

## **Developments in the Infrastructure Sectors – June 2016**

South Africa continue pioneering in ground breaking infrastructure projects that include waste to energy projects and concentrated solar power thermal generating energy project financed through syndication. Infrastructure development has taken centre stage in most African countries and Rwanda is showing the way by adopting a holistic approach to macroeconomic management.

## **Developments in the Infrastructure Sectors**

### ***1. Energy***

**South Africa (Source: BMI, August 2016)** - MBHE African Power has selected US-based Black & Veatch to provide technical assistance for a waste-to-energy project. The facility, which will be in the Drakenstein Municipality in Western Cape province, is understood to be the country's first waste-to-energy plant. The plant will contribute 10MW to the power grid, sufficient to power more than 10,000 local homes.

### ***2. Transport***

**Zambia (Source, BMI, August, 2016)** - Zambia signed a 25-year public-private partnership (PPP) contract with Groupe Européen de Développement Project Africa for designing, building, financing, operating and maintaining the 85km Kaluba-Mwenda Road in Luapula Province. The contract is reportedly the first PPP deal in the country. The road, part of the Kasomeno-Mwenda project, will be developed at a cost of USD180mn. The Kasomeno-Mwenda project will link the Democratic Republic of the Congo (DRC) with Zambia via an 180km road.

**Mozambique (Source, BMI, August, 2016)** - The Mozambican government has launched tenders for a public-private concession involving maintenance work on several national roads. The Government sought to introduce toll roads in the wake of ongoing growth of the national road network and increased maintenance needs. *Toll roads have become an important source for financing road development in Southern Africa region.*

## **5. Resource Mobilisation for Infrastructure Development**

The Rand Merchant Bank has closed a 100MW Kathu Solar Park that entails construction of one of the largest renewable energy transactions in the South African market. The concentrated solar power (CSP) thermal generating facility is located 10km from the town of

Kathu in the Northern Cape. (<http://www.howwemadeitinafrica.com/one-south-africas-largest-solar-projects-will-add-energy-mix/>). Alongside RMB, the lenders to the transaction include Absa Bank, the Development Bank of Southern Africa, Investec Bank and Nedbank. *This is a massive project that provides a good learning point for financing renewable energy projects.*

## **6.0 Conclusion**

Syndication promotion of environment friendly investments put the Bank in a good steady to attract funding for infrastructure development.