

Africa Practice



Aligned with your business.



About the Practice

While viewed as one of the world's fastest growing economic regions, Africa faces critical energy and infrastructure needs with a \$40 billion funding gap in these sectors every year. Despite the challenges and risks, investment is increasing and foreign direct investment into the energy and infrastructure sectors comprises more than 40 percent of all FDI into the region, as evidenced by the burgeoning renewable energy markets and infrastructure initiatives found in countries across the continent. As one of the first law firms to advise on major energy and infrastructure investment in Africa, Hunton Andrews Kurth can assist clients with navigating the full lifecycle of a project. We have been involved in representing governments, project sponsors, equity investors and lenders throughout Africa for more than 30 years and understand the unique business, market and cultural conditions impacting individual jurisdictions. From pioneering techniques for African energy and infrastructure finance and development to successfully handling arbitration and litigation matters, our lawyers understand what matters most to our clients and how to deliver to them the best results. We are proud of our history of working on innovative and groundbreaking "market first" transactions, including the following:

- Advising several direct lending funds that are funded in part by development finance institutions and that are investing in the off- and on-grid energy sector in Sub-Saharan Africa, including:
 - (i) a US\$ 40,000,000 loan and related COP to a helium and gas liquefaction project in South Africa
 - (ii) a US\$ 120,000,000 syndicated facility to a telecom tower operator in Nigeria (and ongoing restructuring);
 - (iii) a US\$ 65,000,000 equipment finance facility for Dangote Cement in Ghana; (iv) a US\$ 75,000,000 project finance facility to an industrial ethylene and derivatives manufacturer in Egypt; (v) a US\$ 500,000,000 bank liquidity facility for a North African commercial bank; (vi) a US\$ 40,000,000 multi-tranche revolving commodity trade finance facility for an exporter in Zimbabwe and Malawi; and (vii) a US\$ 10,000,000 secured corporate debenture for Honde Hydro Power Consolidated (Private) Limited in Zimbabwe.
- Advising the Government of Uganda and the World Bank on the procurement, development and financing of the Bujagali hydroelectric facility on the River Nile with capital costs of approximately \$1 billion. The Bujagali Project constitutes the largest-ever private sector investment in the region and was awarded "African Power Deal of the Year" by *Project Finance* magazine.
- Advising the Government of Tanzania on all aspects of the Songo Songo Gas-to-Electricity Project, an integrated natural gas development and electric generation project. Once it closed, the project reduced Tanzania's demand for foreign currency by nearly two-thirds every year and changed the course of the foreign currency exchange rate in Tanzania.
- Advising the sponsors on the development and financing of the \$650 million SEACOM fiber optic cable system connecting South Africa, Mozambique, Madagascar, Kenya, Tanzania, India and Marseilles, France. The SEACOM fiber optic cable was the first fiber optic cable to connect East Africa to the global fiber optic network. It involved eight jurisdictions, including Mauritius, Mozambique, Tanzania, Kenya, India, Djibouti, Egypt and South Africa and was awarded "African Telecoms Deal of the Year" by *Project Finance* magazine
- Advising the Federal Government of Nigeria and Nigerian Bulk Electricity Trading PLC (NBET) in connection with all aspects of: (i) the restructuring and privatization of Nigeria's electricity sector, (ii) the groundbreaking \$1.2 billion Azura-Edo independent power project, (iii) over 2,000 MW of thermal independent power projects, (iv) the procurement of long term PPAs in relation to PV solar projects with an aggregate capacity of 1,125 MW and an estimated capital cost of \$1.76 billion, (v) the development of hydroelectric projects and (vi) the procurement of long term PPAs in relation to a number of wind farms with an aggregate capacity of 400 MW.

Hunton Andrews Kurth has been consistently recognized by governments, multilateral organizations, investors and other industry participants as a leading firm for development on the continent. In addition, the firm regularly achieves high rankings in *IJGlobal* and other legal advisor league tables.

"They have extensive expertise in African projects and energy. They've worked in so many different countries on all kind of projects. Specifically in energy, they have a wealth and depth of experience that is widely recognised."

—Chambers Global, 2019

“They’re the pre-eminent law firm to represent governments and state institutions in the electricity market in Africa.”

–Chambers Global, 2019

Energy

Hunton Andrews Kurth has a long-standing, robust energy practice in Africa. More than a century of assisting clients in energy sector matters has given us a full understanding of the many local factors bearing upon energy sector development in Africa. Over the course of several decades, our firm has emerged as a global leader in the development of competitive electricity and renewable energy markets, advising numerous African governments on growing and expanding their national and regional energy sector markets. We also represent clients on innovative petroleum exploration, production and pipeline transactions across Africa. One of our partners served as General Counsel to a major African government-owned state oil company, providing a unique insight into the issues associated with the oil and gas sector in Africa.

Project Finance and Development

Our cutting-edge experience in restructuring, privatization and project finance and development lies at the core of our energy and infrastructure practice, giving us the know-how to facilitate the completion of major projects located throughout Africa. Using financing and other programs provided by the World Bank and other lending agencies, we have a long and successful history of working with African governments and their parastatals to shepherd projects throughout their entire lifecycles. We also work with clients to revitalize troubled projects, working out and restructuring project finances to enable the sale of assets to third-party purchasers. Our repertoire in the project finance and development areas includes structuring corporate documentation, drafting and negotiating sales agreements and contracts for related infrastructure development, structuring government support agreements and guarantees, and developing project equity and debt financing structures, including cross border and other lease structures to support infrastructure development.

Regulatory Reform and Market Design

In emerging markets, transparent, commercially viable infrastructure sectors depend on sound regulatory regimes. Hunton Andrews Kurth has advised numerous African governments and their agencies in establishing and strengthening regulatory regimes and market design. Our three-pronged approach to regulatory reform and market design bring together policy development, legislative reform and regulatory development. Through close interactions with local counterparts in seminars, workshops and

informal discussions, we develop a thorough understanding of sector policies and then determine the appropriate legal and regulatory frameworks for implementing those policies. We understand that establishing appropriate policy and institutional frameworks is critical to undertaking rehabilitation programs in infrastructure sectors. Among other areas, our work covers developing strategic plans and policies for utility sector regulatory reforms; designing regulatory and legal systems for privatized utility systems; reviewing and drafting laws and regulations to create regulatory bodies and implement regulatory frameworks; and assisting clients in implementing reformed or newly created regulatory institutions and frameworks.

Sector Restructuring, Commercialization and Privatization

Hunton Andrews Kurth has advised numerous African governments and parastatal utility clients on a variety of matters relating to the restructuring, commercialization and privatization of infrastructure assets. We have helped clients develop strategic plans and implement market design strategies for infrastructure restructuring; review and draft laws and regulations to implement regulatory frameworks and market designs; put in place corporate governance standards, codes of conduct and financial controls to enhance transparency and accountability; develop corporate documentation to support commercialization, including corporatization of state-owned infrastructure and documentation and negotiation of inter-affiliate agreements; and create tendering rules, liquidity and credit mechanisms and similar transactions and related financings. In addition, we have designed tariffs for privatized generating, transmission and distribution systems and developed agreements and legal structures for market trading and power pools. Our privatization assistance to governments has ranged from outright stock and assets sales to long-term, lease-concessioning and management contracts, including the introduction of innovative foreign exchange risk mitigation measures.

“A very capable firm...responsive, thorough and easy to work with,”

– Client quoted in *IFLR1000 Energy and Infrastructure: Sub-Saharan Africa*, 2016

International Law and Dispute Resolution

With the goal of avoiding disputes and the attendant costs of litigation, Hunton Andrews Kurth advises developers, governments, financial institutions and other parties in Africa in commercial and public international law disputes in regional dispute centers and under the leading arbitral regimes and international tribunals worldwide. Hunton Andrews Kurth has an extensive network of relationships with many of the leading firms on the African continent, with whom the firm has regularly worked, including, when necessary, providing support to such lawyers in domestic judicial proceedings to either enforce arbitration awards or litigate matters not suited for arbitration. With experience handling a wide range of disputes, from claims arising out of the construction and operation of large infrastructure assets, to mining and permitting issues, to land and maritime boundary disputes, Hunton Andrews Kurth's arbitration practice brings to bear the firm's collective experience—including detailed knowledge of commercial and technical matters and regulatory requirements, an extensive network of prominent outside experts, and seasoned litigation experience to support our clients throughout each dispute resolution process. Hunton Andrews Kurth has represented private-sector clients and numerous governments and their parastatals in both advisory and contentious roles.

Equity Investment

Hunton Andrews Kurth has represented both domestic and international equity funds involved in a wide range of established and growth industries throughout Africa. The firm has drafted and negotiated agreements that allow equity funds to provide needed equity to potentially high-growth companies, but that also afford the funds protection against the risks inherent in investing in early to mid-stage companies in emerging markets. Hunton Andrews Kurth also advises equity fund clients on compliance with obligations to investors and lenders.

Our Team

Our Africa practice is ranked in leading legal publications such as Chambers Global and IFLR1000. Projects for which we have served as counsel have won “deal of the year” awards from Project Finance magazine, Infrastructure Journal and other publications. Lawyers on the team are recognized as thought leaders and are frequent speakers and authors on topics related to the development of independent power projects, renewable energy projects, PPPs and the restructuring of national electricity sectors.

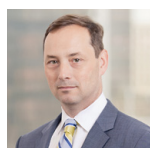
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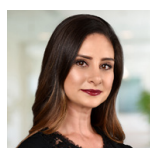
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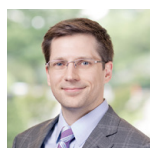
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Highlights of Our Africa Practice (1995 to 2018)

