

IJGlobal Awards 2022 – Africa Deal Winners

Angus Leslie Melville

09/03/2023

Five African transactions that closed in the 2022 calendar year were celebrated last night in London at the IJGlobal Awards, hosted at the Sheraton Grand on Park Lane.

Mixed in with European award winners, the African transactions were well received by the audience as the great and good of the regional infrastructure community raised a glass to 2022's achievements.

Unlike [the Company Awards](#) – which are chosen by the independent panel of judges – the Deal Awards are selected by the IJGlobal editorial, choosing from a selection of submitted transactions that stand out for going the extra mile.

To read about the European deal winners, [click here...](#)

The winning transactions are:

- SOLA Group's Solar PV Portfolio Financing, South Africa
- Cameroon Toll Road Plazas PPP
- Tamale Water Project, Ghana
- Kosmos Energy Refinance, Ghana

To read about the winners of the Company Awards for Africa and Europe, [click here...](#)

Renewable Energy Deal of the Year

SOLA Group's Solar PV Portfolio Financing, South Africa

This transaction was one of the first and largest private generation projects in South Africa that was procured by a mining company where the energy will be delivered through wheeling arrangements.

SOLA Group's [solar PV portfolio financing](#) reached financial close on 13 September (2022) with 3 commercial lenders and a DFI arranging ZAR 3.1 billion (\$181m) of debt:

- ABSA Bank
- NBSA



- Standard Bank
- Development Bank of Southern Africa (DBSA)

It is noteworthy for 2 key reasons – until recently, Tronox and other heavy electricity users, could only procure energy from state utility Eskom or municipal distributors of energy.

As such, this was one of the first projects to test the regulatory framework and appropriate risk allocation for procurement of energy by a private consumer from IPPs to supplement Eskom's supply.

In essence, SOLA Group undertook a practical application of Eskom's wheeling policies to ensure the feasibility of the proposed contractual structure.

This means that it had to navigate an uncertain regulatory framework in respect of private generation and wheeling at the outset of the project and then revise base case assumptions for the project when the regulatory framework changed to facilitate self-generation and wheeling.

It had to formulate the appropriate risk allocation for the delivery of energy through wheeling arrangements and based on this analysis drafted one of the first wheeling PPAs in the South African market.

This is an important shift for the South African power market ensuring that private companies can determine their energy strategy (potentially driven by various factors, including but – not limited to – security of supply, price certainty, BBBEE procurement objectives and ESG) going forward as well as facilitating the off-taker's energy transition.

Transport Deal of the Year

Cameroon Toll Road Plazas PPP

Having reached financial close mid-June 2022, Cameroon's [toll road plaza PPP](#) marked the first financing agreement solely focused on toll plaza infrastructure in Africa.

Beyond that, it was the first road-related PPP in Cameroon and it involved an innovative financing structure combining a liquidity extension and partial credit guarantees.

The guarantee structure extended the debt tenor from 7 to 14 years and provided credit risk mitigation to the lenders – Societe Generale and Attijariwafa Bank.

Technical assistance was provided by the Private Infrastructure Development Group (PIDG) which helped address complicated resettlement and livelihood restoration issues, as well as for the monitoring of HSES (health, safety, environmental, social and governance) risks during construction... which proved instrumental in ensuring the project's bankability.

The debt was arranged over a long tenor in local currency, removing asset/liability mismatch and lowering the expected all-in financing project costs.

GuarantCo – part of PIDG – provided a \$38.4 million (XAF equivalent) guarantee solution to Societe Generale Cameroun and Societe Commerciale de Banque Cameroun (SCB) to finance TollCam – the project company established by Egis and Fayat (the sponsors).

The financing comprises a 14-year combined liquidity extension and partial credit guarantee to support debt for the modernisation, operation and maintenance of 14 toll plazas across Cameroon.

The project is being developed under a 20-year PPP and the combined guarantees helped the lenders provide XAF 32.5 billion (\$52m) long-term, local-currency (LCY) debt arranged by SG Cote D'Ivoire.

It is the first road related PPP in Cameroon and addresses inefficiencies in the existing toll collections via more secure and efficient toll gates, collections, and payment systems.

This will allow the Government of Cameroon to double its revenue collection without increasing the toll price or changing traffic flows. The extra revenues will benefit the GoC's Road Fund which will invest in further development of the road network in Cameroon.

Export Finance Deal of the Year

Tamale Water Project, Ghana

The role played by UKEF on the financing of the [Tamale Water Supply Project](#) in the northern region of Ghana won it the Export Finance Deal of the Year in the IJGlobal Awards 2022.

The whole financing package took more than 3 years to implement, starting with a commercial facility to finance the front-end engineering and design (FEED) phase of the project in 2019 and followed by a UKEF supported facility in 2022 to finance the project itself.

The transaction reached financial close on 19 October (2022) with Deutsche Bank and UKEF taking an even split on the \$223 million debt package and the Ghanaian Government as sponsor.

These types of projects are critical to the development of Ghana's infrastructure and its communities, particularly given its ongoing credit rating struggles and discussions with the IMF.

As such, it took intense work and engagement to structure a facility in a way that both boosts the Ghanaian economy, while simultaneously supporting the export of UK goods and services.

The Dubai-based Clifford Chance team advised Deutsche Bank and UK Export Finance on the UKEF-supported and commercial facilities to the Ministry of Finance of Ghana in respect of the financing, design, construction and commissioning of potable water infrastructure project.

Refinance Deal of the Year – Oil & Gas

Kosmos Energy Refinance, Ghana

Kosmos Energy successfully refinanced its revolving credit facility and completed the semi-annual re-determination of its reserve-based lending (RBL) facility at [the end of March \(2022\)](#).

The \$250 million RCF refi extended maturity to the end of 2024 and reduced its size to offset an increase in the margin, resulting in slightly lower interest going forward.

At the same time, Kosmos announced that – in conjunction with the spring re-determination of the RBL – the company's lending syndicate approved a borrowing base capacity of \$1.25 billion with current outstanding borrowings of \$0.9 billion.

The RBL facility is secured against the company's production assets in Ghana – excluding the incremental interests acquired from Occidental Petroleum in October 2021 – and Equatorial Guinea, with the first amortization payment scheduled for March 2024.

Total liquidity at the end of the first quarter of 2022 increased to around \$0.9 billion, including the impact of the reduced RCF size.

At the time of closing the RCF, Kosmos CFO Neal Shah said: “We appreciate the continued support of our key relationship banks. With strong free cash flow generation, coupled with the recent receipt of pre-emption proceeds, we are making excellent progress in reducing both leverage and absolute debt while growing liquidity. At current oil prices we expect leverage to be below our 1.5x target by year-end 2022 and are well on the way to achieving that outcome.”

Thank you for printing this article from IJGlobal.

As the leading online publication serving the infrastructure investment market, IJGlobal is read daily by decision-makers within investment banks, international law firms, advisory firms, institutional investors and governments.

If you have been given this article by a subscriber, you can contact us through www.ijglobal.com/sign-in, or call our London office on +44 (0)20 7779 8870 to discuss our subscription options.