

## JOINT PRESS RELEASE- ENGLISH

### Tanga UWASA issues East Africa's first ever Water Green Bond

**Embargoes until 22nd February 2024, afternoon.**

#### Tanga

Today, the first ever Sub-national Water Infrastructure **Green Bond** in East Africa, worth **TZS 53.12 billion** has been issued by Tanga Urban Water Supply and Sanitation Authority (Tanga UWASA), an autonomous water utility. This landmark transaction would fund the expansion and improvement of sustainable water supply infrastructure and environmental conservation within Tanga city and nearby townships. The **10-yrs** project revenue bond to be listed at Dar es Salaam Stock Exchange (DSE), offers an attractive interest rate of **13.5%** per annum to be paid semiannually.

The government of Tanzania adopted the Alternative Project Financing (APF) strategy in 2021 because of the need to broaden its domestic revenue base to finance various national development initiatives including water, energy, health care, agriculture, and other productive infrastructure projects. Tanga bond is the first significant transaction to demonstrate that the existing regulations and frameworks can be used by municipalities, cities, and sub-national entities to raise significant capital from domestic capital markets in local currency to finance development. Innovative financing such as this one can help to bridge the gap between what is available and what the government, need to reach national development plans and sustainable development goals”.

In his speech while gracing the launching ceremony, the guest of honor **H.E. Philip Mpango, Vice president of United Republic of Tanzania** said that financing of strategic revenue generating projects through a revenue bond such as the Tanga Bond will reduce pressure on government budget and provide an opportunity to focus on priority social initiatives that can't be financed via commercial windows. On that front, he said , *"Am directing the Treasury Registrar's Office which supervises public institutions and the Minister of State, President Office, Regional Administration and Local Government (PORALG), to explore eligible public institutions, Local Governments, cities and municipalities to prepare to tap long term finance via revenue and municipal bond issuance."*

Speaking during the event, the **Deputy Minister of Finance Hon. Hamad Chande** highlighted that, the Government of Tanzania is committed to ensure that its Alternative Project Financing strategy is used by more public entities to finance local development instead of relying only on

government grants, a leaf to be borrowed from the Private Sector and Corporates who operates in the same market.

On his side, **Hon. Jumaa Aweso, the Minister for Water** insisted that the direction of the 6<sup>th</sup> administration and the CCM Manifesto is to ensure access to water supply by 95% in urban areas and 85% in rural areas by December 2025. To date, water accessibility has reached 88% and 77% in urban and rural areas respectively. *"In order to achieve these targets, it is crucial to deploy various innovative financing mechanisms similar to what Tanga UWASA has done. This project is expected to improve and increase water supply from 96% to 100% in Tanga City and reliability of water for 24 hours, by June 2025. Similarly, increase water supply network from 70% to more than 95% in the townships of Muheza and Pangani respectively by June 2025. Likewise, increase capacity to supply adequate water to Mkinga District through the ongoing project which is under construction"*. He added.

On his key remarks, the **Head of United Nations Capital Development Fund (UNCDF) in Tanzania Mr. Peter Malika** congratulated the government for achieving this historic milestone. He said *"UNCDF played an important role of partnering with the government and its key national institutions to influence policies and improve the enabling environment related to domestic capital markets development. Tanga Bond is a demonstration that capital markets are a viable option for financing national development needs without increasing the national debt limits"*. UNCDF will continue to provide technical assistance and financial assistance to ensure more sub-national and municipal bond issuances take place to meet the growing demand to fund public services driven by growing populations, urbanization and climate change.

**Mr. Nicodemus Mkama, Chief Executive of the Tanzania Capital Market and Securities Authority (CMSA)** highlighted that *"CMSA has been at the fore in steering development of innovative sustainable capital market products that have facilitated successful issuance of the first gender and multi-currency green bonds in Sub-Saharan Africa; as well as shariah compliant sukuk bonds. These results have positioned Tanzania on the map of global capital markets that offer innovative and sustainable products attracting both domestic and international investors. The Tanga UWASA bond, which is an innovative, sustainable blended capital market product with elements of subnational, water infrastructure, green, revenue bond is a milestone pathfinder transaction, expected to showcase other subnational institutions and municipalities in financing revenue generating projects, through capital markets."*

Other stakeholders involved in preparations of the Tanga water green bond includes NBC Bank (lead transaction advisor), FSD Africa (supported green framework), FIMCO and Global Sovereign Advisory (financial & investment advisory), ALN Tanzania (legal advisor), Innovex (reporting

accountant), Vertex International Securities (stockbroker) and ISS Corporate Solutions (second-party opinion provider).

General public, investors, Institutions and individuals are welcome to visit any NBC Bank branches or any other authorized brokers to invest in the Tanga water green bond, within the offer period of 6 weeks.

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JOINT PRESS RELEASE- SWAHILI

## **Tanga UWASA yazindua Hatifungani ya kwanza Afrika Mashariki ya Miundombinu ya Maji**

**Embargoes until 22nd February 2024, afternoon.**

### **Tanga**

Leo Hatifungani ya kijani ya miundombinu ya maji yenye thamani ya **Shilingi bilioni 53.12** imezinduliwa na Mamlaka ya Maji Tanga, taasisi ya serikali inayojitegemea. Hatifungani hii ya kwanza katika historia ya masoko ya mitaji nchini na ukanda wa Afrika Mashariki, inalenga kugharamia mradi wa uboreshaji miundombinu ya huduma ya maji safi na uhifadhi wa mazingira Tanga. Hatifungani hii itadumu kwa muda wa miaka **10**, itaorodheshwa katika Soko la Hisa la Dar es Salaam, na itatoa riba ya **asilimia 13.5%** kwa mwaka, itakayolipwa kila baada ya kipindi cha miezi 6.

Mwaka 2021, Serikali ilizindua Mkakati wa Ugharamiaji wa Miradi ya Maendeleo kwa njia Mbadala (APF), ili kutanua wigo wa vyanzo vya fedha za kugharamia mipango mbalimbali ya maendeleo ikiwemo maji, nishati, afya, kilimo na miradi mingine ya miundombinu. Hatifungani ya Tanga UWASA ni ya kipekee na inathibitisha kuwa kanuni na mifumo iliyopo inaweza kutumika na Halmashauri na taasisi nyingine za Serikali kupata fedha za miradi kupitia masoko ya mitaji na dhamana. Njia hii ya kibunifu inaweza kusaidia kuziba pengo kati ya uhitaji wa rasilimali fedha na zile zilizopo ili kufikia mipango ya maendeleo ya taifa na malengo ya maendeleo endelevu”.

Akitoa hotuba yake wakati wa ufunguzi wa hafla hiyo, mgeni rasmi **Mhe. Philip Isdor Mpango, Makamu wa Raisi wa Jamhuri ya Muungano wa Tanzania** alisema uuzaji wa hatifungani kama hii ya Tanga UWASA, ni njia mojawapo itakayosaidia kuongeza kasi ya utekelezaji wa miradi ya maendeleo inayozalisha kipato, itapunguzia Serikali Kuu mzigo wa bajeti ya miradi na kutoa nafasi

ya kuweka mkazo kwenye maeneo mengine ya vipaumbele ambako haitokuwa rahisi kupata fedha kwa njia kama hizi. Sambamba na hilo alisema *“Nawaelekeza Ofisi ya Msajili wa Hazina kama msimamizi wa Taasisi na Mashirika ya Umma nchini na Waziri wa OR-TAMISEMI kama msimamizi wa Halmashauri, kuziandaa Taasisi za umma, Mashirika na baadhi ya Halmashauri zenye vigezo, kutumia utaratibu huu wa kujitafutia fedha za miradi mbalimbali ya maendeleo kwa kupitia uuzaji wa hatifungani.”*

Akiongea katika hafla hiyo, **Naibu Waziri wa Fedha Mhe. Hamad Chande** alieleza kuwa Serikali itahakikisha kuwa Mkakati wa Ugharamiaji wa Miradi ya Maendeleo kwa njia Mbadala (APF), unatekelezwa kama ilivyopangwa, na kwamba Taasisi za Serikali nazo pia zinatumiwa njia bunifu na mbadala katika kugharamia Miradi ya Maendeleo, badala ya kutegemea Serikali pekee, kama ambavyo inafanyika kwa mafanikio na Sekta Binafsi na Makampuni katika soko hilo hilo.

Kwa upande wake **Mhe. Jumaa Aweso, Waziri wa Maji** alisisitiza kuwa maelekezo ya Serikali ya Awamu ya Sita na Ilani ya Chama cha Mapinduzi ni kuhakikisha huduma ya Maji inafikia asilimia 95% kwa mijini na 85% kwa vijijini ifikapo Desemba 2025. Hadi sasa hali ya upatikanaji wa huduma ya maji kwa wananchi ni 88% kwa mijini na 77% kwa vijijini. *“Ili kufikia malengo hayo, miongoni mwa mahitaji makubwa ni fedha ambazo upatikanaji wake unahitaji ubunifu mkubwa kama ilivyofanya Mamlaka ya Maji Tanga. Matokeo ya mradi huu yatasaidia kuongeza kiwango cha upatikanaji maji Jijini Tanga kutoka asilimia 96% hadi 100% na kwa saa 24, ifikapo Juni 2025. Vilevile, kuongeza mtandao wa maji katika miji ya Muheza na Pangani toka asilimia 70% hadi zaidi ya 95% ifikapo Juni 2025. Kadhalika kusambaza maji ya kutosha kwa Wilaya ya Mkinga kupitia mradi unaoendelea kujengwa”,* aliongeza.

Katika salamu zake, **Mkuu wa Shirika la Umoja wa Mataifa la Maendeleo ya Mitaji Tanzania (UNCDF) Bw. Peter Malika** ameipongeza serikali ya Tanzania kwa kufanikisha tukio hili la kihistoria kwa Tanga UWASA. Pia akasema *“Jukumu la muhimu lililofanywa na UNCDF ni kushirikiana na Serikali na taasisi zake kuhamasisha maboresho ya sera na mazingira wezeshi yanayohusiana na masoko ya mitaji na dhamana. Hatifungani ya Tanga UWASA inadhihirisha kuwa masoko ya mitaji yanaweza kutumika kupata fedha za kutekeleza mipango ya maendeleo ya Taifa bila kuongeza deni la taifa. UNCDF itaendelea kutoa msaada wa kitaalam na kifedha kuhakikisha Hatifungani nyingine za taasisi nyingine za serikali pamoja na Halmashauri zinauzwa ili kukidhi ongezeko la mahitaji ya fedha za miradi linalotokana na ukuaji wa miji, ongezeko la idadi ya watu na mabadiliko ya tabia nchi.”*

**Afisa Mtendaji Mkuu wa Mamlaka ya Masoko ya Mitaji na Dhamana, Bw. Nicodemus Mkama** alisema *“Mamlaka imekuwa mstari wa mbele katika kutekeleza mikakati ambayo imewezesha utoaji wa bidhaa bunifu zinazowezesha Kampuni na Taasisi kupata fedha za kuendeleza na kukuza biashara. Bidhaa hizo ni pamoja na hatifungani yenye mguso wa Jinsia; na hatifungani ya kijani iliyotolewa katika fedha mbalimbali ambazo zimeweka historia ya kuwa hatifungani za*

*kwanza kutolewa katika Ukanda wa Kusini mwa Jangwa la Sahara; pamoja na hatifungani zenye kukidhi misingi ya Shariah yaani Sukuk bond. Matokeo haya yameiweka Tanzania katika ramani ya masoko ya mitaji ulimwenguni yanayotoa bidhaa bunifu, zinazovutia wawekezaji wa ndani na wa kimataifa. Hatifungani ya Tanga UWASA ni hatifungani yenye ubunifu unaojumuisha vipengele vinavyogusa taasisi ya umma, ujenzi wa miundombinu ya huduma endelevu za maji, utunzaji wa mazingira na miradi yenye uwezo wa kujiendesha kibiashara; na inaweka msingi madhubuti wa kuonyesha njia kwa Taasisi za umma; na Mamlaka za Serikali za Mitaa namna ya kupata fedha za kugharamia miradi yenye uwezo wa kujiendesha kibiashara, kupitia masoko ya mitaji.”*

Wadau wengine muhimu waliohusika na uandaaji wa hatifungani hii na maeneo yao ya kitaalam ni pamoja na Benki ya NBC (mshauri mwelekezi), FSD Africa (upatikanaji wa hati ya kijani), FIMCO na Global Sovereign Advisory (fedha na uwekezaji), ALN Tanzania (sheria), Innovex (uhasibu), Vertex International Securities (wakala wa soko la Hisa Dar es Salaam) and ISS Corporate Solutions (mtoa ithibati wa kimataifa). Ili kununua hatifungani hii, wawekezaji na watu binafsi wanashauriwa kutembelea wakala yeyote wa Soko la Hisa la Dar es Salaam mwenye leseni kutoka Mamlaka ya Masoko ya Mitaji na Dhamana au Tawi lolote la Benki ya NBC.

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