# ALS ANNUAL REPORT 2016

AFRICAN LEGAL SUPPORT FACILITY

ENHANCING SUSTAINABLE ECONOMIC DEVELOPMENT AND INCLUSIVE GROWTH IN AFRICA



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The African Legal Support Facility accepts contributions from Governments, Corporations, Foundations and other donors.

To learn more about the African Legal Support Facility please visit our website at http://www.aflsf.org or contact us at alsf@afdb.org

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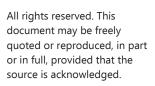
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## LIST OF ACRONYMS AND ABBREVIATIONS

ADF African Development Fund

AfDB African Development Bank

ALSF African Legal Support Facility

AMLA African Mining Legislation Atlas

AU African Union

BIDC Banque d'Investissement et de Développement de la Cedeao

BOAD Banque ouest-africaine de développement

CIB Conférence Internationale des barreaux

CLDP Commercial Law Development Program

DFID UK, Department for International Development

EBID ECOWAS Bank for Investment and Development

GC Governing Council

HIPCs Highly Indebted Poor Countries

IFC International Finance Corporation

IsDB Islamic Development Bank

MB Management Board

MTS Medium Term Strategy

NRGI Natural Resource Governance Institute

MoU Memorandum of Understanding

OECD Organisation for Economic Cooperation and Development

OHADA Organisation pour l'Harmonisation en Afrique du Droit des Affaires

PALU Pan African Lawyers Union

PPA Power Purchase Agreement

PPIAF Public-Private Infrastructure Advisory Facility

PPP Public-Private Partnership

RMCs Regional Member Countries

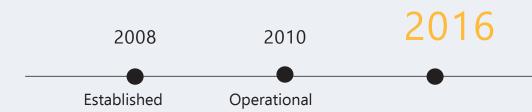
UNECA United Nations Economic Commission for Africa

USD United States Dollars

USAID United States Agency for International Development



## 2008 | FAST 2016 FACTS





52 States

7 International Organizations



#### **Total Cumulative Operations by Sectors**



14.8M usd

Extractives



14.3M usp

Infrastructure and PPPs



**7.9M** USD

Sovereign Debt



2.5M usp

Other



53.3M USD

Total Cumulative Donor Contributions Received 47.0M USD

Total Cumulative Approvals

24.2M USD

Total Cumulative Disbursements

#### **Total Cumulative Operations by Priorities Areas**

#### **Advisory Services**



**Capacity Building** 



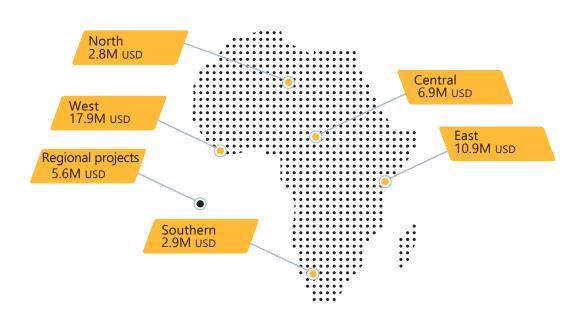
**Litigation Services** 



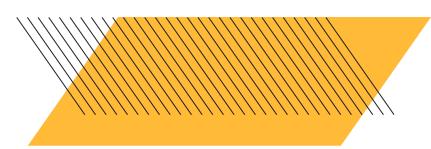
**Knowledge Management** 



#### **Total Cumulative Operations by Region**









Mr. Seward Cooper, Chairman



Ms. Dorca Achapa, Member



Mr. Pim de Keizer, Member



Professor Dandi Gnamou, Member



Mr. Amadou Dieng, Member



Mr. Stephen Karangizi, Ex-officio Member

# Message from the Chairperson of the Governing Council

Africa is endowed with significant natural resources and today, it is the leading producer of diamonds, chromium, and platinum group minerals. Around 10 percent of proven global crude oil reserves are in Africa and significant potential in countries like Kenya, Ethiopia, Somalia and Uganda could further increase the continent's share of global oil reserves. Following recent major offshore gas finds, Africa could overtake the Middle East as the world's largest exporter of liquefied natural gas by 2028.

Africa's economies have been riding the crest of the global commodity wave. Despite the current commodities slump, most African countries are expected to continue to grow driven by domestic demand, investments in the natural resources sector and increased investments in infrastructure. However, challenges on the continent remain—including poverty, inequalities, weak institutions, high unemployment, especially for the youth, and bouts of instability and fragility in certain countries. Some of the contributing factors to this situation include unfavorable partnerships pertaining to natural resource extraction and beneficiation, as well as infrastructure development and servicing of high debt levels.

The African Legal Support Facility (ALSF) was established to help respond to some of these concerns. Since its establishment in 2008, the ALSF has consistently and increasingly provided assistance to African countries to strengthen their legal expertise and negotiating capacity in debt management and litigation, natural resources and extractive industries management and contracting, investment

agreements, and related commercial and business transactions.

The recognition of ALSF as a valuable development partner continues to grow in Africa and globally. Accordingly, the demand for its services has grown and its membership has expanded. As most African countries embark on major programs of transformation in pursuit of their sustainable development goals and in line with Agenda 2063 of the African Union, the services of the ALSF will be even more catalytic.

In 2016, the Governing Council of the ALSF undertook a review of the Medium Term Strategy (2013 – 2017) of the ALSF. The review not only helped to shed light on the tremendous progress made by the ALSF over the last five years, but also helped to prepare the ground for the preparation of the next Medium Term Strategy (2018 – 2022).

The success enjoyed by the ALSF would not have been possible without the strong support of our financing partners particularly the African Development Bank, the Government of France, the Government of Germany, the Government of Guinea, UK, Department for International Development, the Government of Norway, the Kingdom of the Netherlands, the Government of Canada, the United States of America International Development Agency, the Government of Belgium, the Islamic Development Bank, the West African Development Bank, and ECOWAS Bank. We have every reason to look forward to another successful year for the ALSF, our partners and participating states.

Charles BOAMAH, Chairperson of the Governing Council and Senior Vice-President of the African Development Bank Group



#### Message from the Director



The demand for the ALSF's services has significantly increased. Over the years, our interventions have saved more than USD 400 million for Regional Member Countries (RMCs); provided advisory services in 54 negotiation contracts and 4 tender processes; supported negotiations for projects valued at USD 54 billion; and implemented 36 capacity building projects.

To further consolidate our achievements, we are reviewing and have begun the process of updating, fine-tuning, and adjusting our current Medium Term strategy and we have begun preparing our strategy for the next five years. As we craft our future priorities, we will need to challenge our innovative ability, our methods of work, and our resource base. We are confident our upcoming strategy will reinforce strategic choices of the last five years, building on lessons learnt and addressing challenges of tomorrow.

Needless to say, the growth in demand for our resources in the last three years has placed pressure on the ALSF, and could potentially limit our ability to respond to the needs of RMCs going forward. In this regard, we have intensified our discussions with our existing and potential financing partners to provide us wherewithal to effectively support the development efforts of our RMCs. I would like to place on record Management's appreciation for the supportive and positive spirit, and confidence in the ALSF which has characterized the discussions.

I would like to take this opportunity to thank our existing financing partners for their unflinching support. I also express my appreciation to our Governing Council, to the Management Board, and to our staff for their contribution and commitment throughout the year.

## **EXECUTIVE SUMMARY**

#### THE ALSF OPERATIONS

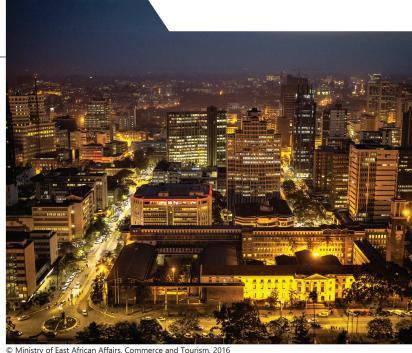
By the end of December 2016, the African Legal Support Facility (the "ALSF or the "Facility) had cumulatively approved 116 operations amounting to USD 47 million. These operations were spread across its four priority areas of activity:

- Advisory Services,
- Creditor Litigation,
- Capacity Building and,
- Knowledge Management.

These operations helped to address sovereign debt issues, provide legal and technical assistance in negotiation of complex commercial transactions, and support capacity building in a number of African countries. The institution also developed and maintained related knowledge resources and publications.

In 2016, the ALSF project commitments were USD 11.3 million, with the highest allocations going to advisory services, totalling USD 9.0 million (80%), followed by capacity building activities with USD 1.7 million (15%) and knowledge management with USD 0.6 million

The Facility disbursed over USD 8.7 million in 2016. As in 2015, the ability to maintain such high disbursement levels was a result of strengthened internal capacity to approve projects; improved implementation and management of the active projects; and enhanced institutional and management capacity in the beneficiary countries.



2016

**USD 11.3M** Project commitments

**USD 8.7M** Disbursements



By the end of 2016, the ALSF had cumulatively committed USD 47 million for 116 aparations. for 116 operations in more than 40 Áfrican countries.



# KEY OPERATIONAL ACHIEVEMENTS

#### **Benin Mining**

• Trained 28 government officials and legal professionals

#### Senegal, Taiba N'Diaye Wind Farm

• Successfully negotiated a Power Purshase Agreement (PPA) and guarantee agreements for 158MW wind farm.

#### **Burkina Faso**, Ouagadougou **International airport and New airport in Donsin**

• Prepared tender documentation and concession agreement documents for USD 560 million airport.

#### **Mali Mining**

• Assisting in the review of 4 mining agreements

#### **Guinea Mining**

· Completed the review of 19 mining conventions.

#### Liberia, Agriculture Concessions

• Successfully assisted the government in negotiating 4 agricultural concession agreements which were recently submitted to Parliament for consideration.

# **Power Project**

- Assisted in developing Draft PPP regulations.
- Trained government officials on PPPs.

#### **Sudan Sovereign Debt**

strategy to address private commercial facilitate a debt resolution process.

#### **Ethiopia, Corbetti Project**

- Completed the negotiations and signed a Power Purchase Agreement (PPA) for 1000 MW Geothermal project.
- Conducted training for 28 participants. 80% of the participants rated the training at least 4 or more out 5.

#### **Somalia Production Sharing** Agreement (PSA)

 A Tanzania law firm that gained experience working alongside an international law firm recruited by ALSF has helped Somalia develop a model PSA and a PPP Toolkit. The Government recently announced that it will negotiate its first PSA using this PSA model that was developed.

#### **Rwanda Development Board Project (RDB)**

- Assisted in negotiating the privatization of RDB;
- Financing the drafting of the Joint-Venture Agreement and the Project Development Agreement for the new Bugesera International Airport.
- Conducted three trainings for government officials within RDB and related ministries.

#### Tanzania, **Bagamoyo Port**

 Assisting in negotiating commercial contracts to develop Tanzania Bagamoyo Port.

• Assisting the government to devise a creditor claims against Sudan in order to

#### **Power Project Financing**

**Regional Projects** 

• Launched and disseminated a Handbook titled "Understanding Power Project Financing".

#### **Nomadic Training**

- Trained 166 government officials and legal professionals;
- 1 MoU signed between Centre d'Études Financières, Économiques et Bancaires, Expertise France and ALSF; and
- Organized 2 Anglophone regional workshops, 3 Francophone regional workshops and 3 thematic workshops.

#### **African Mining Legislation** Atlas (AMLA)

- Developed online database of mining legislation;
- Trained 54 University students on analysis of mining legislation;
- Partnering with 10 academic institutions on mining legislation.

#### **African Institute of International Law**

• Conducted 2 trainings (80 participants in total); with 1 in English (40 participants), 1 in French (40 participants).



developing a model **Production Sharing** 

Agreement.

## INSTITUTIONAL DEVELOPMENT AND CORPORATE MANAGEMENT

**Resource Mobilization**. Through 2016, the Facility's 15 financing partners had cumulatively disbursed close to USD 54 million. In 2016 alone, the ALSF received a total of USD 10.1 million from DFID, Netherlands, Germany, Guinea, and Norway to support its activities. The ALSF's efforts targeting voluntary contributions from African participating states are yielding results—Guinea become the first Regional Member Country to contribute to the Facility.

#### Monitoring and Evaluation.

Supported by Canada and DFID, the ALSF prepared and started implementing its current Monitoring and Evaluation Framework and corresponding tools for its programs in 2016. These will help to assess the effectiveness and impact of its interventions.

**ALSF Medium Term Srategy** (2013-2017) Review. The ALSF carried out its Medium Term Strategy (MTS) review in 2016.

**Development of Medium Term Strategy (2018-2022)**. The ALSF organized a stakeholders' roundtable to share its achievements, challenges, and lessons learnt with various stakeholders. Participants also provided feedback on the strategic choices of the last five years and made recommendations for consideration for the future planning cycle 2018-2022.

**Board's Oversight Functions**. As in previous years, the ALSF Management Board exercised their oversight and fiduciary functions relating to various operations of the institution. The activities undertaken by the Board focused on positioning the Facility to effectively support RMCs by providing timely, innovative, and effective services.



# COLLABORATION, PARTNERSHIP BUILDING AND OUTREACH

**Strategic Partnerships**. During 2016, the Facility was involved in several regional and international events to enhance dialogue and networking with various stakeholders. As a result, our collaboration with partners has strengthened and deepened.

**Membership**. In 2016, the ALSF registered its treaty with the UN Treaty Registry. Guinea completed its membership procedures with the ALSF. The Democratic Republic of Congo and Cameroon also committed to complete membership procedures, while Angola and Eritrea committed to accede to the ALSF agreement. The total number of signatories remains 59, including 52 states and seven International Organizations.

"A Value Based Vision"

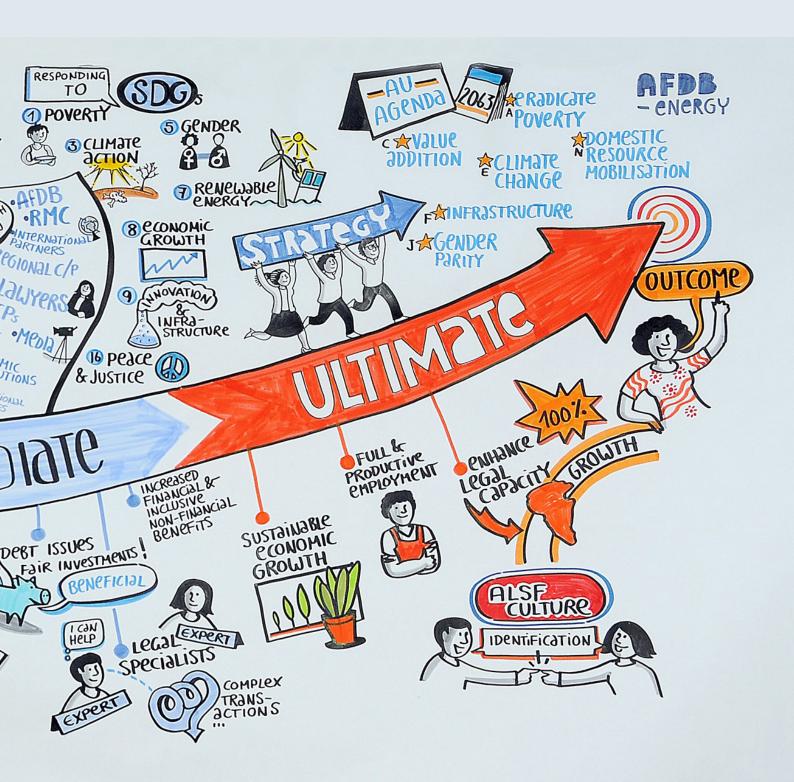
# CHAPTER ONE

UNDERSTANDING THE WORK OF THE ALSF

#### THE EVOLVING CONTEXT OF THE ALSF OPERATIONS



As noted at the ALSF stakeholders' Roundtable, November 2016



#### ABOUT THE AFRICAN LEGAL SUPPORT FACILITY

The ALSF is an international organization established by African governments to assist the negotiation of complex commercial transactions, creditor litigation, and capacity building. The ALSF is hosted by the African Development Bank (AfDB).





The ALSF is an international organization dedicated to providing legal advice and technical assistance to African countries in matters pertaining to creditor litigation and complex

to creditor litigation and complex commercial transactions.

The goal of the ALSF is to remove asymmetric technical capacities and level the field of legal expertise among parties to litigation and negotiations. The ALSF strives to further development in Africa by removing obstacles to realizing the benefits of debt relief through its work in vulture fund litigation. It also provides advisory services to improve the negotiating capabilities of its member countries. Through all of its activities the ALSF aims to build additional legal capacity on the continent.



#### **MISSION**

To provide legal advice and capacity building to African countries on vulture fund litigation, complex commercial negotiations and related sovereign transactions.



#### **VALUES**

The Facility is founded on the values of respect for the rule of law, equity, transparency, and good governance. These values are grounded on its "African character," as the Facility is a partner of all African countries and respects the diversity of the continent. The staff of the Facility is committed to upholding ethics, accountability, excellence, professionalism, probity, and a team-working spirit.



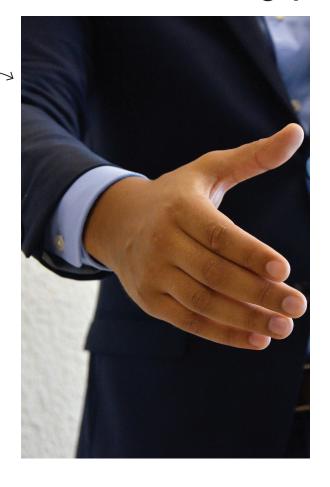
#### THE ALSF SERVICES

The overall objective of the ALSF is to strengthen the legal capacities of African governments to negotiate and conclude equitable and sustainable agreements that deliver maximum economic value to African countries, and to protect their sovereign rights. Since 2013, the ALSF has placed greater emphasis on the following strategic areas:

01

#### COMMERCIAL CREDITOR LITIGATION

roviding African countries with financial resources to obtain specialist legal assistance for the negotiation and settlement or litigation of creditor claims. The aim is to ensure that they achieve equitable outcomes which allow them to fully realize the benefits of the HIPC Relief Initiative.

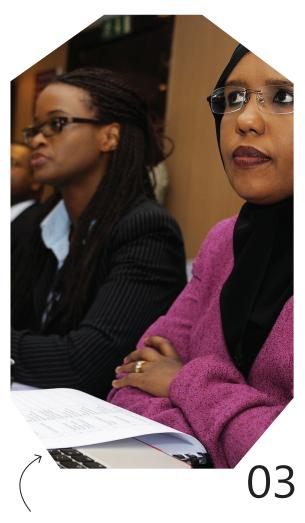




02

#### **ADVISORY SERVICES**

elping African governments to strengthen their legal expertise and negotiating capacities, particularly in the areas of natural resources and extractive industries, investment agreements and Public Private Partnerships (PPPs), including large-scale infrastructure and other related complex commercial and business transactions.



#### CAPACITY BUILDING PROJECTS

04



upporting the development of legal and technical capacities in Africa in the above-mentioned areas. Its capacity building model focuses on a real transfer of knowledge and skills development to nationals by means of workshops, conferences, seminars, and other such activities.

#### KNOWLEDGE MANAGEMENT

P

roviding assistance to develop, collect, and manage knowledge products including academic and legal materials, model documents, and other transaction-facilitation tools, databases of relevant precedent, curricula development, publications, and training platforms.

# 2016 HIGHLIGHTS

The Management Board approves:

- a grant to support the Government of Liberia with technical legal assistance in the negotiation of a bilateral investment treaty
- support to the African Institute of International Law to develop and host a training on bilateral investment treaties and arbitration

The Management Board holds its 19th meeting in Lusaka, Zambia

The Governing Council holds its 7<sup>th</sup> meeting in Lusaka, Zambia to review the Facility's programmatic work and deliberate on considerations for future strategic engagements

The Governing Council appoints the new Chairman and Board members of the Management Board

The Facility holds High-level meeting in Lusaka, Zambia within the margins of the 2016 Annual Meetings of the AfDB

 The ALSF attends the 22<sup>nd</sup> INDABA Mining Conference in Cape Town, South Africa and sponsors the Mining Ministerial Forum

**FEBRUARY** 

MAY

#### **JANUARY**

The Management Board approves:

- a grant to support Burkina Faso prepare and negotiate a series of public-private partnerships (PPPs) and a power purchase agreement for a thermal plant in Burkina Faso
- assistance to negotiate complex agreements to construct and launch operations of a hydroelectric power plant in Cameroon with a capacity of approximately 420MW
- assistance to the Government of Somalia to negotiate concession agreements for the Mogadishu airport

**APRIL** 

- The Management Board holds its 18<sup>th</sup> meeting in Abidjan, Côte d'Ivoire to review the progress on projects' implementation and the draft reports of the fundamental documents to be transmitted to the Governing Council.
- The Governing Council meets informally to review a number of fundamental documents prior to formal approval and adoption at the Annual Meetings in May, 2016.

**JUNE** 

- •The ALSF and the World Bank jointly hold a workshop on contractual provisions on PPP transactions
- •The ALSF contributes to a Massive Open Online Course on PPPs in collaboration with the World Bank Group
- •The Facility participates at the African Energy Forum in London, United Kingdom

The Management Board approves:

- a cost-sharing grant for legal assistance to the Republic of Guinea
- a project to train Ugandan government officials in structuring and negotiating PPPs in the transport sector
- a grant to assist in the review of complex PPPs in the energy sector, organize a seminar training and draft a sectoral energy toolkit
- for the second time a contribution to the PPPRIC website hosted by the World Bank

The Management Board approves:

- a grant to provide Rwanda with advisory and capacity building services to develop and construct a new airport
- support to Ethiopia and Djibouti to negotiate and prepare complex agreements
- a grant for a project to train Seychelles government officials on structuring and negotiating PPPs and prepare subsector toolkits
- legal assistance to conduct capacity building activities for Nigerian government officials

 The Management Board approves a supplementary grant to train government officials from Mauritius to deal with institutional, legal and financial aspects of PPPs.

OCTOBER

**DECEMBER** 

AUGUST

**SEPTEMBER** 

The Management Board approves:

- a grant to strengthen the legal capacity of the Government of Swaziland for the structuring and negotiating of PPPs in the energy sector
- a grant to assist the Government of Senegal to develop, structure and negotiate contractual documents for a largescale mining project
- assistance to train government officials from Mauritius ont he institutional, legal and financial aspects of PPPs

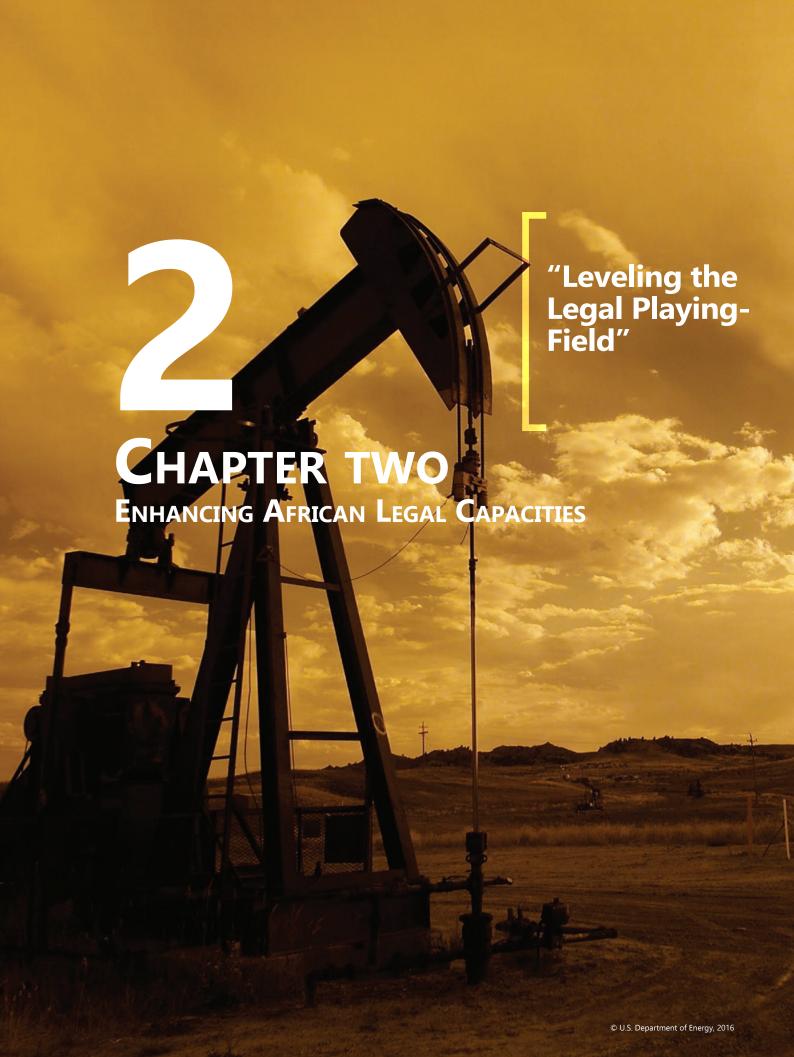
NOVEMBER

The Management Board approves:

- support to Sierra Leone to negotiate mining concession agreements
- a grant to strengthen the legal capacity of the Government of Eritrea in negotiating mining contracts, corporate governance issues and implementation of mining regulations
- a project to assist in the negotiations of a proposed toll road project between the Government of Liberia and the investor

The ALSF Management Board holds its 20<sup>th</sup> meeting in Abidjan, Côte d'Ivoire to review the MTS, Financial Statements of September 2016 and project related documents and approves the ALSF work plan and budget for 2017.

The ALSF holds a two day Stakeholders' Roundtable Conference in Abidjan to discuss the current Medium Term Strategy (2013-2017) and to develop options, priority focal areas and results framework for consideration for the next Medium Term Strategy (2018-2022).



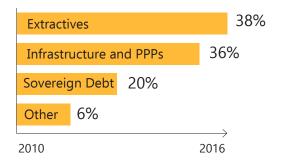
# HISTORICAL OVERVIEW OF THE ALSF OPERATIONS

By the end of 31 December 2016, ALSF had cumulatively committed USD 47 million for 116 operations in more than 40 African countries. The graphs below indicate the evolution and historical composition of these operations by priority areas; sector and country categorization.

#### **USD 47 million**

Share of total commitments





## Cumulative Operations by Priority Areas, 2010-2016

Advisory Services Capacity Building

62% 20%

15% 3%

Knowledge Management

#### **Evolution of the Operations,** 2010-2016 12M 35 10M 30 25 8M 20 6M 15 4M 10 2M 2012 2013 2014 2015 2016 Committed Approved Requested

Total Cumulative Number of Approvals

<u>116</u>

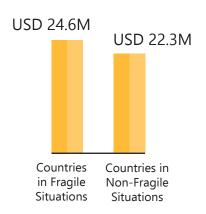
**60** Advisory Services

**39** Capacity Building

**U** Knowledge Management

**7** Litigation

## Cumulative Operations by Country Categorization, 2010-2016





#### OVERVIEW OF THE ALSF OPERATIONS

In 2016, the Facility continued to operate on a demand basis. Specifically, the ALSF received requests for support from various sources including; African governments, referrals by strategic partners as well as participants in its capacity building events, high level events and the Annual meetings to mention but a few. Through out the year, the ALSF also implemented various on-going projects, identified new projects and monitored both on-going and new projects.

A total of 28 new projects amounting to USD 11.3 million were launched in 2016. They included 16 advisory projects, eight capacity building projects, and four knowledge management projects. These broad efforts have helped to confer substantive, new legal capacities onto the RMCs who have received support from the Facility. By providing tailor-made guidance and advisory services, promoting the production and dissemination of knowledge materials, and organizing hands-on workshops with national counterparts, the Facility has fortified its beneficiaries with the experience, competencies, and resources necessary to **level the playing field** during the commercial negotiations, transactions, and litigations central to their respective national interests.

#### **Summary of Operations by Priority Areas**

The ALSF operations in 2016 focused on supporting African states to negotiate better agreements, especially in major infrastructure projects and commercial business transactions. As in the previous year, the ALSF interventions were marked by a predominance of advisory services, which stood at USD 9 million, representing 80% of the total approvals, followed by capacity building, which accounted for 15% (USD 1.7 million) and knowledge management with 5% (USD 0.6 million).

28 new projects amounting to USD 11.3M were launched in 2016.



9M USD

**Advisory Services** 

16 projects - 80% of total approvals



1.7M

**Capacity Building** 

8 projects -15% of total approvals



0.6M

**Knowledge Management** 

4 projects - 5% of total approvals

#### **Summary of Operations by Sector**

In 2016, the ALSF's support to infrastructure related interventions amounted to USD 7.1 million (62%); natural resource and extractive industries management were worth USD 3.9 million (35%); and other related complex transactions and assistance targeting debt management activities stood at USD 0.3 million (3%). In sum, the ALSF operations focused on improving access and quality of infrastructure, achieving greater benefits from extractive wealth, and solving sovereign debt issues in Africa.



62%

Infrastructure and PPPs



35%

**Extractives** 



3%

**Sovereign Debt** 

#### **Summary of Operations by Sub-Region**

During 2016, the regional distribution of the ALSF commitments was as follows: West Africa accounted for **47%** of the Facility's resources; East Africa accounted for **34%**; Central Africa accounted for **9%**; and the **7%** were deployed as part of projects with a regional component.

#### **Summary of Disbursements**

During 2016, the Facility disbursed USD 8.7 million. Similar to the previous two years, this performance is linked to improvement in the "quality at entry" of projects, adequate policy dialogue, sufficient field presence, and timely responses by clients.

## ALSF's Response to Cross Cutting Issues

As articulated in its Medium Term Strategy, the ALSF promotes gender equality, supports greater environmental awareness, and encourages compliance with good governance practices and standards in all its activities.

**Environmental sustainability.** The ALSF recognizes the importance of ensuring the environmental and social soundness of its projects. Through its operations, the Facility promotes incorporation of environmental and social considerations into contracts, including best practices and other measures, to improve natural resource management and environmental protection.

**Supporting countries in Fragile Situations.** The ALSF is committed to supporting African countries in fragile situations which are eligible for assistance from the African Development Fund. Transitioning states are more vulnerable to creditor litigation and more susceptible to the risk of concluding inequitable commercial agreements. Since its inception, the Facility has committed approximately USD 24.6 million of its resources to countries in fragile situations.

In order to better evaluate the development needs and results on the ground, as well as to engage with key public and private sector stakeholders in transitioning states, the ALSF Director visited selected countries in 2016 including, the Central Republic of Africa, Guinea, Guinea-Bissau, Liberia and Madagascar.



The Director, Stephen Karangizi, met with H.E. Hery Rajaonarimampianina, President of Madagascar, December, 2016.

#### **Gender Mainstreaming**

Advancing gender equality and female empowerment is a key tenet which underscores all ALSF interventions. Indeed, the experiences of the Facility have demonstrated that the likelihood of a project's success is substantively enhanced if the needs, perspectives, and participation of all stakeholders are considered, including and especially women and young girls.

The ALSF actively promotes and supports gender mainstreaming in all its operations. To this end, in 2016, the Facility's staff received training in gender mainstreaming. Moreover, as a matter of principle, the ALSF team ensures that issues relating to gender equality are adequately addressed in all agreements concluded with support of the Facility.

Following the substantial efforts made in prior years to pursue gender mainstreaming, the Facility has witnessed an encouraging decrease in disparities among workshop participants. Whereas the average percentage of female participation in training seminars in prior years was only approximately 20%, more recent seminars have seen more equal ratios. Indeed, 52% of the capacity building participants of an ongoing oil-related project in Madagascar were women. Nomadic II, a series of regional, thematic training workshops, has also observed a steady increase in the number of women attending.

Across all of the ALSF's activity areas, gender disparities are being identified and systematically reduced through a process of dialogue, analysis, and decision-making. Although the Facility's progress thus far is promising, we are committed to enhancing our efforts to include gender considerations in planning, implementation, and evaluation of future ALSF interventions, to ensure that every voice and every perspective is represented.

"The ASLF training extensively exposed me to the world of mining, which had hitherto been entirely alien to me. Moreover, the opportunity to network with other lawyers and legal professionals at the training event has helped to me realize that the change we want to see on the continent pegins with me!"





#### COMMITTED TO RESULTS

Since its establishment, the ALSF has continuously proven its commitment to delivering results. To that end, the Facility's Medium Term Strategy for 2013-2017 compels it to organize its intervention and activities, not only around its four strategic pillars, but on the basis of their expected results. With the aim of demonstrating the Facility's contribution to strengthening the legal capacity of African countries, this section reports on the contribution of ALSF-funded projects to attaining targeted outcomes.

# More Balanced Litigation of Commercial Creditor Proceedings involving Holdout Creditor of African Sovereign Debt

In 2016, the Facility did not receive any request for assistance in the defense of African countries in creditor litigation cases before courts and arbitration tribunals, in line with the observed decline in litigation cases. This is possibly due to the fact that the existence of the ALSF is acting as a deterrent to vulture funds. In terms of solving sovereign debt issues, the Facility is currently assisting the government of Sudan to devise a strategy to address private commercial creditor claims against Sudan in order to facilitate a debt resolution process.

## Support Sudan to Address the Challenge of Commercial Debt

Sudan continues to be in debt distress. According to the IMF, Sudan's external debt, in nominal terms, amounted to about USD 50 billion in 2015, 84 percent of which was in arrears.

To assist the Government of Sudan, the ALSF recruited a legal counsel to devise a strategy to address private commercial claims against the country to facilitate the debt resolution process. This will help Sudan access external financing from donors and multilateral financial institutions to support economic development.

### Increased Financial and Inclusive Non-financial Benefits for African

Over the years, the Facility has supported RMCs in their development of fair commercial contracts for mining development, their delivery of infrastructure services in Africa, and it has furthermore helped to defend litigation claims. By the end of 2016, the ALSF had financed projects that resulted in both financial and non-financial benefits for African countries—cumulatively saving African governments over USD 400 million.

In 2016 alone, a notable project entailed assistance to the government of Senegal in signing a PPA for the largest wind farm located in Taiba N'Diaye, 52 km away of Dakar. The wind farm represents a 151.8 MW project which will provide sustainable and clean energy to its end-users by reducing petroleum imports and tapping into the potential of renewable resources. The local community of Taiba N'Diaye will receive USD 6.4 million annually in taxes and other benefits.

# Increased Awareness and Undertanding of Issues Around Creditor Litigation and Negotiation of Complex Commercial Transactions

African governments, public administrations, and parliaments have a better understanding and knowledge of the stakes and processes related to a successful negotiation of mining contracts. Most governments across Africa now routinely seek legal advice in negotiating debt and other complex commercial contracts. For example, prior to the ALSF intervention, the government of Guinea was not anticipating and did not seek legal advice during the preparation and negotiation of mining contracts. The practice resulted in litigations and a loss of revenues. Since then, questions by the legal advisors availed by ALSF have opened the eyes of national stakeholders and have helped them understand how to successfully initiate and carry out the negotiation of mining contracts.

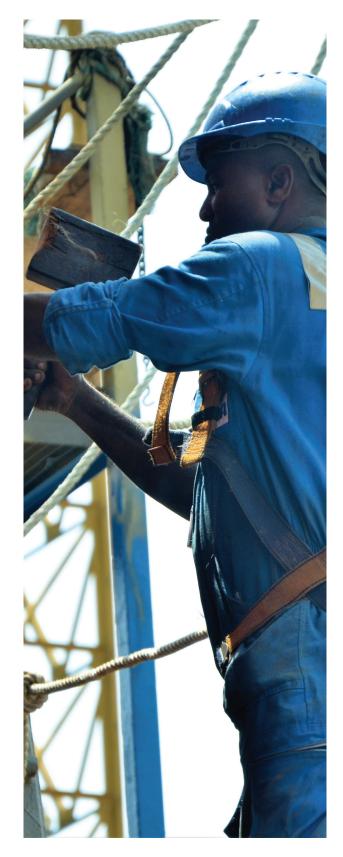
Enhanced Involment of African Experts in the Negotiation of Complex Commercial Contracts Between Governments and Investor

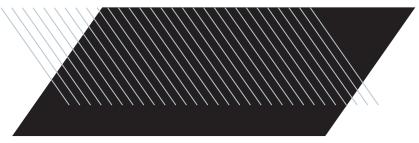
In 2016, the ALSF trained over 2,000 African experts and 13 local firms in technical and legal capacities in complex transactions negotiation processes. The PPP Massive Open Online Course, an innovative capacity building approach, trained over 1,500 African experts in PPPs. A majority (70%) of the participants rated these trainings as excellent. The ALSF staff also actively monitored local firms working with international legal counsels to ensure that they are trained to be able to negotiate and conclude equitable deals on complex and business transactions.

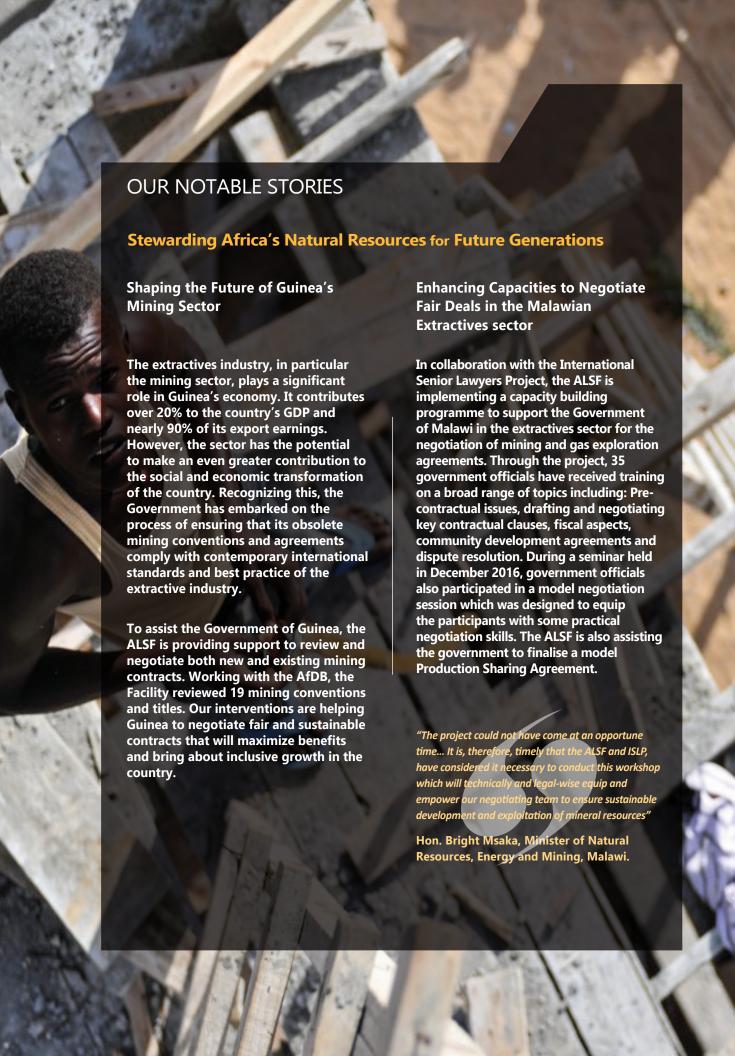
In 2013, a Guinean law firm contributed to the ALSF projects being implemented in the country. By participating in ALSF-sponsored learning events (ABFLA, London 2016 and Dakar 2017) and by taking advantage of this association with foreign law firms, the local law firm has enhanced specific legal expertise relevant in the negotiation of complex mining contracts. In three years, the firm has gained international recognition for its professional achievements, which in turn raised its profile in the field. The rapid success of this local law firm has encouraged two African lawyers installed abroad (France) to move their business to, and settle in, Guinea.

In 2016, ALSF staff shared knowledge by delivering presentations at nine international professional conferences and disseminating nine print and online publications. In addition, five model agreements have been developed to date:

- A model mining agreement for artisanal and small scale mining projects;
- A model Power Purchase Agreement along with the model concession agreement and supporting documentation in Tanzania and Gambia, now being implemented in ongoing project;
- Model PPAs, respectively for solar and thermal plants.







#### **OUR NOTABLE STORIES**

#### **Unlocking Africa's Renewable Energy Potential**

#### The Bakota Gorge Hydro Power Project in Zambia and Zimbabwe

The ALSF supported the Zambezi River Authority (ZRA) by providing capacity building support on the structuring of the Batoka Gorge Hydro Power Project. The ALSF provided training to officials from ZRA and to government officials from Zambia and Zimbabwe. The capacity building seminar covered legal and financial aspects of negotiating and structuring Public Private Partnerships, hydro-electric power projects, and developing bankable Independent Power Projects. The ZRA is the implementing agency for the planned Batoka Gorge Hydro Power Project, which is a 2,400 MW power station along the Zambezi river, which is shared by Zambia and Zimbabwe. The project will enable both Zambia and Zimbabwe to increase their electricity generation capacity, improving energy security, facilitating the export of power to other parts of the region and supporting the development of associated regional infrastructure.

The project is critical not just to the energy profiles of the two contracting states, but to the SADC region and beyond... The new knowledge gained—in relation to softmarket sounding, legal documents, debt and equity solicitation, tendering processes, and financial close and implementation will provide us with valuable input, empowering us to make project decisions from an informed perspective

Eng. Munyaradzi Munodawafa, CEO Zambezi River Authority

#### **Nachtigal Hydroelectric Project in Cameroon**

The ALSF is currently supporting the Government of Cameroon in its negotiation of project agreements to potentially develop its largest hydroelectric project, the Nachtigal Hydroelectric Project. The 420 MW project, which has an estimated value of 1.2 billion USD, will include Roller Compacted Concrete dams, a headrace channel, a power plant with seven generating units, a generation substation, and a transmission line to be constructed on the central course of Sanaga River, 65 km north east from Yaoundé. This large-scale project will help relieve chronic power shortages in the nation as it seeks to increase its existing power capacity of about 1,200 MW to 3,000 MW by 2030. This new clean and renewable energy source is expected to begin contributing to the national grid by 2020.

#### Taiba N'Diaye Wind Farm in Senegal

The ALSF supported the Government of Senegal in its negotiations of a Power Purchase Agreement, and related agreements, in order to develop a wind farm, the first in the country and the largest in West Africa. The project is located in the rural town of Taïba N'Diaye (région de Thiès) and will produce over 158 MW. Once completed, this project will provide clean, efficient and reliable electricity to the Senegalese grid by increasing generation capacity and helping address Senegal's electricity shortages.

As the country pushes to become a regional player in renewables on the continent, the Taïba Ndiaye Wind Farm project aligns with the Senegalese government's objective to achieve 20% renewable energy by 2020, and it is also expected to enhance local employment opportunities in rural areas.

# AfDB and ALSF work to realize the New Deal on Energy in Africa

Under the leadership of the African Development Bank's President, Dr. Akinwumi Adesina, the Bank elaborated a 'New Deal on Energy,' which charts a roadmap to a future in which Africa's combined energy grids reach every inhabitant in the region.

The ALSF is dedicated to supporting this new, visionary initiative by facilitating energy transactions across the continent—in 2016 alone, the Facility advised African governments on more than 15 PPA negotiations, which represent a combined 1,400MW of energy potential. Looking forward, the ALSF is committed to developing new model agreements, power toolkits, and training opportunities to unlock Africa's renewable and non-renewable resources potential.



#### **Ouagadougou International Airport and a New Airport in Doisin in Burkina Faso**

The ALSF is providing legal advisors with the knowledge and experience necessary to negotiate a concession of the existing Burkina Faso Ouagadougou International Airport, as well as the construction of a new airport, to be built in the region of Donsin, in partnership with a private partner.

Specifically, the ALSF is advising the Government on the negotiation of the concession agreement and is assisting relevant authorities during various stages, including preliminary evaluation of the project structure, the selection of the international private investor for the concession, the negotiation of the concession agreement, and its implementation.

These interventions will help Burkina Faso improve the management arrangement of the existing international airport, and will support the construction of a new airport, which in turn will increase national capacity, generate new growth, and new jobs by employing people in industries like aviation, technology, catering, and leisure.

#### **OUR NOTABLE STORIES**



#### Supporting the Development of Transformational Infrastructure Projects

#### **Bagamoyo Port in Tanzania**

Once constructed, the Bagamoyo Port is expected to address the capacity limitations at the existing Dar es Salaam Port, which handles more than 90% of the total volume of imports and exports, accounting for traffic in excess of 10 million tons per year. Specifically, the Bagamoyo Port is set to handle 20 million Twentyfoot equivalent unit (TEU) by 2045 and will be the largest port in East Africa when completed.

The project is a trigovernment venture between Tanzania, China, and Oman and will cost close to USD 10 billion. This new development of the Port in Bagamoyo is expected to stimulate growth and have an impact across a wide range of sectors.

The ALSF is assisting the Government of Tanzania through transaction advisory services in its negotiation with a Chinese company of a deep-water port and special economic zone near Bagamoyo. A Tanzanian law firm, in coordination with an International law firm, is advising the government in this matter.

The ALSF has thus far supported the negotiation of six agreements, in addition to contractual documents related to the development of a seaport and portside industrial zone, as well as draft concession agreements, a framework agreement, terms sheet for the portside economic zone, a joint venture agreement, and a development agreement. On 5 August, 2016, the Government of Tanzania requested additional advisory services in the areas of financial modelling, cargo forecast modelling, and overall capacity building for modelling.

"We appreciate the efforts made by the ALSF on behalf of our government, and for the very professional team they picked for us. If it was not for the exceptional commitment and undoubted experience of the ALSF, the Government of Tanzania would have accepted a very unfavorable proposal.

The Facility helped to ensure that the Government of Tanzania secures a valuable, effective deal"

Lamau Mpolo Director of Planning and Development Tanzania Export Processing Zones Authority.

#### **OUR NOTABLE STORIES**

#### **Creating Opportunities in Fragile Situations**

# Equipping Somali Government Officials to Negotiate Production Sharing Agreements (PSA)

Somalia's potential offshore oil and gas reserves have garnered the attention of many international oil companies. The potential of these reserves, if managed well, will provide consistent revenue streams that could catalyze the economic development of Somalia.

To fully benefit from these resources, the Somali government reached out to the ALSF for support in preparing its technical ministries for the negotiation of any potential PSAs if oil or gas reserves are discovered. Working together, the ALSF and Somali government developed a model PSA that will be used as the basis for future negotiations. The ALSF also supported the government in developing a toolkit to supplement the model agreements.

The model agreement and toolkit were presented at a capacity-building workshop where government officials underwent training on negotiating PSAs. The training was conducted in collaboration with a Tanzanian law firm, with input from Kenyan lawyers, international lawyers, and experts from the University of Dundee's Centre for Energy Petroleum and Mineral Law and Policy. With improved training and support, Somalia is more likely to negotiate a fair and balanced transactions in the event of its discovery of oil and gas reserves, deals which will be designed to spur the economic development of the country.

"The training was good and was very important to us as a Ministry because of the new PSA model, which for us is our first time that we had such a model. Now, after the training, we believe that we have gained some knowledge and developed our understanding. It was very essential for us to attend the training because now we believe that we have a team that can go and negotiate using the new PSA model"

Jamal Mursal
Permanent Secretary
Ministry of Petroleum and Mineral
Resources.

"Before the workshop, "I thought I am too little for that, my negotiation capacity was small... now I feel like I can lead a team of negotiators," stated the Upstreams."

Abdulkadir A. Hussein.
Director,
Ministry of Petroleum and Mineral Resource







# OUR SUCCESSFUL KNOWLEDGE MANAGEMENT PROJECTS

UNDERSTANDING POWER PURCHASE AGREEMENTS AND POWER PROJECT FINANCING HANDBOOKS—http://www.ppaguide.org

The ALSF, in conjunction with Commercial Law Development Program (CLDP), USA Department of Commerce gathered a group of leading experts to jointly write two handbooks which explain the role of PPAs and mechanisms to finance power projects. Experts from law firms, the AfDB, the World Bank, Overseas Private Investment Corporation, Energy and Water Authority, Nigeria Bulk Electricity Trading PLC, and others all provided contributions to the books. The books are now complete and have been published in both English and French. Moreover, the books are being distributed across the continent—over 10,000 copies have already been distributed. The ALSF and CLDP are working on converting the book into a continuing education program.





**PPPIRC DATABASE PROJECT**— https://ppp. worldbank.org.

The Facility also partnered with the World Bank's Public Private Partnership Infrastructure Resource Centre to provide model agreements for PPP projects. Particularly, the ALSF supported the expansion of current materials on the website, the use of standardized provisions in PPP project agreements, the development of new multi-media training materials and additional materials in languages other than English. The website averages over 22,000 visitors per month from 180 countries.

## AFRICA MINING LEGISLATION ATLAS (AMLA)—

http://www.a-mla.org.

The Facility is financing the Africa Mining Legislation Atlas (AMLA) project to collect, process, and make all of Africa's mining law and regulations available on an online database, complete with interactive features which provide comparative data. This project will also prepare a guiding template with a menu of options and examples for the full range of issues covered under mining law. This project is still on-going and will strengthen the ability of countries to produce strong, consistent, and transparent laws in the field of minerals and mining.



CHAPTER THREE
Institutional Development and Corporate
Management

# INSTITUTIONAL DEVELOPMENT AND CORPORATE MANAGEMENT

In 2016, the ALSF maintained its momentum for promoting institutional development with the aim of enhancing result-oriented operational efficiency and increasing the capacity to respond rapidly to demand in accordance with its operational priorities. This chapter discusses the ALSF's institutional activities in 2016.

# Operationalization of the Monitoring and Evaluation Framework

With the support of the Government of Canada and DFID, the Facility developed a Monitoring & Evaluation Framework. To ensure proper operationalization of this framework, the ALSF staff were trained on how to develop indicators and deploy a Results-Based Logical Framework and Performance Measurement Framework to measure progress and assess the development impact of its projects. These activities have yielded results and today, the Monitoring and Evaluation Framework is now established and operationalized.

### Medium Term Strategy (2013-2017) Review

For the most part of 2016, the ALSF was reviewing its current Medium Term strategy to assess whether the organization is achieving its objectives and expected results. The MTS review is almost complete and the ALSF Management Board provided feedback on areas that require revision. The ALSF's management will further reflect on the comments from the Board, and will present a final report for adoption in the first quarter of 2017.

### Medium Term Strategy (2018-2022)

In November, 2016, the Facility brought together a carefully selected team of experts and stakeholders comprising: current and former ALSF Management Board and Governing Council members, ALSF Donors, African Lawyers, International Lawyers, African Business Law Firms Association and ALSF staff to discuss preliminary findings of current MTS review, priority areas and results framework that will inform the next ALSF Medium Term Strategy (2018-2022).

### **Staff Development**

In 2016, the Facility also focused on building human capabilities. Staff benefitted from various training opportunities to develop a logical framework, as well as tools for monitoring projects, gender mainstreaming in their respective projects, project finance, and business transactions. The staff also attended various training sessions organized by the African Development Bank and other institutions and law firms including: The Columbia Center on Sustainable Investment, the Natural Resource Governance Institute and the United Nations Sustainable Development Solutions Network.

### **Regulations and internal guidelines**

In 2016, the Facility updated some of its existing regulations and guidelines, leading to the adoption of a revised Procedures Manual. Also, a draft Manual for the Implementation of the ALSF Financing instruments was produced.

#### **Resource Mobilization**

Over the years, the ALSF has secured resources from various donors. A total of **17 Agreements have** been concluded with a financial value of USD 83.1 million. Out of this value, USD 53.3 million have been disbursed by the end of 2016. In addition, USD 2.1 million has been cumulatively mobilized through other Trust Funds managed by the AfDB.

To support programs and expand its donor base in 2016, the ALSF held discussions with a number of existing and potential donors including the African Development Bank, the European Union, Germany, France, Japan, Norway, Netherlands, USAID, DFID, Canada, and BOAD. To promote sustainability and increase ownership, the ALSF has also been encouraging financial participation through voluntary donations from African states. In 2016, Guinea responded to our call and became the first African country to contribute to the ALSF. The Democratic Republic of Congo and Niger have also verbally pledged to financially contribute to the Facility.

During 2016, the ALSF received contributions from Canada, Norway, Netherlands, DFID, and Republic of Guinea totaling USD 10.1 million to support its activities.

### CONTRIBUTIONS RECEIVED, (USD MILLIONS)

### 2010-2016

Donors	Years							
	2010	2011	2012	2013	2014	2015	2016	TOTAL
AfDB Group (ADF Fund)	14.97	0.24						15.21
World Bank		0.05						0.05
Belgium		0.78						0.78
BOAD			0.20					0.20
France			5.00					5.00
ECOWAS Bank for Investment and Development (EBID)				0.05				0.05
Norway				2.44		0.91	0.92	4.27
Netherlands				3.43	1.59	1.69	1.62	8.33
United Kingdom					0.73	3.08	5.25	9.06
Guinea Republic							0.05	0.05
Canada					4.53		2.29	6.83
USAID					3.00			3.00
Islamic Development Bank						0.50		0.50
TOTAL	14.97	1.07	5.20	5.92	9.85	6.18	10.12	53.32



# ALSF CONTRIBUTIONS HELD IN TRUST BY THE AfDB (USD MILLIONS), 2010-2016

Donors	Years							
	2010	2011	2012	2013	2014	2015	2016	TOTAL
France		0.70						0.70
India			1.36					1.36
TOTAL		0.70	1.36					2.06

# ALSF CONTRIBUTIONS PLEDGED (MILLIONS), 2014-2018

Donors	Currency	Amount
AfDB Group (ADF Fund)	Unit of Account	16
Norway	Norwegian Krone (NK)	30
Netherlands	Euro	9.5
Islamic Development Bank	USD	1
Germany KFW	Euro	5
Guinea Republic	USD	0.05
United Kingdom	Pound Sterling	6.3
Canada	Canadian Dollar	10
USAID	USD	3



### PARTNERSHIP AND OUTREACH

During 2016, the ALSF continued to reinforce its strategic relationships with various development partners, including bilateral aid agencies, multilateral development institutions, academic and knowledge institutions, national governments, and national African civil organizations. The Facility participated in various regional and global events to enhance dialogue and networking. These interactions helped the ALSF to identify common areas of interest and to examine how best to collaborate with various institutions to advance Africa's development agenda.

Specifically, the Facility signed Memorandums of Understanding (MoUs) with the African Business Law Firms Association (ABLFA) and the Institute for Public-Private Partnerships (IP3), implemented MoUs with the International Senior Lawyers Project, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the World Bank, the Natural Resource Governance Institute, the Columbia Center on Sustainable Investment, Agence Française de Développement and Expertise France, and contributed to the G7 CONNEX Working Group. Additionally, the Facility sponsored the Global Africa Investment Summit, supported the development of the Colombia Sustainable Investment paper on best practices in M&E among negotiation support providers, successfully hosted 13 ministers at the Africa Energy Forum, and sponsored the Africa Ministerial forum at Mining Indaba.

Throughout 2016, the ALSF met a number of Africa experts and advisors at various events including: the Indaba Mining Conference, the African Energy Forum, ABLFA Meetings, G7 CONNEX Initiative Meetings, a conference on PPPs as a stable Financing Vehicle for Infrastructure in Nigeria, the International Council for Commercial Arbitration Congress and the Africa Renewable Energy Forum. These speaking opportunities continue to increase the awareness of its services. In 2016, the ALSF also prepared and disseminated promotional materials, updated its website, and dispensed a number of newsletters and

six publications, and made 38 media interactions during the year. These activities increased our visibility and consolidated our partnerships.

During 2016, the ALSF continued to work with our existing strategic partners including: the African Development Bank, the African Water Facility, the Infrastructure Consortium for Africa, the African Minerals Development Center at United Nations Economic Commission for Africa and the African Union, the World Bank (Public Private Infrastructure Advisory Facility), the International Finance Corporation, the G7 CONNEX, Power Africa Initiative, the Natural Resource Governance Institute. and the Columbia Center on Sustainable Investment, 2016 also witnessed collaborations with the University of Cape Town and other African Universities— Annex1 summarizes the ALSF's strategic partnerships.



"Joi<mark>ning</mark> han<mark>ds to close</mark> existing legal and technical capacity gaps"

### **MEMBERSHIP**

During 2016, Guinea completed its membership procedures with the ALSF. The Democratic Republic of Congo and Cameroon committed to complete membership, while Angola and Eritrea committed to accede to the agreement. Increasing its profile among international organizations, the ALSF Treaty was registered with the United Nations and a membership tool kit was developed. The total number of signatories now stands at 59, which include 52 states and 7 International Organizations. See Annex 2 for the complete list of signatories to the ALSF Agreement.





#### **Partners' Voices**

"African countries require comprehensive legal expertise and negotiating skills to ensure fair agreements when negotiating commercial creditor litigation or complex commercial transactions such as for extractive resources. In providing legal support and building respective capacities, the African Legal Support Facility (ALSF) enables African countries to negotiate agreements that also consider the interests of the countries and their citizens. ALSF's work is therefore fundamental for the responsible management of Africa's economic and natural resources. KfW on behalf of the Federal Republic of Germany recently entered into partnership with ALSF in order to complement its ongoing engagement in many African countries targeted at sustainable economic, social and ecological development."

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Gabriele Götz Senior Project Manager KfW Bankengruppe



"The Norwegian Ministry of Foreign Affairs is pleased to continue its partnership with the African Legal Support Facility (ALSF). During our partnership, which started in 2013, the ALSF has grown considerably, reflecting the increasing demand for its services in the region, and it has also forged new partnerships. The ALSF has established a strong track record in offering legal expertise and enhancing negotiation capacities, with particular focus on natural resources and the extractive industries, investment agreements and public-private partnerships. We should not underestimate the revenues that are lost in Africa because of unfair contracts and inadequate fiscal regimes; revenues that African countries and their citizens are entitled to receive. Norway's support for the Facility is part of the Government's efforts to promote domestic resource mobilisation and financial transparency, and to combat illicit financial flows out of Africa."

Hege Haaland Deputy Director, Section for Multilateral Development Banks Ministry of Foreign Affairs, Norway

### Partners' Voices

"Strong institutions are key to strong governments. This consideration led us to collaborate with the ALSF, whose work in strengthening the legal and technical capacities of African Regional Member Countries (RMCs) is critical to our ongoing efforts to reduce fragility and improve resilience for Transition States.

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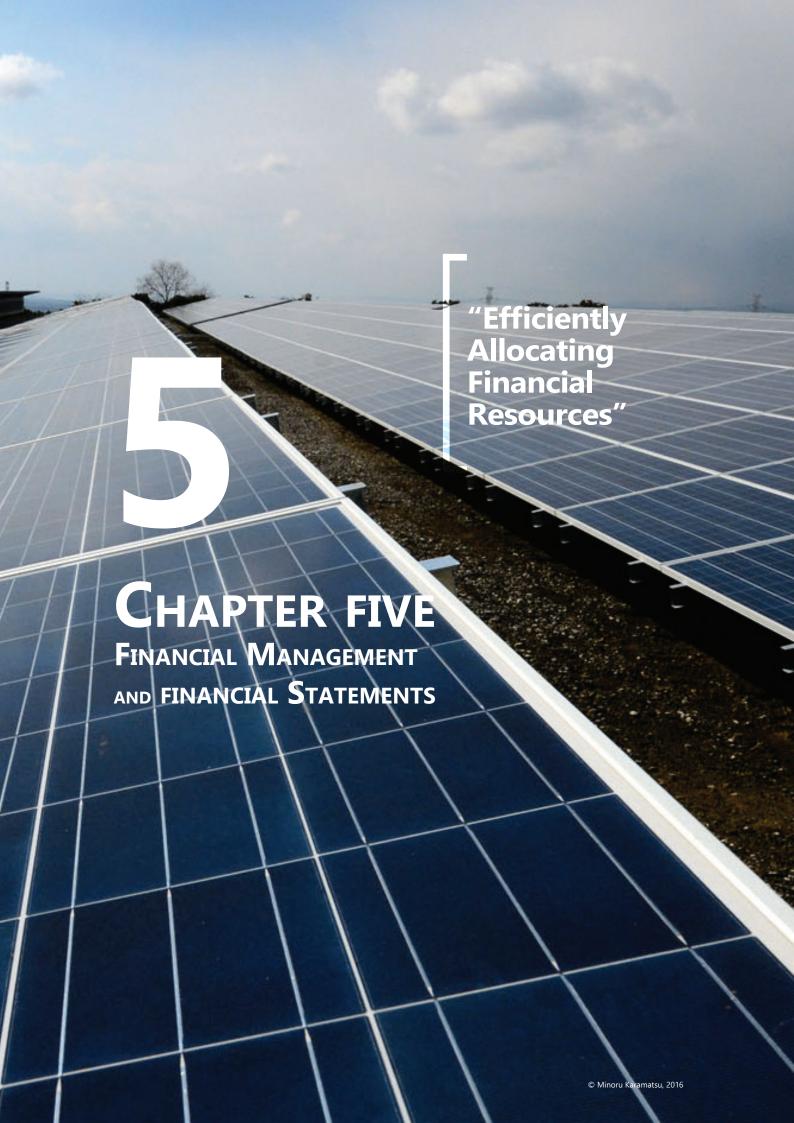
By working alongside the ALSF, we at the African Development Bank can capitalize on the common strategies and objectives we share, especially in ensuring transparency and good governance in the negotiation and implementation of mining and commercial transactions. This helps such countries to recover much faster, consolidate the gains, and prevents any chance of slipping back into conflict."

Sibry Tapsoba Director, Transition States Department, African Development Bank



"The Netherlands has been a dedicated donor and partner of the African Legal Support Facility since 2013; and we appreciate the impact that the Facility has generated by offering support to African states in their defense against vulture funds and complex commercial contract negotiations. Legal capacity is crucial for domestic resource mobilization and therefore sustainable economic growth, and we attach great value to its promotion. We believe the legal services provided by ALSF are important in order to ensure that African government officials have the know-how to lead the negotiation of well-structured, enforceable contracts, for instance around extractive industries. By doing so, the ALSF makes an important contribution to the sustainable inclusive development of Africa, as envisaged in the Global Goals. The Netherlands welcomes ALSF's high-quality service, and there is broad support for the work of the facility."

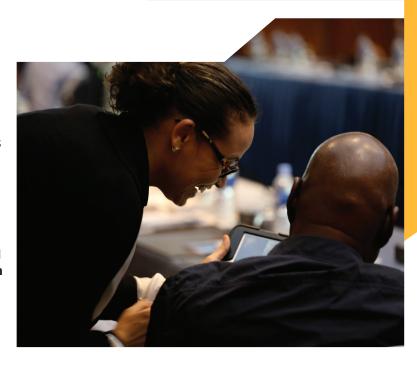
Peter Van Der Vliet Director, Multilateral Organizations and Human Rights Department, Netherlands Ministry of Foreign Affairs



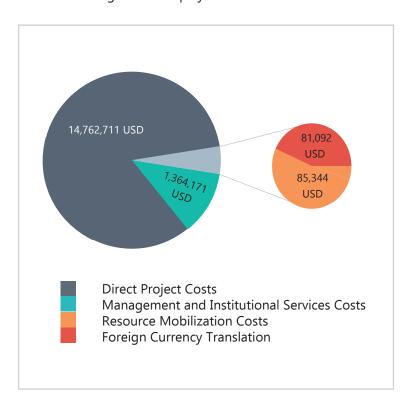
### FINANCIAL STATUS

In accordance with the General Regulations of the ALSF and with the assistance of the Financial Control Department of the AfDB, the 2016 independent auditors report on the financial statements of the ALSF were submitted by the Management Board to the Governing Council for approval.

The management of the Facility has an ongoing responsibility and commitment to ensure **maximum efficiency of its financial resources**. As in previous years, the ALSF continues to focus on a high level budgetary discipline and effective cost controls.



In 2016, the ALSF allocated **more than 90%** of its budget to direct project costs



# FINANCIAL PERFORMANCE

The highlights of the Facility's financial performance in 2016 include the following:

- The ALSF's available funds increased by USD 10.2 million from USD 44.3 million in 2015 to USD 54.5 million in 2016, mainly due to additional funding received from Canada, DFID, Guinea, Netherlands, and Norway.
- Disbursements increased from USD 24.9 million in 2015 to 33.6 million in 2016. The increase was primarily due to the increase in the Facility's volume of work.



Available Funds + 10.2M USD



Disbursements +8.7M USD

# STATEMENT OF COMMITMENT DECEMBER 31, 2016 (USD)

	2016	2015
Total funds available	54,495,174	44,286,127
Commitments	52,334,734	43,603,805
TOTAL FUNDS AVAILABLE FOR COMMITMENT	2,160,440	682,321



**USD 1.4M** 

# STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2016

DECEMBER 51, 2010		
	2016	2015
CONTRIBUTIONS USD		
Contributions received	53,319,866	43,198,966
Net Income	1,175,308	1,089,964
TOTAL FUNDS AVAILABLE	54,495,174	44,288,930
DISBURSEMENTS	33,576,979	24,881,851
NET FUNDS AVAILABLE	20,918,195	19,407,079
REPRESENTED BY		
Cash & Cash Equivalents	21,327,260	19, 894, 278
Net amount payable	409,064	487,199
NET FUNDS BALANCE	20,918,196	19,407,079



GOVERNING COUNCIL, MANAGEMENT BOARD,
DIRECTOR, AND STAFF

### GOVERNING COUNCIL MANAGEMENT BOARD DIRECTOR & STAFF

The **Governing Council (GC)** is the supreme body of the Facility, which manages the whole organization and is composed of twelve (12) members and twelve (12) alternate members representing the following constituencies: five (5) members and five (5) alternate members represent Participating States, which are Regional Member States of the AfDB; four (4) members and four (4) alternates representing Participating States which are also Member States of the Organization for Economic Cooperation and Development (OECD); one (1) member and one (1) alternate member represent non-OECD Participating States; one (1) member and one (1) alternate member represent other international organizations, which are parties to the Agreement and one (1) member and one (1) alternate member represent the AfDB. Members and Alternate Members of the GC are appointed for a period of two (2) years. A list of the electoral colleges of the GC and current representatives is attached in Annex 3.

The **Management Board (MB)** is responsible for the efficient and effective conduct of all operations of the ALSF, as well as the appointment of the Director. It is composed of five (5) members serving in their personal capacity, who are appointed by the GC for a three (3) year non-renewable term. A list of the members of the MB is attached in Annex 4.

The Governing Council and Management Board provided oversight and strategic direction to the management of the ALSF in 2016. Activities undertaken by the Board gave considerable time to strategic operations and institutional matters. The most notable discussions pertained to approval of operations in priority areas and guidance on the review of the ALSF Medium Term Strategy.



### **Governing Council Activities in 2016**

In 2016, the Governing Council of the Facility held two meetings. The first was a virtual meeting held on 29<sup>th</sup> April, 2016 to preliminarily discuss and refine relevant working documents in view of their formal presentation at their annual meeting of 23<sup>rd</sup> May 2016.

The second meeting was the formal Annual Meeting of the Governing Council of the ALSF which took place in Lusaka, Zambia in May, 2016. During this meeting, the Governing Council approved the 2015 Annual Report and audited financial statements for the financial year ending December 31, 2015. In addition, the Governing Council among other issues appointed a new Chairman and members of the Management Board for the period 2016-2019.

### **Management Board Activities in 2016**

The ALSF hosted three Management Board meetings in 2016. On 11<sup>th</sup> and 12<sup>th</sup> March 2016, the Board held its 18th meeting in Abidjan, Côte d'Ivoire to discuss the progress on projects' implementation in 2015; the 2015 Draft Annual Report and Financial Statements; Draft Financial Regulations; and Implementation of 2016 Annual Work Plan and Draft Midterm review of the ALSF Medium Term Strategy. The Board also considered for approval the progress report on the implementation of the Results Based Management System.

Subsequently, the Board held its 19<sup>th</sup> meeting in Lusaka Zambia in May, 2016 to approve a number of important documents prior to formal adoption and endorsement by the Governing Council. On 22<sup>nd</sup> and 23<sup>rd</sup> November, the Board met to consider a report on the review of MTS, Financial Statements as of September, 2016, updates on projects and to approve the Work Plan and Budget for 2017.

Over the year, the Board approved 28 new projects to help African countries to build legal capacities in negotiation of complex commercial transactions in the natural and infrastructure development sectors and provide debt management and creditor litigation support.

#### **Director and Staff**

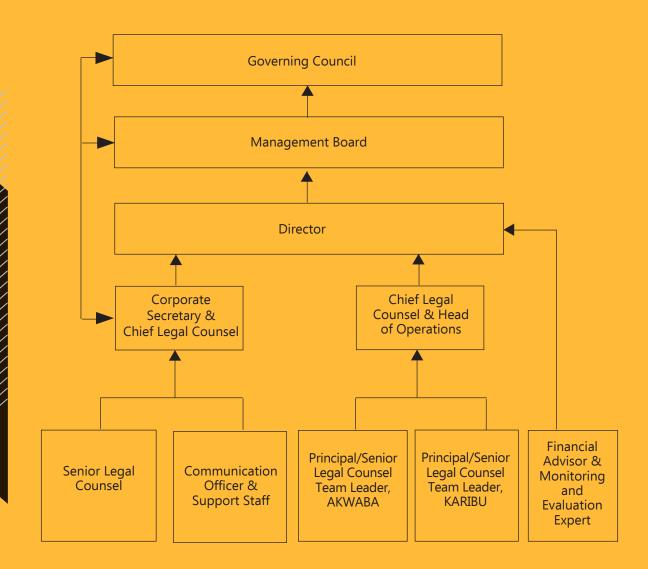
During 2016, the Facility maintained a staff of 18 lawyers and 8 other professionals, led by the Director The ALSF is organized in two major divisions. The first division provides support to the Facility's corporate affairs, including membership, Board and Governing Council matters, meeting coordination and other institutional matters. The second division is responsible for the projects of the Facility.

A total of 26 staff were on board by the end of the year. In 2016, three new staff members were appointed during the year and various consultants were procured to ensure operational efficiency.

### THE ALSF TEAM BY THE END OF 2016

NAME	FUNCTION
Stephen Karangizi	Director
Carmen Da Costa	Corporate Secretary and Chief Legal Counsel
Amir Shaikh	Chief Legal Counsel and Head of Operations
Maude Vallée	Legal Counsel, Operational Duties
Mavis Marongwe	Legal Counsel, Institutional Duties
Thierno Olory-Togbe	Legal Counsel, Operational Duties
Oluwatoyin Ojo	Legal Counsel, Operational Duties
Jean Claude Mabushi	Legal Counsel, Operational Duties
Mavis Marongwe	Legal Counsel, Institutional Duties
Nchimunya Ndulo	Legal Counsel, Operational Duties
Mariam Hussein Mohammed	Legal Counsel, Operational Duties
Stephen Kimani Gatama	Legal Counsel, Operational Duties
Hélène Nse-Eyene	Legal Counsel, Operational Duties
Ronald Chari	Legal Counsel, Operational Duties
Gadi Ndahumba	Legal Counsel, Operational Duties
Nusula Nassuna	Legal Counsel, Operational Duties
Sarah Sameur	Legal Counsel, Operational Duties
Mukazi Kayitenkore	Legal Counsel, Institutional Duties
Amanda Dakouré	Legal Counsel, Institutional Duties
Abdoul Karim Kabélé	AMLA Project
Debazou Yantio	Monitoring and Evaluation Expert
Franck Tella	Financial Advisor
Elizabeth Mpimbaza	Communication Officer
Imen Mejai	Director's Assistant
Nancy Ampiah	Secretary and Archivist for Operational Affairs
Roseline Adou-Abobo	Secretary and Archivist for Operational Affairs
Roseline Konan	Secretary and Archivist for Institutional Affairs
Christine Ohanson	Administrative Assistant

# ORGANIZATION CHART DECEMBER 31, 2016







Despite the sustained and steady progress made, the ALSF continues to experience operational implementation delays mainly due to limited institutional and management capacity, and the fragile situations in some RMCs. Cognizant of this, the ALSF has been making concerted efforts to strengthen the monitoring of the current portfolio and proactively undertaking portfolio restructuring measures including cancellation of long standing "approved but not disbursed" grants to free up funds for new commitments.

Our interventions are contributing to the development of good governance and best practices across participating RMCs. However, many African countries still lack the specialist legal expertise and experience in matters of complex commercial transactions and vulture fund litigations. For the next planning cycle (2018-2022), the Facility is crafting an aggressive strategy, marked by ambitious targets, to ensure that the RMCs have adequate national and regional legal capacities to address the key areas of infrastructure, natural resources, debt investment agreements, and governance.

Discussions with our stakeholders to develop the new strategy are already underway, and these interactions have so far revealed the need to comprehensively implement our mandate in the years ahead. It is also clear that the implementation of the African Union Agenda 2063; the United Nations Sustainable Development Goals; and African Development Bank High 5's will create opportunities for the ALSF. Working within our current mandate, the Facility envisages new areas of possible intervention, including, but not limited to: Supporting the development of legislative frameworks and providing leadership in many legal areas in Africa; organizing and managing 'legal hotlines'; assisting in the implementation and monitoring of contracts; creating a repository of best practices and knowledge under the umbrella of the ALSF Academy; partnering with Africa Law Associations and other institutions with similar objectives; researching and developing knowledge instruments; and advocating on key issues such law of the sea, climate change, trade agreements, and secured transactions.

The Facility will also need to continue to expand its donor base in order to sustain financial flow in the coming years. The ALSF has intensified discussions with both existing and potential donors, and has developed its operational procedures for the Financing Instruments which will provide a much wider, and more sustainable source of income for its operations and will encourage financial participation through voluntary donation from African states.

All of the above interventions will enable us to achieve sustainable legal and technical capacities for Africa, while making a significant contribution to the continent's quest for a prosperous Africa, one which enjoys high growth rates which in turn provide opportunities for everyone in the region, including women and youth.



Summary of the ALSF's Strategic partnerships

Collaboration with Bilateral partners

## Department for International Development of the United Kingdom (DFID)

DFID's £ 6.3 million is targeted at:

- 1.Expanding legal assistance to African Governments to negotiate 10-12 additional extractive deals and infrastructure projects related to major oil, gas mining and related infrastructure projects (especially energy and transport)
- 2.Expanding training provision to African lawyers and legal specialists
- 3. Upgrading the ALSF's monitoring and evaluation to be clearer about its own results and improve the evidence based results for the development impacts of high-quality legal assistance
- 4.Driving improvements to the value for money from contracts with world-class law firms

### **Government of Canada**

Global Affairs Canada's CAD \$ 10 million is targeted at:

1.Improving African countries' legal capacity to negotiate complex agreements related to extractive resources and related infrastructure, and 2.Capacity building in the above ALSF focal areas

#### **Government of France**

Center for Financial, Economic and Banking Studies (CEFEB) of the AFD and Expertise France

1. Supporting capacity-building initiatives on matters relating to PPPs

### **Government of Germany**

GIZ & KfW Group's € 5 million is targeted at :

- 1.Strengthening the institional development of the ALSF
- 2. Facilitate the implementation of the code of Conduct of the G7 CONNEX initiative

### **Government of India**

Supporting PPP Advisory Services in selected countries

### The Kingdom of Netherlands

Ministry of Foreign Affairs, Netherland's € 5 million is targeted at:

1.Assisting African governments in the negotiation of complex commercial transactions relating to the extractive industries, infrastructure, and commercial debt 2.Assisting African governments in commercial disputes relating to vulture funds, and

3. Capacity building for African lawyers (both government and private) in above areas

### **Government of Norway**

Royal Norwegian Ministry of Foreign Affairs' NK 30 million is targeted at:

1.Improving African governments capacity to respond to and manage external commercial litigation

2.Improving Africa's legal capacity to negotiate complex agreements in particular related extractive resources, infrastructure and debt, and

3. Coordinating capacity building directed towards African member countries in the ALSF focal areas.

# Power Africa Initiative/United States Agency for International Development (USAID)

USAID's USD 3 million is targeted at:

1.Supporting and strengthening the ALSF so that it can serve as the primary source for the retention of competent legal counsel for resource constrained African countries especially with respect to negotiation of power projects

# Summary of the ALSF's Strategic partnerships

Collaboration with Multilateral partners

### **African Development Fund (ADF)**

1.Financing partner2.Joint implementation of selected projects/ programmes

# **ECOWAS Bank for Investment and Development**

1. Financing partner

### **Islamic Development Bank**

IsDB's USD I million is targeted at:

1.Legal capacity building

2.Negotiation of complex commercial transactions in the field of infrastructure, mining and natural resources 3.Private sector development and promotion of investments in the above areas

### **African Development Bank Group (AfDB)**

1. Founding and Hosting Institution.

2.Cooperating to ensure adequate know-how and logistics, as well as operational efficiency, particularly in terms of access to relevant networks throughout Africa, and to move further towards common development goals

3. Partners with various entities including departments and units within the Bank to facilitate selected projects and programs

### **The African Water Facility**

1. Jointly implementing a major water supply project between Ghana and Togo

2.Consultation on possible projects.

### United Nations Economic Commission for Africa and the African Union

1.Discussion in joint implementation (African Minerals Development Center) of the African Mining Vision - capacity building program on contract negotiations in the extractive resource industry with the Facility 2.Joint Implementation of the High Level Report on Illicit Financial Flows (Mbeki report)

# World Bank (Public Private Infrastructure Advisory Facility)

Cooperation in capacity building for the ALSF Public Private Partnership (PPP) program

### **World Bank (Legal Vice Presidency)**

Cooperation on the African Mining Legislation Atlas

# World Bank (PPPIRC – Public Private Partnership Infrastructure Resource Center)

Cooperation on the PPPIRC database of PPP precedents and guidelines.

### **Africa Finance Corporation**

Cooperation on identification of potential areas of assistance on behalf of governments.

#### **G7 CONNEX**

Cooperation to provide RMCs with extended and concrete expertise for negotiating complex commercial contracts, especially in the extractive sector and help governments to generate substantial revenues from their resources





# Capacity Building and Networking possibilities:

- African Institute for International Law
- Centre International de Formation en Afrique des Avocats Francophones
- Columbia Center on Sustainable Investment
- Commercial Law Development Program
- East African Law Society
- International Senior Lawyers Programme
- International Lawyers for Africa
- Pan-African Lawyers Union
- SADC Lawyers Association
- University of Cape Town and other African Universities

## Partnering to develop and maintain selected knowledge products:

 Natural Resource Governance Institute and Columbia Center on Sustainable

Signatories to the agreement for the establishment of the Facility

	STATES/ ORGANIZATIONS	DATE OF SIGNATURE	DATE OF ADMISSION
1	Belgium	25/09/2008	
2	Benin	31/12/2008	
3	Brazil	18/08/2008	
4	Burundi	15/09/2008	
5	Burkina Faso	24/09/2008	01/07/2009
6	Cameroon	15/04/2009	
7	Cape Verde	05/03/2015	
8	Central African Republic	14/05/2009	
9	Chad	08/09/2008	14/11/2009
10	Comoros	25/11/2013	14/04/2014
11	Congo	09/12/2008	18/06/2009
12	Côte d'Ivoire	16/09/2008	
13	Democratic Republic of Congo	22/08/2008	
14	Djibouti	10/09/2008	11/12/2008
15	Egypt	05/08/2010	12/02/2014
16	Ethiopia	15/08/2008	02/12/2008
17	France	11/02/2013	04/04/2015
18	Gabon	13/10/2008	
19	Gambia	10/09/2008	23/08/2012
20	Ghana	10/06/2013	
21	Guinea	31/10/2008	

Signatories to the agreement for the establishment of the Facility

	STATES/ ORGANIZATIONS	DATE OF SIGNATURE	DATE OF ADMISSION
22	Guinea Bissau	12/09/2008	19/09/2008
23	Kenya	07/11/2008	
24	Lesotho	16/05/2014	
25	Liberia	12/12/2008	
26	Libya	25/08/2008	
27	Madagascar	05/09/2008	25/11/2008
28	Malawi	12/08/2008	
29	Mali	15/12/2008	16/10/2009
30	Mauritania	14/05/2009	
31	Mauritius	22/08/2012	21/11/2012
32	Morocco	14/01/2011	28/06/2013
33	Mozambique	16/09/2008	
34	Netherlands	26/03/2010	18/11/2011
35	Niger	13/05/2009	09/12/2014
36	Nigeria	31/07/2009	
37	Rwanda	08/08/2008	25/01/2011
38	Sao Tome & Principe	08/08/2012	
39	Senegal	25/08/2008	28/11/2008
40	Seychelles	25/06/2009	
41	Sierra Leone	20/12/2008	15/05/2012



Signatories to the —— agreement for the establishment of the Facility

	STATES/ ORGANIZATIONS	DATE OF SIGNATURE	DATE OF ADMISSION
42	Somalia	18/02/2013	
43	Sudan	25/06/2009	
44	Sudan South	25/05/2012	
45	Swaziland	06/12/2013	
46	Tanzania	16/06/2009	
47	Togo	08/09/2008	04/11/2008
48	Tunisia	24/06/2009	20/09/2010
49	Uganda	29/07/2008	
50	United Kingdom	17/12/2009	28/10/2014
51	Zambia	02/12/2008	22/12/2008
52	Zimbabwe	14/10/2008	
ORGA	NIZATIONS		
53	African Development Bank (AfDB)	10/02/2009	NA
54	Africa Finance Corpora- tion	15/07/2014	NA
55	African Union (AU)	23/08/2010	NA
56	Islamic Development Bank (IsDB)	11/06/2013	NA
57	The ECOWAS Bank for Investment and Develop- ment (EBID)	30/10/2012	NA
58	West African Develop- ment Bank (BOAD)	05/04/2011	NA
59	Organization for the Harmonization in Africa of Business Law OHADA	23/06/2009	NA



Composition of the governing council and the management board members 2015-2017



STATES/ INSTITUTIONS	ELECTORAL COLLEGES		NAME OF REPRESENTATIVES
Guinea Bissau	RMCs of the AfDB	West	Mr. Alfredo Paulo Mendes
Central African Repub- lic	RMCs of the AfDB	Central	Mr. Joseph Aimé Betindjli
Mozambique	RMCs of the AfDB	South	Mr. Rafique Mahomed
Kenya	RMCs of the AfDB	East	Ms. Christine Agimba
Sudan	RMCs of the AfDB	North	Mr. Osama Mahmoud Humeida
Belgium	OECD		Mr. Philippe Nizeyimana
Brazil	Non OECD		Mr. Rafael Ranieri
African Development Bank	African Development Bank		Mr. Charles Boamah
BIDC/EBID	International organizations		Mr. Moctar Coulibaly
United Kingdom	OECD		Mr. Holger Grundel
Netherlands	OECD		Ms. Frieda Nicolai
France	OECD		Mr. Dominique Lebastard

Alternate members of the



STATES/ INSTITUTIONS	ELECTORAL COLLEGES		NAME OF REPRESENTATIVES
Ghana	RMCs of the AfDB	West	Mrs. Mangowa Ghanney
Rwanda	RMCs of the AfDB	Central	Mr. Rugeri Nkusi Christian
Mauritius	RMCs of the AfDB	South	Mr. Gérard Pascal Bussier
Somalia	RMCs of the AfDB	East	Mr. Mohamed Aden Ibrahim
Egypt	RMCs of the AfDB	North	Judge Ahmed Moguib Kheirat Zohny
African Development Bank	African Development Bank		To be determined
Islamic Development Bank	International Organizations		Dr. Mansur Adetokunbo Noibi

### Management Board Members



### Mr. Seward Cooper, Chairman

An experienced international and corporate lawyer with renowned versatile skills. Currently serving as the Legal Advisor to the President of Liberia. Served as First Counsel and Head of Unit for Good Governance at the AfDB, and co-led the conception and drafting of the Agreement for the Establishment of the ALSF.

#### **Professor Dandi Gnamou, Member**

A highly reputed Professor of law with experience in the fields of Public international law, international economic law, peacekeeping and armed conflict law, law of international organizations and African regional integration, and constitutional law. Professor Gnamou holds a PhD in Public Law, and for over 10 years she has held academic positions, as a researcher, professor and senior lecturer at Paris-Sud XI University.

### Ms. Dorca Achapa, Member

An accomplished public servant with expertise in international negotiations having been the Head of the International Law Division in the office of the Attorney General in Kenya for over 15 years. Ms. Achapa possesses excellent organizational skills and has experience in the interpretation and application of International Law. She has also been an Advisor to the Government of Kenya on the interpretation and application of various conventions including the Convention on the Law of the Sea. Currently a member of the Legal and Technical Commission of the International Seabed Authority.

### Mr. Amadou Dieng, Member

An attorney at law (Paris Bar), specialized in international business transactions, international banking and investment law; previously lecturer at the Institute of Latin American Studies of the University Sorbonne Nouvelle of Paris and permanent Secretary of the Centre for Arbitration and Mediation of the Chamber of Commerce, Industry and Agriculture of Dakar, Senegal. He also authored different articles on international legal matters, including with regard to the Organization for the Harmonization of Business Law in Africa (OHADA).

#### Mr. Pim de Keizer, Member

An expert in the fields of international and multilateral development policy and cooperation, with knowledge of Africa and Latin America. Currently, Secretary of the Commission of Development Cooperation of the Advisory Council on International Affairs of the Ministry of Foreign Affairs of the Netherlands. Previously served as Alternate Executive Director within the African Development Bank and former member of the Governing Council of the ALSF.

### Mr. Stephen Karangizi, Ex-officio Member

He has been with the ALSF since October 2011. As Director, he is responsible for the oversight of the Facilities projects in the areas of negotiations of agreements in infrastructure developments (extractives sector, the energy sector); investment agreements and related commercial and business transactions; as well as debt management and litigation. He also acts as the legal representative of the institution.





### **Financing Partners**











BANQUE D'INVESTISSEMENT ET DE DEVELOPPEMENT DE LA CEDEAO ECOWAS BANK FOR INVESTMENT AND DEVELOPMENT BANCO DE INVESTIMENTO E DE DESENVOLVIMENTO DA CEDEAO



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# ALSF

