



Africa Finance Corporation  
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## **Guinea-Bissau Joins Africa Finance Corporation**

### **Garners welcome investment in infrastructure**

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Guinea-Bissau has become the latest African country to join the Africa Finance Corporation (AFC), the dynamic investment bank and development finance institution whose unique private sector model to accelerate infrastructural and industrial development in Africa is making it a force to be reckoned with.

Senior AFC officials were in Bissau this week to conclude the signatory process with local officials. *“This is an important milestone for the Government and people of Guinea-Bissau, and for the AFC,”* said Mr. Austine O. Ometoruwa, President and Chief Executive Officer of the corporation. *“It is significant because by joining the AFC, Guinea-Bissau ensures itself the support and services of an organization that is committed to bolstering its economy and accelerating its infrastructural and industrial development.”*

Speaking at the signing ceremony, Guinea-Bissau’s Minister of Finance Issuf Sanha welcomed what he described as *“an opportunity for Guinea-Bissau to be a member of an organization that is serious about reducing poverty in Africa.”* He noted that the continued suspension, by some international development partners, of donor-funded budget support—representing about 7 percent of Guinea-Bissau’s GDP—had hindered efforts to reduce poverty. *“Where some of our international development partners appear to have abandoned us, the AFC has stepped in with purpose. We welcome their investment in Guinea-Bissau’s future.”*

Foreign Affairs Minister Maria da Conceição Cabral also had high praise for the AFC/Guinea-Bissau partnership. *“This strong support from the Africa Finance Corporation will certainly strengthen our efforts to attract investment and contribute to growth. Ultimately, it is the kind of catalyst we need for real poverty reduction to take place, and is definitely a win-win initiative.”*

In turning to the AFC, Guinea-Bissau avails itself of the corporation’s innovative model for eliminating poverty in Africa. The corporation is launching a private sector-driven initiative to accelerate Guinea Bissau's economic development and help the country reduce poverty. Through its project development subsidiary—Africa Infrastructure—and with its Chinese equity and technical partners, WEMPCO, the AFC is launching a power generation initiative in Bissau. The initiative is anchored on an AFC-sponsored flagship electricity/Independent Water Power Production (IWPP) project. This investment will lead to a rapid deployment of emergency power using heavy fuel power generation, and



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will involve the rehabilitation and management of transmission and distribution.

The AFC will help improve Guinea Bissau's investment climate and attract investors to its strategic sectors—notably infrastructure and agribusiness. There is strong potential for investment in the country's strategic cashew nut sector. Here, AFC initiative will help build a certain value added, and bolster employment. It will also provide needed support in strengthening onshore processing in the country's fisheries industry.

Other areas of endeavour include hotel development for tourism, the development of port infrastructure and mining concessions. In essence, the AFC's support will involve basically upgrading a broad section of Guinea Bissau's economic platform by delivering the missing private sector investment of capital and technical capacity.

The AFC was established in May 2007 as an African and private sector-led investment bank and development finance institution with the express mission of improving the fundamentals of the continent's economies. Its aim is to do so by driving economic growth and industrial development in African countries—in particular by promoting the development of infrastructure.

AFC membership is open to African governments, African regional and sub-regional financial institutions, African public and private banks, financial institutions and private investors, and international private investors. The Government of Nigeria initiated the corporation's constituent agreement in 2007. Other African states from whom there has been equally strong support, and who are expected to become fellow signatories in the not too distant future include Ghana, The Gambia, Liberia, Sierra Leone, Senegal, Niger and Cote d'Ivoire. There is also significant interest from Eastern and Southern Africa. Given the organization's pan-African character, it anticipates an eventual make-up that will involve broad membership from most if not all African Union members.

*“At the AFC we truly intend to change the face of Africa,”* notes Ometoruwa. *“Our mission is to address the continent's development needs from a practical business approach, creating benefits and a better future for people while ensuring adequate returns for investors. There is an estimated \$130 billion of investment opportunities across Africa over the next five years. Through these opportunities, we intend to help drive the region's economic development. With the commitment of our members and the dogged determination of a group of truly devoted professionals, we know we will.”*

The AFC already has a strong and growing project pipeline. In December 2007, the consortium of AFC, Dangote Group and Western Metal Product Company (Wempro) signed a memorandum of understanding in Hong Kong with the Olokola Export Free Trade Zone Company (OKFTZC) and the Ogun and Ondo state governments of Nigeria. The project will develop Sub-Saharan Africa's first deep-sea container port project on the Atlantic coastline area of Olokola, Nigeria. The completion of this \$1 billion landmark project is expected to transform Africa's shipping and port capacity dramatically. The AFC consortium through the project developer/manager—AFC's Africa Infrastructure—has since launched a bankable feasibility study in Beijing with China Harbour Engineering Company (CHEC), the World's leading deep-sea port engineering firm.

For more information on the AFC, visit the corporation's website at [www.africafc.org](http://www.africafc.org)