UNCDF offers the response below (in blue font) to the questions received on the above RFP.

1. The two-week timeline for responding to this RFP is quite short given the level of detail required particularly in forming consortium and getting the relevant internal approvals including a duly notarized agreement. Is this negotiable?
   **Answer:** UNCDF is extending the timeline for submission from 31st March 2022 to 10th April 2022.

2. To what extent is the disclosure requirement on the Conflict Of Interest required (section 4 of instruction to bidders) especially with an entity that has over 3000 staffs?
   **Answer:** The provisions of Section 4 of the Instructions to Bidders and the definition of Conflict of Interest applies regardless of the size of the company. Full disclosure is the only extent that is required.

3. Section 4.4 of instructions: What % of GoT shareholding warrants further valuation by UNCDF? What are the potential consequences
   **Answer:** UNCDF shall review the case regardless of the percentage. Potential consequences will be determined on a case-by-case basis, including possible rejection of the offer, if the circumstances warrant.

4. Explain 38 – Right to vary requirement/scope? How does that leave the LTA submission especially on reviewing Fees?
   **Answer:** The ITB provision on the right to vary states that it can be done “without any change in the unit price or other terms and conditions”

5. It is very premature to have exact costs of the professional fees for other players, is UNCDF flexible should there be variation to bear the extra costs?
   **Answer:** One of the key purposes of entering into an LTA is to lock in the unit prices. As such, no variation will be allowed for professional fees during the life of the LTA

6. Timeline of the assignment especially roadshow and SPV registration, SPO and Green Bond Framework as well as IPO is unrealistic; are these negotiable? Further, If certain outcomes from disclosures provided (PIM and DD) would require more time, will the LTA or consortium be allowed to have project timelines extended and fee consideration in light of timeline extension?
   **Answer:**
While preparing your proposals, we advise you to adhere to the timeline suggested. However, the framework of the technical proposal has a recommendation section where the bidder is allowed to provide their suggestions about this assignment, based on their understanding and proposed methodology.

7. Can UNCDF consider a co-lead arrangement for a consortium with 2 LTAs?
   **Answer:**
   No. UNCDF will enter into an agreement with only one company that will sign the LTA and the same company is the only one who will be accountable to us. The LTA may have their own arrangement and agreement within the consortium to have equal contributions, but UNCDF will recognize only one LTA, and the said LTA holder shall be accountable to UNCDF regardless of how other parties perform under their internal agreements.

8. If a consortium is formed, can we add more counterparties (legal etc) post being mandated?
   **Answer:**
   The offerors are expected to submit an all-inclusive costs, and what gets included shall remain the discretion of the offeror, mindful that such all-inclusive costs shall be compared and analyzed against the budget and the offer of other bidders.

9. Can we receive PIM documentation now? If not when will we receive the PIM given that this informs our ability to deliver the scope, including attraction to bond investors and if the envisaged SPV model is the optimal fund raising approach?
   **Answer:**
   At this point, UNCDF will share the Project Fact sheet attached. Since PIM is not yet a public document, we regret to advise that it can only be shared to the successful offeror.

10. The guarantee organized by UNCDF, what percentage of issuance is UNCDF considering to cover?
    **Answer:**
    It will be a partial guarantee, the percentage is not yet finalised at this stage. It will be clearer during structuring.

11. Will the guarantee cover political and credit risk?
    **Answer:**
    The guarantee will only cover liquidity risk

12. What other partners is UNCDF considering for issuing the guarantee?
    **Answer:**
    This information is not yet finalised at this stage.

13. Is UNCDF rated – what is the rating?
    **Answer:**
    No. As an international development organization created by the United Nations and its Member States, UNCDF is not required to be rated.
14. Are there considerations for credit enhancement should the final assessment and analysis require additional credit enhancement over and above the proposed security?
   **Answer:**
   Yes. This is part of LTA’s Scope of Work as highlighted under activity No. 5d, that LTA may advise on other proper credit enhancement mechanism (if required)

15. Will the “bankable water project” be a single or multiple assets housed in the SPV? why is the ringfenced SPV approach being followed?
   **Answer:**
   - It is a single project, that is, rehabilitation of current water infrastructure system and expansion of the infrastructure to increase production & supply capacity to match its growing demand
   - Ringfenced approach is followed to increase investors confidence, shield the project from political interference and ensure repayment to bondholders

16. Will the SPV cashflows support Coupon payments and the Bullet payment on a stand-alone basis?
   **Answer:**
   The SPV is expected to facilitate semiannual coupon payments when due and principal payments at maturity

17. Will the SPV cashflows be ring fenced? If so, how will the excess funds be utilized assuming Bullet structure where only interest is paid?
   **Answer:**
   Yes, the SPV is expected to reinvest excess funds to be able to service principal amount at maturity without difficulties. The scope of work No.5f requires the LTA to advise and structure this mechanism.

18. Is UNCDF able to share project’s Financials/Projections?
   **Answer:**
   They are not a public document at this point, but they will be shared to successful bidder once the LTA has been issued.

19. Out of all regions in Tanzania, what is the rationale for starting with Tanga region?
   **Answer:**
   Tanga UWASA is ready in terms of documentation, willingness of its Board of Directors and other high level government leaders, managing capability to implement the project, the viability of the project, good performance of the authority etc.

20. How will the project be executed – EPC/PC Contractor (local/foreign etc)? Name of previous PC?
    **Answer:**
    Since the engineering work has already been done, the PC contractor will be procured following the Tanga UWASA’s standard competitive procurement procedures.

21. Is it a programme or a standalone bond Issuance? If the former given the payment structure; will there be a retainer fee to the LTA.
Answer:
The bond is expected to be issued in tranches, however there will not be any retainer fee paid to LTA. Subsequent tranches will be dealt with in a different modality.

22. It would be good to understand Tanga UWASA’s business plan/strategy
Answer:
Unfortunately, the business plan and strategic plan are not public documents, and they can only be shared with the successful bidder once the LTA is signed. However, EWURA website contains performance related reports for all water utilities including Tanga UWASA. The site can be accessed through this link [Water Performance Reports - Energy and Water Utilities Regulatory Authority (ewura.go.tz)](http://ewura.go.tz). Moreover, we have attached 3yrs audit Financial Statements of Tanga UWASA for your perusal as you fill necessary.

23. How will the project/expansion be structured?
Answer:
The project will be governed by an SPV. The company that will be engaged on an LTA is expected to advise on the structure (management and operations of the project and SPV) and how it can be on cannot be integrated with current affairs of the authority which is licensed and has a legal mandate to provide water services.