



Bayo Odubeko
Partner
Norton Rose Fulbright

Norton Rose Fulbright is a global law firm, with more than 4,000 lawyers based in over 50 cities across the world. Norton Rose Fulbright has one of the largest legal footprints in Africa of any international law firm and has been advising on deals in Africa for over 30 years.

The firm works with a wide range of clients in Africa across a full suite of legal services but with a particular focus on private equity and venture capital.

AVCA speaks with Bayo Odubeko, Partner, about the impact of COVID-19 on deal-making in Africa, the regulatory developments driving investment, and how Norton Rose Fulbright is supporting clients to tackle the energy transition.



Q: Norton Rose Fulbright is one of the largest international law firms. Tell us about the history of the firm, including the firm's practice in Africa. What distinguishes Norton Rose Fulbright from other law firms practicing in Africa.

As an international law firm, Norton Rose Fulbright (NRF) has more than 4,000 lawyers operating from 50 cities worldwide across Europe, the United States, Canada, Latin America, Asia, Australia, the Middle East, and Africa. Originally founded in 1794, Norton Rose Fulbright has grown to be one of the world's largest full-service legal advisers supporting an international client-base, including businesses within Africa or with investments in the continent.

I remember coming to Norton Rose (as it was then) in 1992 for a training contract interview, and whilst waiting to be summoned, reading a client note on the firm's role advising Nigeria LNG on the US\$5 billion project development. NRF has advised Nigeria LNG ever since and on each of its seven trains. Some of your readers may recall a Ghanaian gold miner called, Ashanti Gold. Ashanti Gold came to NRF as a little-known miner globally. Over the years we advised Ashanti Gold on various mining concessions, mine developments, international financings, bond offerings and its listing on Main Market of the London Stock Exchange, making Ashanti Gold one of the leading and most recognisable

NAME OF FIRM

Norton Rose Fulbright

FIRM TYPE

Law Firm

OFFICE LOCATIONS IN AFRICA

Burundi, Kenya, Morocco, South Africa, Tanzania, Uganda, and Zimbabwe

gold miners globally, until its eventual acquisition by Anglo.

Unlike many of the firms today purporting to be specialist in the African legal market, Norton Rose Fulbright has been a leading international legal adviser in Africa for decades, and long before it became fashionable. I believe we genuinely understand the issues that Africa's governments, champions, and entrepreneurs face when engaging with the global business community and which the global business community faces when transacting in Africa. We have the technical expertise in the key sectors that are important for Africa's development – Infrastructure, mining and energy, and in the key legal disciplines – project finance, construction, oil and gas and private equity. Our highly skilled and technical lawyers are trained to execute in the most challenging jurisdictions and circumstances.

Q: In your view, what are the most significant legal and regulatory developments shaping private investment in Africa?

The continent is rapidly evolving, and in many ways adopting disruptive technologies faster than more developed regions of the world. It has been possible to adopt disruptive technologies due to regulatory policies such as privatisation, capital adequacy increases in the financial services sector and even cashless economy promotion. However, the legal and regulatory changes that have fostered the democratisation of Africa have in my view been the game changer, on the back of which other policies have been able to come into being and has fostered the confidence needed to attract significant international investment.

Q: How was Norton Rose Fulbright able to support clients to successfully navigate the disruption and uncertainty caused by the global health crisis?

From the onset of the pandemic, our priority has been on the health and welfare of our people, clients, and communities, both in Africa and across the globe.

COVID-19 has of course had a major impact on all our clients. We have maintained a resolute focus on providing a continuous legal service to our clients, assisting them in the navigation of the wide range of legal and economic impacts of COVID-19 that are leading to uncertainty and volatility across all sectors.

As well as issues around staff and customer safety, the situation continues to present for our clients a range of complex and often multi-jurisdictional operational, legal, and economic issues. We have been able to harness the knowledge that we have gained as a global organisation and transfer it from one region to another as the situation evolves around the world. We have teams of global industry sector specialists focused on horizon scanning and ensuring that we are providing our clients with up-to-date information related to a wide range of issues.

Operational resilience and a clear strategy are essential for organisations not only to survive, but to thrive. Some of the issues impacting our clients have included disruption to their supply chains, meeting contractual obligations, bringing people back to the workplace and implications under funding arrangements. Many of these issues need to be navigated on a cross-border basis. Our multi-disciplinary teams take a holistic approach to risk management that spans business units, areas of law and national boundaries.

Q: How did the COVID-19 pandemic affect Africa's private equity industry, and what trends do you expect to see in deal-making and exits going forward?

Africa's private equity industry did not escape the challenges of COVID-19. The uncertainty of the long-term implications of COVID-19 led many investors and fund managers to pause on execution of planned transactions. The economic downturn that ensued

understandably led many investors in the midst of executing transactions to reassess commercial terms, valuations, and rationales of those transactions. With demand for the continent's commodities such as oil and gas cratering, earnings and exchange rates imploded.

One area less impacted during COVID-19 was venture capital investments, though this varied from sector to sector. Try raising money for a new airline during COVID-19, when nearly the entire global passenger airlines' fleet was grounded and carriers were going out of business, as one of my clients was seeking to do!

Happily, like the rest of the world, African private equity has experienced a rebound in 2021, with strong deal flow both in new investments and exits. Earn-outs and additional consideration payments are currently common on deals as a consequence of disappointing 2020 financial performance, but dealmakers have faith in the ultimate fundamentals of the relevant businesses. And Green Africa Airways has raised finance, secured aircraft, obtained its aviation licence and is the latest low-cost carrier servicing the African market.



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Q: As climate challenges deepen globally, countries around the world are making commitments to reach net zero by 2050. What does that action look like in the context of Sub-Saharan Africa?

To tackle the energy transition, our clients need to be supported by a global, dynamic, efficient, reliable, and innovative law firm that can meet their needs now and anticipate their needs of the future. Our energy transition global strategic initiative (GSI) is anchored in our client's

needs – identifying the risks and opportunities and supporting them in whichever strategic direction they choose to take. We have [launched our energy transition website](#), showcasing our full service offering and examples of our work.

We are seeing global private equity firms pouring capital into fast-growing sectors such as solar, carbon capture, and battery storage. Our energy transition GSI team works closely with our Private Equity GSI team in order to better serve our energy and private equity clients as the private equity boom into energy transition related assets continues to grow.

Africa is committed to energy transition, though certain regions and countries, such as Kenya, Egypt, and South Africa, have significantly more ambitious, clearer and more developed strategies than others. In Kenya, landmark projects like Lake Turkana Wind Project and Kipeto Wind Project have shown Kenya's commitment to energy transition. Norton Rose Fulbright advised on the 753MW Benban Solar Park in Egypt, which when completed will be the largest solar installation in the world. Roof top solar in Africa is also developing rapidly with private equity backed Starsight Power, perhaps leading the field in this area. Other roof top solar and solar to home businesses (also backed by private equity) include Daystar Power, Easy Solar and M-Kopa.

Fulbright have benefitted hugely from that value. Ten years ago, the head of the pension commission for an African country described private equity to me as a black box, indicating the commission's unwillingness to permit the pension contributions of employees of his country to be committed to private equity. The commissioner saw his role as the preservation of the pension contributions of his fellow countrymen, notwithstanding inflation running at double digit and eroding the value of said contributions in real terms. Luckily today in Africa, through the work of AVCA and other global and regional industry associations, private equity is increasingly recognised as an asset class and to which pension and asset managers are permitted to allocate funds.

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Q: The way that we work has changed due to the rapid switch to providing services digitally over the past 15 months. How do you see the delivery of legal services in Africa changing in the future?

We expect to see Africa continue to adopt the latest technology and advancements that will benefit the delivery of legal services and drive efficiency, much in the same way as we are experiencing in the UK. As I alluded to earlier, certain countries in Africa are often adopting disruptive technologies and processes quicker than more developed countries. Whereas developed countries have often invested significant amounts in outdated infrastructure and technology that tends to inhibit their advancement, Africa and other emerging markets are able to leapfrog such infrastructure and technology and adopt the most current and efficient models. For example, currently, global firms are finding that the physical office space which they are locked into under long term expensive leases represents an obstacle to agile working and the working arrangements of the future. This often is not the case in most African countries.

Q: How has AVCA been of value to Norton Rose Fulbright?

AVCA has been of incredible value to the development of the African private equity and venture capital asset class as a whole, and stakeholders such as Norton Rose