



# Manufacturing Africa

## From Concept to Financial Close

What Makes Manufacturing Projects  
Bankable in West Africa

# Enabling investment and the creation of jobs

## Programme Goal

Attract **£1.9 billion** of foreign direct investment (FDI) and creation of **99,000 jobs**

## Focus Sector

**Manufacturing** and manufacturing enablers

## Implementing Consortium

**McKinsey & Company, BDO, TechnoServe, Steward Redqueen** and others

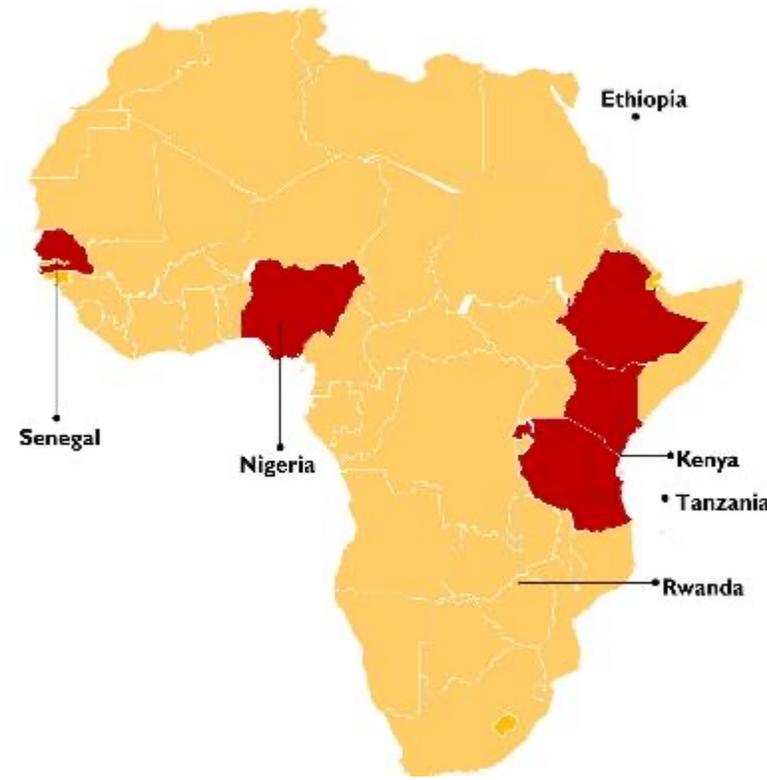
## Funding

UK Government through the **Foreign, Commonwealth and Development Office (FCDO)**

## Duration

**7 Years** (2019-2026)

## Focus Countries



## Addressing two of Africa's Key Challenges

### A growing Labour Force

**1B**



Working population increase by 2050

**2x**



Urban population growth by 2050

**18M**



New jobs needed a year until 2035

### An underdeveloped Manufacturing Sector



**Low** manufacturing productivity



Struggle to move into **high-value** services

# Delivering impact through targeted support

## (A) Deal support

- **Sellside investor readiness** support across financial analysis, modeling, marketing materials, business planning and other transaction support
- **Buyside assistance** including commercial diligence analysis covering gaps in data and strategic issues for investment
- **Development impact improvement** including climate and environment, gender and social safeguarding

## (B) Sector support

- **Sector wide strategic transformation studies** to help develop and transform selected manufacturing sectors with significant development impact
- **Public sector technical assistance** to developing policy at manufacturing sector levels

### Our results:



# West Africa does not suffer from a lack of ideas, it suffers from Bankable Projects

The conversion gap between ambition and capital



## Structural Market Demand

Weak Project Preparation



## Revenue Risks not clearly Articulated

Off-take, Pricing, FX Pressures



## Input & Energy Cost

Volatility not structured out



## Route to Market

Unclear Route to Market



## Governance and Sponsor Capacity

Unclear to Lenders or Equity Investors

100 | Project concepts

30 | Feasibility studies

10 | reach investors

3 | Due Diligence

1 | Close

# Investors and Lenders fund predictability, not optimism

**Bankability is about risk, not just returns**

1



## Cash Flow Defined

Clear revenue model,  
realistic pricing,  
credible demand

2



## Risk Allocation

Energy, Foreign  
Exchange, Input  
Supply, and Off-take  
risks clearly assigned

3



## Sponsor & Governance

Who is executing?  
Track record matters

4



## Infrastructure Readiness

Power, Logistics,  
Water. Not  
assumptions

5



## Capital Structure Fit

Right mix of equity,  
debt or concessional  
support

# What it looks like in Practice

## The difference between investable and aspirational

	 <b>Bankable</b>	 <b>Not Bankable</b>
<b>Cash Flow Defined</b>	 A clear path to defined cash-flows	 Sales projections based on assumed market demand
<b>Risk Allocation</b>	 FX exposure hedged or passed through	 All input cost risk sits with the project; lenders absorb worst-case scenarios
<b>Promoter &amp; Governance</b>	 Experienced management team, Audited Financials & Clear Ownership structure	 Founder-led with no succession plan, weak reporting, and opaque shareholding
<b>Infrastructure Readiness</b>	 Grid connection confirmed, logistics route tested with decent road networks, water source secured	 Infrastructure assumed available, with no prior site visits
<b>Capital Structure Fit</b>	 Early-stage agro-processor using blended finance e.g. DFI first-loss layered on commercial debt, with equity from founder	 Pre-revenue packaging startup seeking a 10-year senior bank loan at commercial rates; wrong stage, wrong instrument, wrong lender

**Thank you**

**Manufacturing Africa**  
[www.manufacturingafrica.org](http://www.manufacturingafrica.org)

