



Increasing Private Sector Investments into the African Maritime Sector

PRESENTATION TO THE 12TH INTERMODAL AFRICA 2014 EXHIBITION / CONFERENCE



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1. About the Africa Finance Corporation

About the Africa Finance Corporation.../1

An international institution established to help address Africa's **infrastructure development needs**, while seeking a competitive return on capital for its shareholders

- Founded in 2007 as a JV between public-private investors
- International organization established by treaty
- Private majority shareholders include leading commercial banks
- **USD 1.5bn in total assets**
- **USD 1.4bn in approved financing assets**
- **USD 1.0bn committed and USD 0.8bn disbursed**
- **USD 269m in committed borrowing and USD 205m available lines of credit**
- Growing debt, equity and mezzanine franchise
- Leading regional public sector adviser on infrastructure
- Strong expertise as project developer in Africa
- Oil, Gas, Power, Transport, Telecoms, Mining, Heaving Industry key focus sectors
- Over 65 professionals operating on a Pan-African basis



About the Africa Finance Corporation.../2

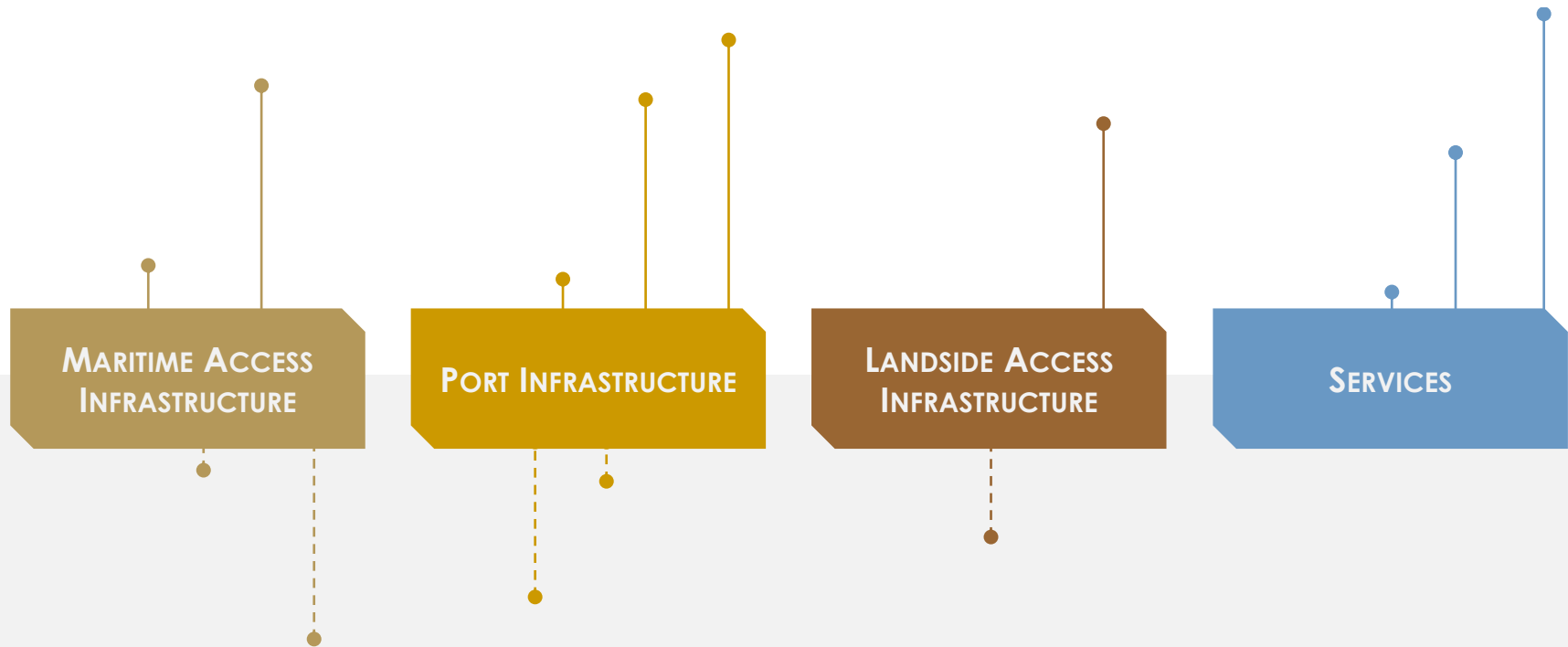
<p>Undisclosed (West Africa)</p> <p>US\$1,500 m</p> <p>Greenfield Port</p> <p></p> <p>Senior Loan Participant</p> <p>Ongoing</p>	<p>Undisclosed (West Africa)</p> <p>US\$240.0 m</p> <p>Port Expansion</p> <p></p> <p>Mandated Lead Arranger</p> <p>Ongoing</p>	<p></p> <p>US\$240.0 m</p> <p>Kainji Hydro Power</p> <p></p> <p>Co-Arranger</p> <p>2013</p>	<p></p> <p>US\$550.0 m</p> <p>Sea Trucks Group</p> <p></p> <p>Co-Arranger</p> <p>2013</p>
<p></p> <p>€270.0 m</p> <p>Konan Bedie Bridge</p> <p></p> <p>Mandated Lead Arranger Subordinated Debt Facility</p> <p>2012</p>	<p></p> <p>US\$50.0 m</p> <p>ARM Cement Limited</p> <p></p> <p>Convertible Loan</p> <p>2012</p>	<p></p> <p>Societe Ivoirienne de Raffinage</p> <p>US\$320.0 m</p> <p>Syndicated Trade Finance Facility</p> <p></p> <p>Co-Arranger</p> <p>2011</p>	<p></p> <p>US\$160.0 m</p> <p>Post-Completion Acquisition Financing</p> <p></p> <p>Equity Investor</p> <p>2010</p>

2. Enhancing Private Sector Investments in Ports

Proposed Enhancements For Private Sector Investments.../1

Across the Value Chain

Clear Activity Delineation between the **Government** & the **Private Sector** is Critical to Enhancing Private Sector Investments



Proposed Enhancements For Private Sector Investments.../2

Maritime Access Infrastructure

PRIVATE SECTOR

SIGNALLING: typically provided by port authorities, but may be outsourced

PILOTAGE & TOWAGE: specialized vessel + service may be leased from private operators

MARITIME ACCESS
INFRASTRUCTURE

PORT INFRASTRUCTURE

LANDSIDE ACCESS
INFRASTRUCTURE

SERVICES

CHANNEL: initial dredging = major capex; maintenance dredging may be outsourced

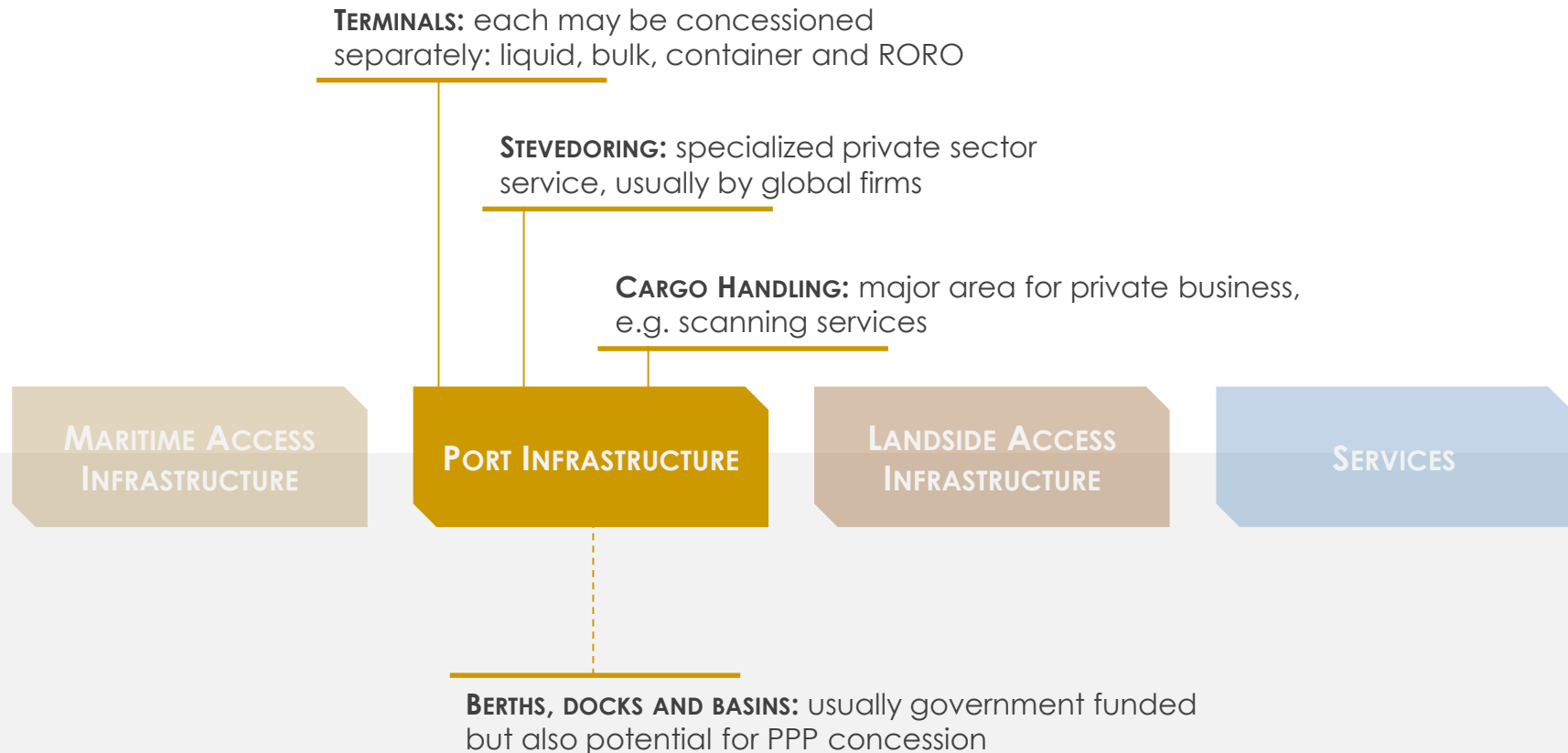
BREAKWATER: gov. funding or PPP via long-term (30+ years) concessions

GOVERNMENT

Proposed Enhancements For Private Sector Investments.../3

Port Infrastructure

PRIVATE SECTOR



GOVERNMENT

Proposed Enhancements For Private Sector Investments.../4

Landside Access Infrastructure

PRIVATE SECTOR

ANCILLARY SERVICES: includes trucking, inland shipping, cabotage, suppliers, repairs

INLAND NAVIGATION CHANNELS: maintenance dredging may be awarded as concession



ROADS, RAILWAYS, JETTIES: normally gov., but could be innovative concession structure

GOVERNMENT

Proposed Enhancements For Private Sector Investments.../5 Services

PRIVATE SECTOR



GOVERNMENT

Critical Conditions to Attract Private Sector Finance in Ports

1 Formal PPP Policy

- To signal **government commitment**
- Policy **consistency**

2 Comprehensive Enabling Laws

- To translate government policy **commitment into practice**
- To protect investors against arbitrary government action
- To permit private sector to collect **fees**
- Clear **guidelines** for regular adjustment of charges

3 Existence of Integrated Transport Plan

- To ensure intermodal **connectivity**
- Clear project identification and preparation procedures

4 Significant Government Support

- Willingness to provide **bankable guarantees**
- Develop institutional capacity
- Ensure streamlined **approval processes**
- Provide enabling **support infrastructure**
- Strong **regulatory framework** i.e. concept of independent regulator

Concluding Remarks

1. Private sector **participation** in African ports **is on the increase**
2. Port **sector reforms** have taken root in most African countries albeit **at varying degrees**
3. Some challenges still exist regarding **concession award processes**, which has brought about **delays** and in some instances **cancellations**
4. Significant amount of **private capital is available** for further investment in African ports if the **right conditions** exist

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