



Debt Capital Markets Development Project 2025

Leveraging the Debt Capital Markets for Infrastructure Development Webinar

DCMD Project Office

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▪ Exchange ▪ Clearing ▪ Depository ▪ Private Markets

S/N	Question	Response
1.	<p>What initiatives does AfDB have for projects such as waste-to-power as this is pertinent in Nigeria and Africa, and feeds into the health narrative and developing the real sector?</p>	<p>The African Development Bank (AfDB) has developed several initiatives to support renewable energy projects in recent years, including:</p> <ul style="list-style-type: none"> ▪ The Sustainable Energy Fund for Africa (SEFA): SEFA is a multi-donor Special Fund managed by the AfDB and provides catalytic finance to unlock private sector investments in renewable energy and energy efficiency. SEFA avails technical assistance and concessional finance instruments to remove market barriers, build a more robust pipeline of projects and improve the risk-return profile of individual investments ▪ The Facility for Energy Inclusion (FEI): AfDB identified a significant gap in the availability of financing for projects of sizes under \$30mm in the off-grid and on-grid energy sectors in Africa. Using SEFA funding, the Bank helped design and structure a \$500mm fund to structure and launch FEI, with two (2) financing windows for on-grid projects and off-grid projects ▪ The Africa Renewable Energy Fund (AREF): AREF is one of the pioneers in the space of small and medium scale renewable energy funds in Africa. It has developed 311 MW of additional generation capacity on the continent and raised \$204mm through additional investments. AREF is now fully deployed and is raising a second fund. AfDB and SEFA invested \$55mm in the fund ▪ The Green Mini-Grid Help Desk (GMG Help Desk): the GMG Help Desk GMG provides on-line technical assistance for the development and operationalisation mini-grids. The portal provides knowledge products and tutorials on setting up a mini-grid business, site selection, legal and compliance issues, mini-grid business models, technical system design, community and stakeholder engagement, financing, procurement. Project developers can apply through the portal for bespoke support on their projects ▪ The Desert to Power initiative: this initiative aims to build up to 10GW of new solar capacity in the Sahel region and provide electricity for up to 250 million people in eleven (11) countries (Burkina Faso, Chad, Djibouti, Eritrea, Ethiopia, Mali, Mauritania, Niger, Nigeria, Senegal, Sudan) ▪ The Nigeria Energy Access Fund (NEAF): NEAF is a \$50-60mm climate impact fund set up by the Bank in collaboration with All On, a Nigerian Impact Investment company set up by the Royal Dutch Shell. NEAF will undertake equity/quasi-equity investments in small- to medium-scale sustainable energy projects that will have measurable climate positive and energy access impact in Nigeria <p>However, the Bank does not have any specific initiatives to support waste to power projects. Each project is appraised on its own merits based on its social impact, economic and environmental sustainability, often in line with the Regional Member Country's integrated resource and least cost development plans.</p>

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2.	How can we drive more local investments towards government projects instead of sourcing funds internationally?	<p>The initial step towards more local investment in Public-Private Partnerships (PPP) projects will be the proper understanding of the transaction dynamics of PPP. Both the local investors and operators need to have a good understanding of the projects of interest and its dynamics, this would enable them seek for financing structures that fits the project.</p> <p>Local investors should also form syndicates to pull resources together for financing large ticket transactions, which are typical of Infrastructure PPP projects. With the growing size of long-term funds in the country like the pension funds, etc. more local investors should create instruments to access these long-term funds that are usually required for most PPP transactions.</p>
3.	Do we have any policy or system or process through which idle assets across the country can be converted to economic asset? Oxford University is said to be doing something along this line in Ghana. And what impacts will it have in financing sustainable infrastructure projects?	<p>There is no direct policy concerning converting idle assets in the country to economic assets, however, Ministry, Department and Agencies (MDAs) have the responsibility to ensure that assets under their purview do not remain idle assets. Towards this end, the Infrastructure Concession Regulatory Commission (ICRC) has been at the forefront of creating awareness within MDAs of the opportunities that exists with PPP in turning around idle assets within their jurisdiction to economic assets. This process is not a one-off process but continuous.</p>
4.	How do we align the interests of the stakeholders at different levels across the project execution value chain? How will the relevant Minister ensure that all the parastatals/agencies under his/her Ministry execute the mandate given for that project?	<p>In PPP transactions, there are various stakeholders albeit different interests. However, the characteristics of a well-structured PPP transactions is such that identifies the interest of all stakeholders and aligns it during the project development phase. Once this is achieved at this stage, the management of each stakeholder expectations is within control at the execution stage.</p> <p>The ICRC has the process regulatory body for PPP transactions in Nigeria has developed a well-designed roadmap to be followed for PPP projects. This roadmap specifies specific working teams to be set-up at different levels which is made up of cross-functional team members from different MDAs that are stakeholders or have support and advisory role to play on a project. With this structure, all relevant MDAs are kept abreast of the transaction details at both the technical and executive level.</p>
5.	With change of government being a major risk to infrastructure development. How does the ICRC plan to reduce this issue?	<p>While change of government is a valid risk in PPP transactions especially in the African continent, even though the general principle is that government is a continuum, the key factor in minimising this risk is the existence of a PPP law which provides the legal backing to all PPP transactions in the country; this already exists in Nigeria. ICRC's role in minimising this risk has been to ensure that each individual PPP transaction meets the required national guidelines and global best practice in the transaction development, procurement and execution. Continuous capacity building and engagements with elected officials and the general public are also key factors that would enable PPP become an institutionalised in the country.</p>

Thank you for your attention!



An Integrated Financial Market Infrastructure Group