

- \$350 million New Africa Infrastructure Fund launched
- New members to join the team

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News'nViews

Taylor-DeJongh wins first mandate as a Fund Manager

OPIC's \$350 million Sub-Saharan Africa Infrastructure Fund

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The formal announcement and the Fund launch signing ceremony took place in Washington, D.C., in the Ways and Means Committee Room on Capitol Hill. During the event several members of Congress praised the creation of NAIF. Left to right – signing ceremony: Maceo Sloan, Sloan Financial Group Chairman, George Munoz, OPIC CEO; Terry A. Newendorp, Taylor-DeJongh Chairman and CEO. Maceo Sloan; Herb Glazer, Edison Mission Energy; Terry A. Newendorp. The winning team with OPIC representatives *Left to right*: Kirk Robinson, OPIC Executive VP; George Munoz; Maceo Sloan; Charles Toy, OPIC General Counsel; Terry A. Newendorp; Chris S. Lundstrom, Managing Director of TDJ and NAIF Co-Fund Manager.

On June 22, 1999 the Overseas Private Investment Corporation (OPIC) announced the launch of a \$350 million fund, its largest ever. Taylor-DeJongh and its partner, Sloan Financial Group, were named Fund Managers for New Africa Infrastructure Fund (NAIF). The companies will engage in equity investments in a wide range of infrastructure projects throughout Sub-Saharan Africa.

NAIF has received a \$227 million commitment from OPIC, or 65% of the Fund's size. The balance will be raised from strategic and financial investors in the US, Europe and Africa. The road show for the investment raising will begin in September. OPIC's participation provides either a leveraged return to investors, or a 100% principal guarantee from the US government. Responding to a joint directive by the Clinton Administration and the United States Congress, OPIC organized the Fund to address Africa's considerable infrastructure needs. NAIF will target telecommunications, energy, transportation, and other important infrastructure sectors. The continent has had various successes in infrastructure projects under complex project financing structures, including very profitable new telecommunications projects. This capital will be an important catalyst for more successful projects. The NAIF partnership combines TDJ's expertise and demonstrated experience in structuring and closing financings for projects globally, including many in Africa, with SFG's extensive fund management and private equity investment expertise. SFG's subsidiary, New Africa Advisers, is also the sponsor and manager of the New Africa Opportunity Fund, of existing \$120 million private equity fund backed by OPIC, targeted for Africa. NAIF will have offices in Johannesburg, Nairobi, Abidjan and in Washington.

"Governments throughout sub-Saharan Africa recognize the importance of attracting foreign investment to meet their development needs, and many have made great strides in creating favorable investment climates, a trend which has followed the move towards democratization on the African continent," - said Terry Newendorp, the Chairman and CEO of Taylor-DeJongh. "Consequently, unlike the 1980s, the key elements are already in place or are materializing to support private investment in infrastructure projects, and these projects have the potential to reward investors with excellent risk-adjusted returns," - he concluded.

Gaza IPP

Taylor-DeJongh has recently been advising a consortium of international investors, "Palestinian Electric Company", who have won the mandate to develop an IPP for Gaza. The proposal is to develop in two phases, a 2 x 110MW CCGT, initially fired by fuel oil, but later by gas. The assignment was introduced to Taylor-DeJongh by its long-standing client CCC, the largest construction company in the Middle East. Arab Bank is expected to be one of the project shareholders. Taylor-DeJongh has provided advice for PPA negotiations and financing issues.



Taylor-DeJongh – Electrowatt win 3 new project advisories

In the past 12 months Taylor-DeJongh in cooperation with Electrowatt, Switzerland, one of Europe's leading consulting engineering groups specializing in power projects worldwide, have jointly won a number of project advisories, among which are:

- **Madagascar Jirama:** under a World Bank Technical Assistance grant, Electrowatt has bid and won an assignment to advise Jirama, the Madagascar electrical utility, on institutional reform and the introduction of private investment into the extension of the Andekaleka hydroelectric scheme. Taylor-DeJongh has been requested to provide financial advisory on the project.
- **EU: Framework Agreements for Power Sector Advice in Phare & TACIS countries, administered by EBRD:** Taylor-DeJongh supported a series of winning bids presented by Electrowatt to EBRD for the appointment of two consultants for each of the Phare and TACIS regions. The transactions' contracts between Electrowatt and EBRD -EU are currently in negotiations. The anticipated project assignments will vary in scope and time required for their execution.

- **Ras Laffan Power Plant:** Qatar General Petroleum Corporation (QGPC) has requested Taylor-DeJongh, Clifford Chance, and Dr. M.H. Ali el-Said from Cairo to provide overall financial, legal and technical assistance in the development of a scheme to design, finance, build, own and operate a 1000MW IPP and aluminum smelter in Qatar. Specific assignments include the assessment of risk factors and tariff structure evaluation; financial analysis of the project; IPP financing structure development, including assessment of the offered tariffs. Taylor-DeJongh is also responsible for formulation of key project agreements, prepare a formal RFP for turnkey developers, evaluate and rank offers and write evaluation report, and write a strategy negotiation paper to help QGPC make a final decision on a JV partner.

Visit our website www.taylor-dejongh.com to see other projects that we have worked on.

New Hires

Hisham Kalo has joined the Taylor-DeJongh Financial Analysis team to cover cross-sector deals primarily in the Middle East. Prior to joining the company he was part of Merrill Lynch London-based Debt Capital Markets group. For two years worked as an Analyst of Corporate Finance for Lebanon Invest Group, the largest local investment bank. For four years he managed regional division of Capital Guidance Group in Riyadh, Saudi Arabia. Mr. Kalo is a candidate Level 1 for the Chartered Financial Analyst (CFA) program, recent graduate of The American Graduate School of International Management at Glendale, AZ. He is fluent in Arabic and French.

See the Announcements section of our website at www.taylor-dejongh.com.

Conferences

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Taylor-DeJongh Inc. is an international project development and finance company with over 18 years of experience and over \$20 Bn of projects financed. Power, oil & gas, infrastructure development and privatisations, telecommunications and industrial projects are the focus of company's financing activities. The company is headquartered in Washington DC with branch offices in London, Cairo, Istanbul and partnership arrangements in Johannesburg and Bahrain.