

Oval Observer Foundation

Voice of the Emerging World

Financing Infrastructure Projects in Africa

Wednesday, 16th September 2015
0900 – 1230 hrs

Venue

Brown Rudnick LLP
8 Clifford Street
London W1S 2LQ
United Kingdom



In Partnership with



OMFIF

OFFICIAL MONETARY
AND FINANCIAL
INSTITUTIONS FORUM



Meeting Overview

As the African continent becomes a more integrated economic area and a progressively more important force in the global economic system, the Oval Observer Foundation (OOF) in collaboration with Brown Rudnick LLP and Official Monetary and Financial Institutions Forum (OMFIF), is conducting a Half Day Session on Financing Infrastructure Projects in Africa. The session will capitalise upon and satisfy the growing international interest in the continent's infrastructural potential by bringing together public and private sector bodies to examine issues related to public and private investment in this sector.

Vast majority of the infrastructure projects in Africa are dependent on funding from Government, Aid or Development Finance sources. Whilst this practice is perfectly acceptable, it limits the capacity of any country to narrow the demand-supply gap. Africa is on a growth path and with increasing urbanisation it will need access to energy, transport, water, waste-management, roads and other utility services. Some of these sectors such as roads, ports, will require strong Government participation but there are other sectors such as energy, drinking water and waste management where countries can attract significant private sector capital. So how can Global Financing Communities, public and private collaborate to develop a robust framework to accelerate infrastructure financing for Africa?

Oval Observer Foundation in collaboration with Brown Rudnick LLP and OMFIF is delighted to organise two panel sessions focused on infrastructure development in Africa as part of the OMFIF African Public Investors Meeting 2015.

TOPIC 1

ENABLING AND ACCELERATING BOOT MODEL TO CREATE A PRIVATE SECTOR INFRASTRUCTURE FINANCE MARKET

The BOOT (Build-Own-Operate-Transfer) framework connotation is largely used where both counterparties are private sector entities. The underlying structure is very much similar to a PPP model. The creation of utility infrastructure assets by private sector developers where off-takers of the utility (power, water, waste-management, sanitation) etc. are major industrial entities, real estate developers, commercial complexes and other facilities owners, can develop a strong robust foundation for the launch of infrastructure financing market.

This can trigger off a positive chain reaction for wider infrastructure deployment within the country. The panel will highlight the core principles of infrastructure finance market

- How is an infrastructure financing market any different from normal infrastructure project finance?
- What role can and should a Government play in development of such a market?
- What are the different stakeholders in such a market?
- What are the critical success factors for enabling such a market?

Case Studies:

- Water Quality Trading Market – an instrument to developing water treatment assets
- Energy Trading – a key enabler to driving energy infrastructure finance

TOPIC 2

SUPPORTING GROWTH OF DECENTRALISED INFRASTRUCTURE

Many parts of Africa are remote where access to clean water, energy is very difficult. Building large grids is always not possible in such a scenario and development of decentralised infrastructure can deliver the desired results. However these smaller projects are outside the purview of major infrastructure companies and bigger funds. The entrepreneurs developing these smaller projects find it extremely difficult to attract not only capital but also run into procurement and engineering challenges.

Decentralised Infrastructure Financing Platforms can play a huge role in accelerating smaller infrastructure projects.

The panel will highlight core principles of a decentralised infrastructure financing market

- What is a decentralized infrastructure-financing model?
- How is it different from large scale infrastructure financing?
- How are the structures fundamentally different?
- What role can a Government play in creating a market for decentralised infrastructure
- What are the different stakeholders in such a market?
- What are the critical success factors for enabling such a market?

Case Studies:

- Off-grid Solar market – a framework to accelerate energy deployment
- Drinking Water Kiosks – Pay per use financing model

PROGRAMME AGENDA

9:00-9:10hrs	Welcome Address
9:10-10:30hrs	<u>PANEL 1: Enabling and Accelerating BOOT model to create a Private Sector Infrastructure Finance Market</u>
10:30-11:00 hrs	Networking Break
11:00-12:30 hrs	<u>PANEL 2: Supporting growth of Decentralised Infrastructure</u>
12:30-12:45hrs	Closing Remarks and Call to Action
12:45-13:30 hrs	Networking Lunch

PANELLISTS

- Brian Sturgess, Editor-in-Chief, World Economics
- John Davie, Chairman, Altra Capital
- Clive Sheldon, Managing Partner, Argentis Capital
- Sanmit Ahuja, Vice-Chairman, Oval Observer Foundation
- Henry Kikoyo, Partner, Brown Rudnick LLP

MODERATOR

- David Marsh, Managing Director, OMFIF

WORKSHOP PARTICIPANTS

The workshop will be limited to 40 participants from the following stakeholder groups

- Finance and Investment community
- Multilateral institutions
- Industry
- Academia
- Diplomatic Community

WORKSHOP FORMAT

The workshop will allow discussion on various ideas and participants are encouraged to present their views on models presented.

REGISTRATIONS

There is no cost to participate in the EVENT but registrations are required. To book your place for the EVENT, [Click here](#) or send in your registration to ishita.das@ovalobserver.org

For additional queries please email rachit.ranjan@ovalobserver.org or peter.longworth@ovalobserver.org

ABOUT THE ORGANISERS



Oval Observer Foundation is a strategic engagement and an action platform for economic, social and political issues related to emerging markets and high growth nations. Established in early 2014, the Foundation provides a continuous engagement platform to stakeholders interested in increased growth in emerging economies. In pursuance of its mandate Oval Observer explores sustainability and Finance related issues in emerging economies, among its core thematic research and engagement field.

For more information, kindly visit: www.ovalobserver.org



The Oval Observer Foundation is glad to collaborate with The Official Monetary and Financial Institutions Forum (OMFIF) whose forum on the role of Global Public Investors in Africa is held the preceding day, Tuesday, 15 September. Themes:

- Harnessing Africa's natural resources in the interests of wider prosperity
- Bridging Africa's infrastructure financing gap
- The way forward: Effective investment, structural change and improved governance

OMFIF is an independent research network. It serves as a non-lobbying platform for exchanges between official institutions and the private sector worldwide. The overriding aim is to enable the private and public sector to learn from each other in different ways, promoting better understanding of the world economy and higher across-the-board standards. OMFIF's main areas of focus are monetary policy and financial stability, public reserve management and risk, and supervision and regulation. OMFIF co-operates with central banks, sovereign funds, regulators, debt managers and other public and private sector institutions around the world.

For more information kindly visit: www.omfif.org



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ABOUT THE PANELISTS

Brian Sturgess
Managing Editor,
World Economics

Brian Sturgess is the Managing Editor of World Economics, www.worldeconomics.com a part-time consulting position he has held since 2009. His responsibilities for World Economics include commissioning, reviewing, editing and copy-editing articles for publication in the quarterly journal and writing articles for the website. He has just completed a six month assignment as an editorial consultant to the Islamic Development Bank in Jeddah which involved editing the 2013 (1434H) Annual Report and writing a booklet and an ebook commemorating the 40th anniversary of the Bank's existence. He has been a lecturer in economics at the University of Nottingham, at City University Business School in London and at BPP University Business

College and he has published widely in books, academic articles and in the press on various areas of industrial economics, macroeconomics, banking, finance and economic data. He has been a Visiting Professor at the University of Erlangen-Nurnberg. He spent nearly 20 years working as an equities investment analyst at County Natwest, Barclays Bank, Baring Securities and ING, but he has also worked as consultant with a number of merchant banks and media companies, including the BBC, the Telegraph Group, the World Advertising Research Center, Tyne-Tees Television.

John Davie
Chairman,
Altra Capital

John Davie is chairman of Altra Capital and also a Visiting Professor at the Guildhall Faculty of Business and Law, London Metropolitan University. He is British Expertise's specialist adviser on Public-Private Partnerships. John Davie has been an adviser on PPP to several Lord Mayors of the City of London. He has delivered PPP Master Classes in China, Colombia, Egypt, India, Malaysia, Mauritius, Madagascar, Nigeria, Peru, Saudi Arabia, Swaziland, Turkey, the United Arab Emirates, and the United Kingdom. Specific programmes have been run for Crown Agents, EBRD, Adam Smith International, and at Universidad de Los Andes in Colombia for officials from government and private sector. He was chairman of the UKTI PPP Export Advisory Board for two three-year terms, was a permanent member of the UK Financial Services Sector Advisory Board and is a past Chairman of British Expertise. He is a member the UN Economic Council for Europe Panel of PPP Experts.

Sanmit Ahuja
Vice-Chairman,
Oval Observer Foundation

Sanmit Ahuja is one of the founding members of the Foundation. He specializes in development finance, impact investing, developing innovation clusters and PPP framework development. He has nearly 20 years experience working across the world in various sectors particularly in Trade Finance, Infrastructure Finance, Technology and Media sectors. He has an Engineering Degree in Electronics from University of Pune, India and an MBA from London Business School.

Henry Kikoyo
Partner,
Brown Rudnick LLP

Henry is a Ugandan citizen and, after graduating in law at Makerere University in Kampala, qualified as a solicitor in England & Wales. He spearheads the Africa practice with a focus on project finance and other financing techniques. He works with lenders and/or investors at all levels of the capital structure to assist with finding innovative financing solutions. He has significant experience in complex cross-border transactions and has been involved in transactions in Europe, South America and Australia as well as across Africa. He is currently working on creative financing transactions in Kenya, Mozambique and Rwanda. He previously worked as a project manager in relation to a large hydropower project in Uganda and brings with him hands on practical experience in project development.

Clive Sheldon
Managing Partner,
Argentis Capital

Clive Sheldon is Joint Managing Partner of Argentis Capital (London and Zurich) which he co-founded in 2005 and which focuses on Social Impact Investment, primarily in developing economies and in Social Infrastructure (affordable housing, education and healthcare). In 2011-2013 Clive worked hands-on in a Green Construction Technology pilot project in South Africa (Integras) and was previously General Counsel and Foreign Laws Adviser at YCS Investments in San Francisco from 2001-2004. He was educated at Oxford University and practised law as a UK solicitor.