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KfW Ipex-Bank leads €157mn Angolan road financing

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German state-owned development institution KfW Ipex-Bank has led an export credit facility worth €157mn to enable the re-development of a 146km stretch of road in Cuando Cubango province, Angola.

KfW Ipex-Bank acted as mandated lead arranger and bookrunner for the loan to the Angolan Ministry of Finance. DZ Bank and Oddo BHF joined during the primary syndication as co-lead arrangers. The loan is 95% backed by German export credit agency (ECA) Euler Hermes.

A Kfw-Ipex Bank spokesperson says the deal was signed recently, but declined to provide the tenor.

The project will be undertaken on behalf of the Angolan road authority, the Instituto de Estradas de Angola, by a German construction consortium comprised of Gauff Engineering and Inzag Germany.

Both companies are focused on infrastructure development in Africa, and both have previously worked to renovate Angolan roads.

In 2022, Gauff was **contracted to build a vaccination centre** (<https://www.gtreview.com/news/africa/angola-gets-two-standard-chartered-loans/>) in the country, supported by a Standard Chartered loan also backed by Germany's ECA, and Inzag is currently building flyovers in the country's capital, Luanda.

The new project is a section of the EN140/295 national road that runs through the southeastern province. KfW Ipex-Bank says the rehabilitation aims to facilitate increased trade and agriculture as well as connect rural areas of Angola to economic hubs, allowing better access to education and healthcare.

This is the latest in a series of large ECA-backed loans closed by the Angolan government in recent years, including a **US\$1.6bn loan** (<https://www.gtreview.com/news/africa/angola-secures-another-us-exim-loan-for-solar-and-water-project/>) from the Export-Import Bank of the United States for solar grids and a **€1.29bn Standard Chartered deal** (<https://www.gtreview.com/news/africa/angola-lands-jumbo-eca-backed-stanchart-loan-for-solar-infrastructure/>) backed by Euler Hermes for electrification.

The deals come as Angola faces a debt crunch. The country's government has delayed paying public sector salaries because it is spending almost all its revenues on servicing domestic and foreign debts, *Bloomberg* reported earlier in August, including the roughly US\$17bn it owes to Chinese creditors.

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