



InfraCo

InfraCo aims to stimulate greater private investment in African and Asian infrastructure by developing greenfield projects and selling them to domestic and international investors. InfraCo structures projects to be socially responsible and sustainable.

InfraCo is a privately-managed project development company which aims to deliver improved infrastructure services in poor countries. Launched in 2005, InfraCo identifies greenfield investment opportunities and develops them to the stage where they can attract domestic and international finance (“financial close”). Targeted subsidies are included in the design of projects where there are affordability concerns for the poor.

By taking on the high costs and risks of early-stage project development, InfraCo makes infrastructure projects happen in situations where the private sector would not otherwise be willing or able to invest. InfraCo aims to recover its development costs, with profit where conditions allow, through sale of its project ownership rights to incoming private investors, in cash or through a minority equity interest in the venture. 100% of InfraCo’s profits are recycled into new project development, which ensures a high “developmental” return on its capital.

InfraCo is part of the Private Infrastructure Development Group (PIDG), an innovative multi-donor organisation whose mission is to encourage private infrastructure investment in developing countries. InfraCo’s shareholders comprise the national donor agencies of the UK, the Netherlands, Austria, Ireland, Switzerland and Sweden. The PIDG family includes other innovative financing vehicles such as the Emerging Africa infrastructure Fund (EAIF), a long-term debt facility, and GuarantCo, a local currency guarantee fund.

InfraCo has a current portfolio of a dozen projects at various stages of development in Sub-Saharan Africa, ranging in project size from \$20m to over \$300m. These projects cover power, transportation, water and sanitation and agriculture-supporting infrastructure. As at May 2008 InfraCo had sold its interests in two projects, a circa 150 MW power plant in Nigeria and a cold storage facility in Vietnam. At least two further projects are expected to reach financial close during 2008.

Based on the success of InfraCo’s operations during its first three years, the PIDG decided to establish a new company, InfraCo Asia, to focus exclusively on the poorer countries in South-East and South Asia. With \$50m of seed capital, InfraCo Asia is expected to be up and running by the end of the year.

In April 2008 the Overseas Private Investment Corporation (OPIC) agreed to provide \$100m for an up to \$300m commercial infrastructure fund that will be managed by an affiliate of InfraCo and invest the majority of its capital in InfraCo’s projects in Sub-Saharan Africa.