DEVELOPING TO IMPROVE AFRICAN ECONOMIES
Africa is the world’s second largest continent with a population of over 1.2 billion people, over 50% of whom live without electricity. It is the lack of electricity that forms one of the greatest constraints to Africa’s economic growth. As Sub-Saharan Africa’s population continue to grow at twice the rate of developed economies, greater pressure will be exerted on power and other critical forms of infrastructure that support socio-economic development.

Africa’s total infrastructure investment requirement is estimated to be approximately US$170 billion per annum, with a financing gap in the range of US$68 – US$108 billion. It is for this reason that AFC was established a decade ago, and our mission has remained the same ever since.

AFC is an independent, majority private-sector owned, multi-lateral African financial institution providing project structuring expertise and risk capital to address Africa’s infrastructure development needs. We have grown to become one of the continent’s leading development finance institutions with around US$4.5 billion of assets under management. With 20-member countries, and an investment footprint that spans over 28 countries across Africa we are a truly Pan-African institution.

We remain committed to developing and financing projects in our core infrastructure sectors of Power, Natural Resources (Oil and Gas, and Mining), Heavy Industry, Transport and Telecommunications. Working with development partners from across the continent, Europe, the Middle East and Asia, we continue to build momentum as a financier, advisor and project manager of infrastructure projects across the continent.

Crucially, we have one of the highest credit ratings for an institution on the continent that not only supports our ability to deliver on project ambitions, but underscores how we manage our investments, seeking the highest levels of governance, transparency and sustainable development.

We will build an agile US$10 billion organisation by 2023 to address the urgent and important mandate of developing and financing infrastructure, natural resources and industrial assets to catalyze sustainable inclusive economic growth of the African continent for enhanced productivity.

The most critical need in the market is for project development capital and construction finance to de-risk projects as well as a market maker for institutional capital. To be the leading African Infrastructure solutions provider we will identify and pursue new strategies to optimize low cost funding sources that will enable investment in high quality assets.

We will align our offerings to the needs of African states, with whom we will deepen relationships and alliances to reduce the infrastructure deficit, develop natural resource assets and roll out industrial parks to beneficiate resources, and, substitute imports for economic growth and development.

The infrastructure investment gap and the negative impact that it has on the growth and social development of African economies forms the challenge AFC wishes to overcome. It is our intention, as an organisation committed to effecting change, that we deliver a meaningful and impactful difference to society.
AFRICA’S INFRASTRUCTURE CHALLENGE

THE COST OF ADDRESSING AFRICA’S GAPING INFRASTRUCTURE DEFICIT IS ESTIMATED TO BE US$68–100 BILLION EVERY YEAR FOR THE NEXT DECADE. ACCORDING TO THE WORLD BANK, THIS GAP REDUCES PRODUCTIVITY BY 40%, CUTTING ECONOMIC GROWTH BY AT LEAST 2 PERCENTAGE POINTS A YEAR.

Africa is the second largest continent in the world with a population of 1.2 billion, over 50% of whom are under the age of 30 years. This demographic dividend, resulting from rapid population growth, climate change and a technology boom are putting significant pressure on Africa’s existing infrastructure. Large-scale investment is needed not only for the operation and maintenance of what is already there but to finance and develop the new projects the continent desperately requires.

In 2015 the United Nations highlighted developing infrastructure in emerging markets as one of the primary goals for its 2030 Agenda for Sustainable Development.

International investors have a critical role to play. However, it is African institutions, with their unique knowledge of Africa’s operating environment and challenges, that will be the deciding factor in bridging the infrastructure gap, stimulating positive economic growth and improving the lives of the over one billion people living on the continent.
ABOUT AFRICA FINANCE CORPORATION

THE BUSINESS MODEL

AFC offers a unique value proposition as an Africa-focused multilateral financial institution covering three complementary service areas: project development, financial advisory and principal investing. In addition to these core services AFC has significant experience and expertise in project management and will ensure that the objectives of all parties involved are met through careful monitoring of the project from beginning to end.

We therefore fill key market gaps by participating across the entire project cycle and capital structure, ensuring that projects are well structured and transactions reach financial close.

THE STRATEGY

Through our hybrid structure of a multilateral institution with substantial private sector participation, AFC acts as both a leading financier and adviser to its clients. It offers project, trade finance and structured debt, greenfield equity, and buy-out capital as well as fixed income products. We complement these product offerings with advisory capabilities in areas such as: project development, project management, capital raisings and restructurings.

THE MISSION

AFC’s core mission is to address Africa’s infrastructure development needs while seeking a competitive return on capital for our shareholders.

Currently, lack of access to reliable power, poor transport networks and weak telecommunications infrastructure is limiting economic growth and restraining sector development across the continent, preventing millions of Africans from fulfilling their true potential. By providing project development expertise and risk capital, AFC is helping to fill Africa’s critical infrastructure void and ensuring that the positive economic growth momentum the region is currently experiencing is maintained and accelerated.

THE IMPACT

To date, AFC has invested more than US$4.5 billion in projects across 28 African countries.

AFC is committed to investing in projects that will provide substantial, measurable benefit to a region or sector in the long term and will be the template for future infrastructure investment and development. However, the corporation also considers the short term social, economic and environmental impact. Where possible, the projects utilize local resources and suppliers and jobs are created during both construction and operational phases.
OUR EVOLUTION

2007–09

FOUNDATION
First equity investment approved: Main One Cable
Technical committee set-up to produce AFC concept paper
Gambia, Liberia, Sierra Leone and Guinea join AFC
First debt investment: Kosmos Ghana
Nigeria positively concludes inquiry
Inaugural IFRS based financial statements approved by AGM
Bayo Ogunlesi joins Board as new Chairman
Deal of the Year Award with HSBC and Afrexim
Net Income: US$28.7 million

2010–11

TURNAROUND & CONSOLIDATION
Ratification instruments for Establishment and Headquarters Agreements signed
AFC appointed Technical Adviser to CBN on power and aviation fund
Net Income: US$10.9 million
US$775 million in approved investment transactions
Ghana joins AFC and pledges US$50 million investment
Broad pan-african business footprint: Ghana, CIV, Zambia, Ethiopia, South Africa, Cape Verde, Kenya
Net Income: US$34.7 million
Dividends: US$15.0 million

2012

GROWTH
Investment portfolio of:
US$974 million committed,
US$799 million disbursed,
80% debt & 20% equity,
across 13 countries
Cumulative investments:
US$1.87 billion approved,
US$1.37 billion committed,
US$1.06 billion disbursed,
(53% in Nigeria, 15% in W.A, 17% in E.A, 5% in SA & 10% in others)
140 projects reviewed in 24 countries across all 6 sectors, valued at over US$3.5 billion
US$200 million line of credit from AdDB
Membership: Chad joins Gambia ratifies Parliamentary approval for Cenpower
Net Income: US$56.3 million

2013–14

FURTHER GROWTH & CONSOLIDATION
Revised 5-year plan to become a US$5 billion operation by 2016
Cumulative investment in excess of US$1.2 billion
Total assets of US$1.9 billion
Oversubscribed debut international syndication of US$250 million
European DA lines of credit of US$125 million
First investment in Chad, Cameroon, DRC & Gabon
Cape Verde becomes a member
Debut international credit rating of A3 by Moody’s
Net income of US$93 million
Third successive year of dividend payment
<table>
<thead>
<tr>
<th>Year</th>
<th>Expansion</th>
<th>Leadership</th>
<th>Transformation</th>
<th>A Second Decade</th>
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</thead>
<tbody>
<tr>
<td>2015</td>
<td>AFC total investments now stand at US$3.2 billion across 22 African countries</td>
<td>AFC merges several key power assets with Harith General Partners</td>
<td>AFC issues US$150 million maiden sukuk</td>
<td>Samaila Zubairu appointed AFC’s 3rd President and CEO</td>
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<td></td>
<td>Inaugural US$750 million 4.375% 5-year international bond issued. Bond is over six times oversubscribed</td>
<td>US$55 million invested in Maamba Collieries Limited, Zambia</td>
<td>US$25 million quasi-equity investment in Carbon Holdings</td>
<td>Ghana becomes sovereign shareholder in AFC</td>
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<td>Accreditation as a partnering institution to the Green Climate Fund</td>
<td>Lead arranger for an up to US$425 million senior mezzanine facility for New Age (African Global Energy) and invested US$75 million</td>
<td>AFC joins consortium to invest US$205 million in Alufer Mining</td>
<td>African Reinsurance becomes first multilateral corporation to invest in AFC</td>
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<td></td>
<td>Gabon, Côte d’Ivoire, Rwanda and Uganda join AFC</td>
<td>Secured a US$150 million 15 year loan facility from KfW Development Bank</td>
<td>Arranged senior debt facilities of US$225 million, contributed US$75 million in loans and providing and underwriting commitment of US$35 million for Hakan IPP</td>
<td>AfDB investment in AFC equity</td>
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<td>Cooperation agreements signed with Islamic Development Bank and East African Development Bank</td>
<td>Launch of Africa Infrastructure Development Association (AfIDa), a think tank and network to promote and enable project development in Africa</td>
<td>AFC issues US$500 million Eurobond</td>
<td>Malawi, Togo and Zimbabwe become AFC member states</td>
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<td>A3 credit rating reaffirmed by Moody’s</td>
<td>Hosted the Powering Africa’s Future Forum in Dubai with Dentons, a leading global law firm</td>
<td>Kenya, Benin and Zambia become AFC members</td>
<td>AFC secures US$300 million loan facility with China’s Export Import Bank</td>
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<td>Net income of US$70 million</td>
<td>Djibouti become AFC member</td>
<td>Launch of Gabon Special Economic Zone, in which AFC invested US$150 million</td>
<td>Completion of construction of the Bel Air Bauxite Mine in Guinea-Conakry</td>
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<td>AFC sign Master Cooperation Agreement with International Finance Corporation</td>
<td>Signing of joint develop-ment agreement for Wind Power Project in Djibouti</td>
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<td>AFC signs Accreditation Master Agreement with Green Climate Fund</td>
<td>Société Ivoirienne de Raffinage, lead arranger of a €577 million debt facility</td>
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<td>AFC investment of EUR 50 million in Nachtigal 420MW Hydro Power Company, Cameroon</td>
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<td>US$300 million Syndicated facility from commercial banks</td>
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OUR GEOGRAPHICAL FOOTPRINT

AFC IS AN INTERNATIONAL ORGANIZATION HEADQUARTERED IN NIGERIA THAT FUNDS AND DEVELOPS LARGE-SCALE INFRASTRUCTURE PROJECTS ACROSS THE CONTINENT.

To date, AFC has invested more than US$4.5 billion in projects across 28 African countries.

The Corporation’s membership is comprised of African sovereign states, corporate entities such as major commercial banks and financial institutions, other private sector commercial entities and individuals. AFC currently has 20 member states: Nigeria (the host country), Benin, Cape Verde, Chad, Côte d’Ivoire, Djibouti, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Liberia, Malawi, Rwanda, Sierra Leone, Togo, Uganda, Zambia, Zimbabwe.

AFC’s unique feature as a multilateral organization, is its delineation between membership and shareholding structure. Whilst the Corporation allows for private sector ownership, only sovereign states can be both members and shareholders. Membership, and the privileges it provides to signatory countries, is open to all African sovereign states through their respective ministries of finance, central banks, sovereign wealth funds, state pension funds, regional and sub-regional development finance institutions; and private and public sector institutional shareholders. The public sector shareholding gives AFC important access to government, which is critical for sustainable investments in infrastructure in Africa. Private sector institutional investors broaden AFC’s reach and strengthen its partnerships.

AFC has preferred creditor status in these countries and receives preferential access to foreign currency, has tax exempt status and is immune from the confiscation of its assets. This in turn reduces investment risk for the corporation and enables AFC to provide more competitive financing solutions.

Prospective new member states include: Tanzania, Mozambique, Ethiopia, Egypt, Namibia and Senegal.

The majority of African countries have an abundance of natural resources yet do not have the necessary supporting infrastructure for beneficiation of the end product or to maintain sustainable growth. AFC aims to address that imbalance and improve transport and communication networks, as well as ensure access to reliable power.

AFC funds and develops projects across the continent, however some of our largest and most impactful projects are based within our members’ borders. Our largest renewable energy project, the Cabeolica Wind Farm, is based in Cape Verde and provides the island with more than 20% of its total power needs. This venture was the first public private partnership commercial wind farm in Sub-Saharan Africa and illustrates the success of combining the funds and expertise of both governments and the private sector, a key advantage of members.

Since its formation, the Corporation has reviewed over 600 projects in approximately 35 countries, which has allowed it to build a diversified investment portfolio.
OUR BUSINESS POSITIONING

WE ARE UNIQUELY POSITIONED AS AFRICA’S INFRASTRUCTURE SOLUTIONS LEADER, COMBINING OUR STRONG LOCAL KNOWLEDGE WITH A HIGH QUALITY BALANCE SHEET TO DELIVER MORE INVESTMENTS ACROSS THE AFRICAN CONTINENT

1. UNRIVALED COUNTRY ACCESS
Country members provide AFC with the advantage of preferred creditor status, with real benefits for our sponsors and co-investors

2. PAN-AFRICAN PORTFOLIO
Portfolio of projects in 28 African countries and more under review, a testament to our deep local knowledge across the continent

3. HIGH INVESTMENT CAPACITY
Capacity for additional low cost investments given AFC’s very strong credit rating and low leverage balance sheet

A3
Credit rating, making it one of the highest rated institutions in the market

1.1
Leverage, making its assets one of the least leveraged institutions in the market
AFC PRIORITISES THOSE SECTORS WHICH OFFER SIGNIFICANT DEVELOPMENT IMPACT AND HIGH PROFIT POTENTIAL, TO ACHIEVE THE BEST RETURN ON INVESTMENT FOR ITS SHAREHOLDERS.

THE CORPORATION FUNDS AND DEVELOPS PROJECTS IN THE POWER, TRANSPORTATION AND LOGISTICS, HEAVY INDUSTRIES, NATURAL RESOURCES AND TELECOMMUNICATIONS SECTORS.

PRIORITY 2 SECTORS ARE: FINANCIAL SERVICES, URBAN INFRASTRUCTURE AND AGRICULTURE.
THE GLOBAL FINANCIAL SYSTEM HAS UPWARDS OF US$20 TRILLION, AND ALL THE EVIDENCE POINTS TO AN APPETITE FOR AFRICA’S INVESTMENT OPPORTUNITIES. HOWEVER, THE CHALLENGE LIES IN A LACK OF BANKABLE PROJECTS, OTHERWISE KNOWN AS AFRICA’S PARADOX.

THE CHALLENGE
The development of large-scale infrastructure projects is a long, costly process that requires a high level of industry experience and technical expertise, and collaboration and cooperation with both private and public sector organisations. It also needs a detailed understanding of the unique operating environment in the different markets across Africa.

The paradox is that there is plenty of capital in the global financial system (upward of US$20 trillion) and plenty of large-scale infrastructure projects needing investment. The challenge is making infrastructure projects bankable enough to attract the funding and finding better ways to invest in and develop these projects.

A SOLUTION
AFC has engineered Platform Vehicles where multiple assets are put into one investment vehicle to generate scalable infrastructure investment. AFC is leveraging its partnerships with like-minded organisations and combine forces to revolutionise the way we invest in infrastructure.

Merging key companies within respective asset portfolios creates a dedicated company that is able to attract the high levels of investment necessary to plug Africa’s infrastructure gap.

AFC’s joint venture with Harith General Partners - Anergie is one example. The power assets of two pre- eminent infrastructure financiers in Africa were merged into a single new operational company. This new company was created with a US$3.3 billion capital value portfolio of both renewable and non-renewable energy assets, including the landmark projects Kpone Independent Power Project in Ghana, and Lake Turkana Wind Power in Kenya.

THE ROLE OF AFC
Harith and AFC worked closely together at the most senior levels with a team of experienced advisors (legal, financial, tax and human resources) to put together the transaction and ultimately create a company which meets the very high standards of governance and risk management expected by the shareholders of both institutions as well as all stakeholders in the various underlying projects.

The new company formed - ANERGIE has credible sponsors, shareholder support from institutional investor owners, a world-class management team and a strong balance sheet. It is capable of developing and financing projects through corporate finance transactions and project finance, significantly reducing the lead time to bringing power projects to fruition and helping to relieve the immediate burden of unreliable access to electricity on local homes and businesses.

The transaction represents the first of an emerging trend of platform partnerships between major investors focused on infrastructure in Africa. It is indicative of early recognition by both sponsors that financing electricity projects on the continent requires local operational capacity on a world-class level.
“Africa has a great deal to be proud of. Despite a slow-growth climate, the Continent has seen a steady rise in infrastructure investment. Whilst the required levels are yet to be met, the increase in investment levels demonstrate Africa’s ability to surmount the challenges it faces.

Key to this are innovations aimed at accelerating infrastructure investment, and AFC’s joint venture with Harith General Partners is an example of this. Here, US$3.3 billion worth of energy assets were merged to deliver power to 30 million people across 5 countries in Africa. The venture also benefits from a team of dedicated advisers with a wealth of development and operational experience, something crucial to securing additional investment in the future.

We are proud of our role in driving greater investment levels into Africa, and look forward to replicating our successes. We believe such innovations will be key to attracting investments that deliver transformative and inclusive growth.”

A joint venture with Harith General Partners to deliver 1,575 MW of combined gross operational and under-construction energy capacity, with a capital value portfolio of assets worth US$3.3 billion.
SECTOR FOCUS
POWER

MORE THAN 645 MILLION AFRICANS CURRENTLY LACK ACCESS TO ELECTRICITY. THIS SEVERELY LIMITS THE CONTINENT’S ECONOMIC DEVELOPMENT.

THE CHALLENGE

Power generation and distribution infrastructure across Africa is often inadequate, unreliable and costly, and this has constrained wider economic growth and development across the continent. As it stands:

On current trends fewer than four out of every ten African countries will achieve universal access to electricity by 2050

Owing to outdated facilities and plants and a lack of maintenance, power supply in Sub-Saharan Africa is notoriously unreliable and power outages are frequent. This is of particular concern given emergency power is expensive and represents a considerable proportion of GDP in some countries.

A SOLUTION

Solving Africa’s energy crisis is critical to unlocking the full potential of the continent’s natural, economic and human resources. As the effects of global warming and its attendant impact on climate change are increasingly felt across the world, there has been greater global emphasis on the need for financing solutions for greener and climate-friendly energy generation sources as evidenced by the signing of the Paris Climate Agreement in 2016.

THE ROLE OF AFC

AFC has sought to address the wider infrastructure divide by originating, structuring and executing projects in the African power sector. AFC has entered into a number of strategic partnerships towards positioning itself as a leading climate finance institution on the continent. In 2015, AFC became the first African Development Finance Institution to be accredited by the Green Climate Fund (“GCF”). The Green Climate Fund (GCF) supports the efforts of developing countries to respond to the challenge of climate change. It was set up by the 194 countries which are parties to the United Nations Framework Convention on Climate Change (UNFCCC) in 2010, as part of the Convention’s financial mechanism. Following the signing in October 2017 of an Accreditation Master Agreement, AFC has access to direct funding from GCF to support climate financing activities in Africa. In September 2017, AFC also secured a €100 million climate financing line of credit with the Agence Francaise de Developpement (AFD) to improve AFC’s competitive ability to fund climate-friendly projects.
“Improving access to energy is crucial for driving socio-economic development across Africa. Countries that have limited access to electricity are deprived of the chance to maximize the potentials of their population since children cannot study at night, hospitals are ill-equipped to attend to mothers who give birth at night and small or large scale industries may not spring up for want of electricity. We strive to lift the standard of living for millions of people through the modest work of AFC.

In many respects, the raison d’etre of AFC is to help fill the growing gap between the demand and supply of financial capital to address Africa’s infrastructure needs. We invest in the knowledge that Africa has the natural resources, in both thermal and renewable energy sources, to quench her thirst for energy. For want of financing from government and donors, Africa has waited a long time. The needs are urgent and we cannot wait.”

ELUMA OBIBUAKU
Vice President Investments - Power

CABEOLICA WIND FARM IN CAPE VERDE
A US$90 million, 25.5 MW wind farm, providing 20% of the country’s energy needs.

CENPOWER KPONE IPP IN GHANA
A landmark US$900 million, 350 MW combined cycle gas turbine energy project aiming to transform electricity generation.
SECTOR FOCUS
TRANSPORT AND LOGISTICS

IMPROVING THE TRANSPORT INFRASTRUCTURE AND CONNECTIVITY OF THE WORLD’S FASTEST GROWING CONTINENT COULD REAP GREAT REWARDS AND THIS SECTOR IS IN NEED OF INVESTMENT.

THE CHALLENGE
The diversity within the 55 nation states of Africa is mirrored within the continent’s transport sector. There is huge variation in the quality and maturity of existing transport networks and in infrastructure investment, translating into low connectivity between the countries and creating problems for supply chains.

It is also worth considering:

- In many nations the cost of infrastructure improvements required dwarfs current GDP
- Inadequate transport can stall growth in economies by failing to keep pace with resource potential
- Sub-Saharan Africa requires an estimated US$21 billion in road development. Governments, Agencies, project developers and construction companies need to ensure that capital is deployed to the right projects.
- Africa’s terrain is extremely varied, from desert to savannah and rainforest: it becomes more challenging under these conditions to build road and rail networks, bridges and tunnels
- It is often unclear who will pay for and run the new infrastructure required across the continent: private companies are starting to make major investments, but the investment gap remains high.

THE OPPORTUNITY
Over 70% of the world’s biggest consumer goods companies are already operating in Africa, and a number of large multinationals are investing in the region, providing a key opportunity for the transport and logistics sector.

THE ROLE OF AFC
Recognising the pivotal importance of developing better quality infrastructure in this sector, AFC has invested in a number of projects that are designed to improve transport and logistics links throughout Africa.

Gabon Special Economic Zone, Gabon
AFC made a US$140 million equity investment in the Gabon Special Economic Zone (GSEZ) – a joint venture between Olam and the Republic of Gabon with the aim of stimulating and accelerating the country’s economic transformation.

The investment fulfilled one of the transport sector objectives of investing in “platform” companies that enable development of several projects via a single investment. The projects which include the development of special economic zones, a mineral port, general cargo port and other infrastructure projects design to improve the logistics and transport infrastructure required to monetize mining and agricultural opportunities through export.
REUEL ANDREWS
Director, Investments (Transport Infrastructure)

“Connecting Africa, whether by sea, land or air, is critical for promoting intraregional trade, improving competitiveness and growing local economies.

At AFC we are supporting the development of a robust land transport network with investments in the Bakwena toll road in South Africa and in the Henri Konan Bedie Bridge, the first PPP road infrastructure development to be carried out in conjunction with the post-conflict Côte d’Ivoire government. We are also developing state-of-the-art port facilities in the Gabon Special Economic Zone to enable the easy and quick transportation of manufactured goods to customers across the globe by sea. Furthermore, our investments in Ghana air transport infrastructure and Ethiopian Airlines are fuelling the expansion that will forge new air links across the continent.

These projects, which span West, Central and South Africa, exemplify our truly pan-African footprint.”

BAKWENA TOLL ROAD, SOUTH AFRICA
Designed as part of the Maputo Development Corridor to connect South Africa to Mozambique.

THE HENRI KONAN BRIDGE
A US$365 million public private partnership project, consisting of a 1.9km bridge, and a 6.4km highway – in Abidjan, Côte d’Ivoire.

GABON SPECIAL ECONOMIC ZONE, GABON
A US$140 million public private partnership for the development of a portfolio of transport infrastructure projects via a single investment.
SECTOR FOCUS
TELECOMMUNICATIONS


THE CHALLENGE
The telecommunications sector is crucial for economic growth and development and is often viewed as a supporting factor in developing the transport and logistics sectors.

THE OPPORTUNITY
Improved economic conditions and rapid combined GDP growth over the last five years have seen Africa experiencing fast growth in this sector, which has transformed fundamental aspects of social and business life. Mobile phone usage is growing faster in Africa than in any other region and at a phenomenal rate; whereas only 6% of African citizens owned a mobile phone in 2004, now there are more than 82 million mobile users on the continent, a rise in part due to the escalating popularity of social media sites and mobile banking.

The mobile phone industry plays an important role in Africa’s telecommunications sector. A lack of landline-based infrastructure has led to mobile devices becoming the most popular way to communicate or access the internet.

Investment in the sector is increasing and Sub-Saharan Africa’s telecommunication market is set to top $65 billion by 2018.

THE ROLE OF AFC
AFC’s most significant investment in the telecommunications sector has been the Main One Cable System, an undersea fibre optic cable system that links countries on the west coast of Africa to Europe and other parts of the world. This system, which was completed on time and on budget in 2010, delivers on an open access model with a bandwidth that is approximately 20 times the available satellite capacity across Sub-Saharan Africa.

AFC was also instrumental in supporting MainOne in the development of the US$52 million carrier-neutral Tier III data center in Lagos, Nigeria, commissioned to cater to growing local demand for cloud, co-location and disaster recovery services from high growth SMEs and multinational corporations. The data center is the largest of its kind in the West Africa sub-region.
TARIYE GBADEGESIN
Senior Vice President, Telecommunications and Heavy Industry

“Sub Saharan Africa is often described as the last untapped growth market for telecommunications, where mobile and internet penetration is still on the rise. Indeed, recent reports tell us that the regional telecoms market is set to top US$65 billion by 2018.

Innovative technological developments are disrupting traditional infrastructure, but we are still far short of where we need to be. AFC’s first equity investment was in the Main One Cable system, which links countries on the west coast of Africa to Europe and other parts of the world. Renowned for its reliability, Main One is now the provider of wholesale Internet services to major telecommunications operators, ISPs, government agencies, large enterprises, and educational institutions in West Africa.”

MAIN ONE FIBRE OPTIC CABLE
The first private cable to deliver services in West Africa.
SECTOR FOCUS
HEAVY INDUSTRIES

SUB-SAHARAN AFRICA’S GROWING POPULATION, ALREADY EXCEEDING ONE BILLION AND GROWING AT 2.2% EACH YEAR, HAS PROMPTED A SPURT OF URBAN GROWTH ACROSS THE REGION.

THE CHALLENGE
Despite Africa’s wealth of natural and mineral resources, the continent has yet to see sustainable growth in the heavy industries sector. Raw materials are normally exported with little or no value added and manufacturing contributes relatively little to Sub-Saharan Africa’s GDP – according to the World Bank, only 13% in 2012.

Several challenges limiting the development of the industry include:

- Poor quality supporting infrastructure – inadequate power supply and weak transport networks
- Low availability of industrial project sponsors and limited project management capacity for large-scale projects
- Financing requirements – large capital investment is normally needed to fund heavy industry projects

THE OPPORTUNITY
Africa’s large population provides companies looking to invest in the sector with an ever-expanding consumer base and a large labour force. The region’s human capital, combined with the abundance of natural resources, is making Sub-Saharan Africa an attractive investment option for both local and international heavy industry and manufacturing firms.

THE ROLE OF AFC
So far, AFC has financed major projects relating to cement, ammonia/urea and phosphates. These projects are located in East Africa, South Africa, Nigeria and the DRC. Over the next few years the corporation plans to focus on industrial project development and mobilising financing in partnership with other institutions. The current project pipeline includes pulp and paper manufacturing, potash, glass manufacturing, small-scale steel plants and refinery operations, as well as continued investment in ammonia/urea production.
“According to the World Bank, value added and manufacturing sectors contribute just 13% of Africa’s exports. As the continent enters a new growth chapter, radically increasing this figure will be key.

Recognising this, AFC has invested in major projects across the heavy industries sector such as cement, ammonia/urea and phosphates production. For example, in 2012, AFC provided a US$50 million investment in the form of a convertible debt to ARM Cement – a publicly held company on the Nairobi Securities Exchange, to support ARM’s future expansion initiatives across Eastern and Southern Africa. In 2017, AFC invested US$25 million in Carbon Holdings in Egypt to support the development of the petrochemical sector, thereby providing a raw materials base for downstream manufacturing in Egypt and Africa generally.

As the population grows, estimated at 2.2% each year, investments in sectors that create jobs and increase wealth will be critical to ensuring sustainable benefits to people in Africa.

Egypt’s Carbon Holdings secured a US$1.25 billion in financing to build a giant petrochemicals complex in the Red Sea port of Ain Sokhna. The Tahrir Petrochemicals Complex, a US$10.9 billion project, is expected to create 48,000 jobs.

AFC was formed to provide specific project structuring expertise and risk capital for the large-scale infrastructure projects that are needed across Africa to grow its economies. AFC’s US$25 million investment in Egyptian petrochemicals company Carbon Holdings Limited will support the establishment of a raw materials base, which will create jobs and contribute to the development of Egypt’s manufacturing sector.

Carbon Holdings’ projects include a polypropylene plant, a low density ammonium nitrate plant, and an olefin and polymer production facility. These projects are operated by Carbon Holdings’ subsidiaries, including Oriental Petrochemicals Company, Egypt Hydrocarbon Corporation and Tahrir Petrochemicals Corporation.
SECTOR FOCUS
NATURAL RESOURCES

AFRICA HAS APPROXIMATELY 12% OF THE WORLD’S OIL RESERVES, 40% OF ITS GOLD, AND BETWEEN 80% AND 90% OF ALL ITS CHROMIUM AND PLATINUM.

THE CHALLENGE
As is the case all over the world, a rich supply of natural resources unfortunately signals a degree of economic inequality within that region or country. There is also a high risk of corruption amongst large-scale commercial players and of exploitation of the local population, who often benefit little from the resources themselves.

In addition few African countries process their own raw materials. The real value is therefore added elsewhere, causing much of the profits from natural resources to leave the continent entirely in the hands of foreign-owned companies which pay low rates of tax.

In 2015 declining commodity prices and reduced demand from the world’s largest manufacturer, China, severely curtailed development in Africa’s natural resources sector and put Africa’s oil exporting economies under huge pressure. Reduced activity in this sector has negatively impacted government spending and infrastructure development. A recovery will need high levels of investment.

THE OPPORTUNITY
The medium to long term outlook is bright; low oil prices will not remain so forever. And the downturn has prompted many oil-exporting African countries to renew their economic diversification efforts and invest in other sectors crucial to their growth. Now is not the time to lose hope in Africa’s natural resources.

In addition to significant mineral deposits the region has the largest arable land mass in the world, as well as vast timber resources. The continent is gradually seeking to make the most of this abundance by not just exporting raw materials but by building up industries such as downstream processing and manufacturing.

THE ROLE OF AFC
AFC acts as an adviser and financier to a number of leading sponsors seeking to undertake important transactions in the mining and oil and gas industries and associated infrastructure.

There is, for example, high demand for a wide variety of specialized rigs and vessels for both swamp and offshore areas of operations in the midstream sector of the oil and gas industry. In addition, a lack of essential pipeline infrastructure is slowing transportation from field to market. With its wealth of experience in sector development, AFC is strategically positioned to actively participate and lead indigenous companies in this critical space.
“Natural resources are critical to many African economies but the majority focus solely on the extraction and exportation of these materials. There is a notable lack of beneficiation and value addition to the raw materials, thereby stifling the growth of downstream industries, where arguably the highest socio-economic impact can be achieved.

To make the most of these resources, and to encourage the development of supporting industries, we need to ensure that the correct infrastructure is in place. AFC invests in a variety of natural resources and related industrial projects. Recently we have invested in Egyptian petrochemical company Carbon Holdings to help develop downstream petrochemicals and manufacturing industries in Egypt, and in Alufer Mining’s Bel Air Bauxite mine, to support the growth of Guinea-Conakry’s economy post the Ebola crisis.”

Production has commenced at the Bel Air bauxite mine in Guinea. The Company achieved First Ore on Ship on schedule, on budget and with zero lost time injuries. Surface mining started at the end of June 2018 and the mine was commissioned in August 2018. Production will now be increased to 5.5 million tonnes per annum.

Jubilee Oil Field

Jubilee Oil Field in Ghana – West Africa’s largest offshore deep water find in over a decade, with proven reserves in excess of 300 million barrels of recoverable oil.
AFC’s mission of investing in infrastructure projects is key to unlocking economic growth in Africa. None of it would be possible without AFC’s Treasury Department, which acts as a bridge for investors around the world who are looking to deploy capital into Africa’s infrastructure.

The Challenge

Africa’s infrastructure sector requires approximately US$170 billion annually to develop new infrastructure projects as well as service existing assets. The impact of the infrastructure gap is felt the width and depth of Africa.

For example, a Nigerian company will find it more expensive to export to neighbouring Cameroon than a Chinese company because of poor infrastructure. These are the challenges AFC was established to overcome.

If this infrastructure gap is to be closed and economic growth unlocked, capital will need to be mobilised at as fast a pace as possible.

A Solution

To date, there is more than US$20 trillion in the global financial system that is ready to deploy into attractive investments. Rarely, however, does it find its way to the many large-scale infrastructure projects, primarily due lack of bankable projects and the high level of risks associated with African infrastructure projects.

AFC however, seeks to serve as an incubator for projects, preparing them to meet the tests of financiers so they are bankable, as well as implementing de-risking strategies. Doing so therefore ameliorates many of the concerns of investors, allowing AFC to act as a platform for investing into Africa’s infrastructure projects. Treasury’s role is to therefore act as the Corporation’s gate for global investors.

The Role of AFC

Today, AFC has one of the highest ratings in Africa at A3/P2 Stable Outlook by Moody’s Investor Service. To maintain and build upon this rating, the Corporation optimises and diversifies its sources of funding and embraces innovative and creative investment approaches and will continue match-funding medium-to long-dated infrastructure investments.

The Corporation’s preferred creditor status in member countries allows it to mobilise significant pools of liquidity which allows it to make substantial investments into infrastructure development. AFC consistently engages with its vast financing partners, from major players in the DFI community to global investors, through non-deal roadshows and other debt capital market issuances. As AFC’s over-subscribed financings attest to, investors are keen for exposure to high-quality investment-grade credits that AFC offers.
“Securing finance from international capital markets is central to the Corporation’s strategy of diversifying funding sources and attract more private investment from around the world to infrastructure opportunities in Africa.

“Beyond the obvious benefits of having a variety of investors, I believe Treasury’s role in attracting international subscribers to our financings is very much part of AFC’s larger mission: Inculcating to the global investment community that Africa is a place that merits attention and investment because the returns are attractive.

“Looking at our financings that have been eagerly subscribed to, for example the Sukuk that was more-than-twice oversubscribed and the US$750 million five-year international bond that was more-than-six-times subscribed, it is very much evident the world is catching on that Africa is indeed an excellent place for investing.”

ISSUANCE OF US$150 MILLION SUKUK

AFC’s maiden Sukuk was the highest-rated Sukuk issuance from an African institution.

ISSUANCE OF US$500 MILLION 7-YEAR EUROBOND

With an order book of US$2.4 billion, AFC’s Moody’s-rated A3 Eurobond was five-times oversubscribed from 231 investors across Asia, the Middle East, UK, Europe and US.

MOODY’S INVESTMENT-GRADE RATING OF A3/P2 (STABLE OUTLOOK)

In 2014, the Corporation received its first international credit rating from Moody’s Investors Services, which assigned it an A3/P2 (stable outlook), which has been reconfirmed every year since.

US$150 MILLION 15-YEAR LOAN FACILITY FROM kfW DEVELOPMENT BANK

In 2016, AFC accepted a US$150 million 15-year loan facility from the German-government-owned kfW development bank.
OUR CORE STRUCTURE

AFC IS PRIVATE SECTOR MAJORITY OWNED AND MANAGED

AFC shareholders include: the Central Bank of Nigeria, various African financial institutions, and other industrial and corporate organisations.

As a single institution, the Central Bank of Nigeria provided the anchor capital for the corporation’s start-up in 2007 and has helped solidify partnerships with AFC’s host government. It holds considerable shareholding in trust for other African investors.

African institutional investors integrate local corporate experience and strengthen support from leading local sponsors.

To execute its mandate, AFC has established partnerships regionally, with other institutions such as the African Development Bank, African Export-Import Bank, PTA Bank, Islamic Development Bank, Banque Ouest Africaine de Development, the Nigerian Sovereign Investment Authority and internationally with the China Africa Fund, the Infrastructure Development Finance Company of India, the Dutch development bank FMO and the US Government through USAID and OPIC - the Overseas Private Investment Corporation.

**Co-investing in projects**
- International Finance Corporation, World Bank Group
- China-Africa Development Fund
- The Blackstone Group
- African Export-Import Bank
- Emerging Capital Partners
- Macquarie Group
- Netherlands Development Finance Company
- Sumitomo Corporation
- Barclays Africa Group Ltd
- Cordiant

**Project Sponsors**
- Global Telecom Holding S.A.E
- China Harbour Engineering Company
- Cenpower
- Cosmos Energy
- Ghana National Petroleum Corporation
- Main One Cable Company
- Finnfund
- Infraco
- Ethiopian Airlines
- Bouygues Group
- State Grid Corporation of China

**Deal Origination**
- Pan African Infrastructure Development Fund
- German Investment Corporation
- International Finance Corporation, World Bank Group
- African Development Bank Group

**Project Development**
- Netherlands Development Finance Company
- German Investment Corporation
- Proparco-French Development Agency
- InfraCo Ltd
- Roughton International Lohnro

**Lenders/Partner Banks to AFC**
- Standard Chartered
- HSBC
- African Development Bank Group
- Standard Bank Group
- JP Morgan
- BNP Paribas
- Citigroup
- Rand Merchant Bank
The Board is made up of 12 directors, 9 non-executive and 3 executive.

**SHAREHOLDERS & BOARD OF DIRECTORS**

- **EcoBank**
  - Mr. Patrick Akinwuntan

- **Union Bank Nigeria**
  - Mr. Emeka Emuwa

- **Zenith Bank**
  - Mr. Ebenezer Onyeagwu

- **First Bank Nigeria Limited**
  - Dr. Adesola Adeyemi

- **Access Bank**
  - Mr. Roosevelt Ogbonna

- **Central Bank of Nigeria**
  - Dr. Joseph Nnana
  - Mr. Tunde Lemo
  - Mr. Ahmad Abdullahi

- **United Bank for Africa**
  - Mr. Victor Osadolor

- **2 Independent Non-executive Director**
  (to be appointed in 2019)

**Other**

- 44.7%
- 7.21%
- 4.56%
- 4.56%
- 7.21%
- 10.6%
- 10.14%
- 9.13%
- 9.1%
- 4.56%
OUR CORE STRUCTURE

AFC is managed by a team of professionals with decades of experience in African banking, infrastructure financing and development.

SAMAILA SUBAIRU

Samaila Zubairu is AFC’s President and Chief Executive Officer. Prior to his appointment, Mr. Zubairu was the CEO of Africapital Management Limited, in which capacity he established a joint venture with Old Mutual’s African Infrastructure Investment Managers (AIIM) to develop the Nigerian Infrastructure Investment Fund1 (NIIF1) for infrastructure private equity across West Africa.

As Chief Financial Officer for Dangote Cement Plc, he launched Africa’s largest syndicated project finance facility for the Obajana Cement project, and, managed the unbundling of Dangote Industries Limited to listed subsidiaries on the Nigerian Stock Exchange. Prior to that, he was the Treasurer for the Dangote Group during its transformation from a trading company to an industrial conglomerate. He has undertaken investments of over US$3 billion, financing greenfield project finance, acquisitions, corporate transformation, privatization and equity capital market transactions.

Samaila is an Eisenhower Fellow and sits on the Eisenhower Fellowship’s Global Network Council and the President’s Advisory Council.

OLIVER ANDREWS

Oliver Andrews was appointed AFC’s Executive Director and Chief Investment Officer in September 2014. Until his appointment, he was the Corporation’s Director and Chief Coverage Officer, responsible for the origination and coverage division, and prior to that was the CEO of Africa Infrastructure. In his current capacity, Oliver is responsible for creating the corporation’s deal pipeline, leading end-to-end deal execution and managing the Corporation’s investment portfolio. As an entrepreneurial engineer and transport economist with extensive background in engineering transport and project finance.

Oliver has over 30 years’ experience in the various infrastructure sectors and 20 years as an infrastructure project developer financier and strategic adviser. Formerly CEO of TCI Infrastructure Limited (TCI) and the Gambia Ports Authority, he has successfully directed numerous infrastructure deals in Africa, leading project development teams providing strategic, policy, programme and commercial advice on infrastructure development issues to development finance institutions, international corporations, and Governments both in Africa and Europe.
SANJEEV GUPTA

Sanjeev was appointed Executive Director, Financial Services in 2015. He is responsible for Treasury, Syndication and Advisory lines of business for AFC. Sanjeev has over 25 years’ experience in investment management, private equity and corporate advisory Services and his forte has been to blend together divergent corporates, investors and governments to develop sustainable business and development models. Prior to joining AFC, he was the Managing Partner in charge of Emerging Markets M&A at Ernst Young Transaction Advisory Services.

Sanjeev was also the Chief Executive Officer of Sanlam Investment Management, responsible for Emerging Markets as well as Founder and Managing Partner of Emerging Opportunity Consulting. He has a bachelor’s degree from the University of Calcutta, India and is also an alumnus of the Said Business School, University of Oxford, England. He is a fellow of the institute of chartered accountants of India (FCA), and a member of the Institute of Investment Analysts of South Africa.
HOW AFC IS FUNDED

SHAREHOLDING BASE PRIVATE SECTOR MAJORITY OWNED (>55%)

CURRENT AUTHORISED SHARE CAPITAL IS US$2.0 BILLION WITH SHAREHOLDERS’ FUNDS OF US$1.35 BILLION

2018 TOTAL ASSETS: US$4.5 BILLION

2018 TOTAL COMPREHENSIVE INCOME: US$118 MILLION

AFC’s external borrowings total more than US$3.5 billion. AFC has completed several bilateral borrowings from development finance institutions and international commercial banks, including:

US$200 million funding facility from the African Development Bank

In 2017, AFC issued its maiden Sukuk, the highest-rated ever Sukuk issuance from an African institution. Following high levels of investor interest, the initial target of US$100 million was more than twice oversubscribed, resulting in the transaction being upsized to US$150 million and a final order book of approximately US$230 million

US$60 million facility from the German Development Finance Institution (DEG) and the Netherlands Development Finance Company (FMO)

EUR50 million facility provided jointly by the Society for the Promotion and Participation for Economic Cooperation (PROPARCO) and European Financing Partners S.A (EFP) led by the European Investment Bank (EIB)

US$50 million from the Islamic Development Bank (IDB) for financing projects that are structured in compliance with Islamic finance

US$150 million loan facility from KfW Development Bank

In 2015 AFC concluded its debut US$750 million 4.375% 5-year international bond. The final order book was more than six times oversubscribed at over US$4.7 billion from a total of 315 investors. A year later AFC issued its debut senior unsecured Swiss Franc (CHF) denominated bond, raising CHF 100 million with a tenor of 3 years and 150 days.

INVESTMENT GRADE

In 2014 AFC received its first international credit rating from Moody’s Investors Service, with an A3 (long term) / P2 (short term) foreign currency debt rating. AFC is one of the highest investment grade rated multilateral financial institutions on the African continent. This credit rating was reaffirmed in April 2015 and again in 2016, 2017 and 2018. Our international investment grade rating is essential to our work. It vindicates the quality of our advice and activities, the diversity of our asset portfolio and our ability to deliver a sound return to our investors.
FREQUENTLY ASKED QUESTIONS ABOUT AFC

WHAT IS THE RATIONALE BEHIND HAVING BOTH PUBLIC AND PRIVATE SHAREHOLDERS?

The public sector shareholding gives AFC important access to government, which is critical in Africa for sustainable investments in infrastructure. However, capital and expertise from the private sector is becoming increasingly crucial to funding and developing the necessary large-scale projects.

AFC is private sector majority owned and led. Shareholders include the Central Bank of Nigeria, various African financial institutions and other industrial and corporate shareholders.

The Chairman of our Board of Directors, Dr. Joseph Nnana, is currently Deputy Governor of Financial Systems Stability at the Central Bank of Nigeria and brings with him a wealth of experience in relevant areas. In addition, the anchor capital for the start-up of the corporation came from the Central Bank of Nigeria, whose current shareholding of just over 42 percent will drop over time as other African shareholders come on board.

Having African financial institutions, which currently make up 48 percent of our shareholders, so actively involved promotes synergy between African banks, broadens our reach and strengthens local support and partnership. The African industrial and corporations, which make up close to 10 percent on our board help integrate local corporate experience, and strengthen support from leading local sponsors.

WHAT WAS MOODY’S RATIONALE FOR AWARDING AFC AN A3 (LONG TERM)/P2 (SHORT TERM) FOREIGN CURRENCY DEBT RATING?

Moody’s rationale for its investment grade rating was based on a sound capital adequacy position, high asset quality and strong prudential framework that supports a high degree of liquidity, supported by an excellent profit margin and profit retention. Additionally, the Corporation’s strong liquidity framework and position, which is in excess of the requirements of Basel III Capital Accord on liquidity risk management, will mitigate against external economic shocks, and help support planned growth. The outlook on the rating is stable.

This rating was reaffirmed in 2015, 2016, 2017 and again in 2018. According to Moody’s, the rating was upheld because of AFC’s “sound capital adequacy, high liquidity, no non-performing loans and only a small impairment provision on its balance sheet.”

The rating takes into account AFC’s inevitable expansion over the next few years and also accounts for the natural risks of exposure to economic and political challenges which may impact the rating. However, Moody’s also highlights that AFC’s profitability metrics are high compared to those of its peers, providing substantial return on investment for its stakeholders.
WHAT IMPACT DOES THE MOODY’S RATING HAVE ON AFC’S BUSINESS?

Attaining an investment grade international credit rating only six years after inception was a tremendous achievement and a major milestone in the Corporation’s history. This rating, together with AFC’s strong capital position and the quality of its portfolio, is enabling AFC to grow its balance sheet, broaden its asset base and expand its geographical footprint. It is a further endorsement of the Corporation’s rigorous investment process, innovative approach to infrastructure investment on the continent, world-class corporate governance and solid shareholder support. The Corporation is now well positioned to assist in further driving economic growth and industrial development in Africa.

WHAT ARE AFC’S STRATEGIC PRIORITIES BY GEOGRAPHY?

AFC is empowered to invest everywhere in Africa. It is currently looking at projects in more than 22 sub-Saharan African countries, including the largest economies in West, East, Central and Southern Africa. With its partners, the corporation is working on live transactions and projects in Ghana, Côte d’Ivoire, Guinea, Senegal, Cameroon, Egypt, Djibouti, Namibia, Zambia, Malawi, Mozambique, Tanzania, Kenya, Ethiopia and South Africa to mention a few. Nigeria of course will remain a major focus for AFC given its long-term growth prospects, and the organisation is fully committed to replicating our successes from Nigeria elsewhere in Africa, and vice-versa. In addition, the Corporation is making selective investment participations in North Africa.

WHAT ARE AFC’S STRATEGIC PRIORITIES BY PROJECT TYPE?

Regarding projects, the focus is on private sector-led investments by credible local and international sponsors in target sectors. AFC selectively works with government-owned enterprises and agencies, so long as such projects are structured on a bankable, private sector basis.

The projects may be greenfield developments, brownfield expansions, early stage capital, acquisitions, refinancing or working capital. AFC is therefore able to finance across the entire capital structure of a company or project.

We prioritise investing in projects that will promote sustainable growth and socio-economic development and support employment in the local community. In our opinion, driving infrastructure investment in power, transport, telecommunications, heavy industry and natural resources will be key to this strategy.

WHAT ARE TYPICAL RATES OF RETURN ON AFRICAN INFRASTRUCTURE ASSETS?

There are no typical rates of return, as these vary by project, sector and geography. In general however, Africa offers highly competitive returns relative to long-term expected returns in developed and emerging markets. Equity investments return range between 18% to 25% IRR.
FREQUENTLY ASKED QUESTIONS ABOUT AFC

WHAT ARE THE MAJOR RISKS TO AFC’S BUSINESS?
AFC faces risks similar to all infrastructure financiers globally, including sovereign and project specific risks. These risks are across a broad spectrum of areas but range from issues relating to sponsor quality, product off-take, commodity prices, feedstock supply, operations and maintenance, construction completion, reputational, environmental, health, safety, and regulatory stability.

HOW ARE THESE RISKS MITIGATED?
In all its projects, AFC employs a robust risk management framework that aims to identify, quantify and mitigate or manage all risks associated to each project. The organisation operates in accordance with international standards of private equity and project finance, and all members of our teams from origination through execution and transaction monitoring are highly trained and equally focused on managing risks in the transactions that we work on.

WHAT IS AFC’S CSR AND ENVIRONMENTAL SUSTAINABILITY STRATEGY?
AFC has an approved Environmental and Social Risk Management Policy to ensure that it carries out its lending, investment and advisory services to its clients and counter parties in a manner that is environmentally sound and ensures sustainable development.

AFC is committed to ensuring that the investments it makes are:

- Socially and environmentally sustainable
- Respectful of the rights of affected communities
- Structured and operated in compliance with the relevant regulatory requirements and with the best international practice

Environmental sustainability is crucial to AFC’s investment selection criteria. It saves money over the investment’s lifespan and increases the probability of the project succeeding. For instance, taking water conservation into consideration in the design of a solar energy farm is not only environmentally positive but also results in substantial savings during the operational life of the plant.

In addition, ensuring that an infrastructure development has no adverse effect on a sensitive ecosystem and that it protects the animals and their habitats means that there is the potential for a tourism industry to thrive, bringing economic prosperity to a region.

In the event that impact on the environment is unavoidable, or the successful conclusion of projects will affect local communities through displacement or other significant impact, AFC will ensure that such impact is reduced, mitigated or that appropriate compensation is provided.
WHAT IS THE OVERALL ECONOMIC IMPACT OF AFC’S ACTIVITIES?

According to a recent report by PricewaterhouseCoopers, infrastructure spending in Africa is projected to grow from US$70 billion in 2014 to US$180 billion per annum by 2025. AFC’s funding and project development expertise have clearly never been more important or needed.

As an African-led international institution, the corporation combines the best of both worlds, adopting a pioneering approach to the funding and development of their projects. The projects detailed above have proved to have a lasting effect on the local economy but more than that, they also have the potential to act as a template for further developments in the sector; AFC intends to remain at the forefront of the sector going forward.

WHAT, IF ANYTHING, IS AFC DOING TO ACCELERATE INFRASTRUCTURE DEVELOPMENT?

Africa suffers from an ‘infrastructure paradox’ – where there are plenty of projects, and plenty of funds available in the global finance system, but only very few are bankable, and to resolve this, AFC is committed to identifying innovations that will accelerate investment into infrastructure.

One such innovation has been the creation of Platform Vehicles, where multiple assets are put into one investment vehicle in order to generate scalable infrastructure investment. This Platform Vehicle, or Holding Company, then sits on top of the operating companies (the merged assets) to oversee all activities.

AFC’s joint venture with Harith General Partners, Anergie perhaps the best example of this. Over 1,575 MW of combined gross operational, and under-construction energy generation capacity, supplying power to over 30 million people across 10 countries, were merged.

By merging the key companies within our respective power asset portfolios, we have been able to create a dedicated company that is able to attract the high levels of investment necessary to plug Africa’s energy gap. This model is one we shall seek to replicate across the various sectors in which we operate in order to accelerate infrastructure investment levels.

WHAT DOES THE NEXT 10 YEARS LOOK LIKE FOR AFC?

AFC’s unique position as both a financier and project developer enables us to attract investment into the Continent’s infrastructure from more markets around the world. We will therefore lead the coalition of Institutional Investors The recent success of our CHF Bond issue, and our maiden Sukuk, are perhaps amongst the best examples of this.

As we turn to our next decade, our near-term strategy is to become a US$10 billion Corporation by 2023. Though Africa’s slow growth climate is expected to last for the foreseeable future, many countries such as Cote d’Ivoire, Rwanda, Tanzania and Ethiopia are registering impressive growth, and key to their success has been economic diversification.

We therefore will continue to finance and develop the continent’s much-needed infrastructure projects, focusing on those that will make the biggest contribution to driving economic and social development, and to job creation in the local communities. It is through investments such as these that we will create a brighter and more prosperous future for Africa.
## AWARDS

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<th>Award</th>
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<tr>
<td><strong>African Banker</strong>: Deal of the year 2009 – Main One</td>
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<td><strong>Infrastructure Journal</strong>: Trade Finance Award 2009 – Arik Air</td>
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<td><strong>Africa Energy</strong>: Renewable Energy Award 2011 – Cabeolica</td>
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<td><strong>Africa Investor</strong>: Leadership in Sustainable Investment in Africa 2011 – Cabeolica</td>
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<td><strong>Africa Investor Infrastructure Investment Award</strong>: PPP Investor of the year 2012 – Africa Finance Corporation</td>
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<td><strong>Euromoney Project Finance Deals of the Year 2012</strong>: African Transport Deal of the year 2012 – Henri Konan Bedie Bridge, Côte d’Ivoire</td>
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<td><strong>EMEA Finance Project Finance Awards 2012</strong>: Best infrastructure deal in EMEA – Henri Konan Bedie Bridge, Côte d’Ivoire</td>
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<td><strong>International Finance Corporation (IFC)</strong>: Emerging Partnerships top ten Public Private Partnerships (PPPs) in Sub-Saharan Africa 2012: Cabeolica, Cape Verde, Henri Konan Bedie Bridge, Côte d’Ivoire</td>
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<td><strong>Private Equity Africa</strong>: Development Impact Award 2012 – Main One</td>
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<td><strong>Africa Investor 2015</strong>: Energy Project Developer of the Year - Cenpower</td>
<td>Co-developer of the Year - Africa Finance Corporation Power Deal of the Year - Cenpower Kpone IPP</td>
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<td><strong>The Banker</strong>: Deals of the Year 2014 – Highly Commended – African Infrastructure and Project Finance</td>
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<td><strong>EMEA Finance Project Finance Awards 2014</strong>: Best Power Deal of the Year – Cenpower Kpone IPP</td>
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<td><strong>Thompson Reuters Project Finance International Awards 2014</strong>: African Power Deal of the Year – Cenpower, Kpone IPP</td>
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<td><strong>EMEA Finance Achievement Awards 2014</strong>: Best Syndicated Loan</td>
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<td><strong>Global Trade Review Best Deals of 2014</strong>: Deal of the Year. Port Autonome d’Abidjan, Côte d’Ivoire, the EUR250 million syndicated bridge loan facility arranged by African Export Import Bank (Afreximbank), in which AFC provided a EUR50 million facility to Port Autonome d’Abidjan, Côte d’Ivoire</td>
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<td><strong>EMEA Finance Achievement Award 2016</strong>: Best M&amp;A Deal – Africa Finance Corporation and Harith General Partners power assets merger” Award</td>
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<td><strong>EMEA Finance Champion of Finance 2017</strong>: Lifetime Achievement in Project Finance - Oliver Andrews - AFC Chief investment Officer</td>
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<td><strong>Ai Infrastructure Project Developer Awards 2017</strong>: African Logistics/Transport Project Developer of the Year</td>
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