



AFRICAN BIOFUELS & RENEWABLE ENERGY FUND

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*To become in long term a leader Fund in Clean Energy
Development focused on African region*

Dakar 16-18 April, 2008



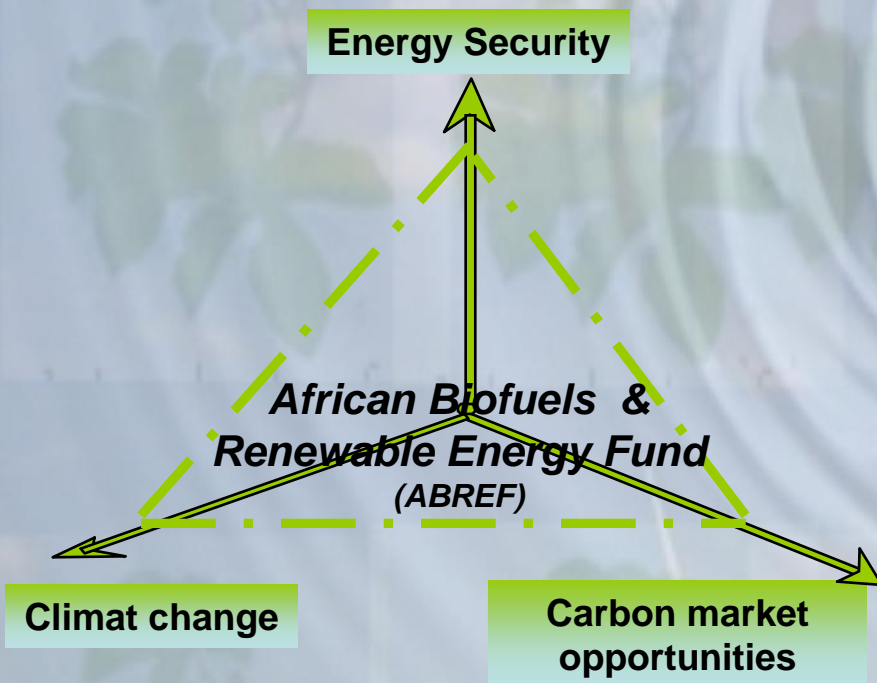
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I. Three pillars



- **Energy Security:** Energy poses a major problem in sub-Saharan Africa, more so than anywhere else in the world.
 - The electrification rate < 25%
 - The primary energy consumption = 5% of the world total consumption
 - An increase in oil price \$10/barrel = 1.5% drop in GDP & up to 3% for very poor countries
- **Climate change:** The poorest countries that will suffer the climate change earliest and most
 - Hunger, water shortages and coastal flooding
 - The increase of production and exports of oil and gas cannot be an end in itself
- **Carbon market:** an additional revenue stream
 - Kyoto protocol and its local application : European Trading Scheme, CCX (USA), NSW (Australia)...
 - Carbon finance could raise \$4 billion by 2012 and up to \$14 billion thereafter (10 times greater than what is available than Official Development Assistance)





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II. One Vision

To become in long term a leader Fund in Clean Energy development focused on African region

The Fund will aim to :

- Reinforce the african energy and economy independance
- Profit from clean energy market
- Face the challenges resulted from global warming

Because

- Africa has a great potential as it is rich on natural energy resources, largely underexploited.
- Renewable energies in emerging countries are already competitive with fossil fuels-based solutions in many cases due to lack of grid infrastructure.



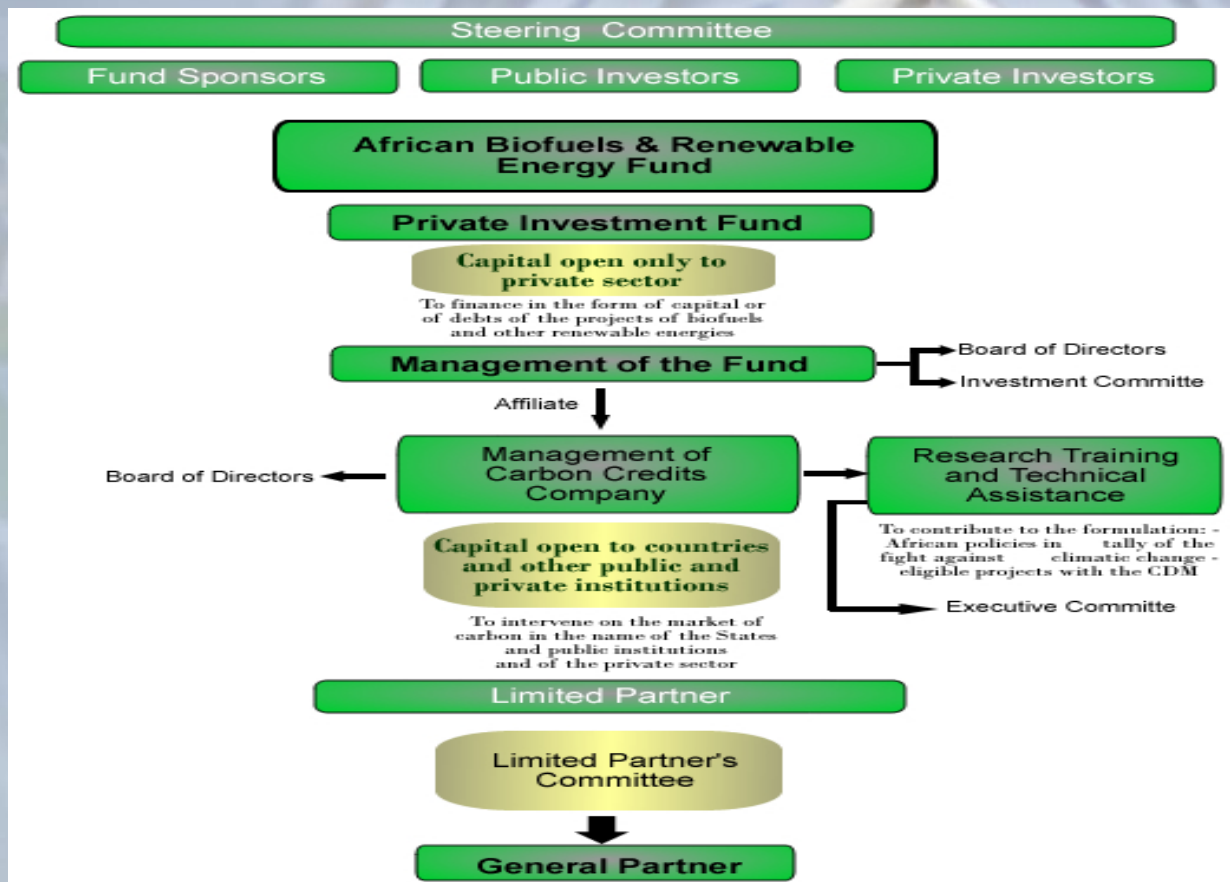
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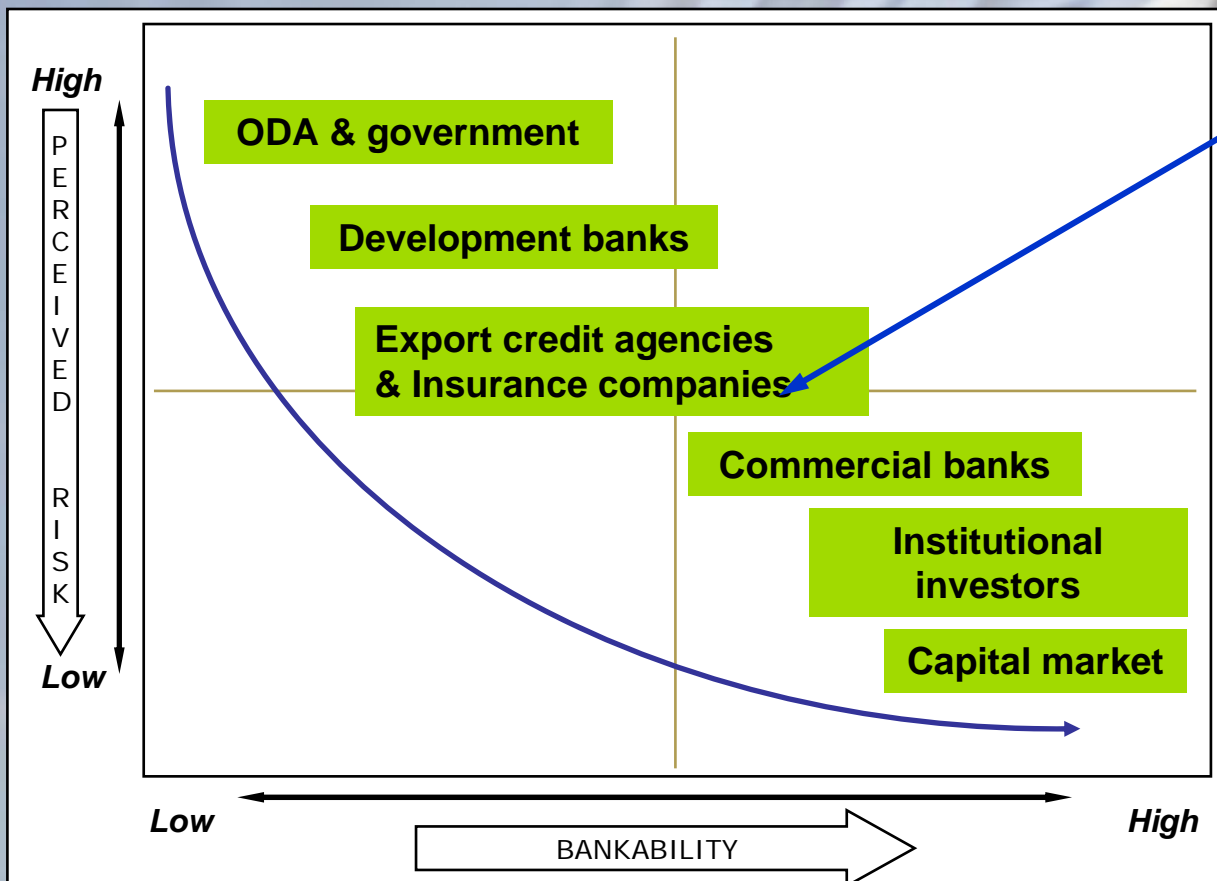
III. Fund Structure





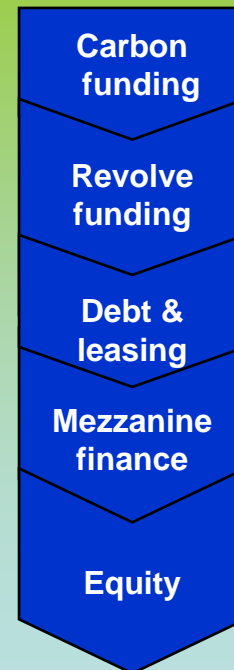
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IV. Strategic Financing Position



ABREF financing strategy

Use credit enhancements based on additional cash flows

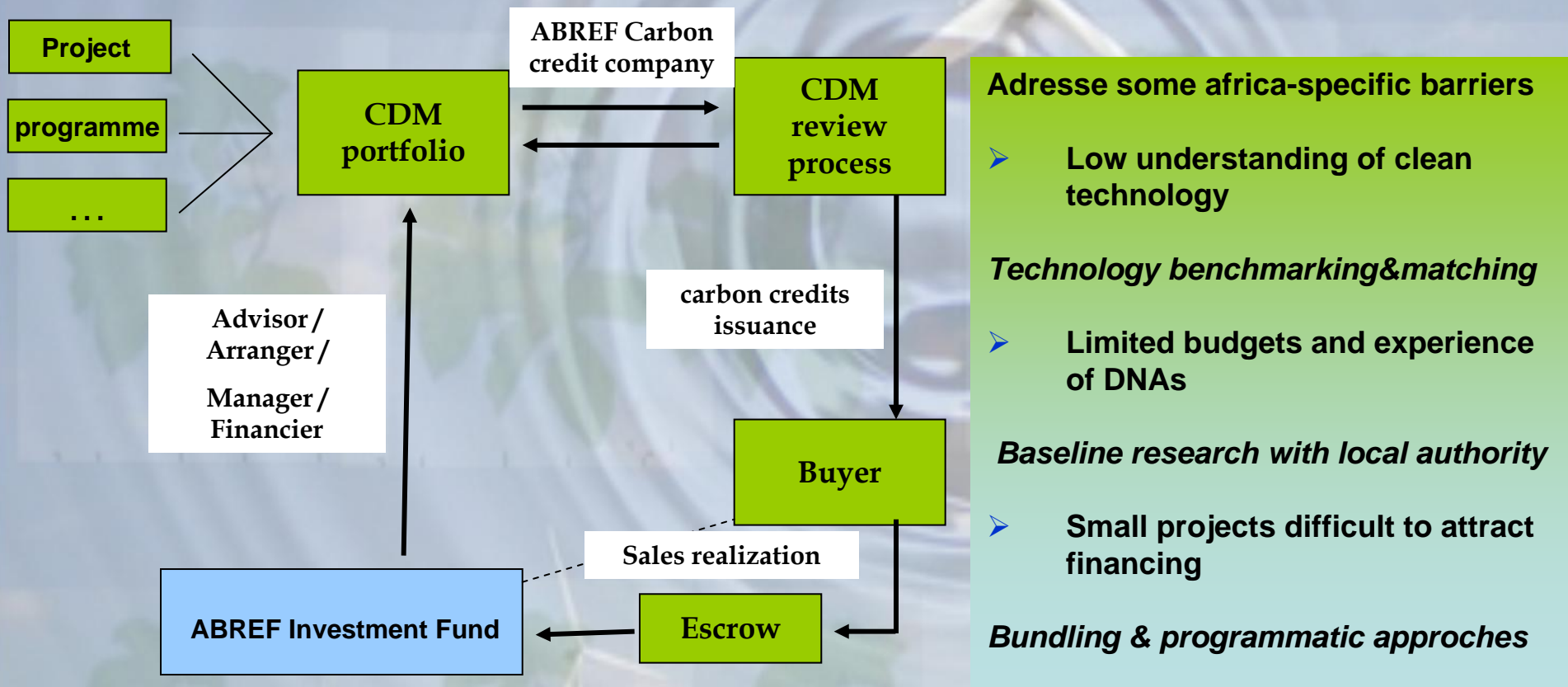


Advise & Arrange



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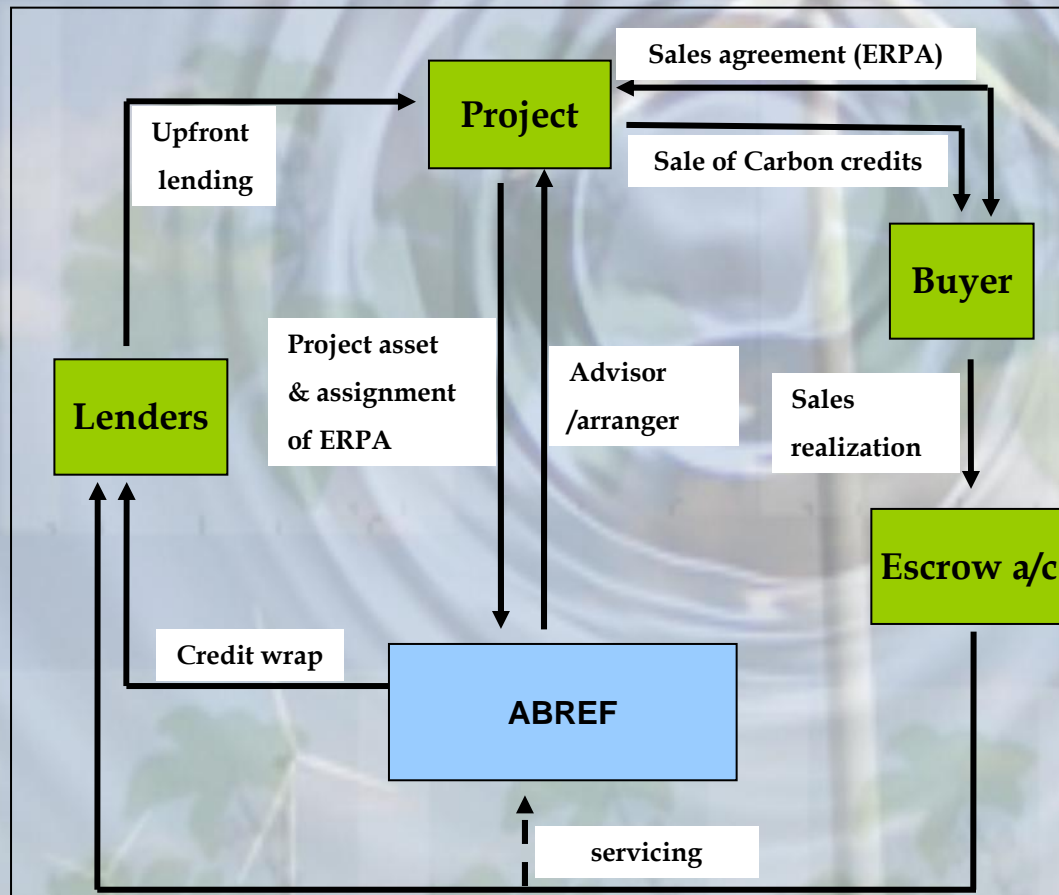
IV. Carbon funding (1)





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IV. Carbon funding (2)



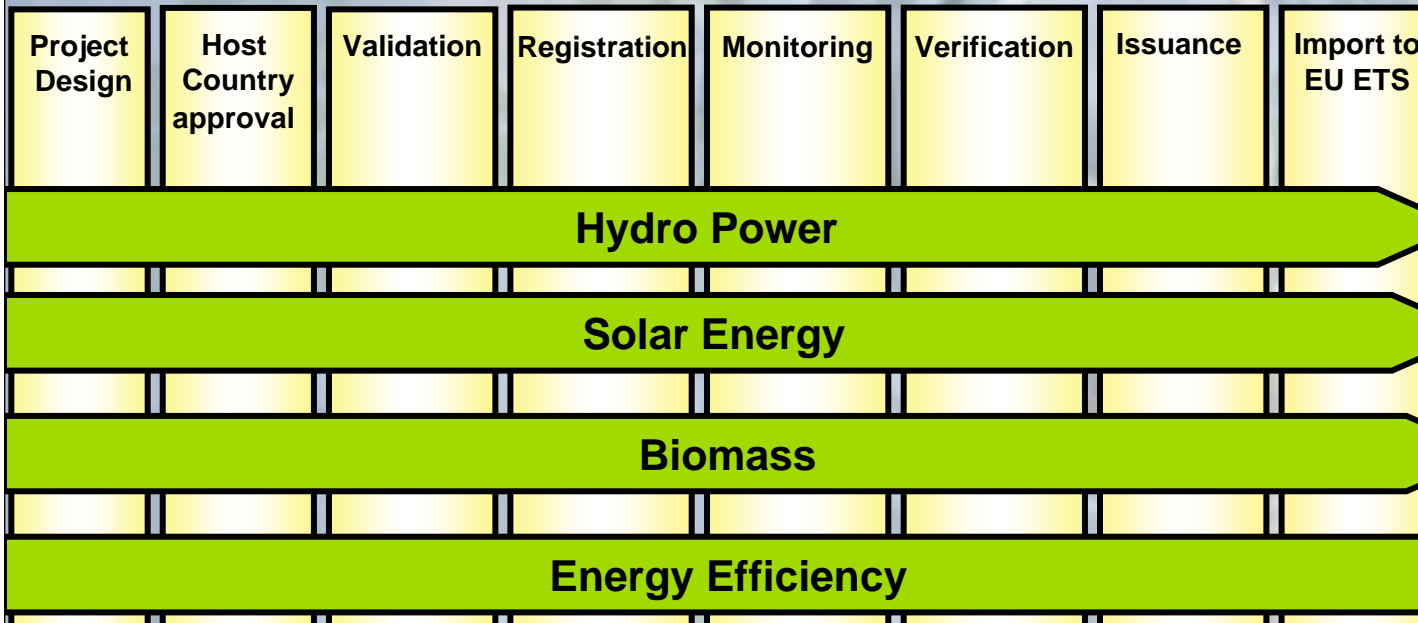


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IV. Carbon funding (3)

ABREF services: Increasing carbon value

ABREF focused sectors



- Small scale

- Public lighting
- Photovoltaic

- Methane
- Cogeneration

- Cement
- Power plant

Bundling and programmatic approaches

Technical assistance & Capacity building

Contribute to the liquidity for regional carbon market





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V. Challenges of carbon financing

- **Long term international funding visibility:**
 - Uncertainty post 2012 status
 - Carbon credits considered as “commodity” or ” financial assets”
- **Account & taxes issues:**
 - Implication of carbon revenues, expenses and its taxes in book of accounts
- **Financing issues:**
 - Carbon finance provides only an additional revenue stream that need to be collateralized with traditional debt or equity financing to finance the projects.
- **Risk management:**
 - Manage project performance risk and non-delivery of carbon credits
 - Mitigate the market risk related to carbon market uncertainty





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VI. Cooperation perspective

Financing projects through :

- *Debts & guarantees trough institutions like EBID, ECOBANK, FAGACE, BOAD, EXIMBANK OF CHINA, bilateral & multilateral institutions*
- *Equity with institutions like CADFUND & investors*



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VII. Pipeline of projects

	BENIN	BURKINA FASO	COTE D'IVOIRE	GHANA	GUINEA	MALI	NIGER	NIGERIA	SENEGAL	TOGO	TOTAL
Agriculture			1				1		1		3
Biofuel		3		1		8	1	1			14
Biogas									2	1	3
Biomass Energy			1	1			1		1	1	5
Energy Distribution	7								1	2	10
Energy Efficiency industry									5		5
Energy Efficiency households	1						2		1	1	5
Energy Efficiency own generation										1	1
Fossil fuel switch			1				1		2		4
Hydro	2		1	1	16		1				21
Methane destruction				1							1
Reforestation	1			2					3		6
Solar			2				6		1	4	13
Solide Waste management									4		4
Wind									1		1
TOTAL	11	3	6	6	16	8	13	1	22	10	96



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THANK YOU FOR YOUR KIND ATTENTION



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