



## **INFRACO ASIA LAUNCHES INNOVATIVE AND FIRST-OF-ITS-KIND DEVELOPMENT MODEL IN ASIA**

- InfraCo Asia to bridge critical development gap across South and Southeast Asia by providing development expertise and early stage capital to kick start infrastructure development

**SINGAPORE, 15 OCTOBER 2010** – In the presence of His Royal Highness Prince Andrew, The Duke of York, KG, and the British High Commissioner to Singapore, His Excellency Paul Madden, InfraCo Asia was officially launched today at the British High Commissioner’s Residence (Eden Hall). InfraCo Asia was founded on the premise that the provision of infrastructure is central to economic growth and poverty reduction.

A first for Asia, InfraCo Asia brings with it a proven business model and a track record of success in creating viable infrastructure investment opportunities in low income economies where private investors would otherwise fear to tread because of the high development costs and risks involved.

The InfraCo programme was launched in 2005, and initially focused on projects in Africa. Now it plans to make the impossible, possible, here in Asia. Based in Singapore, InfraCo Asia projects will be focused in South and Southeast Asia. Its initial priority countries include Bangladesh, Cambodia, India, Indonesia, Laos, Nepal, the Philippines, Sri Lanka and Vietnam.

InfraCo Asia is a facility of the Private Infrastructure Development Group (PIDG), a multi-lateral programme funded by a number of European donor governments and the World Bank Group. This “patient capital” allows InfraCo to act as principal to deploy funding and expertise to take a project from the early development stage to the point at which the project is sufficiently de-risked that the private sector is willing to take over on commercial terms, and take the project through to full commercial operation.

Rod Sims, Chairman, InfraCo Asia, said, “Many developing countries lack sufficient state resources and private sector investment for infrastructure projects, which are crucial for economic development to take place. We fill this gap with early stage funding and relevant development expertise, balancing the interests of governments, local communities, private sector investors and financiers. Our management team brings extensive private sector experience and applies commercial principles and processes in our projects. In this way, we can mobilize private capital for much needed infrastructure investment in poorer regions that would not otherwise occur.

“We look at projects which provide direct and indirect benefits to lower income communities. We also want our projects to create an environment that encourages similar projects in the region or sector by other private investors.”



# InfraCo Asia

InfraCo Asia has a strong focus on renewable energy projects, in particular hydro and wind power. It also aims to identify projects in sectors such as water and waste water management, transport and logistics, communications, conventional power generation and transmission, pipelines, urban infrastructure, agri-infrastructure, and construction materials.

Added Surender Singh, InfraCo Asia's Managing Director, "We take a balanced portfolio approach with a mix of larger, more commercial projects such as power plants, along with smaller projects that more directly benefit the disadvantaged such as infrastructure that supports agriculture. The reality is that there has been inadequate response from the private sector towards investing in infrastructure in developing countries.

"In South and Southeast Asia, we are evaluating several projects in the pipeline that will benefit millions of people here. While we recognise that the global financial crisis has made our task of attracting private financing more challenging, we remain confident that we have the experience and the expertise to make a success of our projects in the region."

\*\*\*PIDG is a multi-lateral programme funded by a number of European donor governments and the World Bank Group (<http://www.pidg.org/>)

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