



# The Great Lakes Private Sector Investment Conference (PSIC) *Kinshasa, DRC 24-25 February 2016*

Brussels roadshow

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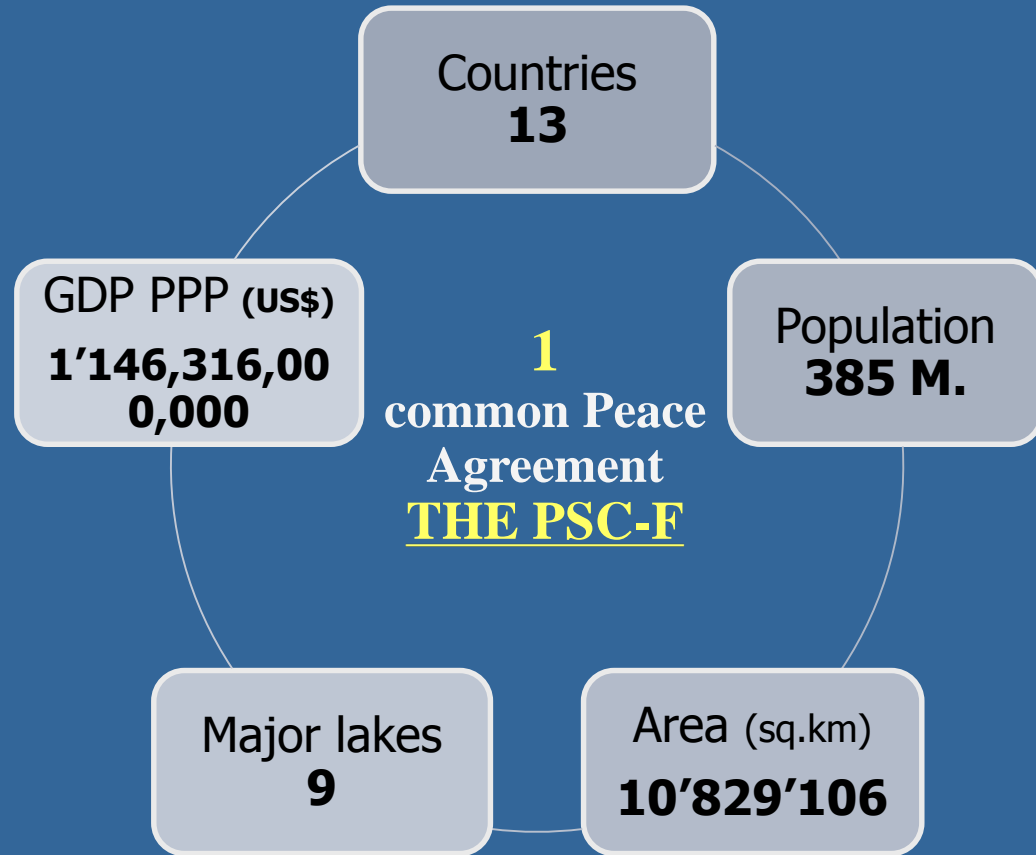
# AGENDA

- I. The Great Lakes at a glance
- II. Why invest in the Great Lakes?
- III. Investment projects: *Overview*
- IV. The PSIC: *What, why, who, how, ... & where?*
- V. Q&A



# I. At a glance

## The Great Lakes region by the numbers.





# II. Why invest in the Region?

## 1. MARKET SIZE & MARKET ACCESS



- **Population: 385,000,000** (>USA population)
- **Aggregate GDP** of the region (2015 WB): US \$ 791,466,611,825  
Africa (54) : US\$ 2.49 trillion
- **Increasing domestic resource mobilization:**  
Growing purchase power (PPP in the region = US\$ 1'146,316,000,000)  
→ Growing consumerism
- **Establishment of effective regional economic communities**  
e.g. COMESA, SADC, EAC, AGOA → Preferential access to key markets on regional and international levels (EU, US, China etc.).



# II. Why invest in the Region?



## 2. RESOURCES & OPPORTUNITIES

- **Tremendous natural resources reserves**

At the heart of the GLR is the economic sleeping giant: the **DRC**

- Rich soil and thousands of hectares of arable land
- Geological reserves worth 24 trillion (*Copper, cobalt, gold, diamonds, coltan, zinc, tin, tungsten, uranium, silver, coal, niobium, manganese*)

- **But also significant natural reserves in:**

**Zambia** (*copper*), **Tanzania** (*gold, phosphates, iron, gemstones*),

**Angola** (*diamonds, copper, ore, bauxite, uranium, phosphates, etc.*)

**South Africa** (*major supplier of best-breed technologies in the global mining sector*)

- **Rapid growth in demand for these resources** (spec. from China & India)  
→ Global commodity trade boom + Demand for lesser known mineral resources (*such as Coltan←Tantalum←electronic equipment \_phones, computers, spacecraft*) is driving interest in the region's mining investment opportunities.



# II. Why invest in the Region?



## 2. RESOURCES & OPPORTUNITIES (*Cont.*)

- **An abundance of arable land** (*for irrigation, energy generation*) with ideal soil and climate conditions for a wide variety of agricultural products (*See Kenya & Rwanda recent track records*)
- **Growing food demand vs Net Food Importer**

*African population expected to double to 2 billion by 2050 and the urban population is growing more rapidly : Vital to increase agricultural production.*  
*African nations aggregate food importation is more than US\$50 billion*
- **Enviably natural assets for tourism** (*e.g. Tanzania - 25% of its land to game reserves*)
- **A youthful, fast growing, urbanizing, better educated, middle class population.** → Available and affordable labor force
- **Infrastructure development & technological savvy** (*High internet penetration. Innovative mobile phones usage*)



# II. Why invest in the Region?



## 3. GROWING ECONOMIES

- The region includes
  - the 4 fastest (Dar es Salam, Nairobi, Kinshasa and Luanda) and the
  - 8 of the top 20 fastest growing African cities
  - The 4 cities are also among the fastest growing cities in the world.
- **Expanding export markets, trading partners & diversified development assistance**  
Rise of large companies and of South-South Trade in the region over the past 10 years.  
Increase economic interaction/partnership through :
  - Formal dialogue platform (*Forum on China-Africa cooperation, India-Africa Forum* )
  - No formal dialogue platform (*Brazil, Kuwait, Saudi Arabia, UAE, Singapore, etc.*)
  - Trilateral agreements (*India-Brazil-South Africa Partnership*)
  - Interregional (*New Asian-African Strategic partnership, Afro-Arab Cooperation*)

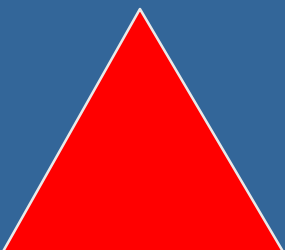
Recent two way trade between Africa and:

*US: grew 122% → US\$ 88 billion*

*EU: grew 126% → US\$ 298.3 billion*

*India: 506% → US\$ 34.3 billion*

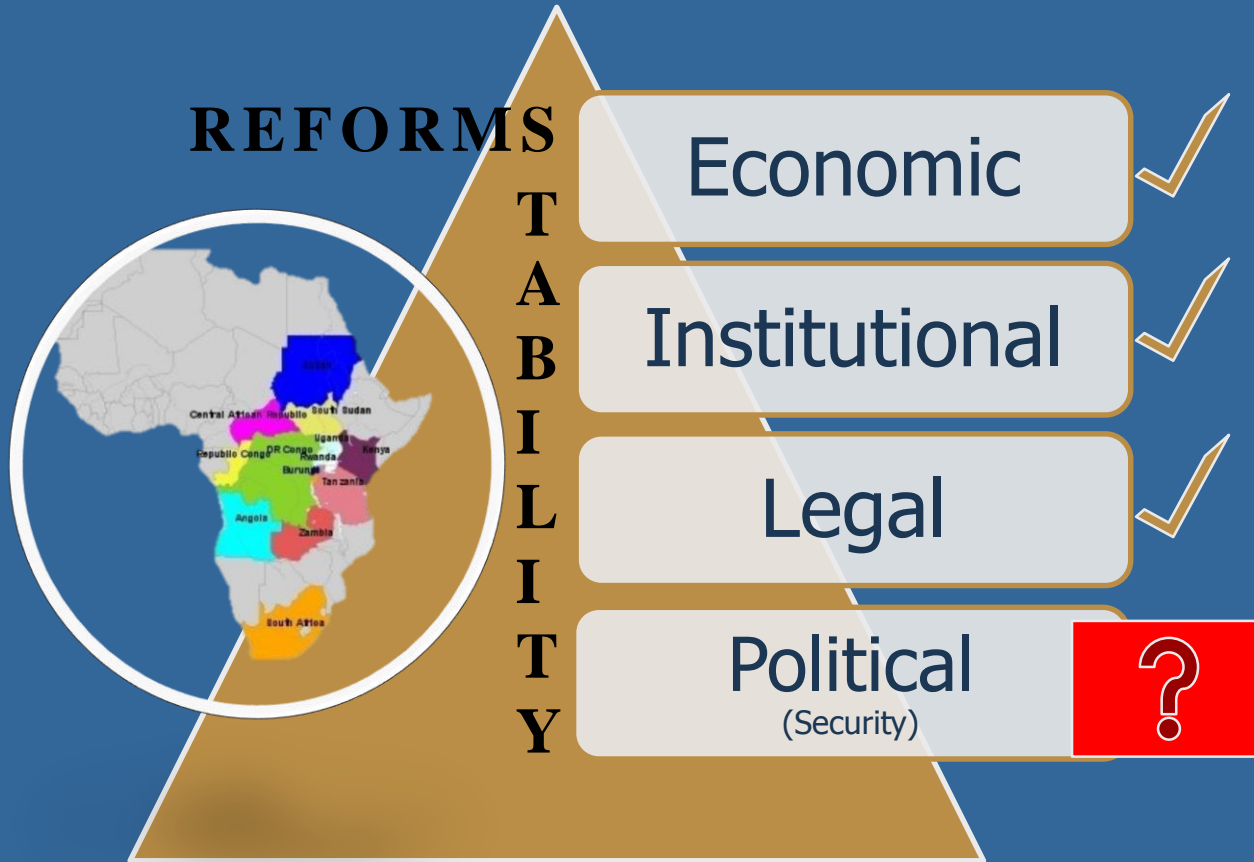
***China: 708% → US\$ 93.6 billion → recently top US\$ 200 BILLION***





# II. Why invest in the Region?

## 4. A CONDUCTIVE INVESTMENT ENVIRONMENT







## II. Why invest in the Region?

### Pioneering international agreement: *The Peace, Security and Cooperation Framework (PSC Framework) for the DRC and the region*



- Signed in **Feb. 2013** by the Heads of State of the GLR
- **13** signatories;
- Reinforces the **ICGLR Pact on Peace, Security and Development** signed by the Heads of State in 2006;
- Both set out commitments for the Governments of the GLR → long-term **peace, stability** and **shared prosperity** for all.



## II. Why invest in the Region?

### Pioneering international agreement:

### *The PSC Framework for the DRC and the region*

- Brings together the Heads of State to **address the root causes of conflict in eastern DRC and other parts of the region**, but also **take action for long-term development**;
- Heads of State committed to “**strengthen regional cooperation, including deepening economic integration**”;
- UN Special Envoy for the GLR and ICGLR Executive Secretary mandated to **organize a Private Sector Investment Conference** to showcase regional investment opportunities in the Great Lakes Region, as a way to support peace, stability and inclusive development.





# III. Illustrative projects: *Overview*

## *Projects by sectors*



**Agriculture (7)**



**Energy (3)**



**Finance (2)**



**ICT (1)**



**Infrastructure (8)**



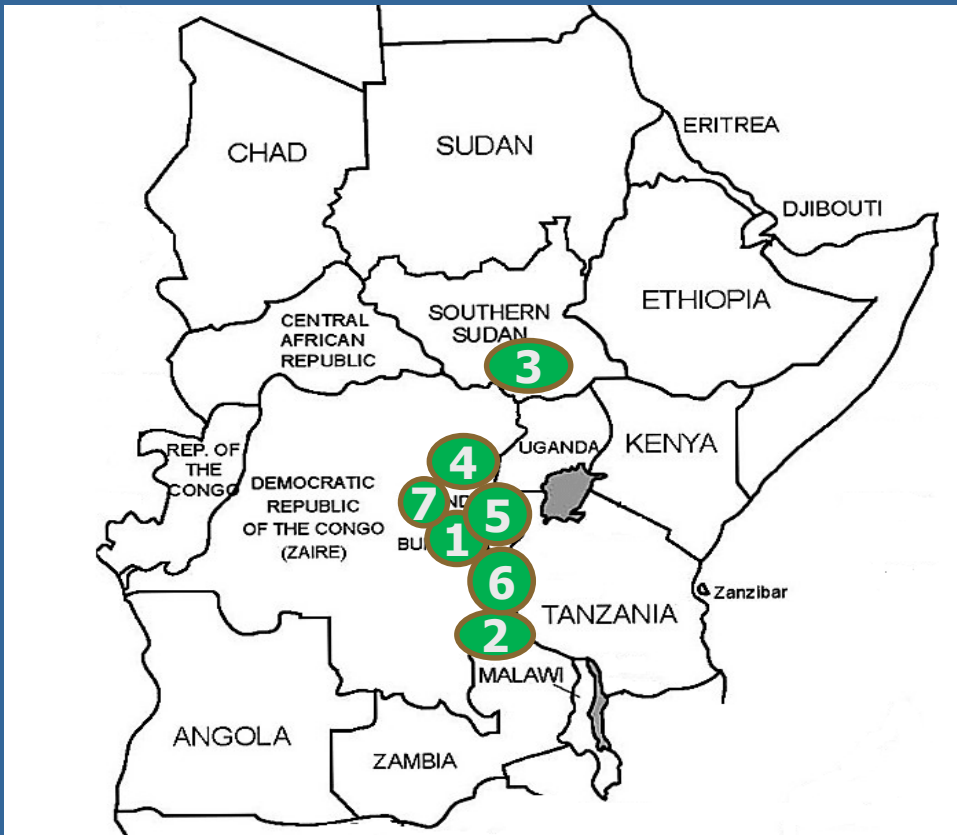
**Mining (2)**



**Tourism (2)**



# *Illustrative projects - Agriculture*



Agriculture



Energy



Finance



ICT



Infrastructure



Mining

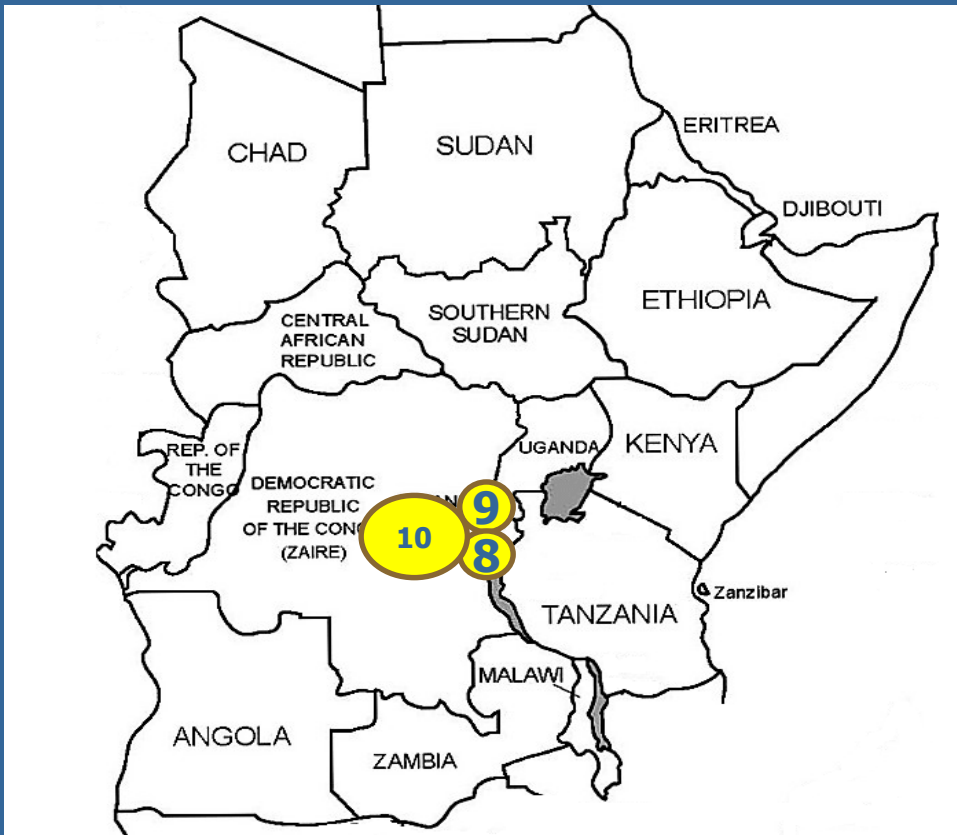


Tourism





# *Illustrative projects – Energy, ICT, Finance*



Agriculture



Energy



Finance



ICT



Infrastructure



Mining



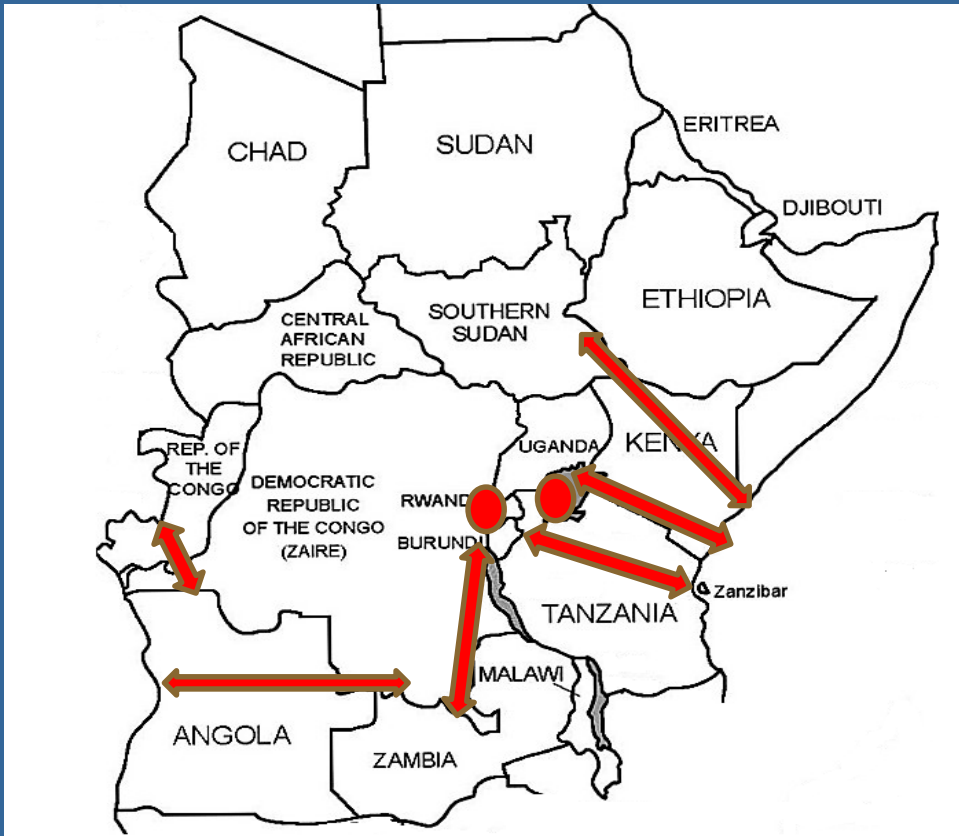
Tourism







# *Illustrative projects - Infrastructure*



Agriculture



Energy



Finance



ICT



Infrastructure



Mining

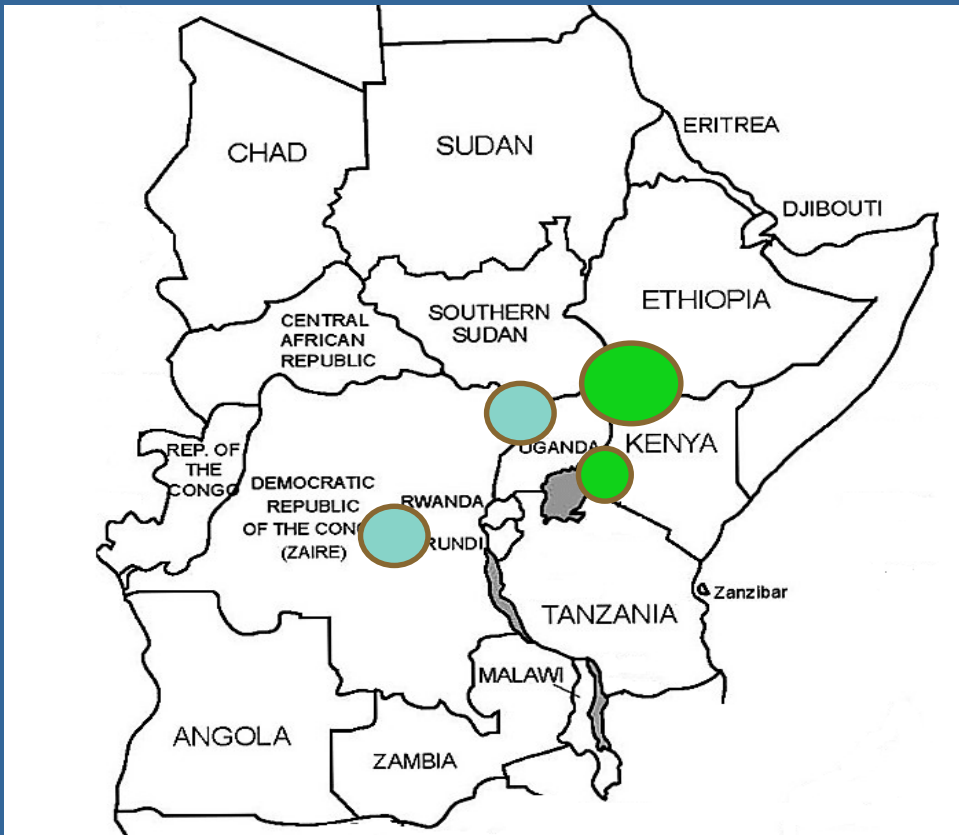









Tourism





# *Illustrative projects – Mining & Tourism*



- Agriculture 
- Energy 
- Finance 
- ICT 
- Infrastructure 
- Mining 
- Tourism 



# The Projects (By Country) - 1

INVESTMENT OPPORTUNITY	Angola	Burundi	CAR	Congo	DRC	Kenya	Rwanda	South Sudan	Tanzania	Uganda	Zambia
<b>Agriculture</b>											
1 Transfrontier Markets		X			X		X				
2 SAGCOT					X				X		X
3 South Sudan Nzara Agro Industrial Complex			X		X			X			
4 Ruzizi Growth Pole		X			X		X				
5 UNDP Regional Maize VC Project		X			X		X				
6 ABSA-SAB Miller DRG Grains Project		X			X		X		X	X	X
7 Rwanda Bonded Warehouse Facility					X		X				
<b>Energy</b>											
8 Ruzizi III Hydropower project 145MW		X			X		X				
9 Rwanda/DRC Lake Kivu Methane Gas Development					X		X				
10 Ruzizi I and II Transmission Line Rehabilitation		X			X		X				
<b>Finance</b>											
11 ICGLR Regional Microfinance Project/SOIGL		X			X						
12 ICGLR/CEPGL Reestablishment of the Development Bank of the Great Lakes States		X			X		X				





# The Projects (By Country)- 2

INVESTMENT OPPORTUNITY	Angola	Burundi	CAR	Congo	DRC	Kenya	Rwanda	South Sudan	Tanzania	Uganda	Zambia
<b>ICT</b>											
13 WB Central Africa Backbone Project		X			X		X		X	X	X
<b>Infrastructure</b>											
14 Trademark East Africa Northern Corridor Roadside Station Project		X			X	X	X			X	
15 Angola/DRC/Zambia Lobito Corridor	X				X						X
16 ICGLR Southern Corridor		X			X		X		X	X	X
17 CEPGL One Stop Border Posts		X			X		X				
18 South Sudan/Kenya Lamu Port/LAPSSET Corridor						X		X		X	
19 Kisumu Port and Other Lake Victoria Ports						X			X	X	
20 Brazzaville, Congo – Kinshasa, DRC Road – Rail – Bridge				X	X						
21 Central Multimodal Transport Corridor		X			X		X		X	X	
<b>Mining</b>											
22 Uganda Oil Refinery										X	
23 Chambers Federation South Kivu DRC Cooperative Mining Project					X						
<b>Tourism</b>											
24 IGAD Sustainable Tourism Roadmap						X		X		X	
25 Lake View Resort City in Kisumu, Kenya						X					



# Desktop evaluation- status



More Developed



Less Developed



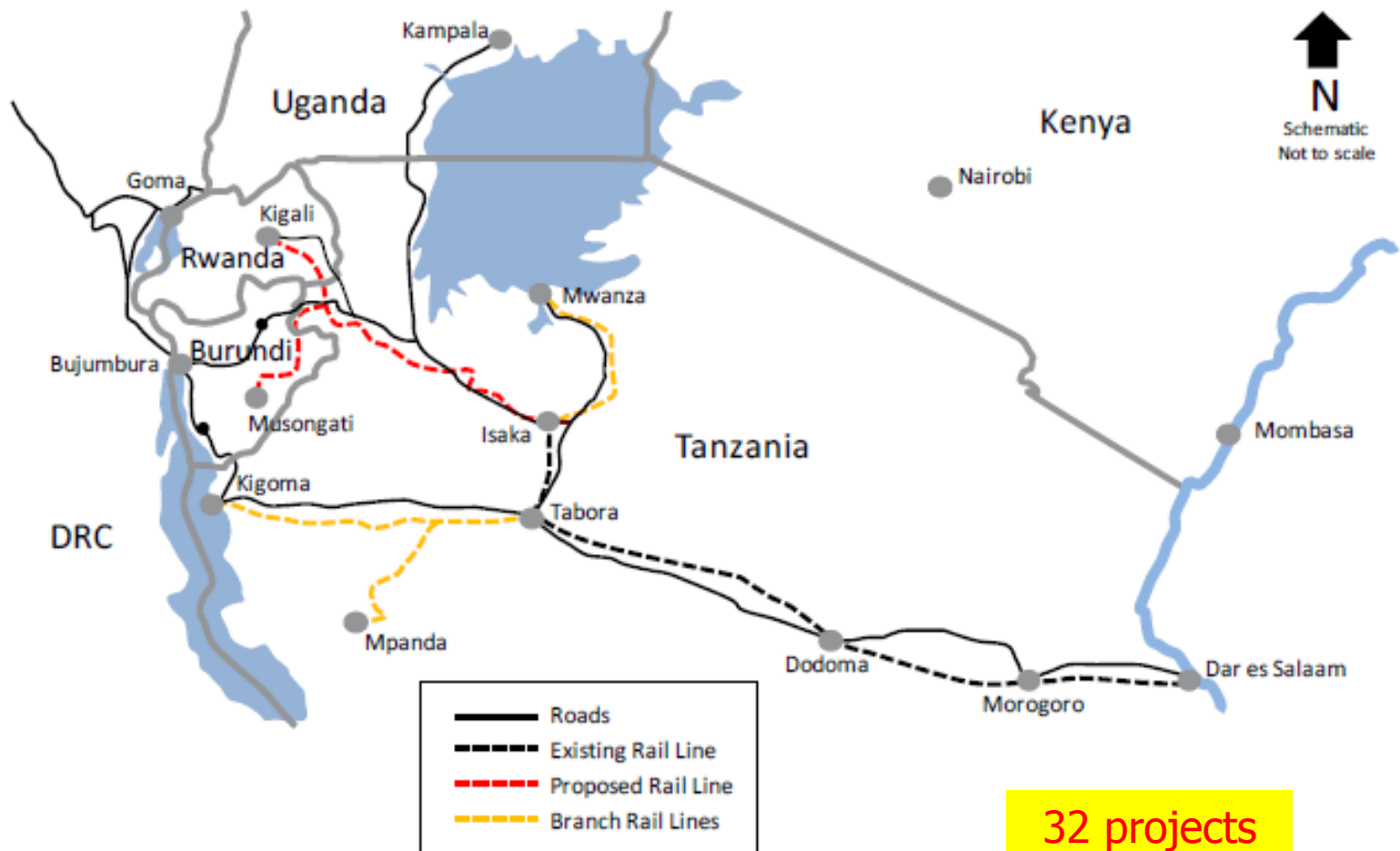
# ***Example Project #1: Central Multi Modal Corridor***





# Example Project #1: Central Multi Modal Corridor

## Central Corridor Overview: Main Road and Rail Links





## *Example Project #1: Central Multi Modal Corridor*

Project	Issues
Dar Port Berth Developments (Tanzania);	<ul style="list-style-type: none"><li>• Prior RFP halted due single-buoy mooring</li><li>• Redesign</li><li>• Feasibility due completion end 2015</li></ul>
Dar-Isaka-Keza-Musongati Railway Line (Multi);	<ul style="list-style-type: none"><li>• EOI issued June 2015, closed September 2015</li><li>• 19 interested parties</li><li>• TA appointed to shortlist</li></ul>
Isaka-Mwanza Railway Line (Tanzania);	<ul style="list-style-type: none"><li>• Feasibility study &amp; detailed design done.</li><li>• Possible 1.6MT from Dar es Salaam.</li><li>• Issues around which gauge rail to use.</li><li>• 13,68% IRR, \$136m grant to meet target (out of \$357m total capex)</li></ul>
Dar-Chalinze Toll Road (Tanzania).	<ul style="list-style-type: none"><li>• Design done and route changed.</li><li>• Seems to require links to other elevated road out of city. Unclear progress.</li><li>• “Ready for implementation and viable”</li><li>• Strategy issue – road competes with rail.</li><li>• FIRR is low at 11.2%, need \$257m grant (of \$445m).</li></ul>



# Example Project #2: Northern Corridor roadside Stations



## Selected RoadSide Stations

### 1. Kenya

22 RSSs

6 Large  
9 Medium  
7 Small

### 2. Uganda

27 RSSs

7 Large  
12 Medium  
8 Small

### 3. Rwanda

7 RSSs

3 Medium  
4 Small

### 4. Burundi

2 RSSs

1 Medium  
1 Small

### 5. South Sudan

2 RSSs

2 Small

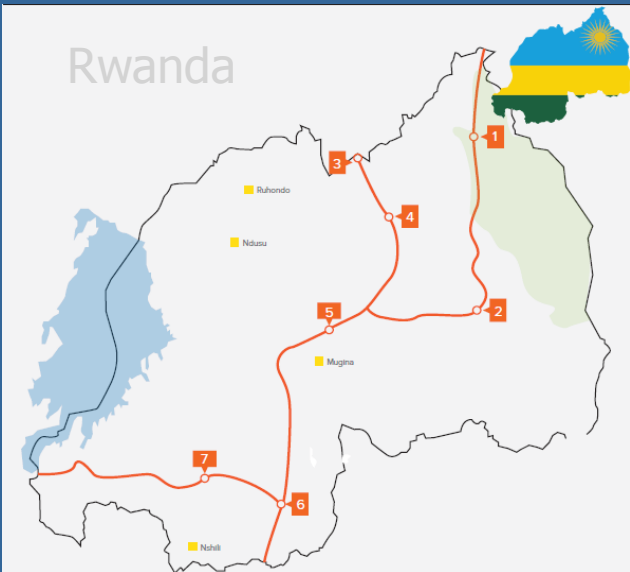
### 6. DR Congo

7 RSSs

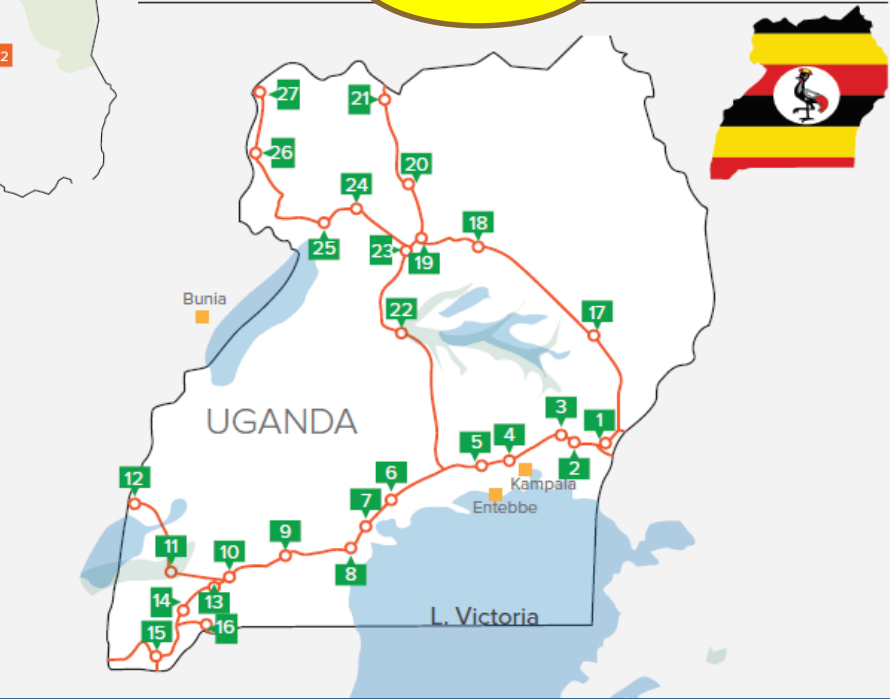
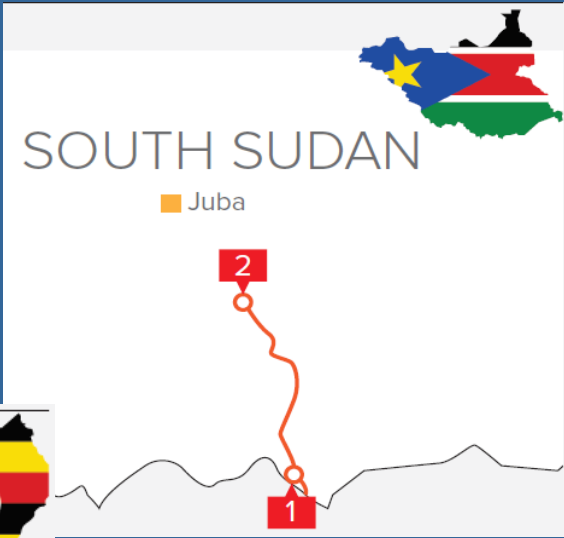
3 Large  
4 Medium



# Example Project #2: Northern Corridor Roadside Stations



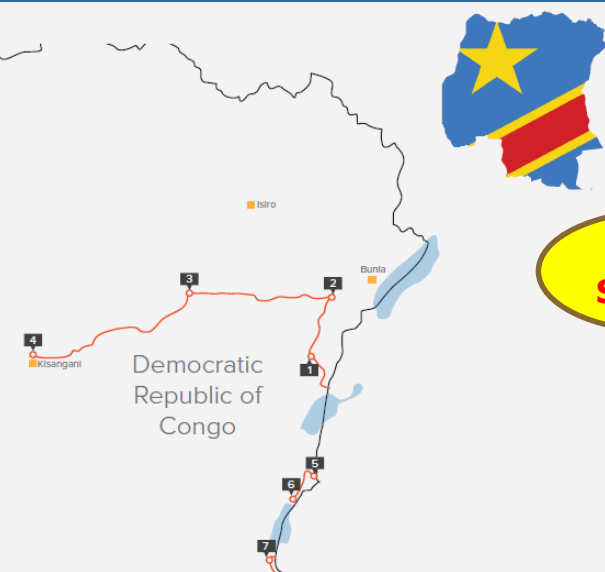
27 Stations



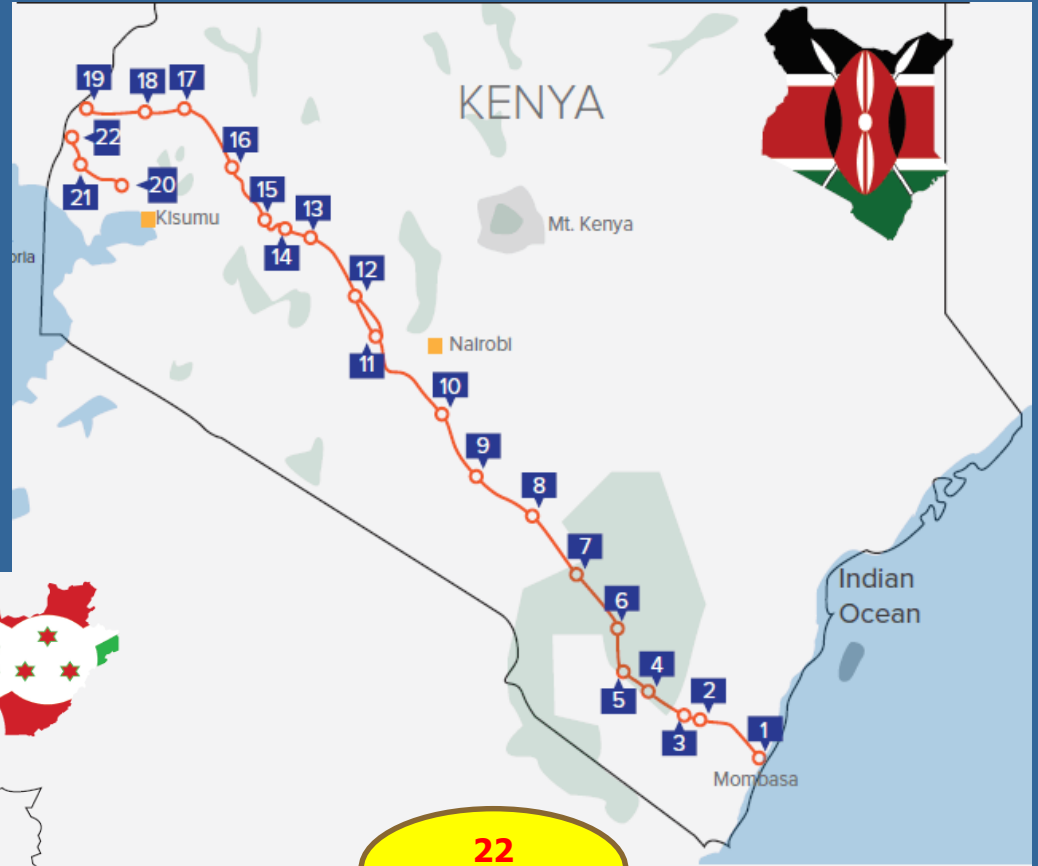
2 Stations



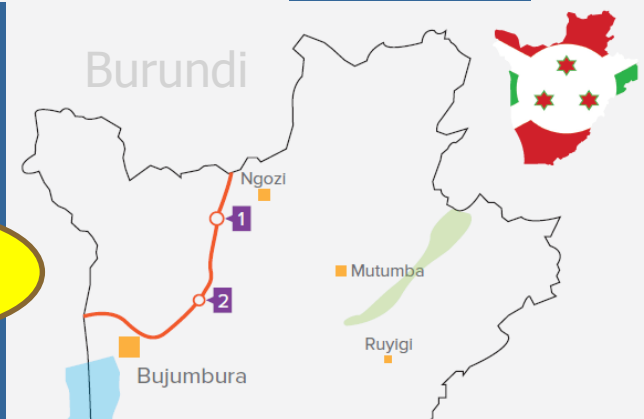
# Example Project #2: Northern Corridor Roadside Stations



**7  
Stations**



**22  
Stations**



**2  
Stations**





## ***Example Project #2: Northern Corridor Roadside Stations***

<b>Country</b>	<b>Total</b>	<b>Qualify</b>	<b>FIRR Range %</b>	<b>Value Range \$</b>
<b>Kenya</b>	<b>22</b>	<b>10</b>	<b>17.7% - 35.3%</b>	<b>\$850k - \$1.65m</b>
<b>Uganda</b>	<b>27</b>	<b>10</b>	<b>19.29% - 44.71%</b>	<b>\$722k - \$1.72m</b>
<b>Rwanda</b>	<b>7</b>	<b>0</b>		
<b>Burundi</b>	<b>2</b>	<b>0</b>		
<b>South Sudan</b>	<b>2</b>	<b>0</b>		
<b>DR Congo</b>	<b>7</b>	<b>2</b>	<b>18.99% - 19.63%</b>	<b>\$1.65m - \$1.65m</b>
<b>SUMMARY</b>			<b>24.4% average</b>	<b>\$30.0m total</b>



# *The Projects: Overview (1)*

	Comments
22 Uganda Oil Refinery	Preferred bidder, negotiating
8 Ruzizi III Hydropower project 145MW	Project agreements signed preferred bidder, heading to financial close
18 South Sudan/Kenya Lamu Port/LAPSSET Corridor	Feasibilities reported complete, Govt support for funding instruments, some construction
23 Chambers Federation South Kivu DRC Cooperative Mining Project	Community gold mining, Phases 1-2 implemented, ongoing investment
9 Rwanda/DRC Lake Kivu Methane Gas Development	Feasibility done, existing projects, replicable/more available
14 Trademark East Africa Northern Corridor Roadside Station Project	Well established/marketed, corridor + identified project
10 Ruzizi I and II Transmission Line Rehabilitation	Feasibility completed
2 SAGCOT	Single country, existing partners, multiple private opportunities



# *The Projects: Overview (2)*

	Comments
21 Central Multimodal Transport Corridor	Established team, identified private & other projects,
19 Kisumu Port and Other Lake Victoria Ports	Kenya appointing Advisors, initiated aspects of project
25 Lake View Resort City in Kisumu, Kenya	Studies developed
11 ICGLR Regional Microfinance Project	Concept note and preliminary business plan
20 Brazzaville, Congo – Kinshasa, DRC Road – Rail – Bridge	Feasibility study being prepared, big project \$1.65bn
15 Angola/DRC/Zambia Lobito Corridor	Rail to DRC completed
4 Regional Great Lakes Integrated Agriculture Development Program	Project launched Oct 2014, WBG funding project
5 UNDP Regional Maize VC Project	Project design developed
13 WB Central Africa Backbone Project	Submitted WBG approval



# *The Projects: Overview (3)*

	Comments
3 South Sudan Nzara Agro Industrial Complex	Feasibility study
24 IGAD Sustainable Tourism Roadmap	Masterplan developed, specific projects to be developed
6 ABSA-SAB Miller DRG Grains Project	Implementation first phases
12 ICGLR/CEPGL Reestablishment of the Development Bank of the Great Lakes States	ICGLR developed concept note
1 Transfrontier Markets	One project done with funding support
17 CEPGL One Stop Border Posts	2 Projects completed, 19 opportunities
16 ICGLR Southern Corridor	ICGLR developed concept note
7 Rwanda Bonded Warehouse Facility	RFQ issued



# IV. The Conference

## WHAT?



- The 13 GLR countries part are convening the 1<sup>st</sup> ever Regional Private Sector Investment Conference to support peace, stability and inclusive development in the region
- 25 investment opportunities (projects) in *Agriculture, Energy, Finance, ICT, Infrastructure, Mining, Tourism*
- Deeper analysis of the market readiness of the projects after extensive consultations (private & public sector stakeholders) → Compilation of the Investment Opportunities Brief (IOB)
- Projects to strengthen the region's economic infrastructure, productive capacity, accessibility to markets as well as efficiency whilst creating jobs and distributing wealth
- Presentation of existing business success stories
- Meeting platform for potential investors & investment promoters
- **GLR = Business conducive region overflowing with potential**



# IV. The Conference

**WHY?**

## **5 REASONS TO ATTEND !**

1

- Identify new business opportunities

2

- Gain strategic insights from fast-growing companies

3

- Expand your network of top-level business contacts

4

- Promote your company on regional & international levels

5

- Be a driving force in the private sector development and peace stability in the Great Lakes Region of Africa



# IV. The Conference

## WHO?

- The region's top CEOs operating in the Great Lakes Region
- New private sector participants – African & International
- Public leaders (Great Lakes countries & international )
- Investment specialists, bankers & investors
- High profile experts in African and international affairs

## WHEN & WHERE

**24-25 February 2016**

**Kinshasa, DRC** (*More details tbc*)

## HOW?

- Visit & register (*from 1 Dec.*) on **[www.psicinvest.com](http://www.psicinvest.com)**
- For further info or to be on the mailing list → **[psic@un.org](mailto:psic@un.org)**
- Book your flight with Sky Team and get 15% (PSIC site)
- Agenda, next roadshows and IOB information and regional analysis → **[www.psicinvest.com](http://www.psicinvest.com)**





# Thank you



FOR ANY QUESTIONS PLEASE WRITE TO:

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