

Background:

According to a report published by the African Development Fund last year, only 5% of all roads in Tanzania are paved.

Because of heavy rain, the unpaved roads are un-passable during the TWO rainy seasons each year, the unpaved roads cannot be used to transport exports to markets, students to schools, professionals to their jobs during about 6 months of each year.

- the heavier of the two from March to May, and the lighter one from November to January.

The lack of usable infrastructure has played a key role in holding Tanzania back from developing its many potentially profitable industries such as mining and tourism.

It has also caused major inefficiency in current development projects.

For example, the International Development Association has given Tanzania \$190 million in loans for building up the bus system in Dar es Salaam, the country's biggest city and home to its strongest port. The money is also supposed to fund the rehabilitation of 170 kilometers of road. **This leaves about 80,000 km unpaved countrywide.** What is unclear is who is managing and who is building this bus system and why it believed that the current bus system is not sufficient.

The reality as we saw it was that the problem lay in the lack of roads.

Business Model:

Continue paving roads, without which the buses will be useless.

It is not a wildly innovative idea, but it was somehow overlooked in the World Bank design, and we want to step in to fill the gap and ensure that the investment into buses was not in vain.

We are a private company that would take responsibility for paving _____ km of road. Our funding will come from selling shares, with payback in dividends in ____ years. We believe that the project will draw a variety of investors, from people working in local enterprises, whose market access will be greatly expanded, to foreign investors looking to improve the general investment climate in this resource-rich country.

We will also collect a small tax from the revenues of the bus companies to fund maintenance of the roads. These costs will be divided evenly amongst passengers, as it will be included in the ticket price.

This form of capital recuperation is slow. However, the results will be almost immediate once the roads are built, since they will increase the movement of human and physical capital and stimulate the economy. The shares of the company will rise and bring in funding at a faster rate.