

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF FINANCE AND ECONOMIC AFFAIRS**



PRESS RELEASE

**THE AFRICAN FINANCING PARTNERSHIP (AFP) IS A MAJOR PILLAR IN
THE PARTNERSHIP STRATEGY OF AFRICAN DEVELOPMENT BANK (ADB)**

Donald Kaberuka President of the African Development Bank, said at the launch of African Financing Partnership. “I applaud the Private Sector Department for this Initiative”.

In 2009, he explained, “the DFIs worked collaboratively on projects in Africa, including Main One Cable in Nigeria, to jointly finance over US\$ 1 billion in projects under partnership models”, adding that “This year, the target for collaborative co-financing is manifold, including financing projects in countries such as Sierra Leone and Côte d'Ivoire. These projects are in sectors such as infrastructure, power, renewable energy and agribusiness”. “Last year, the AFP was a coordinating platform for the Joint IFI/DFI Action Plan to respond to the financial crisis in Africa and with a target mobilization of US\$ 15 billion,” Dr. Kaberuka further explained.

Earlier today 8 development finance institutions, who last year invested over USD 8.8 billion in projects across the continent, formally launched the African Financing Partnership (AFP). This collaboration will enable greater cooperation and co-financing, and work towards improving joint assessment and evaluation of private sector projects across the continent. This marks a significant development for effective use of donor resources in Africa and aim to attract greater

private sector investment for private sector projects on the continent with strong development outcomes.

The eight participating institutions with strong experience of operating in Africa are the African Development Bank; Development Bank of Southern Africa; Deutsche Investitions- und Entwicklungsgesellschaft (DEG); European Investment Bank; Netherlands Development Finance Company FMO; Industrial Development Corporation of South Africa; IFC, a member of the World Bank Group; and Proparco.

“There is an evident need for partnerships amongst development finance institutions, for efficient utilization of our human and capital resources to meet vast financing needs of private sector projects in Africa” African Development Bank Private Sector Director, Tim Turner stated.

DEG, the German development financing institution, which, in 2009, had its best new business result in Africa since its inception, has the ambition to further increase and enhance its long lasting commitment to the private sector development on the African continent. “This will be supported by an intensified cooperation between likeminded institutions,” explained Winfried Nau, Head New Business Africa at DEG. “AFP will help optimizing the promotion of much needed private initiative for the sake of economic development,” he further stated.

"The European Investment Bank is pleased to be a founding member of the African Financing Partnership. This marks a key step in improving cooperation and increasing aid effectiveness in the spirit of the Paris Declaration for the benefit of Africa. Last year, nearly three quarters of all EIB projects in Africa were financed with other partners, whose involvement and expertise increased both the sector scope and number of investments across the continent" said Plutarchos Sakellaris, European Investment Bank Vice President responsible for Africa.

Jaap Reinking, Director, Global Partners Department said, "FMO takes a strong interest in close co-operation with our financial partners. Cooperation optimizes efficiencies and smoothens processes for our clients. The AFP is an important initiative in achieving such closer cooperation between the participating institutions".

Ms. Lindi Toyi, Head of Public Private Partnerships at the IDC said, "The IDC is proud to be a Promoting Partner of the AFP and IDC looks forward to working with the other the Promoting Partners within the AFP. The AFP will serve an important platform to mobilise funding in a more coordinated fashion for projects in Africa."

"IFC is deeply committed to increasing cooperation with our partners through the African Financing Partnership. Working together will enable IFC and its partners to have a greater impact helping Africa fulfill its economic potential and ensure that more Africans can build a better future," said Thierry Tanoh, IFC Vice President responsible for Africa.

The endorsement by the AFP Promoting Partners indicates their common goal to work together on a mission of poverty alleviation and private sector development in Africa. The partnership will target financing of large-scale projects in infrastructure and industrial sectors leading to economic growth and job creation. Smaller innovative projects as well as investments in financial services, including SME and microfinance projects may also be considered.

In practice the African Financing Partnership will enable one institution to coordinate on behalf of the others, as Lead Promoting Partner, and propose involvement of other institutions, thus minimizing duplication of efforts such as due-diligence, appraisal and excessive demand on the project sponsor. This will lead to greater efficiency, common selection of external advisors and reduced borrowing costs.

The strategic development of the African Financing Partnership will be determined by a committee comprising representatives of all

institutions and will act as a platform for co-financing private sector projects in African countries defined as regional members of the African Development Bank. Other development finance institutions or private sector investors could join the initiative at a later stage.

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27/05/2010