AfDB’s Activities in Infrastructure Finance (Private Sector)
Financial Instruments

Senior Debt
- 1st Rank Security
- Debt Service Reserve
- Cash Waterfall Priority
- Reasonable Collateral

Subordinated Debt
- USD, EUR, JP, and ZAR
- Local Currencies
- Interest Rate Premium

Equity
- Quasi Equity
- <25% of equity capital
- Shareholder 1st refusal

Guarantees
- Partial Risk
- Partial Credit

Technical Assistance
- Capacity Building
- Grant Funding
- Legal Reform Support
- Facility modernization

A/B Loans
- A/B: 1/3
- Participation Agreement
- Mitigate Country Risk through PCS
- Commercial Bank Partners
Complementary Financing Facilities and Instruments

- Grants
- Flexible grants – convertible, reimbursable
- Concessional debt for construction phase
- Indirect equity through specialized PEFs
- Benefits of blended finance
- Patient capital for risk mitigation – development focused
- Capacity building in government institutions
- Leveraging new money from public and private sources
- Lowering barriers to engage private sector and other investors
- Supporting new and innovative technologies - such as off-grid, mini-grid, renewables
Climate Finance Facilities at AfDB
Success Stories in Infra
The Project

A 250 MW hydro power plant built under BOOT scheme. 30-year PPA signed with UETCL. Sponsored by IPS and Sithe Global. One of the 1st hydro IPPs in Sub-Saharan Africa. Reduced cost of power generation by 66%. Increased capacity by more than 50%.

ADB Role

- Co-lender
- Other lenders: EIB, IFC, DEG, Proparco, AFD, FMO, KfW, Nedbank, ABSA, BNP Paribas, Standard Chartered

Key Figures

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
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<tbody>
<tr>
<td>Total Project Cost</td>
<td>USD 903 million</td>
</tr>
<tr>
<td>Debt / Equity</td>
<td>70% / 30%</td>
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<tr>
<td>AfDB Senior Loan</td>
<td>USD 110 million</td>
</tr>
<tr>
<td>AfDB Board Approval</td>
<td>April 2007</td>
</tr>
</tbody>
</table>
**The Project**

Construction and operation of an 87 MW thermal power plant. The plant comprises 5 HFO generators that are convertible to natural gas. Sponsors: Melec Powergen and Africa Energy Resources. PPA of 20 years with KPLC.

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**ADB Role**

Senior debt lender
Other lenders: IFC, ABSA

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**Key Figures**

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<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Total Project Cost</td>
<td>EUR 112.4 million</td>
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<tr>
<td>Debt / Equity</td>
<td>75% / 25%</td>
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<tr>
<td>AfDB Senior Loan</td>
<td>EUR 28.1 million</td>
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<td>AfDB Board Approval</td>
<td>November 2011</td>
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</table>

**AfDB**

Senior debt lender
Other lenders: IFC, ABSA

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[Image of power plant]
Lake Turkana Wind Power Project
Kenya

The Project

Development of a 300 MW wind farm in the north west part of Kenya
• Will consist of 365 wind turbines of 850 KW capacities
• Adds clean energy to the power grid
• Increases Kenya’s national installed power by 25%
• Project Sponsor(s): Aldwych, KP&P, IDC, Norfund, Vestas, IFU

428 km transmission line to connect project to grid

AfDB Role

Non-sovereign Window
• MLA
• Senior lender
• Syndication

Sovereign Window
• PRG for T-Line Completion Risk

Key Figures

<table>
<thead>
<tr>
<th></th>
<th>EUR</th>
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<tbody>
<tr>
<td><strong>Total Project Cost</strong></td>
<td>635 million</td>
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<tr>
<td><strong>Debt / Equity</strong></td>
<td>70% / 30%</td>
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<tr>
<td><strong>Senior Loan - Private</strong></td>
<td>100 million</td>
</tr>
<tr>
<td><strong>PRG</strong></td>
<td>20 million (up to 4× total exposure)</td>
</tr>
</tbody>
</table>
**KivuWatt Power Project**  
**Rwanda**

### The Project

Integrated offshore methane gas extraction on Lake Kivu connected to an onshore power plant via 12.5km of pipelines.  
Capacity of 25MW (Phase 1)  
Sponsor is ContourGlobal  
Very unique technology due to uniqueness of Lake Kivu  
25-year PPA  
Project needed to reduce risk of hazardous gas escaping from the lake

### Key Figures

<table>
<thead>
<tr>
<th></th>
<th>USD 127 m ( $200 m)</th>
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<tbody>
<tr>
<td><strong>Total Project Cost</strong></td>
<td></td>
</tr>
<tr>
<td>Debt / Equity</td>
<td>65% / 35% (</td>
</tr>
<tr>
<td>Senior Loan – Private secto</td>
<td>USD 25 million</td>
</tr>
<tr>
<td>AfDB Board Approval</td>
<td>Jan 2011</td>
</tr>
</tbody>
</table>

### ADB Role

- AfDB Long-term Senior Loan;  
- Co-financing with FMO, BIO, EAIF
CIPREL Combined-Cycle Power Project
Cote d’Ivoire

The Project

Installation of a combined cycle turbine on two existing gas turbines, capable of generating an additional 111MW with no increase in gas consumption:
• Adds about 8% to the country’s total power generation capacity
• Project Sponsor: CIPREL.

ADB Role

• AfDB Long-term Senior Loan;
• Co-financing of the transaction with the IFC and Proparco.

Key Figures

<table>
<thead>
<tr>
<th></th>
<th>EUR 320 million</th>
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</thead>
<tbody>
<tr>
<td>Total Project Cost</td>
<td></td>
</tr>
<tr>
<td>Debt / Equity</td>
<td>70% / 30%</td>
</tr>
<tr>
<td>AfDB Senior Loan</td>
<td>EUR 50 million</td>
</tr>
<tr>
<td>AfDB Board Approval</td>
<td>July 2013</td>
</tr>
</tbody>
</table>
Cabeólica Wind Power Project
Cape Verde

The Project

Installation of four onshore wind farms in Cape Verde:
• First Wind IPP in Sub-Saharan Africa;
• Combined installed capacity of 25.5 MW;
• Project Sponsor: Infraco.

ADB Role

• ADB Long-term Loan;
• Co-financing of the transaction with the European Investment Bank.

Key Figures

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Total Project Cost</td>
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<tr>
<td>Debt / Equity</td>
<td>70% / 30%</td>
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<tr>
<td>ADB Senior Loan</td>
<td>EUR 15 million</td>
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<tr>
<td>ADB Board Approval</td>
<td>May 2010</td>
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</table>
### The Project

**125 MW coal-fired power plant** that generates **925 GWh** of electricity annually.

### Key Figures

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>EUR 196 million</th>
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</thead>
<tbody>
<tr>
<td>AfDB Loan</td>
<td>Senior Loan of EUR 55 million</td>
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</table>

### AfDB Role

- Lead arranger: structured and mobilised 85% of the debt
- Other financiers: BOAD, CBAO, FMO and ICF
- Key role in project contract negotiations with various project stakeholders

### Benefits

- Reduction of country’s generation cost by 20%
- Generation increased by 40%, contributing to addressing power shortages
- Important contribution to financial restructuring of electricity company
Lomé Container Terminal Project

Togo

The Project

Development of a greenfield project modern container transshipment hub in Lome (Togo) with an handling capacity of up to 1.5 million TEU moves per annum.

• Regional Operations and Transhipment

AfDB Role

• Senior lender

Key Figures

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>EUR 352 million</th>
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<tbody>
<tr>
<td>Debt / Equity</td>
<td>75/25</td>
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<tr>
<td>AfDB Senior Loan</td>
<td>EUR 60 million</td>
</tr>
<tr>
<td>AfDB Board Approval</td>
<td>15 July 2011</td>
</tr>
</tbody>
</table>
The Project

Construction of a new terminal at Doraleh under 30-year Concession Agreement awarded to Doraleh Container Terminal (DCT). The project has a 1.5 km quayline length and the capacity to handle 1.55 million TEUs.

- Transhipment
- Regional Operations

AfDB Role

Key Figures

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<table>
<thead>
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</thead>
<tbody>
<tr>
<td><strong>Total Project Cost</strong></td>
<td>USD 397 million</td>
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<tr>
<td><strong>AfDB Senior Loan</strong></td>
<td>USD 80 million</td>
</tr>
<tr>
<td><strong>AfDB Board Approval</strong></td>
<td>Sep 2008</td>
</tr>
</tbody>
</table>
The Project

- 1.9 km Toll Bridge including 4.7 km of approach lanes and interchanges.
- Build Operate and Transfert (BOT) 30 year concession

ADB Role

- ADB LEAD ARRANGER for EUR 120 million of senior debt
- Senior lender
- Supported the resettlement and environmental action plans
- Fair broker during negotiation with the Government

Key Figures

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>EUR 270 million</th>
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<tbody>
<tr>
<td>Gov /Debt / Equity</td>
<td>28% / 47% / 25%</td>
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<tr>
<td>ADB Senior Loan</td>
<td>EUR 58 million</td>
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<tr>
<td>ADB Board Approval</td>
<td>March 2012</td>
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Henri Konan Bédié (HKB) Toll Bridge
# Dakar Toll Road

## The Project

25 km of 4 to 6 lane toll highway from Pikine to Diamniadio (Phase 2)

## AfDB Role

- Senior debt to concessionaire approved in less than 3 months
- Honest broker between project parties
- Other financiers: BOAD, CBAO and IFC
- Public loan to finance government contribution

## Key Figures

<table>
<thead>
<tr>
<th>Total Project Cost</th>
<th>EUR 225 million</th>
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<tr>
<td>AfDB Loan</td>
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<tr>
<td>Private sector loan:</td>
<td>EUR 12 million</td>
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<tr>
<td>Public sector loan:</td>
<td>EUR 50 million</td>
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</table>

## Benefits

- Reduce drastically travel time in and out of Dakar
- Urban planning and restructuring
- Promote development of other regions of Senegal
The Project

**Upgrade of equipment, operation, management and maintenance of Dakar Port Container Terminal**

AfDB Role

- Co-financed and co-arranged total debt of EUR 95 million
- AfDB and Standard Chartered Bank financed the transaction jointly
- AfDB sold down part of its loan to IDC and FMO in order free up resources for other projects

Key Figures

| Total Project Cost | EUR 210 million |

| AfDB Loan          | Senior Loan of EUR 47.5 million |

Benefits

- Improved efficiency for the port users
- Lower costs for imported and exported goods
- Access to global supply chains
To walk far, we need to walk together...