Early Warning System

IFC-44846

Arise Special Economic Zone

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Quick Facts

Countries	Benin, Congo, Republic of, Rwanda, Togo
Specific Location	Cotonou, Tori-Bossito, Ze (B), Zio, Dalavé, Kpomé, Lomé (T), Bugesera (R), Loango, Pointe Noire (C)
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	A
Voting Date	2023-12-22
Borrower	ARISE Integrated Industrial Platforms Limited
Sectors	Agriculture and Forestry, Construction, Industry and Trade, Infrastructure
Investment Type(s)	Loan
Investment Amount (USD)	$ 264.96 million
Loan Amount (USD)	$ 264.96 million
Project Cost (USD)	$ 922.05 million

Project Description

As stated by the IFC, Arise Integrated Industrial Platforms Ltd (Arise IIP or the company) is a developer and operator of Special Economic Zones (SEZ) and Industrial Parks across Africa. The sponsors of Arise IIP are Africa Finance Corporation (AFC) and Africa Transformation and Industrialization Fund (ATIF) who own 75.92% and 24.08%, respectively, of the company. Arise IIP is a developer and operator of SEZs that provide common infrastructure and services (such as energy, water, and wastewater and waste management), good export connectivity and simplified administrative procedures to SEZ tenants. A key aim of the SEZs is allow the processing of raw agro-commodity products in their country of origin and generate added value prior to export and create employment opportunities.
Arise currently has operational SEZs in Gabon, Togo (Phase 1), and Benin (Phase 1) and a number under development across Africa. Each SEZ is a joint venture with the respective government of the host country.

The proposed investment is a corporate finance loan of up to € 250 million in A-Loan, B/Parallel Loans, and an IDA PSW subordinated tranche, with defined use of funds to develop:
(i) Phase 2 of the Plateforme Industrielle d'Adétikopé (PIA) in Togo;
(ii) Phase 2 of the Glo Djigbé Industrial Zone (GDIZ) in Benin;
(iii) Phase 1 of Plateforme Industrielle Du Congo (PIC) in the Republic of Congo – RoC (greenfield); and
(iv) Phase 1 of Bugesera Special Economic Zone (BSEZ) in Rwanda (brownfield).
This is collectively referred to as the project. The funds will be utilized for the construction of hard assets for the industrial real estate – i.e., land preparation, internal road network and lighting, connections to the national electricity grid and internal distribution, water abstraction, treatment and distribution, wastewater management, waste management, internet network, warehouses, inland container depot, truck parking bays, fire station, and other ancillary infrastructure and services. Tenants will lease serviced plots within the SEZs and will be responsible for construction, operation, and maintenance of their own facilities. SEZ operations refer to activities undertaken to operate and maintain the common infrastructures and services.
In Togo, PIA Phase 2 will be developed on 328 ha of land located in the municipality of Zio 1 (Cantons of Dalavé and Kpomé), approximately 27 kilometres (km) from the City of Lomé, and approximately 9.7 km east of Phase 1 site. Phase 2 includes a 260-meter-wide industrial corridor with a road connecting to the Phase 1 site. At the time of appraisal, construction of the road had commenced.
In Benin GDIZ Phase 2 will be developed on 690 ha of land contiguous to Phase 1, located in the municipalities of Tori-Bossito and Ze, about 45 km from Cotonou along the interstate national road. Both SEZs are within a peri-urban zone consisting of a mix of settlements, industrial and agriculture areas. Other than the road component, construction of PIA and GDIZ Phase 2 had not yet commenced. SEZ construction is expected to commence in the fourth quarter of 2023 and expected to last 18 months.
In the RoC, the project is located on 484 ha of land in the municipality of Loango, approximately 15 km west of Pointe Noire, and adjacent to the Atlantic Ocean.
In Rwanda, the project is located on 320 ha of land in the Bugesera district, about 50 km, south of Kigali, near the new Bugesera airport, and 10 km before the Burundi border.

Investment Description

- International Finance Corporation (IFC)

As stated by the IFC, the financing for each country will be:
(i) GDIZ Benin with Euro 100 million;
(ii) PIC Republic of Congo with Euro 80 million;
(iii) BSEZ Rwanda with Euro 40 million; and
(iv) PIA Togo with Euro 30 million.

Private Actors Description

As stated by the IFC, ARISE shareholders are Africa Finance Corporation (AFC) and Africa Transformation and Industrialization Fund (ATIF), who own 75.92% and 24.08%, respectively. AFC is a multilateral financial institution created and owned by African sovereign states, with a minority private sector ownership, and operated in line with private sector governance principles.

ATIF is a management and employee-sponsored fund led by Mr. Gagan Gupta, ARISE's Founder and Chief Executive Officer. ATIF is registered in the United Arab Emirates and regulated by the Abu Dhabi Global Market.

As stated on the fund's website, ATIF is an investment company that aims to bring solutions to the problems hampering African development. To do so it will invest, alone or with co-investors, in assets supporting the continent’s industrialization and economic development

As stated by Bloomberg, Africa Finance Corporation (AFC) provides banking solutions. The Company offers project development, technical advisory, principal investing, corporate finance, and financial advisory services. AFC serves power, infrastructure, oil and gas, telecommunications, chemical, manufacturing, cement, agro-processing, maritime, and logistics sectors in Africa.

As stated on the subisidary companies' websites:

GDIZ is a public-private partnership between the Republic of Benin and ARISE IIP. Arise IIP has signed a public-private partnership with the Beninese government to design, finance and operate the Glo-Djigbé Industrial Zone (GDIZ). Arise IIP supports the entire investment of 1.5 billion USD for the construction of the industrial zone.

PIA is a vertically integrated industrial zone, focused at creating thriving value chains for storage, processing, manufacturing, and export. Strategically located on the backbone of Lomé – Burkina industrial corridor, PIA offers the best entry to the ECOWAS and landlocked region of West Africa. PIA will be a special economic area for local and foreign investors, replete with an advantageous tax regime, modern infrastructure and integrated multimodal logistics services. PIA is a public-private partnership between the Republic of Togo and Arise Integrated Industrial Platforms.

The Plateformes Industrielles du Congo (PIC) is a Public Private Partnership between the Republic of Congo Government (30%) and Arise IIP (70%) focused on the strategic development of the Congolese economy.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Africa Finance Corporation	Parent Company	Finance	owns	ARISE Integrated Industrial Platforms Ltd.	Client	Industry and Trade
Africa Transformation and Industrialization Fund	Investor	Finance	invests in	ARISE Integrated Industrial Platforms Ltd.	Client	Industry and Trade
ARISE Integrated Industrial Platforms Ltd.	Client	Industry and Trade	owns	Glo-Djigbé Industrial Zone	Subsidiary	Industry and Trade
ARISE Integrated Industrial Platforms Ltd.	Client	Industry and Trade	owns	Plateforme Industrielle d'Adétikopé	Subsidiary	Industry and Trade
ARISE Integrated Industrial Platforms Ltd.	Client	Industry and Trade	owns	Plateformes Industrielles du Congo	Subsidiary	Industry and Trade

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Local access for project documentation:

Unit N1203 – Level 12 – Emirates Financial Towers | Dubai International Financial Centre DIFC, PO Box 507176 – Dubai (UAE).

Subsidiaries -

Plateformes Industrielles du Congo:

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Plateforme Industrielle d'Adétikopé:

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Bank Documents

- Environmental and Social Review Summary
- ESIA GDIZ ENG_BENIN
- ESIA PIA_Phase 2 ENG_TOGO
- ESMP PIA_Phase 2 ENG_TOGO
- SEP PIA_Phase 2 ENG_TOGO

Other Related Projects

- IFC-48019 Star Garments Group Togo CMT Expansion