



State of the Private Infrastructure in Africa

Survey results

November 2020

Respondents

68 Respondents / **54** Institutions dominated by **Developers, IPPs, PE Funds, Investors** and **DFIs**

\$79 billion invested, and **\$48 billion** dry powder

Dry Powder

Developers: < \$ 50 m
PE Funds: \$ 50 – 500 m
DFIs: > \$ 500 m

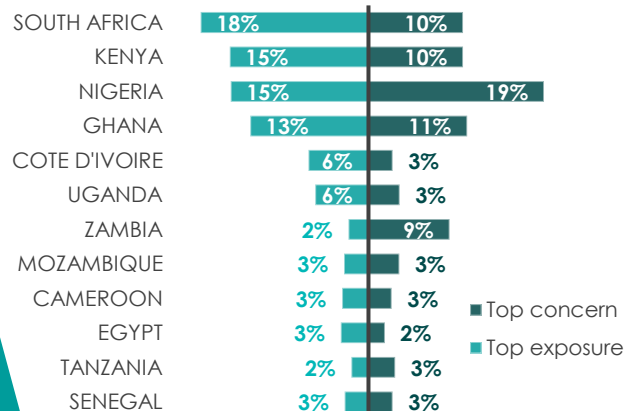
Dominance of **Development Projects**

Dominance of **Renewable Energy, Energy Access and Other Power**

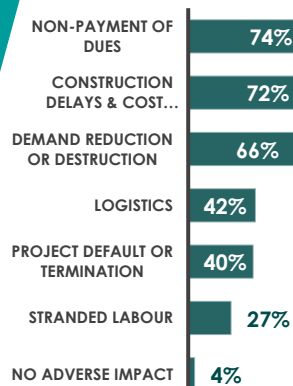
Followed by **Transport, Water, ICT & Healthcare**

Their Concerns

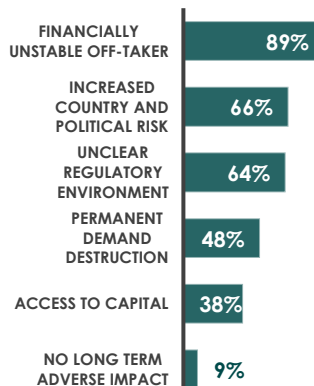
Main countries of interest



Current concerns



Long-term concerns



Role of AfIDA

Protection

1. **Drive Consensus** between Private & Public stakeholders
1. **Working Groups**
3. **Stimulus** from domestic & international sources

Projection

1. **Sector reform**
2. **Risk mitigation** at early stage development risk
3. **Regional tender framework**
4. **Risk subsidization**

Partnerships

1. **Capacity Building** – public & private
2. **Benchmarking** – project development, policies, tariffs
3. **Domestic Capital Mobilization**

For the next 20 years, one in every two children born in the world will most likely be African born

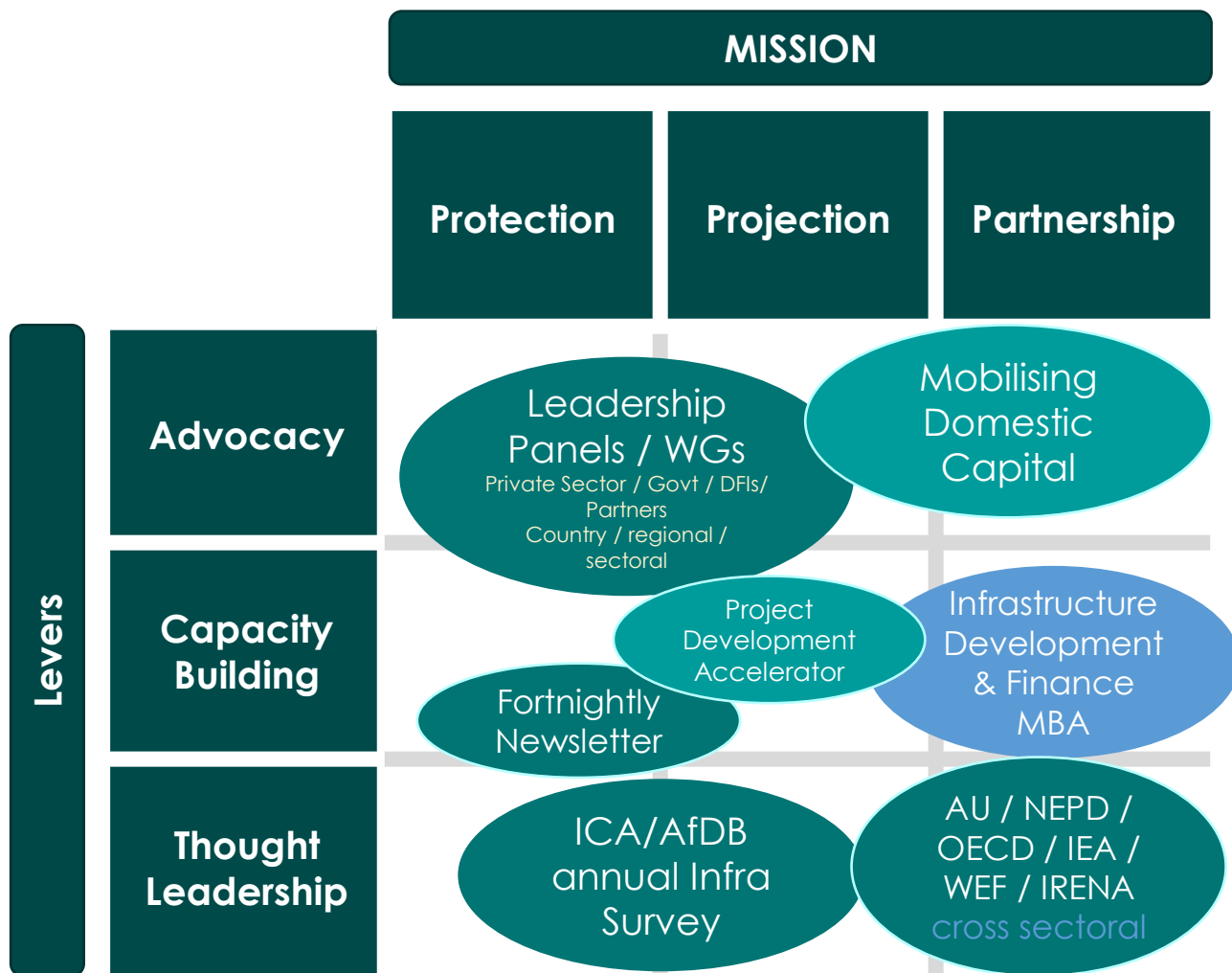
More than ever, there is a need for development of **affordable** and **resilient** infrastructure in Africa which can **scale** to support its economic and population growth

In addition to addressing the **current challenges** to private infrastructure investments

AfIDA proposes to be the **platform** for private sector leaders to drive **consensus** between private sector, development finance, governments, partner nations

The principle modalities are **collaboration, coordination** and **cross-pollination**

Through a robust development **Narrative** agreed by all stakeholders



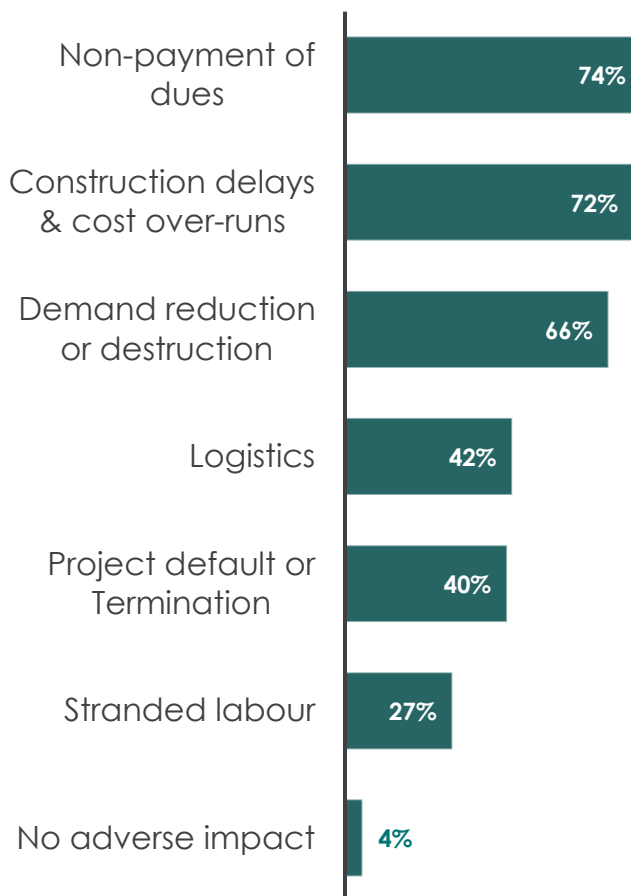
NON-PAYMENT OF DUES is the main short-term concern following Co-19

The current crisis increases the uncertainty around DEMAND, CONSTRUCTIONS DELAYS and COST OVER-RUNS

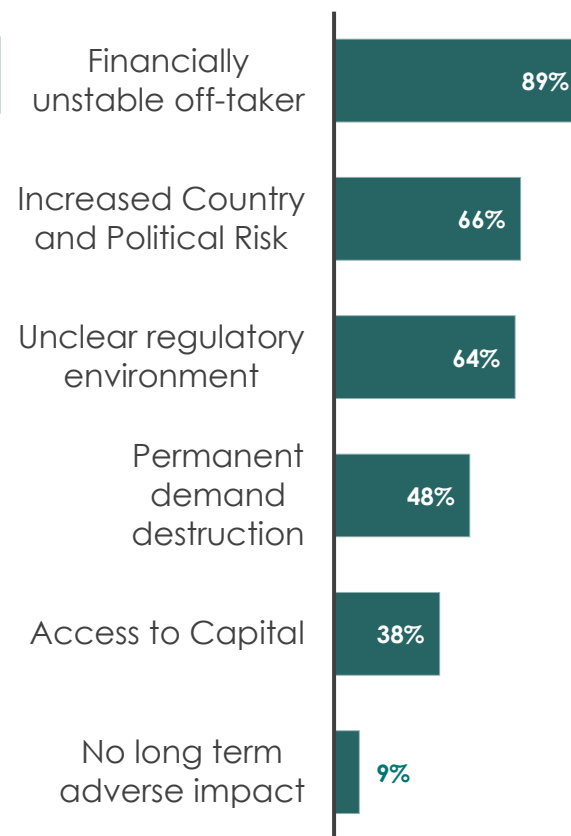
On the long run, members are mostly worried by off-takers' FINANCIAL INSTABILITY.

Increased POLITICAL RISK and unclear REGULATORY ENVIRONMENT are also major concerns.

Current concerns



Long-term concerns



■ % respondents ranking as top 3 concern

Many respondents call for AfIDA to drive the consensus around the **NARRATIVE OF THE PRIVATE SECTOR**

As many agree that AfIDA should organize **WORKING GROUPS of the private sector to engage with the public sector**

Aggregate score of suggestions (out of 3)

Drive a consensus on the narrative between the private sector and the wider stakeholder group

2.3

Convene working groups of the private sector to engage with Governments, partner countries and Development Finance institutions

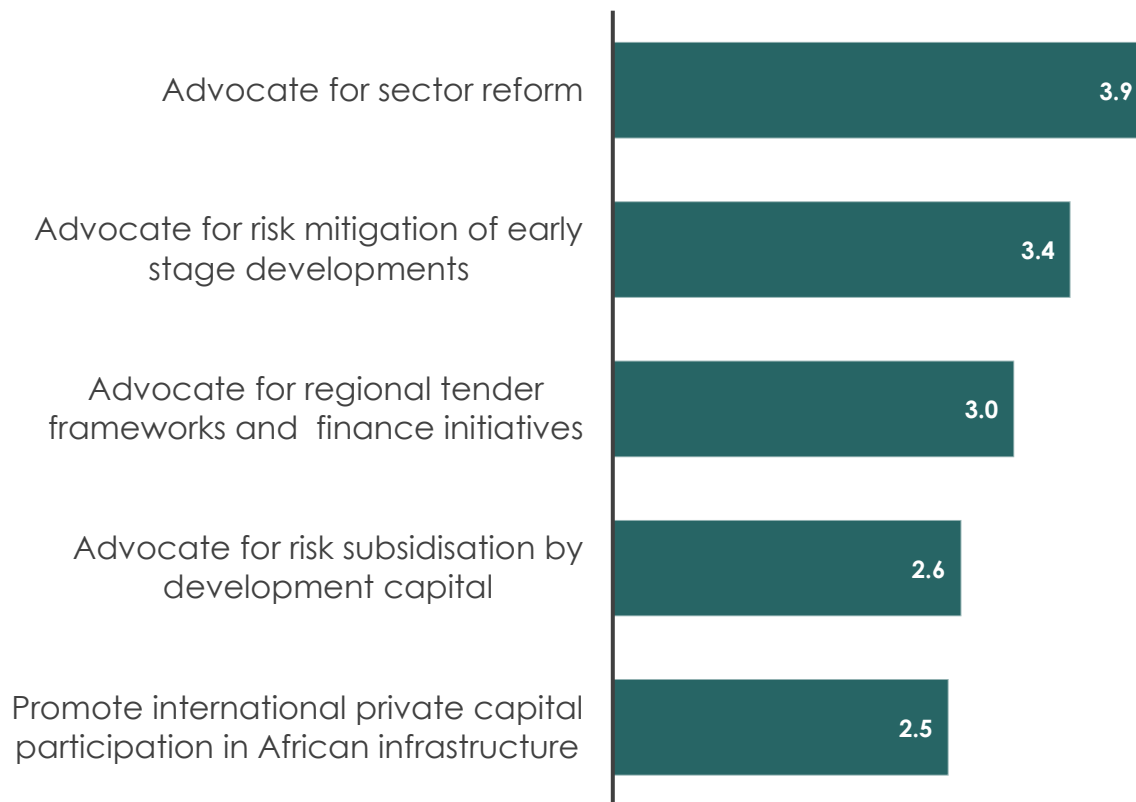
2.3

Advocate for international and domestic stimulus targeted at stabilising private infrastructure

1.6

Respondents would like AfIDA to focus on advocating for SECTOR REFORM (e.g. cost reflective tariffs and privatisation of off-takers) and on RISK MITIGATION of early stage developments

Aggregate score of suggestions (out of 5)

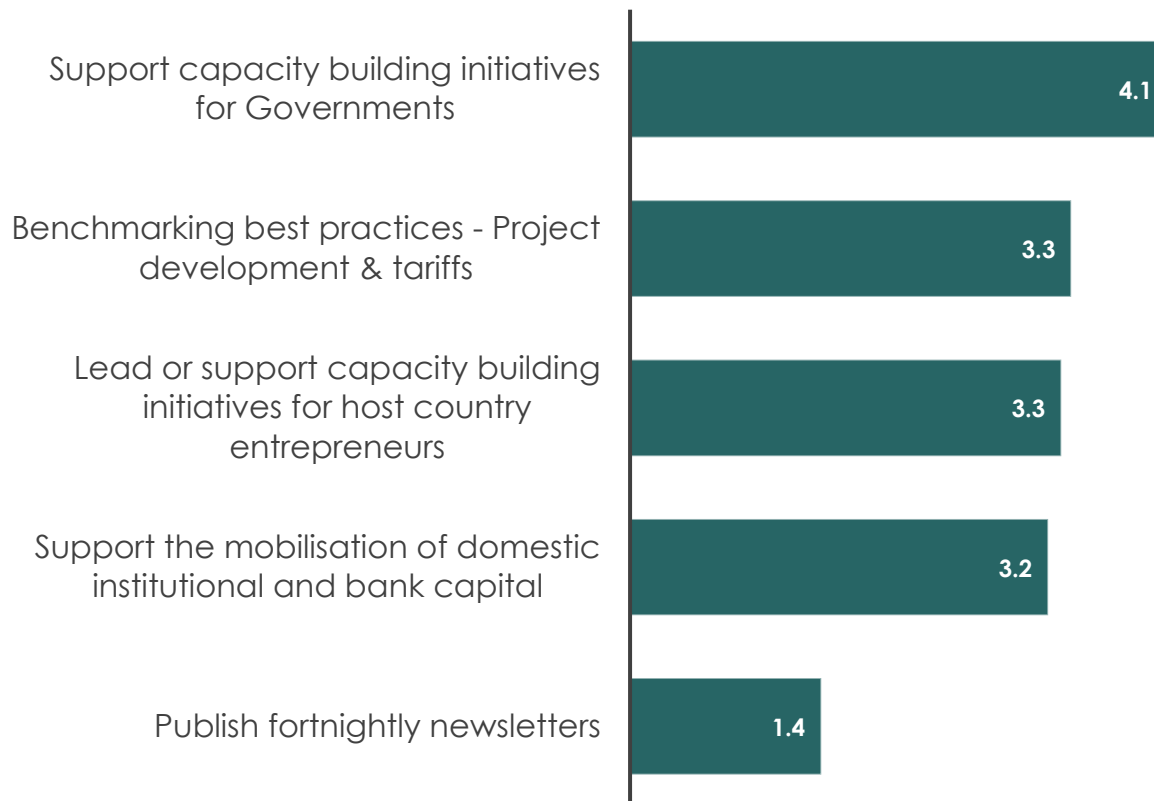


Many respondents expect AfIDA to support
CAPACITY BUILDING FOR GOVERNMENTS

This is followed by

BENCHMARKING of project development best practices, HOST COUNTRY ENTREPRENEURS, and mobilisation of DOMESTIC CAPITAL

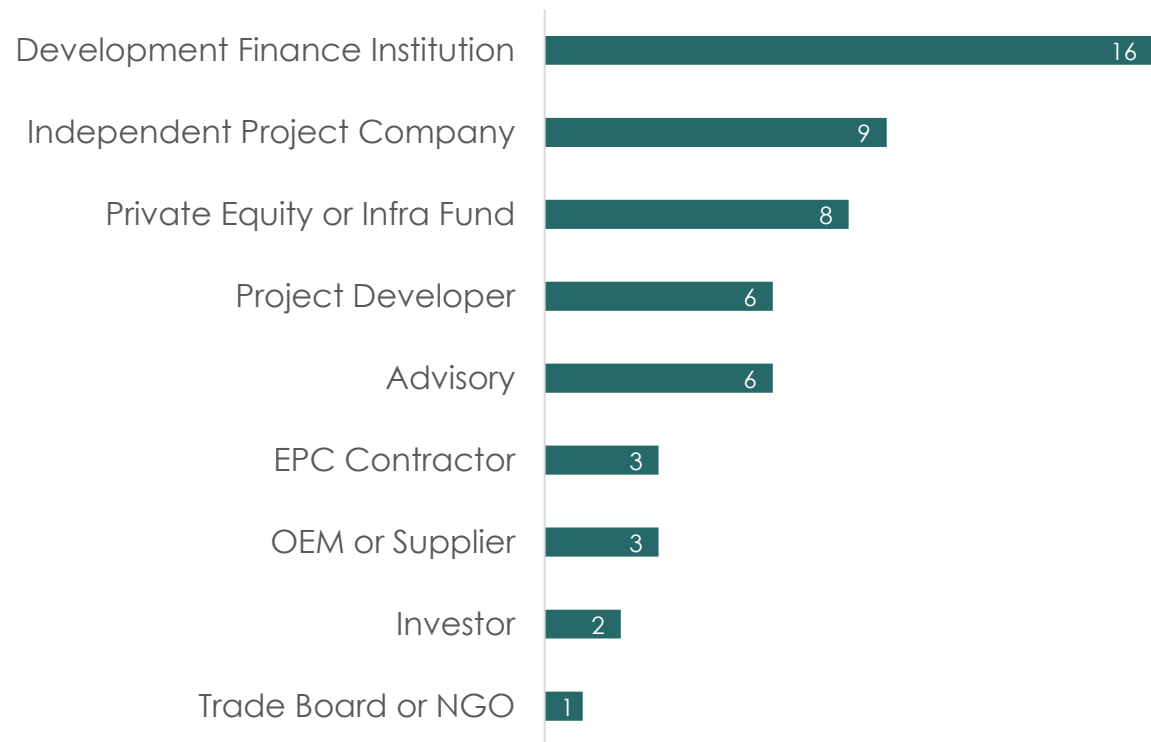
Aggregate score of suggestions (out of 5)



Respondents mostly describe themselves as:

- **Development Finance Institutions**
- **Independent Project Companies**
- **PE/Fund managers**

Primary nature of your organisation's business in African Infrastructure

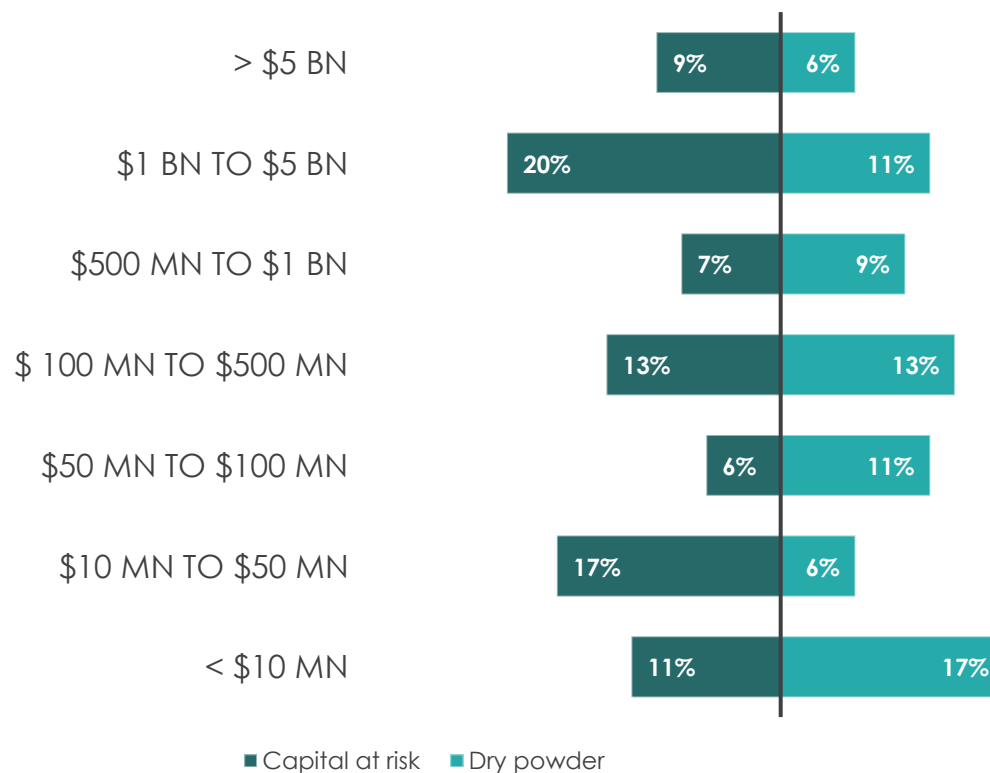


Profile of Survey Respondents

**Estimated US\$78.6 bn
at risk in African
infrastructure**

**Estimated \$48.4 bn in
'dry powder'**

Capital at risk in African infra vs dry powder

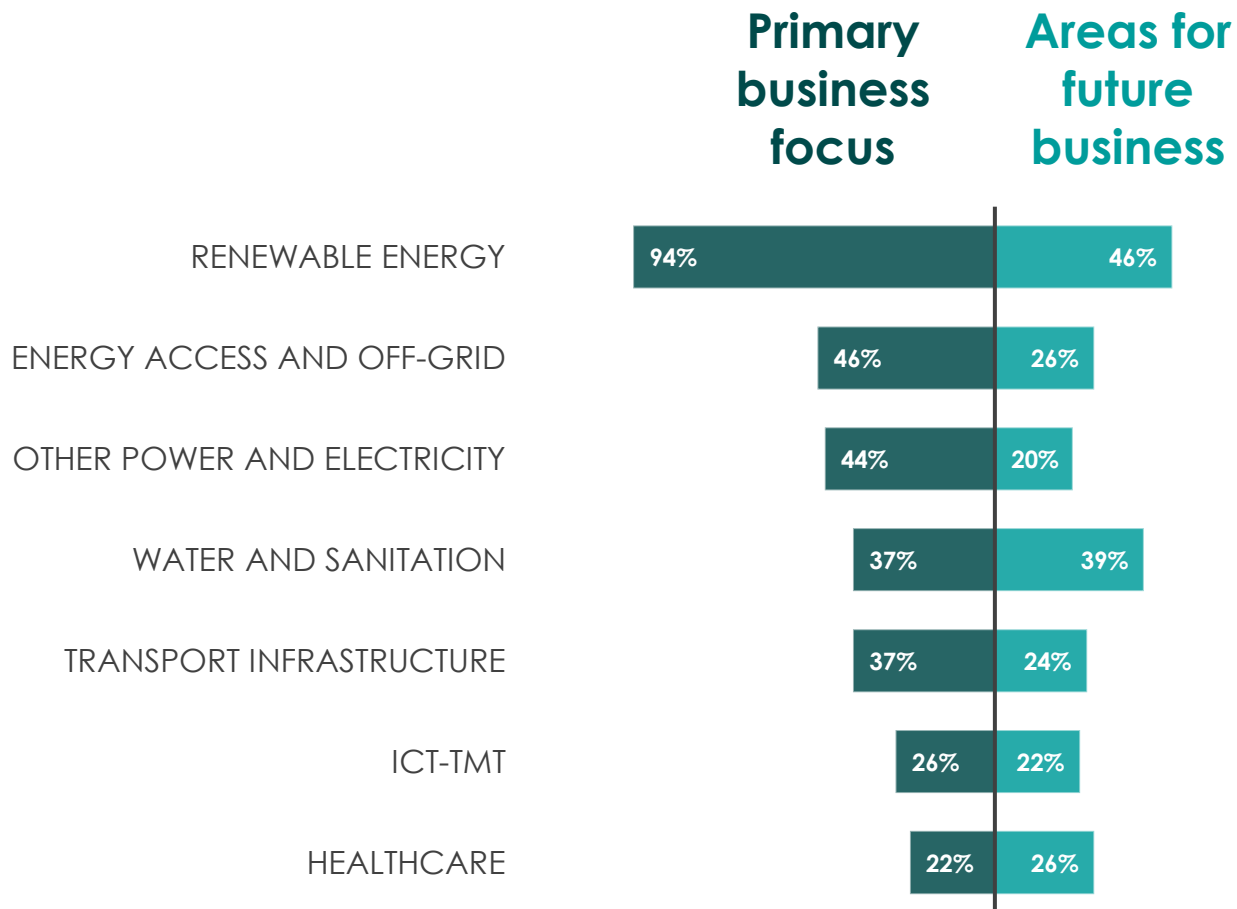


RENEWABLE ENERGY is the main business focus and prospect industry

Overall, ENERGY and its subsectors attracts the most capital

This is followed by WATER AND SANITATION

Prospective areas are more diverse

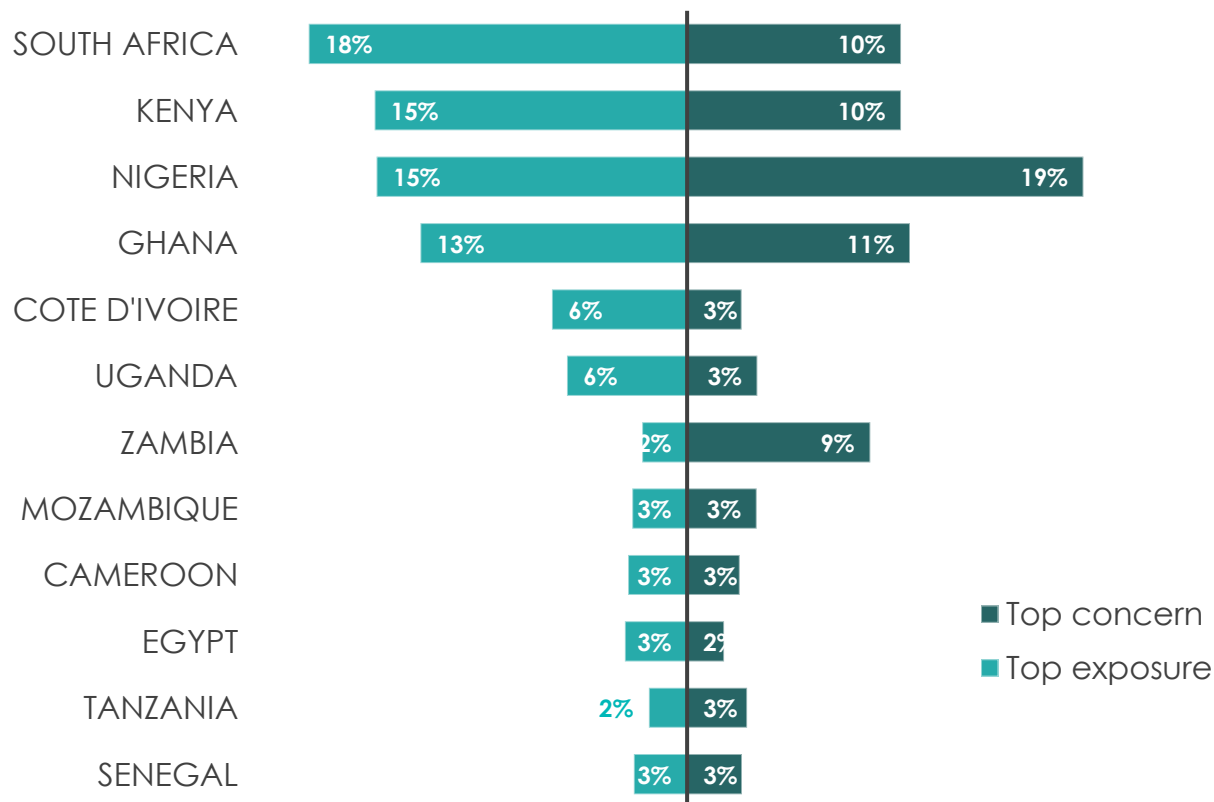


SOUTH AFRICA is the overall main destination country for infrastructure projects

KENYA and NIGERIA are the next top exposures of the respondents

NIGERIA is the main area of concern mentioned by respondents, followed by KENYA, GHANA, SOUTH AFRICA and ZAMBIA

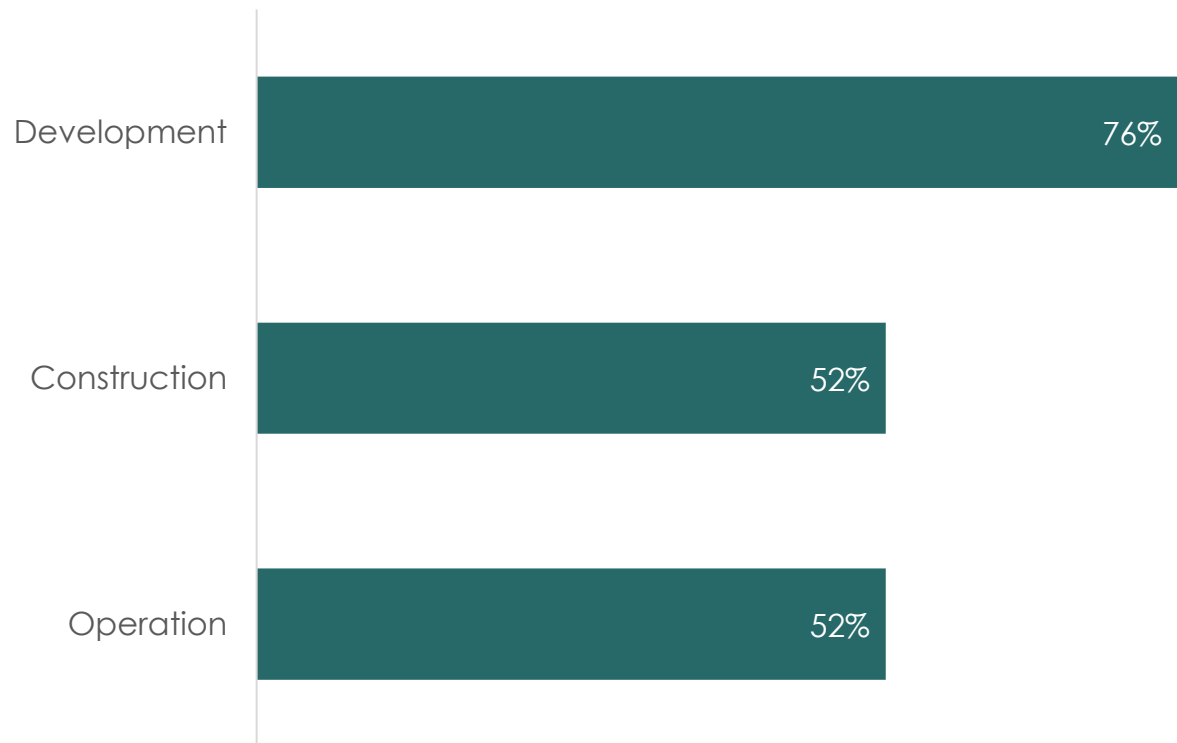
Main countries of interest



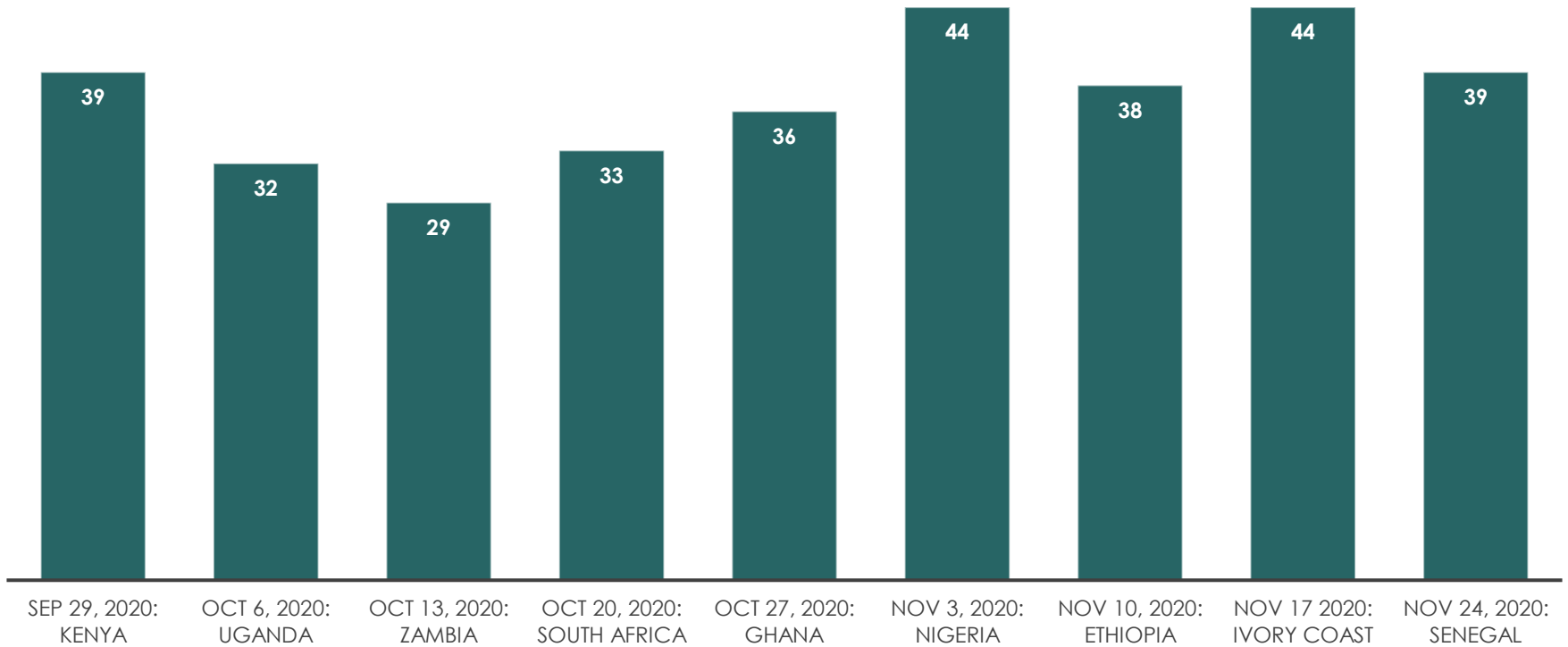
Respondents have projects across project life-cycle

*There is however a dominance of **DEVELOPMENT** stage Projects*

Stage of respondents' projects in African infrastructure



Respondents' interest



Respondent institutions

- Actis
- Africa Finance Corporation
- Africa50
- African Development Bank
- African Trade Insurance Agency
- AllM
- AMDA
- AP Møller Capital
- ARM-Harith Infrastructure
- Azura Power
- Baker McKenzie
- Berkeley Energy
- Bowmans
- Camco
- CDC Group
- Climate Fund Managers
- CPCS
- DBSA
- DEG
- DFC
- EDFIMC
- eleQtra Inc.
- Enel
- Engie
- First Solar
- FMO
- G. Elias & Co.
- Gridworks
- GuarantCo
- HSF
- IFC
- InfraCo Africa
- Inspired Evolution
- JA Solar
- The Jefferson Group
- KEB Hana Bank
- Konexa
- Lekela
- MIGA, World Bank Group
- Nedbank
- Ninety-One
- PAIX Data Centres
- Proton Energy
- REH
- RVE.SOL S.A.
- Sosai RE Company
- Sterling and Wilson
- TCX
- Tesla
- Themis
- Trade & Development Bank
- Trinity International
- Tulu Moye Geothermal
- Voltalia

How may we help you?

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