

 Early Warning System

AFDB-P-MZ-DC0-004

MOZAMBIQUE - "Portos E Caminhos de Ferro de Moçambique EP
(CFM)" - Prêt institutionnel



Quick Facts

| | |
|--------------------------------|---|
| Countries | Mozambique |
| Specific Location | Ressano Garcia Line, Maputo Corridor, Maputo, Beira |
| Financial Institutions | African Development Bank (AFDB) |
| Status | Approved |
| Bank Risk Rating | U |
| Voting Date | 2024-01-31 |
| Borrower | Portos e Caminhos de Ferro de Moçambique EP |
| Sectors | Agriculture and Forestry, Energy, Industry and Trade, Infrastructure, Mining, Transport |
| Investment Type(s) | Loan |
| Investment Amount (USD) | \$ 40.00 million |
| Loan Amount (USD) | \$ 40.00 million |
| Project Cost (USD) | \$ 70.00 million |



Project Description

As stated by the AfDB, Portos e Caminhos de Ferro de Moçambique EP (CFM) the rail and port authority of Mozambique, is a Public Enterprise that oversees the railway system of Mozambique and its connected ports.

CFM has approached the African Development Bank to contribute to the financing of its Strategic Plan for the period 2021 to 2024. The Plan entails a total investment of USD 978.7 million comprising of the capacity development of the ports (USD 469.4 million) and railways (USD 509.3 million). Of the USD 509.3 million investment for the railways, USD 136.9 million is earmarked for the acquisition of rolling-stock. The Bank has been requested to finance a portion of the rolling stock component with a senior corporate loan of up to USD 70 million to support CFM's acquisition of rolling-stock for its major corridor, the Ressano Garcia Railway Line.

The main commodities transported along the corridors comprise of raw and processed minerals, agriculture products, containerized freight, and bulk liquids. The Ressano Garcia Line services the Maputo corridor, which the targeted rolling stock will be deployed, is used mostly for the export of mineral products (bulk magnetite, ferro-chrome, chrome ore and coal) from South Africa's north easterly mining belt through the port of Maputo, which provides the shortest access to a seaport. With upgraded development and the efficient operation of the corridor, the potential to expand the corridor to transport mining products destined for exports from countries in the North-South Corridor, including the DRC, is extremely high.



Investment Description

- African Development Bank (AFDB)

As stated by the AfDB, although the tenor of the proposed financing is 12 years (including a 3-year grace period), available evidence suggests that hard currency financing for up to 10 years with a 2-year grace period is available to CFM from a local commercial bank, Standard Bank.



Private Actors Description

As stated by the AfDB, Mozambique Ports and Railways (CFM) is a legally constituted State-owned Company responsible for the operation of Ports and Railways and ensuring mobility and circulation needs are assured. A major restructuring process was successfully concluded by the Mozambique Railways Company resulting from reforms implemented in recent decades. This resulted in the transformation of a State-Owned Company into a Public Company through Decree 40/94 of September 13th.

As stated on the company's website, RITES Limited, a Navratna and Schedule 'A' Central Public Sector Enterprise under the Ministry of Railways, incorporated on April 26, 1974, is a multidisciplinary engineering and consultancy organization, providing a comprehensive range of services from concept to commissioning in all facets of transport infrastructure and related technologies.

The bid process has been finalized in November 2023 with Rites Ltd., India and Kintech International, China selected as preferred bidders. The expected delivery period from contract award for the locomotives and for wagons and tank containers is 15 to 18 months and 6 to 12 months, respectively.



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|-----------------|----------------------|------------------------|----------|---|----------------------|------------------------|
| - | - | - | - | Portos e Caminhos de Ferro de Moçambique EP (CFM) | Client | Transport |
| - | - | - | - | RITES Ltd., India | Contractor | Infrastructure |
| - | - | - | - | Standard Bank Group Ltd | Investor | Finance |
| - | - | - | - | Total Energies SE | Undisclosed | Energy |



Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents>. Under the AfDB's Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at <https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process>

ACCOUNTABILITY MECHANISM OF AfDB

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Bank Documents

- [Appraisal report \(English\)](#)
- [Appraisal report \(French\)](#)
- [ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN](#)