

PAFO

Executive Meeting

Cape Town

Powering Africa: The Financial Options

Hôtel le Vendôme - 11 to 13 November 2009

PAFO provides an opportunity for government officials and industry executives to pool their expertise and explore financial solutions to Africa's power shortages.

Following two successful meetings in Mombasa in 2007 and Mauritius in 2008, **PAFO** Cape Town discusses what the post-2009 financial landscape will look like and how this will impact African power projects.

Public officials & utility executives (to date)

Jeannine Mabunda Lioko, Minister of Public Enterprises, DRC

Ndiritu Muriithi, Assistant Minister for Industrialization, Kenya

Gary Akpobire, Chairman, Delta Integrated Development Programme, Nigeria

Morgan Sithole, Chief Advisor, **ESKOM**

Munzila Jackson Dodão, Principal Adviser, Ministry of Energy, Angola

Teza Bila, Counsellor, Ministry of Public Enterprises, DRC

Nana Mungiele, Counsellor, Ministry of Public Enterprises, DRC

Mbulelo Ncetezo, Executive Manager **NERSA**, South Africa

Muyenga Muyenga, Head: Strategic Support Services, **NamPower**, Namibia

Nicolas Muhiya Lumbu, Executive Director of Finance, **SNEL**, DRC

Additional participants are listed overleaf.

PAFO executive dialogue

PAFO brings together government, utilities, developers, financiers & advisors to discuss how Africa's power sector can improve access to financial resources and increase the efficient use of existing cash flows.

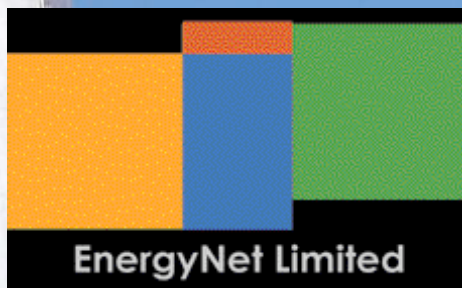
The **PAFO** executive dialogue encourages high level discussions and interaction by inviting the participants to respond to questions that the power industry has identified as essential for its development.

How to finance power expansion in Africa

Options for IPPs • Options for state utilities • Costing environmentally sustainable energy

Participants will be invited to consider models of successful African power deals from negotiation to completion: How were they financed? What are the key factors that made them successful? Can this help to bring other projects forward?

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Past PAFO participants

Botswana • The Western Power Corridor Company • **Cameroon** • Electricity Development Corporation • **China** • Sinohydro Corporation • **Democratic Republic of the Congo** • Société Nationale d'Electricité • **France** • Primafrance Systems • Proparco • **Germany** • DEG • KfW • **Kenya** • Aeolus • Anjarwalla & Khanna Advocates • Barclays • Energy Regulatory Commission • GE Energy • Industrial Promotion Services • International Finance Corporation • KenGen • Kenya Power & Lighting Company • Ministry for Energy • Stanbic Bank Kenya • TransCentury • Triton Petroleum • **Madagascar** • Hydelec • **Mauritius** • Central Electricity Board • JPMorgan ClimateCare • Standard Bank Mauritius • Sustainomics • The Mauritius Commercial Bank • University of Mauritius • **Mozambique** • National Fund for Energy • **Namibia** • Ministry of Finance • Ministry of Mines & Energy • NamPower • **Netherlands** • FMO • **Nigeria** • Delta Integrated Development Programme • Entec Power & Utilities Company • KING & Co • Nigerian Electricity Regulatory Commission • Oceanic Bank International • Okonjo & Okonjo • Stanbic IBTC Bank • **South Africa** • ABSACapital • African Infrastructure Investment Managers • DelArz Projects • Department of Public Enterprises • DBSA • Eskom • European Investment Bank • Fieldstone Africa • Harith Fund Managers • Hewlett Foundation • Investec Capital Markets • J.P. Morgan • KfW • McKinsey Co • Nedbank Capital • Old Mutual Investment Group • Powertel • SADC Banking Association • Saha International • Sasol • Siwendu & Partners • South African Treasury • The Standard Bank of South Africa • University of Cape Town • Webber Wentzel • **Spain** • Solarpack • **Tanzania** • Artumas • Energy and Water Utilities Regulatory Authority • Investment Climate Facility for Africa • Stanbic Bank • TANESCO • **Tunisia** • African Development Bank • **Uganda** • Ministry of State for Finance, Planning & Economic Development • Rural Electrification Agency • Aggreko International • **United Kingdom** • Aldwych International • Barclays Capital • Climate Change Capital • DLA Piper • EcoSecurities • Empower • Frontier Markets Fund Managers • **United States of America** • Hinton & Williams • Nexant • TAQA • The World Bank • USAID • **Zambia** • Enfin Solutions

Confirmed 2009 PAFO participants (to date)

Ndiritu Muriithi, Assistant Minister for Industrialization, Kenya
Michael Harrington Associate, **Actis**, United Kingdom
Alasdair Maclay, Investment Principal, **Actis**, United Kingdom
Thalia Griffiths, News Editor, **African Energy**, United Kingdom
Virginie Dago, Investment Officer, **Agence Française de Développement**, South Africa
Chris Davison, Business Development Manager - Southern Africa, **Aggreko Energy Rental**
Robin James, Director - Africa South, **Aggreko International Projects**, Dubai
Alexandre Ribeiro Ferreira, Mozambique Manger, **Camargo Corrêa**, Mozambique
Martyn Davies, Executive Director, **Centre for Chinese Studies**, South Africa
Stephan Diefenthal, Vice President New Business Africa, **DEG**, Germany
Gary Akpobire, Chairman, **Delta Integrated Development Programme**, Nigeria
Mark Pickering, Regional Director South Africa, **Empower**, South Africa
Fiona Thompson, **Energy Consultant**, United Kingdom
Andrew Kamanga, Managing Director, **Enfin Solutions**, Zambia
Norman Ndaba, Director for Power & Utilities, **Ernst & Young**, South Africa
Tino Espinheira, Manager: Nuclear Project Development, **ESKOM**, South Africa
Vickie Govender, Chief Legal Advisor, **ESKOM**, South Africa
Glen Sean Heinrich, Chief Advisor, **ESKOM**, South Africa
Ismail Lambat, Manager, **ESKOM**, South Africa
Morgan Sithole, Chief Advisor, **ESKOM**, South Africa
David White, Counsellor, **European Investment Bank**
Jonathan Berman, Managing Director FIAM, **Fieldstone**
Clive Ferreira, Chairman, **Fieldstone Africa**, South Africa
Forbes Padayachee, Managing Director, **Fieldstone Africa**, South Africa
Vincent Perrot, Financial Advisor, **GDF SUEZ Energy Southern Africa**, South Africa
Egideo Leite, Executive Board Member, **Hidroeléctrica de Mphanda Nkuwa**, Mozambique
Richard Avery, Project Developer, **InfraCo Management Services**, United Kingdom
Charles Mahanda, Assistant Director of Industries, **Ministry of Industrialization**, Kenya
Teza Bila, Counsellor, **Ministry of Public Enterprises**, DRC
Nana Mungiele, Counsellor, **Ministry of Public Enterprises**, DRC

Muyenga Muyenga, Head: Strategic Support Services, **NamPower**, Namibia

Gerrit Kruyswijk, Principal, **Nedbank Capital**, South Africa

Sakkie Leimecke, Principal, **Nedbank Capital**, South Africa

Mbulelo Ncetezo, Executive Manager **NERSA**, South Africa

Sibusiso Zungu, Senior Engineer, **NERSA**, South Africa

Anupam Jain, Petroleum Engineering Analyst, **New African Global Energy**, South Africa

Muhiya Lumbu, Executive Director of Finance, **SNEL**, DRC

Waku Ekwi Mapuata, Director of Research and Development, **SNEL**, DRC

Leon Muheto, Director & Advisor of the Board of Directors, **SNEL**, DRC

Kalongoshi Shongo, Divisional Manager External Financing and Resources, **SNEL**, DRC

Michel Caubet, Consultant, **SOFRECO**, France

Alastair Campbell, Director Project Finance, **Standard Bank**, South Africa

Greg Babaya, Director Project Finance, **Standard Bank**, South Africa

Paul Eardley-Taylor, Manager Energy, **Standard Bank**, South Africa

William Cosby, Executive, **Tiso Group**, South Africa

Mbonisi Danisa, Director, **Tiso Group**, South Africa

Arnaud Gouet, Business Development Manager Power Plants, **Wärtsilä**, South Africa

Brigitte Baillie, Partner, **Webber Wentzel**, South Africa

Jason van der Poel, Partner, **Webber Wentzel**, South Africa

Shamilah Grimwood, Partner, **White & Case**, South Africa

Zahra Omar, Associate, **White & Case**, South Africa

Pat Naidoo, Chief Executive, **The Western Power Corridor Company**, Botswana

Saliem Fakir, Head of Living Planet Unit, **WWF**, South Africa

The structure of the PAFO executive dialogue

To structure the **PAFO** dialogue a set of topics are listed as questions in the agenda, and respondents reply to these questions during the meeting as a way to stimulate debate.

This interactive format enables **PAFO** participants to explore financial solutions to Africa's power shortages that other conferences cannot achieve. Our objective is that PAFO generates the inspiration to take projects forward.

Wednesday, November 11, 2009

19:00

Welcome reception

Thursday, November 12, 2009

Powering Africa: The Financial Options

Last year's meeting predicted a tough year for funding African power – projects being deferred, sponsor refinancing problems, and higher rate and return expectations. In the light of tentative signs of an improving global credit environment, are we through the worst? What will this mean for African power projects?

09:00

Models for success

Chairman

Clive Ferreira, Chairman, Fieldstone Africa
South Africa

Ministerial overview. Kenya is fast becoming the exemplar of private power in Africa. What are the financial structures supporting this growth?

Back-to-basics. Would this approach help African power projects reach financial close?

Project finance rules. Is the liquidity crisis forcing a retreat to conventional finance models?

Creative financing. What alternatives exist? Could Islamic project finance play a role in funding African power projects?

Innovative structures. With project timelines affected by the liquidity crisis, is it possible to devise structures flexible enough to allow funding to be re-priced when the market recovers?

PPA power. What is at the heart of the mismatch of expectations?

Massive project costs. Is the structural complexity of multiple finance-sourcing inevitable?

Private power contracts. Have the obligations and conditions proliferated to such an extent that they actually inhibit financial closure?

Contractual tomes. Are all the legal requirements of IPPs essential?

Saving the planet. How will correctly pricing the environment affect traditional financing structures?

Exaggerated risks in cross-border projects. What are the strategies for risk management?

International experience. Why not replicate best practice in IPP procurement from other emerging markets, in Africa?

Respondents

Ndiritu Muriithi

Assistant Minister for Industrialization, Kenya

Brigitte Baillie

Partner, Webber Wentzel, South Africa

Saliem Fakir

Head of Living Planet Unit, WWF, South Africa

Alexandre Ribeiro Ferreira

Mozambique Manager, Camargo Corrêa

Mozambique

Forbes Padayachee

Managing Director, Fieldstone Africa

South Africa

11:30

Funding public power

Chairman

Clive Ferreira, Chairman, Fieldstone Africa
South Africa

Effective planning. How do utilities ensure they have the finance in place to provide the power capacity needed to drive future economic growth?

Partnerships. Could less liquidity increase the attractiveness of public-private partnerships?

Governments' responsibility. Are governments

responding to the pressure to underwrite projects with sovereign guarantees?

Rapid response. How has South Africa managed the financing of its massive power capacity expansion?

Power pools. How will countries fund their cooperation?

Security and return. With corporate bonds all the rage at the moment, is primarily a matter of rating that allows access to this market?

Ownership of assets. To what extent can utilities tap the consumer through price rises to fund capacity expansion?

A power pfennig. Is the concept of a power tax feasible?

Affordability vs. additional MW. What developmental impact do tariff incentives or disincentives have? Who is doing what and under what timeframe to address some of the disincentives?

People power. Why are IPOs not more widely used?

Government backing. What up-front government steps and mechanisms could facilitate financing of projects?

Respondents

Gary Akpobire

Chairman, Delta Integrated Development Programme, Nigeria

Greg Babaya

Director: Head of African Infrastructure - Private Equity, Standard Bank, South Africa

Brigitte Baillie

Partner, Webber Wentzel, South Africa

Michel Caubet

Consultant, SOFRECO, France

13:00

Lunch at Hôtel le Vendôme

14:30

Funding private power

Chairman

Fiona Thompson, Energy Consultant
United Kingdom

Governments are key.

- How can governments ensure effective negotiations by empowering the project team?
- How to provide security to government that they will not be disadvantaged in PPA negotiations?
- Why is it so difficult to demonstrate the reality of the economics?
- Is a neutral project facilitator a realistic option?

Lake Kivu gas deal. Who can finance the methane gas project?

Ruzizi power project. What barriers are there in financing regional hydro power projects?

Southern Africa. What are the obstacles that need to be overcome to roll out power projects?

Public competition. Are utilities with soft financing crowding out private players?

The power of regulation. What influence can the regulator have in facilitating financial closure?

Costing power. Is it so difficult to cost private power?

Transmission. Always second to generation? Can private players help to tackle Africa's transmission deficit?

Self-sufficiency. What would be considered a sustainable funding model for parastatals?

South Africa's Renewable Energy Feed-In Tariffs (REFIT). Will it meet expectations?

The Nuclear option. Can South Africa afford not to take it?

Short-term finance, long-term benefits. Does ready available finance for temporary power have an accumulative impact on economic growth?

Respondents

Jonathan Berman
Managing Director FIAM, Fieldstone

Alastair Campbell
Director: Project Finance, Standard Bank
South Africa

Michel Caubet
Consultant, SOFRECO, France

Paul Eardley-Taylor
Head of Energy, Utilities & Infrastructure
Coverage, South Africa & Africa
Standard Bank, South Africa

Shamilah Grimwood
Partner, White & Case, South Africa

Robin James
Director - Africa South, Aggreko International
Projects Ltd, Dubai

Leon Muheto
Director & Advisor of the Board of Directors
SNEL, Democratic Republic of the Congo

Morgan Sithole
Chief Advisor, ESKOM, South Africa

Sibusiso Zungu
Senior Engineer, National Energy Regulator of
South Africa (NERSA)

18:00

Drinks at the pool

Friday, November 13, 2009

09:30

Costing the environment

Chairman

Paul Eardley-Taylor
Head of Energy, Utilities & Infrastructure
Coverage, South Africa & Africa
Standard Bank, South Africa

Green economy. What are the constraints and opportunities for transition to a low-carbon economy?

Dispensable. In times of financial constraint are renewable energy projects more likely to receive the chop?



DFI influence. Is DFI preference for renewable energy compatible with the reality of readily-available thermal solutions and potentially stranded coal assets?

Carbon credits. A marginal option, simply too complex to consider in current economic circumstances?

Energy mix. Is renewable energy for baseload and temporary power for peaking a solution?

Respondents

Alastair Campbell

Director: Project Finance, Standard Bank South Africa

Zahra Omar

Associate, White & Case, South Africa

David White

Counsellor, European Investment Bank

Who has the money

Chairman

Alastair Campbell

Director: Project Finance, Standard Bank South Africa

Awash with dosh. Despite the crisis, claims of available funding persist. Why then is it still so difficult to source finance?

The China factor. Does supplying a project's full value chain give a competitive edge?

DFI dominance.

- What will the impact be of Chinese concessional loans in Africa's infrastructure development?

- With the objective of stimulating private power, is it compatible for DFIs to provide both public sector soft loans and private sector commercially priced loans?
- How could DFI public-sector funding best be channelled into private-sector growth?
- Should DFIs be supporting more capacity building and negotiating teams rather than funding projects?
- What advantages over the services of other lenders do DFIs bring to African power projects?
- Has the DFI pot begun to run dry as country and sector limits are reached?

Commercial coffers

- How do commercial banks see the future?
- What will it take for banks to regain their confidence, and how long will it take?
- Where will the money come from?
- Are local banks fulfilling expectations?
- What funding opportunities can BEE or other investment companies offer the power sector?

Respondents

Virginie Dago

Investment Officer, Agence Française de Développement, South Africa

Martyn Davies

Executive Director, Centre for Chinese Studies, South Africa

Gerrit Kruyswijk

Principal, Nedbank Capital, South Africa

Egideo Leite

Executive Board Member, Hidroeléctrica de Mphanda Nkuwa Mozambique

Sakkie Leimecke

Principal, Nedbank Capital, South Africa

Alasdair Maclay

Investment Principal, Actis, United Kingdom

13:00

Lunch at Hôtel le Vendôme & End of PAFO Cape Town

Those listed in italics are pending confirmation.

Optional visit to the Fairy Glen Game Reserve

Hôtel Le Vendôme offers the opportunity to visit an exclusive game reserve in the vicinity of Cape Town at an exceptional value.

Set at the base of the world famous Brandwacht mountains surrounded by Cape Fynbos and waterfalls is the Fairy Glen Games Reserve. Situated in approximately 20,000 hectares of government conservancy, the reserve offers the opportunity to see Africa's Big 5.

Fairy Glen also borders a Gary Player designed golf course, the "Karoo Desert" botanical gardens, a casino, and the world's largest brandy cellar.

Contact Hôtel Le Vendôme for an itinerary.
Tel: +27-21-430 1200
Fax : +27-21-430 1500
Email: reserve@le-vendome.co.za



PAFO

Executive Meeting

Registration

Hotel Information

Hotel accommodation: Rooms at Hôtel Le Vendôme have been reserved for **PAFO participants** at a special rate of R1,460 per person per day half board or R1,260 per person per day for bed and breakfast, unmatched anywhere else in Cape Town. There is a limited number of allocated rooms, so it is advisable to reserve as soon as possible. There are also other hotels in the vicinity.

Hôtel Le Vendôme offers a perfect networking environment. Le Vendôme, is a five-star luxury boutique hotel situated in Cape Town's Sea Point, only fifty metres from the vibrant ocean promenade, where one can take a sundowner and watch the sun set. The hotel combines French old world charm with elegance, comfort and renowned South African hospitality. The fine dining restaurant, Rive Gauche, offers culinary masterpieces at excellent value. Transport to the V&A Waterfront and Camps Bay is also provided.

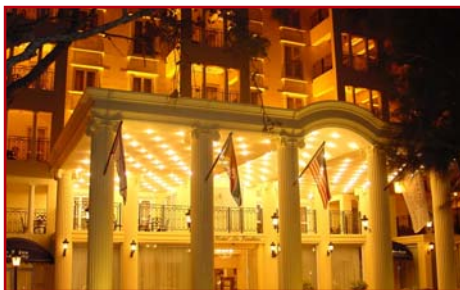
To reserve accommodation at Hôtel Le Vendôme, please contact EnergyNet [evelyne@energynet.co.uk] or the hotel directly:

Tel: +27-21-430 1200

Fax : +27-21-430 1500

Email: reserve@le-vendome.co.za

Website: www.le-vendome.co.za



Contact: bruno@energynet.co.uk
EnergyNet Limited | 110 Elm Road
Kingston | KT2 6HU | United Kingdom
Tel +44(0)20 85 47 06 98
Register online at: www.energynet.co.uk

PAFO Registration

The £795 fee covers: The documentation and access to the "Powering Africa: The Financial Options" Executive Meeting, the reception and lunches.

Cancellation: The fee is non-refundable if cancellation is received after October 11, 2009. For a cancellation before this date the fee will be refunded, less a handling charge of £75.

Venue: Hôtel Le Vendôme, London Road, Sea Point, Cape Town | www.le-vendome.co.za

Registration form: Please return your completed form to Evelyne Cargill
EnergyNet Limited, 110 Elm Road, Kingston, Surrey, KT2 6HU, United Kingdom
Tel +44 (0)20-85 47 06 98 | Fax +44 (0)20-85 41 32 44 | evelyne@energynet.co.uk

Please register the following to attend the "Powering Africa: The Financial Options" Executive Meeting at a cost of **£795** per attendee. Discounts for multiple attendees are 5% for two, 10% for three, 15% for four, and 20% for five and above.

Full name: _____

Position: _____

Company/Organization: _____

Address: _____

Tel: _____ Fax: _____

Email: _____

Company activity: _____

Signature: _____ Date: _____

Payment by credit card

Visa/Master/Euro ____ or Diners ____ .

Credit card number. _____

Security No. (usually the three last digits on the signature strip) ____ _

Expiry Date: _____

The card is in the name of: _____

Credit card billing address: _____

Payment by Bank Transfer (attach copy or supply full details of transfer). Payment should be made through the Royal Bank of Scotland plc, quoting (1) account number 70545244; (2) sort code 15-30-00; (3) BIC code RBOS GB2L; (4) IBAN GB80 RBOS 15300070545244 noting "PAFO", delegate name & company. All transfer costs to be paid by sender; alternatively add £20 to your total fee.

Payment by Cheque drawn on a UK Bank, payable to EnergyNet Ltd.

Contact Bruno Cockburn [bruno@energynet.co.uk] Register online at: www.energynet.co.uk

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