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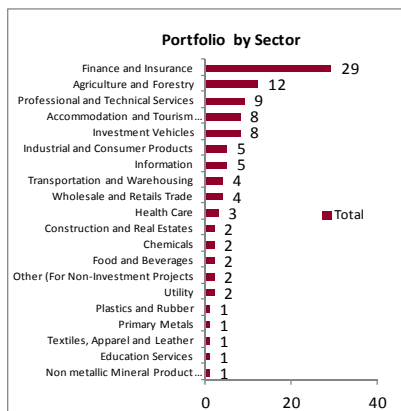
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Southern Africa Sector Outlook

Finance & Insurance is the largest sector with 29 projects, followed by agriculture and forestry with 12, professional and



technical services with 9 and accommodation and tourism services with 8. The rest are spread across 15 different sectors as per the following diagram.

ATMS Newsletter - July Edition

The ATMS Project is sub-Saharan Africa's biggest and most ambitious human capital development effort in the private sector. It was created to play a key role in Africa's economic development and currently operates in twenty four countries. The Project provides human capital solutions that lead to skills development wealth creation through the private sector and commercially operated state enterprises.

This edition features an overview of the ATMS Project portfolio on management and capacity development followed by a focus on Southern Africa. Green energy and environmental sustainability are phrases that dominate the public space lately, with International organisations promoting the need to think out of the box and for people to ensure sustainability in Africa. This issue features three ATMS Projects that are working well to address that.

ATMS Portfolio Outlook

As at 30th June, ATMS/AMSCO Portfolio stood at 451 Managers and 259 clients in 24 countries. 80% of the clients constitute Small and Medium Enterprises (SMEs). Between January – June 2012, the ATMS Foundation allocated USD 1,413,291 in training and management grants to 35 companies.

Focus On Southern Africa

The Southern Africa portfolio currently has 102 clients in 8 countries, representing 39% of the entire ATMS client portfolio. Of the 102 clients, 46 are small, 23 medium and 33 are large enterprises.

Southern Africa Outlook

| COUNT OF REGION | COMPANY | | | TOTAL |
|------------------------------|-----------|-----------|-----------|-------------|
| | Large | Medium | Small | |
| Country | | | | Grand Total |
| Angola | 2 | 4 | 9 | 15 |
| Botswana | 1 | 1 | | 2 |
| Democratic Republic of Congo | 1 | 1 | | 2 |
| Malawi | | | 2 | 2 |
| Mozambique | 4 | 3 | 3 | 10 |
| Namibia | 3 | 2 | 6 | 11 |
| South Africa | 13 | 2 | 11 | 26 |
| Zambia | 9 | 10 | 15 | 34 |
| Grand Total | 33 | 23 | 46 | 102 |

ATMS Foundation Support to Southern Africa

Donor funding administered through the ATMS Foundation continues to provide the catalytic role of transforming the private sector through management service interventions and skills development. Grant allocation to companies in Southern Africa currently stand at USD 507,499. This represents 36% of total

funds allocated towards management and training, geared at building capacity for companies to be globally competitive profitable and sustainable.

Grant Commitments to Southern Africa in 2012

| Business Sector | Number of Staff | Mgmt Grant | Training Grant | Total (US\$) |
|--------------------------------|-----------------|------------|----------------|--------------|
| Agriculture and | 34 | | | |
| Finance and | 120 | | | |
| Accommodation and Tourism | 6 | 30,000 | 10,855 | 40,855 |
| Industrial & Consumer Products | 5 | 31,200 | 17,333 | 48,533 |
| Textiles, Apparel and Leather | 100 | 16,750 | 18,633 | 35,383 |
| Transportation & Warehousing | 85 | 24,000 | 10,855 | 34,855 |
| Construction & Real Estate | 836 | | 17,333 | 17,333 |

The bulk of funds in Southern Africa were allocated to Zambian enterprises with a focus on the agriculture sector. When placed alongside the already existing manufacturing sector, they form key drivers that the Government of Zambia prioritise to diversify the economy from copper mining.

ATMS/AMSCO's support to the country has shifted focus towards indigenous enterprises, leading to increased employment and capacity regeneration, including associations such as the Zambia Association of Manufacturers that has membership of over 200 manufacturers. AMSCO is committed to help develop the engine of Zambia's economy.

Lean Energy Solutions crowned top winner at the 2011 KIM Annual Business Awards

Lean Energy Solutions won the SME of the Year Award at the KIM Annual Business Awards held at the Laico Regency Hotel in Nairobi, Kenya on 19



October 2011. Organised by the Kenya Institute of Management, the awards recognise excellence and competitiveness within the region's SME sector.

Formed in 2007 and a runner up at the 2010 awards, Lean Energy Solutions operates as a consultant in Kaizen, ISO Certification, Energy as well as Investment Grade Audits, Lean Brigs Manufacturing and Technical Training.

With a mandate that includes optimal energy reduction, using appropriate technologies, the company helps clients identify cost-effective options to improve energy efficiency on all facilities.

"The AMSCO Manager's experience in green energy projects has helped us to nearly double the company turnover and also to train the other staff in the field of green energy projects like boiler conversion from fossil fuel to



agro-mass Briquettes, energy audits, Micro-Hydro Projects and many other areas," says Dinesh Tembhekar, Managing Director of Lean Energy Solutions Ltd.

At the beginning of the ATMS's Involvement in 2010 the company was facing a number of challenges around bagasse waste and environmental degradation to name two. Through

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Skills Development: A Necessity For Africa's Growth

As Africa advances economically with new business ventures being established, the continent still continues to experience developmental challenges due to shortage of skilled manpower. Skilled human resources are not keeping up with the growth of business activities, requiring specially developed training.

A client needs survey conducted in 2011 resulted in AMSCO's increased support to clients to implement



their training plans and successfully forging partnerships with various institutions to run 10 high impact capacity development programmes in 2012. AMSCO worked very closely with clients, advising them on the appropriate training programmes, recommending service providers, organising training and in some occasions providing subsidies to enable clients to continue with skills enhancement initia-

ATMS Project Interventions On Green Energy

Green Renewable Energy Takes Centre Stage

It was during the month of June, 20 years ago that the world first gathered in Rio de Janeiro, Brazil for the inaugural Earth Summit. Backed by the U.N, countries gathered at the event promised to place importance and renewed political commitment to sustainable development.



One recurring theme that came out of that initial conference was the green economy. By identifying and addressing new environmental challenges, this particular theme became increasingly pivotal for poverty eradication and action around sustainable development.

Today, every Government knows that the future lies in a sustainable earth. The absorption of green living

tives, despite their cash-flow challenges. Reviews from all the programmes have been above average.

The unique client specific training programmes have seen a total of 1,941 staff members trained between January and May drawn from 23 companies - of these 642 were females. The main areas of training were on Executive Leadership, Strategic Planning and Management Development with a total of 102 people reached, 36 being female. Other areas have included industrial, technical and soft skills training, all of which have reached 1,703 individuals, of whom 33% were female. AMSCO also continued to support the bridging of industry specific skills gaps.

In Southern Africa, an AMSCO organised and sponsored training event for various organisations with similar needs took place in Angola. The training, which drew 14 (1 female) participants, was on "Submitting Winning Tenders". There were calls by the participants for AMSCO to run more programmes in the country to address the existing training gaps in the country. A training programme was also organised for LEA Botswana in which some employees were trained on coaching and mentorship skills. Participants expressed satisfaction and knowledge acquisition with both training programmes highly rated by the delegates followed by a commitment to utilise the newly acquired skills to enhance their productivity.

There have been concerted efforts by the AMSCO Capacity Development department to continuously seek ways of adding value to AMSCO client and non-AMSCO companies. There is on-going research, client training needs assessment, and development of new training programmes to ensure that AMSCO is offering solutions that match the identified needs.

concepts into government policies has made way for an array of business opportunities around green renewable energy.

This year's Earth Summit or 'Rio+20', held from 20-22 June outlined 15 green economy principles. The most important of these, particularly for Africa included Economic Equity and Fairness, Intergenerational Equity, The Right to Development as well as Sustainable Consumption and Production.

A 2010 Millennium Development Goals (MDGs) report by the U.N showed that South America and Africa continued to record the largest net losses of forests, with Africa losing a total of 3.4million hectares of land a year.

During that same year, a progress report by the World Health Organization (WHO) pertaining directly to MDG 7 or the need for environmental sustainability, 2.6 billion people or 39% of the world's population (the majority in Asia and sub-Saharan Africa) still lived without improved sanitation.

Both reports recognise the need for human and environmental development, as well as the empowerment of individuals and societies for positive social outcomes. They also recognise the need to reduce unsustainable patterns of production and the employment of recycling measures.

It is against this backdrop that we constantly find ourselves thinking of clever ways to safeguard and

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the ATMS Project Intervention, Lean Energy Solutions was able to acquire a General Manager to take charge of the company's green projects portfolio.

AMSCO's Project Manager was very instrumental in the KIM Annual Business Award win. Responsible for project planning and management, particularly of the Muhoroni plant, he has been able to contribute to-



wards job creation in the area by employing a total of 100 previously unemployed young people, some of whom include women.

Through restructuring of company processes, bagasse waste acquired from the sugar milling process has found new life in the production of the briquettes, helping the company to clean up the environment. The company currently produces 180,000 Tons of briquette per annum, saving 288,000 trees that would have otherwise been used for firewood furnaces.

Lean Energy Solutions has conducted up to 100 energy audits and diversified its consulting services to include hydro power generation and solar installation. By opting for briquettes over fossil fuel, the company has not only reduced deforestation but in line with the goals set out by MDG 7 on environmental sustainability, they have helped save 25% on energy costs, translating to 1,500T of carbon dioxide per annum.

By making structural changes, supported by a number of key training programmes around machinery, methodology, health and safety, Lean Energy Solutions has managed to make significant progress towards sustainable development in the last year and a half.

enhance the resources we have today for tomorrow. AMSCO supported Lean Energy Solutions Ltd and Sanergy Ltd - two examples of companies that have acquired 'out of the box' approaches in order to overcome some of Kenya's biggest environmental challenges.

The thinking behind these companies is directly in line with views expressed by dignitaries about this year's World Environment Day on 5 June. For obvious reasons, highlights by the UN around this day included

1 Year of Successful Sanergy

In July 2011, AMSCO helped launch Sanergy, one of Kenya's most innovative social enterprises. At the helm of urban sanitation solutions, Sanergy hopes to significantly reduce the spread of sanitation-related diseases in Africa's slums by making sanitation accessible, sustainable and affordable.

Over 8 million Kenyans live in informal settlements and lack access to proper sanitation. Solving this health and environmental issue requires a little more than just building toilets - it is Sanergy's objective to build a network of sanitation centers close to households in and around the region's affected areas.



AMSCO has armed Sanergy with 3 qualified and experienced expatriates to help the company achieve its objectives. Working on a three year renewable contract, AMSCO Managers have taken up the crucial strategic positions of Chief Executive Officer, Chief Finance Officer and Chief Marketing Officer within the organisation.



(AMSCO Managers - from left-right) : Sanergy CEO, Ani Vallabhaneni, CFO, David Auerbach and CMO, Lindsay Stradley.

"The Managers' appointments have been crucial in setting the company on a strong trajectory. In addition to meeting quarterly targets, they have also built a strong team of local managers. Using ATMS funding, the local managers are being trained to transition into senior leadership in the next three years, very much in

change in thought and approach towards sustainability.

As we lean ever closer to the MDG deadline of 2015, it is important to start thinking of ways to carry out the missions outlined by these goals. One idea that gained considerable momentum in the run up to Rio+20 are the Sustainable Development Goals (SDGs). A term set to soon be on everyone's lips, while these will live to succeed the MDGs, they will not be independent of the fundamental structures and thinking that first brought us the Millennium Development Goals.

line with the mission and objectives of AMSCO and ATMS," says Ani Vallabhaneni, CEO of Sanergy.

Franchising the toilets to local operators and providing them with necessary and ongoing operational support is a direct answer to job creation and skills development. This support includes collection of waste from the toilets by Sanergy employees.

According to Vallabhaneni, "By the end of June, Sanergy will have 50 toilets franchised to a total of 31 franchisees. We have a further 20 franchisees that have applied for 46 new locations around Nairobi."

Rather than septic tanks that are drained into wa-

terways, collectors use double sealed 3L containers to move accumulated waste to a central processing station, at which point, Sanergy's business plan becomes particularly interesting and relevant to green renewable energy.

At the processing station, human waste is converted into biogas through the use of an industrial-scale anaerobic digestion process. The biogas is then combusted in CHP engines to generate electricity sold directly to the national grid through long term power purchase agreements. The output from the biogas generation is processed to high quality fertilizer sold to commercial and smallholder farmers.

Under the guidance of these expatriates, the company hopes to have built 6000 sanitation centers by 2015 to serve over 466,000 people. It is their objective to grow over 6,000 small entrepreneurs through their franchise structure and to produce over 10,000 MT of fertilizer for local farmers whilst supplying the national grid with over 7 million KWh of electricity.

As the project steadily moves past the first year mark, AMSCO remains confident that the assigned managers are the perfect vehicles to see the Sanergy vision through.

AMSCO begins work on the Lunsemfwa Hydro Power Company

In November last year AMSCO Managers, Kent Sanquist and Johannes Strand, were appointed as Project Director and Senior Controller at Lunsemfwa Hydro Power Company Ltd (LHPC), AMSCO's latest green energy project.

Located north of Lusaka, Zambia, the company was incorporated in July 2001 after acquiring two power stations - Lusemfwa and Mulungushi from ZCCM Investments Holdings Plc (An Investment arm of the Government of Zambia).

Originally built to provide power to the region's lead and zinc producer Kabe Mine, Mlungushi's 28.5 Mega-

watts (MW) together with Lusemfwa's 18 MW installed capacity make for a combined total capacity of 46.5 megawatts. Two machines have been added to Mulungushi since the first generating set was commissioned in 1925. Lunsemfwa Power Station was commissioned in 1945, following the Second World War.

Only 19% of rural households and 49% of urban households in Zambia have access to electricity. It is for this reason that LHPC's focus lies in the construction and operation of hydropower plants in Zambia. With an opportunity to further their strategy, international investor in renewable energy, Agua Imara has since acquired

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a 51% stake in LHPC.

Agua Imara has long term international experience and expertise in the development, design, construction, operation and maintenance of hydropower projects in deregulated power markets. They also have the necessary capacity to finance hydropower projects.

AMSCO offered its support to LHPC after the company faced challenges identifying opportunities for clean energy investment as well as appointing the right candidate to oversee the construction of new power plants, to engage local stakeholders and oversee to overall management of the Zambia operations.

In the few months that the AMSCO Managers have been on the ground, they have managed to fast track the project in a number of ways, one of which includes changing the company's financial reporting system. They have also initiated dialogue about collaborated efforts with Government around hydro-projects.

By 2016, in line with the Government's policy to increase power supply in the country, the new management hopes to increase power generation to 300 MW

from the current 56 MW. The 56 MW has been achieved through a fourth production unit that has recently been installed by the Managers.

In line with MDG 1, which spells out the need for eradication of extreme poverty and hunger, this project will increase the country's Megawatt capacity and allow the ordinary citizen access to cheaper power, in turn boosting the country's standards of living.

Thanks to LHPC's activities and the availability of a new power source to the general public, new industries have mushroomed in the Kabwe area. Continued efforts by this and other projects in future will not only translate into an overflow of benefits for Zambia but will ultimately accelerate connectivity to the East African Power Pool via the Zambia-Kenya interconnector.

In addition to all of the already mentioned benefits, through its involvement in the project, AMSCO hopes to see Government revenue through taxes, increased industry enhancements in fields such as mining for which energy is crucial.

Our Stakeholders

ATMS And AMSCO wish to thank all the stakeholders for their continued support.



Our Footprint

