



**Developing
New Projects in
Kenya, a
contractor's
perspective**

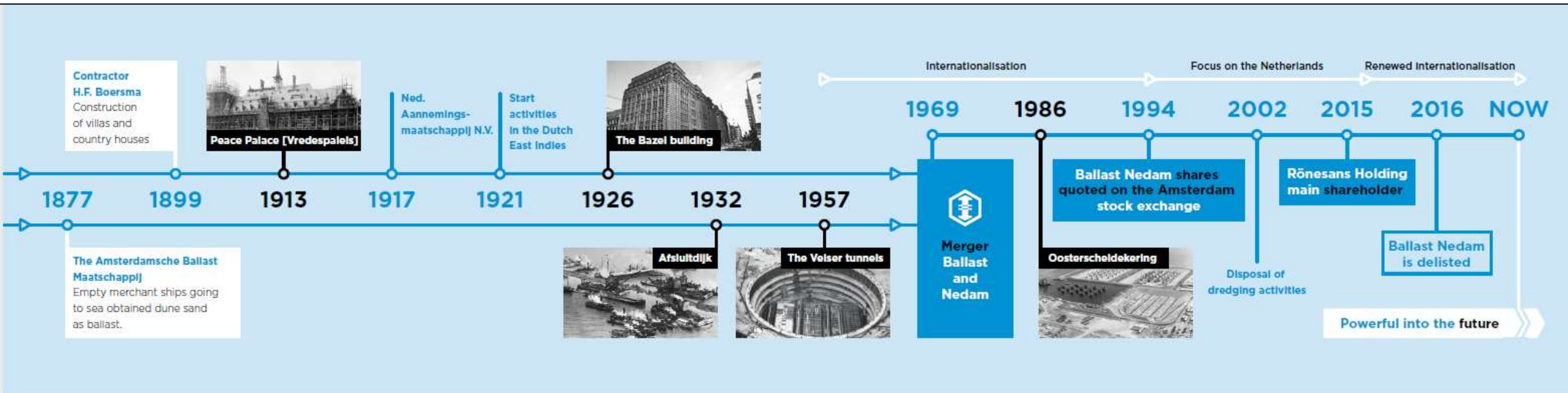
Introduction

- **Background**
- **Observed Development Phasing**
- **Kenya Potential**
- **Financing Options**
- **Examples**

We Challenge to Improve



Ballast Nedam History



Orderbook 2020

~ € 1,4
billion

Number of employees 2020

1800

Revenue 2020

> € 945
million

Solvency ratio 2020

>24,1%



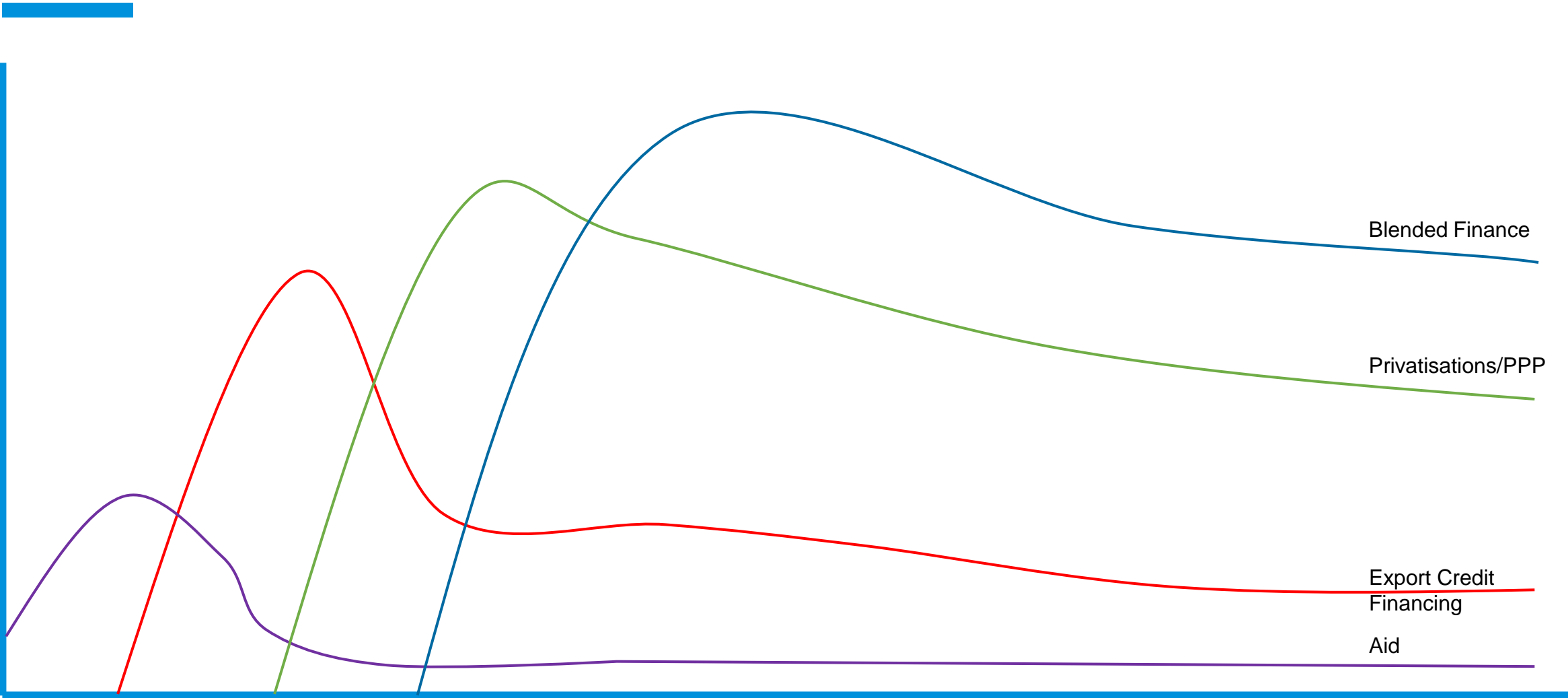
International presence

Europe	Africa	Asia	Caribbean
The Netherlands	Guinea Conakry	Sri Lanka	St Martin
The United Kingdom	Tanzania		St Lucia
Belgium	Ghana		Aruba
France	Uganda		Curaçao
Sweden	Mozambique		
Luxembourg			
Turkey			
Germany			
Switzerland			



Kenya:
A leading example

Observed Development Phasing for Infra Financing



Kenya: A leading example

- **More than a decade of stability make Kenya a prime centre for FDI and international finance**
 - Stable political situation: lenders target;
 - Functional development system;
 - Election promises include economy/infrastructural need;
 - Passionate engaging community.

Kenya: Stability leading to Scarcity

- Project Supply

- Steady supply of infrastructure projects;
- Suboptimal Debt Position;
- Large exposure to China, diversifying taking place;
- Ceiling levels reached on various Export Credit Agency platforms;
- More projects than financing capacity;
- PPP Structure very well developed.

Kenya: **Project Financing Options**

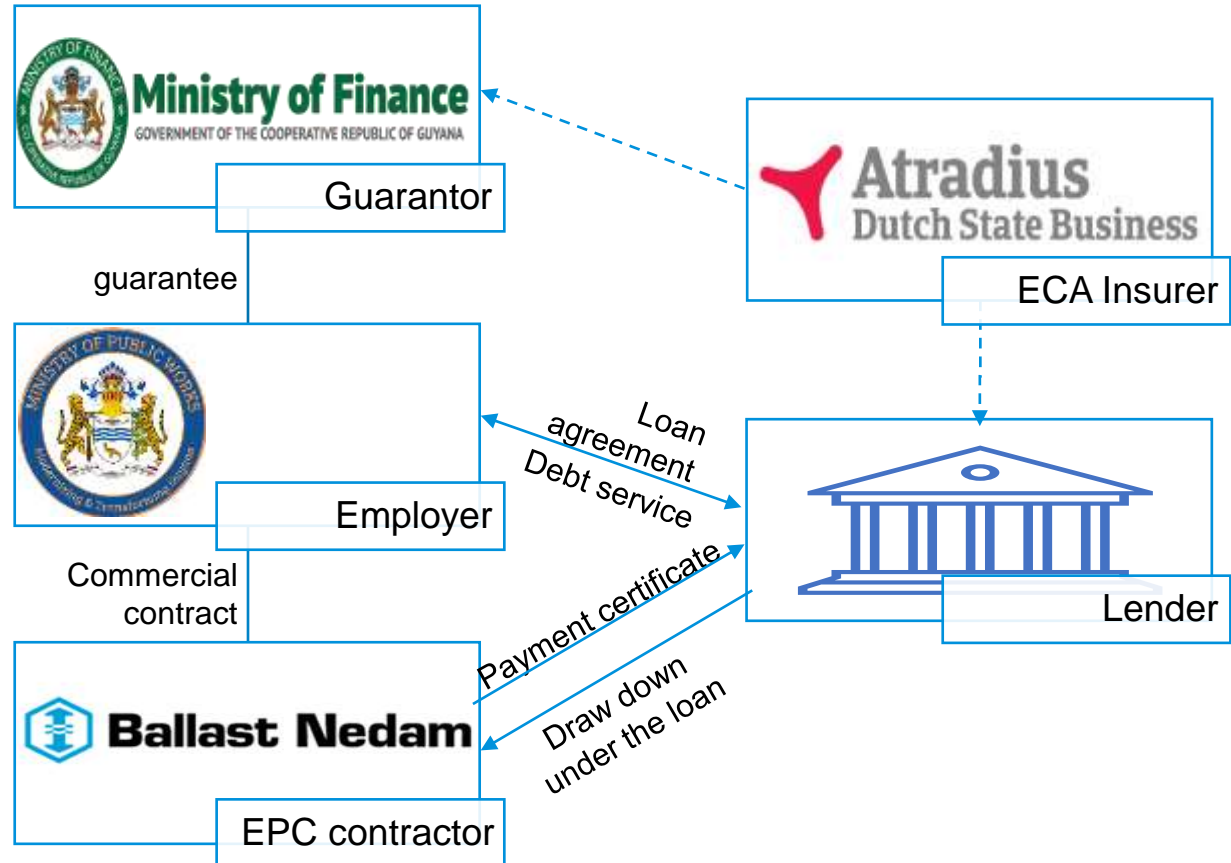
Kenya: Current Financing Options

- **ECA financing – limited capacity**
- **Development banks**
- **Regional providers**
- **Public Private Partnerships**
- **Blended Finance**

Kenya: Export Credit Finance

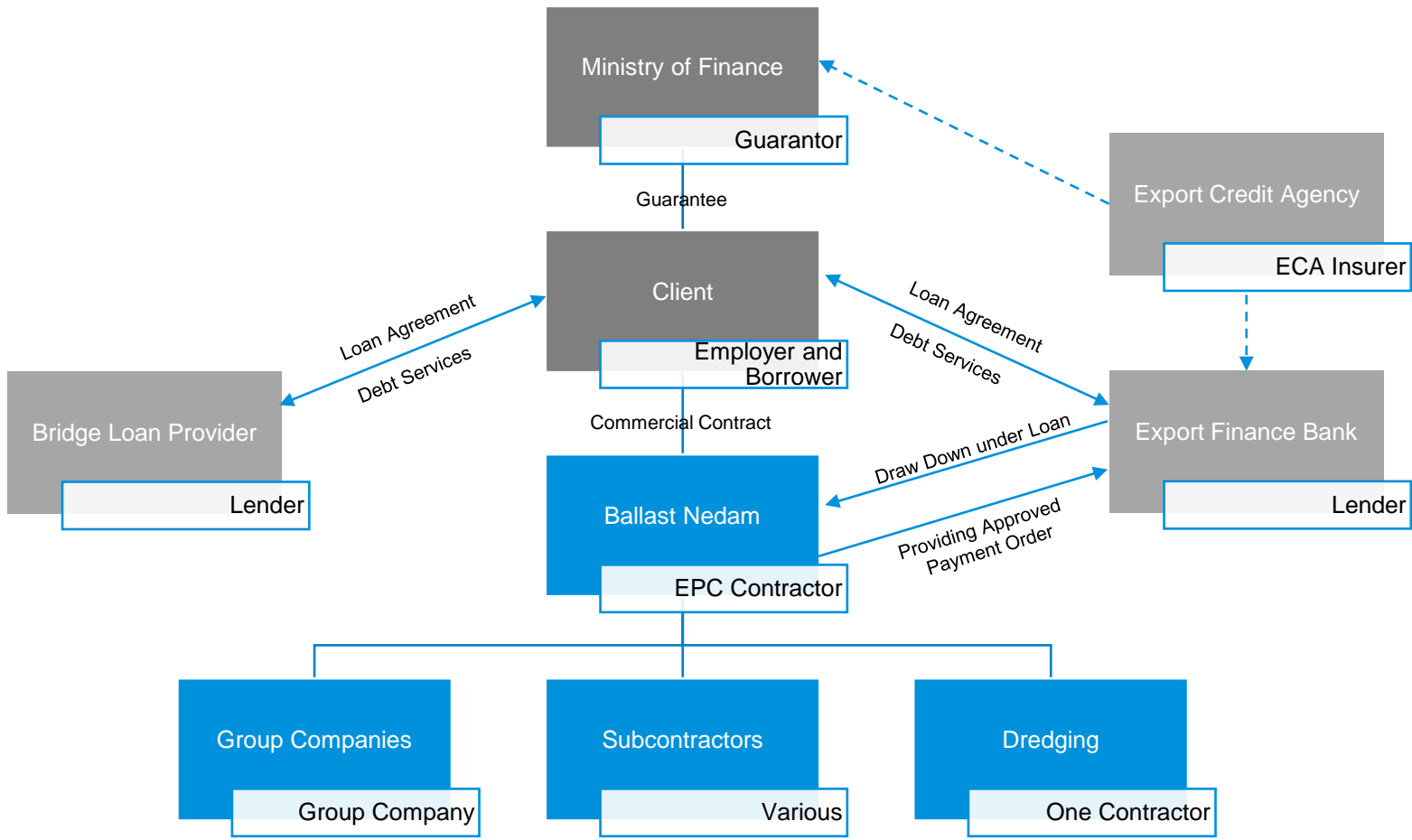
- Limited capacity
- Possibilities to explore:
 - Syndicating of ECAs
 - Credit enhancement through Political Risk Insurance (CPRI)
- **MIGA – Multilateral Investment Guarantee Agency Political Risk Insurance**

ECA Scheme



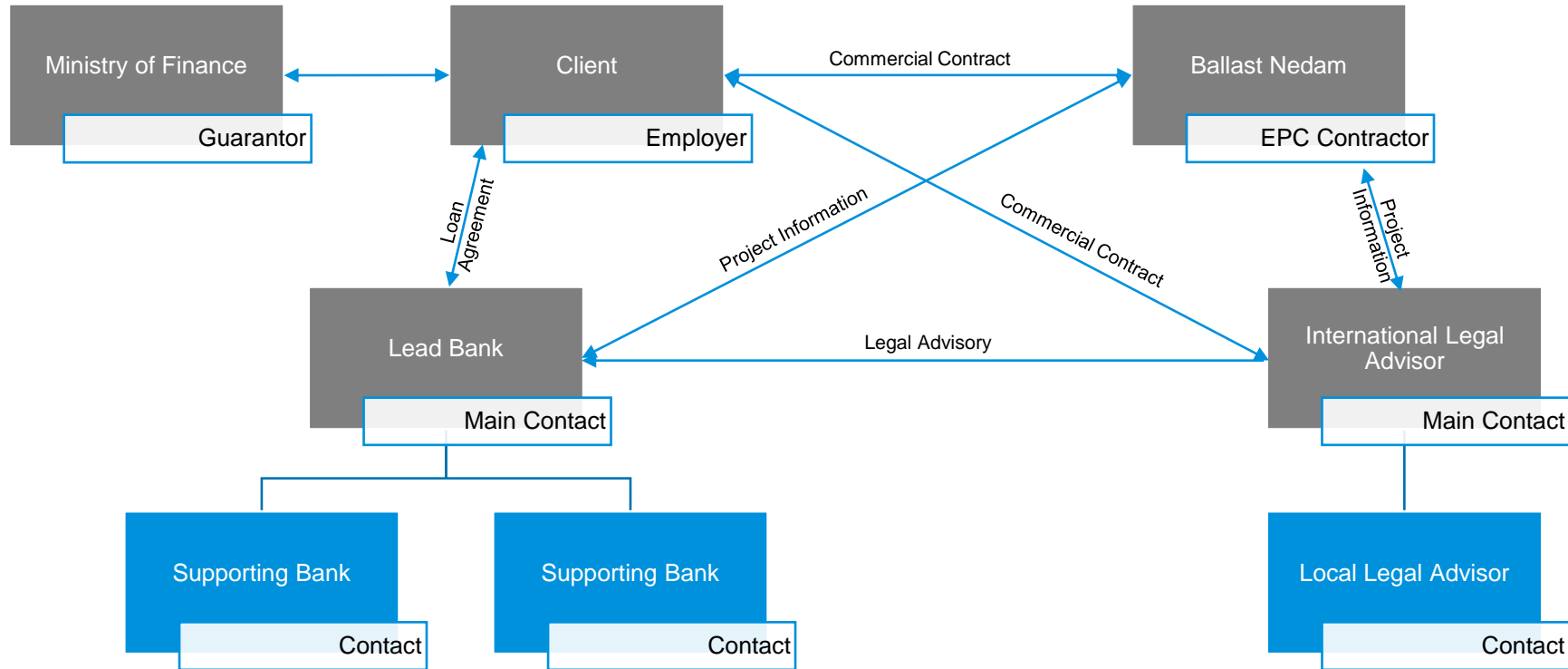
Proposed Project Financing Structure

Project organisation including Finance Structure



Bank Structuring

Information and Contractual Structure



Kenya: Development Bank Financing

- **World Bank**

- Involvement via grants and credits.

- **IFC**

- Stimulates private enterprises, especially in Kenya on agriculture and manufacturing.

- **African Development Bank:**

- Operations in Kenya supported government's infrastructure development, productivity enhancement in agriculture and development of skills for industry.

Kenya: Development Bank Financing

- **European Investment Bank.**
 - Small projects but increasing reach
- **OFID (OPEC Fund for International Development)**
 - Public sector lending

Kenya: Regional Funding (debt and equity)

- African Finance Corporation (AFC)
- Afrixebank
- ATI (African Trade Insurance) – up to 15 years of cover
- Private institutions

Kenya: Public Private Partnerships

- **Increasingly common in Africa with Kenya paving the way:**
 - Off balance sheet;
 - Limited out-of-pocket expenditures for Governments.
- **Government provides a concessionaire with the exclusive rights to build a certain infrastructural project.**
- **Successful projects:**
 - Repayment from market revenues; or
 - Through availability payment; or
 - Minimum level guarantees

Kenya: Public Private Partnerships

- **Financed through a mix of equity and debt**
 - Leverage, tenors and guarantees are greatly depended on the project risks
- **Relatively high development costs**
 - with respect to design, engineering, legal and financial
 - a typical PPP project would be up from USD 100 M.

Kenya: Blended Finance

- Financing with a combination of lending and a granting element.
- Development agencies from various European countries are often supporting programs
 - France – SFIL
 - Netherlands – Invest International DRIVE program



Ballast Nedam: Some Examples

Some Examples

- **ECA financing:**

- Steel bridge 200m USD
- Water Treatment and Distribution 84m USD

- **Insurance mix**

- Market and Logistic Centre: Mixed insurance program to enable a 100% financing from an ECA and the Insurance arm of the Islamic Development Bank (Eur 130 M)

Some Examples

- **International Project Finance:**

- For an crude oil project in Eastern Africa we provided the content to tab in on ECA financing as a part of the overall project of USD 3.5 Billion.

- **Blended Finance:**

- Guinea Conakry; we are about to start a project where we combined 50/50 a grant from the Dutch government with a loan from a Development Bank.



**Any
questions?**

Contact Details

Roy van Eijsden | CEO | Ballast Nedam International Projects

PO Box 1571, 3430 BN Nieuwegein | Ringwade 71, 3439 LM Nieuwegein

M +31 6 392 711 31 | r.van.eijsden@ballast-nedam.nl

www.ballast-nedam.nl



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Challenge **to Improve**

