



African Legal Support Facility

ALSF

Facilité africaine de soutien juridique

AFRICAN LEGAL SUPPORT FACILITY

STORIES FROM THE FIELD



UNLOCKING AFRICA'S RENEWABLE ENERGY POTENTIAL

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.



FLOATING GRID-CONNECTED SOLAR PV PLANT IN SEYCHELLES

With the support and technical guidance of the ALSF, and in the context of the Africa Energy Forum held in Mauritius in 2018, Seychelles, Minister of Environment, Energy and Climate Change, H.E Wallace Cosgrow, announced the launch of the tender of the right to develop, finance, own and operate a 4MW floating grid-connected solar PV plant in the Lagoon le Rocher, Mahé.

The Seychelles Solar PV Project will be the first in Africa, and one of the first salt-water floating solar PV plants in the world. More importantly, this clean and innovative project has a great potential to be replicated elsewhere; and become a promising and scalable energy solution to land scarcity island states as they turn towards more renewable energy.

HARNESSING SOLAR ENERGY POTENTIAL IN MALI

Inadequate access to affordable energy is limiting economic and social opportunities for Malians. Electricity rates are still very low, especially in rural areas. Most households in rural areas satisfy their energy needs by biomass (wood and charcoal), which causes health problems and also aggravates environmental degradation.

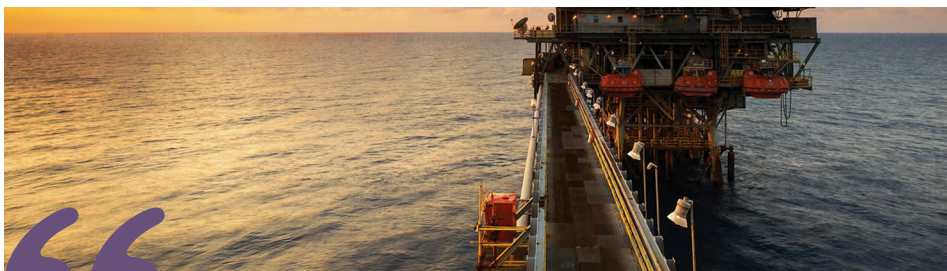
Renewable energy has great potential to address many of these existing challenges and may furthermore contribute to socio-economic development and poverty reduction. Its development, however, remains slow despite considerable solar, hydro, and biomass potential throughout the country. In this context, the Government aims to increase the share of

renewable energy in the national electricity mix to 25 percent by 2033.

To support the efforts of the Government of Mali, the Facility is providing legal and technical assistance to negotiate and conclude a PPP agreement and PPA with the aim of setting up 2 photovoltaic power plants. Working alongside an international law firm recruited by the ALSF has enhanced the technical and negotiation skills of the Malian Government officials and national experts. It is also expected that the power plants will reduce the country's energy deficit and unlock the hidden potential for social and economic development in the targeted areas.

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.



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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 soft-market 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

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*Eng. Munyaradzi Munodawafa, CEO
Zambezi River Authority*

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 percent 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—the Facility advised African governments on more than 15 PPA negotiations, which represent a combined 4000MW 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.

SUPPORTING THE DEVELOPMENT OF TRANSFORMATIONAL INFRASTRUCTURE PROJECTS

INFRASTRUCTURE
TRANSPORT

NEW BUGESERA AIRPORT IN RWANDA

With the support of the ALSF, the Government of Rwanda successfully signed a Concession Agreement for the construction and operation of the new airport, positioning Kigali to become a nerve centre for business and travel in the sub-region.

Estimated to cost USD 700 million, the Airport project is designed to be executed across four phases. The first phase will involve approximately 27 months of construction—at an estimated cost of USD 400 million. It is expected to be completed by 2019, at which point the airport will be able to accommodate 3 million passengers annually. The development of Bugesera Airport is aligned with Rwanda's Vision 2020—an ambitious strategy which aims to transform Rwanda into a knowledge-based, middle-income country by the end of the decade. The project also conforms to the country's Economic Development and Poverty Reduction Strategy.

As such, the Project is designed and is being implemented with the aim of generating socio-economic development in Bugesera, Kigali, and other parts of the Eastern Province. The airport will further sustain the development of the aviation sector by backstopping the growth of RwandAir with new facilities and training opportunities. The project is expected to provide approximately 2,000 jobs for local residents.

“*When we approached the ALSF, they swiftly helped us procure the required expertise to structure the project such that it attracts private capital. Since then, we've had many banks express interest in joining the project. The ALSF grant also includes a capacity building component which ensures that the procured experts will train Rwandans to monitor the project's development, as well as to structure future projects in a similar manner.*”

*Emmanuel Rugambwa,
Rwanda Development Board*



CREATING AN ENABLING ENVIRONMENT FOR PPPs IN BURKINA FASO

The ALSF recognizes that many countries around the world have turned to public-private partnerships (PPPs) to design, finance, build, and operate infrastructure projects. It also appreciates that despite the presence of broadly known good practices and tools. However, many governments still fall behind in preparing, procuring, and managing effective PPPs that meet the needs of their citizens.

In line with this, the ALSF assisted the Government of Burkina Faso to build relevant legal and technical capacities to adequately and properly handle PPP transactions. The support focused on drafting of standardized bidding documentation and model PPP contracts applicable to any sector, with a special emphasis on the toll-roads infrastructure transactions.

The specific activities included: reviewing and preliminary analysis of the PPP legislative and regulatory frameworks; developing of a "toolkit" with standardized legal documents

for procurement and model PPP contract and standardized documents for the toll-road infrastructure sector; and organizing of a capacity building training seminar for Government officials and local lawyers. The skills acquired will undoubtedly be essential in helping the country negotiate fair PPPs' contracts in the years ahead.

“ *I would like to express our gratitude for the support of the ALSF in the preparation of our PPPs and standard contract files. We have started using it for the selection of private partners and a ministerial decree was signed making it mandatory from January 2019.* ”

*Philippe Palenfo,
Director of PPP Burkina Faso, Ministry of Finance*

STEWARDING AFRICA'S NATURAL RESOURCES FOR FUTURE GENERATIONS

CAPITALIZING ON UGANDA'S PROVEN PETROLEUM RESERVES

Following a series of inconclusive negotiations, the Government of Uganda expressed a need for legal counsel, due to previously-scheduled and fast-approaching negotiations. The ALSF approved a grant for technical support to consolidate and enhance the process. And in July 2017, Uganda selected a consortium to build and operate a crude oil refinery, which will eventually process oil from fields being developed by Total SA and Tullow Oil Plc.

Staff of the ALSF attended the first round of negotiations between the Ugandan Government and the selected Consortium, which took place in August 2017. These negotiations produced a Project Framework Agreement with well-elaborated timelines and apportioned responsibilities.

The refinery, located in Hoima district in the Western region, is billed to double its crude processing capacity from 30,000 to 60,000 barrels per day. Beginning in 2020, the plant will be supplied by fields with over 6.5 billion barrels of crude, being exploited by Total, London-based Tullow and China's CNOOC Ltd.





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The support which the ALSF has extended to Uganda in negotiations leading to the development of a refinery has been invaluable. The legal, commercial, and technical expertise provided has enriched the negotiation team and greatly enhanced the project implementation speed.

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Peter Muliisa, Uganda National Oil Company

EQUIPPING SOMALI GOVERNMENT OFFICIALS TO NEGOCIATE 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 Upstream Director at the Ministry of Petroleum and Mineral Resources. ”

Abdulkadir A. Hussein.



STRENGTHENING CORPORATE GOVERNANCE IN THE AFRICAN EXTRACTIVES SECTOR

In recent years, the extractives sector has witnessed sustained increase in equity participation by governments throughout the African region. As the prevalence of National Mining Companies (NMCs) grows, there has also been a corresponding growth in the need for good governance and equitable benefits-sharing regimes.

In order to meet these emergent needs, the ALSF launched a capacity building course aimed at strengthening the corporate governance skills of members of Boards of Directors acting as state representatives.

Designed to equip the participating government representatives with a more comprehensive understanding of the issues surrounding the effective management of state equity participation, the programme was comprised of interactive discussions, practical exercises and lectures delivered by international lawyers and governance experts renowned for their

experience in matters related to state equity participation.

The training programme explored a broad suite of subjects, including the fiduciary duties of board directors, risk management, potential conflicts of interest, and best practices in corporate governance.





SHAPING THE FUTURE OF THE MINING SECTOR IN GUINEA

The extractives industry, in particular the mining sector, plays a significant role in Guinea's economy. It contributes over 20 percent to the country's GDP and nearly 90 percent of its export earnings. However, the sector has the potential to make an even greater contribution to the social and economic transformation of the country. Recognizing this, the Government has embarked on the process of ensuring that its obsolete mining conventions and agreements comply with contemporary international standards and best practice of the extractive industry.

To assist the Government of Guinea, the ALSF is providing support to review and negotiate both new and existing mining contracts. Working with the AfDB, the Facility reviewed 19 mining conventions and titles. Our interventions are helping Guinea to negotiate fair and sustainable contracts that will maximize benefits and bring about inclusive growth in the country.



ENHANCING CAPACITIES TO NEGOTIATE FAIR DEALS IN THE MALAWIAN EXTRACTIVES SECTOR

In collaboration with the International Senior Lawyers Project, the ALSF is implementing a capacity building programme to support the Government of Malawi in the extractives sector for the negotiation of mining and gas exploration agreements. Through the project, 35 government officials have received training on a broad range of topics including: Pre-contractual issues, drafting and negotiating key contractual clauses, fiscal aspects, community development agreements and dispute resolution. During a seminar held in December 2016, government officials also participated in a model negotiation session which was designed to equip the participants with some practical negotiation skills. The ALSF is also assisting the government to finalize a model Production Sharing Agreement.



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The project could not have come at an opportune time... It is, therefore, timely that the ALSF and ISLP, have considered it necessary to conduct this workshop which will technically and legal-wise equip and empower our negotiating team to ensure sustainable development and exploitation of mineral resources

Hon. Bright Msaka, Minister of Natural Resources, Energy and Mining, Malawi

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STRENGTHENING RWANDA'S EXTRACTIVES LEGISLATION

In view of the litany of growth sectors in the African region, it can often be easy to overlook the potential contributions of mining to a country's long-term socioeconomic development. But a mature, well-regulated mining sector can not only general new jobs and new sources of revenue, it encourages the development of a more skilled workforce, and it promotes new investments in healthcare, education, and national infrastructure.

However, in the absence of a robust legal and policy framework, these benefits often elude African decision-makers. With the aim of enhancing the existing policy framework of its mining industry, the Government of Rwanda requested that the ALSF provide capacity building support in the area of legislation- and policy-drafting.

With the help of expert consultants, the Facility organized capacity build seminars which supported the participating Rwandan officials to streamline their regulatory framework, establish a stable and transparent fiscal regime, enhance the availability of geological data, and harness the full potential of the national mining sector. These new, improved capacities will help Rwanda's extractives industry fully transition into an engine of economic developing, one whose outputs and outcomes align closely with the African Mining Vision (AMV).



EQUIPPING AFRICAN DECISION-MAKERS WITH STRONGER NEGOTIATION SKILLS

The discovery of large-scale petroleum and mineral deposits has a tendency to fuel national visions of economic prosperity and development. However, these dreams are often subject to a rude awakening, namely the financial and commercial challenges associated with transforming underground assets into financially successful extractive projects.

In response to a request from the West African Economic and Monetary Union Commission, the ALSF organized two workshops in Ouagadougou, Burkina Faso, on best practices for managing oil and mining exploration and exploitation contracts.

It is commonly accepted that the challenges associated with exploiting newly-discovered oil and mineral endowments are most closely related to technical and engineering questions. However, the ALSF's recent experience with its RMCs indicates that negotiating skills and a strong understanding of international financing are often the missing elements which delay, or even derail, the development of such resources.

In keeping with its mandate to develop sustainable legal capacity in the African region, the ALSF's two workshops aimed to promote the effective structuring of mining investments, as well as the optimum negotiation and management of oil contracts. The two events hosted 54 participants including ministerial representatives from Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo.



PREPARING THE NEXT GENERATION OF AFRICAN MINING EXPERTS

As African governments seek to leverage their mineral resources strategically for broad, inclusive development—in alignment with the Africa Mining Vision—the need for strong and sustainable legal capacities in the extractive industry is more important than ever. Aware of this growing need, the ALSF organized a 10-day workshop on mining legislation in Nairobi, in cooperation with Strathmore University, Extractives Baraza, and the World Bank.

The workshop provided its 39 participants with an intensive programme of lectures, presentations, field trips, and interactive group exercises, which covered every dimension of the mining industry. The certificates awarded to the participating students—who hail from 23 African universities across the region—reflect the strong technical foundation developed over the course of the workshop. Following assessments made by the Project Coordinators, several of the graduating students will be invited to join the African Mining Legislation Atlas (AMLA) Program as members of the Legal Research Team (LRT).

The AMLA workshop equipped its participants with a new understanding of the emerging issues which will govern the future of the extractives industry, from transparency and corporate social responsibility to gender balance, labour rights and environmental protection.

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The vast mineral wealth of Africa has not been transformed into capital wealth. This is due to region-wide gaps in knowledge, finance, and technology, all of which must be imported from abroad. As a result, African governments have to negotiate with foreign companies and investors, often to their disadvantage. The AMLA platform levels the playing field by providing contemporary examples of African mining regulation, contracts, and laws,

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*Fallou Samb,
Special Advisor to the
President of Senegal*



SOLVING AFRICA'S SOVEREIGN DEBT ISSUES

RENEGOTIATING AND REDUCING DEBT IN GUINEA-BISSAU

DEBT MANAGEMENT

The ALSF provided both creditor litigation support and advisory services to Guinea-Bissau as it negotiated outstanding debts to the Export-Import Bank of China (Exim Bank). This support led to a series of settlement and debt-restructuring negotiations concluded in Singapore in September. Guinea-Bissau and Exim Bank agreed to a 90 percent reduction in their outstanding debt obligation, resulting in a savings of over USD 45 million for Guinea-Bissau.

This 90 percent decrease in the debt obligation represents an important achievement for the Government of Guinea-Bissau, which has sought to reduce external debt repayments to sustainable levels. Moreover, the ALSF's interventions demonstrate that—with the appropriate legal and financial guidance and support—the debt-to-revenue ratios of HIPCs may be reduced, facilitating further economic development.



TACKLING THE CHALLENGE OF COMMERCIAL DEBT IN SUDAN

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.



OUR SUCCESSFUL KNOWLEDGE MANAGEMENT PRODUCTS

UNDERSTANDING POWER PROJECT DEVELOPMENT HANDBOOK SERIES

In partnership with the U.S. Government's Power Africa initiative and the Department of Commerce's Commercial Law Development Program (CLDP), the ALSF have worked to develop a series of handbooks to establish a common understanding of best practices around successful power project development.

The Understanding series now includes a total of three handbooks with 40,000 copies in print and tens of thousands more downloaded on line. More specifically, the ALSF partnered with CLDP and other institutions to develop **Understanding Power Purchase Agreements**, **Understanding Power Project Financing**, and **Understanding Power Project Procurement** handbooks that African government officials are now using when negotiating project finance deals.

Available both online and in print, the 'Understanding' series has been translated into both English and French, and more than 40,000 copies have been distributed.





PPPIRC DATABASE PROJECT

—Available at <http://ppp.worldbank.org>.

The Facility continues its partnership with the World Bank's Public Private Partnership Infrastructure Resource Centre to provide model agreements for PPP projects. With the aim of facilitating and stimulating the development of PPPs in the region, the ALSF has supported the expansion of the website's available content by regularly disseminating new PPP Country profiles, promoting the use of standardized provisions in PPP project agreements, and supporting the development of new multimedia, multilingual training materials.

AFRICA MINING LEGISLATION ATLAS (AMLA)

—Available at <http://www.a-mla.org>.

Jointly-initiated by the World Bank, the ALSF, and the African Union in 2013, the African Mining Legislation Atlas (AMLA) aims to gather, organize, and broadly disseminate the mining laws and regulations being implemented in the region. The database is freely-accessible, searchable, and allows African lawmakers and researchers to easily compare the legal frameworks used on the continent.

In July 2017, the World Bank transferred implementation leadership of the project to the ALSF, which has since organized four large AMLA-related capacity building events, leveraging the platform to strengthen regional knowledge of African mining laws, codes, and regulations.

ALSF

SELECTED CAPACITY BUILDING EVENTS



FINANCING PARTNERS



AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DEVELOPEMENT



Global Affairs
Canada

Affaires mondiales
Canada



Government of India



UKaid
from the British people



Government of Guinea



NORWEGIAN MINISTRY
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Ministry of Foreign Affairs
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