THE SOVEREIGN WEALTH FUND OF SENEGAL
FOR STRATEGIC INVESTMENTS
“FONSIS”

AN OVERVIEW

INFRASTRUCTURE

ICT; SERVICES

AGRO-INDUSTRY

TOURISM

REAL ESTATE

ENERGY; MINING

REPUBLIC OF SENEGAL

1st Japan-Africa Business Forum, Tokyo, June 2014
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    **Fonsis in a Few Words**
**General Overview**

**Description**
- Development fund
- Investments holding company
- Ownership: State of Senegal (majority), State affiliates (minority)

**Goals**
- Boost investments, alone or as a co-investor
- Develop well-structured projects to attract investors
- Support the private sector: strategic sectors, flagship projects, SMEs
- Manage and optimise State assets
- Create wealth and sustainable jobs
- Generate financial reserves for current and future generations

**Management & Governance**
- A team of seasoned professionals with background in Investment Banking, Private Equity, and key industries and economic sectors
- Corporation with a Board of Directors
- Compliant with the Organisation for the Harmonisation of Business Law in Africa (OHADA) and the Santiago Principles

**Resources**
- Financial contribution from the State of Senegal (in kind in the form of State assets and in cash)
- Loans and bonds issued, leveraging on the Fund’s assets received from the State
- Subsidies and grants from development partners
FUND STRATEGY

FONSIS: The “Private Driving Force” of the State of Senegal to optimise its assets & resources and develop national champions

**Invest / Execute**
- Invest alone or in partnership with co-investors
- Involve the private sector in flagship projects
- Create national champions
- Manage investments and other assets of the State of Senegal
- Generate additional resources for the State
- Support Small and Medium Enterprises (SMEs)

**Manage**

**Support**

**Anticipate**
- Distribute dividends to the State
- Allocate a share of the Fund’s profits to a Generational Fund
- Reinvestment in current or existing projects

**Capital raising**

**Investment**

**Active management**

**Reinvestment**

**Generational Fund**

**Dividends**

**Value creation**

**Redistribution**

**Economic growth, job and wealth creation**
**Benefits To Stakeholders**

**State**
- Execution of flagship projects
- Growth in FDIs
- Additional resources from dividends and tax revenues on new projects
- Alleviated pressure on State budget through PPPs
- Management and optimisation of selected State assets

**Private Sector**
- Alternative financing
- Growth in the number of entrepreneurs and investors
- Increased participation of local investors in projects
- Enhanced access to funding for local SMEs through the FONSIS SME Private Equity Fund

**Populations**
- Job creation through newly implemented projects
- Increased purchasing power with the reduction of the tax burden
- Constitution and safeguarding of financial reserves: “Generational Fund”

**Strategic Investor**
- Easier access to land (agriculture, real estate / infrastructure development, etc.)
- Facilitated interactions, negociations, and partnerships with local populations and improved image
- PPP contracts granted by the State through partnerships with FONSIS

FONSIS: a win-win for all parties

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Strictly private and confidential
**TARGET SECTORS**

- **Infrastructure**
  - Toll roads and highways
  - Airports, railroads and ports
  - Industrial parks
  - Special Economic Zones

- **ICTs & Services**
  - Information and communication technologies
  - Telecom Infrastructure
  - Outsourcing services (e.g. call centers)
  - Health and educations

- **Energy & Mines**
  - Power plants: coal, gas, solar
  - Oil and mining concessions
  - Storage of petroleum products

- **Agro-industry**
  - Farming
  - Food processing and packaging
  - Animal husbandry
  - Consumer Goods
  - Intermediates

- **Hotel Industry & Tourism**
  - Conference centers
  - Development of hotels and resorts
  - Hotel management services

- **Real Estate**
  - Housing projects
  - Shopping malls
  - Office buildings
# SELECTED FLAGSHIP PROJECTS

## Agriculture

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Estimated size (USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural projects in the Northern Valley of Senegal (SAED)</td>
<td>Production of rice, peanuts, and other produces on <strong>30 000 hectares</strong> of land for local consumption and for exports</td>
<td>180</td>
</tr>
<tr>
<td>Agricultural projects in the Southern Valley of Anambé in Senegal (SODAGRI)</td>
<td>Production of rice, peanuts, other produces on <strong>20 000 hectares</strong> of land for local consumption and for exports</td>
<td>120</td>
</tr>
</tbody>
</table>
## Infrastructure

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Estimated size (USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Railroads</strong> Dakar-Tambacounda-Kidira and Tambackounda-Kédougou, <strong>Light railway</strong> Dakar-Blaise Diagne International Airport</td>
<td>Set up companies to build and operate the various lines</td>
<td>1 000</td>
</tr>
<tr>
<td><strong>Highway</strong> Mbour-Fatick-Kaolack</td>
<td>Set up a company to build and operate the toll road</td>
<td>500</td>
</tr>
<tr>
<td>Construction of an <strong>ore port</strong> in Bargny</td>
<td>Set up a company to build and operate the ore port in Bargny, 30km away from the Port of Dakar</td>
<td>400</td>
</tr>
<tr>
<td><strong>Urban development</strong> of the Lac Rose and Diamniadio areas</td>
<td>Set up a company to create and operate urban centers around Lac Rose and in Diamniadio</td>
<td>200</td>
</tr>
<tr>
<td><strong>Special Economic Zones</strong> (SEZ) in Ziguinchor and Diamniadio</td>
<td>Set up a company to create and operate SEZs in Ziguinchor and Diamniadio</td>
<td>100</td>
</tr>
</tbody>
</table>
### SELECTED FLAGSHIP PROJECTS – CONT’D

#### Energy

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Estimated size (USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring of a <strong>local refinery</strong></td>
<td>Debottlenecking and optimization of production processes, followed by a tripling of production capacity</td>
<td>650</td>
</tr>
<tr>
<td><strong>Liquefied Natural Gas (LNG) project</strong></td>
<td>Construction of an LNG terminal and provide gas distribution services</td>
<td>300</td>
</tr>
<tr>
<td>Solar energy power plant</td>
<td>Construction of a 20 to 35 MW solar energy power plant</td>
<td>40</td>
</tr>
</tbody>
</table>
### Mining

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Estimated size (USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron ore project in the Falémé region</td>
<td>Development of iron ore mining in the South-Eastern regions of Senegal</td>
<td>700</td>
</tr>
</tbody>
</table>

### Tourism, ICT & Services

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
<th>Estimated size (USD million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuring of a local airline company</td>
<td>Restructure the airline</td>
<td>50</td>
</tr>
<tr>
<td>Aircraft maintenance services</td>
<td>Set up a company to provide aircraft maintenance services</td>
<td></td>
</tr>
</tbody>
</table>
STRUCTURING FLAGSHIP PROJECTS...

... In Infrastructure

J V FONSIS Infrastructure S.A.

STATE

FONSIS S.A.

Lender
(e.g.: JBIC, AfDB, IDB, IDC, OPIC, ADIA, etc.)

Debt

Principal + interests

Dividends

BOO rights + land ownership titles

Project delivery

BOT rights + equity

Dividends + future asset transfer

Japanese Strategic investor

APIX

EPC contract
STRUCTURING FLAGSHIP PROJECTS...

... In Agriculture

Free land given in exchange of development

Transfer of a portion of developable land

Development of 100% of allocated land

BOT rights + equity

Dividends + future asset transfer

Lender
(e.g.: JBIC, AfDB, IDB, IDC, OPIC, ADIA, etc.)

Debt

Principal + interests

JV FONSIS Agri S.A.
Agribusiness, intensive animal husbandry, food processing and storage

Dividends

Equity

Land development contract

Japanese Strategic investor

APIX
STRUCTURING FLAGSHIP PROJECTS...

...In Renewable Energy

STATE

FONSIS S.A.

JV FONSIS Power S.A.

APIX

Lender
(e.g.: JBIC, AfDB, IDB, IDC, OPIC, ADIA, etc.)

Debt

Principal + interests

EPC contract

Senegal National Electricity Company (SENELEC)

Japanese Strategic investor

Equity

Dividends

Electricity supply + future Plant transfer

Power Purchase Agreement

Project delivery

IPP status

Dividends

Equity

Dividends

EPC contract
MANAGEMENT AND GOVERNANCE OF FONSIS

Board of Directors

Chief Executive Officer (CEO)

Investment and Risk Committee
Audit Committee
Appointment and Remuneration Committee

Executive Committee

Strategic Orientation Counsel

Investment team

Funding and Investor Relations Officer
Investment Director
Investment Officers

Sector Specific Executive Directors

Support functions

Assist and advise the investment team and the CEO

Audit and Compliance
Finance and Accounting
Communication and Public Relations
Human Resources and Operations
Legal and Regulatory Affairs, Secretary General of the Board of Directors

FONSIS S.A.
SELECTED PROFILES OF TOP MANAGEMENT

**Chief Executive Officer of FONSIS**

**WORK EXPERIENCE**
- 15 years of work experience in Investment Banking across Europe, US, Africa and the Middle-East, of which 9 years in managerial / executive positions
- Former Chairman of the Board of Directors of the Blaise Diagne International Airport (Until May 2014)

**EDUCATION**
- Master’s Degree in Financial Mathematics, New York University, New York, USA
- Master’s Degree in Financial Markets, Sorbonne University, Paris, FRANCE
- Undergraduate Degree in Applied Mathematics, Louis Pasteur University, Strasbourg, FRANCE
- Fluent in English, French, Fulani and Wolof

**Executive Director in charge of Agro-industry, Manufacturing, Infrastructure and SMEs**

**WORK EXPERIENCE**
- 13 years of work experience in Agro-industry across Africa and in France, of which 6 years in managerial / executive positions
- Formerly Chief Operating Officer of a mining company and in charge of restructuring the operations of the company prior to the investment of a private equity fund
- Board member of an agro-business company in Senegal since 2009

**EDUCATION**
- Executive leadership program, the London Business School, London, UK
- Engineering degree in Industrial Engineering and Management, Ecole Nationale des Ponts et Chaussées, Paris, FRANCE
- Polytechnicien program, Ecole Polytechnique, Paris, FRANCE
- Fluent in English, French, Fulani and Wolof
SELECTED PROFILES OF TOP MANAGEMENT – CONT’D

Executive Director in charge of ICTs & Services, Real Estate, Hotel and Tourism

WORK EXPERIENCE
- 18 years of work experience in Information and Communications Technologies, of which 9 years in managerial / executive positions
- Formerly Chief Executive Officer of a subsidiary of an international telecommunication company

EDUCATION
- Master of Science in Distributed Systems and in Telecommunications and Information System Engineering at Telecom Sud Paris – Evry – FRANCE
- Preparatory School (Math-Sup, Math Spé) at Lycée Saint-Louis - Paris, FRANCE
- Baccalaureate in Mathematics and Physics at the Military High School (Prytanée Militaire) of Saint-Louis, SENEGAL
- Winner of a six-year scholarship from the French International Cooperation Fund
- Fluent in English, French, Fulani and Wolof

Chief Financial Officer

WORK EXPERIENCE
- 14 years of work experience in Finance (CFO, Financial controller) across Africa, of which 11 years in managerial / executive positions
- Formerly Chief Financial Officer of a Top listed African Bank

WORK EXPERIENCE
- Master’s degree in Tax, Accounting and Financial Audit, at the Institut de Formation en Administration et en Création d'Entreprises (IFACE) / Cheikh Anta DIOP University, Dakar, SENEGAL
- Master’s degree of Finance, in Bank and Risk Management, Paris 13, FRANCE
- Fluent in English, French and Wolof
APIX is the Investment Promotion Agency of Senegal

**FONSIS**
- Strategic “Public” investor for a credible and efficient partnership
- A potential “Private” investor for all strategic projects carried by APIX

**APIX**
- Helps all investors invest in Senegal, including FONSIS
- Provides advice and support in terms of population relocation and compensation if necessary for major infrastructure projects
- One-stop shop for FONSIS’ subsidiaries to facilitate administrative procedures
- Helps with finding technical and financial partners
A SUMMARY: FONSIS IN A FEW WORDS

Private sector arm of the State

- “Private Driving Force” of the State to boost the economy;
- Created by Law but incorporated with a Board of Directors;
- 100%-owned by the State.

A credible partner through co-investments or other types of partnerships

- Invest in equity alongside FONSIS;
- Lend to FONSIS or to the project directly;
- Obtain concessions or other types of contracts, especially in flagship projects, through FONSIS.

A seasoned team of professionals from the private sector

- Investment bankers;
- Private Equity specialists;
- Engineers;
- Sector specialists;
- Multi-lingual.
Mr. Amadou HOTT  
Chief Executive Officer  
Fonds Souverain d’Investissements Stratégiques « FONSIS »

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