

Investment into Renewable Energy in Africa

Akinwole Omoboriowo II
Chairman & CEO

23 November 2016

★
POWER
PEOPLE
PROGRESS

GENESIS
ENERGY

Introduction to Genesis Energy



GENESIS
ENERGY

Our Vision

*“Lighting up Africa...One
Community at a time”*



Our Mission

*“To provide a justifiable power platform through which
African nations can unlock their inherent potentials for
economic growth and development”*

POWER
PEOPLE
PROGRESS

GENESIS
ENERGY

© Genesis 2016

The African Continent

- **Second most populous continent on earth**
- **Population of over 1.2 billion; projected to be 2.4 billion in 2050**
- **Endowed with enormous natural resources**
- **Political and social economy has undergone reasonable positive changes in recent history, and with a growth rate that is making Africa more important than ever in the global economy**
- **Possess diverse opportunities for the promotion of socio-economic growth for the increase in the standard of living of the population.**



The Issue



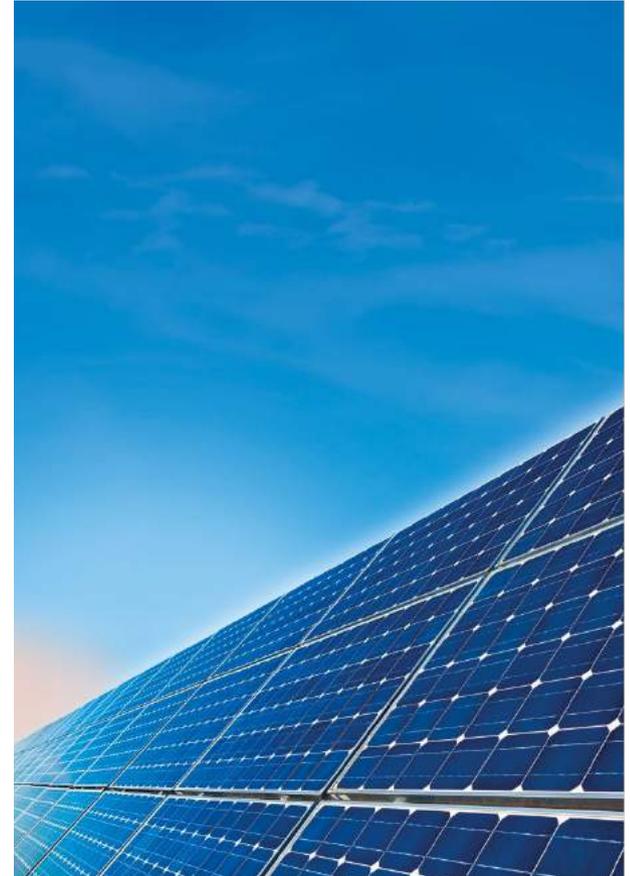
GENESIS
ENERGY

- **Accelerate socio-economic development and adapt to qualifying initiatives aimed at stemming the tide of global warming.**
- **Bush burning remains a major source of energy; leading to significant carbon emissions when combined with coal, oil and gas power plants.**
- **Political, Economic, Financial, Legal environment in some parts still inhibit investment**
- **Infrastructure constraints, availability of skilled labour also dissuade many foreign investors**
- **To stabilise the climate, all industrial and human sources of carbon dioxide have to be converted to run on zero carbon emitting energies, and ultimately through renewable energy sources**

POWER
PEOPLE
PROGRESS

The Opportunity

- **Two in every three Africans have no access to electricity at all**
- **Enormous potential for cleaner and greener energy production & supply**
- **Deliberate cultivation to leapfrog the continent away from dirty fuels, and into a new era of green energy through renewable energy sources.**
- **A “triple win” is within the continent’s grasp:**
 - **Agricultural productivity**
 - **Resilience to climate change**
 - **Contribution to long-term socio-economic development & stability**
- **Policies, regulatory framework and investment-friendly incentives being put in place to attract foreign direct investment**
- **The compelling investment opportunities into the renewable energy space further heightened by**
 - **double digits returns on investments,**
 - **growing competent local partners,**
 - **better access to information & data, and;**
 - **ease of access to investments protection tools**



The Challenge



GENESIS
ENERGY

- Requirement for significant long term and low interest bearing investments financing costs
- Government red tape and bureaucracy prevent the required “epidemic” level of investments into renewable energy space in Africa
- Low penetration of cross-country transmission networks prevents multiple utility scale renewable energy projects in most countries
- Biggest “Elephant in the room” is sometimes lack of cost-reflective which assures reasonable return on investments
- Significantly low average per capita income making most consumers unable to pay the qualifying electricity tariffs
 - Further depresses the otherwise abundance of investment opportunities into ‘lighting up’ the rural communities where majority of the consuming public resides

★
POWER
PEOPLE
PROGRESS

The Potential Mitigants

- **Cost-reflective tariffs are essential to attracting multiple investments**
- **Securing innovative alternative funding structures to support low-cost and long term financing for renewable power projects in Africa**
- **Investor-friendly policies, processes, procedures and incentives by governments, transparent laws and independent regulator with measurable KPIs - reduces opacity in the markets**
- **Investment risk mitigating instruments reduces and or eliminates apparent exposures (Political Risk Insurance Cover, payment guarantees, diversified investment portfolios etc)**
- **Competent, experienced and credible local partners with long term investment perspectives are a must - operating climate is rugged requiring experienced and hands-on business administration and local stakeholders management competences(adherence to corporate governance and compliance essential)**



GENESIS
ENERGY

The Resolve

- **Together with African governments and the private sector, the international community has a key role to play in significantly unlocking foreign private investments of “epidemic levels” into the renewable energy sector of Africa.**
- **The “Africa Rising” narrative is happening today, not tomorrow, and the first mover advantages still holds true for discerning foreign investors**
- **The inherent risks in investing in Africa are real, but so are the opportunities**
- **The risks mitigants now exists for the diligent foreign investor; less about risk “avoidance” but more of risk “mitigation”**
- **In Genesis, we strongly believe that without sustainable electric - Power to the People, there can be no real socio economic Progress and development of the continent**
- **Lets therefore join hands in “Lighting Up Africa One Community at a Time” and profit by so doing, whilst at the same time positively impacting lives in Africa!!**

Thank you



GENESIS
ENERGY

★
POWER
PEOPLE
PROGRESS

www.genesisenergygroup.net