

MANUFACTURING AFRICA



Manufacturing Africa aims to reduce poverty in Africa by attracting £1.2 billion of foreign direct investment into manufacturing and creating 90,000 jobs over 7 years (2019-2026). The programme is funded by the UK government through the Foreign, Commonwealth & Development Office (FCDO).



Establishing Nigeria's First Net Zero Sustainable Special Economic Zone

LADOL is a state-of-the-art Sustainable Industrial Special Economic Zone strategically located at the point of entry into the Lagos Harbor. Over the last 20 years, the zone has been transformed from a swamp into a world class industrial space that is fully integrated, independent and primarily serves multinational, industrial companies that need uninterrupted round the clock specialised / fast track import / export / logistics support in West Africa.

LADOL is also the largest heavy lift facility in West Africa. The LADOL's logistic services include specialized indoor and outdoor storage, material handling, electronic tagging, repairs, fabrication, provision of fuel and water, waste treatment, helicopter and water transport etc.

LADOL is a Free Zone that offers extensive financial and administrative benefits to its clients i.e. stable and cost-effective utilities, working capital savings, duty-free importation of cargo, zero corporate taxes, 100% repatriation of profits, elimination of hidden costs, one-stop-shop for all required licenses and government fees, streamlined digital warehousing and turkey infrastructure solution.

LADOL's master plan is on course to make the entire Zone Net-Zero by 2035.



120

**Hectares Area
Covered by
LADOL**

THE CHALLENGE

LADOL has recently launched its Net-Zero masterplan, including a strategic orientation that focused on sustainability and circular business design with an aim of becoming Africa's first Sustainable Special Economic Zone (SSEZ) and achieving Net Zero by 2035.

LADOL's ambition is to expand the current operations into a diversified circular economy within the zone that supports local agri-processing and light manufacturing businesses, thereby promoting green manufacturing and contributing to making Nigeria a regional hub in sustainable manufacturing.

LADOL reached out to MA for advisory support with actualising the transition. The company expects to raise USD 30 million and to generate 1,250 additional jobs while contributing to sustainable economic development for decades to come.



MA SUPPORT

MA adopted a holistic approach to the support it provided as follows:

Transaction Facilitation support



Benchmark analysis of free zones in Nigeria and across the continent with a comparative analysis of how LADOL is positioned against these



Market assessment of three target sub-sectors under light manufacturing and agro-processing sectors to feed into LADOL's tenant acquisition strategy



Forensic review of the financial model for the entire capital raise

Climate & Environment Support





The MA made input into the Master Services Agreement and Sustainability Pledge, which outline the respective rights and obligations of LADOL and their tenants.





MA undertook an Environmental and Social Gap Analysis to recommend improvements to LADOL's current management system and align their activities with national / international standards best practice and the ESG expectations of international investors.


IMPACT


 MA support produced a data set that has enabled the company to better articulate its achievements in view of engaging a wider audience.

 The forensic review of LADOL's financial model gave it confidence in their projections and capital structuring options in support of conversations with potential investors.

 MA reviewed the company's transition strategy and advised on new sectors that it can venture into including consumer electronics, wood and furniture, FMCG personal care as the focus sectors for the zones expansion which will feed directly into their tenant acquisition strategy

 The advisory support by MA helped LADOL to consolidate its sustainability value proposition to its clients.

 The documents developed by the MA C&E Team will help LADOL to credibly demonstrate its commitment to facilitating sustainable economic development in its priority sectors of light manufacturing and agri-processing.

 The Gap Analysis provided LADOL with an action plan to put in place key management plans to manage the SSEZ in line with key international standards, which is a selling point to investors focused on sustainability / green finance, as well as to tenants committed to operating sustainably.

LESSONS LEARNED

When working with companies that want to transition to a new value proposition, understanding that vision is critical when delivering support. In LADOL's case, when conducting the comparative benchmark analysis, the team had to look beyond traditional offshore logistics zone and include regional zones that are involved in supporting broad based industrial activity.

“Having a team like MA look at our plans and validate what we are doing was key for us because we are doing things that have never been done before and, in a sense, we are creating a new future. MA support not only validated our concept, it has also set us on a path of continuous improvement as we implement our vision”

Amy Jadesimi, Managing Director, LADOL



This programme is funded by UK aid from the UK government; however, the views expressed do not necessarily express the UK government's official policies.

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