

# African Development Bank

## **BUSINESS OPPORTUNITIES SEMINAR**



### AfDB's Activities in Infrastructure Finance (Private Sector)

*Nairobi,* **Kenya**

**October 02 - 04, 2017**

**Crowne Plaza Hotel**



**AfDB BOS**



AFRICAN DEVELOPMENT BANK GROUP

# Financial Instruments



## Senior Debt

- 1<sup>st</sup> Rank Security
- Debt Service Reserve
- Cash Waterfall Priority
- Reasonable Collateral

## Subordinated Debt

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



AFRICAN DEVELOPMENT BANK GROUP

## Equity

- Quasi Equity
- <25% of equity capital
- Shareholder 1<sup>st</sup> 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



SE4ALL  
Africa Hub





# Success Stories in Infra

# Bujagali Hydro Power Project

## Uganda

### 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

Total Project Cost	USD 903 million
Debt / Equity	70% / 30%
AfDB Senior Loan	USD 110 million
AfDB Board Approval	April 2007





# Thika Thermal Power Project Kenya

## 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

## Key Figures

Total Project Cost	EUR 112.4 million
--------------------	-------------------

Debt / Equity	75% / 25%
---------------	-----------

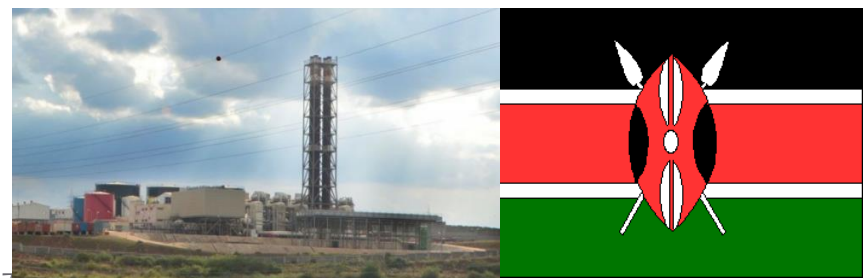
AfDB Senior Loan	EUR 28.1 million
------------------	------------------

AfDB Board Approval	November 2011
---------------------	---------------

## ADB Role

Senior debt lender

Other lenders: IFC, ABSA



# 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

<b>Total Project Cost</b>	<b>EUR 635 million</b>
---------------------------	------------------------

Debt / Equity	70% / 30%
---------------	-----------

Senior Loan - Private	EUR 100 million
-----------------------	-----------------

PRG	EUR 20 million (up to 4x total exposure)
-----	--





# 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

<b>Total Project Cost</b>	<b>USD 127 m ( \$200 m)</b>
---------------------------	-----------------------------

Debt / Equity	65% / 35% (
---------------	-------------

Senior Loan – Private sector	USD 25 million
------------------------------	----------------

AfDB Board Approval	Jan 2011
---------------------	----------

## 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

Total Project Cost	EUR 320 million
--------------------	-----------------

Debt / Equity	70% / 30%
---------------	-----------

AfDB Senior Loan	EUR 50 million
------------------	----------------

AfDB Board Approval	July 2013
---------------------	-----------



# 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 25.5MW;
- Project Sponsor: Infracore.

### ADB Role

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

### Key Figures

Total Project Cost	EUR 64 million
--------------------	----------------

Debt / Equity	70% / 30%
---------------	-----------

ADB Senior Loan	EUR 15 million
-----------------	----------------

ADB Board Approval	May 2010
--------------------	----------





# Sendou Power Plant

## Senegal



### The Project

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

### 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

### Key Figures

**Total Project Cost** EUR 196 million

**AfDB Loan** Senior Loan of EUR 55 million

### 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 Lomé (Togo) with an handling capacity of up to 1.5 million TEU moves per annum.

- Regional Operations and Transshipment

### AfDB Role

- Senior lender

### Key Figures

<b>Total Project Cost</b>	<b>EUR 352 million</b>
---------------------------	------------------------

Debt / Equity	75/25
---------------	-------

AfDB Senior Loan	EUR 60 million
------------------	----------------

AfDB Board Approval	15 July 2011
---------------------	--------------





# Doraleh Container Terminal Port Project

## Djibouti



### 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.

- Transshipment
- Regional Operations

### AfDB Role

- Senior lender

### Key Figures

<b>Total Project Cost</b>	USD 397 million
---------------------------	-----------------

AfDB Senior Loan	USD 80 million
------------------	----------------

AfDB Board Approval	Sep 2008
---------------------	----------



# Henri Konan Bédié (HKB) Toll Bridge

## The Project

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

## Key Figures

Total Project Cost EUR 270 million

Gov /Debt / Equity 28% / 47% / 25%

ADB Senior Loan EUR 58million

ADB Board Approval March 2012

## 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



## 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

**Total Project  
Cost**

EUR 225 million

**AfDB Loan**

Private sector loan:  
EUR 12 million  
Public sector loan:  
EUR 50 million

## Benefits

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



# Dakar Container Terminal



## 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...