

Presentation to SADC DFRC  
NEPAD Business Foundation (NBF)

Wednesday, 3 December 2015  
Luanda, Angola





## Who are we...

A Non Profit Organisation formed to achieve the New Partnership for Africa's Developments' (NEPAD) outcomes

### To support...

- African based NPO with cross border mandate
- Neutral multi-stakeholder party
- Linkages and access to African governments and key decision makers
- Specialist advisory assignments
- Up-to-date intelligence on business development issues in Africa
- Provide Investment Business Platforms with Government representatives from Africa
- Physical presence in multiple African countries

### Our Vision...

... to provide critical linkages between public and private sector with the intention of accelerating development projects from inception to implementation for the prosperity of Africa.

### Our Mission...

... to promote sustainable socio-economic development in Africa through the private sector.

#### FOUNDING PARTNERS



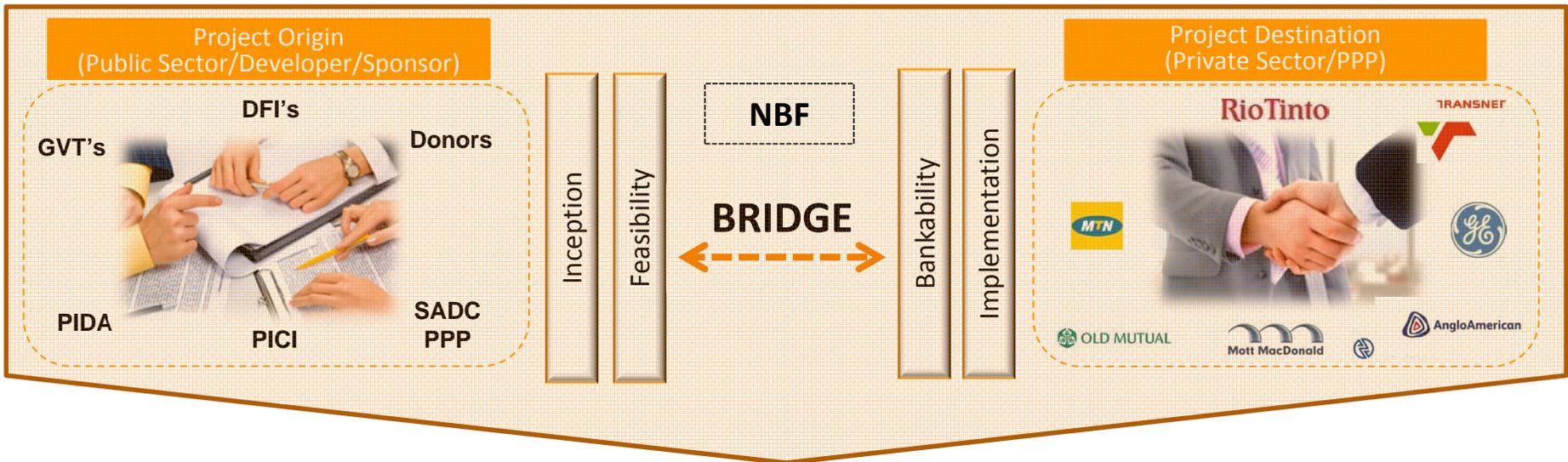
#### PLATINUM MEMBERS



# Role of the NEPAD Business Foundation



The NEPAD Business Foundation (NBF) acts a Project Management Unit to catalyse, coordinate, unlock and accelerate project development in Africa, from concept to bankability, through public-private and development finance partnerships



Private sector companies inform the strategy and function of the NBF which is supported by...

- Regional Economic Communities (RECs)
- NBG/Continental chambers of commerce
- Development agencies/ DFIs / Donor agencies
- African governments



- MOU
- AU/NEPAD Structures**
  - Assembly of the African Union (AU)
  - NEPAD HSGOC
  - NEPAD Steering Committee
  - NEPAD Planning and Coordinating Agency



## What makes us different – NBF Value Proposition

- **Objective:** mobilise private sector to drive economic growth aligned to the NEPAD strategic framework
- **Presence:** Registered offices and projects in South Africa, Ethiopia, Malawi, Mozambique and Zambia
- **Relationships:**
  - **Public Sector:** African Union, NEPAD Agency, SADC PPP Network
  - **Private sector:** 25 members with 10 corporations represented on the Board

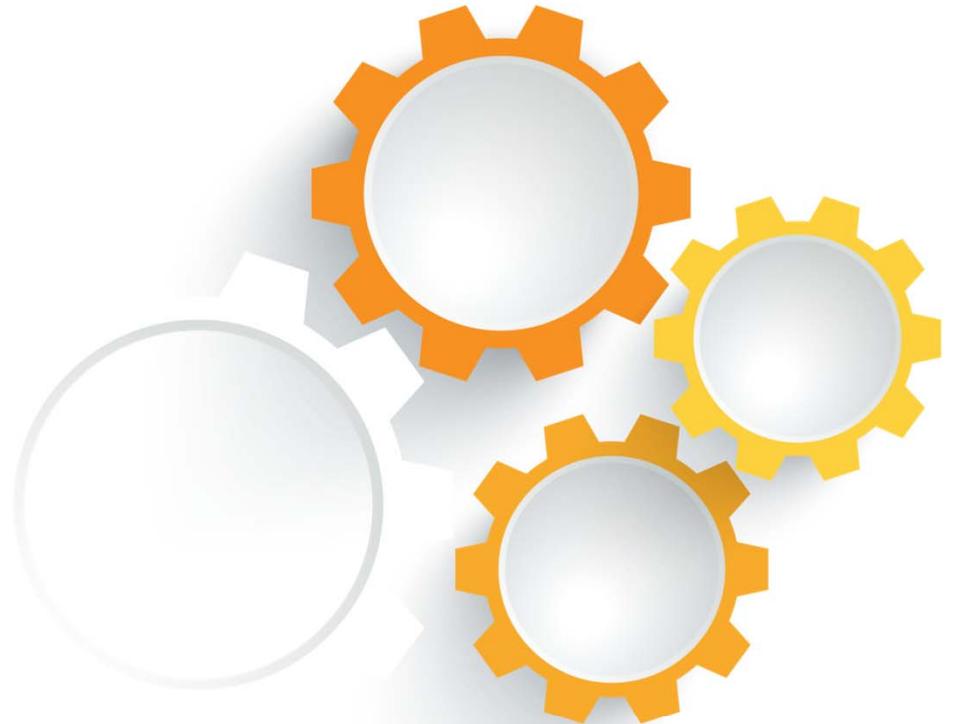
### Key NBF Value Proposition:

- Coordinate private sector...
- .. act as a neutral and objective **bridge** to the public sector...
- ... project implementation focussed working in partnership with key stakeholders with developmental impact
- ... leverage the NEPAD brand, institutional affiliations and the collective weight of our membership base...
- ... obtain greater levels of trust, access and engagement than private sector could achieve alone

# NBF Membership and Support



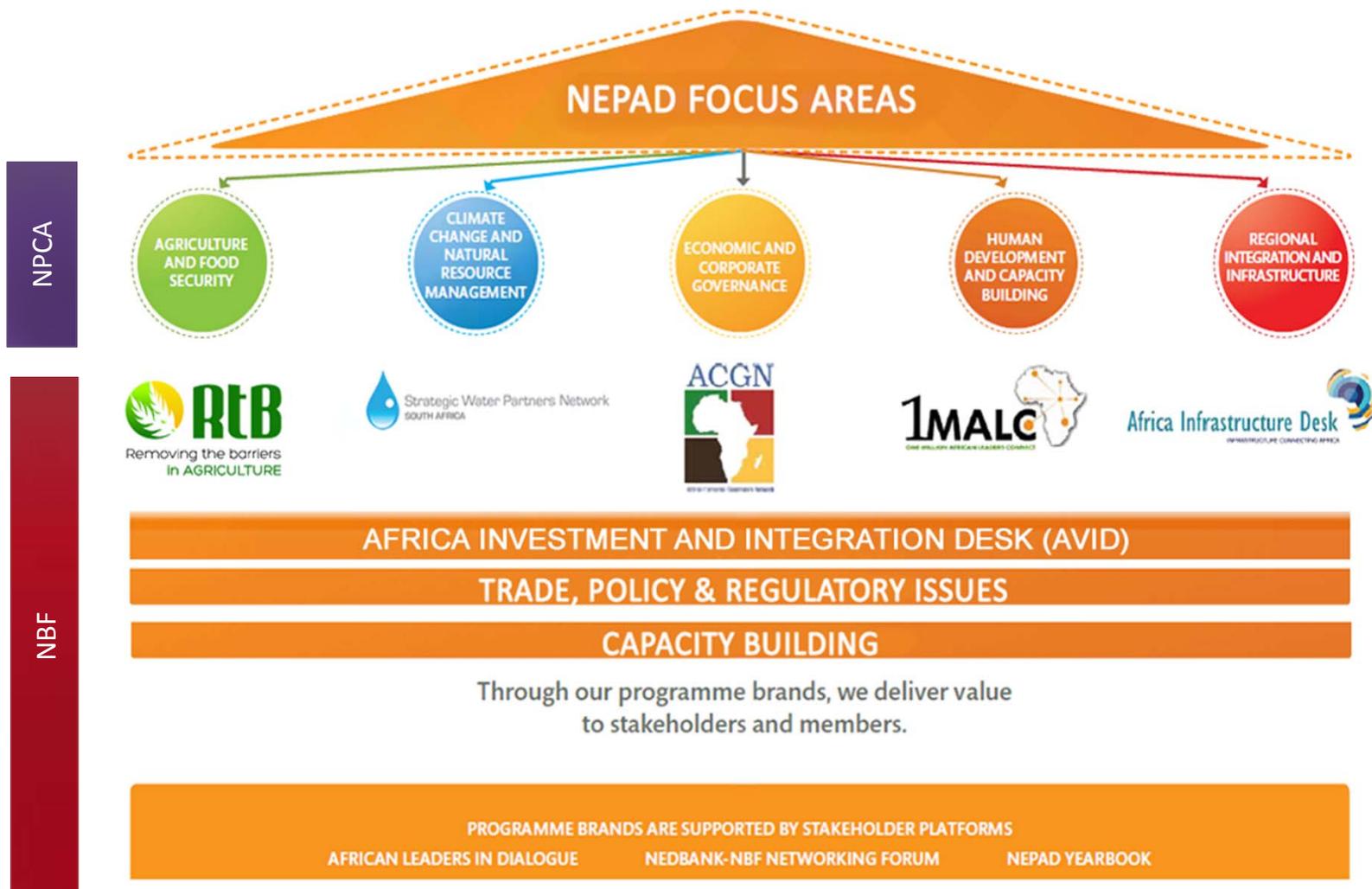
# NBF Membership and Support



# NBF Programme Focus Areas



NBF programs mirror the continental level NEPAD Planning & Coordination Agency (NPCA) Thematic Focus Areas



# The Role of Private Sector in Industrialisation

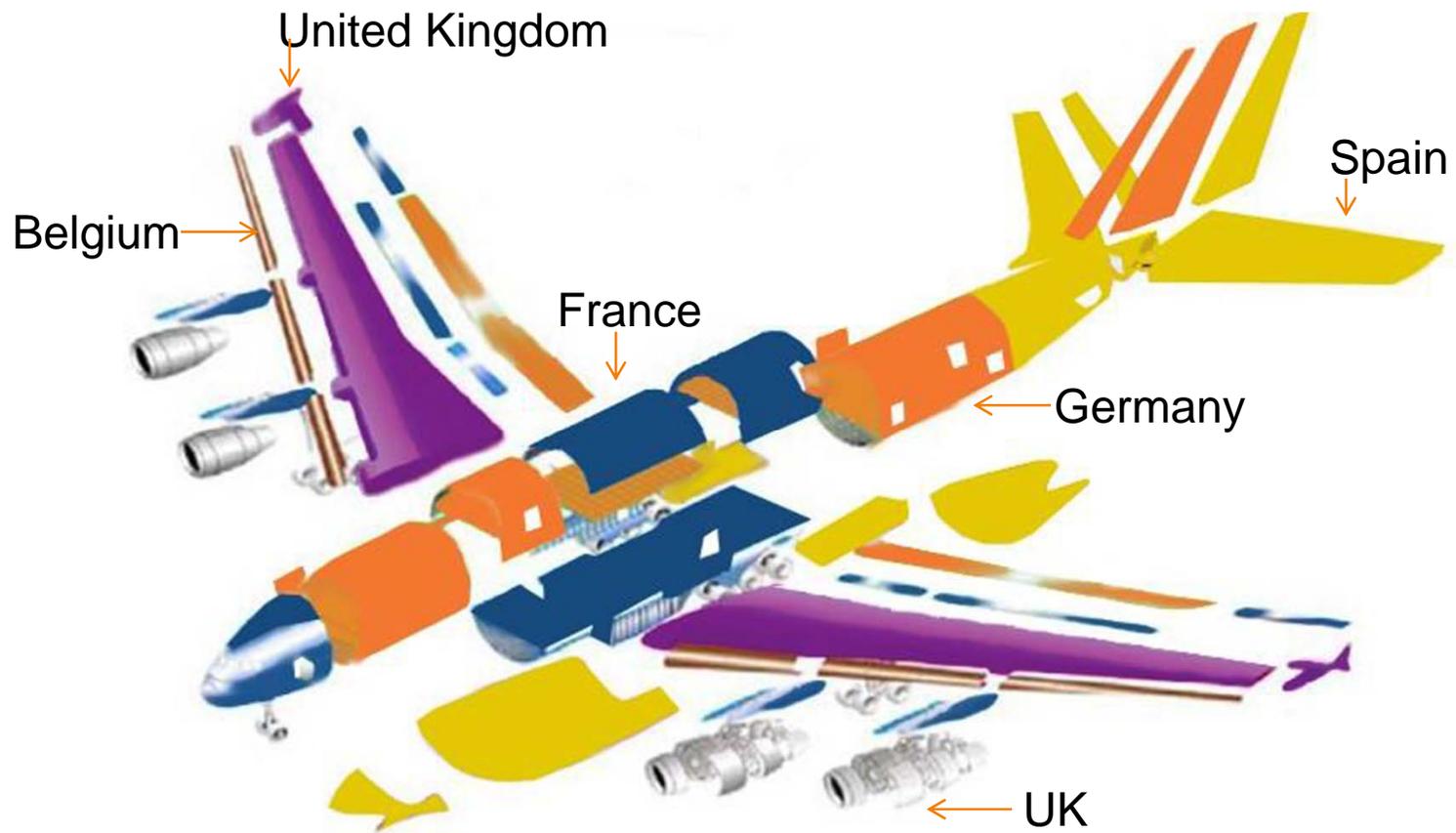
# Private Sector's Role in Industrialisation

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1. The private sector is Africa's primary engine of growth. It generates an estimated **70% of Africa's** output, approximately **two-thirds of its investment** and **90% of employment** on the continent.  
(Source: African Union)
2. Industrialisation **will be led by the Private Sector as the primary investor**
3. The revised SADC RISDP and Industrialisation Strategy has acknowledged the Private Sector as the centre of plans for growth and employment creation in SADC.
4. It is imperative that Private Sector perspectives are considered in the generation of the regional industrialisation plan because it may influence:
  - **Target industries** and supporting **value chains**
  - **Infrastructure requirements** for energy, water, transport, etc
  - **Policy/legal amendments** required to enable investment
  - Practical **incentives** required to enable investment
5. Private Sector can provide useful information and successful examples with regard to value chain management and the involvement of SMMEs in those chains, including the description of on-the-ground-challenges and solutions on value chain management of different commodities.
6. Local content requirements : supplier development and inclusive business models encouraged

# Airbus example

Airbus dispersed and 'integrative' manufacturing - A380



Source : Airbus

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## Lessons learnt from Airbus success story :

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1. It is easier to commit to economic integration if the dividends to each participant are clear right up front
2. Even with global product, take a commanding position on the expanded domestic front first
3. Create mutual vulnerability and win-win in which the success of one is the success of all in the club
4. Go global on the back of technical and strategic partners' networks
5. Be clear about the 'political economy' nature of integration
6. The bigger participants must be prepared to be champions to the cause.

# Regional economic integration - SADC

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From private sector perspective :

- Africa's resources and market opportunities have led to mind shift of private sector (multinationals) to develop Africa investment and expansion strategies
- Private sector is actively expanding its operations across the region and leading industrialisation
- Increased requirements for local sourcing and local supplier development
- Business requires enabling environment for cross border value chains to be implemented eg. cross border constraints & movement of goods, people and services
- Private sector to be consulted and engaged in development of cross border and industrialisation strategies as they will be the implementers
- Business for development

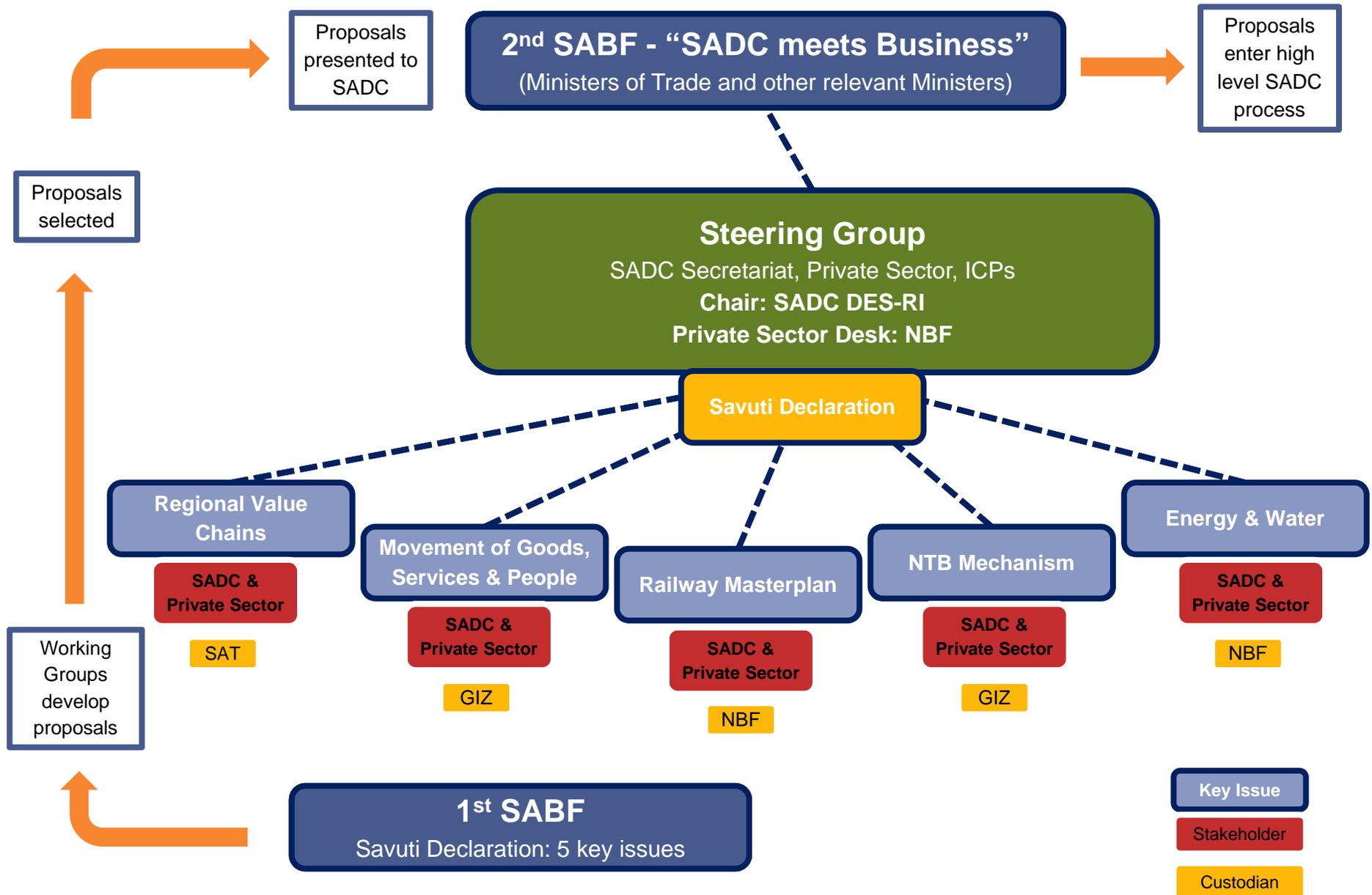
# Regional economic integration - SADC

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From public sector perspective :

- Leveraging investments in mineral resources to spur development of other key sectors eg. Mozambique
- Providing incentives and assistance to enable industrialisation, manufacturing, processing eg. Ethiopia
- Enabling ease of doing business in country
- Procurement for State projects to include stipulations on % of deal to be allocated to local content, manufacturing, processing, training etc. to ensure long term maintenance and sustainability of project by locals
- SADC : research currently being conducted on cross border value chains in mining, agri-processing and pharmaceuticals sectors

# How can this be done in SADC?





# Regional Integration & Infrastructure

Africa Infrastructure Desk  
(Afri-ID)

# Afri-ID Vision, Mission and Outcomes



Vision



**An African continent that is enabled by high quality infrastructure that promotes regional integration, intra-Africa and international trade and development**

Mission



**Establish a multi-stakeholder platform where private sector and public sector partners cooperate in the development of regionally integrated infrastructure in Africa**

Outcomes



**Accelerate infrastructure development and implementation of projects through focused research, relationship linkages and a methodical facilitation process with private sector**

**The aim of the Afri-ID is to accelerate the development of investment and commercial infrastructure opportunities through private sector engagement**

# Afri-ID Original Portfolio



**2** Coordination on the Zambia- South Africa Rail link in order to increase cargo moving on the North South Corridor



**1** Establishment of a short term regional rolling stock leasing pool to allow operators on the North - South corridor access to much needed locomotives and wagons to move more cargo on the rail network



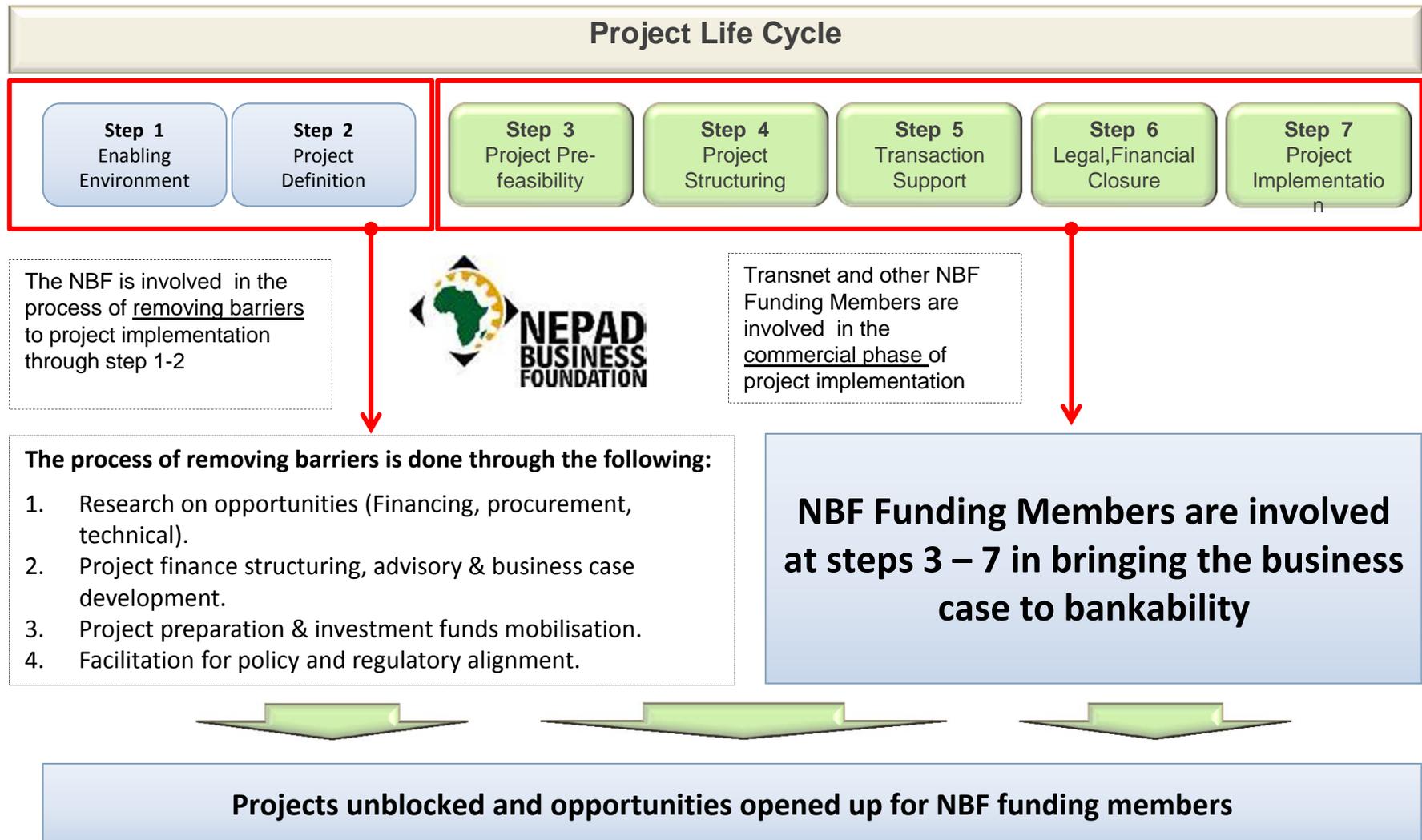
**3** Revitalization of the Tanzania - Rail Network



**4** Rehabilitation of the Port of Dar es Salaam to enable increased and more efficient handling of cargo moving onto and off the North - South Corridor

**5** Development of the Mtwara Port and EDZ in order to ease congestion on Dar es Salaam Port and due to abundant coal and gas resources on either side of the Mtwara corridor







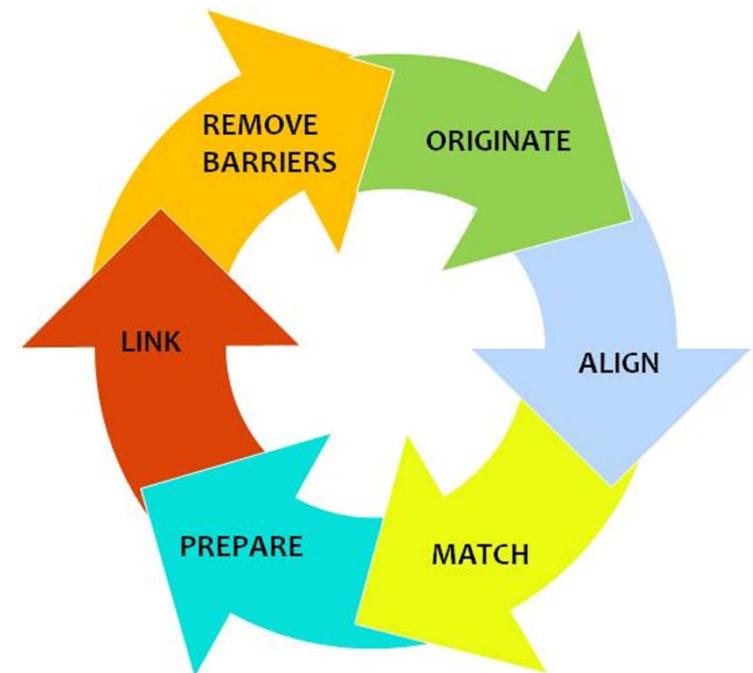
# Africa Investment and Integration Desk

(AVID)

# AVID roles in addressing Challenges

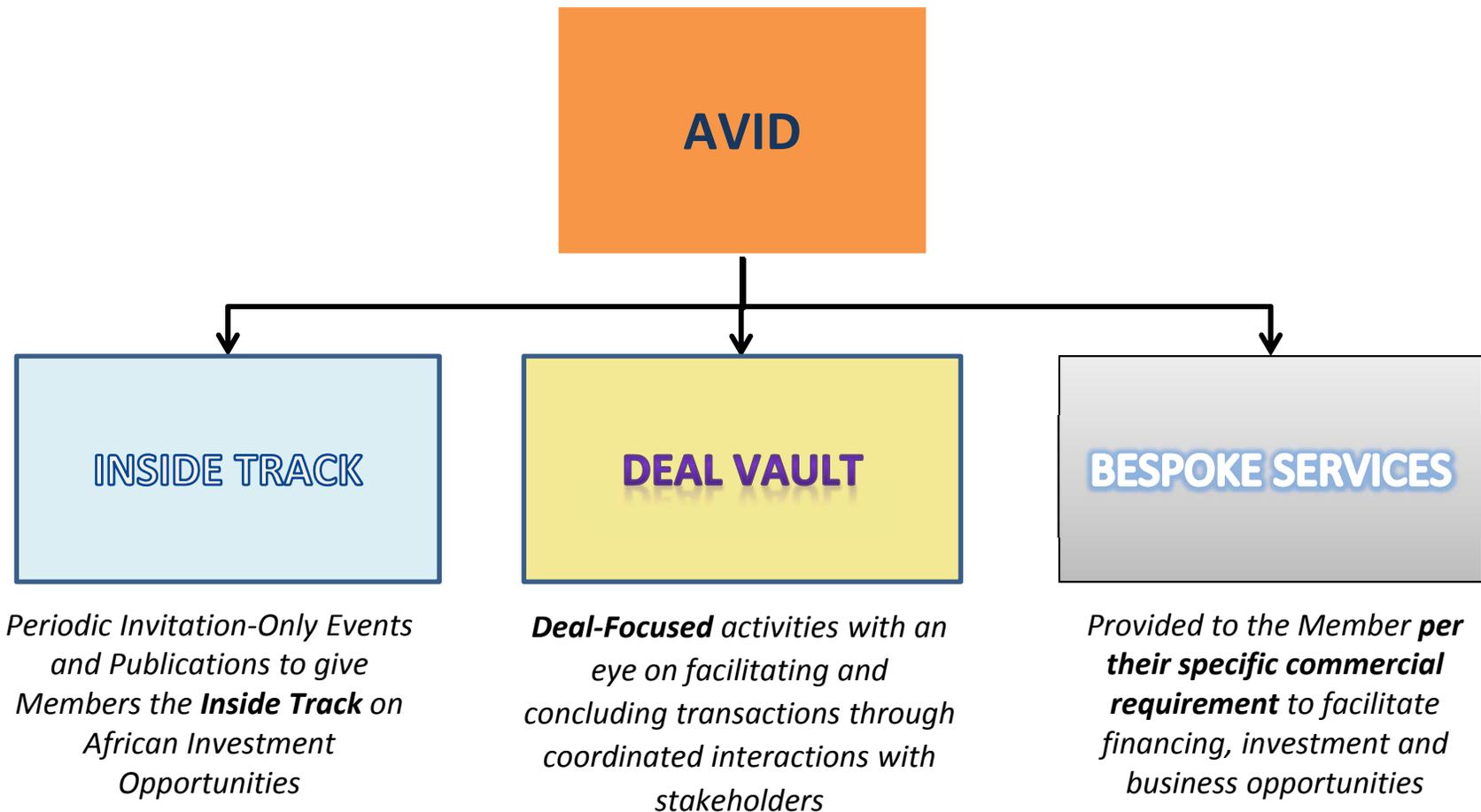
<u>Challenge</u>	<u>Role for AVID</u>
<b>Information</b>	<ul style="list-style-type: none"> <li>• <b>Originate</b> multi-asset class opportunities across Africa for investors and financiers               <ul style="list-style-type: none"> <li>– Leverage an inside track on African opportunities</li> <li>– Meet customised requirement (geography, sector .....</li> </ul> </li> </ul>
<b>Preparation</b>	<ul style="list-style-type: none"> <li>• <b>Align</b> opportunities with investors' requirements</li> <li>• <b>Prepare</b> projects to be bankable</li> </ul>
<b>Facilitation</b>	<ul style="list-style-type: none"> <li>• <b>Match</b> investors to project owners, government, PPPs, etc</li> <li>• <b>Link</b> private sector investors with DFI financing and risk products</li> </ul>
<b>Coordination</b>	<ul style="list-style-type: none"> <li>• <b>Remove barriers</b> to investment</li> </ul>

## Virtuous Cycle



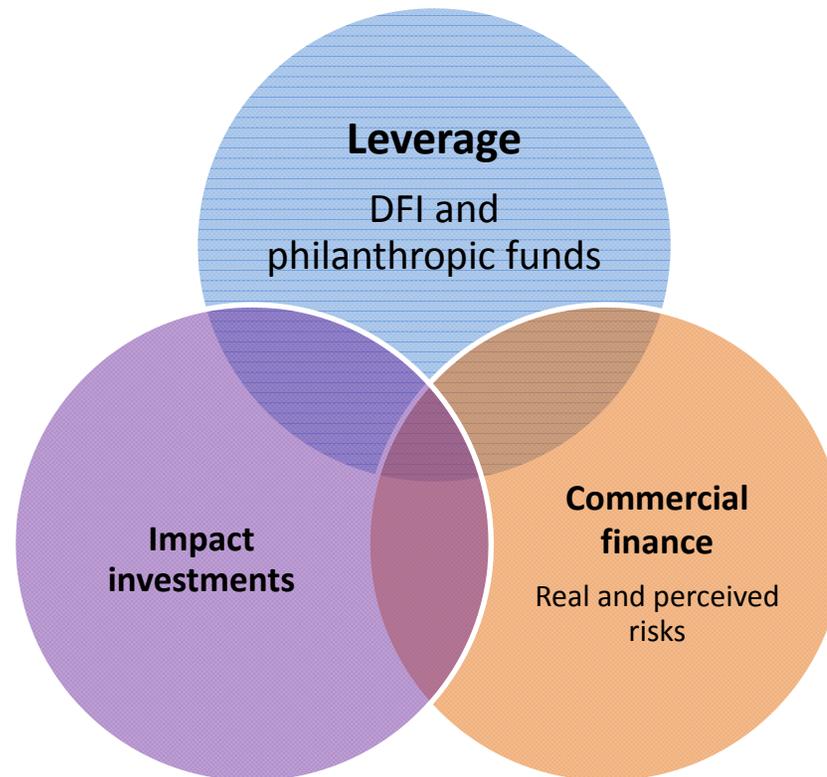
**Value Statement:** Catalysing the investments required to accelerate Africa's growth and development trajectory, AVID is an Integrated Private Sector-Driven Investment Service leveraging the NBF's institutional affiliations with AUC, NEPAD, SADC and African Governments

# AVID's delivery mechanisms





# The Pillars of Blended Finance



## Blended Finance

The strategic use of development finance and philanthropic funds to mobilize private capital flows to emerging and frontier markets





## SADC DFRC / NBF MoU

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- The SADC DFRC and NBF to partner to support the development and investment in strategic projects being pursued by DFI's searching for contributions from private sector in areas including :
  - ✓ Cross collaboration and participation of stakeholders to in relevant SADC DFRC and NBF events
  - ✓ Partnering on training and capacity building programmes
  - ✓ Project focus:
    - Alternative procurement - and institutional options
    - Physical risk management process
    - Project technical feasibility process
    - Structuring of the finance / investment required promoting the blended finance approach
    - Introduce and coordinate private sector investors for co-financing of projects across sectors

# Contacts



UNLOCKING  
AFRICAN  
POTENTIAL™

## Thank you!

**Lynette Chen**

*CEO - NEPAD Business Foundation*

Tel: +27 10 596 1888

E mail: [lynette.chen@thenbf.co.za](mailto:lynette.chen@thenbf.co.za)

# Programmes

## Founding Members



## Platinum Members



# Removing the Barriers in Agriculture Programme

## Mission, Vision and Objectives

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### Vision

- Providing food security for Africa by reducing poverty and achieve sustainable economic growth in Africa



### Mission

- To leverage private sector skills and finance for development in agriculture to improve smallholder farmer income and integrating them into a dynamic, internationally competitive agricultural sector. Removing the Barriers (RtB) promotes collaboration, cooperation, coordination & communication - public & private sectors

### Objectives

- Resolve barriers to trade, investment & agricultural development
- Mobilised strategic partnerships
- Strengthened pan-African value addition and trade
- Good practice private sector led initiatives brought to scale
- Enabled environment for improving private sector investment created

# Removing the Barriers Programme Projects

Supported by USAID and the Hewlett Foundation, the NBF is implementing several projects in partnership with the private sector aimed at removing policy and non-policy barriers in agricultural development in Southern Africa.

## 1. Improve Investment Climate to support private sector development

- Studies on Beira Corridor private sector constraints, contracting arrangements and inclusive markets
- Southern Africa Agricultural Development Partnership Platform (SAADPP)
- Mtanga Farms Potato Seed Registration

## 2. Capacity Development

- Empowerment of Rural Women in Agriculture (AWIA)
- Supply Chain Entrepreneurship Development (ISPM)
- CEPAGRI institutional development and support
- Agriculture Project Preparation Facility (APPF)\*

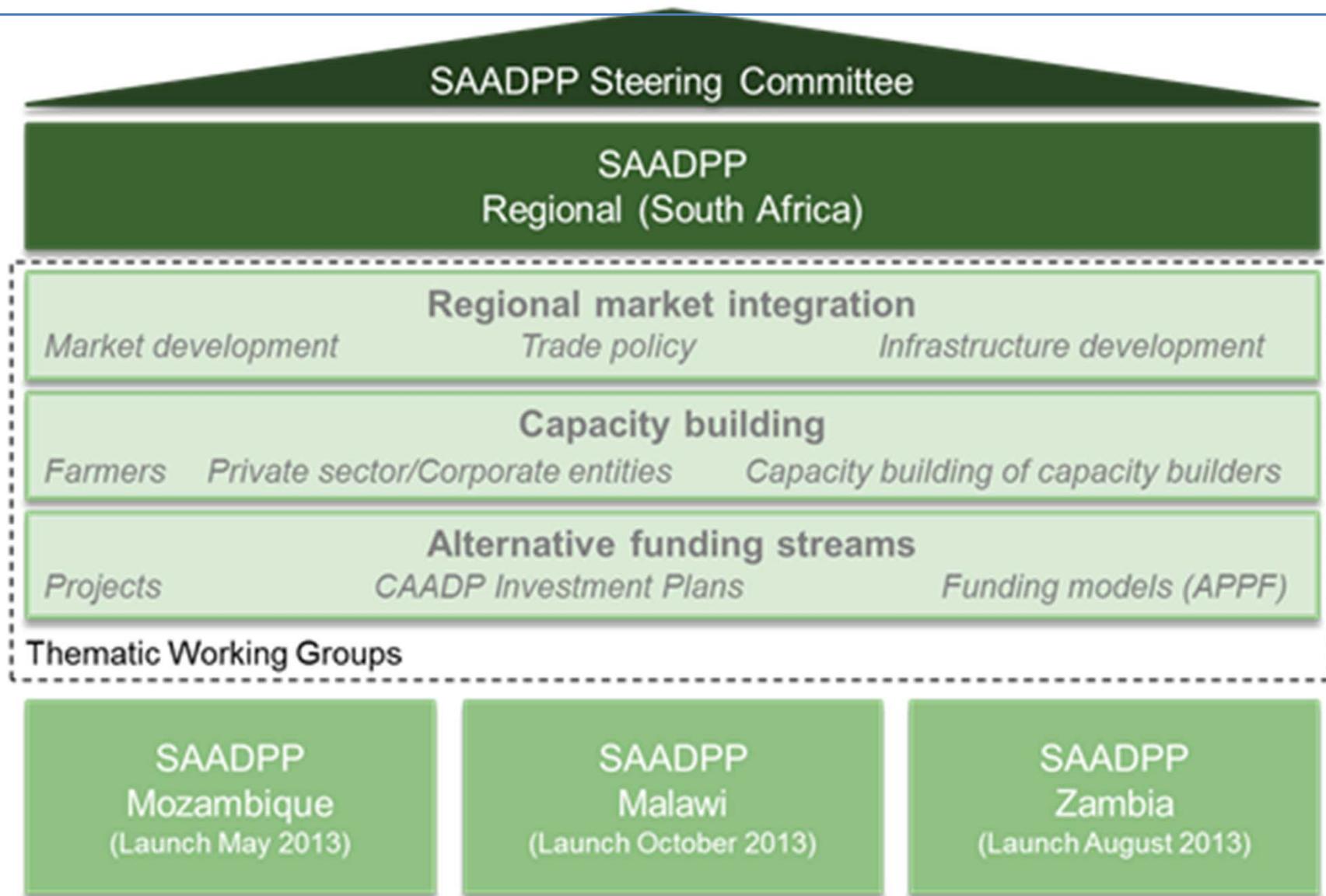
## 3. Pipeline Projects

- Value chain business expansion facilitation into Africa for a Food & Beverage Multinational
- Local Economic Development facilitation for a mining entity/resource extraction corporation in Mozambique\*
- Agriculture Hubs & Agro-Processing Centres for Tete-Mozambique and NW Zambia (New Copper belt)\*

## 4. SADPP

- Multi-stakeholder partnership platform that identifies and coordinates partners to remove barriers to agriculture investment and trade.
- SAADPP is unlocking bottlenecks in the region and increasing private sector involvement in agricultural sector growth.
- SAADPP is focused along the Beira Corridor. It has chapters in **South Africa, Mozambique, Malawi and Zambia.**

# SAADPP Structure



# Strategic Water Partnership Network



Strategic Water Partnership Network  
SOUTH AFRICA

The SWPN is a partnership between the public sector (primarily the Department of Water Affairs – DWA), the private sector and civil society working collectively to close a 17% gap between water supply and demand that is anticipated to manifest by the year 2030 in South Africa.

# Strategic Water Partnership Network



	Focus areas		
	Effluent and Wastewater Treatment. Chair: Eskom	Water Efficiency and Leakage reduction. Chair: Nestle	Agricultural Supply Chain. Chair: Coca Cola
Project examples	<p>Sustainable water management in the Witbank coal mining area</p> <ul style="list-style-type: none"> <li>Completed scoping phase that defines the issues that a sustainable mine water management business-institutional model should address.</li> <li>Phase 2 is underway to define the policy, financing, and institutional options that should be pursued towards reducing water pollution from mines while turning mine wastewater into a resource</li> </ul>	<p>No Drop project</p> <ul style="list-style-type: none"> <li>Developed a programme to incentivize municipal water loss reduction with a target to reduce water losses from the current 32% to 18% by 2025, saving over 600 billion litres annually with a financial value of over R 2.5 Billion.</li> </ul> <p>Model contract for water conservation and demand management</p> <ul style="list-style-type: none"> <li>Developed a model contract compliant with the MFMA to assist municipalities better contract or partner with private sector</li> </ul>	<p>Vaalharts irrigation scheme upgrading</p> <ul style="list-style-type: none"> <li>Developing business case to unlock funding (R 4 Billion) for the Vaalharts upgrading.</li> </ul> <p>Roll out the Water Administration system</p> <ul style="list-style-type: none"> <li>Facilitating roll out of a proven irrigation management system that reduces water loss</li> </ul>

# ACGN Mission, Vision and Objectives



## Vision

- Africa, a continent committed to effective corporate governance and ethical leadership.

## Mission

- To develop the institutional capacity of ACGN members for enhancing effective corporate governance practices towards building better private and public sector organisations and corporate citizens in Africa.

## Objectives

- Exchange and share knowledge, information, best practices tools and resources.
- Demonstrating good practice within member organisations and network.
- Building sustainable capacity to enable membership organisations to achieve their goals.
- Common platform for advocacy, initiatives and communications.
- Expand the network.
- Create a favourable investment climate (outcome).
- Conduct research.

# ACGN Key Focus Areas

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## Research

- Baseline study: NBF undertook a baseline survey of all ACGN member organisations and the level of Corporate Governance in their respective countries.
- Further best practice research on good governance.

## Advocacy

- Stakeholder engagement and mapping.
- Lobbying for improved corporate governance.

## Collaboration

- Sharing of tools and best practices.
- MOU's with regulators, commissions, exchanges, chambers of commerce etc.
- Awards of best practices.

## Capacity Building

- Assessment of each institute and identify 3 key actions required for the institute to evolve to the next level.
- In some countries in Africa there are no corporate governance institutes or institutes of directors and in others these may be “one man bands” or self interest groups.

# African Corporate Governance Network



The NBF is currently acting as Programme Management Unit and Secretariat of the African Corporate Governance Network (ACGN).

## Achievements

- ACGN expanded its network and now comprises of founding members, affiliate members and associates spanning 12 African countries.
- A baseline review has been completed to compare the level of corporate governance in the represented African countries and to derive common best practices to address challenges.
- Members have participated in and contributed to international forums on corporate governance best practice.



# Business Action Against Xenophobia Platform



## **NBF's response to xenophobia**

- CEO – Lynette Chen sent out press statement
- Chairman – Stanley Subramoney attended the President's Inter-Ministerial Committee meeting
- NBF appealed to members to support the Red Cross and Gift of the Givers

## **Social Media**

- Twitter campaign #BizNoXeno trended #8 in South Africa
- Facebook campaign 'Business Against Xenophobia' got over 4500 likes in 2 days

## **Meetings**

- NBF hosted B.A.A.X. Forum – 23 April 2015 at Nedbank Head office in Sandton
  - Over 100 high level delegates from business, government and the diplomatic community attended
  - Delegates outlined key action items for corporates to carry forward
- NBF hosted an Action Plan meeting for the B.A.A.X. Platform – 14 May 2015
  - Working groups and task-teams were created to implement initiatives

# Business Action Against Xenophobia Platform



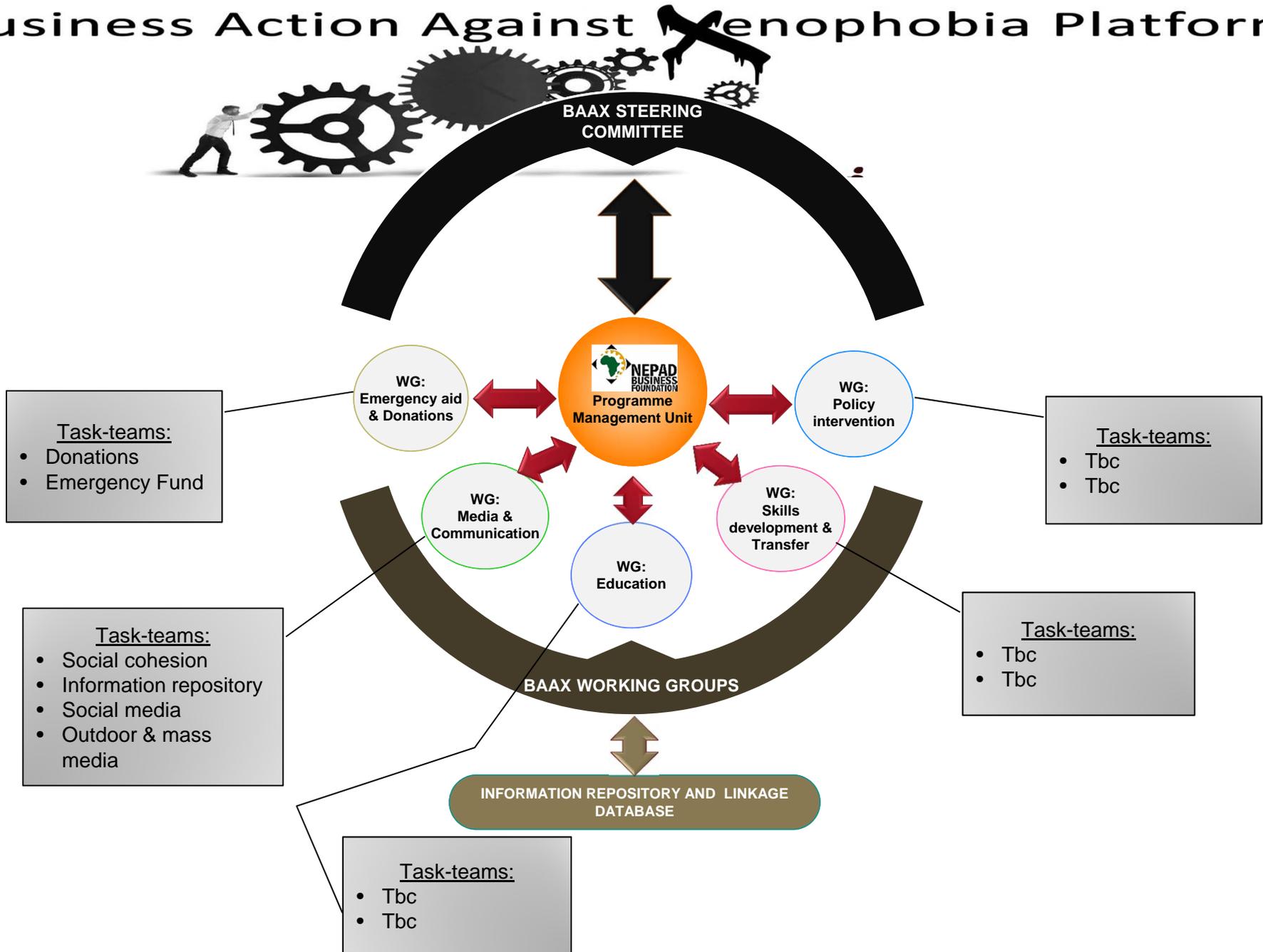
## B.A.AX. Platform

- The BAAX Platform is a multi-stakeholder coordinating body that creates linkages between activities of various key partners and participants working on different initiatives to address the medium and long-term root causes of xenophobia in South Africa and the continent as a whole.

## B.A.AX. Platform objectives

- *To identify and address the root causes of xenophobia in South Africa and Africa at large;*
- *To systematically weed out and redress structural challenges that nurture the triggers of xenophobia in South Africa;*
- *To identify, catalogue and categorise all anti-xenophobia activities and create a linkages between individuals and organisations working on similar initiatives;*
- *Seek out synergies across all initiatives that are working to address xenophobia on a national, regional and continental level;*
- *Grow the critical mass required to induce social and economic transformation on a national level; and*
- *Lobby for government input and intervention on behalf of the collective (i.e. participants on the BAAX platform)*

# Business Action Against Xenophobia Platform



# Investment Networking Platforms



# Contacts



## Lynette Chen

CEO - NEPAD Business Foundation

Tel: +27 10 596 1888

Fax: +27 10 596 1912

E mail: [Lynette.chen@thenbf.co.za](mailto:Lynette.chen@thenbf.co.za)

## Monica Dowie

Operations and Financial Controller

Tel: +27 10 596 1888

Fax: +27 10 596 1912

E mail: [monica.dowie@thenbf.co.za](mailto:monica.dowie@thenbf.co.za)

[www.nepadbusinessfoundation.org](http://www.nepadbusinessfoundation.org)

### Founding Members



### Platinum Members

