3rd Continental Business Network Leaders’ Working Breakfast Dialogue on the Implementation of the AU-NEPAD 5% Agenda towards:

The establishment of a 100% Guarantee Initiative to De-risk Africa’s Infrastructure and crowd in Institutional Investors

25th September 2018, NASDAQ, New York, USA

Agenda

Presented in partnership with:

PROGRAMME

Moderator: Hubert Danso, CEO, Africa investor

08h00 - 10h00 - NEPAD CBN Leaders’ Working Breakfast Dialogue

The Continental Business Network (CBN) is a NEPAD and African Union (AU) initiative that serves as an infrastructure investment advisory platform for African Heads of State to engage and interface with high-level African policy makers and captains of industry on a range of strategic issues as well as the overall promotion of regional and domestic infrastructure investment projects to the private sector.

This Breakfast Dialogue follows a series of successful CBN high-level Leader’s Dialogues hosted in 2016 which examined the role of the private sector in de-risking PIDA projects and paved the way for the subsequent launch of a “De-risking of PIDA Projects Report”. The Dialogues, presented by the CBN (NEPAD) in partnership with the AfDB, the United Nations Economic Commission for Africa (UNECA) and Africa investor (Ai), build on one of the recommendations emanating from this De-Risking Report; the need to mobilise Africa’s institutional infrastructure investment community, including African pension and sovereign wealth fund capital, as the key to meeting the financing gap that is currently hindering Africa’s infrastructure development as well as its economic and social progress.

Building on the guidance and recommendations of the CBN, in 2017, NEPAD initiated a campaign to increase the allocations of African asset owners to African infrastructure from its low base of approximately 1.5% of their assets under management (AUM) to an impactful 5% of AUM. The overall objective of this campaign is to develop a concrete and feasible roadmap to increase allocations of African institutional investors in African infrastructure to the declared 5% mark. This roadmap after engagement with key stakeholders will outline very concrete steps, caretakers and expected outcomes to notably increase institutional investment in Africa’s infrastructure, with a focus on regional/PIDA infrastructure as a key mandate of the NEPAD Agency.

The NEPAD Agency steered a dialogue that convened key stakeholders responsible for investment allocation decisions (e.g. investment banks, pension funds, SWF, credit rating agencies, financial policy experts and regulators, policy makers, project owners etc.). These stakeholders provided input to the above roadmap and shall be convinced to support the implementation of this roadmap. The roadmap was also the backbone for the official launch of the 5% campaign which took place in New
York in September 2017. A communiqué was developed as result of the launch. This communiqué shall be a key instrument and reference tool for NEPAD and the 5% campaign to engage and convince key stakeholders at central Pan-African and international fora (e.g. AU Summit, G20 meetings, World Bank Annual Meetings, Finance Ministers Meetings, BRICS Summit, etc.).

One of the main concerns from the private sector during the 2017 dialogue on obstacles to financing, are the lack of payment or sovereign guarantees and innovative financial structures that can give them confidence to invest in Africa’s infrastructure. There are a number of guarantee instruments that support Africa’s infrastructure project structuring. However, all these instruments, whether endowed with quantum amounts of funds or relatively small in capital, are all partial guarantee instruments with varying conditionality’s and complex requirements for qualification and access to funds.

For this reason, a strong need exist to gather all the Development Finance Institutions (DFIs) and the Multilateral Development Banks (MDBs) with the sole aim of having a frank and open discussion on the establishment of an aggregated scheme that will pool all the partial guarantee instruments into a “big facility” that will provide for 100% financial guarantee for institutional investors such as Pension and Sovereign Wealth Funds and Insurance Companies to invest comfortably in PIDA and trans-boundary infrastructure projects.

NEPAD, through the 5 year 5% agenda aims to facilitate the establishment of this facility that will serve as the guarantee mechanism that will, for instance, payout in the case of payment defaults by project owners/operators through African Ministries of Finance.

07h30 - 08h00 - Registration

08h00-08h45 - NEPAD-CBN Opening Keynotes: CBN Institutional Leaders Dialogue and Recommendations

This CBN high-level panel will build on last year’s dialogue of African asset owners. It will convene key leaders to discuss practical initiatives and opportunities to mobilize institutional assets to allocate to African infrastructure as an investable asset class.

08h45-09h00 – Update on the progress of the AU NEPAD 5% Agenda sensitization process, Way Forward and Next Steps

09h00-10h00 Implementation of the 5% Agenda towards the establishment of a 100% Guarantee Mechanism

This session will discuss the modalities and feasibility of setting up a financial guarantee mechanism from the existing Pension and Sovereign Wealth Funds as well as Guarantee Schemes. The discussion will also stem around options of coordination in applying for risk mitigation to infrastructure projects as well providing a project level diagnosis of risk mitigation gaps and possible risk mitigation solutions.

10h00-10h45: CEO Dialogue: Ai Capital Markets Leaders Panel

African capital market leaders will examine current capital market trends and review investor appetite across various sectors and regions.

10h45-11h15: Ai Capital Markets Index Series Awards Ceremony:


The 2018 Summit will discuss Africa’s positioning in the current global geopolitical environment, the impact of growing protectionism on Africa’s growth prospects and the increased importance placed on investing in sustainable regional economic integration for growth. Investment leaders will examine ways in which Africa’s asset owners and capital markets can be pervasive platforms to convert the continent’s economic opportunity. It will build on the recommendations from the Africa-edition of the African Sovereign Wealth and Pension Fund Leaders’ Summit held on 18 June 2018, in Mauritius.