt and equity, with a debt-equity ratio of 60-40 proposed in the feasibility.

5. PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE)

5.1 JOINT VENTURE PARTNERSHIP

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6.7 FINANCIAL FEASIBILITY

The project is financially viable with an internal Rate of Return above borrowing rate 8%.

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