



CONFERENCE REPORT

Africa Finance & Investment Forum 2009:

Partnerships for Growth & Development

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EMRC is most grateful to the sponsors - ABN AMRO for hosting the forum, Heineken, Clifford Chance, BiD Network, KLM Club Africa, MARG Group, as well as the Forum partners – INSEAD Business School, the European Union, the European Investment Bank (EIB), IFC-International Finance Corporation, ITC – International Trade Centre and UN Global Compact for all their support.

PREFACE

EMRC Africa Finance & Investment Forum (AFIF)

AFIF is an annual business event gathering policy makers, financiers, bankers and private sector entrepreneurs interested in securing financing for projects and project partnerships in Africa. The forum is the ideal venue to network with the right profile of financiers who seek new investment opportunities in Africa and is the centre stage for government authorities to highlight policies which affect the investment climate.

EMRC's goals and mission

EMRC is a non-profit International Association composed of a network of entrepreneurs, financiers, consultants and officials based throughout the world. EMRC's mission it to lead the private sector in Africa in sustainable economic development and to drive regional change through partnerships.

FMO goals and mission

The Netherlands Development Finance Company (FMO) is the international development bank of the Netherlands. FMO invests risk capital in companies and financial institutions in developing countries. With an investment portfolio of € 4.2 billion, FMO is one of the largest bilateral private sector development banks worldwide. Thanks in part to its relationship with the Dutch government, FMO is able to take risks which commercial financiers are not - or not yet - prepared to take. FMO's mission: to create flourishing enterprises, which can serve as engines of sustainable growth in their countries. The Dutch State is the majority shareholder (51%); Dutch commercial banks own a further 42%. The remaining 7% is held by employers' associations, labor unions, private companies and individuals.

Organisation and participation

The 2009 Africa Finance and Investment Forum was organised in partnership with FMO. The following actors supported and collaborated with EMRC: ABN AMRO, Heineken, Clifford Chance, BiD Network, KLM Club Africa, MARG Group, INSEAD, the European Union, the European Investment Bank (EIB), IFC-International Finance Corporation, ITC – International Trade Centre and UN Global Compact.

AFIF 2009 was a record year with around 300 delegates from 44 countries in Africa, Asia, Europe and the Americas attending. With delegates representing 31 African countries, more than half the African continent was represented: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Chad, Congo, Democratic Republic of Congo, Côte d'Ivoire, Ghana, Guinea, Kenya, Madagascar, Mali, Malawi, Mauritius, Mozambique, Niger, Nigeria, Rwanda, Senegal, South Africa, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe. Delegates from a broad range of European countries attended the forum, including: Belgium, Luxembourg, Netherlands, Germany, France, Italy, UK, Portugal, Switzerland, as well as delegates from the USA, Canada, Israel and India.

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| Day I | 13 December 2009, Sunday |
|--------|---|
| 09h00 | Registration throughout the day (9h00 – 16h00) |
| 11h15 | Pre Conference Workshop: Preparing & presenting Business Plans for potential Investors |
| | Arthur Levi, Former Head of Europe, IFC (International Finance Corp.)), France Eric Kacou, Managing Director, OTF Group, Rwanda |
| 12h45 | Networking Lunch |
| 13h30 | Presentation of Delegates: Idit Miller, Managing Director EMRC, Belgium Arthur Levi, Former IFC (Head of Europe), France |
| 14h45 | Special Ministerial Session: Improving the Business Environment to Attract Foreign Investment to Africa |
| | Arthur Levi, Former IFC (Head of Europe), France John Mullally , Advisor Europe Middle East Africa Desk, OECD Dev. Centre, France |
| | Ministers from: O Uganda: Henry Bagiire Aggrey, Minister of State of Agriculture |
| | Chad: Mahamat Mamadou Addy, Minister of Microfinance Angola: Carlos Alberto Lopes, Vice-Minister of Planning |
| | António Didalelwa, Provincial Governor |
| | Kenya: Kennedy Manyala, General Manager, Kenya Investment Authority |
| 17h15 | Boat Cruise through the beautiful Canals of Amsterdam |
| 18h30 | Visit to the Heineken Museum: Beer tasting and visit to the historic Heineken Brewery in Amsterdam |
| 19h00 | Special Presentation by Sean O'Neill, Director Group Corporate Relations, Heineken |
| 19h30 | Welcome Dinner offered by Heineken Heineken Museum, Amsterdam |
| | |
| Day II | 14 December 2009, Monday |
| 08h45 | Official Opening "Africa Finance & Investment Forum 2009" |
| | Nanno Kleiterp, Chief Executive Officer, FMO (Netherlands Dev. Finance Company) Daphne Klees, ABN AMRO, Netherlands |
| | Tim Turner, Director for the Private Sector, AfDB, Tunisia Thomas de Man, President Africa & Middle East, Heineken, Netherlands |
| 09h15 | Overview: Investment opportunities in Africa, Doing Business in & with Africa |
| | Martin Curwen, Director General, European Investment Bank, Luxembourg |
| 09h30 | Session I: Boosting African economy through entrepreneurship |
| | Moderator: Arthur Levi, Former IFC (Head of Europe), France Sietze Montijn, Head of Corporate Social Responsibility, Heineken, Netherlands Gorrepati Ramakrishna Reddy, Chairman & Managing Director, MARG limited, India |
| | Jeremy Connick, Partner, Clifford Chance Law Firm, United Kingdom Eric Kacou, Managing Director, OTF Group, Rwanda Loïc Sadoulet, Prof. Economics, Eaculty Lead Africa Initiative, INSEAD, France |

11h00 Coffee & Tea Break

11h30 Session II: Effective Financial Programmes by key Players Part 1: The role of commercial banks in the development of private initiatives

Moderator: Arthur Levi, Former IFC (Head of Europe), France

Kingsley Moghalu, Deputy Governor, Central Bank of Nigeria

Solomon Asamoah, Deputy Chief Executive Officer and Chief Investment Officer, Africa Finance Corporation, Nigeria

Gerard van Empel, Managing Director, Rabo Development, Netherlands

12h15 Part II: Innovative solutions to promote entrepreneurship

Moderator: Thierry Sanders, Managing Director, BiD Network, Netherlands

Jeroen Blum, Deputy Director, Shell Foundation, Netherlands Dana Boggess, Agriculture Finance, Bill & Melinda Gates Foundation, USA Khaled Ben Jilani, Executive Partner, Tuninvest-Africinvest Group, Tunisia Davinder Sikand, Managing Partner, Aureos, Kenya

13h15 Networking Lunch

14h15 EMRC-African Development Bank

Project Incubator Award - Presentation of selected projects

Pierre Mathijsen, President EMRC, former DG at the European Commission, Belgium Tim Turner, Director Private Sector, African Development Bank, Tunisia

15h15 Special Signing Ceremony PTA Bank Kenya & FMO Netherlands

15h30 Session III: The role of International Financial Institutions

Moderator: Arthur Levi, Former IFC (Head of Europe), France

Jorim Schraven, Manager Financial Institutions Africa, FMO, Netherlands Tim Turner, Director Private Sector Operations, African Development Bank, Tunisia André Laude, Chief Investment Officer Microfinance, IFC, France

19h30 Gala Evening: Grand Hotel Krasnapolsky - Winter Garden

Presentation of the EMRC-AfDB Project Incubator Award 2009

Idit Miller, Managing Director EMRC, Belgium

Tim Turner, Director Private Sector, African Development Bank, Tunisia

Day III 15 December 2009, Tuesday

09h00 Thematic Parallel Sessions:

Parallel I - Strengthening human skills

Moderator: Loïc Sadoulet, Faculty Lead Africa Initiative, INSEAD, France

Thierry Sanders, Managing Director, BiD Network, Netherlands Pieter van Welzen, Partner, Clifford Chance, Netherlands

Charles Kwesiga, Executive Director, Uganda Industrial Research Institute, Uganda

Rui Gião Santos, President, CASBI, Angola

Parallel II – Construction and infrastructure projects

Moderator: Arthur Levi, Former IFC (Head of Europe), France

Marjolein Landheer, Manager Housing, FMO, Netherlands K S Shashidhar , Business Head , Science Park , MARG limited, India Nicholas Levi-Gardes, Vice President of Emerging Capital Partners, USA Amadou Coulibaly, Managing Director, Ivoirienne de Fibrociment, Ivory Coast

10h30 Coffee & Tea

11h00 Thematic Parallel Sessions:

Parallel III - Improving access to Energy

Moderator: Huub Cornelissen, Director Energy & Housing, FMO, Netherlands

Orli Arav, Director Markets Fund Managers, United Kingdom Guy Marboeuf ,Access to Energy Programme Manager, EDF, France

Parallel IV – How to support and promote rural entrepreneurs?

Moderator: Thomas de Man, President Africa & Middle East, Heineken, Netherlands

Sietze Montijn, Head of Corporate Social Responsibility, Heineken, Netherlands Nomathema Mhlanga, Investment relations agriculture & agribusiness, FAO, Italy Chris Isaac, Corporate Executive, InfraCo, United Kingdom Bart Sijbenga, Senior Advisor, SNV-Netherlands Development Org., Zimbabwe

12h30 Networking Lunch

13h45 Thematic Parallel Sessions:

Parallel V - Promoting Regional integration through Trade

Moderator: Sean de Cleene, VP Africa Programmes & Business Dev., YARA, Norway

Kola Badejo, Senior Adviser, UN Global Compact, USA Garcia Afonso, Head of Tariffs & Trade, National Directorate of Customs , Angola Roelof Plitjer, Advisor, DG Trade, European Commission, Belgium

Parallel VI – Supporting the micro, small and medium enterprises

Moderator: Arthur Levi, Former IFC (Head of Europe), France

Jacco Minnaar, Fund Manager, Triodos Investment Management BV, Netherlands Joseph Akpo, Chief Executive Officer, UNACOOPEC, Ivory Coast

15h15 Official Announcement of the AgriBusiness Forum 2010 in Kampala, Uganda

Henry Bagiire Aggrey, Minister of State of Agriculture, Uganda

15h30 Between 15h30-18h00 One-on-One Business Meetings organized in collabora-18h00 tion with ITC – International Trade Centre

18h00 Official Closure of the Africa Finance & Investment Forum 2009





Partnerships for Growth & Development CONFERENCE REPORT





EXECUTIVE SUMMARY

Compared to the last 3 decades, Africa as a whole enjoyed its highest average economic growth rates between 2002 and 2008. The global economic and financial crisis of 2008-2009 has slowed down but not interrupted this momentum, and entrepreneurs within Africa and beyond are capitalising on the huge opportunities at hand. As many speakers at the forum emphasised, investment in Africa now extends far beyond commodities into agribusiness, infrastructure, pharmaceuticals, energy, transport, financial services and IT, to name a few.

Partnerships for growth between African entrepreneurs and global investors will be essential in order to fully capitalise on the opportunities present in these sectors. A growing number of institutions are pouring resources into African economies, including the traditional International Finance Institutions (IFIs), Development Finance Institutions (DFIs), commercial banks, multinationals, and foundations. In addition, recent trends indicate that law firms, private equity funds, and business schools are all building networks and expanding their presence on the continent.

There is no doubt that a number of serious challenges persist: there remains an urgent need to improve governance: it is imperative that existing efforts to eliminate red tape and improve business environments continue, coupled with an increased and ongoing investment drive, notably in skills and infrastructure. Enterprise development is essential to achieving growth, and AFIF '09 once again proved to be a golden opportunity for partner investors with the entrepreneurs who need them, thus doing our part to bring a brighter economic future to the continent and its people.

INTRODUCTION

The Africa Finance and Investment Forum (AFIF) has become a permanent feature on the conference circuit centered around African affairs and the role of the finance sector in the continent's development. It has grown from success to success, and is drawing ever larger numbers of decision makers from all over the African continent and beyond.

The theme of the AFIF 2009 edition was "Partnerships for Growth and Development", with a specific focus on the financing of small and medium enterprise projects.

In the words of Idit Miller, Vice-President and Managing Director of EMRC, "holding AFIF 2009 in Amsterdam carried a powerful message from the African continent onto the doorstep of key international decision-makers: That the African continent is no longer just about natural resources and commodities, but increasingly about untapped opportunities in the fields of energy, agri-business, trade, retail, health, finance, housing and industrial development - to name just a few".

The growing popularity of AFIF is confirmed by the fact that this latest edition was attended by around 300 delegates, a record for any EMRC conference organised in Europe to date. The forum was addressed by an impressive number of high-profile speakers representing the fields of banking, industry, trade and academia.

EMRC's dynamism in facilitating business in Africa has constituted one of the most tangible benefits for the delegates; and through its professional matchmaking services in collaboration with ITC (International Trade Centre), EMRC ensured that the right connections were put in place to guarantee the growth of long-term, sustainable partnerships.













DAY 1 - SUNDAY, 13 DECEMBER 2009

PRE CONFERENCE WORKSHOP:

PREPARING AND PRESENTING BUSINESS PLANS FOR POTENTIAL INVESTORS

Eric Kacou and **Arthur Levi** welcomed the delegates and split them into groups. Each group was required to make a short presentation, as if presenting their own business plan to potential investors.

Any good business plan should contain the following basic information:

- Country, Name, Date
- Amount and Exchange Rate
- Description
- Proposed Investments
- Company Sponsor
- Market Competition
- · Project Cost and Financial Plan
- Environmental Aspects
- · Financial Projections
- Risks and Issues

SPECIAL MINISTERIAL SESSION:

IMPROVING THE BUSINESS ENVIRONMENT TO ATTRACT FOREIGN INVESTMENT TO AFRICA

Following a round of introductions, a special ministerial session was held on improving the business environment to attract foreign investment in Africa.

The opening speech was delivered by **Bagiire Aggrey**, Minister of State of Agriculture of Uganda. Minister Bagiire focused on the agribusiness outlook in Uganda, which accounts for 15% of the country's Gross Domestic Product (GDP). Measures to encourage investment include new macro-economic policy initiatives such as privatization, liberalization and various incentive regimes. Another crucial factor is the consolidation of the East African Community and the gradual removal of trade barriers, opening large new regional markets. Uganda is also making large infrastructural investments in roads, railways, ports and energy.

Minister Bagiire was followed by **Mahamat Mamadou Addy**, Minister of Microfinance of Chad, who gave the delegates an exciting overview of the new opportunities being opened up in Chad as a result of increased oil revenue since 2003. The income derived from oil has allowed unprecedented levels of economic growth in the country, and the authorities are seeking to attract outside investment through a charter for foreign investments and a national agency for the promotion of investment and exports. Specifically, Chad is promoting micro-finance as an engine for economic growth and poverty alleviation.

Carlos Alberto Lopes, Vice-Minister of Planning in Angola, gave the audience an outline on how Angola is adapting its policies to attract investment and improve local economic conditions. His comments were further emphasised by **Antonio Didalelwa**, Governor of Cunene province, who provided specific examples of improved conditions for investors beyond statistics.

This intervention was followed by **Kennedy Manyala**, General Manager of the Kenya Investment Authority, who gave the audience a fascinating overview of Kenya's 20-year strategy for economic development, Vision 2030, which aims to make Kenya a middle income country by the year 2030.

Critical focus areas to achieve these goals are retail, financial services, agriculture, manufacturing, tourism, energy and infrastructure. Kenya is also a leading member of the East African Community and of COMESA, giving investors access to a market of 340 million people. Measures to encourage growth and investment include prudent monetary policies, investment allowances, a simplified tax system, and free trade agreements, such as the planned Economic Partnership Agreement (EPA) with the European Union.

The special ministerial session was concluded by **John Mullally**, Advisor Europe Middle East and Africa Desk at the OECD.

Mr Mullally gave the audience an executive summary of the latest OECD report on 53 African economies, specifically in the context of the global financial and economic crisis of late 2008. On the whole, the economic crisis has clearly affected Africa, especially the oil exporters and the large economies such as Egypt and South Africa. Overall growth in Africa has slowed from 6% in 2008 to 2% in 2009. But smaller countries less integrated in the global economy have actually not been hit as hard, for various reasons, such as benefits derived from lower energy bills.

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He cited grounds for cautious optimism, based on the type of incentives mentioned by the previous speakers, but reminded us that many challenges and hurdles remain. The average African country still ranks 137 on the World Bank's Ease of Doing Business Index. One huge impediment is infrastructure: it is more expensive, for example, to send a container from South Africa to Angola, than to China.

The first day of the conference was concluded by a successful ice-breaking event with a boat cruise on the beautiful canals of Amsterdam, followed by a visit to the Heineken Museum, where delegates were able to enjoy an informal dinner and establish initial contact.

Sean O'Neill, Director Group Corporate Relations, gave the assembled delegates a short overview of Heineken's activities around the continent, the overall impact of the company far beyond its visible presence, and its exciting plans for the future, including its newest brewery in South Africa.

DAY 2 - MONDAY 14 DECEMBER 2009

Idit Miller, VP and Managing Director of EMRC, officially opened AFIF 2009. "The core purpose of the forum", she said, "is to bring those who need finance together with those seeking opportunities for long term partnerships and development".

Nanno Kleiterp, Chief Executive Officer of FMO, followed Mrs Miller on the podium. He emphasized the role of entrepreneurship and investing in Africa. FMO is getting excellent returns on its US\$1 billion portfolio in Africa, often better, he said, than other emerging regions such as Asia or Latin America.

Developing countries will be far less affected by the global financial crisis than the North. Growth is already picking up again, and China, for instance, is back to precrisis levels. But investment will be crucially needed in order to achieve growth and reduce poverty.

Africa, said Mr Kleiterp, had achieved quite good growth in many countries over the last decade or so, with an average of 6-7% per annum. Many countries have also been very resilient in the face of the economic crisis. For 2010, growth is expected to reach 4% and more. Clearly, he said, the African continent is becoming part of the world's emerging markets. One very interesting development on the continent was the emergence of many more South-South partnerships, with China, India and Brazil all making very strong inroads into Africa. Africa's image, crucially, is changing from "a place to send aid" to "an interesting place to invest".

Daphne Klees from ABN AMRO focused mainly on the importance of global partnerships as the key to successful businesses. For banks such as ABN AMRO, the main challenge is how they can help their clients build strategic partnerships. Ms Klees emphasized the many possibilities for partnerships in Africa, especially in new fields such as alternative energy sources for example.

The third speaker of the morning session was **Timothy Turner**, Director for the Private Sector at the **AfDB**. Mr Turner echoed Mr Kleiterp's comments that Africa is no longer an aid destination but an investment destination. AfDB, he said, was extremely upbeat about prospects for investment in Africa and opportunities are opening up everywhere on the continent, especially in the private sector. Priorities for the continent, he said, need to be on good governance, infrastructural development and socially responsible investment.

The fourth and final speaker of the opening session, **Thomas De Man**, Heineken's President for Africa & Middle East, welcomed the fact that AFIF was one of the few Europe-based conferences focusing on Africa that attracts so many Africans. He delighted his audience with his personal account on how much business has changed in Africa over the last 30 years, and called for entrepreneurs to focus on direct and indirect job creation. Heineken employs over 13.000 people directly on the continent, and many more indirectly through its various supply chains and distribution channels.

Following these opening remarks, the keynote speech for the morning was delivered by **Martin Curwen**, Director General of the European Investment Bank, around the theme of "Investment opportunities in Africa, Doing Business in and with Africa".

Mr Curwen presented the assembled delegates with a very thorough and sobering overview of investment opportunities in Africa and the challenges of doing business









on the continent. The global economic crisis had interrupted the strongest growth curve that Africa has seen for 3 decades, averaging 6.5% per year between 2002 and 2007, and driven by single-digit inflation, booming commodity prices, strong domestic demand and liquidity, as well as improved economic policy frameworks. Despite this interruption, a mild recovery is expected in Africa for 2010 with an average growth of 4%.

Mr Curwen followed with an outline of the many opportunities on the continent, which included:

- Africa's **natural resources**, which can be a driver of growth used in a transparent and equitable way;
- A **growing population** feeding a strong labour force which will be an engine for growth if people have the skills and education to be employable;
- A **strong core economy** in the form of South Africa, with several other vibrant economies such as Angola, Kenya, Ghana, Botswana or Nigeria adding to a dynamic regional scenario;
- Increased diversification of the economies and export bases;
- Increasingly consistent economic policies;
- A marked decline in the number of countries plagued by conflict;
- Increased attention being given by policymakers towards regional integration.

He provided several leading examples of countries in which these opportunities are manifest. Six of the ten leading economic reformers around the world in 2008, as measured by the World Bank's "Ease of Doing Business Index", are in Sub-Saharan Africa, including Rwanda and Liberia.

However, Mr Curwen warned that such achievements do not mean that the continent can afford to lose track of the significant remaining challenges and issues it is facing. First among them is widespread and acute poverty, an area in which Africa continues to lag behind other emerging regions.

One possible reason for this, Mr Curwen offered, is that since the 60s, **investment as** a ratio of GDP averaged only half that of the rest of the developing world, and the return on that investment has again only been half of that of the rest of the developing world. Africa, he said, evidently needs more and better investment, but how can this be achieved?

Any strategy, Mr Curwen offered, should meet the following minimum requirements:

- Continue to improve the investment climate and business environment;
- Develop a more efficient infrastructure network, especially in transportation;
- Support innovation and skills development;
- Develop the financial sector.

The European Investment Bank, said Mr Curwen, can play in promoting and supplying finance for strategic projects. As the long-term lending arm of the European Union, the EIB is entrusted with the management of a EUR 3.2 billion risk-bearing revolving fund to foster private sector investment, and interest rate subsidies for an amount of EUR 400 million. Furthermore, the EIB is empowered to lend up to US\$ 2bn in Sub-Saharan Africa and another US\$ 900 million in South Africa.

The key areas of the EIB's activity, Mr Curwen said, were infrastructure projects and the financial sector.

Concluding his remarks, Mr Curwen reiterated the view that Africa needed not only more but above all better investment in order to place it on a high-growth path. Efforts must continue to increase the share of investment in GDP and to pursue economic reform.

SESSION 1: BOOSTING THE AFRICAN ECONOMY THROUGH ENTREPRENEURSHIP

Following Mr Curwen's overview, the first working session of the day was launched and moderated by Arthur Levi, former IFC (Head Europe).

Sietze Montijn, Head of CSR at Heineken, opened the session with a short presentation on Heineken's Economic Impact Assessments (EIAs). EIAs allow insiders as well as outsiders to measure the direct and indirect impact of a company in terms of job creation, added economic value, income and consumption. These studies have found that in Africa, between 50 and 100 indirect jobs are created for every one of the 13,000 people Heineken employs directly. This means that Heineken alone indirectly impacts between 500,000 to 1,000,000 jobs on the continent. EIAs are becoming essential decision-making tools for local management teams.











The second speaker of the session was Ramakrishna Reddy, Chairman and Managing Director of MARG group India. MARG Group is a diversified infrastructure developer, with an asset portfolio in social infrastructure, an industrial cluster and the education sector. Mr Reddy gave the audience an interesting overview of India's economic experience of the last two decades and its relevance for Africa. India's shift from protectionism towards controlled liberalism and the spectacular effects this had on the Indian economy have by now been well-documented. Mr Reddy explained how emerging countries needed entrepreneurs as the essential drivers of economic growth and poverty reduction. Entrepreneurs need a good infrastructure in order to develop and function, including access to markets, simple regulations and replicable scale models. MARG has been developing huge projects such as the US\$ 150 million Swarnabhoomi sustainable city project in the southern state of Tamil Nadu, and the US\$ 1 billion Karaikal Port. MARG, said Mr Reddy, aims to work with a pool of young African professionals in order to develop African business. It is able to syndicate US\$ 50-70 million towards various infrastructure projects such as roads, ports, airports, and renewable energies.

Mr Reddy's presentation was followed by **Jeremy Connick**, partner at Clifford Chance law firm in London.

Everyone was keen to invest in Africa, said Mr Connick, despite a number of constraints and challenges. One of the biggest among them was to match the right type of investor with the right kind of partner. There are undeniable and exciting opportunities in the Democratic Republic of Congo, for example, but not every investor has the profile to make a success of such opportunities. Specific countries also have very specific frameworks (for example Black Economic Empowerment or BEE in South Africa), and this is where firms such as Clifford Chance can be useful in helping deals take shape. Overall, Mr Connick said, Africa is attracting huge interest from global firms all over the world, including from China and India, which are both visibly extending their presence on the continent.

Mr Connick was followed by **Eric Kacou**, MD of OTF Rwanda. As a citizen of Côte d'Ivoire, Mr Kacou is a great example of the new generation of international African executives, working around the continent to stimulate growth and work for change. Mindsets in Africa, said Mr Kacou still needed to change a lot further. It also needs to be recognized that businesses operate in very difficult environments and that firms often need to "collaborate to compete".

The session's last speaker was **Loïc Sadoulet**, Professor of Economics and Faculty Lead of the Africa Initiative at INSEAD, a leading global business school with campuses in France, Singapore, and Abu Dhabi. Prof Sadoulet's focus was on unexpected partnerships which have leveraged economic opportunities in different parts of the African continent. He gave the delegates a brief overview of three specific partnerships:

- Vodafone, Proteus and TrialPay, based mobile payments (M-Pesa) and information transmission mechanisms (Rapid SMS) to fight child malnutrition, multi-drug resistant tuberculosis, and malaria;
- TNT WFP on humanitarian logistics, and mining logistics;
- Ceva Santé Animale and Makerere University on creating sustainable livelihoods for veterinarians in rural areas.

All three of these unusual partnerships allowed companies to create new market spaces. One of the biggest advantages of partnerships, explained Prof Sadoulet, is that they are very difficult to copy and therefore constitute a major competitive advantage.

SESSION 2: EFFECTIVE FINANCIAL PROGRAMMES BY KEY PLAYERS

PART I: The Role of Commercial Banks in the Development of Private Initiatives

Kingsley Moghalu, Deputy Governor of the Central Bank of Nigeria, opened the session. As a central banker, Mr Moghalu stressed that the era of self-regulation was over - governments had a role to play, and regulation was a key element of stability, he said.

Nigeria, said Mr Moghalu, has taken drastic action to reform its banking sector. The executives of at least 8 major commercial banks have been removed and replaced. The central bank has also injected the equivalent of US\$ 4 billion to recapitalize banks and increase liquidity. Such surgical action, he said, had become necessary to ensure the banking industry's survival, and with only 23 million Nigerians holding an account out of a population of 150 million, there is clearly unprecedented space for growth. The background of these reforms in the banking sector is that conditions in Nigeria have changed for the better, with improved governance, a return to stability in the













Delta region, and a return to normal levels of oil production. There is a very strong awareness of what needs to be done in the country to attract foreign investment.

Mr Moghalu was followed by **Solomon Asamoah**, Deputy CEO & CIO of the Africa Finance Corporation from Nigeria.

AFC is an international financial institution founded in 2007. Jointly owned by the Central Bank of Nigeria and several other financial and industrial African institutions, its objective is to help address Africa's infrastructure and development needs through investments, advisory services and project development.

Mr Asamoah said that despite improved governance and macro-economic conditions, Africa's share of global private infrastructure investment remains small. Commercial banks in Africa also face many challenges, not least among them limited access to long-term funding, lack of project structuring and credit appraisal expertise. All these challenges require innovative products, which AFC has pioneered in Nigeria, such as take-out finance, which allows banks to extend longer-term debt, reduce refinancing risk and conserve capital.

Because AFC's mission is focused on infrastructural projects, it prioritizes sectors which combine a high profit potential with a strong developmental impact. The priority sectors include power, transport infrastructure, heavy industry, oil and gas, and telecoms.

The next speaker was **Gerard Van Empel**, Managing Director of Rabo Development. As a financial institution firmly rooted in agricultural finance, Rabobank's expertise and experience, he said, was particularly relevant to the African continent. Agriculture on the continent was shaped like a pyramid, with vast numbers of subsistence farmers at the base, followed by semi-subsistence and emerging farmers, while a few commercial farmers form the very top of the pyramid.

According to Mr Van Empel, specialized institutions like agricultural banks have suffered from limited sustainability, high risk concentration and an inefficient use of networks. This may explain why some purely commercial banks have shown relatively little interest for rural finance. Rural banks need to rely on an urban presence, he said, and it is essential to have sufficient scale and market share.

Rabobank's approach in Africa, so far, has been characterized by a reliance on local expertise. It has taken minority stakes in local banks in Tanzania, Mozambique, Zambia and Rwanda, all of which are well positioned in their domestic markets. Rabobank's mission is to expand access to finance and maintain its rural focus. Besides capital, Rabobank also provides management services and technical assistance.

PART II - Innovative Solutions to Promote Entrepreneurship

The second part of the session featured a series of four speakers whose presentations revolved around innovative solutions to promote entrepreneurship, with a specific focus on the role of foundations and private equity. The session was moderated by **Thierry Sanders**, Managing Director of BiD Network. He introduced the session with a strong endorsement of the vital role that entrepreneurs play all over the emerging world, including and perhaps particularly in the countries dealing with the biggest problems: even Somalia, he pointed out, had entrepreneurs.

First on stage was **Jeroen Blum** Deputy MD of the Shell Foundation. In a short, but condense presentation, he pointed out how the Shell Foundation was focusing on enterprise-based solutions to address the challenges arising from the impact of globalization and energy on poverty and the environment. The foundation, established in 2000 by Shell, is a completely independent charity, with assets under management of approximately US\$ 400 million. Its task is to identify sustainable solutions to development challenges that can be replicated and scaled so as to achieve a global impact.

Shell Foundation has 5 core programmes, and despite its fairly limited resources, it has been able to create a substantial impact on the ground, especially as an incubator of small enterprises. Roughly half of the Shell Foundation's total commitments are on the African continent, and the leverage it has achieved is impressive: an initial investment of roughly US\$ 40 million, has been leveraged to about 10 times that level, to US\$ 350 million. One good example of the initiatives that Shell Foundation has been supporting is GROFIN, which was created with an endowment of US\$ 260 million to serve the many SMEs in Africa that have grown out of the microfinance space but that are still finding it very difficult to obtain loans from commercial banks due to a lack of collateral and the absence of a track record.

Dana Boggess, from the Bill and Melinda Gates Foundation, was next in line, high-









lighting the Foundation's agricultural development group.

Beyond traditional grant-making, Mrs Boggess explained, the foundation was now also using programme-related investments, i.e. programmes which contained a profit motive, but also had to have a very clear idea of its social impact.

The foundation has released US\$ 400 million from its endowments in order to help African smallholder farmers increase productivity, but also provide access to markets.

Khaled Ben Jilani, Executive Partner of the Tuninvest-Africinvest Group followed. Building on the success of Tuninvest, which had been in operation for a decade within Tunisia, Africinvest was created in 2004 as a joint venture with FMO. It is the leading private equity house based in North Africa. It has a mandate to invest in high-potential SMEs around the continent and is a board member of the African Venture Capital Association (AVCA).

In the space of just a short few years, Africinvest has established a team of about 30 people covering northern and sub-Saharan Africa, with offices in Tunis, Casablanca, Abidjan, Nairobi and Lagos. Its investment portfolio is made up of 74 SMEs in 15 countries.

As pointed out by Mr Ben Jilani, Africa is today the fastest growing continent in the world and the second largest continent after Asia, with a population exceeding 1 billion. It has a fast growing middle class – and above all, there are many signs of improvement around the continent in terms of political stability and macroeconomic conditions.

The typical African SME, said Mr Ben Jilani, is a "familytocracy". Such SMEs often lack a long-term vision or strategy, and are under-capitalised and under-funded. However, SMEs are the main source of growth in African economies, and present up to 90% of investment opportunities on the continent, says Mr Ben Jilani. They often show remarkable entrepreneurial spirit and many have the potential, with adequate management and funding, to become market leaders.

Africinvest has a specific focus on pharmaceuticals, manufacturing, distribution and retail, logistics and transport, agribusiness and the financial sector. It follows a strategy of identifying local leaders in these sectors and turning them into regional leaders. To reduce risk, it uses an investment "compass" to navigate African waters success-

fully, keeping a strong emphasis on the integrity of its partners, within a culture of transparency and skills.

From a general perspective, private equity was an excellent asset class and a powerful vehicle for creating value in Africa, said Mr Ben Jilani. It enhances corporate governance and transparency, provides guidance to management, and attracts skilled management. Over time, it has also consistently outperformed the public equity market. Several success stories can illustrate this, including Interchem Laboratories in Tunisia, which became the market leader of veterinary products in the Maghreb, or Alios Finance in West and Central Africa, which has grown in 10 years into a pan-African leasing group and is continuing its expansion drive.

In conclusion, said Mr Ben Jilani, African SMEs provide great opportunities for private equity investments. There is a vast pool of under-managed and under-capitalized SMEs with exciting potential. Structural changes taking place in African economies are also expanding the scope for investments.

The last speaker on the podium was **Davender Sikand**, Managing partner of Aureos in Kenya. Launched in 2001 as a joint venture between CDC (Commonwealth Development Corporation) and Norway's Norfund, Aureos is one of the world's leading private equity funds. With 28 offices in Asia, Africa and Latin America, it covers 50 countries across the emerging world, and completed a full management buy-out from the two founding shareholders in December 2008.

Starting out with US\$ 72 million in 2001, Aureos today has an investment portfolio of US\$ 1.2 billion in over 100 ventures in Latin America, Africa and Asia. Much like Africinvest, the investment strategy of Aureos is based on investing in SMEs, building regional businesses and focusing on sustainable investing.

Aureos has a strong presence in all key African markets. It is strategically positioned around the continent with 9 offices and highly specialized local teams. The main challenge is to identify the right opportunities and scale them up to a regional level. Much of the growth, said Mr Sikand, is acquisition-driven. There is every reason to be optimistic about the future, he said, and private equity funds such as Aureos have a major positive impact on the development of the SME landscape in Africa.











EMRC – AFRICAN DEVELOPMENT BANK PROJECT INCUBATOR AWARD

After the networking lunch, the first session of the afternoon was a presentation of each of the 4 projects selected for the EMRC-AfDB Project Incubator Award.

Each business had the opportunity to give an overview of their project, its merits and its needs. Following a short introduction of the contenders by Idit Miller, VP and Managing director of EMRC, Pierre Matthijsen, President of EMRC, emphasized the importance of the incubator award and thanked the African Development Bank for sponsoring the initiative.

Angola - Jorana, Presentation by Jorge Quituta

Jorana is a 100% Angolan agribusiness venture seeking to acquire a coffee grading machine to help its export chain and reduce logistical costs. Angola has revived its coffee production, especially the sought-after Robusta Amboim variety, but more investment is required in order to grow and reach its full potential. Angola's potential is hampered by low productivity, and a lack of adequate hulling and grading equipment. Acquiring coffee processing equipment will have a major impact on the coffee industry: the equipment would not only help to boost production and income for the Angolan coffee industry, but also consolidate Jorana's position as Angola's leading exporter of coffee, and increase the income of the 5,000 smallholder farmers who supply Jorana. The total investment for the company, spread over a 4-year period, is estimated at US\$ 139,660, of which about one third would be financed by loans.

Cameroon - Palmist SARL, Presentation by Guillaume Ngoula

Palmist is an established palm oil business in Niamboya, Cameroon, with a turnover in excess of US\$ 1 million per year. Given the level of demand for soya beans in Cameroon, Palmist has a project to produce around 2,400 tonnes of soya beans on an 800 ha plantation. This would not only help save foreign exchange by reducing Cameroon's dependence on imports, it would also help boost the capacity of the company's production plant which is only running at around 25% of its potential. Palmist wants to maximize its impact for the local communities, notably through the creation of cooperatives. The total investment size for the project is estimated at US\$ 1 million, of which US\$ 700,000 would be financed by loans.

Uganda - Derekorp, Presentation by Derek Kwesiga

Derekorp is a fruit processing business in Uganda. Founded only a year ago, it has established its presence in the local market by leveraging the networks and expertise of its strategic partner, the Ugandan Industrial Research Institute (UIRI).

Derekorp's project involves the processing and marketing of a variety of products made from tropical fruits grown locally by Ugandan farmers. It estimates, based on 200 farms, that it could impact a total of 4 labourers per farm and thereby provide a livelihood for 5,600 people. A very precise cost breakdown over a period of 5 years sets the total cost estimate at US\$ 747,600. The project's chances of success were enhanced through its strategic partnership with UIRI, but also a market potential of 120 million people in the form of the East African common market and significant demand for organic produce elsewhere in the world.

Zambia - The Chanyana Cooperative & InfraCo, Presentation by Chris Isaac

The final contender for the incubator award was InfraCo, which presented a project in association with the Chanyana smallholder's cooperative society of Zambia. The project, located in south central Zambia near Kafue, provides year-round irrigation for wheat, soya and vegetables on 2600 ha of land owned by the local community. Already a 250 ha pilot project is in operation, financed with US\$ 2 million of income notes. This pilot project has eliminated food insecurity in the area. The upscaling of the project could have a major impact for the entire area, but also Zambia as a whole. The full investment required is US\$ 32.5 million, US\$ 13 million of which will be commercial debt, US\$ 15.5 million of patient capital and the balance of US\$ 4 million provided by private equity.

Signing ceremony - PTA Bank Kenya & FMO

After the presentation of the incubator award projects, a signing ceremony took place between FMO and PTA Bank Kenya. PTA Bank Kenya, jointly owned by 17 COMESA countries as well as China and the African Development Bank, is the largest cross-border financial institution of its kind on the African continent. Under the agreement, FMO will provide an 8-year term facility for an amount of US\$ 50 million, of which US\$ 30 million will be syndicated to the European Financing Partners. Most of the US\$ 50 million will serve to develop small and medium enterprises across PTA Bank's markets.

Upon signing the agreement, Jurgen Rigterink, Chief Information Officer of FMO,









and his counterpart at PTA Bank Kenya, **Michael Gondwe**, shook hands and called on the delegates to make use of the funding available: "This funding is for you" said Mr Gondwe, adding that "the biggest challenge in Africa is not the lack of financing but the lack of bankable ideas".

Idit Miller, VP and Managing Director of EMRC, was equally delighted: "We are very happy that AFIF can serve as a background to this kind of deal. This is a perfect example of how AFIF provides the best kind of environment, atmosphere and audience to foster partnerships. This deal will provide crucial help to SMEs around the continent", she said.

SESSION 3: THE ROLE OF INTERNATIONAL FINANCIAL INSTITUTIONS

The first speaker of the last session of the day was **Tim Turner**, Director, Private Sector operations at the African Development Bank. Co-owned by all 55 countries in Africa, AfDB covers the entire continent. AfDB has been involved in the private sector since 1991 which today represents one third of the bank's business.

AfDB has made more than US\$ 10 billion of new investments in 2009, of which US\$ 2 billion are in the private sector. "We are not a profit maximiser but a development maximiser" said Mr Turner. Its main focus is to provide support to micro, small and medium enterprises (MSMEs).

Recent examples of projects supported by the AfDB include the West African Development Bank (WADB), where AfDB provided a credit line for EUR 40 million and increased its equity participation by EUR 4 million, and the Sendou power project in Senegal, for which AfDB provided a loan of EUR 55 million.

The AfDB, said Mr Turner, fully recognizes the importance of MSMEs to private sector development, economic growth, job creation and poverty alleviation. It plays a vital role as the continent's leading IFI to improve the enabling environment and support specific demonstration projects.

Following Mr Turner on the podium was **Jorim Schraven**, Manager Financial Institutions Africa at FMO, who provided a highly technical and clear analysis of banking

issues on the continent.

One of the most striking characteristics of African banks, he said, was the phenomenon of "armchair banking" at demand level – banks which have a very high proportion of short-term cash deposits and investments, to the detriment of long-term assets and the economy in general. On the supply side, the issue of high base rates and margins was another impediment. As a result of the imbalance, demand and supply struggled to meet at an optimum price level, not to mention product level: international institutions are willing to supply loans in EUR or US\$, for example, when demand is usually in local currency.

To overcome such hurdles, it was necessary to develop Africa's hedging markets, align risk-perception with reality and align reporting requirements to local circumstances.

The next speaker of the session on the role of IFIs was **André Laude**, CIO of microfinance at the IFC – International Finance Corporation (member of the World Bank). As the only global multilateral institution focused exclusively on the private sector, IFC is the global leader in private sector development finance.

Above all, says Mr Laude, IFC is concerned about its impact on the ground. Every project that is launched is tracked and monitored in order to ensure that its impact is maximized in terms of economic development.

In 2008, IFC's total investment commitments in Africa amounted to US\$ 1.8 billion. It is planning an ambitious expansion of its microfinance programme to reach 22 countries by 2011.

IFC, said Mr Laude, is interested in working with a broad range of microfinance partners, sponsors and companies in Africa. It especially welcomes proposals that offer investment opportunities for IFC which can demonstrate commercial viability, as well as significant development impact and scalability.

Mr Laude provided several examples illustrating the success of microfinance projects supported by the IFC: Advans and ProCredit in the DRC, and MicroCred and AccessBank in Madagascar. In both countries, these ventures have been runaway successes and are expanding fast.

The IFC also issued a 20 billion CFA Franc bond (US\$ 43 million equivalent) to sup-













port lending to SMEs in six countries in central Africa. This is the first bond in CFA francs ever issued by a non-local financial institution. It will be listed at the Douala and Libreville stock exchanges.

The joint sessions ended at this point, leaving the rest of the afternoon for Business Meetings organised by the ITC – International Trade Centre.

Gala Evening

The day's proceedings were rounded off in grand style at the Gala Evening at the hotel Krasnapolsky, during which Derek Kwesiga, founder and CEO of Derekorp in Uganda, received the EMRC-AfDB Project Incubator Award from EMRC's Idit Miller and AfDB's Preeti Sinha. An elated Mr Kwesiga promised to put his \$ 15,000 prize to good use in his company and the community at large.

DAY 3 - TUESDAY 15 DECEMBER 2009 - PARALLEL SESSIONS

The third day of the conference was entirely devoted to thematic parallel sessions, covering different aspects on partnerships for growth in Africa and providing delegates with an opportunity to get in-depth perspectives from experts.

Parallel I – STRENGTHENING HUMAN SKILLS

This session was vividly moderated by **Loïc Sadoulet**, INSEAD and opened by **Thierry Sanders**, Managing Director, BiD network, Netherlands with a presentation on networking. Bidnetwork.org's model provided an illustration of how an online network can create value. Through a three-step process of sourcing, preparing and matching partners, savings and efficiencies can be created, especially through online networking. With very low market penetration rates in many countries on the continent, the space for growth is considerable, and the biggest challenge in this regard is to increase connectivity.

Pieter van Welzen, Partner, Clifford Chance Netherlands, followed with a presenta-

tion on capacity building. Clifford Chance has a number of pro-bono interests, including the Clifford Chance Foundation, whose objective is to promote access to justice, education and finance. An increasing number of businesses, he said, have an interest in the continent and have a need to understand the risks. In addition, Clifford Chance is seeking to establish reliable partnerships with local lawyers, as they would like to help improve the quality and efficiency of the local legal environment, as well as influence and promote thought leadership. Clifford Chance is already contributing to capacity building in Africa by collaborating with several partner firms. Clifford Chance is thereby also contributing to remove mental barriers around investing in Africa.

The third speaker of the session was **Charles Kwesiga**, Executive Director, Uganda Industrial Research Institute, Uganda, whose presentation dealt with skills capacity building. Skills development can take place through formal training, workshops and symposia, networking and internships as well as on-the-job training. The benefits of such capacity building are translated, of course, in the form of enhanced entrepreneurship, better developing and marketing of products, productivity improvements and innovation.

Rui Gião Santos from CASBI Group in Angola made the final presentation in this workshop. CASBI Group is a business consultancy based in Luanda. Its "Africa Special" project is being rolled out in all Portuguese-speaking countries on the continent and is aimed at fostering entrepreneurship and skills development through a television programme, business parks and business schools. The first of these business schools is being established in Viana, Luanda and CASBI is planning to expand its network of business schools to the rest of the continent, beginning with Portuguese-speaking countries.

Parallel II - CONSTRUCTION AND INFRASTRUCTURE PROJECTS

Parallel Session II was opened by **Nicholas Levi-Gardes**, VP of Emerging Capital Partners (ECP), the largest private equity firm exclusively dedicated to Africa, which has invested over US\$ 800 million on the continent since 2000 in sectors such as financial services, telecommunications, natural resources, transportation, logistics and agribusiness. In the field of infrastructure, ECP's portfolio includes significant stakes in companies such as Air Ivoire (air transport, Côte d'Ivoire), Veolia (utilities,











Morocco), Oando (natural gas, Nigeria) Spencon (construction industry, Kenya) and Finagestion (utilities, Côte d'Ivoire).

Marjolein Landheer from FMO followed with a presentation on affordable housing. In the space of one century, the world's population has not only risen from 1 billion to more than 6 billion, but the urbanization rate has jumped from 10% to 50%, a figure expected to rise to 75% by 2050. Approximately 1 billion people live in slums today – mostly with no access to either water or sanitation. The world is clearly sitting on a social time bomb as a result, proclaimed Mrs Marjolein. However governments cannot solve the lack of housing on their own, thus there is an important role for the private sector to play, including institutions such as FMO, particularly in terms of developing schemes, models and partnerships to mobilize large-scale capital flows from the private sector to affordable housing.

Access to housing can make a considerable difference in the fight against poverty as it can provide a family not just with a way of life, but above all with a tangible economic asset.

FMO has seized a whole range of low-cost housing opportunities across the African continent, providing support in the form of infrastructure and development finance or equity funding to several institutions in Nigeria, Ghana, Namibia, and Zambia, among others.

The other panellist was **KS Shashidhar** from MARG, one of India's fastest-growing diversified infrastructure and real estate development companies. The company has been at the vanguard of the development of Science and Technology Parks (STPs) in India and has ambitious plans, following early successes on the Indian subcontinent, to bring the concept to Africa. Based on the "cluster concept", Science and Technology Parks can be major drivers of economic growth, innovation and productivity. The African continent can benefit immensely from the development of such clusters in strategic locations. At this stage, only a few places on the continent can muster the embryonic elements for the development of such parks, which include the availability of finance, the existence of basic infrastructure and a small cluster of innovative SMEs, as well as academic institutions with some R&D capacity.

Africa needs to build strong, pan-continental research communities and develop net-

works of institutions of science and technology, and MARG is on the starting blocks to making its contribution, with no less than 23 STP initiatives on the continent, which are mostly in the development phase.

Amadou Coulibaly, MD of Ivoirienne de Fibrociment (IFC), concluded the session with a short presentation of his construction business based in Abidjan, Côte d'Ivoire. IFC specialises in asbestos-free roof and ceiling equipment for residential as well as public buildings, such as classrooms. It has so far equipped over 3,000 structures, and is preparing to fit an additional 30,000 to 40,000 buildings in the upcoming years. It serves mainly Côte d'Ivoire but is expanding regionally as well, for example in Benin where they have equipped 200 classrooms and residential buildings. IFC works mainly with service providers in the construction industry, business syndicates and architects.

Parallel III - IMPROVING ACCESS TO ENERGY

The third workshop focused on durable solutions to maximise energy availability, and the financing of energy projects in Africa.

The first speaker was **Huub Cornelissen**, Director of Energy and Housing at FMO. Considering that only 25% of Africans have access to electricity and with less than 5% of potential hydroelectric energy being tapped, there is a very long way to go in terms of powering up Africa, he said. The lack of access to energy is holding back the continent's economic growth by at least 2 percentage points every year, and the investment needs are estimated at US\$ 93 billion.

The trends however are very encouraging, said Mr Cornelissen: Africa is now spending US\$ 45 billion per year on infrastructure, with tremendous effects on the continent's growth prospects. There is also, despite the remaining bottlenecks and challenges, a strong appetite from investors for well-structured projects.

FMO is playing an active leading role in building partnerships, providing long-term













finance, and adding a sustainable development component in all projects. FMO holds an energy portfolio of US\$ 600 million, mainly in East, Southern and West Africa, with gas (28%) and hydro-electric energy (22%) receiving the bulk of investment, in line with FMO's global commitment to invest at least 40% of its portfolio in sustainable energy.

The second speaker was **Orli Arav**, Director of Frontier Markets and Fund Managers from the UK.

Based in London, with a portfolio of US\$ 800 million, FMFM currently manages transactions for the Emerging Africa Infrastructure Fund and GuarantCo.

The Emerging Africa Infrastructure Fund is the first dedicated debt fund for sub-Saharan Africa, with assets under management of US\$ 500 million. The fund provides loans to the private sector in the fields of power, transport, telecoms, water, manufacturing and infrastructure for mining and agribusiness.

GuarantCo, on its part, acts as a debt insurance institution. It provides partial credit guarantees and cover for senior, mezzanine or sub-debt.

In terms of sourcing finance, the trend in Africa is towards increased provision of debt finance in local currencies as opposed to euros or dollars. This enables the sponsors of projects to match their revenue currencies with their debt service currency, thereby drastically reducing the risk of failure as a result of sudden currency devaluations.

Following Ms Arav was **Guy Marboeuf**, Access to Energy Programme Manager at EDF (Electricité de France).

Mr Marboeuf provided the delegates with an overview of EDF's approach to providing sustainable energy. EDF focuses mainly on rural areas and is currently piloting several projects in Western and Southern Africa, with the intention of learning from its experience before scaling up the projects.

So far, the approach has been to establish small energy supply companies in rural areas called RESCOs. These businesses are established with government support, and aimed at servicing at least 10,000 to 15,000 households in a rural community, selling energy for domestic such as lighting, cooking, refrigeration and phone recharging and

small business uses. Two such ventures currently service a total of 80,000 people in rural Mali, with two more in Morocco (26,000 customers – 186,000 people) and South Africa (59,000 people).

After 7 years in operation, a mid-term assessment has revealed a number of issues with this approach, including inconsistent subsidy policies and high levels of dependency on existing government utilities. However, says Mr Marboeuf, opportunities remain, and EDF will now focus on improving the PPPs (public-private partnerships) and training while continuing the development of new projects.

Parallel IV – HOW TO SUPPORT RURAL ENTREPRENEURS?

The session was moderated by **Thomas De Man**, President Africa & Middle East, Heineken, Netherlands. **Sietze Montijn**, Head of CSR at Heineken, opened the session with a presentation of Heineken's initiatives around the continent aimed at integrating rural entrepreneurs into the brewer's value chain.

By integrating rural entrepreneurs in its supply chains, Heineken is having a significant impact on rural development in its areas of operation. The role of the private sector, says Mr Montijn, is multidimensional. By supplying farmers with good farm practices, seeds, fertilizers and help organise good storage and transport facilities, it can help them achieve better prices and increase their incomes. It is important to organise the full chain.

Heineken is currently running 10 agro value chain projects around the continent, including in Algeria, Rwanda, Burundi, Egypt, Ghana, Sierra Leone, South Africa, the DRC and Nigeria. These value chains have a direct positive economic impact for farmers in terms of income and technical improvements – and often, as emphasised by Mr Montijn, the farmers are women. Furthermore, as has been attested by Economic Impact Assessments (EIAs) done by the company, they also hold direct and indirect benefits for NGOs, the breweries and the national economies of the countries in which they operate.

Following in Mr Montijn's steps was **Nomathemba Mhlanga** from the Rural Infrastructure and Agro-industries Division (AGS) in FAO Rome. Ms Mhlanga's focus was on the increasing role and impact of agricultural investment funds (AIFs) in helping develop the agricultural sector around the continent. The rationale behind AIFs is that













they can lessen risk and seize opportunities in the agricultural sector by focusing on businesses that link farmers to the global markets.

A joint study by the FAO and ConCap has identified 31 AIFs, a third of which solely focus on sub-Saharan Africa. While these funds vary greatly in size (ranging from US\$ 8 million to US\$ 2.7 billion) they invest through a variety of instruments such as equities, debt instruments and guarantees. A very large proportion of these funds (58%) are set up as PPPs (public-private partnerships).

In conjunction with more conventional foreign direct investment (FDI), agricultural investment funds play a major role as catalysts of local investment. Together with better infrastructure, technology and capacity building, these factors are crucial to end hunger, says Ms Mhlanga.

The third speaker of the workshop was **Chris Isaac**, Director of AgDevCo. Mr Isaac gave the audience an overview of AgDevCo, a project development company launched in April 2009 to create commercially viable agricultural enterprises for the benefit of local communities. Based on the successful InfraCo model in the infrastructure sector, AgDevCo is owned by a charitable trust, with all profits being reinvested into new "greenfield" projects. The AgDevCo team was involved in the development of InfraCo's Chiansi irrigation project in Zambia, near Kafue (this is also one of the projects shortlisted for the project incubator award). AgDevCo is also involved in similar initiatives in Tanzania, Mozambique and Kenya.

The last intervention at this workshop was **Bart Sijbenga**, Senior Advisor at SNV in Zimbabwe. Land prices in Africa, said Mr Sijbenga, were still very low compared to international standards, but yields, on the other hand, were world class: Taking the example of Zambia, Mr Sijbenga showed that while land prices averaged one fifth of US levels, maize yields were only marginally lower then in the US, and higher than those of other major agricultural producers such as Canada, Argentina of Brazil.

How can this potential be leveraged? Mr Sijbenga listed several examples of initiatives funded by SNV, including Agriseeds Zimbabwe, which benefits 2,200 smallholder farmers; The Africa Enterprise Challenge Fund (a multi-donor consortium which aims to integrate smallholder farmers into supply chains and to develop new opportunities through grants and partial grant funding); and the Value Chain Catalyst fund.

The food crisis, said Mr Sijbenga, will boost the attention for agriculture. The important challenges of poor infrastructure, transportation and low skills need to be dealt with urgently, and the private sector is the driver of change in this regard.

Parallel V – PROMOTING REGIONAL INTEGRATION THROUGH TRADE

Sean de Cleane, VP Africa Programmes and Business Development of Yara, moderated the session, giving the delegates an overview of the Beira Agricultural Growth Corridor, one of Yara's main projects on the continent, which it is co-developing with AGRA (Alliance for a Green Revolution in Africa) and InfraCo. Mr de Cleane once again reiterated the message repeated by many of the speakers at AFIF, namely that access to affordable infrastructure, such as roads, ports and railways was "one of the major missing pieces of the puzzle".

Garcia Afonso, Head of Tariffs and Trade, National Directorate of Customs, Angola followed Mr de Cleane on the podium, with an overview of Angola's efforts to promote regional trade and economic integration and the role of Angola's customs authorities in this regard.

Overall investment conditions in Angola are excellent, said Mr Afonso, with high levels of growth, increasing stability, and the ongoing post-war reconstruction programme. In this regard, the customs authority has a major role to play, in close coordination with ANIP, the Angolan National Investment Promotion Agency.

Overall customs and trade procedures have been dramatically simplified, and nowadays the typical timeframe for customs clearance is 48 hours at most ports of entry in the country. Angola, said Mr Afonso, was ready for business, and will abide by international rules to ensure investments are protected.

Kola Badejo, Senior advisor at the UN Global Compact, emphasised the importance of regional integration in Africa as a catalyst for economic development and growth. He stressed that promoting regional integration formed an important part of the race against time to achieve the Millennium Development Goals (MDGs) by 2015. At this point, Africa still has a long way to go in promoting trade, especially at regional level.









The continent accounts for 16% of the global population but less than 3% of global trade flows. Of this trade, barely 9% takes place within the continent. Among the issues affecting Africa's regional integration is the overlap of several competing regional blocs: some countries are members of no less than four different regional trade blocs. The way forward for African regional integration, said Mr Badejo, was to enhance the contribution of the private sector, harmonize both "soft" and "hard" infrastructure, and implement strategic development policies to help integrate African countries into the global economy.

Following the intervention of Mr Badejo, it was the time for Roelof Plijter, Advisor of the DG Trade of the European Commission to do a very interesting presentation on the benefits of regional integration. Over the past 5 decades Europe has been going through a process of deep economic and political integration, which has led to substantial increases in economic wealth and development for the continent. In Africa, there is certainly no lack of enthusiasm for the principle of regional integration, there are in fact around 30 regional organisations, however the actual implementation of economic integration has been hampered by overlapping memberships and political challenges. Clearly, an "African Economic Community" is still a long way off. Europe continues to support the process of regional integration in Africa, for example by establishing economic partnership agreements (EPAs) with regional organisations in the framework of the Cotonou agreement (which succeeded the Lomé convention in 2000). Europe will continue to work with Africa's regions, said Mr Plijter, to open markets for goods and services, helping business and consumers to ensure access to goods and services at reasonable prices. This is essential to integrate Africa into the global economy, to the benefit of all involved.

Parallel VI - SUPPORTING MICRO, SMALL & MEDIUM ENTERPRISES

This session was moderated by **Arthur Levi** and focused on the questions of improving the competiveness of small entrepreneurs, and on the role and challenges of microfinance.

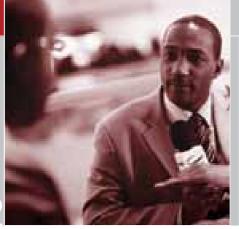
The first speaker was **Jacco Minnaar**, Fund Manager at **Triodos Investment Management BV** in the Netherlands. Triodos Investment Management's core focus, explained Mr Minnaar, was the three Ps: **Planet**, **People**, **Person**, i.e. caring for the earth, being socially responsible and promoting personal growth. In terms of its portfolio,

this translates into investments in renewable energy, microfinance and social responsibility, or arts and culture, for example. Triodos has been a pioneer of sustainability since its beginnings in 1980, and today provides funds for microfinance in at least 37 emerging countries on all continents. Microfinance is essential as the first step on the ladder towards financial inclusion and to close the wide gap still existing between the unbanked and those who have access to formal sources of finance. Beyond microfinance, said Mr Minnaar, access to finance is also about financing social and environmental change, including the empowerment of women, and there are many opportunities for microfinance in Africa to change society for good.

The final presentation was given by **Joseph Akpo**, CEO of UNACOOPEC in Côte d'Ivoire (Union des coopératives d'épargne et de crédit de Côte d'Ivoire). UNACOOPEC is a medium-sized Ivorian financial institution with a very strong presence in the local market, with close to 900,000 clients and deposits worth EUR 110 million. Its client base is especially strong with farmers and small business operators. UNACOOPEC has exciting and ambitious plans to expand, most interestingly into new products such as micro-insurance, tuition loans for schooling, and affordable home finance loans.

Business Meetings by ITC – International Trade Centre

The remainder of the afternoon was taken up by business meetings set up by the ITC. While this part of the forum may be low-profile, it is one of the most crucial components of the programme, as it is during these matchmaking sessions that potential business partnerships are explored. One-on-one meetings ensure that the right partners are brought together to find synergy and move from investment and entrepreneurial ideas into action.











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CLOSING CEREMONY

Closing the conference proceedings, Idit Miller, VP and managing director of EMRC, expressed her thanks towards the sponsors who made AFIF 2009 a resounding success: "Without our sponsors, it would be very difficult to organise such a thorough programme. The ITC has been instrumental in facilitating all the business-to-business meetings. We also thank FMO for their collaboration and ABN AMRO for hosting the forum, as well as our sponsor and partner Organizations. We could not have hoped for a better mix of corporates, financial institutions, lawyers, and entrepreneurs to help us bring about this forum and hence build partnerships for African entrepreneurs".

The closing ceremony was also the occasion for Idit Miller and H.E. Henry Bagiire, Minister for Agriculture of Uganda, to jointly announce the next EMRC Agribusiness Forum in Kampala, Uganda in October 2010. Inviting delegates to come to Uganda in 2010, Minister Bagiire said "Uganda is the ideal host for an event of this kind, for the promotion of businesses and the expansion of opportunities in the agribusiness field in Africa. EMRC is a network of entrepreneurs, financiers and officials. Agribusiness 2010 will focus on food security and global business opportunities - and the development of agribusiness is one of the Ugandan government's top priorities - we thank EMRC for this opportunity".











































EMRC's AgriBusiness Forum 2010 will focus on "Food Security: a Business Opportunity" with the aim of boosting the African agro-food sector through the design, planning, and implementation of diverse agricultural policies and projects. It's the ideal platform for a debate on the role of the private sector in improving food access and increasing sustainable agricultural productivity, pre and post-harvest intervention, commodities, inputs and private sector growth. Over 400 delegates from Africa, Europe, USA, Middle East and Asia are expected.

For more **information** and **registration** please contact **info@emrc.be**For **speaking** and **sponsorship opportunities** please contact Caterina Giulano at **cg@emrc.be** or **visit www.emrc.be**





Kampala, Uganda

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Supporting Organisations







