

# Afreximbank Project Preparation Facility (APPF)



**Presentation**

At

3PUCF

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# Outline



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# Introduction



- ❑ The African Export-Import Bank (Afreximbank) 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.
- ❑ The Bank commenced operations on 30 September, 1994 with its headquarters in Cairo, Arab Republic of Egypt. It has branches in Harare, Abuja and Abidjan, with plans to open in East Africa shortly.
- ❑ The Industrialization and Export Development Strategy (IEDS) pillar of Afreximbank's IMPACT 2021 Strategic plan, seeks to stimulate a consistent expansion and diversification of African production and trade.
- ❑ The bank has established the Afreximbank Project Preparation Facility (APPF) that aims to support the supply of investment-ready projects bridging the infrastructure deficit in the continent and accelerating economic development.

# Objectives of the APPF



- ❑ To provide technical assistance in project identification, preparation and value for money feasibility studies with a view to making the projects bankable and attractive to investors;
- ❑ To increase the availability of viable well-prepared projects, by supporting project stakeholders to prepare high-quality projects;
- ❑ To leverage off and partner with other project preparation facilities in the continent and beyond to support the preparation of projects in Africa;
- ❑ To enhance collaboration among project stakeholders and project financiers to facilitate the identification and mobilization of project preparation financing;
- ❑ To enhance the financial sustainability of project preparation for projects that will support Intra African Trade, stimulate Industrialization and enhance Export Development activities in the continent, by diversifying the sources and modalities of project preparation financing.

# Role & Application of the APPF



- ❑ The APPF to support public and private entities in Afreximbank member countries to prepare projects that will have a developmental impact and be in a position to attract equity and debt finance.
- ❑ The APPF is structured as a self-sustainable revolving fund and is to be operated on commercial terms.
- ❑ The APPF will ideally get involved once a Project Sponsor has a reasonable project concept, has secured preliminary support and authorization for the project from the government, regulatory authorities and has obtained indications that the project is economically viable.
- ❑ The APPF will be deployed to finance project preparatory activities, that involve the provision of advisory services, technical studies and assistance.

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# The value chain process of the APPF



Early Stage	<b>Enabling Environment</b>	– Designing legislation, defining regulatory approach, identifying institutional reform, capacity and consensus building.
	<b>Project Definition</b>	– Identifying desired outputs and project parameters, comparison with alternative projects, planning implementation tasks, undertaking pre-feasibility studies.
Mid Stage	<b>Feasibility</b>	– Technical options analysis, financial appraisal, socio-economic appraisal, environmental impact assessment, other specialist studies.
	<b>Structuring</b>	– Assessing project finance options (Public, Private, PPP etc.), legal structuring, developing technical / engineering designs.
Late Stage	<b>Transaction Support</b>	– Finalizing project finance structure and legal structure, finalizing technical designs, procuring goods and services (after financial close).
	<b>Post Implementation</b>	– Regular monitoring of output and outcomes, impact evaluation, renegotiation or refinancing.

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# Scope & Eligible Sectors for APPF



## ❑ Scope of the APPF:

- The activities eligible for financing under the APPF include any technical or operational activity that is part of the preparation of projects. The primary strategic focus of the APPF is mainly the provision of support for project preparation cycle activities.

## ❑ Eligible Sectors:

- The APPF will intervene in the following sectors, but not limited to:

### Manufacturing and Services:

- Industrial Parks / Export Processing Zones;
- Testing, Inspection and Certification Centres;
- Value added projects in manufacturing and services exports;
- Tradeable Services: healthcare, tourism, entertainment etc.; and
- Technology.

### Trade Enabling Infrastructure:

- Energy: generation, transmission and distribution; and
- Transport and logistics: road, air, rail and seaports.

# Project Preparation Facility: Information Requirement



1. **Details of the Project Sponsor:** Name, Address, Contact Person, Email, Telephone Number
2. **Objective of the proposed activity:** Outline briefly the objective(s) of the activity(ies)
3. **Context/Background for proposed activity:** Outline briefly the background and the context that is required for understanding the proposed activity(ies)
4. **Description of the proposed activity:** Detail here the specific activity for which PPF funding is being requested
5. **Rationale for the activities:** Summary of the key objectives of the proposed study and the relations between activities, outputs and achievement of the objectives
6. **Financial and Economic Issues:** Indicate here the expected economic benefits of the project that the proposed activities for funding are preparing
7. **Environmental and Social Issues:** Describe the expected environmental and social impacts of the project being prepared, and the possible needs to mitigate adverse impacts



8. **Implementation Approach:** Brief description of the implementation framework
9. **Implementation Schedule:** Indicate a proposed timeline, beginning and end dates, as well as major activities' milestones
10. **Financing Plan:** Present a summary of the financing plan by the major components (the detailed budget should provide further breakdown by these components)
11. **Additional Information:** Include any additional information that may be useful in evaluating the PPF application (e.g., all upstream preparatory activities which may have been undertaken; planned downstream activities; etc.)

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# Conclusion



In response to the continent's demands to industrialize as a means to restructuring and transform its economies, the Bank has intensified its support for intra-African trade, industrialization, export development and trade enabling infrastructure investments in Africa.

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