Providing the funding and expertise to develop early-stage infrastructure projects in sub-Saharan Africa
Our Purpose

InfraCo Africa seeks to alleviate poverty by mobilising private sector expertise and finance for sub-Saharan infrastructure projects.

Infrastructure provides the power, communications and transport that businesses need to produce goods and connect to markets; infrastructure is therefore a driver of economic growth. Businesses catalyse the economic opportunities that will improve people’s livelihoods and generate the revenues needed for governments to invest in public services. Households can also directly benefit from investments in infrastructure, especially those that provide clean water, power or improve food security. Improvements to infrastructure can facilitate economic growth and contribute to poverty reduction.

Infrastructure development is capital intensive and dependent on foreign direct investment in emerging markets. Africa’s annual infrastructure funding needs have been estimated at US$93bn annually, a cost that can’t be met solely by the public sector. However, projects struggle to mobilise sufficient private sector investment, particularly during the earliest stages of development, when resource, regulatory frameworks and commerciality might be unproven. Between 2003 and 2013 sub-Saharan Africa closed 158 project finance deals with debt totalling US$59 billion which, according to the World Bank, represents just 3% of global project financing.

InfraCo Africa can help mobilise private sector participation and investment. We provide funding and expertise to projects at their earliest stage, enabling them to grow from an initial concept to a bankable investment opportunity. We also partner with host governments and the private sector, working with both to address market gaps and develop regulatory frameworks that support private sector participation in infrastructure development. Our involvement reduces the risks and costs associated with early stage project development and facilitates private sector investment.

The initial stages of project development require relatively little finance but the high levels of risk can deter private sector investors.

Source: GIB / UNEP Aequero
Our Scope

We balance commercial viability and development impact, seeking to support those projects that the private sector consider to be too high risk but have the potential to be bankable. We apply our Operating Policies and Procedures to ensure projects are developed to international standards, have a positive developmental impact and become high quality, sustainable investment opportunities.

Countries

We have developed projects across sub-Saharan Africa. We prioritise Least Developed Countries (LDC), Other Low income Countries (OLIC) and fragile or conflict-affected states (as defined by the OECD).
Sectors

Energy
We support power generation, transmission and distribution projects, including rural electrification. We prioritise the development of gas-fuelled or renewable power such as solar, wind, hydro or geothermal.

Water
We support projects that provide water and water-related services to urban or rural populations. We prioritise the treatment and supply of clean drinking water, and the development of irrigation systems for farms and market gardens.

Transport
We support projects that develop transport infrastructure including rail systems and services, ports and harbours, ferries, roads, bridges and tunnels. We prioritise projects that create regional trade corridors.

Additionality
We will only get involved in a project when we provide something additional to what the private sector or others can bring. We do not subsidise the private sector, instead we aim to:

- Pioneer a new technology or innovative approach
- Design efficient, effective and sustainable solutions
- Enhance governance, environmental and social standards
- Equip local stakeholders with the experience and tools they need to develop further infrastructure projects
- Share benefits with local communities to improve livelihoods and living standards
- Provide financing that cannot be obtained elsewhere

For the full list of eligible sectors and countries please see our Operating Policies and Procedures which is available through our website: www.infracoafrica.com
Our Capability

InfraCo Africa was established by the Private Infrastructure Development Group (PIDG), an organisation funded by governments and multi-lateral agencies. The PIDG mobilises private sector investment into infrastructure within developing countries to boost economic growth and combat poverty: it does this by providing specialised financing or project development expertise to address market gaps and barriers. To date, the PIDG has received US$1.14 billion from members and delivered 115 projects and 95 grants across 52 countries. Collectively, this has incentivised the private sector to commit US$19 billion in new investment.

InfraCo Africa receives funding through its shareholder, the PIDG Trust, from the governments of the UK (DFID), Netherland (DGIS), Switzerland (SECO) and Austria (ADA). To date, we have received US$126 million in funding. We were established and operate as a private limited company which is registered in England and Wales.

To find out more about PIDG and the other PIDG companies please visit: www.pidg.org
We do not work alone, partnerships and people are key to successful projects. We can work with you:

**Directly**
If an experienced developer is already leading an infrastructure project then we can provide additional early-stage funding as well as experienced oversight and support.

**Through our developers**
We develop pioneering projects in countries that may not have sufficient local resources, whether within the private sector or host governments. We can therefore fund experienced developer teams such as eleQtra (our principal developer) and Aldwych, to provide on-the-ground project development leadership and support.

**As a PIDG company**
We can source grant funding for technical and environmental studies, to support host governments where regulatory frameworks are being implemented for the first time or, in some cases, to partially fund capital costs. We can also provide early stage equity and subordinated debt funding. This allows us to maintain our commitment when a Highly Additional project needs our on-going support, in order to demonstrate commercial viability and attract further investment.

InfraCo Africa can provide the funding and project development expertise needed to take an infrastructure project from concept to bankable investment opportunity.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Early-Stage Development</th>
<th>Advanced Development</th>
<th>Financial Close</th>
<th>COD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide expert oversight and management</td>
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<td>Finance development activities</td>
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<td>Provide on-the-ground expertise</td>
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</tbody>
</table>

**Source grant funding**
**Provide bridge-financing**

Invest through debt or equity

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<thead>
<tr>
<th>Directly</th>
<th>Through our developers</th>
<th>As a PIDG company</th>
</tr>
</thead>
</table>

To find out more about our developers please visit their websites: [www.eleqtra.com](http://www.eleqtra.com) and [www.aldwychafrica.com](http://www.aldwychafrica.com)
Our Impact

InfraCo Africa was established in 2004, since then we have successfully developed six projects through to Financial Close and are currently developing a range of opportunities across sub-Saharan Africa. We’ve mobilised US$643 million in committed investment from Development Finance Institutions (DFIs) and US$1.43 billion from the private sector. This investment has provided approximately 13 million people with new or improved access to infrastructure which in turn has improved people’s living standards and income, powering economic growth. Our projects are often recognised for their quality and sustainability: for example, Cabeólica won the prestigious “Ashden Award for Small Island Developing States” in 2013 and Cenpower won the Project Finance International (PFI) “African Power Deal of the Year” in 2014.

To find out more about our projects please visit our website: [www.infracoafrica.com](http://www.infracoafrica.com)
Working with you

Our mandate is to mobilise and not displace private sector investment. We will not get involved in a project if it could attract the financing it requires from other private or DFI investors. Instead, we prioritise projects that have the potential to deliver a positive developmental impact and be commercially viable, but need our support to become bankable and attract private sector investment.

Whether we get involved at the project concept stage or financial close, we will always need to obtain approval from our Project Review Committee (PRC). If appropriate, we will then seek to sign a Joint Development Agreement and will stay committed to the project whilst our support is required to prove its commercial viability and mobilise financing.

As a publicly funded company, we endeavour to recover our costs and recycle our funding. We therefore balance cost and risk across the projects that we are developing. We will not subsidise the private sector or other investors in the project, and will seek to exit once sufficient investment has been mobilised or an alternative source of financing has been secured. To date, we have successfully exited five projects, the costs we’ve recovered are being re-invested into new projects under development in sub-Saharan Africa.

Step One
Initial Approval
• Receive project proposal or identify a potential opportunity that meets our investment criteria
• Understand sector, business and regulatory environment
• Present opportunity to our PRC to gain initial approval and budget
• If appropriate, sign a Memorandum of Understanding with developer and/or host governments
Typically takes up to 3 months

Step Two
Due Diligence & Contracting
• Confirm host government commitment and resourcing
• Complete Know Your Customer (KYC) checks
• Complete technical, legal, environmental and social due diligence
• Present to our PRC to gain full approval and development budget
• If appropriate, sign a Joint Development Agreement
Typically takes 3 to 6 months

Step Three
Working together
• Define clear roles and responsibilities
• Conduct regular progress checks
• Seek PRC sign-off of legal contracts and/or additional spend
Variable, up to 5 years
If you have a project that would benefit from our expertise or funding then you can find out more on our website: www.infracoafrica.com.

Alternatively you can e-mail us at: info@infracoafrica.com or call us on +44 (0) 20 3597 5400
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