

 Early Warning System

IFC-49097

Safaricom Ethiopia Debt II



Quick Facts

Countries	Ethiopia
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	SAFARICOM TELECOMMUNICATIONS ETHIOPIA PLC
Sectors	Communications
Investment Type(s)	Loan
Investment Amount (USD)	\$ 350.00 million
Project Cost (USD)	\$ 8,000.00 million



Project Description

According to the Bank's website, Global Partnership for Ethiopia BV ("GPE") was announced as the sole winner of Ethiopia's mobile telecommunication license in May 2021 following a competitive bid process run by the Government of Ethiopia. The license authorizes GPE to build, own and operate a nationwide public telecommunication network through its wholly owned subsidiary, Safaricom Telecommunications Ethiopia Private Limited Company ("STEP" or the "Company"). The Company plans to roll out, launch and operate its 2G, 3G and 4G networks across the country, enabling it to provide increased access to quality mobile and fixed connectivity solutions for individuals, corporates and the government (the "Project"). The Project aligns with the government's plan to modernize the Ethiopian economy and shift from a state-oriented development model to more liberalized models, including within the telecommunication sector.



Early Warning System Project Analysis

This is a Category B project based on IFC's Policy on Environmental and Social Sustainability. Based on IFC's review, coupled with existing knowledge of the client and sector, the project is expected to have limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.



Investment Description

- International Finance Corporation (IFC)

The Company plans to invest over USD8 billion in Ethiopia over the next 10 years. Under this proposed Project, IFC is considering providing STEP with a loan of up to USD 350 million to support the Project (subject to review and approval by Safaricom ET's shareholders).



Private Actors Description

Safaricom Telecommunications Ethiopia private limited company is the Ethiopian operating company that is owned by the Consortium through Global Partnership for Ethiopia BV as the investment vehicle holding their equity interest in the Project.

Shareholders

Voda Family Ethiopia Holding: Voda Family is a special purpose vehicle holding the interest of Safaricom PLC (Kenya), Vodacom Group (South Africa), and Vodafone Group (UK).

Safaricom PLC is a leading purpose led technology company that provides a wide range of services and solutions, including mobile voice, messaging, data, financial and converged services in Kenya. It is also the company behind M-PESA, a leading African mobile financial services platform and is listed on the Nairobi Securities Exchange in Kenya.

Vodacom Group, including Safaricom, serves 203 million customers spanning across the consumer and enterprise segments. From its roots in South Africa, Vodacom Group has grown its business to include operations in Tanzania, the DRC, Mozambique, Lesotho, Kenya and more recently Ethiopia and Egypt. Population reach across the markets exceeds 500 million people.

Vodafone is the largest pan-European and African telecoms company. Vodafone provides mobile and fixed services to over 300 million customers in 17 countries, partner with mobile networks in 43 more and have one of the world's largest IoT platforms. In Africa, Vodafone's financial technology businesses serve more than 76 million customers across eight countries – managing more transactions than any other provider. Vodafone's purpose is to connect for a better future by using technology to improve lives, businesses and help progress inclusive sustainable societies. Vodafone is committed to reducing its environmental impact to reach net zero emissions by 2040.

Sumitomo Corporation is a leading Fortune 500 global trading and business investment company with 128 locations in 66 countries and regions. The Company conducts commodity transactions in all industries utilizing worldwide networks, provides customers with financing, serves as an organizer and a coordinator for various projects, and invests in companies to promote greater growth potential.

British International Investment (formerly CDC) is the world's first development finance institution, owned by FCDO (previously DFID).

International Finance Corporation (IFC) — a member of the World Bank — is the largest global development institution focused on the private sector in emerging markets. IFC works in more than 100 countries.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Safaricom Telecommunications Ethiopia	Client	-



Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>



Bank Documents

- [Environmental & Social Review Summary \(ESRS\)](#)