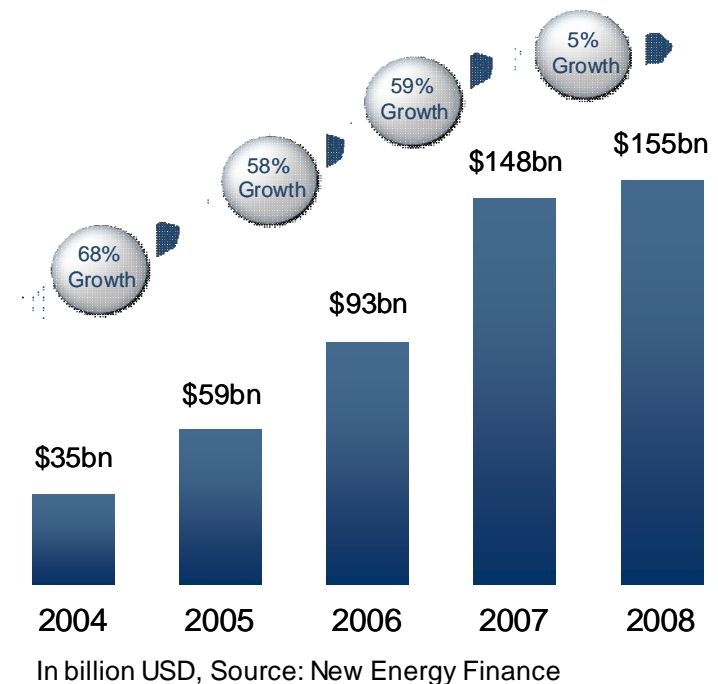


# PPP for Energy Finance

Dr. Sebastian Fritz-Morgenthal, Maputo June 2009

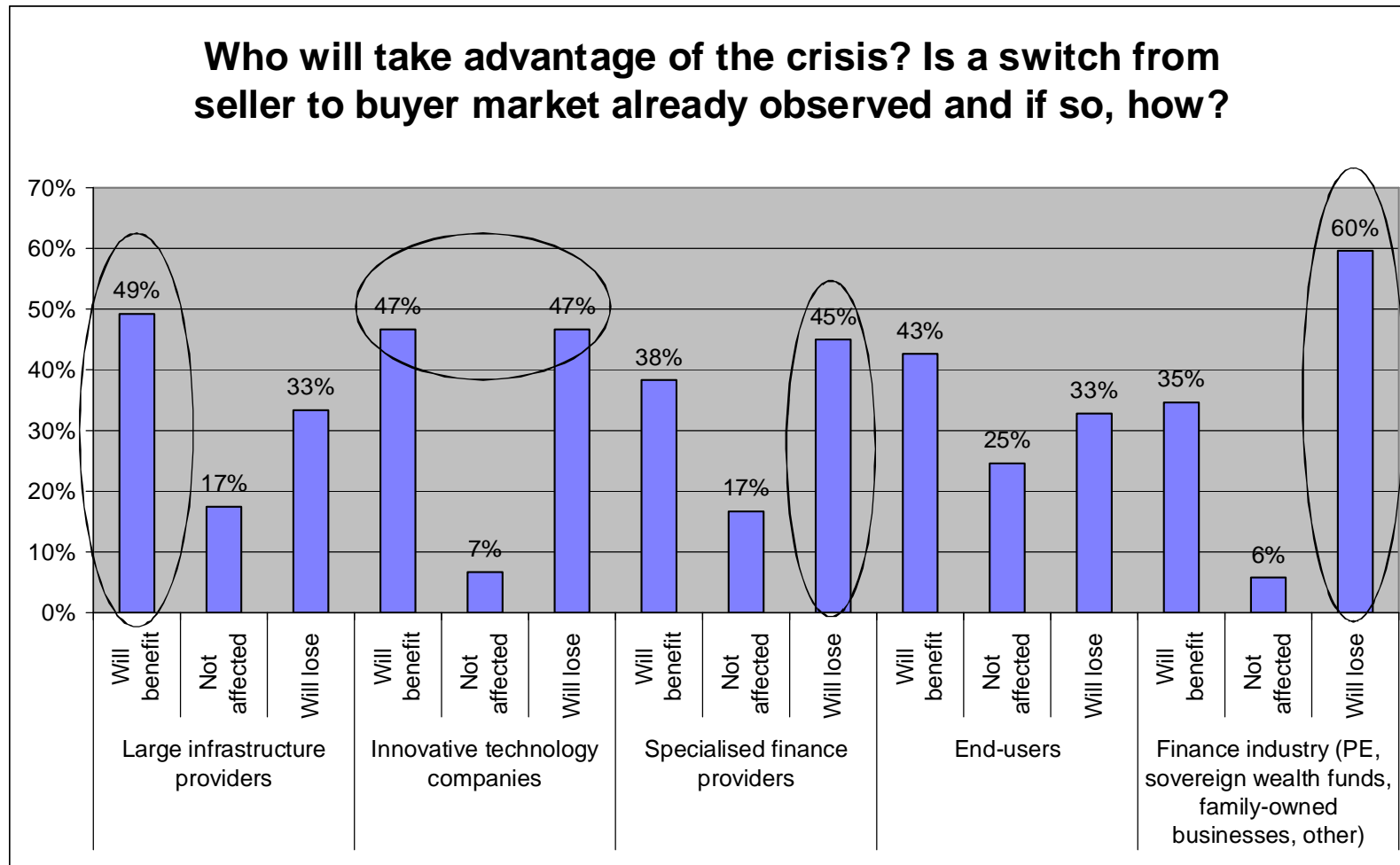
## New Challenges in the face of Financial Crisis: Investment in RE power projects slowed down

- Many developers and sponsors **abandoned deals**
- Larger transactions** stayed the course **more successfully** than smaller deals
- Cost of borrowing** has increased, shorter repayment periods → refinancing difficult, not a major problem for larger projects
- Positive outlook:** governments optakes in many leading banks in Europe could enhance pressure on banks to lend to renewable energy projects

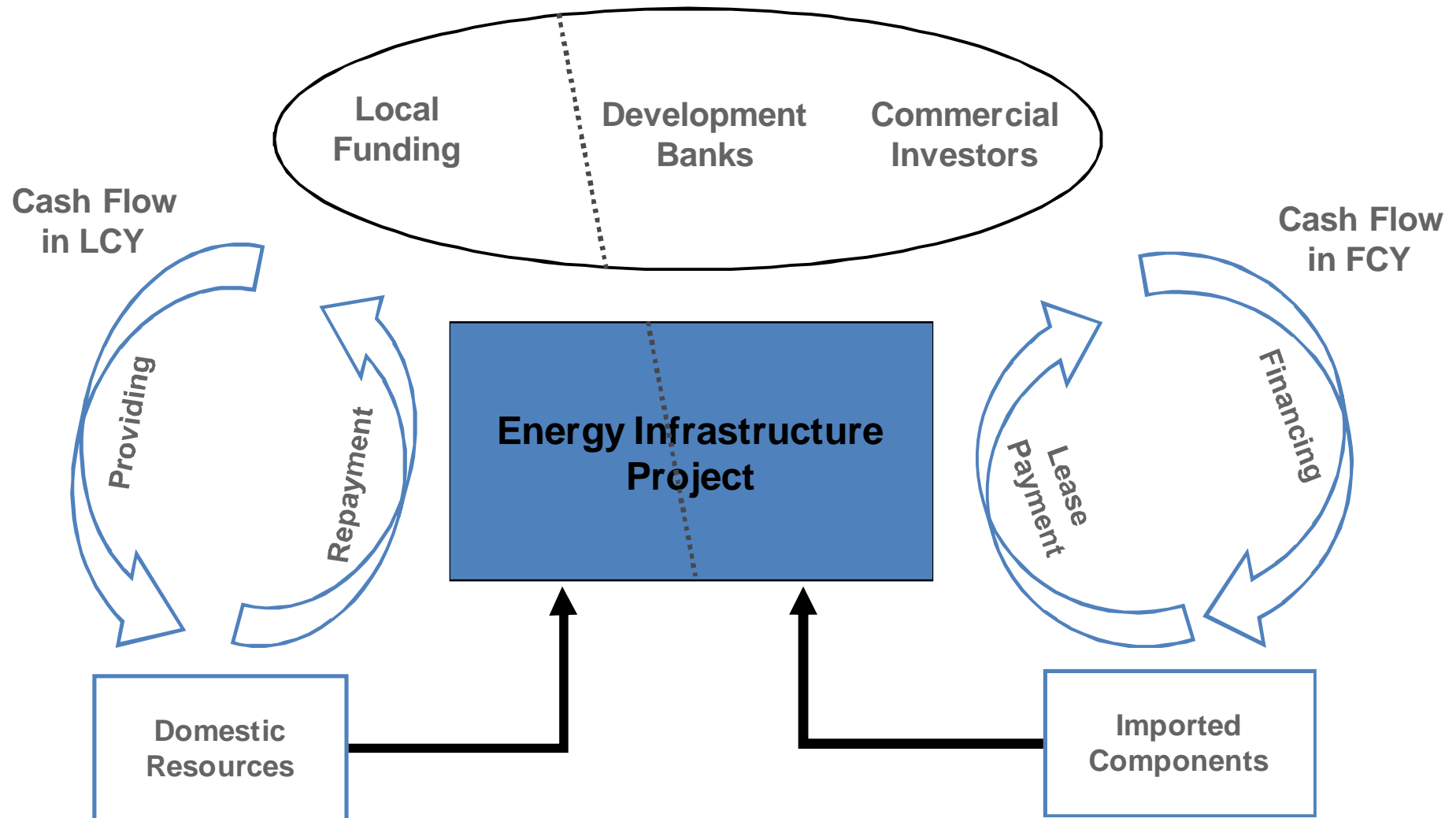


[http://www.frankfurt-school.de/dms/UNEP-Centre/Study\\_Financial\\_Crisis\\_impact\\_on\\_RE/Study\\_Financial%20Crisis%20impact%20on%20RE\\_.pdf](http://www.frankfurt-school.de/dms/UNEP-Centre/Study_Financial_Crisis_impact_on_RE/Study_Financial%20Crisis%20impact%20on%20RE_.pdf)

## Decline and Opportunities



## Financing Structure brings together local and international, private and public investors



## Public Private Partnership Vehicle

Advantages for Energy Infrastructure:

- + **National and international expertise**
- + **Public and private resources**
- + **Building project finance capacity**
- + **Catalytic role of public funding**
- + **Credibility factor of Development Banks**
- + **Multiple generation of investments, scalability**
- + **Shared responsibilities/clear incentive structures/checks and balances**

## Case: Wind Farm at Lake Turkana in Kenya

### Consortium Lake Turkana Wind Power (LTWP)

Kenyan project developer  
Anset African Limited

Dutch entrepreneur Mr. Willem  
Dolleman and KP&P B.V.

### Project Details

353 wind turbines  
850 KW per turbine

start production in June 2011  
full production by July 2012

### Funding requirements

USD 410 million loan by AfDB

USD 191 million equity stake  
(30% LTWP)

Source: [newenergymatters.com/?p=list&t=newsitems&id=31108&sp=1&sort=2&print=1](http://newenergymatters.com/?p=list&t=newsitems&id=31108&sp=1&sort=2&print=1)

## Case: Regional MSME Investment Fund for Sub-Saharan Africa (REGMIFA) arranged by BMZ and KfW

### Investor Consortium

Equity:  
Donors/govern-  
mental agencies

Mezzanine:  
DFIs and IFIs

Senior Notes:  
Commercial investors  
(at a later stage)

### Operational objectives

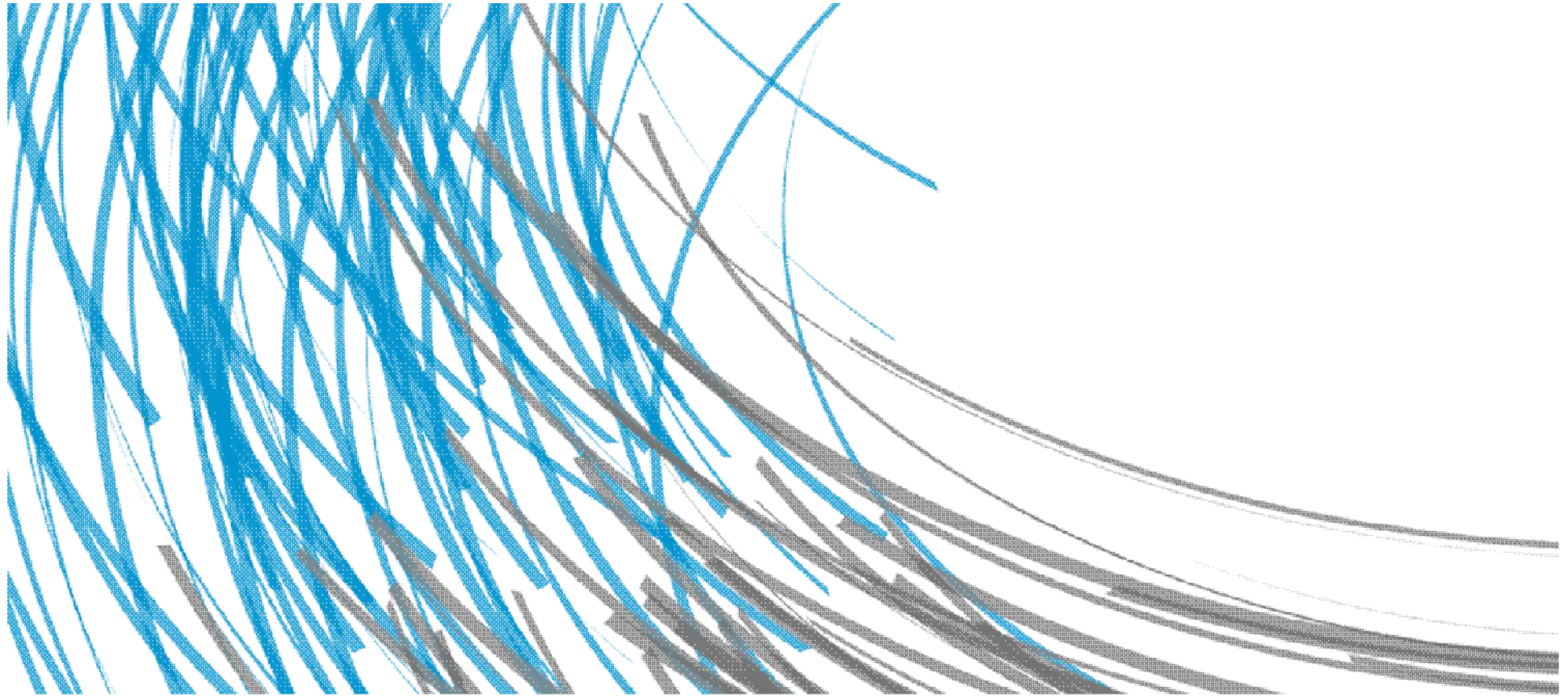
Medium to long term debt financing  
of commercially viable Microfinance  
lending intermediaries

Technical Assistance

### Fund details

200-250” million portfolio over 5 years

Located in Mauritius



**Thank you for your attention!**

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