



Developing New Projects in West Africa, a Contractor's Perspective

Introduction

- **Background of Ballast Nedam**
- **Identification of new projects**
- **Borrowing Capacity, the restriction thereof**
- **Potential upwards**
- **Financing Options**
- **Current Financing Developments**

Orderbook 2021

~ € 1,7
billion

Number of employees 2021

1800

Revenue 2021

➤ € 1041mio

Net Result

➤ €42 mio

Solvency ratio 2020

>24,3%





Our organisational values



We focus on people and relationships



We take ownership



We learn, adapt and grow



Ballast Nedam

Challenge **to Improve**



Our focusthemes

In terms of **safety** we want to ensure our colleagues return home safely at the end of the day.

Our **sustainable** decisions focus on making our building sites energy neutral and our projects fit for the future.

We work with state-of-the-art BIM-models and artificial intelligence to **digitally** transform our ideas into prototypes.

And we have an eye on the world around us, making sure our **footprints** are positive.



Safety



Sustainability

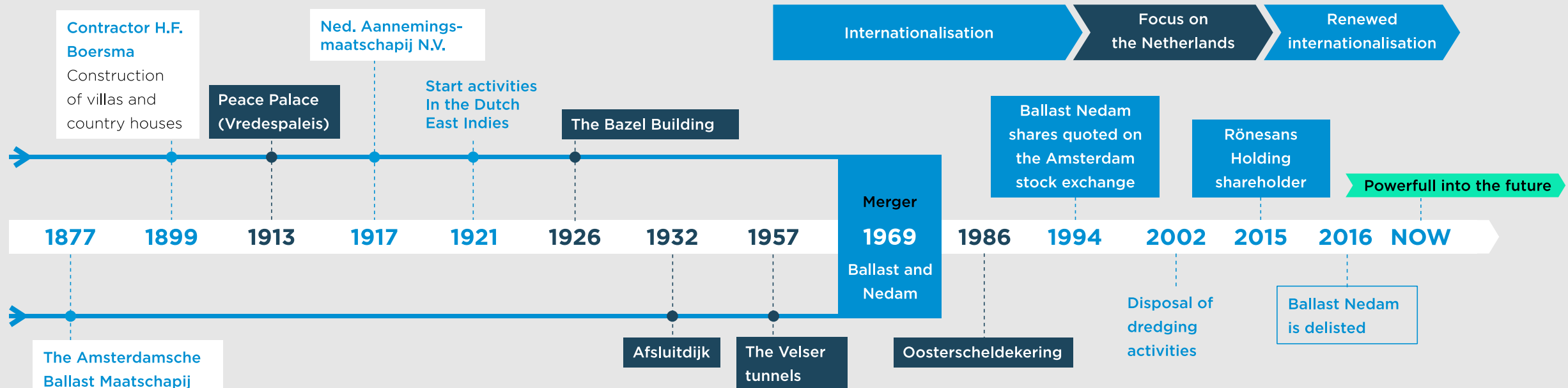


Corporate
social
responsibility



Digital
transformation
& Innovation

History overview Ballast Nedam



Founding the company by merger



1932 Construction of the Afsluitdijk [Closure-dike], The Netherlands



1877 Ballast's first head office



1936 Moerdijk bridge, The Netherlands

History Landmark projects



Afsluitdijk

The Netherlands



Peace Palace

The Hague



Van Nelle Factory

Rotterdam



Schiphol Airport

The Netherlands



Velsertunnel

The Netherlands



Oosterscheldedam

The Netherlands



King Fahd Causeway

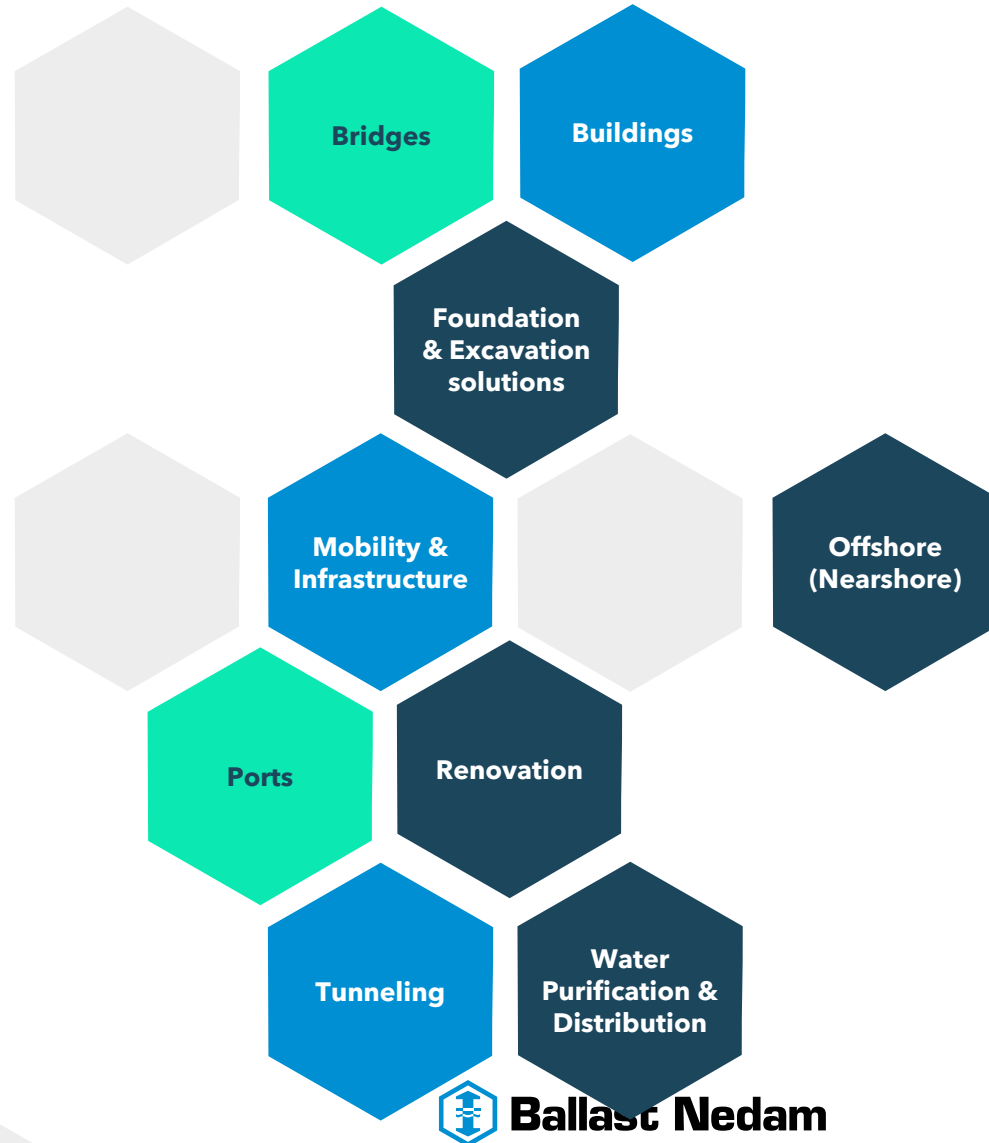
Bahrain/Saudi Arabia



Storebaelt Bridge

Denmark

What we do Expertise



Currently Ongoing

FOUNDATION & EXCAVATION SOLUTIONS
AND PORTS
CLIENT: Port of Rotterdam

Construction of Princess Amalia Harbour quays

Preparing Rotterdam for the largest container ships in the world

Rotterdam | Ballast Nedam Infra Projects, Ballast Nedam FES

Commissioned by the Port of Rotterdam, and together with our trusted partners HOCHTIEF and Van Oord, Ballast Nedam is building the extension of the Princess Amalia Harbour quays. This project involves 2.4 kilometres of intelligent quay wall expansion.



2.4 km

Of intelligent
quay wall

1,825 m

Length

360 m

Earth retaining
walls

170

Million euro's

A24 Blankenburg connection

Four kilometres of civil
engineering constructions

Rotterdam | Ballast Nedam Infra Projects, Ballast Nedam FES

A new connection with an impact on the entire Rotterdam region. The contract includes the design, construction, 20 years of maintenance, and approximately 1 billion euro financing. With two junctions, a land tunnel and a tunnel beneath the river Het Scheur, we aim to improve the accessibility of the Rotterdam region and contributed to the growth of the economy.



4 km

sequence of
technical
constructions

945 m

long immersed
tunnel

20 years

maintenance

577.5

million euro's

OFFSHORE
CLIENT:
NUON (Vattenfall) and Swifterwind B.V.

Windplanblauw

A land solution on water

IJsselmeer | Ballast Nedam Infra Projects

On the border between land and sea, Ballast Nedam is working on the replacement of 28 obsolete wind turbines with 24 modern and powerful turbines. We are designing and building the new turbine foundations, installing the park cabling and providing the connection to the substation.



16,000 m

Tube piles

8,000 m

Sheet piling

25,000

M3 concrete

109.4

Million euro's

International presence (offices and/or projects)

Europe

The Netherlands
The United Kingdom
Belgium
Luxembourg
Germany
Switzerland
Sweden
Turkey
Austria
Finland
Poland

Caribbean

St Martin
Curaçao
St Lucia
Aruba

Africa

Tanzania
Algeria
Libya
Uganda
Mozambique
Ghana
Guinea-Conakry

Asia

Sri Lanka
Iraq
Kazakhstan
Turkmenistan
Uzbekistan

Rönesans Holding



Evolution Tower

Moscow



Başakşehir Çam & Sakura City Hospital

Hospital



Gas to Gasoline

Akhal



Gotthard tunnel

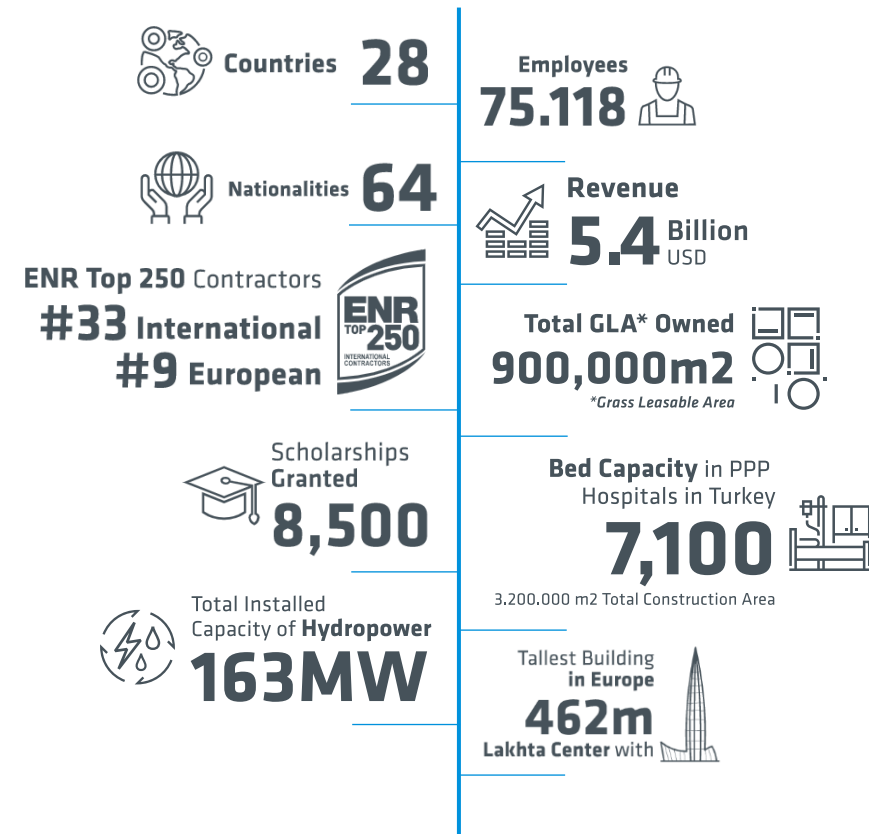
Switzerland



Lakhta Center

Sint Petersburg

Key figures



Identification of New Projects

Identification of new projects

- Leads through public and private network
- Within our priorities ; near shore marine, infra, water
- Design and Construct projects are preferred, that's where we can make a difference
- Stable countries, reliable clients
- Development period takes 2 to 3 years, includes studies
- Key : Potential for financing
- Financing requires borrowing capacity

Borrowing Capacity

Stability leading to Scarcity, West Africa

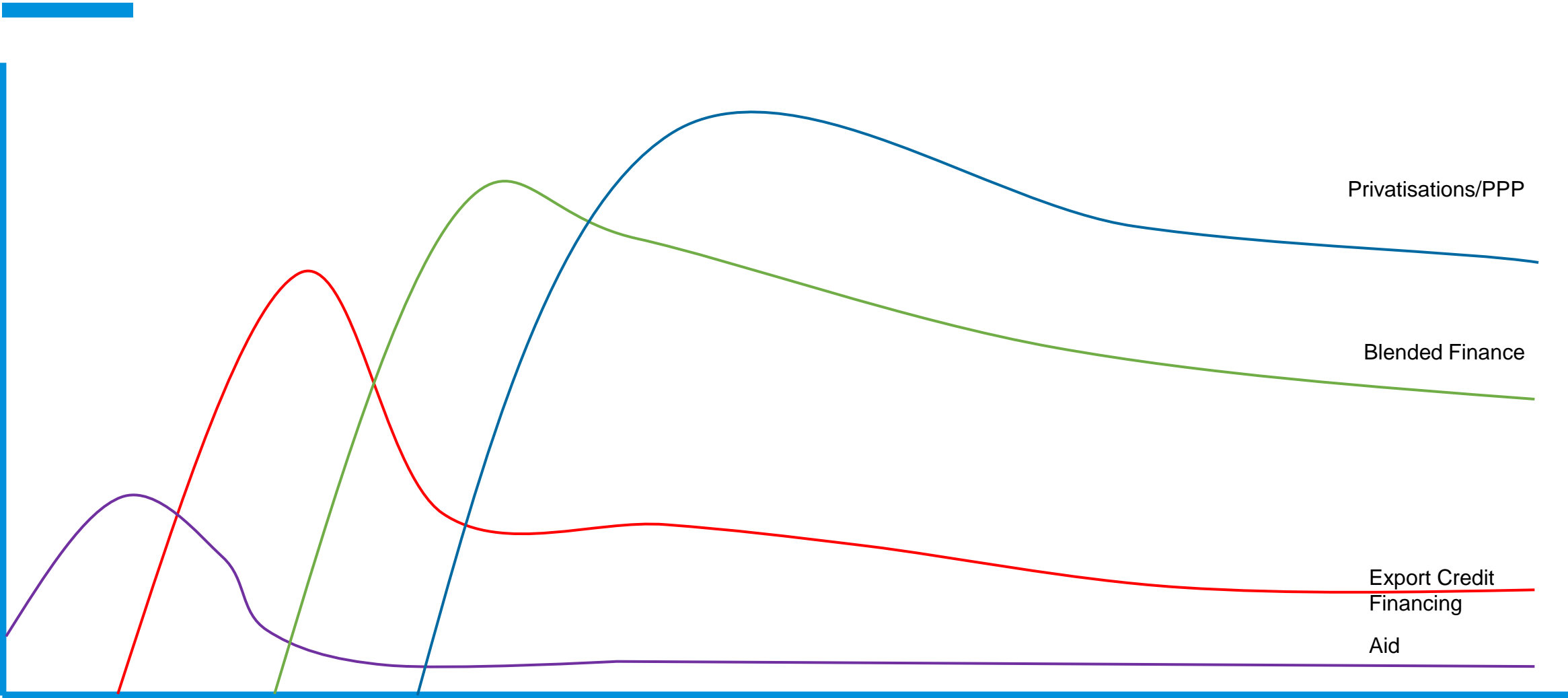
Stability leading to Scarcity

- More than a decade of stability makes some countries a prime centre for DFI's and other lenders;
- Stable political situation → donor darlings;
- More and more projects are being identified;
- Functional proposals system;
- Election promises include economy/infrastructural need;
- Eagerness of Government to perform is often part of cause of overspending :
Example: high deficit of Ghana lead to IMF support and OECD down grade from 6 to 7;
- Togo OECD grade 6 / Ivory Coast OECD grade 5 ;
- Ceiling levels reached on various Export Credit Agency platforms;
- More projects than financing capacity.

Upwards Potential

- **Priority Lists**
 - Focused effort; strong sectoral focus results in sustainable development
- **Economic Growth could lead to increased lending capacity**
 - Young Population;
 - Ongoing growth;
- **Grants and Subsidies**
 - IFIs are open to develop specific support programs.

Observed Development Phasing for Infra Financing



Togo, West Africa

Project Financing Options

Togo: Current Financing Options

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

TOGO : Export Credit Finance

Nearly all ECAs are open :

- Sovereign guarantee subject to sustainable lending criteria (financial bearing capacity)
- Strong private buyers
- Project financing (PPP)

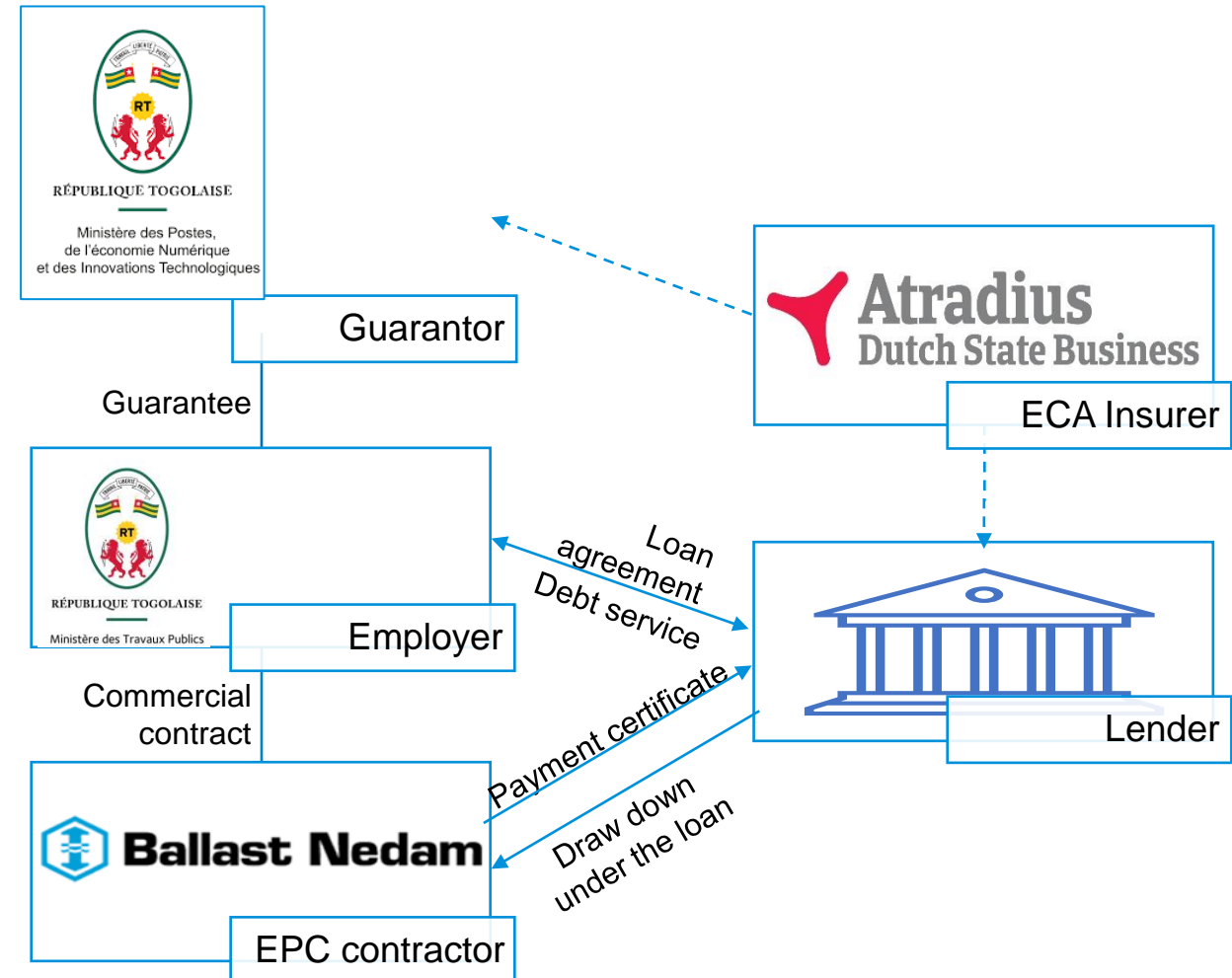
Possibilities to explore:

- Syndicating of ECAs
- Credit enhancement through Credit Political Risk Insurance (CPRI) for commercial tranche

MIGA – WB

- Multilateral Investment Guarantee Agency → Political Risk Insurance (mainly related to PPP)

ECA Scheme



ECA's overview

- OECD (Organisation for Economic Cooperation and Development) are ranking the various countries based on their economic development
- Countries are classified in categories ranging from 0 (lowest risk) to 7 (highest risk). Important factor for calculating premium for an insurance policy.

<u>Atradius Dutch State</u>	Country Category	Country Ceiling	utilised to October 2022	Conditions
Togo	6	450 mio	0 mio	No restrictions / subject to ECA approval
Cote Ivoire	5	1500 mio	370 mio	Subject to IMF/WB restrictions;
Ghana	7	300 mio	225 mio	Subject to IMF/WB restrictions;
Benin	6	700 mio	138 mio	Subject to IMF/WB restrictions;
Guinee	7	300 mio	60 mio	Subject to IMF/WB restrictions;

<https://atradiusdutchstatebusiness.nl/en/article/cover-per-country-in-africa.html>

UKEF

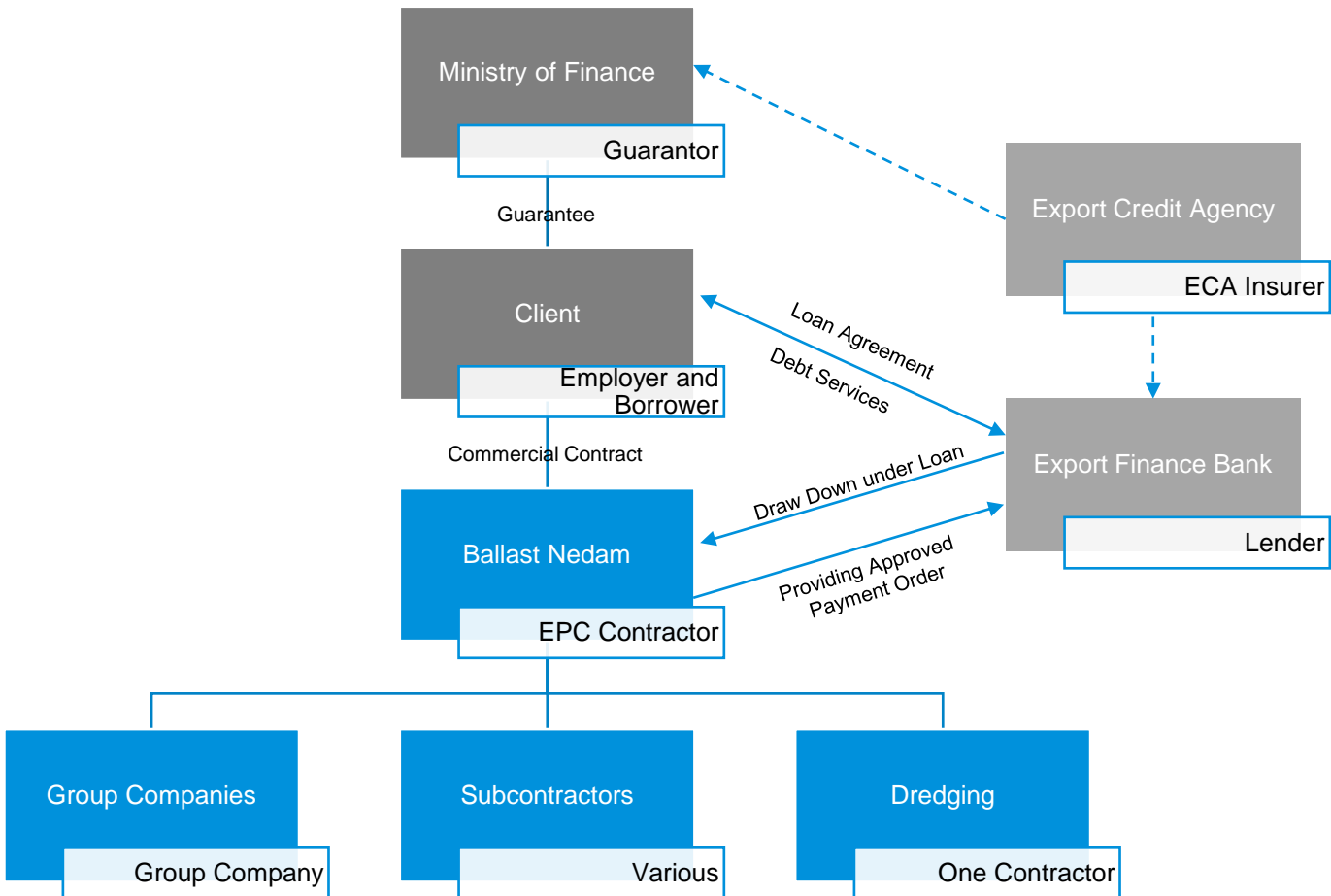
Togo	500 to 700 mio
Cote Ivoire	£2 billion to £3 billion
Ghana	case by case
Benin	£1 billion to £2 billion
Guinee	£1 billion to £2 billion

Other ECA's : France : COFACE-BPI France / Germany : Euler Hermes / Italie : SACE / Spain : CESCE / Sweden : EKN / US Eximbank /

<https://www.cc-solutions.net/WorldECAs>

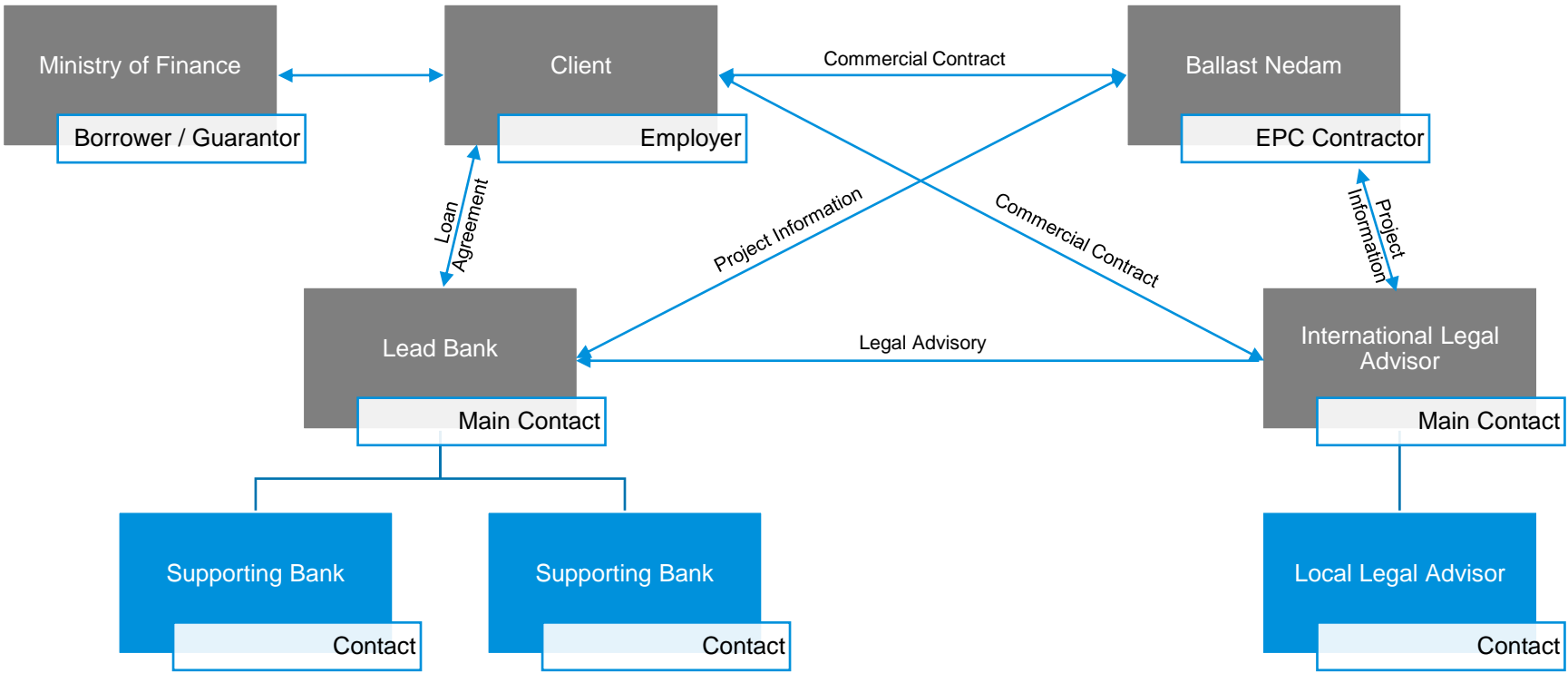
Proposed Export Financing Structure

Project organisation including Finance Structure



Bank Structuring

Information and Contractual Structure



Development Bank Financing - Togo

- **World Bank**

- USD 386 mio current involvement via grants and credits. (through IBRD / IDA)

https://projects.worldbank.org/search?lang=en&searchTerm=&countrycode_exact=TG

- **IFC**

- USD 250 mio current commitment, in financial markets and infrastructure development to investments in targeted industries and advisory services.

https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/togo_investments

- **African Development Bank:**

- USD 130 mio under implementation ; sanitation, agro - electrification.

Development Bank Financing

European Investment Bank (Supporting opening local investment bank).

Small projects but increasing reach

EBID Ecowas Bank for investment and development

USD 100 mio in 2020, agro-industry; establishment of processing industries, particularly phosphate; services related to the blue economy; construction of infrastructure (roads, energy, hospitals, social housing), etc.

OFID (OPEC Fund for International Development)

Latest loan approved in may 2021

Contractor approach :

Follow up through contacts / web-sites for new tenders : reality =>WB/AFDB/ EIB are awarding on lowest price → not feasible for European Contractors → might be interesting for suppliers

Regional Funding (debt and equity)

- **African Finance Corporation (AFC)** – Togo is shareholder –since July 2021
“Africa is on the precipice of a 30-year infrastructure boom” The team aims to develop or co-develop transformational infrastructure projects in a manner which eliminates or appropriately mitigates risks and ensures the projects are bankable.
- **Afrixembank** : Mission : to stimulate a consistent expansion, diversification and development of African trade, while operating as a first class, profit-oriented, socially responsible financial institution and a center of excellence in African trade matters.
- **ATI (African Trade Insurance)** mission : To turn African Risk into opportunity by providing Insurance and Financial products, in partnership with the private and public sector.
- **Contractors approach**: we (wrongly) only make use of these institutions if our traditional bankers don't deliver

Blended Finance - Togo

- 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



Public Private Partnerships

- **Increasingly common in Western Africa:**
 - 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

Public Private Partnerships

- Such massive projects can be financed through a mix of equity and debt. The leverage, tenors and guarantees are greatly depended on the risk portfolio. Offtake agreements with major oil & shipping companies can bring risk (and pricing) down.
- Due to the high development costs with respect to design, engineering, legal and financial, a typical PPP project starts with a value of roughly USD 100 M.

Ballast Nedam: Current Financing Developments

Current Developments

- **ECA financing:**

- Steel bridge 200m USD
- Water Treatment and Distribution 84m USD – Sri Lanka

- **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) - Benin

Current Development

- **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?**

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Ballast Nedam

Challenge **to Improve**

