

HOSTED BY

SPONSORED BY



# **AFRICAN BUSINESS ROUNDTABLE'S INVESTOR PREPARATION MASTERCLASS WEBINARS & MEMBERS GUIDE**

---

## **27 JULY 2022**

*DISCLAIMER: We present this report that contains summary of the discussions and key takeaways as accurately as possible based on the transcripts, however the information and views set out in the webinar are those of the presenters and do not necessarily reflect the official opinion of AMETrade. AMETrade does not guarantee total or 100% accuracy of the data included in the webinar. Neither AMETrade nor any person acting on AMETrade's behalf may be held responsible for the use of the information contained therein.*

## **CONTENTS**

|   | Page |
|---|------|
| ■ ABBREVIATIONS .....                                       | 2    |
| ■ ORGANISATIONS .....                                       | 3    |
| ■ WEBINAR BREAKDOWN .....                                   | 5    |
| ■ TESTIMONIALS .....  | 6    |
| ■ KEY TAKE-AWAYS .....                                      | 7    |
| ■ KEYNOTE OPENING REMARKS .....                             | 8    |
| ■ INVESTOR'S PERSPECTIVE – HOW READY IS YOUR PROJECT? ..... | 10   |
| ■ QUESTION AND ANSWER SESSION 1 .....                       | 12   |
| ■ AFREXIMBANK PROJECT PREPARATION FACILITY .....            | 13   |
| ■ QUESTION AND ANSWER SESSION 2 .....                       | 15   |
| ■ CLOSING REMARKS .....                                     | 16   |

## **ABBREVIATIONS**

|             |                                    |
|-------------|------------------------------------|
| ABR         | African Business Roundtable        |
| AFC         | Africa Finance Corporation         |
| AfCTA       | Africa Continental Free Trade Area |
| AFREXIMBANK | African Export Import Bank         |
| DFI         | Development Finance Institution    |
| MLA         | Mandated Lead Arranger             |
| SME         | Small to Medium Enterprises        |
| SPV         | Special Purpose Vehicle            |



### The African Business Roundtable (ABR)

The African Business Roundtable (ABR) is Africa's foremost and continent-wide association of business and business leaders. It is an independent, non-partisan, not for profit, private sector funded organisation, committed to fostering African private sector led economic growth and social development in Africa.



### The African Export Import Bank (Afreximbank)

The Bank was established in Abuja, Nigeria in October, 1993 by African Governments, African private and institutional investors as well as non-African financial institutions and private investors for the purpose of financing, promoting and expanding intra-African and extra-African trade.



### About C-Nergy

A full service investment banking firm serving African markets across diverse industries. The company has established a geographical presence in all the primary West African markets, principally Ghana; Nigeria; Liberia and Sierra Leone through strategic partnerships with key financial institutions.



### AMETrade

A leading independent company empowering trade development & investments through the organisation of conferences & trade events, along with complimentary valuable business intelligence reports, capacity building training programmes and digital connect marketing services in African emerging markets.

The African Business Roundtable (ABR) is Africa's foremost and continent-wide association of business and business leaders committed to fostering African private sector led economic growth and social development in Africa. The ABR in partnership with the African Export-Import Bank (Afreximbank), a multilateral financial institution, has created a series of Project Preparation Masterclass webinars.

Through these webinars, ABR members will:

- Appreciate the critical need for proper project preparation
- Be better equipped with the basic principles of project preparation
- Be introduced to key components and processes in the preparation of bankable projects
- Be provided with basic project preparation skills
- Be equipped with a better understanding of project preparation to enhance their ability to engage consultants and advisors to assist in preparing projects
- Be introduced to some of the basic considerations, the needs and expectations of key stakeholders in project preparation

SPEAKERS



**JUSTIN CHINYANTA**  
ABR



**YUSUF DAYA**  
AFREXIMBANK



**NANA AMOTO MENSAH**  
C-NERGY



**Dr. MOHAMED EL-SAHILI**  
ABR



**ZITTO ALFAYO**  
AFREXIMBANK



**MICHAEL COBBLAH**  
C-NERGY

HOSTED BY



SPONSORED BY



ORGANISED BY

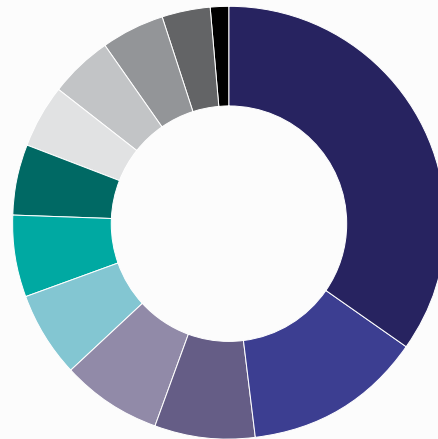


WEBINAR BREAKDOWN

AUDIENCE BREAKDOWN



INDUSTRY BREAKDOWN

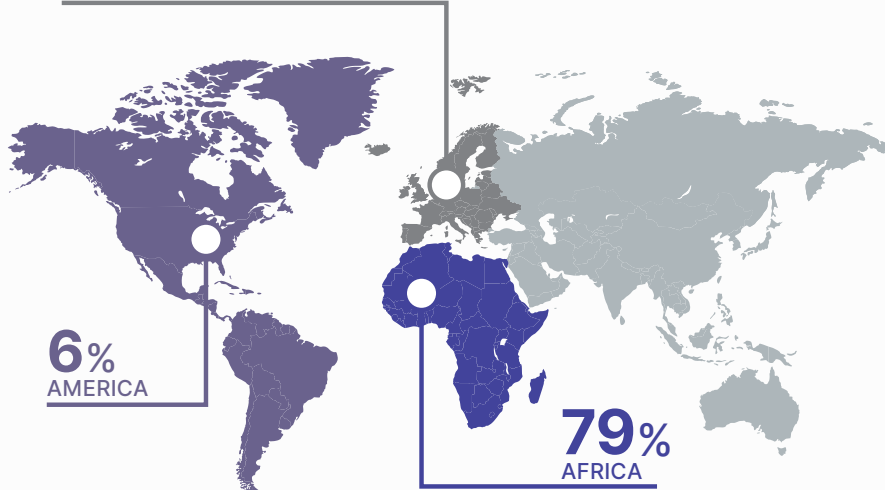


|   |       |
|---|-------|
| BANKS & INVESTMENTS<br>FINANCE ADVISORS | 33,8% |
| CONSTRUCTION & ENGINEERING              | 13,2% |
| OIL & GAS & MINING                      | 7,3%  |
| ENERGY                                  | 7,3%  |
| SERVICE PROVIDERS                       | 6,0%  |
| OTHER                                   | 6,0%  |
| HEALTHCARE & INSURANCE                  | 5,3%  |
| IT                                      | 4,6%  |
| ASSOCIATION/NGO                         | 4,6%  |
| AGRICULTURE                             | 4,6%  |
| REALESTATE                              | 3,3%  |
| PUBLIC SECTOR/<br>GOVERNMENT/PARASTATAL | 1,3%  |

**15%**  
EUROPE

**6%**  
AMERICA

**79%**  
AFRICA



TESTIMONIALS



"I learn a lot on the preparation of projects before presenting to investors and financial institutions"



"The webinar has given me an insight on project preparation, the pitfalls, and where to really concentrate on to be able to prepare a good project document, It also opens up information about how important it is to work with Afrexim bank to successfully sail through."



"It is aligned to the Vision of our entity Development Associates Link International (DALI), We are open to joining the ABR but also share part of our pipeline with Afrexim Bank for discussion and execution, we have over 100 viable projects across Africa."



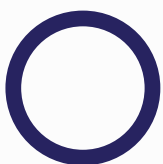
"I liked the on-point discussions that touched at a macro level the investment financing sector."



"Wonderful opportunity discovered."



"Was a very exciting and engaging platform."



"It was such a great session"

KEY TAKE-AWAYS

1. There is a grave skills gap in project preparation in the African private sector especially among SMEs.  
.....
2. There is a considerable funding gap for project financing on the continent to the tune of more than USD8 billion.  
.....
3. Afreximbank is deploying a technology ecosystem, the Africa Trade Gateway to accelerate intra-African trade.  
.....
4. The reputation of the project promoter and other parties such as advisors and consultants is important in order to earn the confidence and interest of investors and financiers.  
.....
5. A sound project concept that is well thought through and subjected to an effective project preparation process translates into a bankable project that can receive funding.  
.....
6. A well prepared project document must engage all stakeholders in the decision value chain in a way that is clear and relevant while incorporating their input and gaining their buy-in.  
.....
7. Spend more time on preparing your project right in a thorough manner as it ultimately reduces your funding turnaround time.  
.....
8. Participants were encouraged to join the on-boarding process onto Afreximbank's Mansa Due Diligence platform.  
.....
9. Participants were urged to join ABR in order to benefit from its services as well as those of its partners.  
.....
10. The next webinar will be on 28 September 2022 and will focus on real life project case studies while drilling down into the specifics of project preparation.  
.....

## KEYNOTE OPENING REMARKS

**JUSTIN CHINYANTA**

Vice President, African Business Roundtable – Southern African Region



- A pan African entrepreneur, banker and lawyer
- In 1992 co-founded and chairs the Loita Group, a leading pan-African investment banking and fintech group.
- Serves as Chief Executive of Mauritius based Loita Capital Partners.
- Former senior officer at Citibank and HSBC Bank's Equator.
- Serves on boards of the New York based Global Center on Cooperative Security, Commonwealth Study Conference Leaders and African Business Roundtable.
- A member of the Prince of Edinburgh's Commonwealth Study Conference Leaders Forum, a Fellow at Harvard University's Weatherhead Center for International Affairs
- He holds an LLB degree from the University of Zambia and a graduate degree in international business transactions and financial law from the Fletcher School at Tufts University in the United States

Mr Chinyanta paid tribute to the ABR President and Chairman Mr Samuel Dossou-Aworet for his efforts and commitment and revitalising ABR and enhancing its role as an effective business collaboration platform. He also commended the President and Chairman of Afreximbank Professor Benedict O. Oramah for his role in promoting regional trade, investment and integration. Afreximbank's sponsorship of the ABR webinar series was lauded as an example of the bank's contribution to the development of the private sector in Africa. Mr Chinyanta noted that the ABR recognised that there is a significant skills gap when it comes to preparing bankable projects on the continent especially among SMEs. He added that the webinar series is a direct response to this challenge among other interventions envisaged.

Mr Chinyanta further explained other areas that the ABR and Afreximbank collaborate under an MOU including the Pan Africa Private Sector Trade and Investment Committee (PAFTRAC) which commissioned the Pan Africa Trade Survey, a tool to support the African Continental Free Trade Area (AfCTA). Other areas highlighted include collaborating to on-board businesses onto the Mansa Due Diligence platform and access to the Pan Africa Payment and Settlement platform.

To further support the aims of this webinar Mr Chinyanta stated several initiatives including providing information on project preparation funds as well as establishing entrepreneurship mentoring programs and business incubation labs. He called on professionals skilled in financing and project preparation to join ABR while urging current members to participate in the next webinar on September 28.



## KEYNOTE OPENING REMARKS

**YUSUF DAYA**

Director AU/AfCFTA Relations and Trade Policy, African Export Import Bank



- Over 20 years in international trade and regional integration.
- Has been with the African Export Import Bank since 2015.
- Joined the bank as Senior Manager Export Development.
- Subsequently appointed as Senior Manager Trade Policy and Market Access tasked with establishing, advancing and maintaining relations with the African Union and the AfCFTA Secretariat and implementing activities related to trade policy and market access issues.
- Appointed Director African Union, AfCFTA Relations and Trade Policy in the Office of the President in January 2021.

Mr Daya opened by expressing Afreximbank's eagerness to learn more about the needs of the private sector in the quest to help implement AfCFTA and achieve the aspirations of Africa's Agenda 2063. He paid tribute to the founding father of both Afreximbank and ABR, the late visionary Dr Babacar Ndiaye. Mr Daya outlined the bank's push to boost intra-African trade, accelerate industrialisation while diversifying African exports and plugging the USD120 billion annual trade finance gap on the continent.

Other ways in which Afreximbank is supporting the private sector to promote intra-African trade include interventions that promote the efficient production of goods and services that can be traded on the continent; addressing institutional barriers to markets; improving logistics and related infrastructure for the efficient movement of goods to market.

Mr Daya also shared that Afreximbank supports the emergence of infrastructure that improves Africa's export competitiveness as part of its Industrialisation and Export Development pillar. Examples include industrial and technology parks as well as export processing zones. He added that the bank is helping new and growing Export Trading Companies by providing critical trade finance such as packing credit, supply chain finance, factoring and export credit insurance.

He stated that Afreximbank, "...will continue to support the provision of liquidity in times of crisis as demonstrated under our Pandemic Trade Impact Mitigation Facility (PATIMFA) and the US\$4 billion Ukraine Crisis Adjustment Trade Financing Programme." The bank has also leveraged technology by creating a digital ecosystem, the African Trade Gateway, comprising among others the Pan African Payments and Settlements Platform, the Mansa Due Diligence Platform as well as trade information and regulatory portals.

INVESTOR'S PERSPECTIVE – HOW READY IS YOUR PROJECT?

**NANA AMOTO MENSAH**

Executive Director, C-ENERGY Global Holdings, Ghana



- C-ENERGY Ghana Limited is wholly owned subsidiary of C-ENERGY Global Holdings (Pty) Limited, an investment banking and advisory services firm registered in South Africa.
- He leads C-ENERGY's technical team, with core responsibility for project/transaction structuring and execution.
- Has over 20 years' experience in raising financing for restructuring, refinancing, mergers and acquisitions, buyouts, expansion and recapitalization with transactions value collectively in excess of US\$ 10 billion.

**Conceptual Framework**

Project preparation is the process of thinking through ideas and concepts in order to generate bankable and financially sustainable activities. The process seeks to communicate the dreams, ideas and intuition of the promoter in a synchronised form justifying funding while covering legal, technical, economic/commercial and financial underpinnings and implications of the project.

**Project Documents**

These are a stream of interrelated communication materials within the idea generation and project implementation value chain reflecting the transition from the abstract to implementable bankable income generating activities. These include concept notes, feasibility reports, business plans, information and placement memoranda, prospectuses, pitch decks, teasers etc.

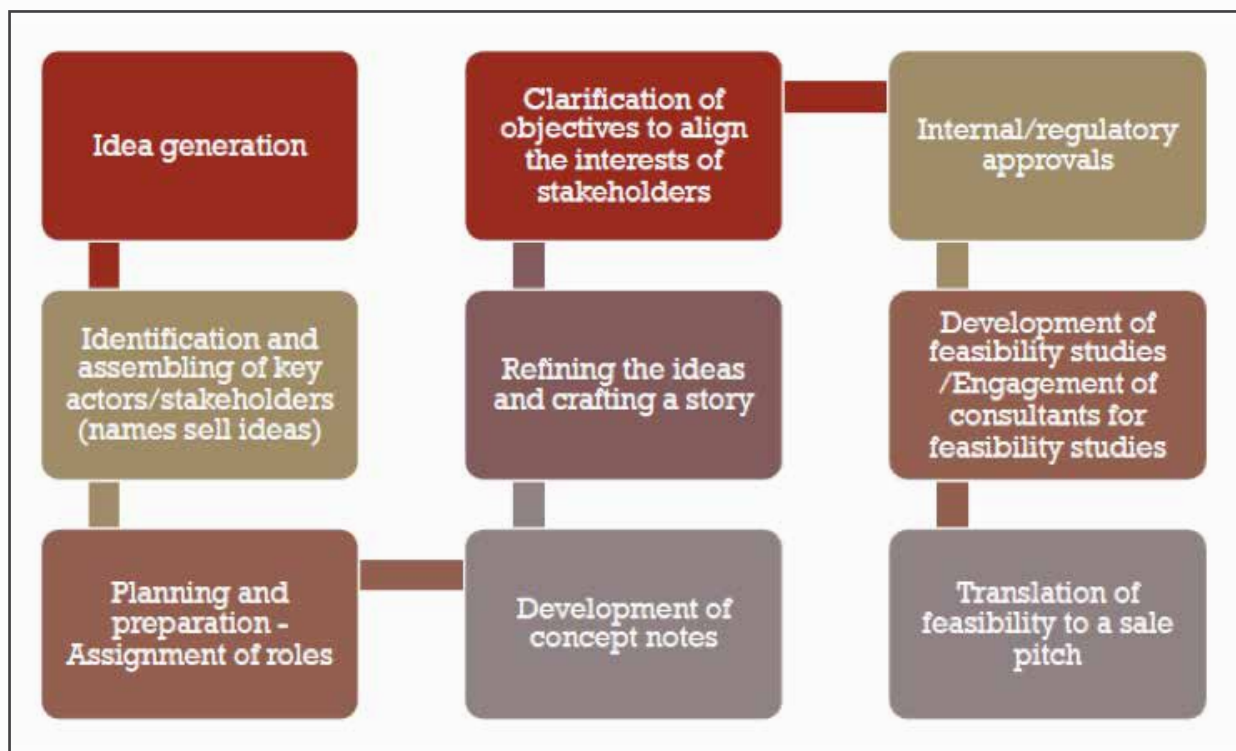
| DOCUMENT   | DOCUMENT COMPONENTS  |
|--|--|
| <p><b>Feasibility Reports/Studies</b><br/>An assessment of the practicality of a project or system.</p>  | <p><i>CONTAINS:</i></p> <ul style="list-style-type: none"> <li>• Technical/Operational part</li> <li>• Economic/Commercial part</li> <li>• Legal part</li> <li>• Financial part</li> </ul>   |
| <p><b>Business Plan</b><br/>A formal written document containing the goals of a business, the methods for attaining those goals, and the timeframe for the achievement of the goals.</p>             | <p><i>CONTAINS:</i></p> <ul style="list-style-type: none"> <li>• Legal Status of the business</li> <li>• Operating environment</li> <li>• Organisational plan</li> <li>• Operating plan</li> <li>• Marketing plan</li> <li>• Financing plan</li> </ul> |
| <p><b>Sale/Pitch Documents</b><br/>Transform the facts in the feasibility studies and business plans into plans that attract the interest of third parties such as technical/financial partners.</p> | <p><i>INCLUDES:</i></p> <ul style="list-style-type: none"> <li>• Information/Placement Memoranda</li> <li>• Prospectuses</li> <li>• Pitch decks</li> <li>• Teasers</li> </ul>  |

INVESTOR'S PERSPECTIVE – HOW READY IS YOUR PROJECT?

**Importance of Project Preparation**

Effective project preparation allows to manage and control risks as they are largely foreseen, considered and contingencies put in place. The process also helps improve conceptualisation and planning which makes eventual project implementation smoother. This is especially important in the competitive market place for investment and resources allowing only viable projects to obtain funding. Successful project preparation also makes it easier to identify the most relevant project stakeholders paving the way for the project promoter to engage and meet their expectations fully for the success of the project. With all these benefits it becomes easier to predict likely outcomes of a project and thus it is also easier to communicate the project idea succinctly. Overall effective project preparation serves to reduce your funding turnaround time.

**Project Preparation Cycle**



Source: C-ENERGY Presentation – 27 July 2022

QUESTION AND ANSWER SESSION 1

**How do I find a good name or person to prepare my project documents?**

*Service providers include investment banking firms, consulting firms as well as preferred/recommended advisors of project preparation funds at DFIs such as Afreximbank.*

**Project preparation can be expensive especially for a business start-up. How can a start-up meet the cost in order to meet the high standards of financiers?**

*It is important to ensure that at the beginning of the project preparation process you establish a compelling concept note in order to gain the support of project preparation funders. Joining ABR will also allow you to engage with members who provide such services for example C-ENERGY.*

**Which other project preparation funds can project promoters approach for funding?**

*Development Finance Institutions such as African Development Bank and Development Bank of Southern Africa.*

**In cases where a feasibility report may not be relevant, what other format may serve the same purpose?**

*Depending on the situation and project specifics a promoter may proceed straight to the business plan and information memorandum from the concept note.*

**Entrepreneurs find it difficult to access letters of credit from banks owing to lack of guarantees how can Afreximbank assist those with pending investors?**

*Afreximbank as the leading trade financier on the continent has several structures to help with this however the specific solution would depend on the nature of the project and related circumstances. It is therefore necessary to engage with Afreximbank officials directly to establish the best course of action.*

**What is the most important step in the project preparation cycle?**

*The concept note is the most critical as it is the formative phase of the whole idea and project.*

## AFREXIMBANK PROJECT PREPARATION FACILITY

**ZITTO ALFAYO**

Head of Project Preparation, African Export Import Bank



- A career development banker with over 20 years' experience across the project finance value chain
- Expertise in project development, financial advisory, corporate and project finance and structured trade finance
- Successfully led and closed transactions worth over US\$ 20 billion.
- In his current role as Head of Project Preparation at Afreximbank, he leads Afreximbank's upstream interventions aimed at working with public and private sector developers to de-risk projects and progress them to bankability.

**Introduction and Overview**

Project preparation is very strategic towards transforming the continent's economic development. There are a lot of opportunities and transactions on the continent that require financing however the biggest challenge is not lack of funding with over 100 trillion dollars of financing available globally. Unfortunately this financing sits at the back end of the value chain right next to transaction support. This means that to access available financing project promoters have to develop the project's bankability before financiers consider taking the transaction forward. Only one in 10 transactions get to financial close on the continent and the key challenge occurs at the feasibility stage with only 20 percent of projects passing this stage towards financial close.

Project promoters continue to lack information on which institutions to approach for project preparation support. The second challenge identified is the prohibitive cost of engaging the appropriate project preparation expertise with an estimated continental requirement of more than USD8 billion dollars to fund bankability studies. The third constraint is lack of capacity in the private sector to engage with key public sector stakeholders. With a project preparation facility that addresses these key challenges there is a marked increase in projects that reach financial close. The impact of the Afreximbank Project Preparation facility aptly demonstrates this project passing the feasibility stage rising from 20% to between 60 and 70% as well as projects reaching financial close increasing from 10% to between 40 and 50%.

Getting more projects to financial close will deliver more infrastructure development for the continent which stimulates industrialisation and supports export development. Project preparation facilities are therefore trade enablers as they help de-risk critical supportive projects and shorten the time it takes to bring vital projects to market.

**Afreximbank Project Preparation Facility**

The facility serves as a trade enabling catalytical tool aimed at supporting regional bodies, governments and corporates to close infrastructure and investment gaps. This is achieved through assistance in the preparation of bankability & feasibility studies, procurement of transaction advisors, procurement of project managers and support with fundraising & marketing costs.

AFREXIMBANK PROJECT PREPARATION FACILITY

Project promoters looking to access the Afreximbank project preparation facility are expected to have undertaken an assessment of the enabling environment and project definition to be eligible. While the facility is open to governments, private sector, PPPs, greenfield/brownfield projects and cross border/in-country projects it focusses on trade enabling infrastructure, manufacturing and service exports. The facility is even open to offshore investors looking to invest on the continent. Qualifying projects must promote intra-African trade, enhance connectivity and support competitiveness while embedding supply chain resiliency. The minimum investment cost eligible for support is USD30 million although waivers may be granted for special cases depending on development impact. Projects accepted onto the facility must be run by teams with a successful track record of developing projects and be prepared to invest at least 30% of the project preparation cost as a demonstration of commitment.



Source: Afreximbank Presentation – 27 July 2022

The facility is very competitively priced with a single digit interest rate charge. Afreximbank will serve as mandated lead arranger bringing its status as the continent’s best MLA according to Bloomberg thus attracting top tier investors to projects. Afreximbank also has on file over five hundred globally renowned consultants with a credible track record of delivering on projects. While most of these are offshore consultants, Afreximbank is ensuring that they work with local consultants to build capacity on the continent.

**APPF: Financing Structure & Key Terms / Conditions**

|                        |   |
|------------------------|---|
| Financial Instrument   | Repayable Bullet Term Loan  |
| Amount                 | Up to 70% of the project preparation cost capped at US\$ 2.0 million  |
| Currency               | US\$ (or EUR equivalent)  |
| Maturity Profile       | Up to 3 years from first disbursement   |
| Mandated Lead Arranger | Afreximbank   |
| Source(s) of Repayment | Equity Investors;<br>Debt Financiers; or<br>Any other source agreed upon between the Bank and the Sponsor                                   |
| Credit Enhancement     | Personal Guarantee of the Sponsors;<br>Corporate Guarantee; or<br>Any other credit enhancement agreed upon between the Bank and the Sponsor |

Source: Afreximbank Presentation – 27 July 2022

The Afreximbank value proposition also includes decades of rich experience in Africa that allows the development of well-structured projects that can effectively attract equity investment and debt financing. Furthermore the diverse capabilities within Afreximbank allow it to provide clients with a wholistic solution encompassing financial advisory, senior debt facilities, syndication and credit enhancement. Notable projects supported by the project preparation facility include a titanium beneficiation plant in South Africa, a 100 bed tertiary hospital in Liberia and an integrated banana plantation in Cameroon with export capacity.

## QUESTION AND ANSWER SESSION 2

**Why is the minimum investment cost set at USD30 million considering there are a lot of SMEs in Africa?**

*Afreximbank is chasing impact in light of limited resources hence a minimum had to be set in order to achieve those impact objectives. Projects below this threshold with an outsize impact and/or with potential to scale the investment in the future.*

**Please speak to instruments such as syndicated financing assuming we have a blend or financiers or instruments.**

*While Afreximbank can only provide a maximum of USD2 million in project preparation financing for projects that require more support the bank invites its partners to provide additional funding. These include AfDB, Africa 50, AFC, DBSA, Islamic Development Bank etc. Some come in with grants, some with blended finance and the parties work together through a co-financing agreement.*

**What other factors may affect Afreximbank's ability to support a project once all boxes are ticked?**

*In some cases a developer may not be interested in the market assessment outcome of the project and the bank may seek an alternative or certain adverse nuances emerge from the due diligence process.*

**Can Afreximbank support an agro-processing project with an investment cost of USD2 million?**

*While the bank can only support projects from a minimum value of USD5 million it can call on its intermediary partners to consider providing funding for projects below this threshold.*

**How does Afreximbank protect the interests of promoters when it is the MLA?**

*The bank's project preparation facility team sits on the same side of the table as the developer/sponsor and the advantage is that the team knows the risk appetite of the bank which increases the chances of getting the project financed.*

**What sets the Afreximbank Project Preparation Facility apart from other facilities?**

*The bank's long track record and experience on the continent gives it an edge. Furthermore the focus on intra-African trade and participation beyond trade enabling infrastructure gives Afreximbank scope for greater impact. Lastly the attractive commercial loan terms also give comfort to promoters as they retain undiluted equity in their projects.*

**How does the Afreximbank Project Preparation Facility work with other similar facilities?**

*The bank undertakes smart partnerships on the technical and financial aspects. For example Afreximbank works with in-country partners to pool resources and create local project preparation facilities. The bank also works with partners on platforms such as the Africa Investment Forum.*

## CLOSING REMARKS

**Dr. MOHAMED EL-SAHILI**

Country Director, African Business Roundtable, Zambia



- Chief Executive/Vision Officer of the SF Group of companies comprising Medland Hospital, Celine Real Estate, F&A Real Estate and Pharmaland.
- A Doctor by profession as well as an entrepreneur, he also serves as a Board Member and Vice President to the American Chamber of Commerce Zambia, Board Member to the Corporate Council on Africa, Board Member to the Africa Healthcare Federation, Board Member to the Baobab College Zambia,
- Member & Country Representative at the African Business Roundtable and Country Scout to the Flying Doctors.

Dr El-Sahili thanked the speakers, organisers and attendees for participating. He emphasized the importance of acquiring project preparation skills in order to attract interest and funding from investors and financiers. While acknowledging the limited time provided by a webinar versus the information that needs to be shared Dr El-Sahili announced that there will be a user friendly guide based on this webinar series to be made available to members.

The next webinar is slated for 28 September 2022 with a special focus on case studies of real projects while drilling down on specificities in project preparation. He encouraged participants to register their interest by contacting the ABR Secretariat via email to [info@abrnetwork.org](mailto:info@abrnetwork.org) or to the Executive Secretary – [sam.ayodele@abrnetwork.org](mailto:sam.ayodele@abrnetwork.org).

## JOIN US, WE ARE

- *Pan African Business Association facilitating sustainable development of Africa's private sector*
- *Promoting Investments and facilitating funding of your project*
- *Your advocate for a conducive business environment in Africa*

### CONTACT US

Tel: [+234 816 2320 139](tel:+2348162320139), [+234 708 222 2196](tel:+2347082222196) | Email: [info@abrnetwork.org](mailto:info@abrnetwork.org) | Website: [www.abrnetwork.org](http://www.abrnetwork.org)

