

BUMBUNA II HYDROELECTRIC POWER PROJECT

Newsletter Issue 4
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Seli Hydropower Limited is a Sierra Leonean registered private company responsible for the development, construction, and operation of the 152MW Bumbuna II Hydroelectric Project also known as “Seli Project” among Project Affected communities.

Welcome to the fourth edition of our newsletter series updating our esteemed stakeholders on the progress made in the development of the Bumbuna II Hydroelectric Project.



At a time of soaring global fuel prices, it is critical for Sierra Leone to diversify its energy generation mix and reduce its reliance on fuel and power imports. As a central component of the energy sector strategy, Bumbuna II will reduce the country’s exposure to volatile global commodity markets, complement the current and planned generation mix, and ensure that Sierra Leone’s future is built upon a low carbon and sustainable electricity source.

This edition of our newsletter provides updates on:

- [Government and Seli Hydropower’s engagement on discussing modalities for progressing the Bumbuna II Hydroelectric Project](#)
- [GOSL’s Parliamentary Oversight Committee on Energy’s visit to Bumbuna II Project Affected Chiefdoms](#)
- [Supplementary geotechnical drillings conducted to finalise designs to take Bumbuna II into Construction.](#)
- [Field surveys completed as part of the Preparation of the Resettlement Action Plan \(“RAP2”\) for the Reservoir Area.](#)
- [Stakeholders’ Engagement in the Preparation of Resettlement Action Plan \(RAP2\)](#)
- [InfraCo Africa/PIDG visit to Project affected communities.](#)
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Government and Seli Hydropower discuss modalities for progressing the Bumbuna II Project.

Seli Hydropower and the Government of Sierra Leone have maintained their continued collaboration on the development of the Bumbuna II Project. On 29th November 2017, the Parliament of Sierra Leone ratified the Power Purchase Agreement (PPA) and Implementation Agreement (IA) for Bumbuna II Project. A clear sign of the strong cross-party support for this Project.

Under the conditions of the agreement, Seli Hydropower is required to Build and Operate for a concessional period of 25 years, and subsequently Transfer (BOT) to the Government of Sierra Leone, the hydroelectric infrastructure that will generate a total of 153MW of electricity. The key

components of the Bumbuna II project scheme consists of a 96MW that will be generated by the two turbines to be installed at the Bumbuna I Extension and 55MW that will be generated by the two turbines to be installed at the Yiben reservoir and regulatory Dam to be constructed 32Km upstream of the existing Bumbuna I hydroelectric facility.

Since the ratification of the PPA and IA, several technical enhancements and commercial reviews have been made to improve the Project. It is imperative that the Government and the Seli Hydropower work together to enshrine these changes in Amendment Agreements for the project to attain financial close. The Amendment Agreements will in due course need to be ratified by the House of Parliament.

In pursuit of the execution of the required Amendment Agreements, the Government of Sierra Leone constituted a Task Force for the Bumbuna II Project, that comprised representatives from the Government of Sierra Leone, including the Ministry of Justice, Ministry of Energy, Ministry of Finance, and PPP Unit. The Task Force participated in face-to-face meetings with Herbert Smith Freehills, Seli Hydropower, Joule Africa, and its largest institutional investor Blue International Holdings, InfraCo Africa, Emerging Africa Infrastructure Forum (EAIF) and the Private Infrastructure Development Group (PIDG), the meeting was held in London from the 11th – 14th April 2022.

The meeting in London availed a platform on which the Project economics and the technical design optimisations were discussed. A series of actions were agreed and critical amongst them was for the Task Force to brief the relevant decision makers in Sierra Leone especially the Ministers of Energy and Finance to secure their concurrence on the proposed contents of the Amendment Agreements.



Photo: GOSL's Task Force on the Bumbuna II Project & Blue International Group in London



Photo: Cross section of the GOSL Task Force on the Bumbuna II Project & The Blue International Group in London.

GOSL's Parliamentary Oversight Committee on Energy Visits the Bumbuna II Project Affected Chiefdoms

The Parliamentary Oversight Committee on Energy (POC) is mandated to conduct the comprehensive monitoring and supervision of all Energy related Projects in Sierra Leone. The Committee on the 1st – 3rd June, 2022, conducted supervision mission in the two Bumbuna II Project affected Chiefdoms of Diang and Kalanthuba and had extensive engagements with chiefdom level stakeholders.

The Chairman of the Oversight Committee on Energy – Hon. Keikura Christopher Vandy intimated the leadership of Seli Hydropower Limited that, the supervision mission by the Committee is an annual activity that is periodically conducted to gauge the perception of project affected communities on the operations of Seli Hydropower Limited and ascertain their impression about community involvement and participation in decision making relating to project activities implemented at community level.

The committee requested stakeholders to objectively highlight their feedback and express their concerns or reservations they may have about the project. Hon. Vandy informed stakeholders that, the feedback received from their previous oversight visit were collated, presented and laid in the Well of parliament for the attention of the leadership of the House and the relevant Ministries. The House of Parliament was pleased with the Committee’s report and encouraged the chairperson of the Committee to ensure that annual oversight visits are conducted periodically as prescribed by law.

From all the engagements held in the various communities in the two chiefdoms, the stakeholders provided inherent and consistent feedback which reverberated across the communities visited, the thematic feedbacks included the following, that: (a) the Communities are satisfied with the operations of Seli Hydropower as the developer of the Seli Project, (b) Stakeholders are impressed with the overall conduct of the Resettlement Action Plan (RAP) surveys and the level of details gathered (c) Communities are almost always consulted on any issue related to the project. (d) Communities are anxious for the commencement of the physical implementation of project activities especially the resettlement of project affected persons. (d) Communities are requesting Government to provide the required support to Seli Hydropower for the construction activities to commence.



Photo: Project Affected Persons and Stakeholders in Kalanthuba Chiefdom raising concerns to the POC Team



Supplementary Geotechnical Drillings Conducted to finalise designs to take Bumbuna II into construction

To finalize the design of the Bumbuna II Hydroelectric Power infrastructure, Seli Hydropower engaged the services of AGTS, a Senegalese-based Geotechnical Engineering company with extensive expertise in geotechnical investigations, to conduct supplementary geotechnical drillings in the project footprint. Commissioned in May 2021, the geotechnical investigations entailed the drilling of 24 boreholes at the Yiben dam site and 1 borehole at the proposed surge shaft location at the Bumbuna I Extension.

The conduct of the drilling exercise was closely monitored to ensure the timely achievement of the project milestones and concurrently monitored to ensure that Social and Environmental impacts on the livelihoods and assets of communities in the catchment area of the project are mitigated. The potential impacts were identified, the project affected persons informed accordingly, valuation and compensation rates negotiated with the affected persons and the required compensation paid with support of the resident Community Liaison Assistants (CLAs).

In the implementation of all field activities, Seli Hydropower painstakingly ensures compliance with the Local Content Policy of Sierra Leone. As part of the company's adherence with its Local content's commitments, local workers who were competitively recruited with support of the local authorities as part of the drilling team, were trained in basic Health and Safety measures, and other geotechnical drilling operations-related skills.



Photos: Geotechnical Drilling Exercise at Yiben Dam Site in Diang Chierdom

Field Surveys Completed as Part of the Preparation of the Resettlement Action Plan (‘RAP2’) for the Reservoir Area

The Bumbuna II project will displace a number of affected people, both physically (they will have to move to new dwellings) and economically (they will lose some or all of their land or other means of making a living). Seli Hydropower will manage this displacement through two resettlement action plans (RAPs), prepared in accordance with international standards.

Seli Hydropower prepared a detailed RAP for the construction sites in 2017 (‘RAP1’). Work on the RAP for the reservoir area (‘RAP2’) commenced in March 2021. Led by a South African based Consultancy firm named Social Essence, the activities that had been completed included detailed surveys including household and community assets, socioeconomics, education and health baseline studies and livelihood restoration assessments.

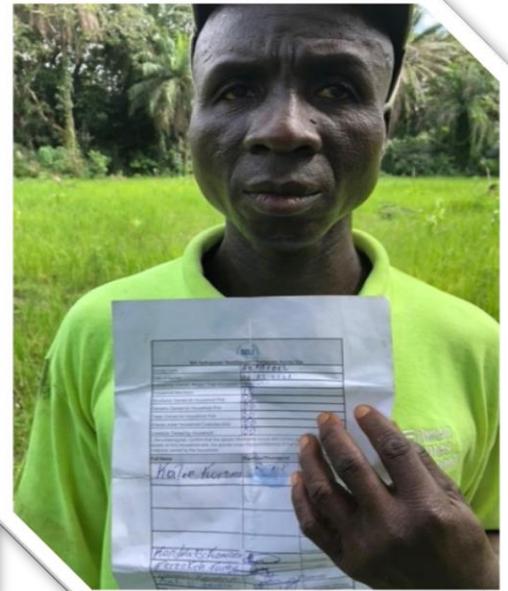
Other critical surveys that were slightly delayed coinciding with the appropriate agricultural season were the crops, Trees, and Livestock Surveys. The Crop and Tree Surveys were conducted from August to November 2021. The surveys encompassed the; GIS mapping of affected farmlands, count and categorization of crops into productive, unproductive, and juvenile crops, systematic counting of clumps of plants of annual crops like rice, Valuation studies on crops and trees and an assessment of the cost of establishment of defined portions of farmlands. The study also included livestock survey which comprised counting of the number of cattle enclosures or “Worehs”, the number of livestock per each enclosure, the number of affected households engaged a livestock farming, and the number of alternative grazing sites.

Data gathered from Surveys in Reservoir Area	Quantity
Physically displaced Households	493
Total Population in Physically displaced Households	2,593
Communities	55
Active Artisanal Mining Sites	40
Farm plots	400
Livestock (Cattle, Sheep & Goat)	1,153
Cattle enclosures	23
Alternative Grazing Sites	23

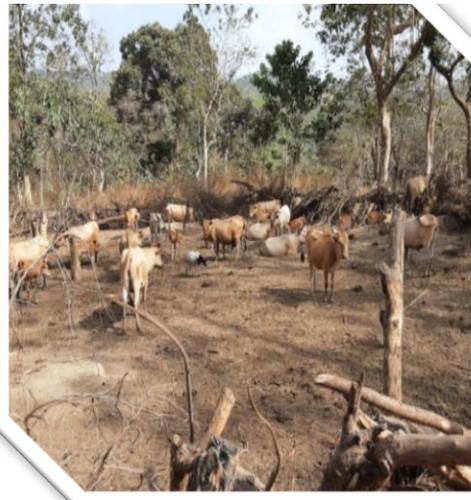


Photos: SHPL Enumerators conducting Household and Asset Surveys in the Reservoir Area as part of the RAP

Photos: RAP2 Crops, Trees, and Land Surveys Exercise conducted by Enumerators in Diang Chiefdom.



Photos: RAP2 Livestock Survey Exercise in Diang Chiefdom



Stakeholders' Engagement in the Preparation of Resettlement Action Plan (RAP 2).

Stakeholder Engagement is a critical component in the preparation of Resettlement Action Plans (RAPs). Seli Hydropower has been developing RAP2 since March 2021 and is expected to conduct three waves of stakeholder engagements. Round One of the Stakeholder Engagement entails; Stakeholder identification, designing the Moratorium document, conducting engagement with local and government officials, Notification of the Local stakeholders on the arrival of the survey teams, and establishment of Cluster Resettlement Committees to support the RAP teams with the mobilization of communities, the Second Round Stakeholder Engagement entails discussion of the resettlement framework, proposed relocation sites, livelihood restoration proposal etc. and the Third Round Stakeholder Engagement entails discussion of compensation rates, and Engagement with host communities at potential relocation sites.

Out of the three rounds of engagements, the first round of stakeholder engagements led by the Stakeholder Engagement Officer was successfully delivered. The engagements targeted meetings with Government Ministries in Freetown, District Councils, Chiefdom Stakeholders and Project Affected Persons in all the 55 affected communities in the reservoir area. As part of the round 1 stakeholder engagements, the communities both directly or indirectly affected were informed about; how the construction of the Yiben Dam on the Seli River will affect the 55 communities in the inundation area and that all the affected communities will have to be relocated before the impoundment of the dam will commence.

The second-round engagement entailed a presentation and discussion of the proposed entitlement framework for replacement housing, land and other items, and potential relocation sites. The identified proposed relocation sites were disclosed and discussed with all stakeholders. The third round of engagements will be organized after the completion of the required technical studies and negotiation of compensation rates.



Photos: RAP2 Community Stakeholder's Engagement Sessions in Diang Chiefdom

InfraCo Africa/PIDG Visit Project Affected Communities

InfraCo Africa and the Private Infrastructure Development Group (PIDG) are both part of the investors providing development capital for the Bumbuna II project. In November 2021 teams from InfraCo and PIDG conducted a due diligence visit. Briefing the SHPL local team in Freetown, Cameron Bain, PIDG's Health, Safety, Environment and Social (HSES) Director, indicated that, they were in Sierra Leone to assess the milestones achieved so far by the company on the development of the Bumbuna II project and look at potential opportunities for additional financial support to aid the attainment of Financial Close. The other objective of the mission to Sierra Leone included to assess the HSES monitoring, and assurance processes being implemented by InfraCo Africa on Bumbuna II; to monitor the HSES risk management processes being implemented by Bumbuna II with particular focus on the top five HSES risks; and to follow up on any key HSES issues and provide further guidance and assistance.

The Bumbuna II Project is a category A project on the Infraco project portfolio, so Infraco stands ready to support the project and the local team at all levels to enhance progress to financial close.

Tim Jackson underscored the fact that InfraCo Africa's investment documents comprehensively cover the Project's HSES risk and requirements, including responsibilities and obligations. He added that post-investment monitoring and audits are undertaken routinely, and both teams meet periodically to monitor HSES progress against the set parameters in the project. Since the time when Infraco joined the development of the Bumbuna II project, Seli Hydropower has demonstrated satisfactory level of compliance with the HSES performance targets and for which the company is commended.

The team conducted familiarization visits to some of the project communities in Kamathor, Kalanthuba Chiefdom, Bumbuna Town in Dasongoia Chiefdom in Tonkolili, and Kondembaia in Diang Chiefdom, Koinadugu District. The Infraco team interacted with Project Affected Persons and Chiefdom stakeholders and assured them about their technical and financial support to the Bumbuna II Project. The team also visited the proposed site for the Yiben Dam, where they were taken on a conducted tour led by the Project Engineer – Mr. Tom Taylor-Morgan, to the locations where geotechnical boreholes were drilled.

Whilst in Freetown, the team paid courtesy call on the Hon. Minister of Energy and assured him of Infraco's continued support to the development of the Project and provided updates on the level of support provided so far to the project. Tim Jackson iterated that they would continue supporting the Project up to Financial Close and construction. The Hon. Minister of Energy, Alhaji Kanja Sesay, thanked the InfraCo Team Lead, for their visit to Sierra Leone and for supporting the development of the project. The Minister noted that the BBII Project is crucial to Sierra Leone's government energy generating sources. He assured the team of government's full support for the successful implementation of the BBII Hydropower project.



Photos: InfraCo/PIDG and Seli Hydropower engagements with Diang and Kalanthuba Chiefdom stakeholders.



Photos: InfraCo/PIDG & SHPL Team visited Badala bridge and Yiben Dam Site in Diang Chiefdom



Photos: InfraCo/PIDG and SHPL Team paid a courtesy call to the Honourable Minister of Energy

Seli Hydropower's parent company, Joule Africa, a portfolio company of Blue International Holdings

Blue International Holdings is an investment company focused on making strategic and impactful investments in the mining, energy and infrastructure sectors within Sub-Saharan Africa. Blue considers the mining, energy and infrastructure sectors to be critical in driving sustainable economic development within Sub-Saharan Africa. It's investment strategy focuses on delivering significant long-term socio-economic benefit and value to all stakeholders. Blue International Holdings portfolio companies include *Joule Africa* and *Blue Gold*.

Blue International Holdings is the largest institutional investor in *Joule Africa*, the parent company of Seli Hydropower. Joule Africa has been successfully developing projects in Africa since 2012, including the Bumbuna II hydroelectric power project. Joule Africa puts sustainable development and transparency at the heart of its business practice. The company works closely with all of its stakeholders to create infrastructure assets that will generate long-term value. The organisation is dedicated to working



closely with host Governments to help deliver projects that complement existing plans for social and economic development. Through the development and operation of sustainable energy assets, Joule Africa is committed to significantly increasing access to energy for the nations in which it is needed most, a fundamental factor in any country's ability to develop.

Blue International Holdings formed *Blue Gold* in 2020 as a platform to acquire high quality long-term mining assets in sub-Saharan Africa. In October 2020 it acquired the gold producing Bogoso Prestea Gold Mine in the Ashanti gold belt in Ghana. Blue Gold owns 90% of the project, with the Government of Ghana holding the remaining 10% interest. Bogoso Prestea has the largest mining concessions (of any mineral) in Ghana, with an 82km gold strike within the Ashanti gold belt (one of the most prolific gold regions globally). The Bogoso Prestea concession has 3.3m oz of proven gold reserves. Operational and financial performance has improved significantly under Blue Gold ownership. Blue Gold will be seeking to acquire and develop further gold producing assets over the coming years, with a view to a successful stock market listing.

The Bumbuna II Hydroelectric Project At a Glance

What is the Bumbuna II or “Seli Project”?

It is part of the Government of Sierra Leone’s long-term energy sector plans to increase the number of households and businesses that have access to electricity, via the national grid, to 30% by 2030.

It is a new Hydroelectric Power Project that will be located on the Upper Seli River in the Northern Province of Sierra Leone, about 200km northeast of Freetown. It will provide 152MW of new generating capacity to Sierra Leone. Importantly, it will provide a minimum of 80MW of firm power throughout the year.

The 152MW Bumbuna II Project comprises;

- building an extension to the existing Bumbuna I facility which will result in 97MW of new generating capacity
- building a new dam 32 km upstream at Yiben which will provide a further 55MW of generating capacity
- creating a new storage reservoir behind the Yiben dam so that year-round power can be generated for the national grid

What does the Project involve?

- increase national electricity supply
- provide reliable electricity at an affordable tariff
- use of local materials and suppliers where practical
- provide training and jobs for local workers
- resettlement program for affected communities to international standards
- improved livelihood for communities in the Project area
- long-term and sustainable environmental offset programs

Once generated, the electricity will be distributed by a new 225kV transmission line running from Yiben in the north of Sierra Leone, to Freetown in the West.

This transmission line will also interlink with the regional West African Power Pool.



Seli Hydropower Limited

Seli Hydropower is the Project Company responsible for the safe and secure development and subsequent operation of Bumbuna II. Seli Hydropower will ensure that the environment is maintained to international standards and that the local communities benefit.

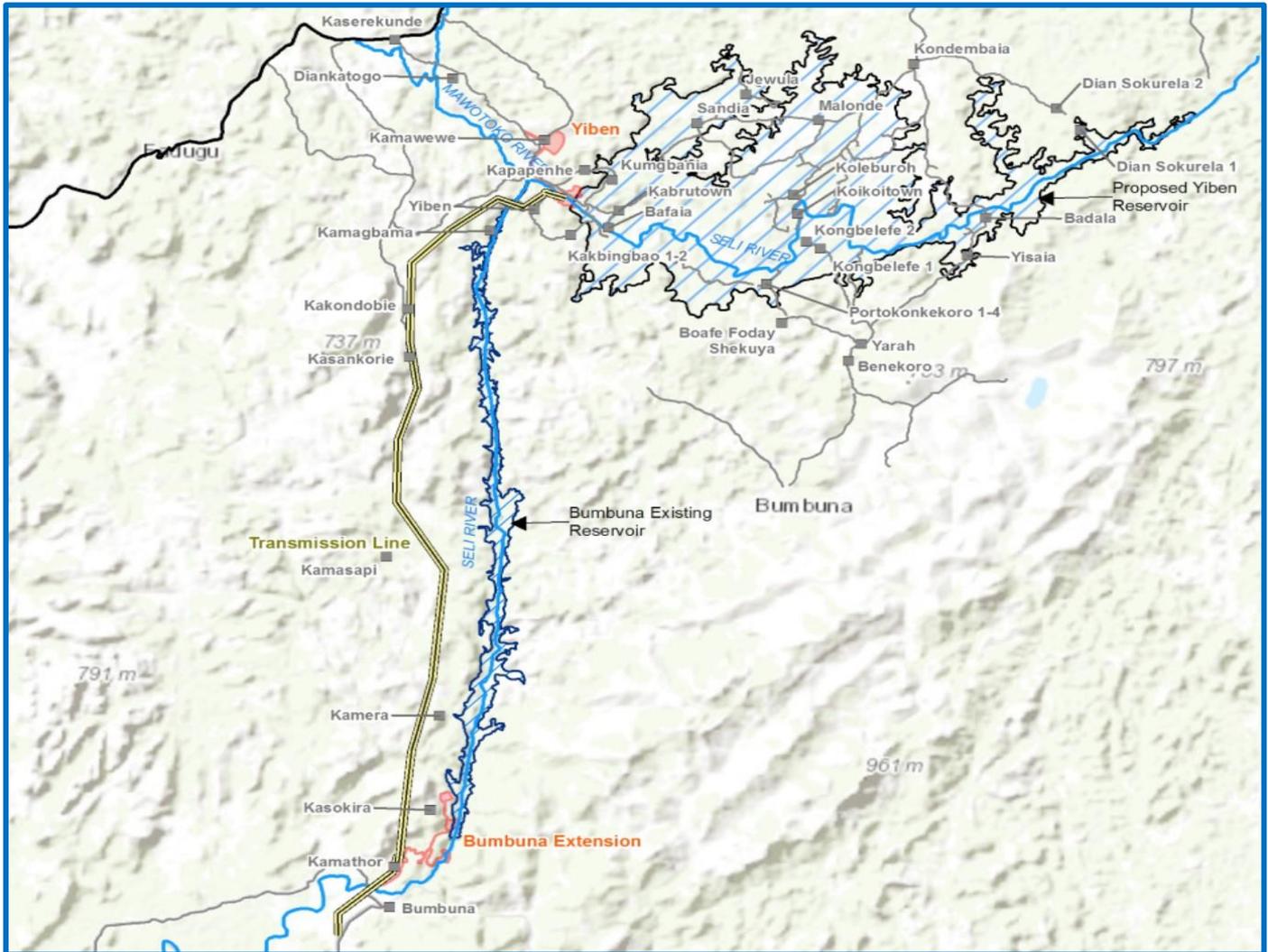
Seli Hydropower is owned by Joule Africa Limited.

For further enquiries

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If you have an enquiry, please reach out to us at any of the addresses provided below:

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Seli Hydropower Field Office - Kondembaia
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Kondembaia
Diang Chiefdom
Koinadugu District.

For further enquiries, please contact us on: +232 78235002 or Charles.boy@selihydropower.sl

GRIEVANCE PROCEDURE: Seli Hydropower has a Grievance Redress Mechanism (GRM) Officer who handles all concerns and queries from Project Affected Communities

For any concerns, queries or recommendations related to Bumbuna II Project, Please call / send SMS Text / WhatsApp to: +23276 767640 / +23280 949888 or email: grievance@selihydropower.sl