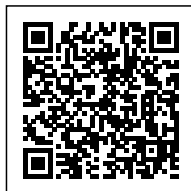


# ENTERING A NEW PROJECT PHASE - RAPOSO BERNARDO

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**Angola and Mozambique may be on opposite sides of Africa but they are experiencing similar types of project development, with the predominant focus on transport and communication infrastructure, says Nelson Raposo, Managing Partner of Lisbon-based Raposo Bernardo which is active in both countries.**

"Angolan projects are almost always self-financed with a large degree of State intervention and also of Sonangol, which works almost as a sovereign fund, but there is increasing interest within the expanding banking sector to look at project funding."

This is in direct comparison to Mozambique where most projects are still financed by international aid and support programmes, he explains. In neither country is there yet much PPP/PFI experience as known in Europe.

"The usual scenario is that the State launches a bid, a private company executes the project, receives payment and remains completely outside the subsequent exploitation. Neither Angola or Mozambique generally looks to share the risk in the conception, construction and exploitation of projects, in part because of the limited need for private finance."

Construction opportunities clearly exist but challenges remain for operators, while he also

emphasises the need for in-depth market knowledge and a trusted local operating partner, which may be the State. "Each country has its own priorities and development rhythms but it is essential to understand how the State works and if necessary to engage with it."

In Angola, obtaining visas may be problematic, operating and staff costs can be high and it is common to experience approval delays. In Mozambique, the major issue remains transport and communication but which also present ongoing opportunities, says Raposo.

"Mozambique still needs to focus on basic infrastructure to better connect the country. Angola is however experiencing a 'second' phase of development, with a greater focus on housing, schools and hospitals, which is drawing in new operators and investors."