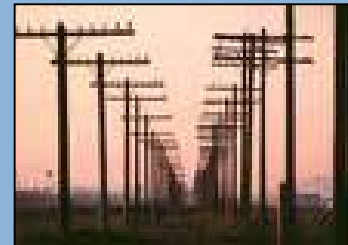
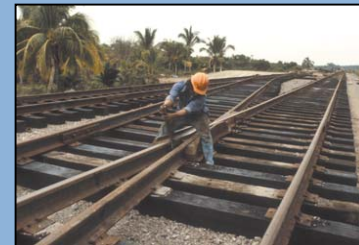




Financing the infrastructure gap



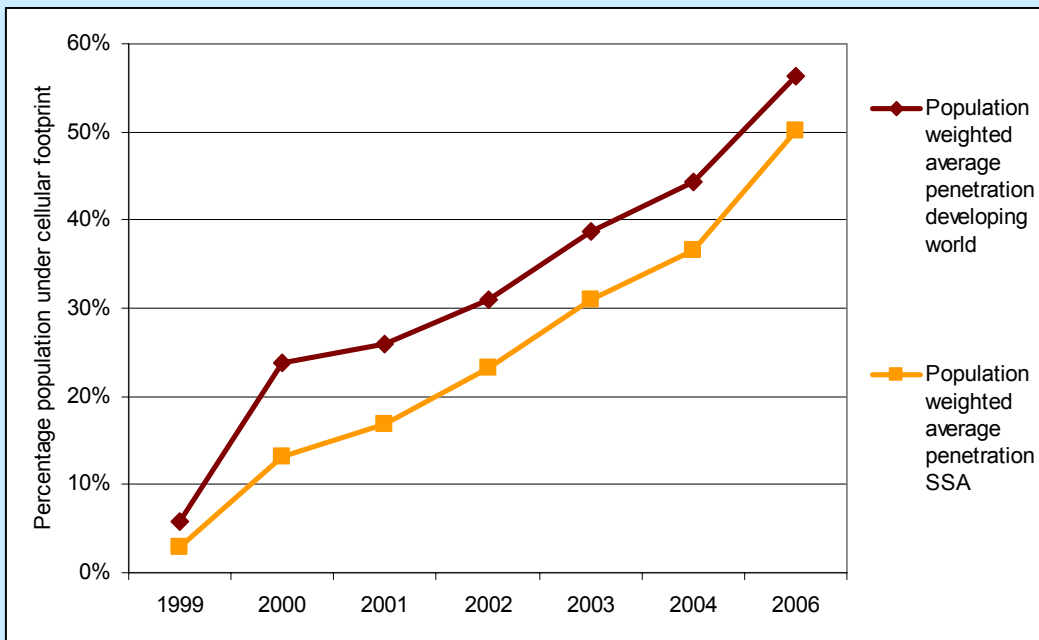
Corporate Council on Africa
October 2007



Beyond the success of the telecom sector...

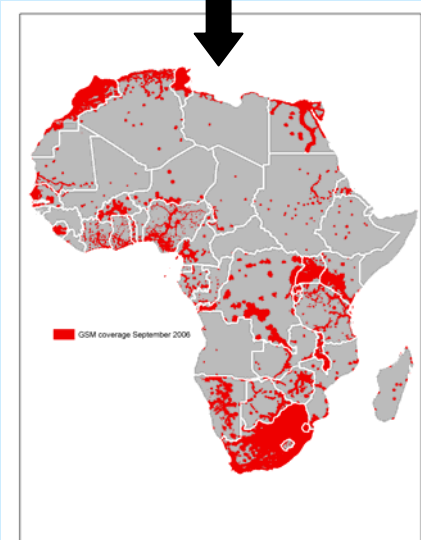
GSM coverage: 1999

Population under cellular footprint in SSA and the developing world

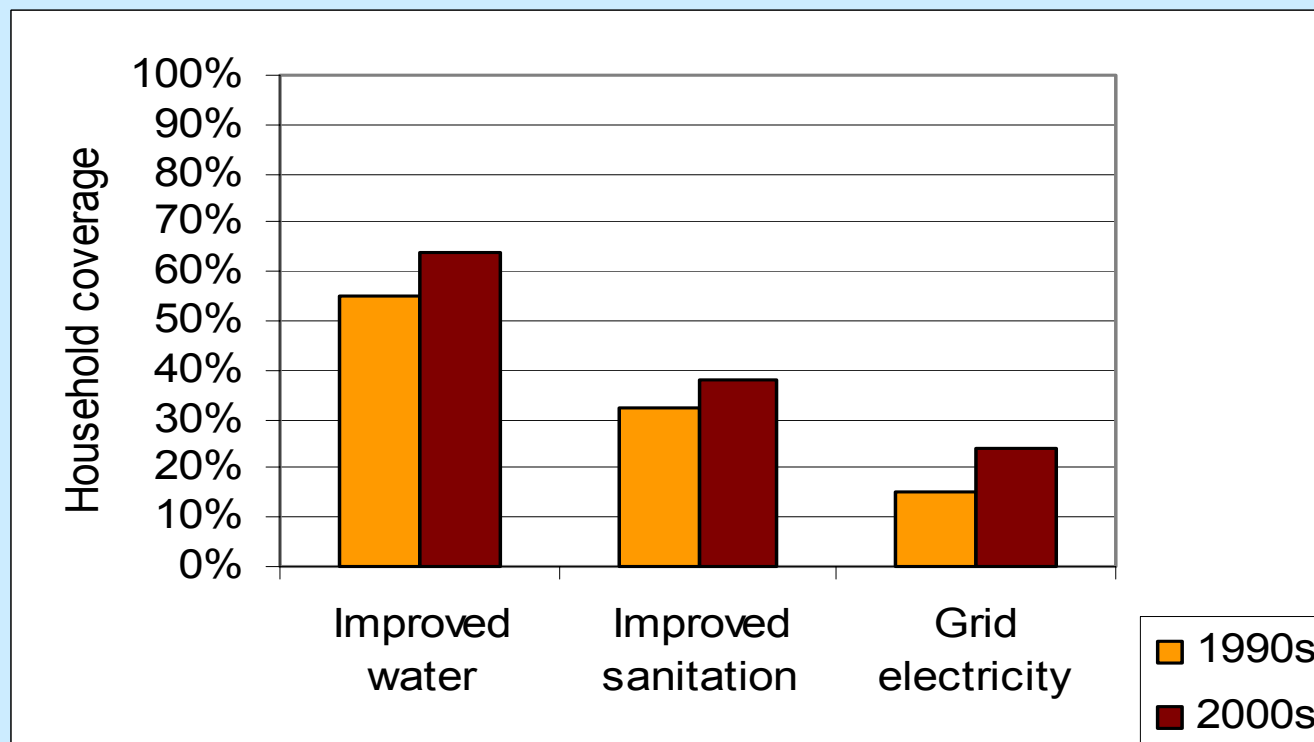


Source: Adapted from GSM Association, 2006

2006

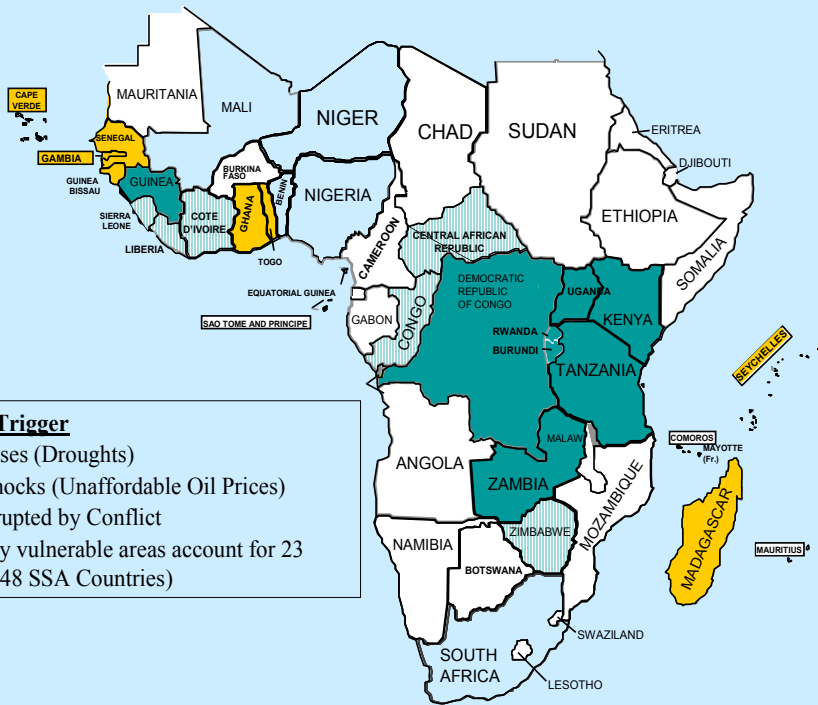


Limited progress in the 90s, and growing SSA infrastructure needs



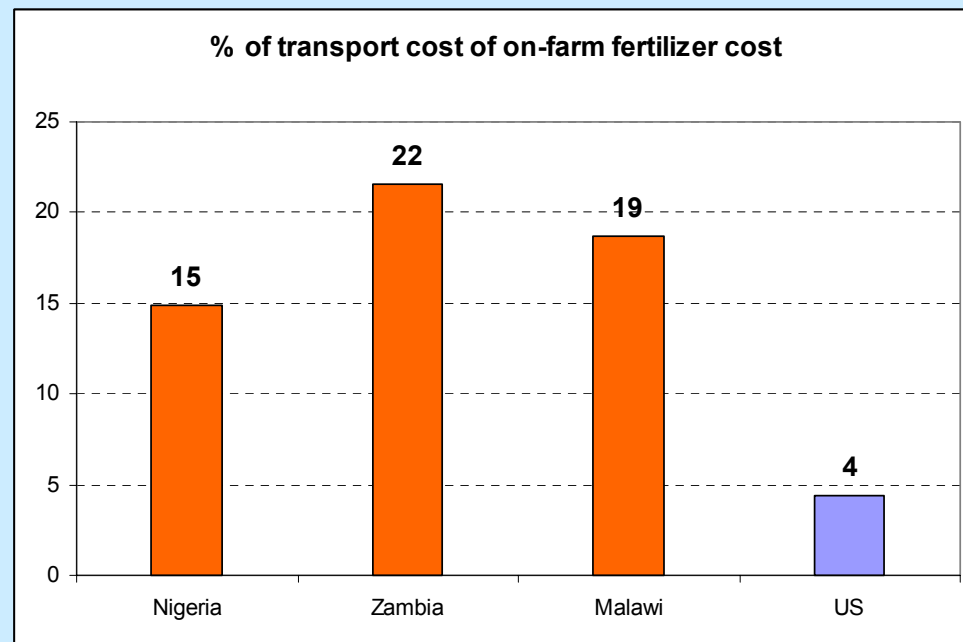
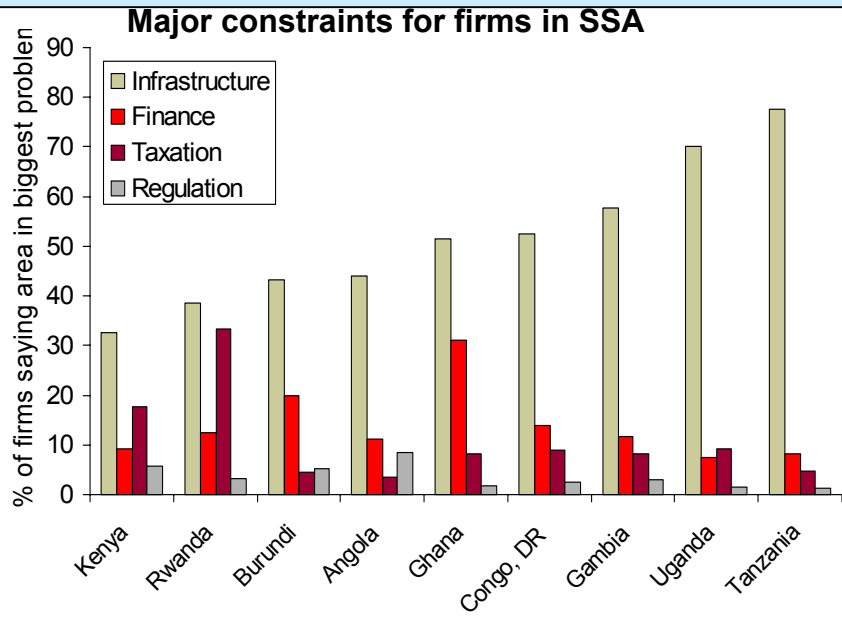
A power sector emergency

Areas of Ongoing or Imminent Power Shortfalls in SSA



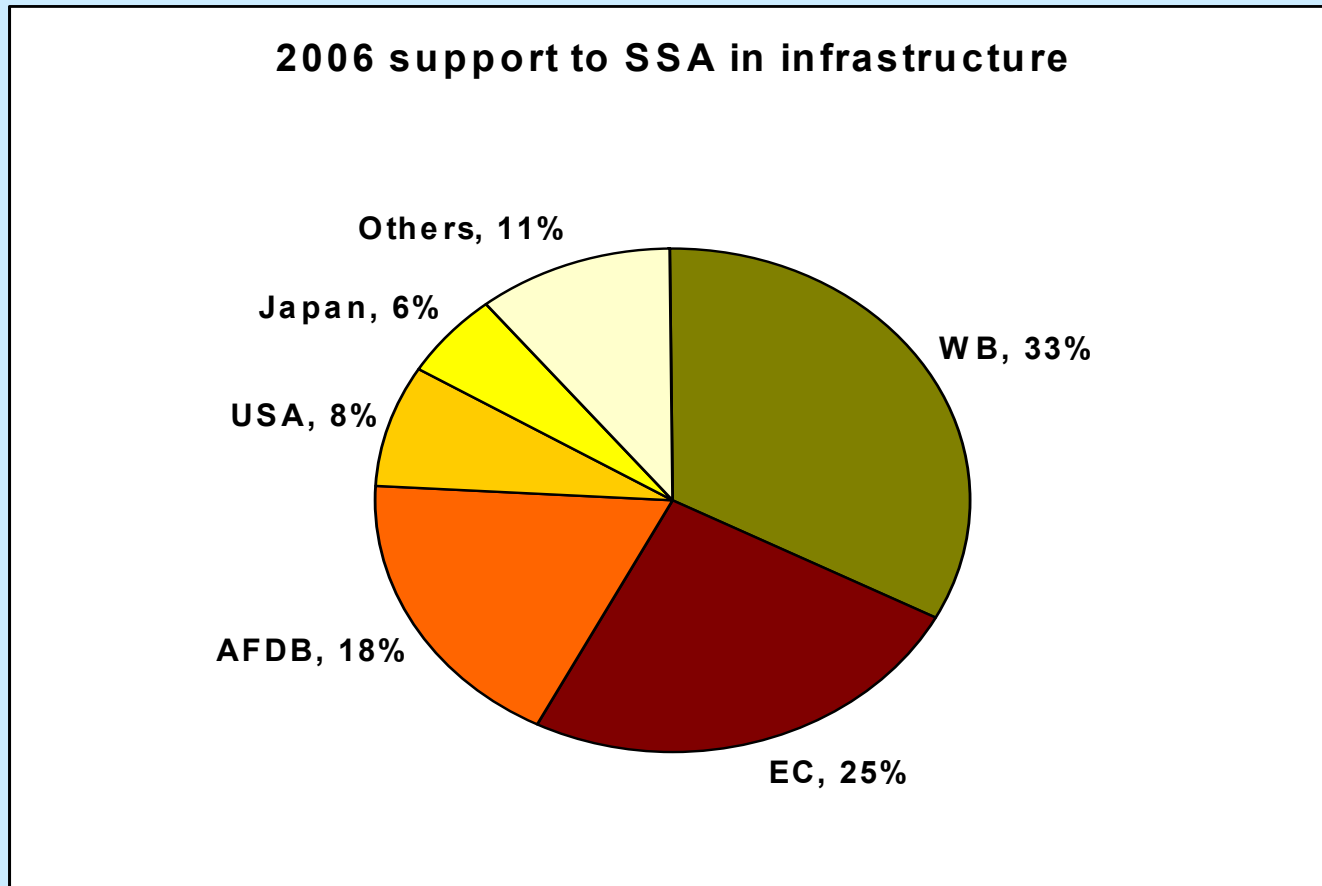
- Less than 24% access rates in SSA
- Growth reduced by up to 4% p.a. by power shortfalls

Bad infrastructure hinders growth



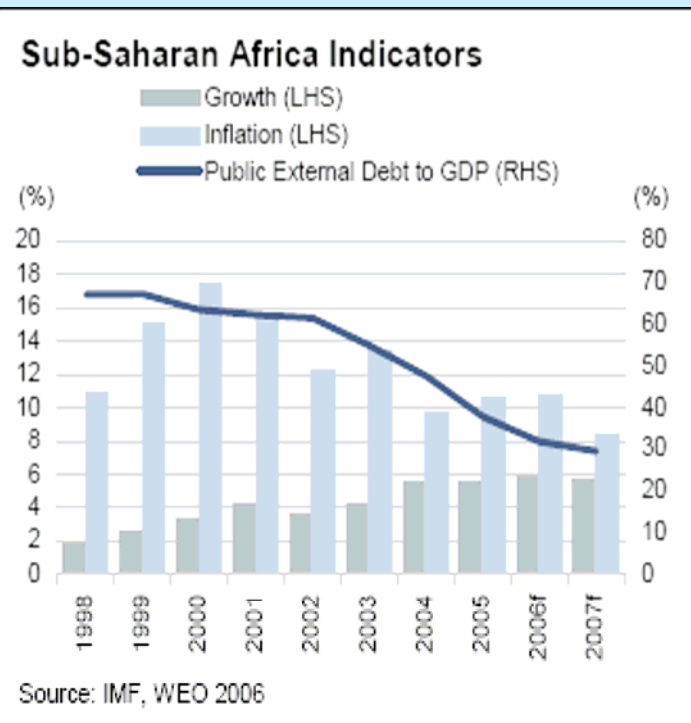
- Infrastructure : biggest constraint for firms competitiveness
- Transportation accounts for 20% of the cost of fertilizers
- ...And increases the cost of agriculture exports by 20%

Major official funding sources



Source: PPIAF, 2007 forthcoming

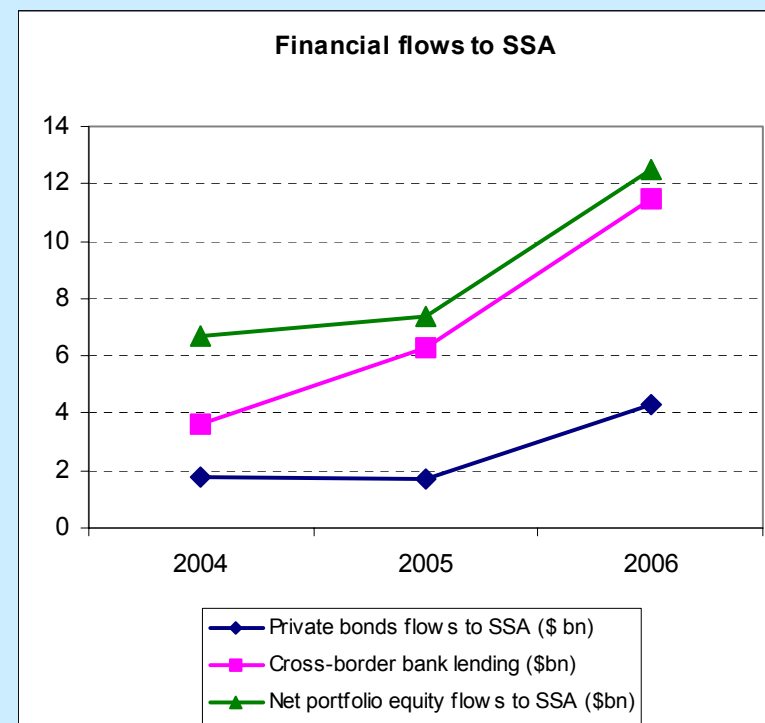
A better environment and potential for private financing



Foreign Currency Ratings in SSA

South Africa	BBB+
Namibia	BBB-
Nigeria	BB-
Lesotho	BB-
Cape Verde	B+
Ghana	B+
Mozambique	B
Uganda	B
Benin	B
Mali	B-
Cameroon	B
Malawi	B-

Source: Fitch



- **GDP growth:** 5.7% in 2005 (5.1% in 2004)
- **Increased commodity prices**
- **Improved institutions:** 14 countries in 2006 with CPIA scores at or above the “good performance” threshold of 3.5

World Bank Group financing and risk mitigation instruments

IFC

IFC A-Loan

IFC B-Loan

IFC C-Loan

IFC Guarantees (partial credit structures – offshore & local financing)

Interest Rate and Currency swaps

MIGA

Political Risk Insurance

- expropriation
- transfer restriction
- breach of contract
- war & civil disturbances

IBRD/IDA

IBRD Loan

IDA Credit and Grants

Guarantees

- partial risk
- partial credit

Tech. Assistance



World Bank Guarantees: Key Features

- IBRD/IDA balance sheet
- available to all countries eligible for borrowing from IBRD or IDA
- Bank Guarantees **back government obligations**
- Bank Guarantees **cover private debt** against a government's (or government entity's) failure to meet specific obligations to a private or public project
- mobilize private sector participation and help catalyze debt with extended maturities and lower financing costs
- flexibility – structured to meet borrower and project requirement
- an integral part of Country Assistance Strategy
- **counter guarantee** from Member Country
 - Bank Articles requirement
 - indicates project priority for Government and Bank
- benefits from the ongoing sector and country engagement of the Bank

Thank You

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