

REQUEST FOR PROPOSALS

FEASIBILITY STUDY FOR THE

VAN ECK POWER PLANT REHABILITATION IN NAMIBIA

Submission Deadline: 4:00 PM
LOCAL (WINDHOEK) TIME
SEPTEMBER 20, 2010

Submission Place: NAMIBIA POWER CORPORATION
NAMPOWER CENTER
15 LUTHER STREET, WINDHOEK
PO BOX 2864
WINDHOEK
NAMIBIA

PHONE: +264 (61) 205-4111
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SEALED PROPOSALS SHALL BE CLEARLY MARKED AND RECEIVED PRIOR TO THE TIME AND DATE SPECIFIED ABOVE. PROPOSALS RECEIVED AFTER SAID TIME AND DATE WILL NOT BE ACCEPTED OR CONSIDERED.

REQUEST FOR PROPOSALS

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Section 1: INTRODUCTION

The U.S. Trade and Development Agency (USTDA) has provided a grant in the amount of US\$400,000 to the Namibia Power Corporation (Proprietary) Limited (the "Grantee") in accordance with a grant agreement dated June 21, 2010 (the "Grant Agreement") to fund the cost of goods and services required for a feasibility study ("Feasibility Study") to evaluate the technical, financial, environmental, and other critical aspects of the proposed Van Eck Power Plant ("Van Eck") Rehabilitation project in Namibia ("Host Country"). The Feasibility Study will consider various options for the rehabilitation of Van Eck, including: (1) no repairs; (2) minimal repairs to extend the life of Van Eck by 5-10 years; (3) a major rehabilitation and modernization to extend the life of Van Eck by 25-30 years; (4) conversion of Van Eck to a synthesis gas fired power plant; and (5) any additional options for the rehabilitation of Van Eck that the Contractor and Grantee deem viable. The primary objective of the Study is to provide the Grantee with recommendations for the rehabilitation of Van Eck and a financing plan for implementing the Grantee's Selected Option for the rehabilitation of Van Eck. Another objective of the Study is to improve the Grantee's capacity in the area of electricity generation planning.

The Grant Agreement is attached at Annex 4 for reference. The Grantee is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to perform the Feasibility Study.

1.1 BACKGROUND SUMMARY

Namibia, like its fellow members in the Southern Africa Power Pool (SAPP), is currently facing an electricity shortage, which could rapidly worsen with widespread economic consequences. Namibia's current electricity generation capacity is 384 MW, but the country has an annual maximum requirement of 450 MW. The shortfall is currently met through imports; however, as other SAPP members struggle to meet their own electricity needs, the availability of these imports is no longer reliable. To address this situation, the Government of Namibia is seeking to expand the country's electricity generation capacity, including the rehabilitation and expansion of existing generation facilities, as well as the construction of new generation facilities.

One attractive option to immediately increase Namibia's electricity generation capacity is the rehabilitation of Van Eck. Van Eck is a 120 MW coal-fired power plant located in Namibia's capital, Windhoek. The power plant was built in 1972 and is close to the end of its life. Over the years, Van Eck has suffered from a lack of proper maintenance and damage due to general usage. Virtually all of the major equipment is outdated and needs to be replaced. Indeed, Van Eck would likely have already been decommissioned if Namibia had adequate electricity supply alternatives, as operating the plant in its current condition is both uneconomical and environmentally undesirable due to high pollution.

To take advantage of Van Eck's existing location and ancillary infrastructure, NamPower is currently considering various options for the rehabilitation of the power plant, including: (1)

minimal repairs to extend the life of the plant by 5-10 years while other power generation sources become available; (2) a major rehabilitation and modernization to extend the life of the plant by 25-30 years; and (3) converting the plant to a synthesis gas fired power plant capable of generating electricity from a variety of environmentally friendly feedstocks, such as biomass and solid waste, as well as traditional feedstocks, such as natural gas and coal. Each of these options would involve the introduction of modern clean energy technologies, such as precipitators, flue gas desulphurization, high-efficiency boilers, and synthetic gas technologies.

A background Desk Study is provided for reference in Annex 2.

1.2 OBJECTIVE

The primary objective of the Feasibility Study is to provide the Grantee with recommendations for the rehabilitation of Van Eck and a financing plan for implementing the Grantee's Selected Option for the rehabilitation of Van Eck. Another objective of the Feasibility Study is to improve the Grantee's capacity in the area of electricity generation planning.

The Terms of Reference (TOR) for the Feasibility Study are attached as Annex 5.

1.3 PROPOSALS TO BE SUBMITTED

Technical proposals are solicited from interested and qualified U.S. firms. The administrative and technical requirements as detailed throughout the Request for Proposals (RFP) will apply. Specific proposal format and content requirements are detailed in Section 3.

The amount for the contract has been established by a USTDA grant of US\$400,000. **The USTDA grant of \$US400,000 is a fixed amount. Accordingly, COST will not be a factor in the evaluation and therefore, cost proposals should not be submitted.** Upon detailed evaluation of technical proposals, the Grantee shall select one firm for contract negotiations.

1.4 CONTRACT FUNDED BY USTDA

In accordance with the terms and conditions of the Grant Agreement, USTDA has provided a grant in the amount of US\$400,000 to the Grantee. The funding provided under the Grant Agreement shall be used to fund the costs of the contract between the Grantee and the U.S. firm selected by the Grantee to perform the TOR. The contract must include certain USTDA Mandatory Contract Clauses relating to nationality, taxes, payment, reporting, and other matters. The USTDA nationality requirements and the USTDA Mandatory Contract Clauses are attached at Annexes 3 and 4, respectively, for reference.

Section 2: INSTRUCTIONS TO OFFERORS

2.1 PROJECT TITLE

The project is called the Van Eck Power Plant Rehabilitation.

2.2 DEFINITIONS

Please note the following definitions of terms as used in this RFP.

The term "Request for Proposals" means this solicitation of a formal technical proposal, including qualifications statement.

The term "Offeror" means the U.S. firm, including any and all subcontractors, which responds to the RFP and submits a formal proposal and which may or may not be successful in being awarded this procurement.

2.3 DESK STUDY REPORT

USTDA sponsored a Desk Study to address technical, financial, sociopolitical, environmental and other aspects of the proposed project. A copy of the report is attached at Annex 2 for background information only. Please note that the TOR referenced in the report are included in this RFP as Annex 5.

2.4 EXAMINATION OF DOCUMENTS

Offerors should carefully examine this RFP. It will be assumed that Offerors have done such inspection and that through examinations, inquiries and investigation they have become familiarized with local conditions and the nature of problems to be solved during the execution of the Feasibility Study.

Offerors shall address all items as specified in this RFP. Failure to adhere to this format may disqualify an Offeror from further consideration.

Submission of a proposal shall constitute evidence that the Offeror has made all the above mentioned examinations and investigations, and is free of any uncertainty with respect to conditions which would affect the execution and completion of the Feasibility Study.

2.5 PROJECT FUNDING SOURCE

The Feasibility Study will be funded under a grant from USTDA. The total amount of the grant is not to exceed US\$400,000.

2.6 RESPONSIBILITY FOR COSTS

Offeror shall be fully responsible for all costs incurred in the development and submission of the proposal. Neither USTDA nor the Grantee assumes any obligation as a result of the issuance of this RFP, the preparation or submission of a proposal by an Offeror, the evaluation of proposals, final selection or negotiation of a contract.

2.7 TAXES

Offerors should submit proposals that note that in accordance with the USTDA Mandatory Contract Clauses, USTDA grant funds shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in the Host Country.

2.8 CONFIDENTIALITY

The Grantee will preserve the confidentiality of any business proprietary or confidential information submitted by the Offeror, which is clearly designated as such by the Offeror, to the extent permitted by the laws of the Host Country.

2.9 ECONOMY OF PROPOSALS

Proposal documents should be prepared simply and economically, providing a comprehensive yet concise description of the Offeror's capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

2.10 OFFEROR CERTIFICATIONS

The Offeror shall certify (a) that its proposal is genuine and is not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation, and is not submitted in conformity with, and agreement of, any undisclosed group, association, organization, or corporation; (b) that it has not directly or indirectly induced or solicited any other Offeror to put in a false proposal; (c) that it has not solicited or induced any other person, firm, or corporation to refrain from submitting a proposal; and (d) that it has not sought by collusion to obtain for itself any advantage over any other Offeror or over the Grantee or USTDA or any employee thereof.

2.11 CONDITIONS REQUIRED FOR PARTICIPATION

Only U.S. firms are eligible to participate in this tender. However, U.S. firms may utilize subcontractors from the Host Country for up to 20 percent of the amount of the USTDA grant for specific services from the TOR identified in the subcontract. USTDA's nationality requirements, including definitions, are detailed in Annex 3.

2.12 LANGUAGE OF PROPOSAL

All proposal documents shall be prepared and submitted in English, and only English.

2.13 PROPOSAL SUBMISSION REQUIREMENTS

The **Cover Letter** in the proposal must be addressed to:

Namibia Power Corporation
NamPower Center
15 Luther Street, Windhoek
PO Box 2864
WINDHOEK
Namibia

Phone: +264 (61) 205-4111

Fax: +264 (61) 205-2305

An Original and eight (8) copies of your proposal must be received at the above address no later than 4:00 PM local (Windhoek) time, on September 20, 2010.

Proposals may be either sent by mail, overnight courier, or hand-delivered. Whether the proposal is sent by mail, courier or hand-delivered, the Offeror shall be responsible for actual delivery of the proposal to the above address before the deadline. Any proposal received after the deadline will be returned unopened. The Grantee will promptly notify any Offeror if its proposal was received late.

Upon timely receipt, all proposals become the property of the Grantee.

2.14 PACKAGING

The original and each copy of the proposal must be sealed to ensure confidentiality of the information. The proposals should be individually wrapped and sealed, and labeled for content including "original" or "copy number x"; the original and eight (8) copies should be collectively wrapped and sealed, and clearly labeled.

Neither USTDA nor the Grantee will be responsible for premature opening of proposals not properly wrapped, sealed and labeled.

2.15 AUTHORIZED SIGNATURE

The proposal must contain the signature of a duly authorized officer or agent of the Offeror empowered with the right to bind the Offeror.

2.16 EFFECTIVE PERIOD OF PROPOSAL

The proposal shall be binding upon the Offeror for sixty days after the proposal due date, and Offeror may withdraw or modify this proposal at any time prior to the due date upon written request, signed in the same manner and by the same person who signed the original proposal.

2.17 EXCEPTIONS

All Offerors agree by their response to this RFP announcement to abide by the procedures set forth herein. No exceptions shall be permitted.

2.18 OFFEROR QUALIFICATIONS

As provided in Section 3, Offerors shall submit evidence that they have relevant past experience and have previously delivered advisory, feasibility study and/or other services similar to those required in the TOR, as applicable.

2.19 RIGHT TO REJECT PROPOSALS

The Grantee reserves the right to reject any and all proposals.

2.20 PRIME CONTRACTOR RESPONSIBILITY

Offerors have the option of subcontracting parts of the services they propose. The Offeror's proposal must include a description of any anticipated subcontracting arrangements, including the name, address, and qualifications of any subcontractors. USTDA nationality provisions apply to the use of subcontractors and are set forth in detail in Annex 3. The successful Offeror shall cause appropriate provisions of its contract, including all of the applicable USTDA Mandatory Contract Clauses, to be inserted in any subcontract funded or partially funded by USTDA grant funds.

2.21 AWARD

The Grantee shall make an award resulting from this RFP to the best qualified Offeror, on the basis of the evaluation factors set forth herein. The Grantee reserves the right to reject any and all proposals received and, in all cases, the Grantee will be the judge as to whether a proposal has or has not satisfactorily met the requirements of this RFP.

2.22 COMPLETE SERVICES

The successful Offeror shall be required to (a) provide local transportation, office space and secretarial support required to perform the TOR if such support is not provided by the Grantee; (b) provide and perform all necessary labor, supervision and services; and (c) in accordance with best technical and business practice, and in accordance with the requirements, stipulations, provisions and conditions of this RFP and the resultant contract, execute and complete the TOR to the satisfaction of the Grantee and USTDA.

2.23 INVOICING AND PAYMENT

Deliverables under the contract shall be delivered on a schedule to be agreed upon in a contract with the Grantee. The Contractor may submit invoices to the designated Grantee Project Director in accordance with a schedule to be negotiated and included in the contract. After the Grantee's approval of each invoice, the Grantee will forward the invoice to USTDA. If all of the requirements of USTDA's Mandatory Contract Clauses are met, USTDA shall make its respective disbursement of the grant funds directly to the U.S. firm in the United States. All payments by USTDA under the Grant Agreement will be made in U.S. currency. Detailed provisions with respect to invoicing and disbursement of grant funds are set forth in the USTDA Mandatory Contract Clauses attached in Annex 4.

Section 3: PROPOSAL FORMAT AND CONTENT

To expedite proposal review and evaluation, and to assure that each proposal receives the same orderly review, all proposals must follow the format described in this section.

Proposal sections and pages shall be appropriately numbered and the proposal shall include a Table of Contents. Offerors are encouraged to submit concise and clear responses to the RFP. Proposals shall contain all elements of information requested without exception. Instructions regarding the required scope and content are given in this section. The Grantee reserves the right to include any part of the selected proposal in the final contract.

The proposal shall consist of a technical proposal only. A cost proposal is NOT required because the amount for the contract has been established by a USTDA grant of US\$400,000, which is a fixed amount.

Offerors shall submit one (1) original and eight (8) copies of the proposal. Proposals received by fax cannot be accepted.

Each proposal must include the following:

- Transmittal Letter,
- Cover/Title Page,
- Table of Contents,
- Executive Summary,
- Company Information,
- Organizational Structure, Management Plan, and Key Personnel,
- Technical Approach and Work Plan, and
- Experience and Qualifications.

Detailed requirements and directions for the preparation of the proposal are presented below.

3.1 EXECUTIVE SUMMARY

An Executive Summary should be prepared describing the major elements of the proposal, including any conclusions, assumptions, and general recommendations the Offeror desires to make. Offerors are requested to make every effort to limit the length of the Executive Summary to no more than five (5) pages.

3.2 COMPANY INFORMATION

For convenience, the information required in this Section 3.2 may be submitted in the form attached in Annex 6 hereto.

3.2.1 Company Profile

Provide the information listed below relative to the Offeror's firm. If the Offeror is proposing to subcontract some of the proposed work to another firm(s), the information requested in sections 3.2.5 and 3.2.6 below must be provided for each subcontractor.

1. Name of firm and business address (street address only), including telephone and fax numbers.
2. Year established (include predecessor companies and year(s) established, if appropriate).
3. Type of ownership (e.g. public, private or closely held).
4. If private or closely held company, provide list of shareholders and the percentage of their ownership.
5. List of directors and principal officers (President, Chief Executive Officer, Vice-President(s), Secretary and Treasurer; provide full names including first, middle and last). Please place an asterisk (*) next to the names of those principal officers who will be involved in the Feasibility Study.
6. If Offeror is a subsidiary, indicate if Offeror is a wholly-owned or partially-owned subsidiary. Provide the information requested in items 1 through 5 above for the Offeror's parent(s).
7. Project Manager's name, address, telephone number, e-mail address and fax number.

3.2.2 Offeror's Authorized Negotiator

Provide name, title, address, telephone number, e-mail address and fax number of the Offeror's authorized negotiator. The person cited shall be empowered to make binding commitments for the Offeror and its subcontractors, if any.

3.2.3 Negotiation Prerequisites

1. Discuss any current or anticipated commitments which may impact the ability of the Offeror or its subcontractors to complete the Feasibility Study as proposed and reflect such impact within the project schedule.
2. Identify any specific information which is needed from the Grantee before commencing contract negotiations.

3.2.4 Offeror's Representations

If any of the following representations cannot be made, or if there are exceptions, the Offeror must provide an explanation.

1. Offeror is a corporation *[insert applicable type of entity if not a corporation]* duly organized, validly existing and in good standing under the laws of the State of _____. The Offeror has all the requisite corporate power and authority to conduct its business as presently conducted, to submit this proposal, and if selected, to execute and deliver a contract to the Grantee for the performance of the Feasibility Study. The Offeror is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment, or ineligible for the award of contracts by any federal or state governmental agency or authority.
2. The Offeror has included, with this proposal, a certified copy of its Articles of Incorporation, and a certificate of good standing issued within one month of the date of its proposal by the State of _____. The Offeror commits to notify USTDA and the Grantee if they become aware of any change in their status in the state in which they are incorporated. USTDA retains the right to request an updated certificate of good standing.
3. Neither the Offeror nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
4. Neither the Offeror, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 3 above.
5. There are no federal or state tax liens pending against the assets, property or business of the Offeror. The Offeror, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
6. The Offeror has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The Offeror has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected Offeror shall notify the Grantee and USTDA if any of the representations included in its proposal are no longer true and correct at the time of its entry into a contract with the Grantee.

3.2.5 Subcontractor Profile

1. Name of firm and business address (street address only), including telephone and fax numbers.
2. Year established (include predecessor companies and year(s) established, if appropriate).

3.2.6 Subcontractor's Representations

If any of the following representations cannot be made, or if there are exceptions, the Subcontractor must provide an explanation.

1. Subcontractor is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of _____. The subcontractor has all the requisite corporate power and authority to conduct its business as presently conducted, to participate in this proposal, and if the Offeror is selected, to execute and deliver a subcontract to the Offeror for the performance of the Feasibility Study and to perform the Feasibility Study. The subcontractor is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment or ineligible for the award of contracts by any federal or state governmental agency or authority.
2. Neither the subcontractor nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
3. Neither the subcontractor, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 2 above.
4. There are no federal or state tax liens pending against the assets, property or business of the subcontractor. The subcontractor, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.

5. The subcontractor has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The subcontractor has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected subcontractor shall notify the Offeror, Grantee and USTDA if any of the representations included in this proposal are no longer true and correct at the time of the Offeror's entry into a contract with the Grantee.

3.3 ORGANIZATIONAL STRUCTURE, MANAGEMENT, AND KEY PERSONNEL

Describe the Offeror's proposed project organizational structure. Discuss how the project will be managed including the principal and key staff assignments for this Feasibility Study. Identify the Project Manager who will be the individual responsible for this project. The Project Manager shall have the responsibility and authority to act on behalf of the Offeror in all matters related to the Feasibility Study.

Provide a listing of personnel (including subcontractors) to be engaged in the project, including both U.S. and local subcontractors, with the following information for key staff: position in the project; pertinent experience, curriculum vitae; other relevant information. If subcontractors are to be used, the Offeror shall describe the organizational relationship, if any, between the Offeror and the subcontractor.

A manpower schedule and the level of effort for the project period, by activities and tasks, as detailed under the Technical Approach and Work Plan shall be submitted. A statement confirming the availability of the proposed project manager and key staff over the duration of the project must be included in the proposal.

3.4 TECHNICAL APPROACH AND WORK PLAN

Describe in detail the proposed Technical Approach and Work Plan (the "Work Plan"). Discuss the Offeror's methodology for completing the project requirements. Include a brief narrative of the Offeror's methodology for completing the tasks within each activity series. Begin with the information gathering phase and continue through delivery and approval of all required reports.

Prepare a detailed schedule of performance that describes all activities and tasks within the Work Plan, including periodic reporting or review points, incremental delivery dates, and other project milestones.

Based on the Work Plan, and previous project experience, describe any support that the Offeror will require from the Grantee. Detail the amount of staff time required by the Grantee or other participating agencies and any work space or facilities needed to complete the Feasibility Study.

3.5 EXPERIENCE AND QUALIFICATIONS

Provide a discussion of the Offeror's experience and qualifications that are relevant to the objectives and TOR for the Feasibility Study. If a subcontractor(s) is being used, similar information must be provided for the prime and each subcontractor firm proposed for the project. The Offeror shall provide information with respect to relevant experience and qualifications of key staff proposed. The Offeror shall include letters of commitment from the individuals proposed confirming their availability for contract performance.

As many as possible but not more than six (6) relevant and verifiable project references must be provided for each of the Offeror and any subcontractor, including the following information:

- Project name,
- Name and address of client (indicate if joint venture),
- Client contact person (name/ position/ current phone and fax numbers),
- Period of Contract,
- Description of services provided,
- Dollar amount of Contract, and
- Status and comments.

Offerors are strongly encouraged to include in their experience summary primarily those projects that are similar to or larger in scope than the Feasibility Study as described in this RFP.

Section 4: AWARD CRITERIA

Individual proposals will be initially evaluated by a Procurement Selection Committee of representatives from the Grantee. The Committee will then conduct a final evaluation and completion of ranking of qualified Offerors. The Grantee will notify USTDA of the best qualified Offeror, and upon receipt of USTDA's no-objection letter, the Grantee shall promptly notify all Offerors of the award and negotiate a contract with the best qualified Offeror. If a satisfactory contract cannot be negotiated with the best qualified Offeror, negotiations will be formally terminated. Negotiations may then be undertaken with the second most qualified Offeror and so forth.

The selection of the Contractor will be based on the following criteria:

- *Experience of the firm in coal-fired power plant equipment and technologies (25%)*
- *International experience of the firm in prior similar power projects (15%)*
- *Experience of the firm in similar projects in Africa (5%)*
- *Experience of the Proposed Experts (25%)*
- *Technical approach of the firm for developing the project (20%)*
- *Approach for economic analysis and financing power generation projects (10%)*

Proposals that do not include all requested information may be considered non-responsive.

Price will not be a factor in contractor selection.

ANNEX 1

Namibia Power Corporation, NamPower Center, 15 Luther Street, Windhoek, PO Box 2864, Windhoek, Namibia, Phone: +264 (61) 205-4111, Fax: +264 (61) 205-2305

B—Namibia: Feasibility Study for the Van Eck Power Plant Rehabilitation

POC: Robin Carter-Yavuz, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. Van Eck Power Plant Rehabilitation. The Grantee invites submission of qualifications and proposal data (collectively referred to as the "Proposal") from interested U.S. firms that are qualified on the basis of experience and capability to develop a Feasibility Study for the proposed Van Eck Power Plant Rehabilitation project in Namibia.

Namibia, like its fellow members in the Southern Africa Power Pool (SAPP), is currently facing an electricity shortage, which could rapidly worsen with widespread economic consequences. Namibia's current electricity generation capacity is 384 MW, but the country has an annual maximum requirement of 450 MW. The shortfall is currently met through imports; however, as other SAPP members struggle to meet their own electricity needs, the availability of these imports is no longer reliable. To address this situation, the Government of Namibia (GoN) is seeking to expand the country's electricity generation capacity, including the rehabilitation and expansion of existing generation facilities, as well as the construction of new generation facilities.

One attractive option to immediately increase Namibia's electricity generation capacity is the rehabilitation of Van Eck. Van Eck is a 120 MW coal-fired power plant located in Namibia's capital, Windhoek. The power plant was built in 1972 and is close to the end of its life. Over the years, Van Eck has suffered from a lack of proper maintenance and damage due to general usage. Virtually all of the major equipment is outdated and needs to be replaced. Indeed, Van Eck would likely have already been decommissioned if Namibia had adequate electricity supply alternatives, as operating the plant in its current condition is both uneconomical and environmentally undesirable due to high pollution.

The Feasibility Study will consider various options for the rehabilitation of Van Eck, including: (1) no repairs; (2) minimal repairs to extend the life of Van Eck by 5-10 years; (3) a major rehabilitation and modernization to extend the life of Van Eck by 25-30 years; (4) conversion of Van Eck to a synthesis gas fired power plant; and (5) any additional options for the rehabilitation of Van Eck that the Contractor and Grantee deem viable. The primary objective of the Feasibility Study is to provide the Grantee with recommendations for the rehabilitation of Van Eck and a financing plan for implementing the Grantee's Selected Option for the rehabilitation of Van Eck. Another objective of the Study is to improve the Grantee's capacity in the area of electricity generation planning.

The U.S. firm selected will be paid in U.S. dollars from a \$400,000 grant to the Grantee from the U.S. Trade and Development Agency (USTDA).

A detailed Request for Proposals (RFP), which includes requirements for the Proposal, the Terms of Reference, and a background desk study report are available from USTDA, at 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901. To request the RFP

in PDF format, please go to: <https://www.ustda.gov/businessopps/rfpform.asp>. Requests for a mailed hardcopy version of the RFP may also be faxed to the IRC, USTDA at 703-875-4009. In the fax, please include your firm's name, contact person, address, and telephone number. Some firms have found that RFP materials sent by U.S. mail do not reach them in time for preparation of an adequate response. Firms that want USTDA to use an overnight delivery service should include the name of the delivery service and your firm's account number in the request for the RFP. Firms that want to send a courier to USTDA to retrieve the RFP should allow one hour after faxing the request to USTDA before scheduling a pick-up. Please note that no telephone requests for the RFP will be honored. Please check your internal fax verification receipt. Because of the large number of RFP requests, USTDA cannot respond to requests for fax verification. Requests for RFPs received before 4:00 PM will be mailed the same day. Requests received after 4:00 PM will be mailed the following day. Please check with your courier and/or mail room before calling USTDA.

Only U.S. firms and individuals may bid on this USTDA financed activity. Interested firms, their subcontractors and employees of all participants must qualify under USTDA's nationality requirements as of the due date for submission of qualifications and proposals and, if selected to carry out the USTDA-financed activity, must continue to meet such requirements throughout the duration of the USTDA-financed activity. All goods and services to be provided by the selected firm shall have their nationality, source and origin in the U.S. or host country. The U.S. firm may use subcontractors from the host country for up to 20 percent of the USTDA grant amount. Details of USTDA's nationality requirements and mandatory contract clauses are also included in the RFP.

Interested U.S. firms should submit their Proposal in English directly to the Grantee by 4:00 PM local (Windhoek) time, on September 20, 2010, at the above address. Evaluation criteria for the Proposal are included in the RFP. Price will not be a factor in contractor selection, and therefore, cost proposals should NOT be submitted. The Grantee reserves the right to reject any and/or all Proposals. The Grantee also reserves the right to contract with the selected firm for subsequent work related to the project. The Grantee is not bound to pay for any costs associated with the preparation and submission of Proposals.

ANNEX 2



Consultants for Resources Evaluation

DESK STUDY REPORT (PUBLIC REPORT)

FEASIBILITY STUDY FOR THE REHABILITATION OF THE VAN ECK THERMAL POWER STATION IN NAMIBIA

Project Number: USTDA - PO2009110013

Submitted By
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November 13, 2009



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ANNEXES

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A. EXECUTIVE SUMMARY

Historically, Namibia has generally had sufficient electricity supply based on its own generation and imports from several countries in the region. However, this situation has suddenly changed. Currently, Namibia is facing an energy crisis which could rapidly get worse with widespread economic impacts. Namibia produces 384 MW of power from local plants, but has an annual maximum requirement of 450 MW, with the extra load imported from South Africa, Zimbabwe and Zambia. Some of these imports are now not available. Therefore, Namibia has two challenges – first to address the immediate-term supply crisis and simultaneously implement strategies to add new supply to meet the growing demand for power.

NamPower's supply profile has faced many problems recently. For example, Ruacana, one of the main power generation sources with 240 megawatts output, can no longer run to full capacity as water levels go down in the Kunene River. And this has led to the Ruacana Power Station to run only during peak hours for limited hours. At the moment, NamPower can only generate electricity from one generator that produces 80 MW. NamPower is considering installing a fourth unit at Ruacana, which would bring the generation output to 320 megawatts. However, even under the best circumstances this option will not be available until 2010. Other power sources in the country are van Eck with a capacity of 120 MW and Paratus, which generates 24 MW. In fact, most of NamPower's new generation projects will only be available after 2 to 3 years. Accordingly, there is a pressing need to devise new measures to address the energy crisis.

One attractive option in the immediate time frame is for NamPower to explore options for the rehabilitation of the van Eck power plant to increase its available capacity. Van Eck is a 120 MW (4X30 MW) coal-fired power plant located in Namibia's capital, Windhoek. The power plant was built in 1972 and is close to the end of its life. Currently, the power plant is very unreliable. For many years, the plant was run as a base load plant. In the late-seventies the plant became more and more dormant and in 1981, NamPower commissioned a hydropower plant to replace some of the capacity loss at the van Eck power plant. Over the years, the van Eck power plant suffered from a lack of maintenance and damage due to moisture ingress, leakage, and general wear and tear. In 2000, NamPower began to operate van Eck again, especially during the period of servicing the hydropower station, but mainly to manage peaks during emergencies due to congested/limited supply from Eskom. Only three units of the van Eck plant are operational; one unit is in stand-by mode to be operated only if any of the three units should break down or if maintenance of any of the three units takes place. Virtually all boiler equipment at van Eck is outdated including the, precipitators, dust collectors, control systems, etc.

NamPower is faced with the decision as to the disposition of the van Eck plant including one option being a total decommissioning of the boilers. Two generators were converted to reduced operations to improve system stability. Indeed, Van Eck would have already been decommissioned if Namibia had adequate electricity supply alternatives, as continuing to operate the power plant in its current state is both uneconomical and environmentally undesirable due to high pollution. To take advantage

of Van Eck's existing location and ancillary infrastructure, NamPower is currently considering various options for the rehabilitation of the power plant that include (i) life extension for 5-10 years, (ii) a major rehabilitation and modernization, and (iii) the possibility of converting the plant into a synthesis gas fired power plant by retrofitting the existing boilers and adding a cogeneration steam turbine and a gasification unit, which would support a variety of carbon-based fuels as inputs. In order to study these options and make the best choice to enhance plant efficiency and reduce pollution, NamPower requested USTDA support to finance the cost of a detailed feasibility study to assess various options for the disposition of the van Eck plant and recommend a financially viable course of action.

CORE International conducted a review of the proposed project and analyzed the information provided by NamPower. Based on this review, CORE concluded that the van Eck power plant could be rehabilitated to extend its life by 5-6 years which would provide the time needed for Namibia to bring on additional capacity through IPPs to address the country's power demand. CORE further concluded that this project meets all of USTDA's criteria for funding feasibility study grants. Accordingly, CORE recommends that USTDA consider providing a grant to NamPower in the amount of \$400,000 to finance the cost of the proposed feasibility study. The U.S. industry is the leader in boiler technology and the project would offer the U.S. industry an opportunity to participate in the Namibian power sector and the growing regional electricity market in the SADC Region.

Annex I includes detailed Terms of Reference (TORs) for the proposed feasibility study. The prospective grantee, NamPower, has concurred with these TORs. The TORs include detailed tasks for assessing the environmental and developmental impacts that may result from the implementation of the project and document remediation actions for any adverse environmental impacts as part of the feasibility study. Given the potential of the use of gas, the project also offers clean energy benefits.

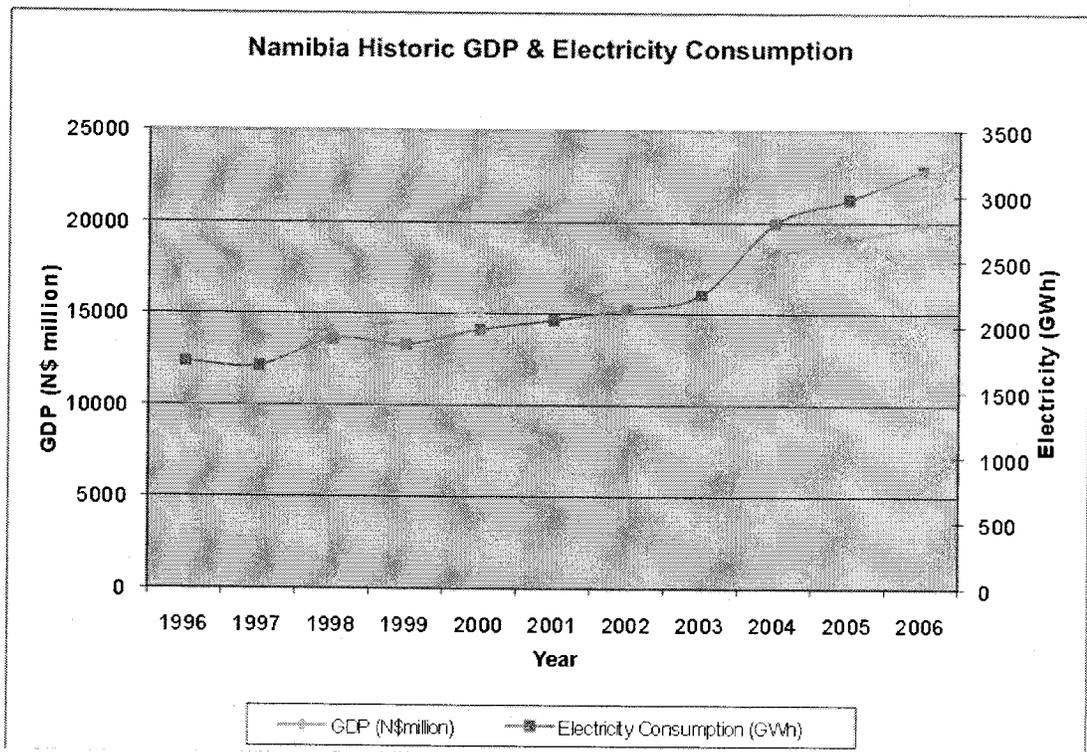
Annex II includes a detailed budget and schedule for the proposed study. Annex III includes key contacts in NamPower for the proposed study.

B. PROJECT DESCRIPTION

A. INTRODUCTION

Historically, Namibia’s electricity demand has grown at an average annual rate of 7.6 percent (2000-2006) and the economy has grown at an average annual rate of 4.5 percent (2000-2006). Exhibit 1 shows that the growth rate for electricity is approaching almost double of that of the GDP of the country. As Namibia’s economy enters into the next stage of development, electricity demand growth is expected to further jump, placing additional pressure on the country to design and implement effective supply and demand management strategies. However, Namibia, similar to other countries in the Southern African Development Community (SADC) Region, has entered a situation that could quickly turn into a serious energy crisis.

EXHIBIT 1: GROWTH RATE OF ELECTRICITY AND GDP IN NAMIBIA



Energy Setting in the SADC Region

The energy supply situation in the SADC Region is facing an enormous challenge due to many reasons including (i) a lack of effective advance planning, (ii) an impressive growth in energy demand in many of the countries in the region, and (iii) a sizable drop in Eskom’s generation surplus over the last few years. In addition, many regional generation and transmission linkage projects have suffered delays making the situation

even worse. Many of the countries in the Region including South Africa are now facing energy shortfalls as evidenced by widespread power cuts.

While, historically, the regional energy supply in Namibia was managed rather effectively, the current situation has changed dramatically. Namibia is now only on an emergency supply situation with South Africa and Namibia's own generation reserves are not sufficient to withstand a sudden surge in electricity demand. This supply situation will continue until a sizeable import source (Caprivi Link Inter-connector) and/or power station (Kudu, Walvis Bay Coal, etc.) have been commissioned and a few IPPs are operational in the country. This situation clearly leaves Namibia with a three-four year period where alternatives have to be evaluated and implemented in order to avoid a serious energy shortfall and the consequent economic and social impacts.

Current Energy Supply Situation in Namibia

Similar to many countries in the SADC Region, Namibia's power sector is linked to South Africa. The Government of Namibia stated in the White Paper on Energy Policy of 1998 that it is committed to building the economy and improving the quality of life of all its citizens. The year 2008 started with several power failures in South Africa from which Namibia currently imports more than half of its power needs. The warnings of power failures due to diminishing supply in the Southern African Region have finally come true. Without reliable electricity supply it will be difficult to build the economy and stay within the Government framework for future economic growth in line with the White Paper on Energy Policy and Vision 2030 goals. With the current energy crisis persisting, the realization of the Vision 2030 may be significantly compromised.

Historically, Namibia has generally had sufficient electricity supply based on its own generation and imports from several countries in the region. However, this situation has suddenly changed. Currently, Namibia is facing an energy crisis which could rapidly get worse with widespread economic impacts. Namibia produces 384 MW of power from local plants, but has an annual maximum requirement of 450 MW, with the extra load imported from South Africa, Zimbabwe and Zambia. Some of these imports are now not available. Therefore, Namibia has two challenges – first to address the immediate-term supply crisis and simultaneously implement strategies to add new supply to meet the growing demand for power.

In close working relationship with the Government and the Electricity Control Board, the national regulator, NamPower is embarking on a dual strategy to both rehabilitate its existing power stations to increase available capacity while encourage the entry of IPPs in the country to address the medium and long-term power supply needs of the country. NamPower has been an active participant in ECB's efforts to develop a framework for IPPs under USTDA funding that has resulted in some 12 IPP applications that are currently being reviewed by the Government.

NamPower's supply profile has faced many problems recently. For example, Ruacana, one of the main power generation sources with 240 megawatts output, can no longer run to full capacity as water levels go down in the Kunene River. And this has led to the Ruacana Power Station to run only during peak hours for limited hours. At the moment, NamPower can only generate electricity from one generator that produces 80 MW. NamPower is considering installing a fourth unit at Ruacana, which would bring the

generation output to 320 megawatts. However, even under the best circumstances this option will not be available until 2010. Other power sources in the country are van Eck with a capacity of 120 MW and Paratus, which generates 24 MW. In fact, most of NamPower's new generation projects will only be available after 2 to 3 years. Accordingly, there is a pressing need to devise new measures to address the energy crisis.

During low-flow periods of the Kunene River, that is, from June to November, Namibia, in the past has imported up to 60% of its energy requirements from Eskom and other utilities within the SAPP. During these periods supply shortages are managed by running the van Eck coal-fired power plant as well as the Paratus diesel-fired power plant. However, since January 2008, Eskom has put Namibia on "emergency supply status only which has resulted in an energy crisis in Namibia.

Current Status of the van Eck Power Plant

Van Eck is a 120 MW (4X30 MW) coal-fired power plant located in Namibia's capital, Windhoek. The power plant was built in 1972 and is close to the end of its life. Currently, the power plant is very unreliable. For many years, the plant was run as a base load plant. In the late-seventies the plant became more and more dormant and in 1981, NamPower commissioned a hydropower plant to replace some of the capacity loss at the van Eck power plant. Over the years, the van Eck power plant suffered from a lack of maintenance and damage due to moisture ingress, leakage, and general wear and tear. In 2000, NamPower began to operate van Eck again, especially during the period of servicing the hydropower station, but mainly to manage peaks during emergencies due to congested/limited supply from Eskom. Only three units of the van Eck plant are operational; one unit is in stand-by mode to be operated only if any of the three units should break down or if maintenance of any of the three units takes place. Virtually all boiler equipment at van Eck is outdated including the, precipitators, dust collectors, control systems, etc.

NamPower is faced with the decision as to the disposition of the van Eck plant including one option being a total decommissioning of the boilers. Two generators were converted to SCO operations to improve system stability. Indeed, Van Eck would have already been decommissioned if Namibia had adequate electricity supply alternatives, as continuing to operate the power plant in its current state is both uneconomical and environmentally undesirable due to high pollution. To take advantage of Van Eck's existing location and ancillary infrastructure, NamPower is currently considering various options for the rehabilitation of the power plant that include (i) life extension for 5-10 years, (ii) a major rehabilitation and modernization, and (iii) the possibility of converting the plant into a synthesis gas fired power plant by retrofitting the existing boilers and adding a cogeneration steam turbine and a gasification unit, which would support a variety of carbon-based fuels as inputs. In order to study these options and make the best choice to enhance plant efficiency and reduce pollution, NamPower requested USTDA support to finance the cost of a detailed feasibility study to assess various options for the disposition of the van Eck plant and recommend a financially viable course of action.

Desk Study Final Report – Feasibility Study for the Rehabilitation of van Eck Thermal Power Station in Namibia – Project No. USTDA – PO2009110013

This Desk Study Report summarized CORE International's review of NamPower's proposal and a recommendation to USTDA to fund the requested feasibility study. This project meets all of the USTDA criteria for funding feasibility study grants.

C. PROJECT SPONSOR'S CAPABILITIES AND COMMITMENT

NamPower is struggling with the challenge to rationalize its existing generation system while developing plans for adding new capacity to the supply mix in order to meeting the rapidly growing demand for electricity in Namibia. The van Eck project offers an immediate opportunity for NamPower to rehabilitate/replace all of the four boilers at van Eck that would make the full 120 MW capacity available in the near term. In this manner, NamPower could add that plant to its base load dispatch in stead of its current status where it is used only for peaking.

Accordingly, NamPower is fully committed to proceeding with this project. Both the Ministry of Mines and Energy and the Electricity Control Board in Namibia (ECB) support this project. ECB has also concurred with the TORs for the proposed feasibility study prepared by CORE. The commitment of NamPower to this project is further demonstrated by the fact that senior officials from both NamPower and the ECB visited USTDA in October 2009 and discussed the urgent need for a grant from USTDA to proceed with the feasibility study.

In addition, in anticipation of the grant, NamPower has already begun familiarizing itself with the USTDA feasibility study grant process including the model grant, a contract template, and related requirements.

NamPower, as the national utility of Namibia, has the capacity and capabilities to undertake this feasibility study and guide the work of the selected U.S. contractor.

D. IMPLEMENTATION FINANCING

In accordance with the Draft National Integrated Resources Plan (NIRP) of Namibia, the van Eck power project has been classified as a rehabilitation project rather than a “new build” project. Accordingly, the project is part of the NamPower Generation Expansion plan already approved by the ECB and the Government. NamPower has indicated to CORE that financing is available for the project. Some additional financing may be required depending upon the option recommended by the selected Contractor as part of the feasibility study.

Namibia also has access to financing from a number of U.S. and international organizations. These include the following:

- **The U.S. Government:** A number of organizations within the U.S. Government provide financing for infrastructure projects to developing countries and emerging economies depending upon the components of the project and their respective criteria for funding. The following are some of the key sources for financing in the U.S:
 - **U.S. Agency for International Development (USAID):** USAID has a program in Namibia that supports a wide variety of activities in Namibia. USAID has provided training and capacity building support in the energy sector in Namibia and is available to continue similar assistance for strategic projects that have a direct impact on economic growth. The van Eck project will undoubtedly add to economic security and growth of Namibia and would therefore qualify for support under the USAID window for financing. Currently USAID is implementing a major program – Africa Infrastructure Program (AIP) -- in the region. This program is focusing on providing late-stage transaction support for power projects in the region.
 - **The U.S. Export-Import Bank:** The Export-Import Bank of the United States (Ex-Im Bank) provides direct loans to foreign buyers with competitive, fixed-rate financing for their purchases from the United States. The Ex-Im Bank also provides working capital guarantees to cover 90% of the principal and interest on commercial loans to creditworthy small and medium-sized companies that need funds to buy or produce U.S. goods or services for export. For project financing, long-term Ex-Im Bank guarantees of commercial loans are available for major projects, large capital goods acquisitions, and project-related services. Given the competitiveness of U.S. industry in boiler technology, U.S. industry would be interested in this project and therefore U.S. Export-Import Bank financing will be another channel for financing the project, especially for the boilers needed at the van Eck plant.

- **The Overseas Private Investment Corporation (OPIC):** OPIC, an agency of the U.S. Government, provides project financing through direct loans and loan guarantees that provide medium-to long term funding for ventures involving significant equity or management participation by U.S. businesses. Since project financing looks for repayment from cash flows generated by projects, OPIC carefully analyzes the economic, technical, marketing and financial soundness of each project. In addition, OPIC provides political risk insurance to U.S. companies for overseas projects. At the appropriate time during the structuring of the project, this source of financing should also be explored by NamPower.

Other sources of financing that Namibia has access to include the following:

- **Equity and Debt Financing from International Finance Institutions (IFIs):** The World Bank and the African Development Bank are two the most active IFIs in Namibia. Some of the infrastructure components of the projects could be financed by these institutions. In addition, the International Finance Corporation, the private sector part of the World Bank Group, typically offers both equity investments and financial syndicating services for major energy and mining projects. The van Eck project fits the pattern and characteristics of projects that are routinely financed by these institutions.
- **Bilateral Donor Agencies:** While most bilateral agencies do not finance major projects they can make an important difference at the early stages of the project as well as during project implementation. Typically, bilateral agencies could provide funding for technical assistance and training that strengthen the project viability and also attract investors and lenders. A number of international bilateral donors are active in Namibia including GTZ (Germany) and SIDA (Sweden) who could be approached for co-financing certain components of the project.
- **The Multilateral Investment Guarantee Agency (MIGA):** MIGA and OPIC both provide political risk insurance for U.S. exporters involved in international transactions. OPIC insurance is available for investments in new ventures or expansions of existing enterprises and can cover assigned inventory or equipment, exporters' and contractors' exposures, and advance payment and other guarantees posted in favor of foreign buyers. MIGA programs are designed to encourage foreign investment by filling gaps in investment insurance against non-commercial risks in developing countries.
- **Equity and Debt Financing from the Capital Markets:** Depending upon how the project is structured and packaged certain components of the overall project could be eligible for commercial financing, especially if other components of the projects are able to generate concessional financing and if the Government is prepared to guarantee some parts of the project.

Given Namibia's past trend in financing critically important projects, NamPower's international rating, and the desirability of Namibia as a low-risk country, financing for the van Eck project is not a constraint if the project is determined to be financially feasible.

E. U.S. EXPORT POTENTIAL

The discussion in this section is based on conversations between CORE International and a number of U.S. suppliers of services and equipment for electric power plants with different input fuels (e.g., coal, and natural gas). CORE has submitted a separate “Confidential Report” to USTDA that summarizes its conversations with selected companies.

1. Investment Requirements and Export Potential

This section provides (i) estimates of the investments required for the van Eck project and (ii) estimates of the likely exports that may result if the project is implemented by the grantees. The range of investment required for the van Eck project over the next 5 years as estimated by CORE, in consultation with the grantee, is provided in Exhibit 2.

EXHIBIT 2: POTENTIAL INVESTMENT REQUIREMENTS FOR THE REHABILITATION OF THE VAN ECK THERMAL POWER STATION IN NAMIBIA

No.	PROJECT	RANGE OF INVESTMENT REQUIREMENT
1	<p>Feasibility Study for the Rehabilitation of the van Eck Power Station in Namibia</p> <ul style="list-style-type: none"> • Two new clean coal boilers with associated parts and warranty/service contract • Retrofit of the two other boilers • Control systems and emissions control systems • Ancillary equipment – pumps, motors, switches, meters, etc. • Balance of plan (BOP) equipment <p style="text-align: center;">TOTAL INVESTMENT</p> <p><i>Note: These estimates are based on the assumption that the preferred option will be the replacement of two boilers and a major retrofit of the other two boilers, all based on clean coal as the input fuel. However, if NamPower plans to make the plant multi-fuel capable (unlikely at the moment), the investment requirement could be significantly higher.</i></p> <p>(Proposed Feasibility Study Funding by USTDA - \$400,000.00)</p>	<p style="text-align: center;">\$55-80 Million</p> <p style="text-align: center;">\$25-30 million</p> <p style="text-align: center;">\$10-15 million</p> <p style="text-align: center;">\$10-15 million</p> <p style="text-align: center;">\$5-10 million</p> <p style="text-align: center;">\$5-10 million</p> <p style="text-align: center;">\$55-80 Million</p>
	TOTAL	\$55-80 Million

Imported equipment for the van Eck project is expected to comprise approximately 70 percent of the total financing requirement. Therefore, one could reasonably expect the foreign import potential for the project to be in the range of \$40-56 million over the next five years depending upon the pace with which these projects are implemented.

In the power sector, the U.S. industry has had an excellent track record for the export of boiler technology for coal and gas-fired power plants. While German, Japanese, and Chinese firms will provide competition to U.S. firms in boiler technology, U.S. companies have fared reasonably well in this industry segment.

2. List of Selected U.S. Manufacturers and Suppliers of Equipment and Technology

Exhibit 3 provides a selected list of potential U.S. suppliers of equipment and services for the proposed project.

This list of companies is a representative list only. An inclusion of a company in this list does not constitute an endorsement of that firm. Similarly, the exclusion of companies that may otherwise be very competitive is not intentional and does not imply any adverse comments on such firms.

EXHIBIT 3: POTENTIAL U.S. SUPPLIERS OF EQUIPMENT, TECHNOLOGY, AND SERVICES FOR THE PROPOSED PROJECT

NO.	TYPE OF EQUIPMENT AND SERVICES	REPRESENTATIVE U.S. SUPPLIERS
1.	Feasibility Study of the Rehabilitation of the van Eck Thermal Power Station in Namibia	
	Engineering, Design, and Construction Management Services	Bechtel Power Corporation, Burns & Roe, Black & Veatch, MWH, PB Power, American Hydro Corporation, Duke Engineering and Services, North American Hydro, Louis Berger International, Hydro Performance Processes, a number of smaller engineering consulting companies.
	Boilers	Babcock and Wilcox, ABB, US, Indek Boilers, Sussman Boilers, Parker Boilers, B & D Industrial Boilers, AE&E van Roll, GE, Cummings, and a large number of boiler makers of boilers of 20-30 MW size.
	Turbines and Pumps	Advance Hydro Solutions, General Electric Company, American Hydro Corporation
	Electrical Equipment, Transformers, Control Systems, Substations, Switchgears, SCADA and Related IT Systems	General Electric Company, Johnson Controls, IBM, Hewlett-Packard, Oracle, Dynapower, Pennsylvania Transformer Technology, Wilson Power Solutions, Sunbelt Transformer, and a number of smaller manufacturers and distributors

F. FOREIGN COMPETITION AND MARKET ENTRY ISSUES

Despite its technology superiority in the power sector, U.S. industry faces considerable foreign competition throughout the world from European and Pacific Rim companies, especially Chinese firms.

In the thermal power sector, U.S. companies have been very competitive. However, they will face competition from firms from European, Japanese, and Chinese firms. Specifically, the following foreign firms are active in the Southern African Region and will very likely compete with U.S. firms in Namibia:

- NorConsult, Norway
- SWECO, Sweden
- Siemens, AG, Germany
- ABB (various manufacturing facilities throughout Europe and in the US)
- Electrabel (Various facilities)
- Alstom Power Generation
- Electric Power, UK
- SES, a.s.
- Tekniska Verden, Sweden
- Hangzhou Boiler Group, China
- Mitsubishi, Japan
- Shenzhen TeWeiTe Mechanical and Electronic Equipment Company, China

This is a partial list only. In fact, there are many firms that also manufacture reconditioned coal-fired boilers for power plants in the range of 20-100 MW and these firms offer the greatest competition to U.S. manufacturers for cost reasons.

In the case of coal-fired boilers, the greatest competition to U.S. firms will come from Chinese firms as they are very active in Africa and offer reconditioned boilers at considerably reduced prices and often provide financing. In some cases, Namibians have held discussions with Chinese firms that often approach them with indications of full financing of the projects. Many of these Chinese offers do not materialize and the countries in Africa are now looking at Chinese proposals for power plants more carefully. Namibia also recognizes that in many cases the Chinese proposals include reconstructed equipment and systems that on the surface offer a better value and cost advantage.

Therefore, USTDA support of the U.S. power sector industry in competing for in the power sector in Namibia is warranted, especially to ensure that the competition is fair.

The following is a list of firms that are active in the power industry worldwide and would very likely pursue any power projects in Namibia despite stiff competition from Chinese and European firms:

1. Montgomery Watson Harza Corporation
2. Black & Veatch
3. Bechtel Power Corporation
4. Babcock and Wilcox

5. General Electric Company
6. Johnson Control Systems
7. Burns and Roe Enterprises
8. PB Power
9. Parsons Corporation
10. A number of smaller firms providing various electrical and mechanical parts

From other work that CORE has done in the Southern African Region, our analysis indicates that U.S. firms will have an uphill battle in competing for major infrastructure projects. At the same time, the demand for new infrastructure projects in this region is growing rapidly. The overall size of the market is very attractive despite the market barriers that U.S. companies face. Therefore, on the whole, our recommendation is for USTDA and other USG agencies to increase their engagement with U.S. firms to penetrate the growing power market in the Southern African Region.

G. DEVELOPMENTAL IMPACT

1. Anticipated Development Impacts from the Proposed Project

The following types of development impacts are expected as a result of the implementation of the van Eck power plant project if it is found to be feasible and adequate financing is engineered:

- **Macroeconomic Impacts**
These types of impact include overall economic impacts such as GDP growth, inflationary impacts, trade impacts, and other fiscal impacts
- **Microeconomic Impacts**
Employment, income, income distribution, new industries development, etc.
- **Social Development Impacts**
Population movements, development of new communities, capacity building and skills improvement, greater social opportunities, etc.
- **Technology Transfer Impacts**
Application of new technology in the country

Exhibit 4 summarizes the anticipated development impacts of the project if it is implemented by the prospective grantee. These likely impacts are categorized in accordance with USTDA guidelines. The scopes of work prepared for the proposed feasibility study includes a task on estimating development impacts in accordance with the specific guidelines provided by the USTDA.

2. Approaches to Tracking Development Impacts

Measuring development impacts of major infrastructure requires the collection of key economic and social data and information over a number of years after the projects are implemented. While some impacts such as number of jobs created, the increase in GDP, additional revenues generated, and other economic parameters can be measured with relative ease, other development impacts, especially social impacts are difficult to quantify. However, social development impacts can be measured through surveys of communities and population groups directly impacted by the project. The following options are available to USTDA to ensure that the development impacts of activities funded by USTDA are measured over time:

1. Ensuring that there is a specific clause in the USTDA grants that places the responsibility of tracking and reporting specific development impacts on the grantees. Most grantees will generally resist this additional burden as they are already capacity constrained and have a shortage of qualified personnel. In some cases, the grantees may accept such requirements, but may be unable to comply with them. Therefore, while a theoretical option, the experience of other donors who have tried this (e.g., SIDA, Sweden) has been that this approach generally delivers little results.

2. Another option is for USTDA to require U.S. contractors to track and report any development impacts of USTDA grants for a specified period beyond the completion of the contract (Technical Assistance or feasibility study), say two years. All scopes of work developed by DM contractors for any USTDA grant include a mandatory task on estimating development impacts from USTDA projects. This DM does not have a direct knowledge of how this process is working.

3. Another possible option for USTDA may be to have a separate instrument devoted entirely to tracking and reporting on development impacts of USTDA grants. While USTDA is engaged in the process through both internal staff and an outside contractor, this effort may need to be expanded. Given the total number of actions funded by USTDA on an annual basis, an exercise to measure development impacts from all actions may simply not be feasible. Accordingly, some type of grouping may be desirable to extract and document the most visible and important development impacts from a selected set of USTDA actions.

EXHIBIT 4: POTENTIAL DEVELOPMENT IMPACTS OF THE PROPOSED PROJECT

PROPOSED USTDA GRANT	TYPE OF IMPACT	DESCRIPTION OF THE IMPACT
<p>1. Feasibility Study of the Rehabilitation of the van Eck Thermal Power Station in Namibia</p> <p>Grantee: NamPower, Namibia</p>	<p><i>Infrastructure Related Impact</i></p>	<p>The rehabilitation or new construction of the van Eck thermal power plant in Namibia will have all of the infrastructure related impacts commonly observed when large energy facilities are constructed. These include value added to the GDP through increased economic and industrial activity, new jobs, development of satellite businesses and related physical infrastructure impacts. There may be a need for NamPower to add new nearby substations when van Eck operates at full capacity of 120 MW. This may result in additional infrastructure impacts such as development of roads, access ways, transmission lines, and substations.</p>
	<p><i>Market-Oriented Reform</i></p>	<p>The proposed project will not only provide additional power in and around the commercial areas of Windhoek, Namibia to meet the industry demand but will also add to supply security. This will strengthen the electricity market within SAPP and make Namibia a stronger power-trading partner in the region. This will have a reform impact on the market in terms of market operations and market rules related to competition.</p>
	<p><i>Human Capacity Building</i></p>	<p>Because the van Eck Power Plant is currently operating at less than 50 percent of its rated capacity, a number of engineers and technicians have been moved by NamPower to other facilities. In addition, those engineers/technicians currently based at van Eck have not had training in modern clean coal power technology and systems. Therefore, as a result of the feasibility study engineers and planners will closely working with NamPower engineers there will be considerable skills development of plant personnel in system operations and maintenance. For a plant of this size, the proposed project is likely to result in human capacity building of as many as 30 plant personnel.</p>
		<p>There will be significant technology transfer impacts from this project. Coal-</p>

Desk Study Final Report – Feasibility Study for the Rehabilitation of van Eck Thermal Power Station in Namibia – Project No. USTDA – PO2009110013

PROPOSED USTDA GRANT	TYPE OF IMPACT	DESCRIPTION OF THE IMPACT
	<p><i>Technology Transfer and Productivity Enhancement</i></p>	<p>fired power technology has gone through many new inventions and current technologies for clean coal use, precipitators, flue gas desulphurization, and boiler efficiency technology.</p>
	<p><i>Other</i></p>	<p>A variety of other social and economic development impacts would occur, as the construction of the van Eck facility will lead to development of additional commercial activity around the power plant.</p>

H. IMPACT ON THE ENVIRONMENT

The proposed project is for a feasibility study of an existing coal-fired power plant. The likely options from the feasibility study would be reconstructions and/or complete replacements of one or more of the four boilers at the plant by more efficient and cleaner boiler. Therefore, net environmental impact of the proposed project will be an improvement on the current pollution from the plant. Alternatively, the feasibility study may recommend synthetic gas as an input fuel. If that turns out to be a more viable and desirable option the environmental benefits will be even better. Regardless of the option chosen by NamPower, the feasibility study will conduct an environmental assessment of the proposed options in accordance with international standards and guidelines used by financing institutions. The Namibian environmental laws and standards are similar to those in the U.S. and any project decisions with respect to the van Eck plant will also need to comply with local environmental standards in the country.

Accordingly, the TORs of the feasibility study include a detailed task on assessing the environmental impacts of any proposed option(s). Specifically, the types of environmental impacts to be assessed in the feasibility study shall include the following:

- Levels of carbon and nitrogen oxides
- Levels of sulfur dioxides
- Wastewater impacts

Since the plant is already in existence, no land use or population dislocation impacts are expected unless NamPower plans to expand the facility.

I. IMPACT ON U.S. LABOR

No U.S. jobs will be relocated as a result of USTDA providing any financial assistance to Namibia for the proposed project. In fact, as the project funded by USTDA comes to fruition, it will require potential imports of technology and equipment, most of which is manufactured by U.S. firms in facilities located in the U.S. Therefore, with this increase in demand for U.S. exports, this project is expected to have a net positive impact on U.S. employment.

No relocation of U.S. jobs is expected as a result of USTDA providing funding for the proposed program.

J. QUALIFICATIONS

This project will focus on assisting NamPower in the preparation of a feasibility study for the rehabilitation and reconstruction of the van Eck thermal power plant. The selected Contractor shall demonstrate the following qualifications prior to selection:

- | | |
|--|-----|
| 1. Experience of the firm in coal-fired power plant equipment and technologies | 25% |
| 2. International experience of the firm in prior similar power projects | 15% |
| 3. Experience of the firm in similar projects In Africa | 5% |
| 4. Experience of the Proposed Experts | 25% |
| 5. Technical approach of the firm for developing the project | 20% |
| 6. Approach for economic analysis and financing Power generation projects | 10% |

The relative weight among the various qualifications requirements is consistent with international best practices for procurement of contractors to carry out similar feasibility studies.

K. JUSTIFICATION

This Desk Study recommends that the USTDA should fund the proposed feasibility study for the van Eck power plant rehabilitation project. Namibians are committed to implementing project and U.S. industry is very competitive in this sector.

The following is CORE's justification for proposing the recommended the proposed Phase III program:

1. The proposed study does not duplicate any activities currently underway or planned in the future by international, domestic or U.S. interests.
2. The van Eck project has been identified by the Government of Namibia and NamPower as a critical and high priority project to address the energy crisis in the country. The shortage of power is a major impediment to economic development in Namibia and the proposed project will provide the necessary electricity to both fuel industrial activity and increase access of modern electricity to a large number of isolated rural consumers.
3. The van Eck power plant reconstruction will most likely be financed as an IPP through an open international tender. This will provide immediate opportunities for the U.S. firms to enter the power sector market in Namibia and an exposure to the much larger power market in the region.
4. The feasibility study proposed for USTDA's consideration will assist in mobilizing the power sector in Namibia as well as the SAPP region. It will create a more sound regional power market and promote electricity trading among the SAPP member utilities. It will also strengthen Namibia to be a more productive member of the SAPP, thereby leading to both domestic and regional energy trade and security.
5. The feasibility study, as proposed in this report, will assist in creating employment opportunities in the Namibian economy, as well opportunities for a variety of U.S. business interests.
6. The net impact on the U.S. jobs will be the creation of new jobs in U.S. power equipment manufacturing facilities and power sector service industry. No U.S. jobs will be relocated.
7. No adverse environmental impacts will be caused, as the proposed plant would utilize either cleaner coal technology or synthetic gas as input fuel. Also, since the plant is already in existence no land use or population relocation impacts are expected. The scope of work developed for the feasibility study includes a dedicated task to assess potential environmental impacts of the project and propose appropriate remedial technologies. The costs associated with the environmental control and mitigation technologies will be built into the overall project investment and financing plans as part of the feasibility study.
8. U.S. industry is not well placed in the African market despite attractive opportunities for the export of U.S. technology and equipment as the region develops and builds new infrastructure. The proposed activity is therefore an important step to assist the U.S. industry in approaching this market and increasing its market share.

The discussion above provides a sound justification for the recommendation made to USTDA for funding the proposed feasibility study.

L. TERMS OF REFERENCE AND BUDGET

Annex I includes detailed TORs for the proposed feasibility study. Annex II provides a detailed budget and schedule for the study in accordance with the guidelines required by USTDA.

M. RECOMMENDATIONS

Based on a detailed review and assessment of the information provided by NamPower and a number of follow-up discussions between CORE and NamPower, CORE is pleased to recommend that USTDA consider providing a grant in the amount of \$400,000 to NamPower for financing the proposed feasibility study.

N. CONTACTS

In conducting this Desk Study and formulating the recommendations, CORE International contacted several key members of NamPower and the regulator in Namibia. The following is a list of individuals contacted by CORE in finalizing its Desk Study Report.

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**ANNEX II: PROPOSED BUDGET AND SCHEDULE
FEASIBILITY STUDY FOR THE REHABILITATION OF THE VAN ECK THERMAL POWER
STATION IN NAMIBIA**

Exhibit I provides a detailed budget for the proposed feasibility study. Exhibit II provides a distribution of labor costs among various tasks. Exhibit III provides the allocation of manpower among various tasks and subtasks. Exhibit IV provides a detailed schedule for the proposed study.

Budget Notes

The following provides the budget notes required under the USTDA guidelines for completing Desk Study Reports:

DIRECT COSTS:

Direct Labor:

1. We have proposed the professional experts at the total bid rate of \$1,500.00 per day. This is based on a base daily salary of \$600 per day and an overall multiplier of 3 which includes an overhead of around 70%, a fringe benefit factor of 35%, both applied on the base salary. In addition, it includes a general and administrative factor of approximately 15% and a profit of approximately 7% applied on total cost. This is typical of the engineering consulting industry for this type of work.
2. No expat consultants and non-employees are proposed, as there is no way for us to assume this in advance.
3. Qualified local consultants in Namibia are proposed at the daily rate of \$500.00 per day that is considered competitive based on our experience there for the last 4 years.

Other Direct Costs

Purchased Services/Contracts

1. No purchased services/contracts are anticipated as the firms that will bid on this project would generally have all the facilities in house.

Domestic and Foreign Travel

1. All foreign trips from the U.S. to Namibia during the project have been described under each task and a total of 10 trips are recommended for the expat experts. Based on quotations provided by our travel agent for bulk purchase on U.S. carriers, we have proposed a round trip economy class airfare of \$3,210.00 per trip between a U.S. City and Windhoek, Namibia. This is a refundable and changeable ticket.
2. The purpose for each trip is defined under the description of activities within each of the tasks in the Terms of Reference.

3. No domestic trips involving air travel inside Namibia are needed for this feasibility study as all of the work will be at NamPower and the van Eck Plant, both located in Windhoek, Namibia.

Per Diem in Namibia

1. A total of 100 days are proposed for per diem for the Contractor personnel in Namibia. Windhoek, Namibia is one of the least expensive cities in Africa. The total per diem allowed by the U.S. State Department in Windhoek, Namibia is \$218 per day including the M&IE allowance. However, NamPower has a special rate with the major hotels in Namibia that is significantly below that allowed by the State Department. NamPower will make this rate available to the Contractor personnel traveling to Namibia to conduct all fieldwork. Therefore, a total daily allowance of \$150 per day is used for the per diem costs that will easily cover the cost of lodging and the allowed M&IE.

Cost for the Two Workshops under Task 8

NamPower will cover the cost of the venue, coffee/tea breaks, and audio-visual equipment. Therefore, there will be no ODC impact on the proposed budget for the feasibility study.

Reproduction, Copying, and Binding

A total of 20,000 pages at 0.25 cents per page including binding of documents – technical papers, reports, workshop materials, etc.

Courier Service

Five international package shipping is priced at an average of \$200 per shipping

Visa Service Charges

U.S. citizens do not require visa for short visits.

Communications

A communication allowance of an average of \$100 per month is allocated for the 6-month duration of the program. This includes local and international calls.

**FEASIBILITY STUDY FOR THE REHABILITATION OF THE VAN ECK THERMAL
 POWER STATION IN NAMIBIA**

Exhibit 1: Budget Details in USTDA Format for Feasibility Study Budgets

DIRECT LABOR COSTS

<u>TASK</u>	<u>Task Name</u>			
TOR Task 1:	Develop a Work Plan and Conduct a Detailed Condition Assessment of the Power Plant			
		Total Person Days	Daily Rate	Total
Task 1 - Position A:	Team Leader, Thermal Power Plant Design & Engineering Expert	15	\$1,500.00	\$22,500.00
Task 1 - Position B:	Generation Engineer and Costing Expert	15	\$1,500.00	\$22,500.00
Task 1 – Position C:	Economic and Financial Analysis Expert	0	\$1,500.00	\$0.00
Task 1 – Position D:	Environmental and Dev. Impact Expert	0	\$1,500.00	\$0.00
				\$45,000.00

<u>TASK</u>	<u>Task Name</u>			
TOR Task 2:	Conduct More Detailed Assessment of the Requirements for Each Option			
		Total Person Days	Daily Rate	Total
Task 2 - Position A:	Team Leader, Thermal Power Plant Design & Engineering Expert	15	\$1,500.00	\$22,500.00
Task 2 - Position B:	Generation Engineer and Costing Expert	20	\$1,500.00	\$30,000.00

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Task 2 – Position C:	Economic and Financial Analysis Expert	2	\$1,500.00	\$3,000.00
Task 2 – Position D:	Environmental and Dev. Impact Expert	0	\$1,500.00	\$0.00
				\$55,500.00

TOR Task 3: Develop Capital and Operations and Maintenance Costs for the Various Options

		Total Person Days	Daily Rate	Total
Task 3 - Position A:	Team Leader, Thermal Power Plant Design & Engineering Expert	6	\$1,500.00	\$9,000.00
Task 3 - Position B:	Generation Engineer and Costing Expert	20	\$1,500.00	\$30,000.00
Task 3 – Position C:	Economic and Financial Analysis Expert	5	\$1,500.00	\$7,500.00
Task 3 – Position D:	Environmental and Dev. Impact Expert	0	\$1,500.00	\$0.00
				\$ 46,500.00

TASK Task Name

TOR Task 4: Conduct Economic and Financial Analysis of the Various Options

		Total Person Days	Daily Rate	Total
Task 4 - Position A:	Team Leader, Thermal Power Plant Design & Engineering Expert	8	\$1,500.00	\$12,000.00
Task 4 - Position B:	Generation Engineer and Costing Expert	0	\$1,500.00	\$0.00
Task 4 – Position C:	Economic and Financial Analysis Expert	28	\$1,500.00	\$42,000.00
Task 4 – Position D:	Environmental and Dev. Impact Expert	0	\$1,500.00	\$0.00
				\$ 54,000.00

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TASK	Task Name	Total Person Days	Daily Rate	Total
TOR Task 5:	Develop a Financing Plan for the Project			
Task 5 - Position A:	Team Leader, Thermal Power Plant Design & Engineering Expert	2	\$1,500.00	\$3,000.00
Task 5 - Position B:	Generation Engineer and Costing Expert		\$1,500.00	\$0.00
Task 5 – Position C:	Economic and Financial Analysis Expert	15	\$1,500.00	\$22,500.00
Task 5 – Position D:	Environmental and Dev. Impact Expert	0	\$1,500.00	\$0.00
				\$ 25,500.00

TOR Task 6:	Conduct Development Impact Assessment of the Various Options	Total Person Days	Daily Rate	Total
Task 6 - Position A:	Team Leader, Thermal Power Plant Design & Engineering Expert	0	\$1,500.00	\$0.00
Task 6 - Position B:	Generation Engineer and Costing Expert	0	\$1,500.00	\$0.00
Task 6 – Position C:	Economic and Financial Analysis Expert	0	\$1,500.00	\$0.00
Task 6 – Position D:	Environmental and Dev. Impact Expert	8	\$1,500.00	\$12,000.00
				\$ 12,000.00

TOR Task 7:	Conduct an Environmental Impact Assessment of the Options	Total Person Days	Daily Rate	Total
Task 7 - Position A:	Team Leader, Thermal Power Plant Design & Engineering Expert	0	\$1,500.00	\$0.00

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Task 7 - Position B:	Generation Engineer and Costing Expert	0	\$1,500.00	\$0.00
Task 7 – Position C:	Economic and Financial Analysis Expert	0	\$1,500.00	\$0.00
Task 7 – Position D:	Environmental and Dev. Impact Expert	12	\$1,500.00	\$18,000.00
				\$ 18,000.00

TOR Task 8: Prepare and Submit Draft Final Report and Final Report

		Total Person Days	Daily Rate	Total
Task 8 - Position A:	Team Leader, Thermal Power Plant Design & Engineering Expert	8	\$1,500.00	\$12,000.00
Task 8 - Position B:	Generation Engineer and Costing Expert	9	\$1,500.00	\$13,500.00
Task 8 – Position C:	Economic and Financial Analysis Expert	10	\$1,500.00	\$15,000.00
Task 8 – Position D:	Environmental and Dev. Impact Expert	5	\$1,500.00	\$7,500.00
				\$ 48,000.00

Total Labor Tasks 1 - 8	\$ 304,500.00
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LOCAL EXPERTISE BUDGET

		Total Person Days	Daily Rate	Total
Task 1	Local Expert	30	\$500.00	\$15,000.00
Task 2	Local Expert	30	\$500.00	\$15,000.00
Task 3	Local Expert			
Task 4	Local Expert			
Task 5	Local Expert			
Task 6	Local Expert	20	\$500.00	\$10,000.00
Task 7	Local Expert			
Task 8	Local Expert			

TOTAL LABOR FOR LOCAL EXPERTS \$40,000.00

TOTAL LABOR FOR EXPAT AND LOCAL EXPERTS \$ 344,500.00

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OTHER DIRECT COSTS

<u>TRAVEL</u>	Trips	Trip Cost	Total
International Air Travel	10	\$3,210.00	\$32,100.00
Ground Transportation (Unit is months of rental)	6	\$300.00	\$1,800.00
Per Diem	Trip Days	Per Diem Rate	
	100	\$150.00	\$15,000.00
<u>OTHER COST</u>			\$0.00
Reproduction and Binding			\$0.00
10 separate deliverables, 100 pages average, and 20 copies each including several power point presentations	20,000	\$0.25	\$5,000.00
Courier Services			\$0.00
5 large fedex packages of draft and final bound reports	5	\$200.00	\$1,000.00
Visa Services	-	-	-
6 months @ \$100 p/month	6	\$100.00	\$600.00
Communication			
TOTAL OTHER DIRECT COSTS			\$55,500.00
TOTAL COSTS (DIRECT LABOR COSTS + OTHER DIRECT COSTS):			\$400,000.00
PROPOSED BUDGET FOR PROJECT			\$400,000.00

**EXHIBIT II: DISTRIBUTION OF TOTAL LABOR BUDGET AMONG VARIOUS TASKS AND SUBTASKS
FEASIBILITY STUDY OF THE REHABILITATION OF THE VAN ECK THERMAL POWER STATION IN NAMIBIA**

TASK	Percentage of Labor Budget	Amount
Task 1: Develop a Work Plan and Conduct a Detailed Condition Assessment of the Power Plant	10%	\$40,000.00
Task 2: Conduct More Detailed Assessment of the Requirements for Each Option	20%	\$80,000.00
Task 3: Develop Capital and Operations and Maintenance Costs for the Various Options	20%	\$80,000.00
Task 4: Conduct Economic and Financial Analysis of the Various Options	15%	\$60,000.00
Task 5: Develop a Financing Plan for the Selected Option for the Project	10	\$40,000.00
Task 6: Conduct Development Impact Assessment of Various Options	5%	\$20,000.00
Task 7: Conduct an Environmental Impact Assessment of the Options	8%	\$32,000.00
Task 8: Conduct Two Workshops for NamPower Personnel and Prepare and Submit Draft Final Report and Final Report	12%	\$48,000.00
TOTAL LABOR PART OF THE BUDGET	100%	\$400,000.00

NOTE: This distribution also includes a portion of the cost of local experts and portions of the other direct costs allocated to each task.

EXHIBIT III: PROPOSED MANPOWER ALLOCATION

FEASIBILITY STUDY OF THE REHABILITATION OF THE VAN ECK THERMAL POWER STATION IN NAMIBIA

	TASK 1	TASK 2	TASK 3	TASK 4	TASK 5	TASK 6	TASK 7	TASK 8	TOTAL DAYS
1. Team Leader and Thermal Power Plant Design and Engineering Expert	15	15	5	8	2			8	53
2. Generation Engineering and Costing Expert	15	20	20					9	64
3. Economic and Financial Analysis Expert		2	5	28	15			10	60
4. Environmental and Development Impact Expert						8	12	5	25
TOTAL DAYS	30	37	30	36	17	8	12	32	202

NOTE: This total Level of Effort (LOE) does not include the work days for local experts. We have proposed approximately 80 work days for local experts at an average daily rate of \$500 per day.

EXHIBIT IV: DETAILED STUDY SCHEDULE

FEASIBILITY STUDY OF THE REHABILITATION OF THE VAN ECK THERMAL POWER STATION IN NAMIBIA

TASKS	MONTHS AFTER START					
	1	2	3	4	5	6
1. Task 1: Develop a Work Plan and Conduct a Detailed Condition Assessment of the Power Plant	[Bar from 1 to 2]					
2. Task 2: Conduct More Detailed Assessment of the Requirements for Each Option	[Bar from 2 to 3]					
3. Task 3: Develop Capital and Operations and Maintenance Costs for the Various Options	[Bar from 3 to 4]					
4. Task 4: Conduct Economic and Financial Analysis of the Various Options	[Bar from 4 to 5]					
5. Task 5: Develop a Financing Plan for the Selected Option for the Project	[Bar from 5 to 6]					
6. Task 6: Conduct Development Impact Assessment of Various Options	[Bar from 6 to 7]					
7. Task 7: Conduct an Environmental Impact Assessment of the Options	[Bar from 7 to 8]					
8. Task 8: Conduct Two Workshops for NamPower Personnel and Prepare and Submit Draft Final Report and Final Report (Final Report to be submitted at the end of 8 months to allow one month for review of the report)	[Bar from 8 to 9]					

ANNEX III: CONTACTS
FEASIBILITY STUDY OF THE REHABILITATION OF THE VAN ECK THERMAL POWER STATION IN NAMIBIA

The following are key contacts in Namibia:

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3. Mr. Siseho C. Simasiku
Chief Executive Officer
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ANNEX 3



**U.S. TRADE AND DEVELOPMENT AGENCY
Arlington, VA 22209-2131**

NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS

The purpose of USTDA's nationality, source, and origin requirements is to assure the maximum practicable participation of American contractors, technology, equipment and materials in the prefeasibility, feasibility, and implementation stages of a project.

USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):

Except as USTDA may otherwise agree, each of the following provisions shall apply to the delivery of goods and services funded by USTDA under this Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from host country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for implementation of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in host country are not subject to the above restrictions. USTDA will make available further details concerning these standards of eligibility upon request.

NATIONALITY:

1) Rule

Except as USTDA may otherwise agree, the Contractor for USTDA funded activities must be either a U.S. firm or a U.S. individual. Prime contractors may utilize U.S.

subcontractors without limitation, but the use of host country subcontractors is limited to 20% of the USTDA grant amount.

2) Application

Accordingly, only a U.S. firm or U.S. individual may submit proposals on USTDA funded activities. Although those proposals may include subcontracting arrangements with host country firms or individuals for up to 20% of the USTDA grant amount, they may not include subcontracts with third country entities. U.S. firms submitting proposals must ensure that the professional services funded by the USTDA grant, to the extent not subcontracted to host country entities, are supplied by employees of the firm or employees of U.S. subcontractor firms who are U.S. individuals.

Interested U.S. firms and consultants who submit proposals must meet USTDA nationality requirements as of the due date for the submission of proposals and, if selected, must continue to meet such requirements throughout the duration of the USTDA-financed activity. These nationality provisions apply to whatever portion of the Terms of Reference is funded with the USTDA grant.

3) Definitions

A "U.S. individual" is (a) a U.S. citizen, or (b) a non-U.S. citizen lawfully admitted for permanent residence in the U.S. (a green card holder).

A "U.S. firm" is a privately owned firm which is incorporated in the U.S., with its principal place of business in the U.S., and which is either (a) more than 50% owned by U.S. individuals, or (b) has been incorporated in the U.S. for more than three (3) years prior to the issuance date of the request for proposals; has performed similar services in the U.S. for that three (3) year period; employs U.S. citizens in more than half of its permanent full-time positions in the U.S.; and has the existing capability in the U.S. to perform the work in question.

A partnership, organized in the U.S. with its principal place of business in the U.S., may also qualify as a "U.S. firm" as would a joint venture organized or incorporated in the United States consisting entirely of U.S. firms and/or U.S. individuals.

A nonprofit organization, such as an educational institution, foundation, or association may also qualify as a "U.S. firm" if it is incorporated in the United States and managed by a governing body, a majority of whose members are U.S. individuals.

SOURCE AND ORIGIN:

1) Rule

In addition to the nationality requirement stated above, any goods (e.g., equipment and materials) and services related to their shipment (e.g., international transportation and insurance) funded under the USTDA Grant Agreement must have their source and origin in the United States, unless USTDA otherwise agrees. However, necessary purchases of goods and project support services which are unavailable from a U.S. source (e.g., local food, housing and transportation) are eligible without specific USTDA approval.

2) Application

Accordingly, the prime contractor must be able to demonstrate that all goods and services purchased in the host country to carry out the Terms of Reference for a USTDA Grant Agreement that were not of U.S. source and origin were unavailable in the United States.

3) Definitions

“Source” means the country from which shipment is made.

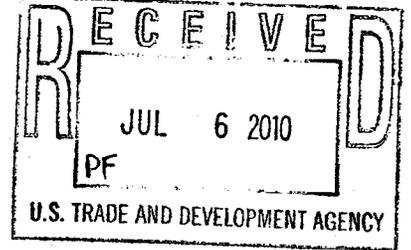
“Origin” means the place of production, through manufacturing, assembly or otherwise.

Questions regarding these nationality, source and origin requirements may be addressed to the USTDA Office of General Counsel.

ANNEX 4



2010-11011A Namibia



GRANT AGREEMENT

BETWEEN

U.S. TRADE AND DEVELOPMENT AGENCY

AND

**NAMIBIA POWER CORPORATION
(PROPRIETARY) LIMITED**

PM
MD
LB
JS
MB
MC
KA

LZ
PD
JW

GRANT AGREEMENT

This Grant Agreement is entered into between the Government of the United States of America, acting through the U.S. Trade and Development Agency ("USTDA") and the Namibia Power Corporation (Proprietary) Limited ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Agreement US\$400,000 ("USTDA Grant") to fund the cost of goods and services required for a feasibility study ("Study") on the proposed Van Eck Power Plant Rehabilitation project ("Project") in Namibia ("Host Country").

1. USTDA Funding

The funding to be provided under this Grant Agreement shall be used to fund the costs of a contract between the Grantee and the U.S. firm selected by the Grantee ("Contractor") under which the Contractor will perform the Study ("Contract"). Payment to the Contractor will be made directly by USTDA on behalf of the Grantee with the USTDA Grant funds provided under this Grant Agreement.

2. Terms of Reference

The Terms of Reference for the Study ("Terms of Reference") are attached as Annex I and are hereby made a part of this Grant Agreement. The Study will examine the technical, financial, environmental, and other critical aspects of the proposed Project. The Terms of Reference for the Study shall also be included in the Contract.

3. Standards of Conduct

USTDA and the Grantee recognize the existence of standards of conduct for public officials, and commercial entities, in their respective countries. The parties to this Grant Agreement and the Contractor shall observe these standards, which include not accepting payment of money or anything of value, directly or indirectly, from any person for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the Study.

4. Grantee Responsibilities

The Grantee shall undertake its best efforts to provide reasonable support for the Contractor, such as local transportation, office space, and secretarial support.

5. USTDA as Financier

(A) USTDA Approval of Competitive Selection Procedures

Selection of the U.S. Contractor shall be carried out by the Grantee according to its established procedures for the competitive selection of contractors with advance notice of the procurement published online through *Federal Business Opportunities* (www.fedbizopps.gov). Upon request, the Grantee will submit these contracting procedures and related documents to USTDA for information and/or approval.

(B) USTDA Approval of Contractor Selection

The Grantee shall notify USTDA at the address of record set forth in Article 17 below upon selection of the Contractor to perform the Study. Upon approval of this selection by USTDA, the Grantee and the Contractor shall then enter into a contract for performance of the Study. The Grantee shall notify in writing the U.S. firms that submitted unsuccessful proposals to perform the Study that they were not selected.

(C) USTDA Approval of Contract Between Grantee and Contractor

The Grantee and the Contractor shall enter into a contract for performance of the Study. This contract, and any amendments thereto, including assignments and changes in the Terms of Reference, must be approved by USTDA in writing. To expedite this approval, the Grantee (or the Contractor on the Grantee's behalf) shall transmit to USTDA, at the address set forth in Article 17 below, a photocopy of an English language version of the signed contract or a final negotiated draft version of the contract.

(D) USTDA Not a Party to the Contract

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of the contract and any amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of funding the Study and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility or liability to such parties. Any approval or failure to approve by USTDA shall not bar the Grantee or USTDA from asserting any right they might have against the

Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Grantee or USTDA.

(E) Grant Agreement Controlling

Regardless of USTDA approval, the rights and obligations of any party to the contract or subcontract thereunder must be consistent with this Grant Agreement. In the event of any inconsistency between the Grant Agreement and any contract or subcontract funded by the Grant Agreement, the Grant Agreement shall be controlling.

6. Disbursement Procedures

(A) USTDA Approval of Contract Required

USTDA will make disbursements of Grant funds directly to the Contractor only after USTDA approves the Grantee's contract with the Contractor.

(B) Contractor Invoice Requirements

The Grantee should request disbursement of funds by USTDA to the Contractor for performance of the Study by submitting invoices in accordance with the procedures set forth in the USTDA Mandatory Clauses in Annex II.

7. Effective Date

The effective date of this Grant Agreement ("Effective Date") shall be the date of signature by both parties or, if the parties sign on different dates, the date of the last signature.

8. Study Schedule

(A) Study Completion Date

The completion date for the Study, which is March 31, 2011, is the date by which the parties estimate that the Study will have been completed.

(B) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this Grant Agreement for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

9. USTDA Mandatory Clauses

All contracts funded under this Grant Agreement shall include the USTDA mandatory clauses set forth in Annex II to this Grant Agreement. All subcontracts funded or partially funded with USTDA Grant funds shall include the USTDA mandatory clauses, except for clauses B(1), G, H, I, and J.

10. Use of U.S. Carriers

(A) Air

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

(B) Marine

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

11. Nationality, Source and Origin

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under the Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from Host Country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for performance of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions. USTDA will make available further details concerning these provisions upon request.

12. Taxes

USTDA funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country. Neither the Grantee nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

13. Cooperation Between Parties and Follow-Up

The parties will cooperate to assure that the purposes of the Grant Agreement are accomplished. For five (5) years following receipt by USTDA of the Final Report (as defined in Clause I of Annex II), the Grantee agrees to respond to any reasonable inquiries from USTDA about the status of the Project.

14. Implementation Letters

To assist the Grantee in the implementation of the Study, USTDA may, from time to time, issue implementation letters that will provide additional information about matters covered by the Grant Agreement. The parties may also use jointly agreed upon implementation letters to confirm and record their mutual understanding of matters covered by the Grant Agreement.

15. Recordkeeping and Audit

The Grantee agrees to maintain books, records, and other documents relating to the Study and the Grant Agreement adequate to demonstrate implementation of its responsibilities under the Grant Agreement, including the selection of contractors, receipt and approval of contract deliverables, and approval or disapproval of contractor invoices for payment by USTDA. Such books, records, and other documents shall be separately maintained for three (3) years after the date of the final disbursement by USTDA. The Grantee shall afford USTDA or its authorized representatives the opportunity at reasonable times to review books, records, and other documents relating to the Study and the Grant Agreement.

16. Representation of Parties

For all purposes relevant to the Grant Agreement, the Government of the United States of America will be represented by the U. S. Ambassador to Host Country or USTDA and Grantee will be represented by the Grantee's Managing Director. The parties hereto may, by written notice, designate additional representatives for all purposes under the Grant Agreement.

17. Addresses of Record for Parties

Any notice, request, document, or other communication submitted by either party to the other under the Grant Agreement shall be in writing or through a wire or electronic medium which produces a tangible record of the transmission, such as a telegram, cable or facsimile, and will be deemed duly given or sent when delivered to such party at the following:

To: Namibia Power Corporation
NamPower Center
15 Luther Street, Windhoek
PO Box 2864
WINDHOEK
Namibia

Phone: +264 (61) 205-4111
Fax: +264 (61) 205-2305

To: U.S. Trade and Development Agency
1000 Wilson Boulevard, Suite 1600
Arlington, Virginia 22209-3901
USA

Phone: (703) 875-4357
Fax: (703) 875-4009

All such communications shall be in English, unless the parties otherwise agree in writing. In addition, the Grantee shall provide the Commercial Section of the U.S. Embassy in Host Country with a copy of each communication sent to USTDA.

Any communication relating to this Grant Agreement shall include the following fiscal data:

Appropriation No.: 1110/111001
Activity No.: 2010-11011A
Reservation No.: 2010110013
Grant No.: GH2010110005

18. Termination Clause

Either party may terminate the Grant Agreement by giving the other party thirty (30) days advance written notice. The termination of the Grant Agreement will end any obligations of the parties to provide financial or other resources for the Study, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the written notice of termination.

19. Non-waiver of Rights and Remedies

No delay in exercising any right or remedy accruing to either party in connection with the Grant Agreement shall be construed as a waiver of such right or remedy.

20. U.S. Technology and Equipment

By funding this Study, USTDA seeks to promote the project objectives of the Host Country through the use of U.S. technology, goods, and services. In recognition of this purpose, the Grantee agrees that it will allow U.S. suppliers to compete in the procurement of technology, goods and services needed for Project implementation.

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IN WITNESS WHEREOF, the Government of the United States of America and the Namibia Power Corporation (Proprietary) Limited, each acting through its duly authorized representative, have caused this Agreement to be signed in the English language in their names and delivered as of the day and year written below. In the event that this Grant Agreement is signed in more than one language, the English language version shall govern.

For the Government of the
United States of America

For the Namibia Power Corporation
(Proprietary) Limited

By: *M Mathieu*

By: *[Signature]*

Date: 21/06/10

Date: 21 JUNE 2010

Witnessed:

Witnessed:

By: *[Signature]*

By: *[Signature]*

Annex I -- Terms of Reference

Annex II -- USTDA Mandatory Clauses

Annex I

Terms of Reference

The Namibia Power Corporation (Proprietary) Limited ("Grantee") has requested funding from the U.S. Trade and Development Agency ("USTDA") for a feasibility study ("Study") to evaluate the technical, financial, environmental, and other critical aspects of rehabilitating the Van Eck power plant ("Van Eck") in Namibia. The Study will consider various options for the rehabilitation of Van Eck, including: (1) no repairs; (2) minimal repairs to extend the life of Van Eck by 5-10 years; (3) a major rehabilitation and modernization to extend the life of Van Eck by 25-30 years; (4) conversion of Van Eck to a synthesis gas fired power plant; and (5) any additional options for the rehabilitation of Van Eck that the Contractor and Grantee deem viable. The primary objective of the Study is to provide the Grantee with recommendations for the rehabilitation of Van Eck and a financing plan for implementing the Grantee's Selected Option for the rehabilitation of Van Eck. Another objective of the Study is to improve the Grantee's capacity in the area of electricity generation planning.

Task 1: Kickoff Meeting and Work Plan Review

The Contractor shall conduct a kickoff meeting with the Grantee at the Grantee's facilities or at another appropriate venue agreed upon by the Contractor and the Grantee. The Grantee shall identify appropriate personnel to participate in the kickoff meeting, including Grantee officials with expertise in various aspects of electricity generation planning, engineering, environmental issues, financing, etc. The Grantee shall also identify a Point of Contact ("POC") for the Study prior to the start of the Contractor's work effort. The POC shall assist in arranging meetings between the Contractor and the Grantee and other stakeholders, as necessary, to carry out the Study.

During the kickoff meeting, the Contractor shall: introduce the Contractor's Study team; review the tasks to be performed under these Terms of Reference; review the Contractor's work plan to perform the tasks under these Terms of Reference; and gather input from the Grantee regarding the Grantee's goals for the Study, salient issues surrounding the Grantee's plans to rehabilitate Van Eck, and Grantee requests for changes in the Contractor's work plan for the Study, if any.

For the kickoff meeting, the Contractor shall: coordinate with the Grantee on appropriate meeting content; prepare an agenda, handouts, and presentation materials, as needed, for all meeting attendees; conduct the meeting and facilitate discussion; draft a summary of the meeting and distribute the meeting summary to meeting attendees and other relevant parties; and maintain meeting records, including the agenda, any handouts and presentation materials, a list of all meeting participants, and the meeting summary, for inclusion in the Final Report.

Task 1 Deliverables: The Contractor shall provide the Grantee with a copy of the confirmed or revised work plan for the Study, as approved by the Grantee. The Contractor shall provide the Grantee with a copy of all kickoff meeting records, including the agenda, any handouts and presentation materials, a list of all meeting participants, and the meeting summary.

Task 2: Condition Assessment of Van Eck

The Contractor shall conduct a detailed condition assessment of Van Eck. The condition assessment shall include a review of available designs, drawings, previous studies, and operational data for Van Eck, as well as an onsite inspection of Van Eck. The onsite inspection shall include inspections of Van Eck's boilers, turbines, control systems, precipitators, dust removers, fuel input systems, electronics, pumps, motors, and balance of plant components. The Grantee shall provide the Contractor with all available designs, drawings, previous studies, and operational data for Van Eck and shall facilitate the Contractor's onsite inspection of Van Eck.

The Contractor shall document the findings from the review of available designs, drawings, previous studies, and operational data for Van Eck and the onsite inspection of Van Eck and compare the existing conditions at Van Eck to international best practices for similar power plants. The Contractor shall identify gaps between the existing conditions at Van Eck and international best practices for similar power plants. Based on the gaps identified, the Contractor shall identify various options for the rehabilitation of Van Eck, including: (1) no repairs; (2) minimal repairs to extend the life of Van Eck by 5-10 years; (3) a major rehabilitation and modernization to extend the life of Van Eck by 25-30 years; (4) conversion of Van Eck to a synthesis gas fired power plant; and (5) any additional options for the rehabilitation of Van Eck that the Contractor and Grantee deem viable ("Proposed Options").

Task 2 Deliverables: The Contractor shall provide the Grantee with a report of the Contractor's condition assessment of Van Eck, including: the findings from the review of available designs, drawings, previous studies, and operational data for Van Eck and the onsite inspection of Van Eck; gaps between the existing conditions at Van Eck and international best practices for similar power plants; and the Proposed Options for the rehabilitation of Van Eck.

Task 3: Assessment of Technical Requirements

The Contractor shall develop preliminary designs and lists of required equipment, technologies, and systems for each of the Proposed Options. The lists of required equipment, technologies, and systems shall include requirements for boilers, turbines, control systems, precipitators, dust removers, fuel input systems, electronics, pumps, motors, and balance of plant components and shall be sufficiently detailed to facilitate the

development of cost estimates and investment requirements for each of the Proposed Options.

Task 3 Deliverables: The Contractor shall provide the Grantee with preliminary designs and lists of required equipment, technologies, and systems for each of the Proposed Options.

Task 4: Capital, Operations and Maintenance Costs

The Contractor shall develop cost estimates and investment requirements for each of the Proposed Options. The Contractor shall forecast the cost estimates and investment requirements over the entire life cycle of the Project, at a minimum including: engineering and design; required equipment, technologies, and systems; construction; and operation and maintenance. The Contractor shall also forecast all cost estimates and investment requirements associated with environmental remediation for each of the Proposed Options.

Task 4 Deliverables: The Contractor shall provide the Grantee with cost estimates and investment requirements for each of the Proposed Options.

Task 5: Economic and Financial Analyses

The Contractor shall conduct economic and financial analyses for each of the Proposed Options. The economic and financial analyses shall be based on the cost estimates and investment requirements developed pursuant to Task 4, including any costs associated with environmental remediation. The economic and financial analyses shall be conducted on a life cycle cost basis and shall include the level of detail typically required by multilateral lending agencies (such as the World Bank and the African Development Bank). The Contractor shall estimate revenues from the sale of electricity from Van Eck at various wholesale prices consistent with the tariff schedules approved by the Namibia's electricity regulator, the Electricity Control Board. The Contractor shall calculate the economic internal rate of return ("EIRR") and the financial internal rate of return ("FIRR") for each of the Proposed Options under different assumptions for key variables that affect the EIRR and FIRR, such as capital costs, depreciation schedules, applicable tax structures, and custom tariffs. The Contractor shall conduct sensitivity analyses of the EIRR and FIRR based on different assumptions for revenues from electricity tariffs and the cost estimates and investment requirements.

Task 5 Deliverables: The Contractor shall provide the Grantee with economic and financial analyses for each of the Proposed Options.

Task 6: Development Impact Assessments

The Contractor shall conduct development impact assessments for each of the Proposed Options. The purpose of the development impact assessments is to provide the Project's decision makers and interested parties with a broader view of the Project's potential effects on Namibia. The development impact assessments shall identify the anticipated impacts for each of the Proposed Options in the following categories:

- (1) Human Capacity Building: The Contractor shall identify the anticipated number and types of local positions that would be created or retained as a result of each of the Proposed Options. The Contractor shall also identify the number of local people who would receive training and the types of training programs required for each of the Proposed Options. The Contractor shall not include training performed under these Terms of Reference in the development impact assessments.
- (2) Technology Transfer and Productivity Enhancement: The Contractor shall identify the anticipated advanced technologies that would be utilized for each of the Proposed Options. The Contractor shall also identify anticipated efficiencies that would be gained as a result of each of the Proposed Options. Examples of efficiencies related to Project implementation may include higher output per resource use, lower costs or other common measures of efficiency used in the electricity generation industry.
- (3) Infrastructure: The Contractor shall identify the anticipated infrastructure impacts of each of the Proposed Options, giving a brief synopsis and concrete examples of infrastructure impacts. Examples of infrastructure impacts related to Project implementation may include increases in the Namibia's electricity generation capacity and the construction of new ancillary infrastructure, such as access roads, transmission lines, and substations.
- (4) Other: The Contractor shall identify any other anticipated development impacts or benefits that would result from each of the Proposed Options. Examples of other development impacts related to Project implementation may include follow-on or replication projects, spin-off and demonstration effects, a safer workplace, increased good governance and transparency, private sector participation, and improved financial revenue flows to Namibia.

Task 6 Deliverables: The Contractor shall provide the Grantee with development impact assessments for each of the Proposed Options.

Task 7: Preliminary Environmental Impact Assessments

The Contractor shall conduct preliminary environmental impact assessments for each of the Proposed Options with reference to local environmental requirements and those of multilateral lending agencies (such as the World Bank and the African Development Bank). The preliminary environmental impact assessments shall: identify anticipated environmental impacts, both positive and negative, associated with each of the Proposed

Options; provide recommendations for maximizing positive environmental impacts and minimizing negative environmental impacts; and identify the steps that the Grantee will need to take subsequent to the Study's completion and prior to Project implementation to comply with local environmental requirements and those of multilateral lending agencies (such as the World Bank and the African Development Bank).

Task 7 Deliverable: The Contractor shall provide the Grantee with preliminary environmental impact assessments for each of the Proposed Options.

Task 8: Option Selection

Based on the findings from Tasks 2-7, the Contractor shall conduct a comparative analysis of the costs and benefits of the Proposed Options and rank the Proposed Options in order of overall desirability. The comparative analysis shall take into account: the technical requirements developed pursuant to Task 3, the cost estimates and investment requirements developed pursuant to Task 4, the economic and financial analyses conducted pursuant to Task 5, and the anticipated development and environmental impacts identified pursuant to Tasks 6 and 7. The Contractor shall provide the Grantee with a report of the comparative analysis and rankings of the Proposed Options and the Contractor's recommendations for Project implementation ("Option Selection Report").

After the Grantee has had an opportunity to review the Option Selection Report, the Contractor shall conduct an option selection meeting with the Grantee at the Grantee's facilities or at another appropriate venue agreed upon by the Contractor and the Grantee. During the option selection meeting, the Contractor shall: review all work completed pursuant to Tasks 2-7; present the findings and recommendations from the Option Selection Report; and gather feedback from the Grantee on the Option Selection Report and Grantee requests for additional information on the Proposed Options, if any.

For the option selection meeting, the Contractor shall: coordinate with the Grantee on appropriate meeting content; prepare an agenda, handouts, and presentation materials, as needed, for all meeting attendees; conduct the meeting and facilitate discussion; draft a summary of the meeting and distribute the meeting summary to meeting attendees and other relevant parties; and maintain meeting records, including the agenda, any handouts and presentation materials, a list of all meeting participants, and the meeting summary, for inclusion in the Final Report.

Following the option selection meeting, the Grantee shall provide to the Contractor, in writing, the Grantee's Selected Option for Project implementation ("Selected Option").

Task 8 Deliverables: The Contractor shall provide the Grantee with a copy of the confirmed or revised Option Selection Report, as approved by the Grantee. The Contractor shall provide the Grantee with a copy of all option selection meeting records, including the agenda, any handouts and presentation materials, a list of all meeting participants, and the meeting summary.

Task 9: Financing Plan

The Contractor shall develop a financing plan for the implementation of the Selected Option. The Contractor shall analyze various financing options for implementation of the Selected Option, including: the Grantee's internal resources, Government of Namibia support, bond sales, commercial loans, multilateral lending agencies (such as the World Bank and the African Development Bank), bilateral credit agencies (such as the Export-Import Bank of the United States), supplier credits, private equity investment, and private concession agreements (such as build-operate-transfer). The Contractor shall develop recommendations for the most viable sources of financing and financing structure for implementation of the Selected Option. The Contractor shall also identify the steps that the Grantee will need to take subsequent to the Study's completion to secure financing for implementation of the Selected Option.

Task 9 Deliverables: The Contractor shall provide the Grantee with a copy of the financing plan for the Selected Option.

Task 10: Clearance Certificate

The Contractor shall assist the Grantee in the preparation of documents required to obtain a clearance certificate for Project implementation of the Selected Option from the Ministry of Environment and Tourism ("MET") in Namibia. MET publishes requirements for obtaining a clearance certificate. Among other information, these requirements include: a description of the Project, including size, location, and required investment; anticipated environmental impacts of the Project; environmental remediation technologies and systems included in the Project design; and certification that the net environmental impact of the Project will be within the guidelines and requirements of Namibian environmental legislation. If the Grantee is unable to obtain a clearance certificate from MET for Project implementation of the Selected Option, the Contractor shall document the reasons why and identify any additional steps that need to be taken by the Grantee to obtain the clearance certificate.

Task 10 Deliverables: The Contractor shall provide the Grantee with a report of all efforts undertaken and any additional efforts required to obtain a clearance certificate for Project implementation of the Selected Option from MET.

Task 11: Capacity Building Workshops

The Contractor shall conduct two capacity building workshops with the Grantee at the Grantee's facilities or at another appropriate venue agreed upon by the Contractor and the Grantee. The topics for the capacity building workshops shall be: (1) Electricity Generation Planning Tools and Approaches; and (2) New Technologies for Electricity Generation Efficiency Improvements and Pollution Reduction. Each capacity building workshop shall be at least two days in duration.

The Grantee shall identify appropriate personnel to participate in the capacity building workshops, including Grantee officials with expertise in various aspects of electricity generation planning, engineering, environmental issues, financing, etc. For planning purposes, the Contractor shall assume that approximately thirty Grantee personnel will participate in each capacity building workshop.

For each capacity building workshop, the Contractor shall: coordinate with the Grantee on appropriate workshop content; provide all workshop participants with an agenda, workbooks, reference materials, and other handouts or presentation materials, as needed; conduct the workshop; and maintain workshop records, including the agenda, workbooks, reference materials, any handouts or presentation materials, a list of all workshop participants, and a summary of the workshop, for inclusion in the Final Report.

Task 11 Deliverables: The Contractor shall provide the Grantee with a copy of all records for each capacity building workshop, including the agendas, workbooks, reference materials, any handouts or presentation materials, lists of all workshop participants, and summaries of each workshop.

Task 12: Final Report

The Contractor shall prepare and deliver to the Grantee a substantive and comprehensive draft final report of all work performed under these Terms of Reference ("Draft Final Report").

After the Grantee has had an opportunity to review the Draft Final Report, the Contractor shall conduct a final report meeting with the Grantee at the Grantee's facilities or at another appropriate venue agreed upon by the Contractor and the Grantee. The Grantee shall identify appropriate personnel to participate in the final report meeting, including Grantee officials with expertise in various aspects of electricity generation planning, engineering, environmental issues, financing, etc.

During the final report meeting, the Contractor shall: review all work performed under these Terms of Reference; present the findings and recommendations from the Draft Final Report; and gather feedback from the Grantee on the Draft Final Report and Grantee requests for changes to the Draft Final Report, if any.

For the final report meeting, the Contractor shall: coordinate with the Grantee on appropriate meeting content; prepare an agenda, handouts, and presentation materials, as needed, for all meeting attendees; conduct the meeting and facilitate discussion; draft a summary of the meeting and distribute the meeting summary to meeting attendees and other relevant parties; and maintain meeting records, including the agenda, any handouts and presentation materials, a list of all meeting participants, and the meeting summary, for inclusion in the Final Report.

Once the Contractor has incorporated the Grantee's requests for changes into the Draft Final Report, the Contractor shall prepare and deliver to the Grantee and USTDA a substantive and comprehensive final report of all work performed under these Terms of Reference ("Final Report"). The Final Report shall be organized according to the above tasks, and shall include all deliverables and documents that have been provided to the Grantee. The Final Report shall be prepared in accordance with Clause I of Annex II of the Grant Agreement.

Notes:

- (1) The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.**
- (2) The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.**
- (3) The Grantee and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to use and distribute the Final Report and all work product that is developed under these Terms of Reference.**

Annex II

USTDA Mandatory Contract Clauses

A. USTDA Mandatory Clauses Controlling

The parties to this contract acknowledge that this contract is funded in whole or in part by the U.S. Trade and Development Agency ("USTDA") under the Grant Agreement between the Government of the United States of America acting through USTDA and the Namibia Power Corporation (Proprietary) Limited ("Client"), dated _____ ("Grant Agreement"). The Client has selected _____ ("Contractor") to perform the feasibility study ("Study") for the proposed Van Eck Power Plant Rehabilitation project ("Project") in Namibia ("Host Country"). Notwithstanding any other provisions of this contract, the following USTDA mandatory contract clauses shall govern. All subcontracts entered into by Contractor funded or partially funded with USTDA Grant funds shall include these USTDA mandatory contract clauses, except for clauses B(1), G, H, I, and J. In addition, in the event of any inconsistency between the Grant Agreement and any contract or subcontract thereunder, the Grant Agreement shall be controlling.

B. USTDA as Financier

(1) USTDA Approval of Contract

All contracts funded under the Grant Agreement, and any amendments thereto, including assignments and changes in the Terms of Reference, must be approved by USTDA in writing in order to be effective with respect to the expenditure of USTDA Grant funds. USTDA will not authorize the disbursement of USTDA Grant funds until the contract has been formally approved by USTDA or until the contract conforms to modifications required by USTDA during the contract review process.

(2) USTDA Not a Party to the Contract

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of this contract and amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of financing the Study and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract

or any subcontract, jointly or separately, without thereby incurring any responsibility or liability to such parties. Any approval or failure to approve by USTDA shall not bar the Client or USTDA from asserting any right they might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Client or USTDA.

C. Nationality, Source and Origin

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under the Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from Host Country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for performance of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions. USTDA will make available further details concerning these provisions upon request.

D. Recordkeeping and Audit

The Contractor and subcontractors funded under the Grant Agreement shall maintain, in accordance with generally accepted accounting procedures, books, records, and other documents, sufficient to reflect properly all transactions under or in connection with the contract. These books, records, and other documents shall clearly identify and track the use and expenditure of USTDA funds, separately from other funding sources. Such books, records, and documents shall be maintained during the contract term and for a period of three (3) years after final disbursement by USTDA. The Contractor and subcontractors shall afford USTDA, or its authorized representatives, the opportunity at reasonable times for inspection and audit of such books, records, and other documentation.

E. U.S. Carriers

(1) Air

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

(2) Marine

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

F. Workman's Compensation Insurance

The Contractor shall provide adequate Workman's Compensation Insurance coverage for work performed under this Contract.

G. Reporting Requirements

The Contractor shall advise USTDA by letter as to the status of the Project on March 1st annually for a period of two (2) years after completion of the Study. In addition, if at any time the Contractor receives follow-on work from the Client, the Contractor shall so notify USTDA and designate the Contractor's contact point including name, telephone, and fax number. Since this information may be made publicly available by USTDA, any information which is confidential shall be designated as such by the Contractor and provided separately to USTDA. USTDA will maintain the confidentiality of such information in accordance with applicable law.

H. Disbursement Procedures

(1) USTDA Approval of Contract

Disbursement of Grant funds will be made only after USTDA approval of this contract. To make this review in a timely fashion, USTDA must receive from either the Client or the Contractor a photocopy of an English language version of a signed contract or a final negotiated draft version to the attention of the General Counsel's office at USTDA's address listed in Clause M below.

(2) Payment Schedule Requirements

A payment schedule for disbursement of Grant funds to the Contractor shall be included in this Contract. Such payment schedule must conform to the following USTDA requirements: (1) up to twenty percent (20%) of the total USTDA Grant amount may be used as a mobilization payment; (2) all other payments, with the exception of the final payment, shall be based upon contract performance milestones; and (3) the final payment may be no less than fifteen percent (15%) of the total USTDA Grant amount, payable upon receipt by USTDA of an approved Final Report in accordance with the specifications and quantities set forth in Clause I below. Invoicing procedures for all payments are described below.

(3) Contractor Invoice Requirements

USTDA will make all disbursements of USTDA Grant funds directly to the Contractor. The Contractor must provide USTDA with an ACH Vendor Enrollment Form (available from USTDA) with the first invoice. The Client shall request disbursement of funds by USTDA to the Contractor for performance of the contract by submitting the following to USTDA:

(a) Contractor's Invoice

The Contractor's invoice shall include reference to an item listed in the Contract payment schedule, the requested payment amount, and an appropriate certification by the Contractor, as follows:

(i) For a mobilization payment (if any):

"As a condition for this mobilization payment, the Contractor certifies that it will perform all work in accordance with the terms of its Contract with the Client. To the extent that the Contractor does not comply with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(ii) For contract performance milestone payments:

"The Contractor has performed the work described in this invoice in accordance with the terms of its contract with the Client and is entitled to payment thereunder. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(iii) For final payment:

"The Contractor has performed the work described in this invoice in accordance with the terms of its contract with the Client and is entitled to payment thereunder. Specifically, the Contractor has submitted the Final Report to the Client, as required by the Contract, and received the Client's approval of the Final Report. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(b) Client's Approval of the Contractor's Invoice

(i) The invoice for a mobilization payment must be approved in writing by the Client.

(ii) For contract performance milestone payments, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and the terms and conditions of the USTDA Grant Agreement."

(iii) For final payment, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and terms and conditions of the USTDA Grant Agreement. The Final Report submitted by the Contractor has been reviewed and approved by the Client. "

(c) USTDA Address for Disbursement Requests

Requests for disbursement shall be submitted by courier or mail to the attention of the Finance Department at USTDA's address listed in Clause M below.

(4) Termination

In the event that the Contract is terminated prior to completion, the Contractor will be eligible, subject to USTDA approval, for reasonable and documented costs which have been incurred in performing the Terms of Reference prior to termination, as well as reasonable wind down expenses. Reimbursement for such costs shall not exceed the total amount of undisbursed Grant funds. Likewise, in the event of such termination, USTDA is entitled to receive from the Contractor all USTDA Grant funds previously disbursed to the Contractor (including but not limited to mobilization payments) which exceed the reasonable and documented costs incurred in performing the Terms of Reference prior to termination.

I. USTDA Final Report

(1) Definition

"Final Report" shall mean the Final Report described in the attached Annex I Terms of Reference or, if no such "Final Report" is described therein, "Final Report" shall mean a substantive and comprehensive report of work performed in accordance with the attached Annex I Terms of Reference, including any documents delivered to the Client.

(2) Final Report Submission Requirements

The Contractor shall provide the following to USTDA:

(a) One (1) complete version of the Final Report for USTDA's records. This version shall have been approved by the Client in writing and must be in the English language. It is the responsibility of the Contractor to ensure that confidential information, if any, contained in this version be clearly marked. USTDA will maintain the confidentiality of such information in accordance with applicable law.

and

(b) One (1) copy of the Final Report suitable for public distribution ("Public Version"). The Public Version shall have been approved by the Client in writing and must be in the English language. As this version will be available for public distribution, it must not contain any confidential information. If the report in (a) above contains no confidential information, it may be used as the Public Version. In any event, the Public Version must be informative and contain sufficient Project detail to be useful to prospective equipment and service providers.

and

(c) Two (2) CD-ROMs, each containing a complete copy of the Public Version of the Final Report. The electronic files on the CD-ROMs shall be submitted in a commonly accessible read-only format. As these CD-ROMs will be available for public distribution, they must not contain any confidential information. It is the responsibility of the Contractor to ensure that no confidential information is contained on the CD-ROMs.

The Contractor shall also provide one (1) copy of the Public Version of the Final Report to the Foreign Commercial Service Officer or the Economic Section of the U.S. Embassy in Host Country for informational purposes.

(3) Final Report Presentation

All Final Reports submitted to USTDA must be paginated and include the following:

(a) The front cover of every Final Report shall contain the name of the Client, the name of the Contractor who prepared the report, a report title, USTDA's logo, USTDA's mailing and delivery addresses. If the complete version of the Final Report contains confidential information, the Contractor shall be responsible for labeling the front cover of that version of the Final Report with the term "Confidential Version." The Contractor shall be responsible for labeling the front cover of the Public Version of the Final Report with the term "Public Version." The front cover of every Final Report shall also contain the following disclaimer:

"This report was funded by the U.S. Trade and Development Agency (USTDA), an agency of the U. S. Government. The opinions, findings, conclusions or recommendations expressed in this document are those of the author(s) and do not necessarily represent the official position or policies of

USTDA. USTDA makes no representation about, nor does it accept responsibility for, the accuracy or completeness of the information contained in this report."

(b) The inside front cover of every Final Report shall contain USTDA's logo, USTDA's mailing and delivery addresses, and USTDA's mission statement. Camera-ready copy of USTDA Final Report specifications will be available from USTDA upon request.

(c) The Contractor shall affix to the front of the CD-ROM a label identifying the Host Country, USTDA Activity Number, the name of the Client, the name of the Contractor who prepared the report, a report title, and the following language:

"The Contractor certifies that this CD-ROM contains the Public Version of the Final Report and that all contents are suitable for public distribution."

(d) The Contractor and any subcontractors that perform work pursuant to the Grant Agreement must be clearly identified in the Final Report. Business name, point of contact, address, telephone and fax numbers shall be included for Contractor and each subcontractor.

(e) The Final Report, while aiming at optimum specifications and characteristics for the Project, shall identify the availability of prospective U.S. sources of supply. Business name, point of contact, address, telephone and fax numbers shall be included for each commercial source.

(f) The Final Report shall be accompanied by a letter or other notation by the Client which states that the Client approves the Final Report. A certification by the Client to this effect provided on or with the invoice for final payment will meet this requirement.

J. Modifications

All changes, modifications, assignments or amendments to this contract, including the appendices, shall be made only by written agreement by the parties hereto, subject to written USTDA approval.

K. Study Schedule

(1) Study Completion Date

The completion date for the Study, which is March 31, 2011, is the date by which the parties estimate that the Study will have been completed.

(2) Time Limitation on Disbursement of USTDA Grant Funds

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this contract for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

L. Business Practices

The Contractor agrees not to pay, promise to pay, or authorize the payment of any money or anything of value, directly or indirectly, to any person (whether a governmental official or private individual) for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the Study. The Client agrees not to receive any such payment. The Contractor and the Client agree that each will require that any agent or representative hired to represent them in connection with the Study will comply with this paragraph and all laws which apply to activities and obligations of each party under this Contract, including but not limited to those laws and obligations dealing with improper payments as described above.

M. USTDA Address and Fiscal Data

Any communication with USTDA regarding this Contract shall be sent to the following address and include the fiscal data listed below:

U.S. Trade and Development Agency
1000 Wilson Boulevard, Suite 1600
Arlington, Virginia 22209-3901
USA

Phone: (703) 875-4357
Fax: (703) 875-4009

Fiscal Data:

Appropriation No.: 1110/111001
Activity No.: 2010-11011A
Reservation No.: 2010110013
Grant No.: GH2010110005

N. Definitions

All capitalized terms not otherwise defined herein shall have the meaning set forth in the Grant Agreement.

O. Taxes

USTDA funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country. Neither the Client nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

Van Eck-kragstasie opgegradeer

• Niël Terblanché

DIE Van Eck-kragentrale aan die buitewyke van Windhoek moet dringend opgegradeer word om meer kostedoeltreffend te wees en om besoedeling te verminder.

Vir die doel het die regering van die Verenigde State van Amerika deur middel van sy handel- en ontwikkelingsagentskap (USTDA) N\$2 988 000 beskikbaar gestel sodat 'n lewensvatbaarheidstudie by die kragentrale, wat gedurende 1972 in gebruik geneem is, uitgevoer kan word. Te dien effekte het die ambassadeur van die VSA aan Namibië me. Gail Denisse Mathieu, namens haar regering 'n samewerkings-ooreenkoms met die besturende direkteur van die Namibiese nasionale kragvoorsiener, mnr. Paulinus Shilamba, onderteken.

Tydens die ondertekening van die ooreenkoms het mnr. Shilamba gesê die kragentrale is destyds gebou om as 'n noodbystandsentrale te dien wanneer kragtoevoer van Suid-Afrika afgesny is. Sedert onafhanklikwording het klem van die aanwending van die verouderde kragentrale egter dramaties verander en werk dit deesdae oortyd om in die kragbehoefes van Namibië te voorsien.

"Die tegnologie in die kragentrale was veertig jaar gelede van die beste moontlik gehalte. Omstandighede het egter in die tydperk drasties verander en dit is nodig dat NamPower by wêreldstandaarde vir steenkoolkragentrales aanpas om te verseker dat die tipe tegnologie meer doeltreffend en meer omgewingsvriendelik is."

Mnr. Shilamba het bygevoeg dat die aanvraag na elektrisiteit in Namibië jaarliks met tussen drie en vyf persent styg en dat nuwe kostedoeltreffende wyses gevind moet word om in die plaaslike verbruiker se benodighede te voorsien. Hy het voorts gemeld dat opwekkingskoste die hoogste inge-



■ Die besturende direkteur van NamPower, mnr. Paulinus Shilamba, en die ambassadeur van die Verenigde State van Amerika aan Namibië, me. Gail Denisse Mathieu, tydens die ondertekening van 'n samewerkingsooreenkoms. Die Amerikaanse regering het N\$2 988 000 tot die beskikking van NamPower gestel om 'n lewensvatbaarheidstudie vir die rehabilitasie van die Van Eck-kragentrale uit te voer.

Foto: Niël Terblanché

skiet het en dat die Van Eck-kragentrale nie meer winsgewend bedryf kan word nie.

Lug- en omgewingsbesoedeling sal ook in die lewensvatbaarheidstudie ondersoek word. Hoewel NamPower se besoedelingsvoetspoor nie eens op die skaal van wêreldstandaarde registreer nie, is dit volgens mnr. Shilamba belangrik dat by internasionale riglyne in die verband gehou word.

Op haar beurt het me. Mathieu gesê die regering van die VSA het besluit om die projek te finansier omdat dit juis daarop gemik is om bestaande geriewe te verbeter en te

moderniseer. Sy het genoem dat die rehabilitasie van die kragentrale een van die beste wyses is waarop NamPower in die kort- en mediumtermyn in die toenemende aanvraag na elektrisiteit van Namibië en sy inwoners kan voorsien.

Sy het dit duidelik gestel dat die lewensvatbaarheidstudie daarop gemik is om die beste moontlike wyse waarop die kragentrale verbeter kan word, uit te wys. Me. Mathieu het verder gesê dat NamPower op die koop toe ook die beste moontlike finansiële beplanning vir die rehabilitasieprojek op die koop toe gaan kry.

Die samewerkingsooreenkoms behels dat Amerikaanse maatskappye vir die lewensvatbaarheidstudie gaan aansoek doen om sodoende die beste moontlik praktiese uitvoering vir die rehabilitasieprojek te verseker.

Stadsbalju

Van bl. 1

"Daar is 'n klomp geld betrokke in die saak..." het mnr. Hübner se prokureur benadruk. "As die adjunkbalju nie sy werk behoorlik doen..."

Beesdiewe wei wyd

Van bl. 1

Die vrou en 'n ander man by die veepos is later in hegtenis geneem nadat die polisie op die afval en velle van twee koeie in 'n vlak graf naby die huis afgekomp het.

Volgens mnr. Ayoub was een van die geslagte koeie dragtig en die ongebore kalf is saam met die afval en velle begrawe.

Vyf van die elf gesteelde beeste is Saterdag in 'n kamp op Arovlei gevind terwyl nog vier Sondag

hoek te neem om te verkoop.

Hoofinsp. Marschell Diergaardt, bevelvoerder van die polisie op Rehoboth, sê die polisie soek nog na die twee mans wat weggehardloop het.

Intussen blyk dit dat die naweek se deurbraak die tweede in 'n kort tyd op adj.off Eimann se kerfstok is. Volgens sy bevelvoerder kon hy pas ook daarin slaag om die diewe wat mnr. Christie Benadé eienaar



op Swakopmund nadat hy er is daar nog gesukkel om

Foto: Anneli Erasmus

likste was dat nie een my het nie. Intussen was ek telefonies met Aubrey en in verbinding totdat hy taal gehaal het."

alloway is nog 'n parawat op die toneel was. Hy stadium help om mnr. en agter in 'n ambulans toe die eerste by hom op gesteeke het en hy toe ook vern gepak is. Hy het ook hardloop om van die bye

rnst Ritter, 'n byevanger opmund, en die plaaslike diens onder leiding van Moller, het laat Sondag die redding van die bye adat die brandweer die gespuit het, het mnr. bye verwyder en na 'n

gs die Swakoprivier gegens hom hou die aanval verband met die warm, weer langs die kus.

ik net soos mense geir-dit warm is. Sekere reu- daartoe aanleiding gee aggressief word. As jy y doodmaak, gee die a soet reuk af en dan e rasend. Dit is hul hulself te verdedig."

US funds study on Van Eck's future

• JO-MARÉ DUDDY

ELECTRICITY demand in Namibia is growing by between three and five per cent every year and to sustain the economy, NamPower is not only considering rehabilitating the 120-megawatt Van Eck coal-fired power station outside Windhoek, but also considering building another coal power station of between 200 and 400 megawatt at Walvis Bay. NamPower yesterday signed a grant agreement of US\$400,000, nearly N\$3 million, with the United States for a feasibility study that will determine the future of Van Eck.

"[It] will evaluate the technical, financial, environmental and other critical aspects of the Van Eck Power Station and come out with clear recommendations on the future of this facility, covering various options

including, but not limited to, decommissioning, rehabilitation, upgrading and/or fuel substitution," NamPower Managing Director Paulinus Shilamba said.

Van Eck represents 31 per cent of Namibia's installed generation capacity.

"[It] has been playing an important role in the power supply equation in Namibia, and will continue to do so in future," he said.

The aging plant, which will be 40 years old in 2012, is running below capacity, is expensive to operate and is not environmentally friendly. It was built as an "emergency standby" meant to run for short periods only.

"However, due to the critical power supply shortages experienced in the region and the country since 2006, NamPower has been operating this power station for longer periods and

sometimes on a continuous basis," Shilamba said. He said the "obsolete technology" at Van Eck had resulted in complaints from the public and the business community near the station about the smoke it emits.

Although confident that the current emission levels meet World Health Organisation standards, the issue will still be part of the feasibility study, Shilamba said.

"Hopefully, a plan for rehabilitation will lead to the use of modern, clean energy technologies that will reduce emissions of greenhouse gases and other harmful pollutants, while ensuring that Namibia has the electricity resources it needs for sustained economic growth," said US Ambassador Gail Dennis Mathison, who signed the agreement on behalf of the US Trade and Development

Agency (USTDA). "Coal" will continue to be a reliable fuel for power generation in southern Africa, including Namibia, for many years to come," Shilamba said.

He said Namibia "does not even register on the radar" when it comes to total bush energy.

emissions from the burning of fossil fuels.

Shilamba also stressed that coal is only part of NamPower's energy mix. The utility will also develop gas, hydro and renewable resources, such as wind, solar, biomass and invader bush energy.

Top 10

Animated Films

Film	Year	Gross (US\$)
1. Shrek 2	2004	920 665 658
2. Finding Nemo	2003	864 625 978
3. Shrek the Third	2007	798 957 081
4. The Lion King	1994	783 841 776
5. Ice Age: The Meltdown	2006	651 564 512
6. Kung Fu Panda	2008	631 908 951
7. The Incredibles	2004	621 442 092
8. Ratatouille	2007	621 426 008
9. Madagascar: Escape 2 Africa	2008	584 316 050
10. Wall-E	2008	534 745 866

— Top 10 Of Everything 2010

19 JULY 10
V.A.S. CANTON



Van Eck Power Station

ANNEX 5

Annex I

Terms of Reference

The Namibia Power Corporation (Proprietary) Limited ("Grantee") has requested funding from the U.S. Trade and Development Agency ("USTDA") for a feasibility study ("Study") to evaluate the technical, financial, environmental, and other critical aspects of rehabilitating the Van Eck power plant ("Van Eck") in Namibia. The Study will consider various options for the rehabilitation of Van Eck, including: (1) no repairs; (2) minimal repairs to extend the life of Van Eck by 5-10 years; (3) a major rehabilitation and modernization to extend the life of Van Eck by 25-30 years; (4) conversion of Van Eck to a synthesis gas fired power plant; and (5) any additional options for the rehabilitation of Van Eck that the Contractor and Grantee deem viable. The primary objective of the Study is to provide the Grantee with recommendations for the rehabilitation of Van Eck and a financing plan for implementing the Grantee's Selected Option for the rehabilitation of Van Eck. Another objective of the Study is to improve the Grantee's capacity in the area of electricity generation planning.

Task 1: Kickoff Meeting and Work Plan Review

The Contractor shall conduct a kickoff meeting with the Grantee at the Grantee's facilities or at another appropriate venue agreed upon by the Contractor and the Grantee. The Grantee shall identify appropriate personnel to participate in the kickoff meeting, including Grantee officials with expertise in various aspects of electricity generation planning, engineering, environmental issues, financing, etc. The Grantee shall also identify a Point of Contact ("POC") for the Study prior to the start of the Contractor's work effort. The POC shall assist in arranging meetings between the Contractor and the Grantee and other stakeholders, as necessary, to carry out the Study.

During the kickoff meeting, the Contractor shall: introduce the Contractor's Study team; review the tasks to be performed under these Terms of Reference; review the Contractor's work plan to perform the tasks under these Terms of Reference; and gather input from the Grantee regarding the Grantee's goals for the Study, salient issues surrounding the Grantee's plans to rehabilitate Van Eck, and Grantee requests for changes in the Contractor's work plan for the Study, if any.

For the kickoff meeting, the Contractor shall: coordinate with the Grantee on appropriate meeting content; prepare an agenda, handouts, and presentation materials, as needed, for all meeting attendees; conduct the meeting and facilitate discussion; draft a summary of the meeting and distribute the meeting summary to meeting attendees and other relevant parties; and maintain meeting records, including the agenda, any handouts and presentation materials, a list of all meeting participants, and the meeting summary, for inclusion in the Final Report.

Task 1 Deliverables: The Contractor shall provide the Grantee with a copy of the confirmed or revised work plan for the Study, as approved by the Grantee. The Contractor shall provide the Grantee with a copy of all kickoff meeting records, including the agenda, any handouts and presentation materials, a list of all meeting participants, and the meeting summary.

Task 2: Condition Assessment of Van Eck

The Contractor shall conduct a detailed condition assessment of Van Eck. The condition assessment shall include a review of available designs, drawings, previous studies, and operational data for Van Eck, as well as an onsite inspection of Van Eck. The onsite inspection shall include inspections of Van Eck's boilers, turbines, control systems, precipitators, dust removers, fuel input systems, electronics, pumps, motors, and balance of plant components. The Grantee shall provide the Contractor with all available designs, drawings, previous studies, and operational data for Van Eck and shall facilitate the Contractor's onsite inspection of Van Eck.

The Contractor shall document the findings from the review of available designs, drawings, previous studies, and operational data for Van Eck and the onsite inspection of Van Eck and compare the existing conditions at Van Eck to international best practices for similar power plants. The Contractor shall identify gaps between the existing conditions at Van Eck and international best practices for similar power plants. Based on the gaps identified, the Contractor shall identify various options for the rehabilitation of Van Eck, including: (1) no repairs; (2) minimal repairs to extend the life of Van Eck by 5-10 years; (3) a major rehabilitation and modernization to extend the life of Van Eck by 25-30 years; (4) conversion of Van Eck to a synthesis gas fired power plant; and (5) any additional options for the rehabilitation of Van Eck that the Contractor and Grantee deem viable ("Proposed Options").

Task 2 Deliverables: The Contractor shall provide the Grantee with a report of the Contractor's condition assessment of Van Eck, including: the findings from the review of available designs, drawings, previous studies, and operational data for Van Eck and the onsite inspection of Van Eck; gaps between the existing conditions at Van Eck and international best practices for similar power plants; and the Proposed Options for the rehabilitation of Van Eck.

Task 3: Assessment of Technical Requirements

The Contractor shall develop preliminary designs and lists of required equipment, technologies, and systems for each of the Proposed Options. The lists of required equipment, technologies, and systems shall include requirements for boilers, turbines, control systems, precipitators, dust removers, fuel input systems, electronics, pumps, motors, and balance of plant components and shall be sufficiently detailed to facilitate the

development of cost estimates and investment requirements for each of the Proposed Options.

Task 3 Deliverables: The Contractor shall provide the Grantee with preliminary designs and lists of required equipment, technologies, and systems for each of the Proposed Options.

Task 4: Capital, Operations and Maintenance Costs

The Contractor shall develop cost estimates and investment requirements for each of the Proposed Options. The Contractor shall forecast the cost estimates and investment requirements over the entire life cycle of the Project, at a minimum including: engineering and design; required equipment, technologies, and systems; construction; and operation and maintenance. The Contractor shall also forecast all cost estimates and investment requirements associated with environmental remediation for each of the Proposed Options.

Task 4 Deliverables: The Contractor shall provide the Grantee with cost estimates and investment requirements for each of the Proposed Options.

Task 5: Economic and Financial Analyses

The Contractor shall conduct economic and financial analyses for each of the Proposed Options. The economic and financial analyses shall be based on the cost estimates and investment requirements developed pursuant to Task 4, including any costs associated with environmental remediation. The economic and financial analyses shall be conducted on a life cycle cost basis and shall include the level of detail typically required by multilateral lending agencies (such as the World Bank and the African Development Bank). The Contractor shall estimate revenues from the sale of electricity from Van Eck at various wholesale prices consistent with the tariff schedules approved by the Namibia's electricity regulator, the Electricity Control Board. The Contractor shall calculate the economic internal rate of return ("EIRR") and the financial internal rate of return ("FIRR") for each of the Proposed Options under different assumptions for key variables that affect the EIRR and FIRR, such as capital costs, depreciation schedules, applicable tax structures, and custom tariffs. The Contractor shall conduct sensitivity analyses of the EIRR and FIRR based on different assumptions for revenues from electricity tariffs and the cost estimates and investment requirements.

Task 5 Deliverables: The Contractor shall provide the Grantee with economic and financial analyses for each of the Proposed Options.

Task 6: Development Impact Assessments

The Contractor shall conduct development impact assessments for each of the Proposed Options. The purpose of the development impact assessments is to provide the Project's decision makers and interested parties with a broader view of the Project's potential effects on Namibia. The development impact assessments shall identify the anticipated impacts for each of the Proposed Options in the following categories:

- (1) Human Capacity Building: The Contractor shall identify the anticipated number and types of local positions that would be created or retained as a result of each of the Proposed Options. The Contractor shall also identify the number of local people who would receive training and the types of training programs required for each of the Proposed Options. The Contractor shall not include training performed under these Terms of Reference in the development impact assessments.
- (2) Technology Transfer and Productivity Enhancement: The Contractor shall identify the anticipated advanced technologies that would be utilized for each of the Proposed Options. The Contractor shall also identify anticipated efficiencies that would be gained as a result of each of the Proposed Options. Examples of efficiencies related to Project implementation may include higher output per resource use, lower costs or other common measures of efficiency used in the electricity generation industry.
- (3) Infrastructure: The Contractor shall identify the anticipated infrastructure impacts of each of the Proposed Options, giving a brief synopsis and concrete examples of infrastructure impacts. Examples of infrastructure impacts related to Project implementation may include increases in the Namibia's electricity generation capacity and the construction of new ancillary infrastructure, such as access roads, transmission lines, and substations.
- (4) Other: The Contractor shall identify any other anticipated development impacts or benefits that would result from each of the Proposed Options. Examples of other development impacts related to Project implementation may include follow-on or replication projects, spin-off and demonstration effects, a safer workplace, increased good governance and transparency, private sector participation, and improved financial revenue flows to Namibia.

Task 6 Deliverables: The Contractor shall provide the Grantee with development impact assessments for each of the Proposed Options.

Task 7: Preliminary Environmental Impact Assessments

The Contractor shall conduct preliminary environmental impact assessments for each of the Proposed Options with reference to local environmental requirements and those of multilateral lending agencies (such as the World Bank and the African Development Bank). The preliminary environmental impact assessments shall: identify anticipated environmental impacts, both positive and negative, associated with each of the Proposed

Options; provide recommendations for maximizing positive environmental impacts and minimizing negative environmental impacts; and identify the steps that the Grantee will need to take subsequent to the Study's completion and prior to Project implementation to comply with local environmental requirements and those of multilateral lending agencies (such as the World Bank and the African Development Bank).

Task 7 Deliverable: The Contractor shall provide the Grantee with preliminary environmental impact assessments for each of the Proposed Options.

Task 8: Option Selection

Based on the findings from Tasks 2-7, the Contractor shall conduct a comparative analysis of the costs and benefits of the Proposed Options and rank the Proposed Options in order of overall desirability. The comparative analysis shall take into account: the technical requirements developed pursuant to Task 3, the cost estimates and investment requirements developed pursuant to Task 4, the economic and financial analyses conducted pursuant to Task 5, and the anticipated development and environmental impacts identified pursuant to Tasks 6 and 7. The Contractor shall provide the Grantee with a report of the comparative analysis and rankings of the Proposed Options and the Contractor's recommendations for Project implementation ("Option Selection Report").

After the Grantee has had an opportunity to review the Option Selection Report, the Contractor shall conduct an option selection meeting with the Grantee at the Grantee's facilities or at another appropriate venue agreed upon by the Contractor and the Grantee. During the option selection meeting, the Contractor shall: review all work completed pursuant to Tasks 2-7; present the findings and recommendations from the Option Selection Report; and gather feedback from the Grantee on the Option Selection Report and Grantee requests for additional information on the Proposed Options, if any.

For the option selection meeting, the Contractor shall: coordinate with the Grantee on appropriate meeting content; prepare an agenda, handouts, and presentation materials, as needed, for all meeting attendees; conduct the meeting and facilitate discussion; draft a summary of the meeting and distribute the meeting summary to meeting attendees and other relevant parties; and maintain meeting records, including the agenda, any handouts and presentation materials, a list of all meeting participants, and the meeting summary, for inclusion in the Final Report.

Following the option selection meeting, the Grantee shall provide to the Contractor, in writing, the Grantee's Selected Option for Project implementation ("Selected Option").

Task 8 Deliverables: The Contractor shall provide the Grantee with a copy of the confirmed or revised Option Selection Report, as approved by the Grantee. The Contractor shall provide the Grantee with a copy of all option selection meeting records, including the agenda, any handouts and presentation materials, a list of all meeting participants, and the meeting summary.

Task 9: Financing Plan

The Contractor shall develop a financing plan for the implementation of the Selected Option. The Contractor shall analyze various financing options for implementation of the Selected Option, including: the Grantee's internal resources, Government of Namibia support, bond sales, commercial loans, multilateral lending agencies (such as the World Bank and the African Development Bank), bilateral credit agencies (such as the Export-Import Bank of the United States), supplier credits, private equity investment, and private concession agreements (such as build-operate-transfer). The Contractor shall develop recommendations for the most viable sources of financing and financing structure for implementation of the Selected Option. The Contractor shall also identify the steps that the Grantee will need to take subsequent to the Study's completion to secure financing for implementation of the Selected Option.

Task 9 Deliverables: The Contractor shall provide the Grantee with a copy of the financing plan for the Selected Option.

Task 10: Clearance Certificate

The Contractor shall assist the Grantee in the preparation of documents required to obtain a clearance certificate for Project implementation of the Selected Option from the Ministry of Environment and Tourism ("MET") in Namibia. MET publishes requirements for obtaining a clearance certificate. Among other information, these requirements include: a description of the Project, including size, location, and required investment; anticipated environmental impacts of the Project; environmental remediation technologies and systems included in the Project design; and certification that the net environmental impact of the Project will be within the guidelines and requirements of Namibian environmental legislation. If the Grantee is unable to obtain a clearance certificate from MET for Project implementation of the Selected Option, the Contractor shall document the reasons why and identify any additional steps that need to be taken by the Grantee to obtain the clearance certificate.

Task 10 Deliverables: The Contractor shall provide the Grantee with a report of all efforts undertaken and any additional efforts required to obtain a clearance certificate for Project implementation of the Selected Option from MET.

Task 11: Capacity Building Workshops

The Contractor shall conduct two capacity building workshops with the Grantee at the Grantee's facilities or at another appropriate venue agreed upon by the Contractor and the Grantee. The topics for the capacity building workshops shall be: (1) Electricity Generation Planning Tools and Approaches; and (2) New Technologies for Electricity Generation Efficiency Improvements and Pollution Reduction. Each capacity building workshop shall be at least two days in duration.

The Grantee shall identify appropriate personnel to participate in the capacity building workshops, including Grantee officials with expertise in various aspects of electricity generation planning, engineering, environmental issues, financing, etc. For planning purposes, the Contractor shall assume that approximately thirty Grantee personnel will participate in each capacity building workshop.

For each capacity building workshop, the Contractor shall: coordinate with the Grantee on appropriate workshop content; provide all workshop participants with an agenda, workbooks, reference materials, and other handouts or presentation materials, as needed; conduct the workshop; and maintain workshop records, including the agenda, workbooks, reference materials, any handouts or presentation materials, a list of all workshop participants, and a summary of the workshop, for inclusion in the Final Report.

Task 11 Deliverables: The Contractor shall provide the Grantee with a copy of all records for each capacity building workshop, including the agendas, workbooks, reference materials, any handouts or presentation materials, lists of all workshop participants, and summaries of each workshop.

Task 12: Final Report

The Contractor shall prepare and deliver to the Grantee a substantive and comprehensive draft final report of all work performed under these Terms of Reference ("Draft Final Report").

After the Grantee has had an opportunity to review the Draft Final Report, the Contractor shall conduct a final report meeting with the Grantee at the Grantee's facilities or at another appropriate venue agreed upon by the Contractor and the Grantee. The Grantee shall identify appropriate personnel to participate in the final report meeting, including Grantee officials with expertise in various aspects of electricity generation planning, engineering, environmental issues, financing, etc.

During the final report meeting, the Contractor shall: review all work performed under these Terms of Reference; present the findings and recommendations from the Draft Final Report; and gather feedback from the Grantee on the Draft Final Report and Grantee requests for changes to the Draft Final Report, if any.

For the final report meeting, the Contractor shall: coordinate with the Grantee on appropriate meeting content; prepare an agenda, handouts, and presentation materials, as needed, for all meeting attendees; conduct the meeting and facilitate discussion; draft a summary of the meeting and distribute the meeting summary to meeting attendees and other relevant parties; and maintain meeting records, including the agenda, any handouts and presentation materials, a list of all meeting participants, and the meeting summary, for inclusion in the Final Report.

Once the Contractor has incorporated the Grantee's requests for changes into the Draft Final Report, the Contractor shall prepare and deliver to the Grantee and USTDA a substantive and comprehensive final report of all work performed under these Terms of Reference ("Final Report"). The Final Report shall be organized according to the above tasks, and shall include all deliverables and documents that have been provided to the Grantee. The Final Report shall be prepared in accordance with Clause I of Annex II of the Grant Agreement.

Notes:

- (1) The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.**
- (2) The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.**
- (3) The Grantee and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to use and distribute the Final Report and all work product that is developed under these Terms of Reference.**

ANNEX 6

COMPANY INFORMATION

A. Company Profile

Provide the information listed below relative to the Offeror's firm. If the Offeror is proposing to subcontract some of the proposed work to another firm(s), the information below must be provided for each subcontractor.

1. Name of firm and business address (street address only), including telephone and fax numbers:
2. Year established (include predecessor companies and year(s) established, if appropriate).
3. Type of ownership (e.g. public, private or closely held).
4. If private or closely held company, provide list of shareholders and the percentage of their ownership.
5. List of directors and principal officers (President, Chief Executive Officer, Vice-President(s), Secretary and Treasurer; provide full names including first, middle and last). Please place an asterisk (*) next to the names of those principal officers who will be involved in the Feasibility Study.
6. If Offeror is a subsidiary, indicate if Offeror is a wholly-owned or partially-owned subsidiary. Provide the information requested in items 1 through 5 above for the Offeror's parent(s).
7. Project Manager's name, address, telephone number, e-mail address and fax number .

B. Offeror's Authorized Negotiator

Provide name, title, address, telephone number, e-mail address and fax number of the Offeror's authorized negotiator. The person cited shall be empowered to make binding commitments for the Offeror and its subcontractors, if any.

C. Negotiation Prerequisites

1. Discuss any current or anticipated commitments which may impact the ability of the Offeror or its subcontractors to complete the Feasibility Study as proposed and reflect such impact within the project schedule.
2. Identify any specific information which is needed from the Grantee before commencing contract negotiations.

D. Offeror's Representations

Please provide exceptions and/or explanations in the event that any of the following representations cannot be made:

1. Offeror is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of _____. The Offeror has all the requisite corporate power and authority to conduct its business as presently conducted, to submit this proposal, and if selected, to execute and deliver a contract to the Grantee for the performance of the Feasibility Study. The Offeror is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment, or ineligible for the award of contracts by any federal or state governmental agency or authority.
2. The Offeror has included, with this proposal, a certified copy of its Articles of Incorporation, and a certificate of good standing issued within one month of the date of its proposal by the State of _____. The Offeror commits to notify USTDA and the Grantee if they become aware of any change in their status in the state in which they are incorporated. USTDA retains the right to request an updated certificate of good standing.
3. Neither the Offeror nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
4. Neither the Offeror, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 3 above.
5. There are no federal or state tax liens pending against the assets, property or business of the Offeror. The Offeror, has not, within the three-year period preceding this RFP,

been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.

6. The Offeror has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The Offeror has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected Offeror shall notify the Grantee and USTDA if any of the representations included in its proposal are no longer true and correct at the time of its entry into a contract with the Grantee.

Signed: _____
(Authorized Representative)

Print Name: _____

Title: _____

Date: _____

E. Subcontractor Profile

1. Name of firm and business address (street address only), including telephone and fax numbers.
2. Year established (include predecessor companies and year(s) established, if appropriate).

F. Subcontractor's Representations

If any of the following representations cannot be made, or if there are exceptions, the subcontractor must provide an explanation.

1. Subcontractor is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of _____. The subcontractor has all the requisite corporate power and authority to conduct its business as presently conducted, to participate in this proposal, and if the Offeror is selected, to execute and deliver a subcontract to the Offeror for the performance of the Feasibility Study and to perform the Feasibility Study. The subcontractor is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment or ineligible for the award of contracts by any federal or state governmental agency or authority.
2. Neither the subcontractor nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
3. Neither the subcontractor, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 2 above.
4. There are no federal or state tax liens pending against the assets, property or business of the subcontractor. The subcontractor, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.

5. The subcontractor has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The subcontractor has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected subcontractor shall notify the Offeror, Grantee and USTDA if any of the representations included in this proposal are no longer true and correct at the time of the Offeror's entry into a contract with the Grantee.

Signed: _____
(Authorized Representative)

Print Name: _____

Title: _____

Date: _____