

How Africa can attract foreign and local investment for its power projects

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"Exciting to see that intra-African investment is gaining momentum"



"Investing in the power sector in Africa can be very lucrative and we have the success stories to prove it," says Evan Schiff, event director of [African Utility Week](#), taking place in Cape Town from 12-14 May. During the largest annual power and water conference and expo on the continent, a high-level **Finance & Investment Forum** will specifically focus on project finance, risk management, IPPs and case studies.

Says Evan Schiff: "\$42 billion a year will be required to meet Africa's energy demand by 2040, including a private-sector financing increase of up to ten times the current levels. In order to achieve this governments and business must work together and fresh approaches will be vital."

He continues: "private equity fund raising for Africa increased by 136% in 2013 to US\$3.3bn, up from US\$1.4bn a year earlier. Greater private sector participation and competition has been encouraged through power sector reform and long-term power purchase agreements through the state utility or other credible off-takers. IPPs are considered a solution to persistent supply constraints. It is also exciting to see that intra-African investment is gaining momentum. African investors nearly tripled their share of FDI projects over the last decade, from 8.0% in 2003 to 22.8% in 2013 according to EY's latest attractiveness survey."

The **Finance & Investment Forum** will also have a special focus on renewables and innovative ways of financing green energy while creating sustainable jobs. Evan Schiff adds: "with the African Development Bank SE4LL Fund recently confirming a \$777,000 preparation grant to support a 72MW solar power plant project to become the first renewable IPP in Cameroon, it shows that there are creative investment vehicles and initiatives out there for energy projects on the continent that previously were considered too marginal for project financing."

Bringing deals to point of bankability

Power Africa, US President Barack Obama's initiative to improve access to power in sub-Saharan Africa, will be the official country partner of **African Utility Week**. Power Africa works with African governments, the private sector, and other partners to add more than 30,000 megawatts (MW) of cleaner, more efficient electricity generation capacity as well as increase electricity access by adding 60 million new home and business connections throughout all of sub-Saharan Africa.

Andrew Herscowitz is the coordinator for Power Africa and panellist at the Finance & Investment Forum: "We've seen that there is plenty of investor interest in the continent and there are plenty of people with great ideas and potential to execute power projects, but the problem that we see is getting those deals to the point of bankability. So I really see that Power Africa has this sweet spot, working with all of our partners including the World Bank, which committed USD5-billion, the African Development Bank which committed USD3-billion, the government of Sweden that committed a USD1-billion, and our private sectors partners that committed over USD20-billion. I think we have this opportunity to align our efforts to figure out what role we can play to bring those projects to bankability so that investors will find a place to put their money."

More speaker and programme highlights at the Finance & Investment Forum:

- **Case Study: Lake Turkana Wind Power Project, Kenya**
 - Erik Wandrag, Senior Investment Director for Energy, Harith General Partners
- **Case Study: Gigawatt Global, Scatec Solar and Norfund PV Park, Rwanda**
 - Chaim Motzen, Managing Director, Gigawatt Global Coöperatief UA (GWG) Rwanda
- **Case Study: *"Develop your clean energy projects into bankable opportunities"***
 - Peter Ballinger, Managing Director, Africa, Overseas Private Investment Corporation, USA
- **Panel discussion: *"The fundamentals you must consider for structuring a bankable PPA"***
 - Moderator: Gregory Nott, Director, Africa, Norton Rose Fulbright, South Africa

Open floor discussion on fixed tariffs, foreign exchange, transmission and grid connection risk, off-taker payment support, political FM, dispatch risk, put call option agreements (PCOA) and other PPA elements.

- Inge Stølen, Senior Investment Manager, Clean Energy, Norfund, Norway
- Marc Leistner, Deputy Head of Regional Representation for Africa, European Investment Bank, South Africa
- Roland Janssens, Deputy Head: Emerging Africa Infrastructure Fund, Frontier Markets Fund Managers, UK
- Eric Olojugba, Chief Commercial Officer, North South Power/Shiroro GENCO, Nigeria

Utility professionals from across the globe

The 15th **African Utility Week and Clean Power Africa** bring together utility professionals from across the globe to learn, share knowledge and debate the key topics that will secure the future development of Africa's power and water industries. The event is expected to again attract more than 5,000 attendees and features 250 exhibitors, 190 speakers, eight conferences, free technical workshops on the expo floor, three high-profile plenary sessions and the coveted industry awards gala dinner.

DNV-GL has already confirmed its exclusive diamond sponsorship of the event while Accenture, Building Energy, MarelliMotori and Edison Power Group are the platinum sponsors.

African Utility Week and Clean Power Africa are organised by Spintelligent, leading Cape Town-based trade exhibition and conference organiser, and the African office of Clarion Events Ltd, based in the UK.

African Utility Week and Clean Power Africa dates and location:

Exhibition & Conference: 12-14 May 2015

Industry awards: 13 May 2015

Site Visits: 15 May 2015

Location: CTICC, Cape Town

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