



IFC IN ANGOLA

INDIRA CAMPOS – COUNTRY OFFICER ANGOLA | BOTSWANA

MARCH 31, 2022



Creating Markets, Creating Opportunities

ANGOLA – Key highlights & Reforms



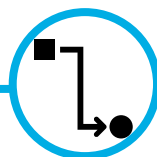
Angola's economy is finally emerging out of fifth consecutive years of recession with pick up of oil prices & ease of pandemic restrictions



Strict policies since 2018 have stabilized the economy in a very difficult environment – forex liberalization, fiscal consolidation, rigorous debt management



GoA implemented important sectoral and policy reforms to stimulate private investments and remains committed to reforms—new private sector law, doing business, PPP legal framework









Angola Privatization Program is a clear sign of GoA's intention to reduce its footprint in the economy and key opportunity for investors—over 190 state companies and assets across various sectors

IFC's vision for Angola

Our Vision for Angola is a **robust, diversified** and **inclusive** country where key sectors in the economy are driven by private sector investment.

- **A connected nation.** With players offering competitive, high-quality communication and data services and with quality shared infrastructure.
- **A self-sufficient country.** A country on its path to self-sufficiency in food, with the local market primarily supplied by local producers of fruits and vegetables, slowly positioning itself as an agricultural player in the global stage.
- **A country with an inclusive and transparent financial system.** A system with increased transparency, offers increased access to financial services and helps Angolan consumers tap into the power of digital financial services.
- **A destination for foreign investment.** That builds a clean energy matrix to fuel its growth while attracting private capital to its power sector.






Ambitious private sector strategy – IFC plans to invest up to US\$1billion over the next 5 years to build foundations for the diversification of the Angolan economy

Goal	 <p>Energy Support the diversification of the energy mix to strengthen the reliability of supply</p>	 <p>Agribusiness Increase agriculture production and processing</p>	 <p>Financial Sector Promote financial inclusion especially in urban slums and rural areas and greater access to credit for SMEs</p>	 <p>Telecommunications Promote competitive, high-quality communication and data services and with quality shared infrastructure.</p>	 <p>Education/Health Promote high quality private education/health to create more options, opportunities</p>	 <p>Transport Improve cost and quality of transport, incl. lowering costs of access to imported goods, impacting all sectors</p>
Investment opportunities	<p>• Solar, wind, hydro, mini-grid, and off-grid solutions</p>	<p>• Horticulture and fruit production • Primary production for agro-processing • Animal Protein (Poultry)</p>	<p>• Credit to SME/MSME segments via Financial institutions/NBFIs • Fintechs to expand financial services • Insurance market</p>	<p>• Mobile services • Tower sector • Fiber infrastructure and data centers • Privatization of state assets</p>	<p>• Local production of Pharmaceuticals • Clinical services • Tertiary educations • Technical and vocational education and training</p>	<p>• PPPs and Privatizations of Ports, airports, logistical corridors, roads, etc</p>

Priority Sectors

Drivers of Long-Term Growth

Direct or Indirect opportunities for Portuguese companies with IFC in Angola

 <p>Energy</p>	 <p>Agribusiness</p>	 <p>Financial Sector</p>	 <p>Telecoms</p>	 <p>Health/Education</p>	 <p>Transport</p>
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Potential IFC Investment/Advisory Clients

<ul style="list-style-type: none"> • Independent power producers/developers • Industries with captive energy systems • Sector Ministry and Regulator 	<ul style="list-style-type: none"> • Large agriculture/Agro-processing companies • Transport or logistics companies • Agri funds 	<ul style="list-style-type: none"> • Banks • NBFi • Insurances • FinTech's • Private equity and Venture Capital funds • Capital Markets • Regulator 	<ul style="list-style-type: none"> • Mobile operators • Independent tower companies • Fiber infrastructure company and data center platforms • Privatization and Concession winners 	<ul style="list-style-type: none"> • Pharma • Clinics • Universities and TVET 	<ul style="list-style-type: none"> • Infrastructure operators • Privatization and Concession winners
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Potential Service Providers and Suppliers for IFC and its Investees

<ul style="list-style-type: none"> • Legal firms • Consulting (Technical & Financial) • Engineering and Construction 	<ul style="list-style-type: none"> • Consulting (Technical & Financial) • Construction 	<ul style="list-style-type: none"> • Legal Firms • Fund managers • Consulting (Technical & Financial) • Digital Services 	<ul style="list-style-type: none"> • Legal Firms • Consulting (Technical & Financial) • Engineering and Construction 	<ul style="list-style-type: none"> • Consulting firms 	<ul style="list-style-type: none"> • Legal firms • Consulting (Technical & Financial) • Engineering and Construction
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Cooperation to foster rural extension and the growth of the poultry industry

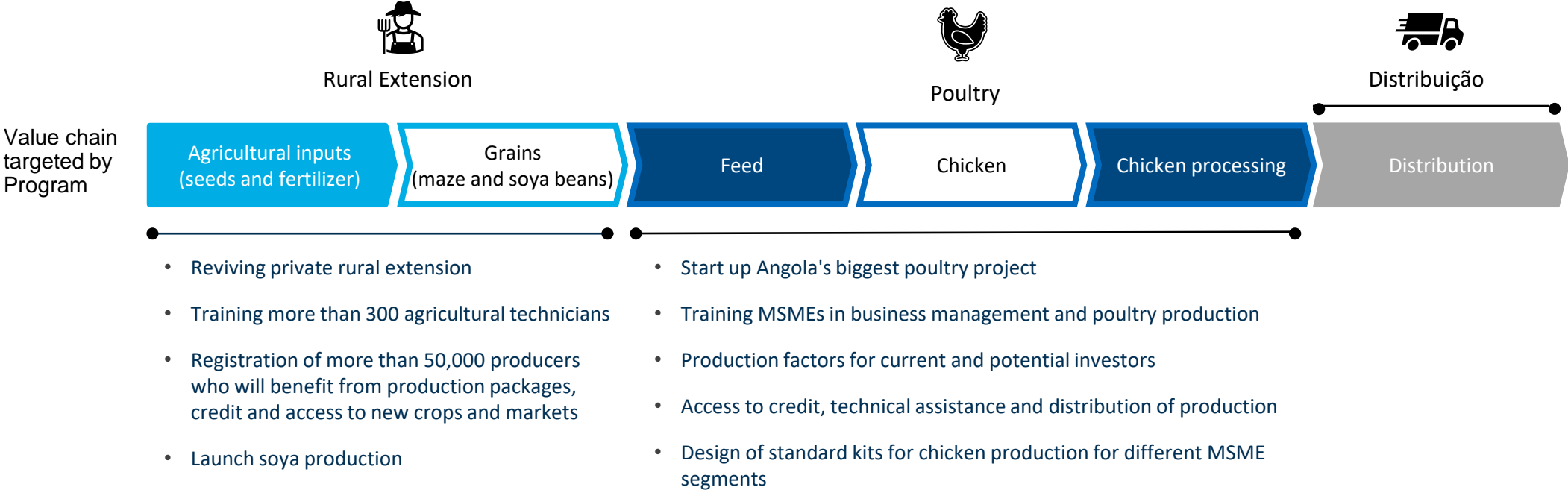
The client

Grupo Carrinho is an Angolan agro industrial group that is committed to developing the a vertically integrated organizational structure in the food sector, managing all stages of the process: origination, storage, processing, distribution and sales.



The program

IFC and Grupo Carrinho launched a joint capacity building program to support tens of thousands of producers and SMEs in increasing production and improving market access. Through this program, IFC will support Grupo Carrinho in developing good agricultural practices, crop diversification, and establishing structured value chains in rural areas. Special focus will be given to **soybean cultivation** and **poultry farming**.



Deep dive in Agriculture

Agribusiness sector trends and drivers - Land availability, good climate and growing agriculture production are matched by growing urban population & potential export markets

Drivers of demand



Angola had a strong and steady increase of agricultural and food imports (\$2b) driven by strong population growth ~4%.

The market is moving from importing final food products to local processing. This poses an opportunity for industry and agriculture production

Some sectors have good export potential. Local processors are well placed to export to neighboring markets – 300M SADC consumers

Drivers of supply



Angola agriculture supply has risen significantly (40%) creating opportunities for local trading and food industry

Land available: The country has a relatively low rural population and availability of land unlike other countries in SSA

Water and Climate: Climate patterns less erratic than other zones of SSA and the richest water resources country in Africa.

Critical mass and replicability Some examples of excellency are arising in several supply chains. These can be replicated

Regulations



- **Privatization process of ~20 Agro-industry** facilities across the country. Key assets have been transferred to private sector
- **Key incentives for commercial banks to lend** – aviso 10
- Customs tariffs to protect national industrial production,

Source: CPSD 2019, World Bank Group

Entry points for investment/partnerships in the agribusiness sector



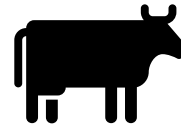
Horticulture and fruit production

- Proven concept
- Strong local demand
- Opportunity for exports for tropical fruits



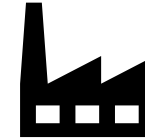
Primary production for agro-processing

- Sizable processing capacity for cereal and oil seeds
- Very big deficit of raw materials (over 2 million tons)



Animal Protein

- Increasing demand and virtually no local supply of meat and dairy, exception for eggs



Niche Food processing

- opportunities for local value-added processing (fruit pulps, coffee, super foods, canned vegetables, etc)



Logistics, transport and associated services

- Service support across the sector inputs, transport, storage, machinery and equipment, consulting services

O que fazemos: Criamos oportunidades onde elas são mais necessárias

Sectores



Indústria, Agronegócio e Serviços

Apoio a empresas privadas, viáveis que pertençam a cada um destes sub-sectores.



Instituições Financeiras

Trabalhamos com instituições financeiras com o objectivo de promover a inclusão financeira e o acesso ao crédito a milhares de pessoas e de MPMEs.



Infraestruturas e Recursos Naturais

Melhoria do acesso à energia, transportes infraestruturas municipais. Investimos em empresas privadas que desenvolvam infraestruturas de comunicações.



Tecnologias Disruptivas e Fundos

Apoiamos negócios *early-stage* em países em desenvolvimento que contribuam para a criação de novos mercados, para a transformação sectorial e para um crescimento inclusivo, aliado a um forte crescimento.

Áreas de intervenção



Investimento

Empréstimos

Equity

Trade finance

Derivados e
Financiamentos

Estruturados

Blended Finance

Sindicação

*Produtos financeiros adaptados às
necessidades do cliente*



Assistência Técnica

Clientes actuais
e potenciais

Apoio sectorial
e criação de
pipeline

Fortalecer o desempenho e o
impacto dos clientes

Fortalecer os padrões,
ambientais, sociais e de
governança corporativa

Desenvolvimento de
Projectos early-stage
Iniciativas a nível sectorial

Apoio na criação de novos mercados



IFC Gestão de Activos

Mobilização

Gestão de capital para
investimento

*Soluções inovadoras que combinam a
experiência e ferramentas do IFC*

Critérios de investimento em projectos do sector do agronegócio

- O IFC Agro investe tipicamente em projectos, cujo custo total exceda os US\$ 10 milhões (dos quais o investimento do IFC é pelo menos **US\$ 5 milhões**). A exposição do IFC está limitada a 15-35% (dependendo do investimento do IFC e rating de crédito) da capitalização total da empresa (dívida e capital próprio) numa base proforma.
- O IFC Agro financia, na sua maioria, projectos de expansão em vez de projectos greenfield. O IFC pode considerar projectos **greenfield caso os seus promotores apresentem credenciais relevantes (cultivo agrícola, processamento alimentar, etc.)** e possuam **robustez financeira para implementação e exploração do projecto**.
- Os projectos devem ser economicamente e comercialmente viáveis e oferecer a possibilidade de o IFC aceder a um retorno comercial face aos riscos incorridos. **Demonstração de uma vantagem competitiva clara é um factor chave.**
- O projecto deverá demonstrar um impacto mensurável. O projecto e a sua cadeia de fornecimento deverão ser sustentáveis ao nível ambiental e social.
- O projecto deverá apresentar garantias adequadas, incluindo garantias do promotor.
- Integridade e idoneidade da empresa e do promotor

Mercados domésticos

Exportação

Vantagem competitiva

Óptica do custo

- **Ao nível/mais competitivo do que preços de paridade de importação** com produtos provenientes do exterior (ou com potencial de atingir esse nível com gestão certa e assistência técnica)
- Alguns produtos (como água engarrafada, cimento, etc.) com vantagem natural para produção local

- **No nível mais baixo da curva de custos de produção globais**

Óptica da diferenciação/USP

- Qualidade do produto ou outras características (e.g., chá do Quênia com sabor único)
- Épocas produtivas (e.g., Produção de frutas tropicais no inverno de países Europeus)
- Marcas
- Etc.

- Conforme mencionado acima

Pontos chave da assistência técnica ao sector em África

Apoio Técnico



- Melhoria dos sistemas de:
 - ✓ Produção
 - ✓ Agronomia
 - ✓ Irrigação
 - ✓ Insumos agrícolas

Cadeias de valor



- **Desenvolvimento de cadeias de valor inclusivas** para garantir aprovisionamento apoiando o desenvolvimento rural.

Capacitação



- **Capacitação de equipas e de produtores contratados.** Extensão rural e redes comerciais.

4 Standards



- Preparação **para certificações internacionais de qualidade** para acesso a mercados premium e de exportação.

5 Ambiental e social



- Apoio de compliance ambiental e social em grandes projectos.

Exemplos de iniciativas a decorrer em Angola

1 Cadeias de valor



- Desenvolvimento de cadeias de aprovisionamento de matéria prima para grandes processadores.

2 Soja



- Testagem e disseminação da cultura de soja no planalto central.

3 Sector avícola



- Estudos de viabilidade e desenvolvimento da cadeia avícola. Fomento da avicultura em PMEs em zonas rurais.

4 Standards



- Apoio ao sector frutícola no desenvolvimento de *standards* de exportação.

5 Sector do café



- Apoio ao sector do café na melhoria da produção familiar e de plantações.