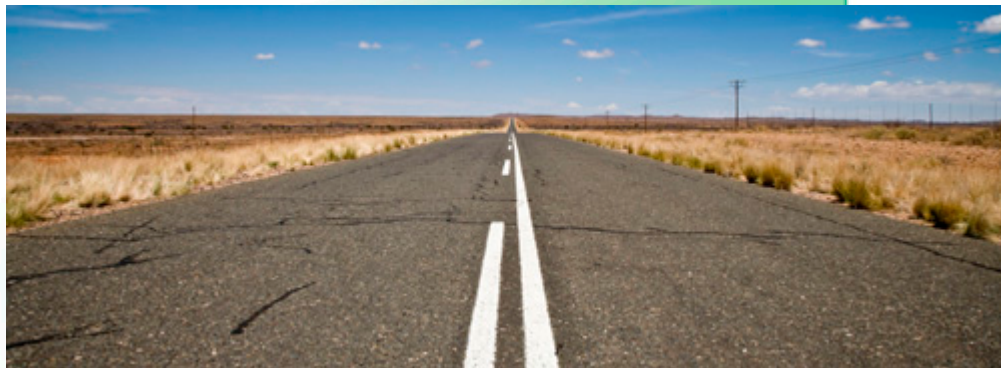


CONDITIONS FOR USE OF INFRASTRUCTURE PROJECT BONDS

by
Cédric Mbeng Mezui



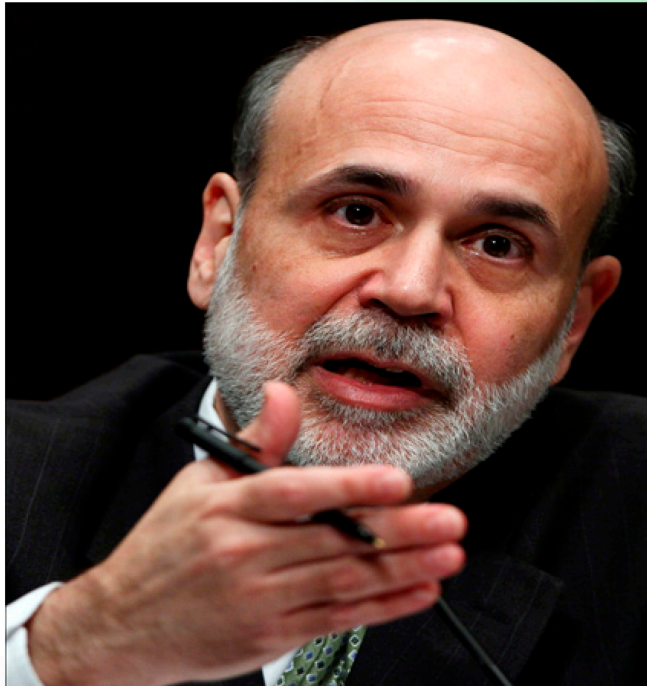
FINANCING THE FUTURE: INFRASTRUCTURE DEVELOPMENT IN CENTRAL AFRICA

Regional Conference
Yaoundé, Cameroon, March 10, 2014

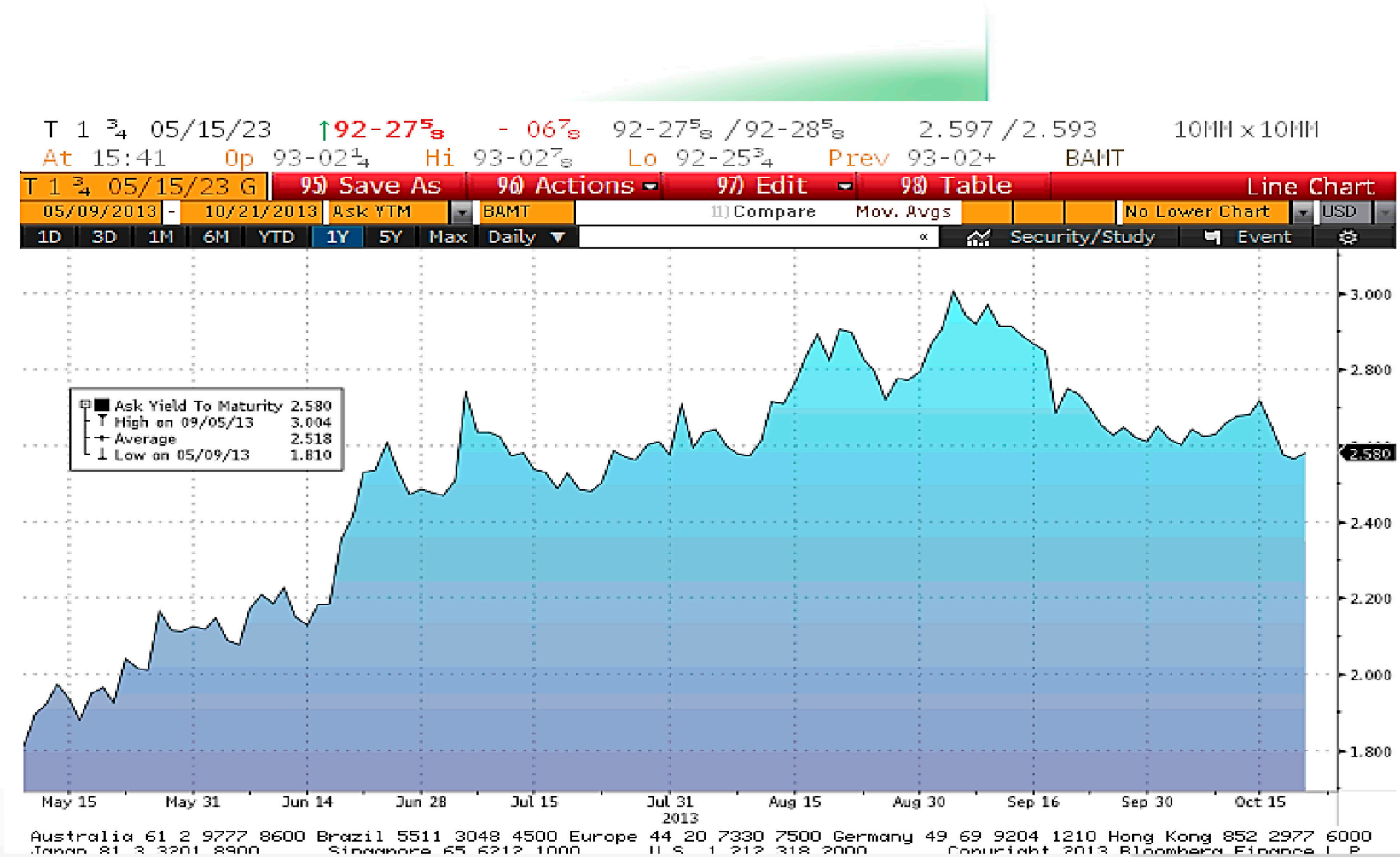


- **International Financial Environment**
- Infrastructure Deficit
- Project Bonds
- Main Challenges
- Role of Stakeholders
- Multilateral Development Banks

Goodbye "QE"



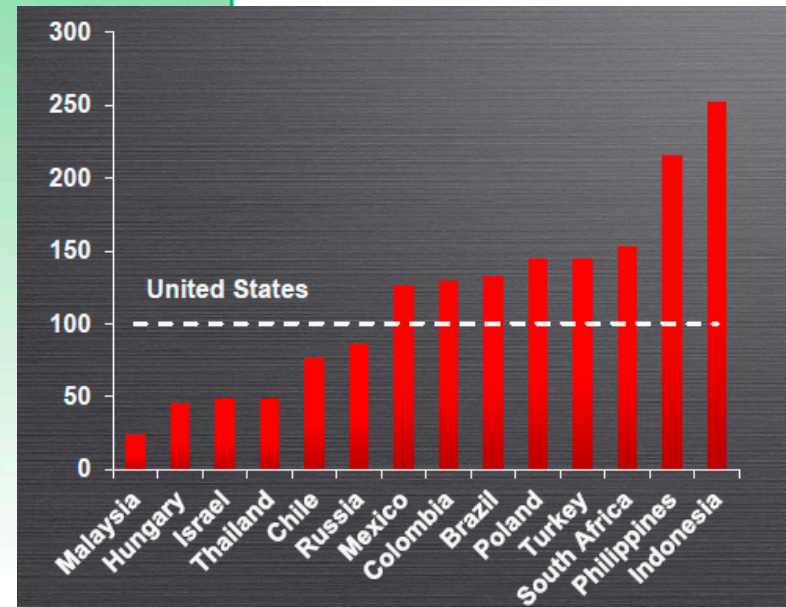
Hello "Tapering"



Impact on emerging economies

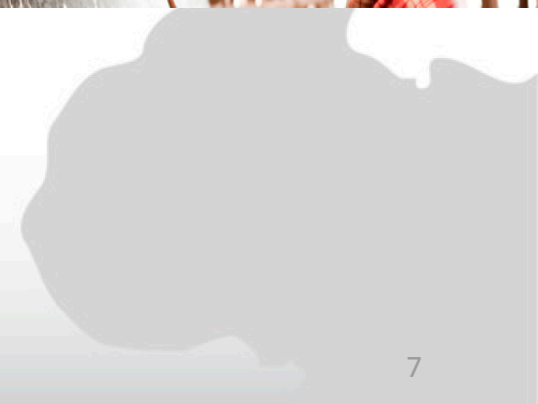
- *Capital flight;*
- *Higher bond yields;*
- *Equity price drops;*
- *Exchange rate depreciation against the USD;*
- *Etc.*

Sensitivity of domestic yields to external shocks (source, IMF)



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Global Needs



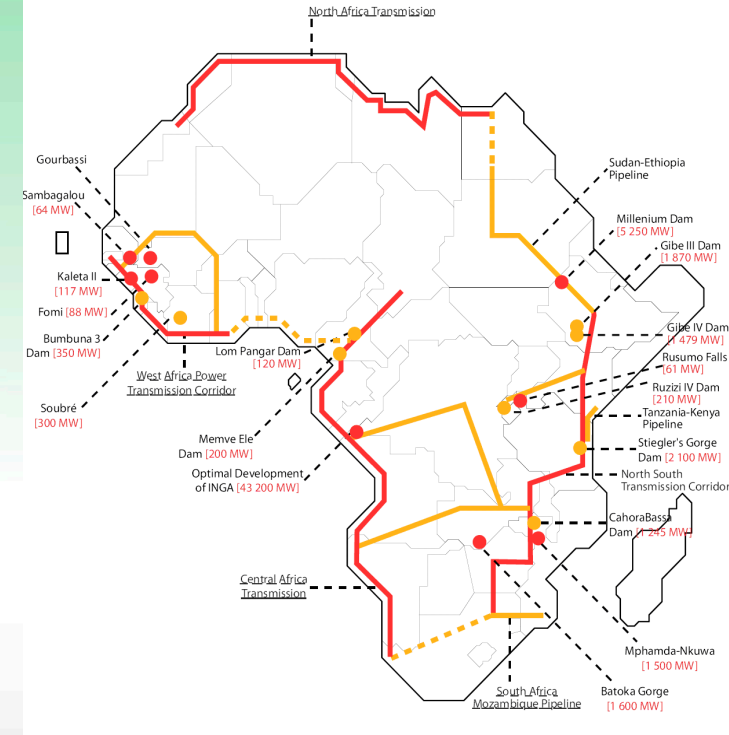
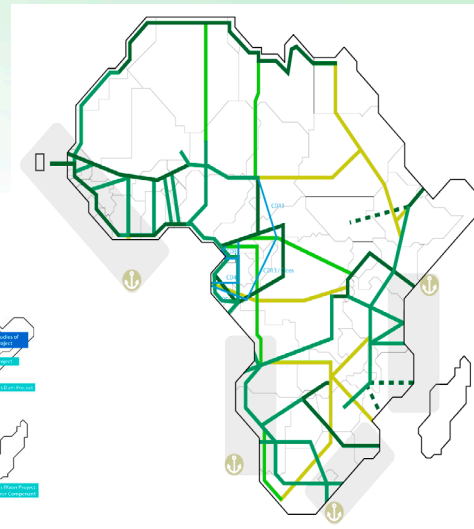
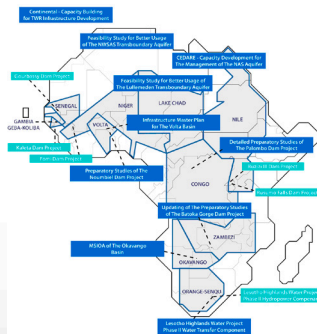
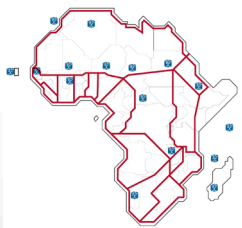
The 51 PIDA Priority Projects: (Timeframe 2020)...

ENERGY
US\$40 BILLION

TRANSPORT
US\$25 BILLION

WATER
US\$2 BILLION

ICTs
US\$0.5 BILLION



Infrastructure deficit: what are the implications for Africa?



US\$40 billion in lost annual growth every year

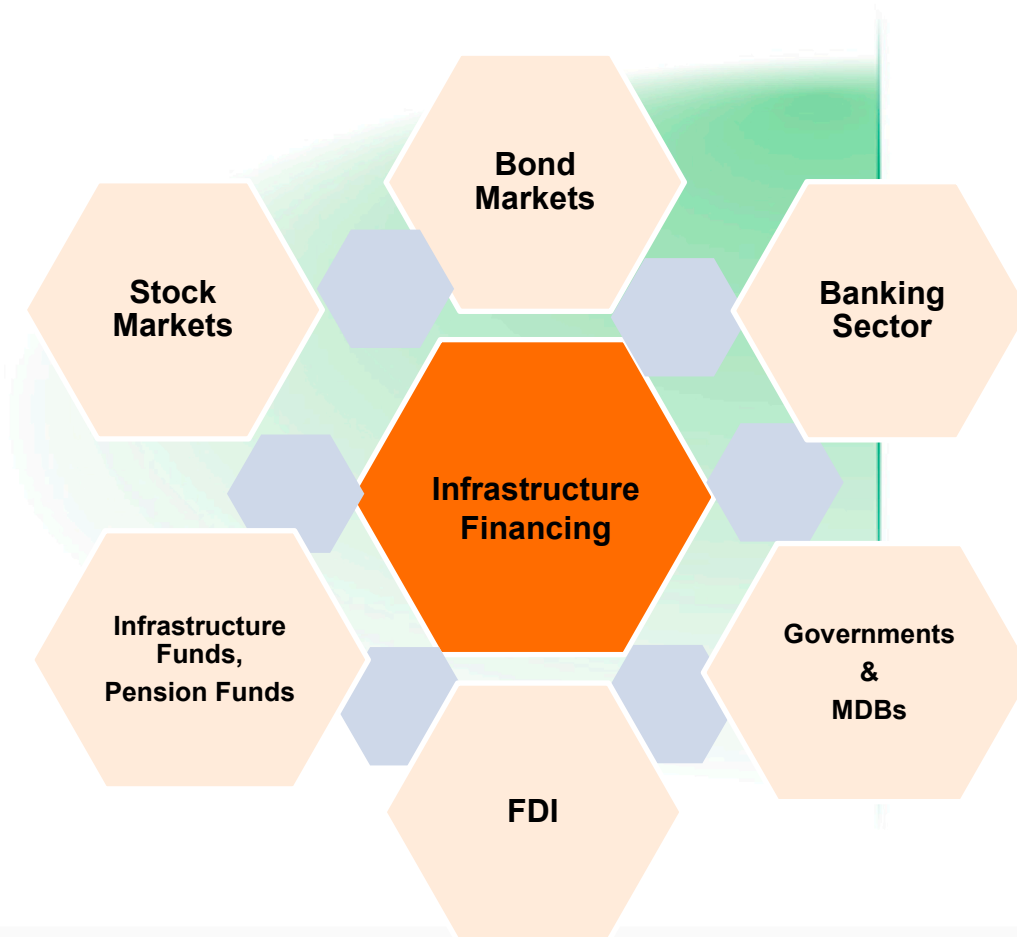


15 million young people entering the labor market every year in the years ahead

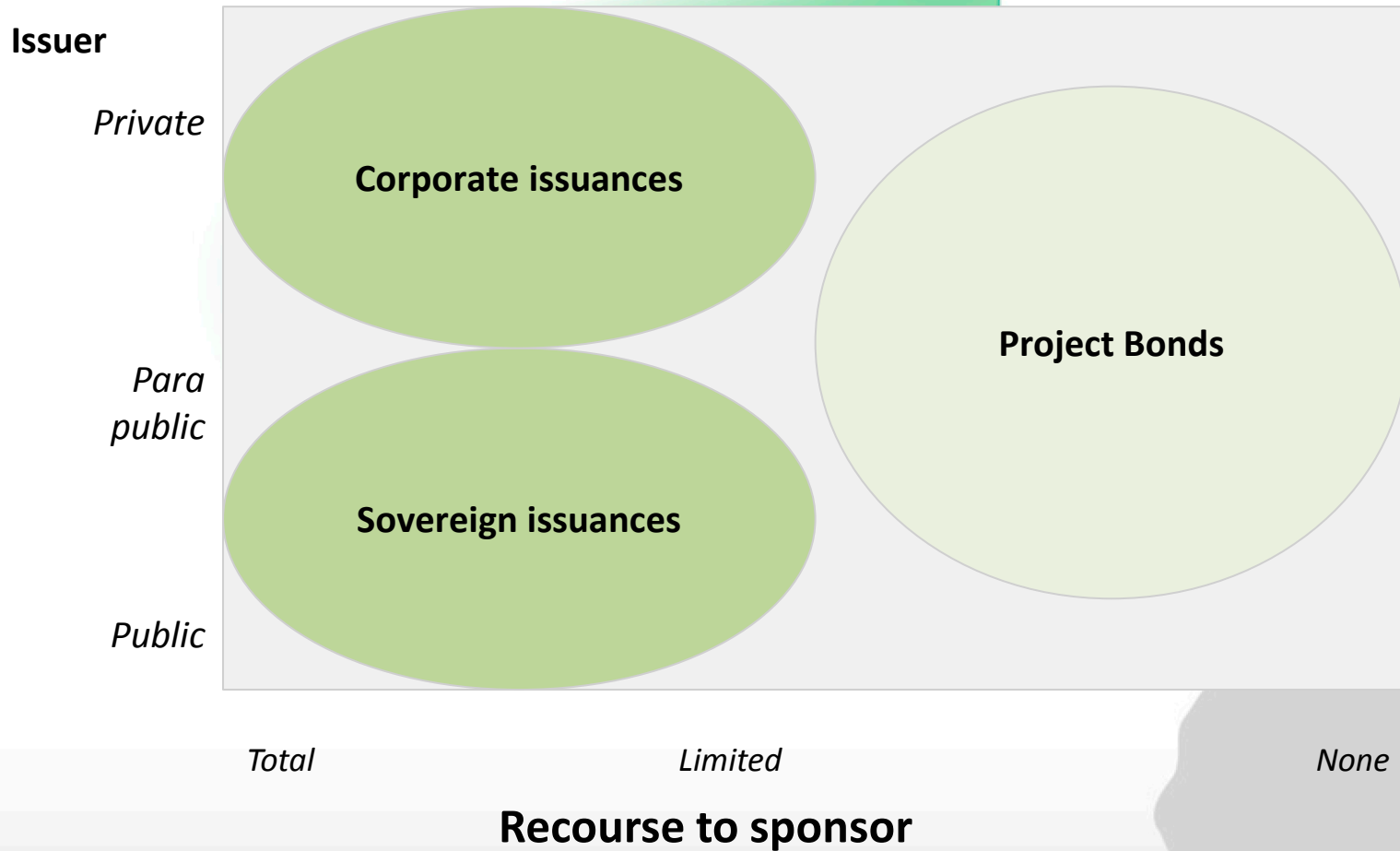
The annual infrastructure deficit is around US\$93 billion

- International Financial Environment
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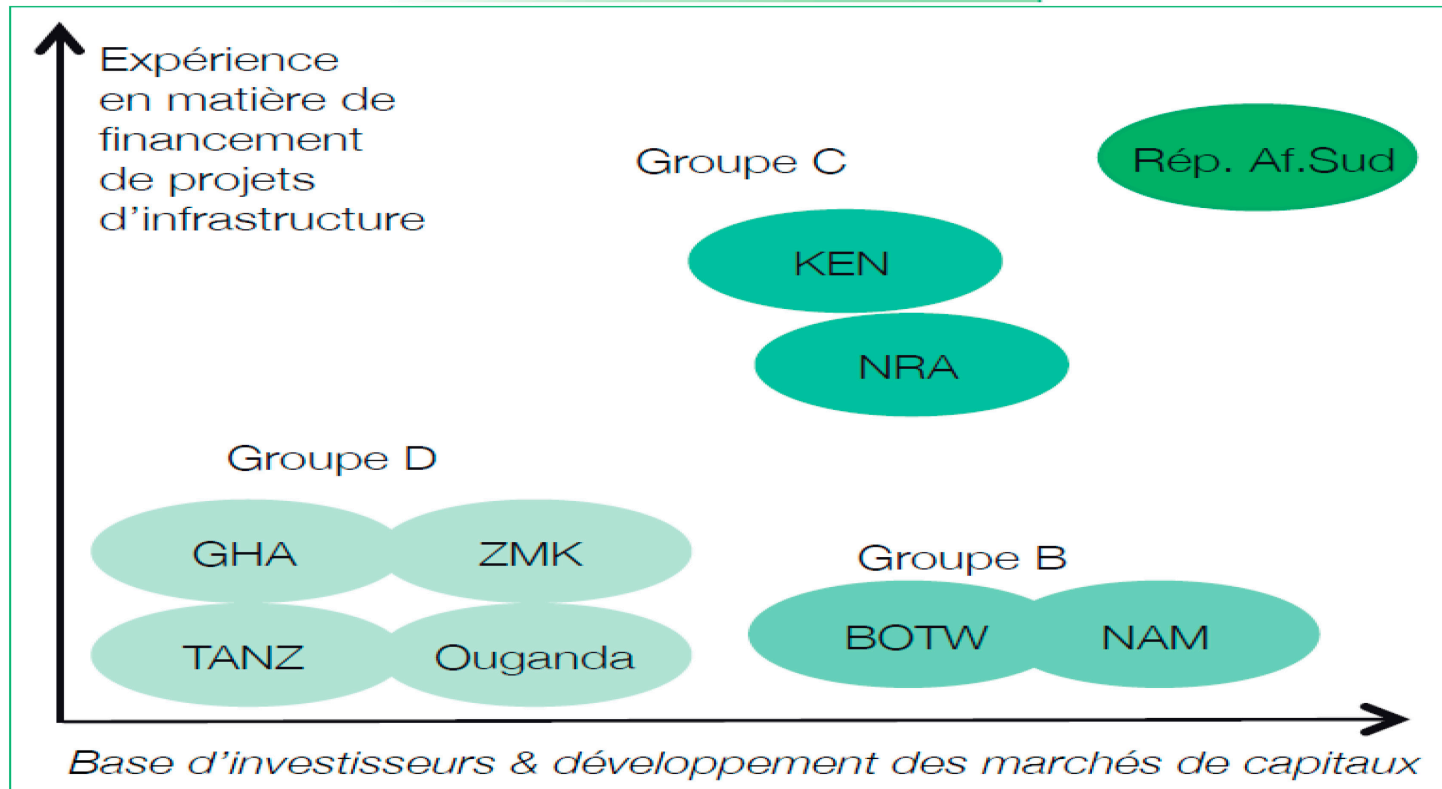
Need for Innovative Solutions



Opportune time for Project Bonds

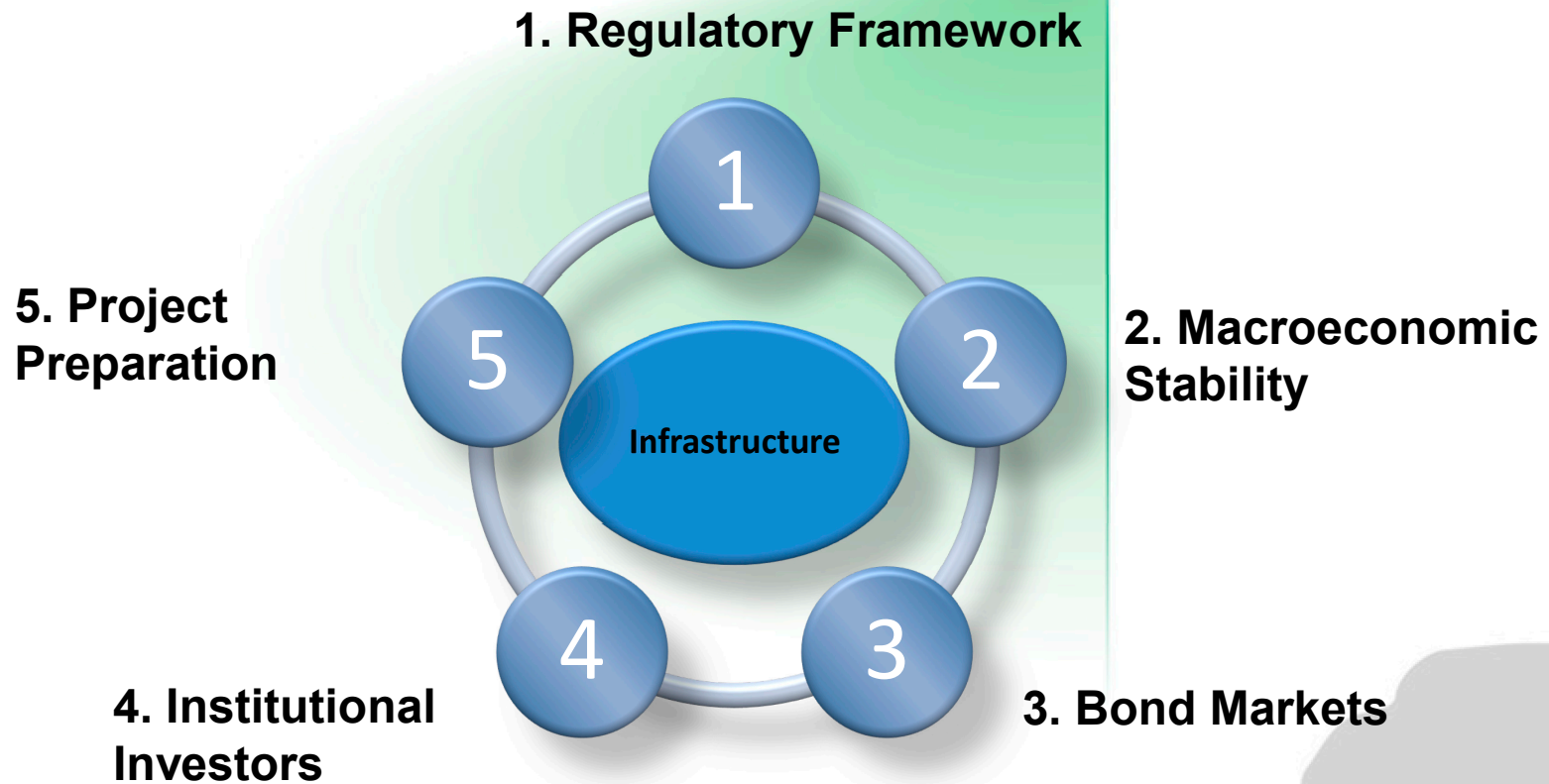


Situation in the pioneer markets



- International Financial Environment
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Main Challenges



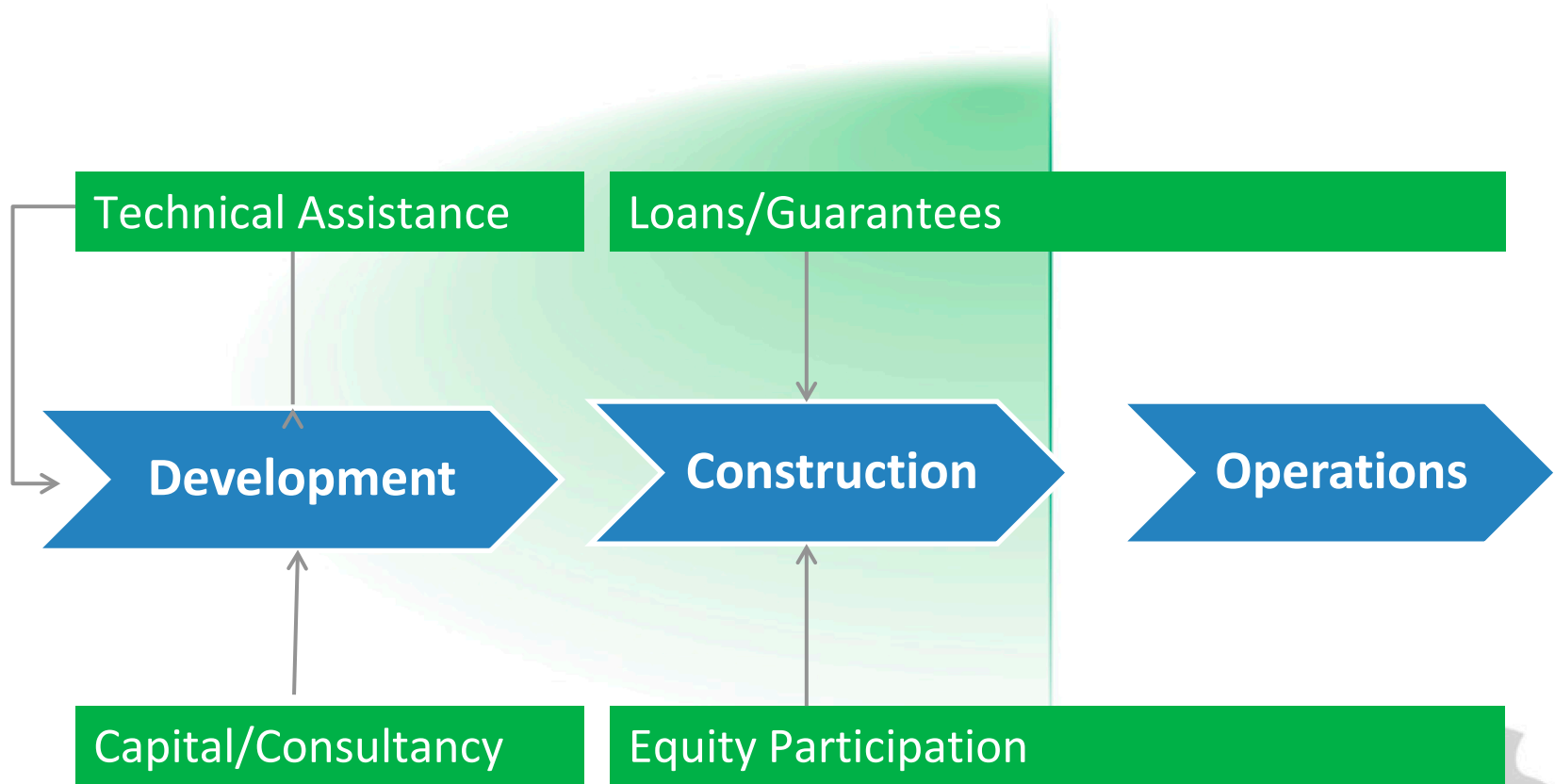
- International Financial Environment
- Infrastructure Deficit
- Project Bonds
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- **Role of Stakeholders**
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Participation by all is a must!

- The banking system;
- The financial market;
- Governments;
- Institutional Investors;
- Development partners;
- The private sector
- Etc....

- International Financial Environment
- Infrastructure Deficit
- Project Bonds
- Main Challenges
- Role of Stakeholders
- **Multilateral Development Banks**

The MDBs



The ADB

- Financial Sector Department
- African Financial Markets Initiative (AFMI)

<http://www.africanbondmarkets.org/en>

- Africa 50
- MFW4A

Bibliography

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3. ----- . 2013. **How Africa can plug Infrastructure Fund Gap**. African Banker Magazine, 4th Quarter 2013, London.
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Book:

Mbeng Mezui, C.A, and B. Hundal, (2013) **Financement structuré-conditions pour les obligations d'infrastructure en Afrique**, Banque Africaine de développement, Tunis, Tunisie.

Building today, a better Africa **tomorrow**

MERCI, THANK YOU, AKIBA, OBRIGADO,

شكرا

CONTACTS:

Stefan NALLETAMBY, Director Financial Sector Department
s.nalletamby@afdb.org

Cédric MBENG MEZUI, Coordinator of the African Financial Markets Initiative
(AFMI)
c.mbengmezui@afdb.org

Twitter: @mbengmezui