

# IFC in talks for Safaricom equity stake

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The International Finance Corporation (IFC) is in talks with the Global Partnership for Ethiopia (GPE) consortium for a \$160 million equity investment in the latter's Safaricom Telecommunications Ethiopia (STE) vehicle.

GPE was awarded Ethiopia's first telecoms licence in [May 2021](#) after putting in a \$850 million bid.

The IFC is also involved in the debt talks, as part of the effort to project finance the \$1 billion mobile network roll-out project in the East African state.

The IFC intends to support GPE to comply with the terms of the licence awarded by the Ethiopian Communications Authority (ECA), which in turn had been advised by the IFC during the tender process.

The World Bank Group member was again mandated by ECA for the [second licence](#), but this was [indeterminably delayed](#) alongside the postponement of the proposed partial privatisation of Ethio Telecom earlier this year (2022). The government cited local and international macroeconomic reasons – the country has been embroiled in civil war since April 2018.

STE envisages a 10-year plan for the Ethiopian telecoms sector, amounting to as much as \$8 billion in investment over the given time period. The company is starting out with its \$1 billion project to launch and operate 2G, 3G, 4G networks across Ethiopia and 5G in selected areas.

The STE ownership structure currently resembles:

- Safaricom – 55.7%
- Vodacom – 6.2%
- Sumitomo – 27.2%
- British International Investment (BII, previously CDC) – 10.9%

Safaricom and Vodacom's combined 61.9% is controlled through a special purpose vehicle (SPV) which is 90% owned by Safaricom, 10% owned by Vodacom, and one share owned by Vodafone. The SPV is named Vodafamily Ethiopia Holding Company.

Standard Bank is understood to be another lender besides the IFC taking part on the deal.

GPE is being advised by:

- Bowmans – legal
- DLA Piper – legal
- Norton Rose Fulbright – legal

The IFC was approached for comment, but had not replied by the time of publication.

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