Leadership Capital for Infrastructure Development
Asia’s Infrastructure Gap: What is at Stake

Developing Asia will need to invest $26 trillion from 2016 to 2030, or $1.7 trillion per year* if the region is to maintain its growth momentum, eradicate poverty, and respond to climate change.

Providing better access to quality, sustainable infrastructure is the key to many communities and economies in south and south east Asia reaching their full potential.

InfraCo Asia provides responsible leadership in bridging the infrastructure gap that cannot be met by government or development bank funding at the early stage of project development. Through its project development and financing expertise, InfraCo Asia provides a catalyst for the private sector to invest in sustainable infrastructure projects in south and south east Asia.

*Asian Development Bank estimate
About InfraCo Asia

InfraCo Asia is a commercially managed infrastructure development and investment company of the Private Infrastructure Development Group (PIDG). Headquartered in Singapore, InfraCo Asia promotes economic development to combat poverty by stimulating greater private sector investment in infrastructure in south and south east Asia.

A PIDG company

InfraCo Asia is a company of the Private Infrastructure Development Group (PIDG). PIDG mobilises private investment in infrastructure in the frontier markets of sub-Saharan Africa, south and south east Asia to combat poverty, help economies grow and change people’s lives.

InfraCo Asia draws on the expertise of its fellow PIDG companies to support project development and financing. Each PIDG company plays a strategic role by providing technical assistance; early-stage development; debt and guarantees or equity and hybrid financing. More information on the PIDG companies is available at www.pidg.org.

Funding

InfraCo Asia is funded by four members of PIDG: The UK Department for International Development (DFID); the Ministry of Foreign Affairs of the Netherlands (DGIS); the Swiss State Secretariat for Economic Affairs (SECO); and the Australian Department of Foreign Affairs and Trade (DFAT).
Organisational Structure

PIDG is a multi-owner organisation that promotes private infrastructure investment in developing countries through specialised financing and project development facilities and programmes. InfraCo Asia’s role within the PIDG organisational structure is illustrated below.
PIDG Operates Collaboratively Along All Stages of an Infrastructure Project’s Lifecycle

**Technical Assistance**

**TAF** grants support PIDG companies at any stage of the project lifecycle.

**DevCo** helps fund PPP advisory services to governments, delivered through the World Bank Group’s IFC.

**Developer-Investor**

**InfraCo Africa** and **InfraCo Asia** originate, develop, structure, invest and manage projects. They can make equity investments in innovative and pioneering projects, or to remedy the absence of capital.

**Credit Solutions**

**EAIF** provides long-term foreign currency loans in Sub-Saharan Africa.

**GuarantCo** provides local currency guarantees to banks and bond investors to develop capital markets.
Our People

InfraCo Asia’s Management Team members and Non-Executive Directors have extensive senior-level experience in the infrastructure and financing sectors across the Asia region. Their expertise serves as a form of ‘leadership capital’ that reduces project risk and increases the speed of development.

Board of Directors

InfraCo Asia’s Board of Directors guides our work and champions the company’s innovative model. Because Board Members also help steer other PIDG companies, they are uniquely equipped to apply learnings from around the globe to InfraCo Asia’s endeavours.
Management Team

The InfraCo Asia Management Team brings the knowledge and capabilities to build and manage InfraCo Asia’s portfolio of investments. Skills include project selection, business analysis, structuring, finance, risk management, and compliance. The Management Team, through the oversight of InfraCo Asia’s Developer Teams, actively participates in project origination and development.
Through InfraCo Asia’s project development and financing expertise, we catalyse private sector investment in sustainable infrastructure projects in south and south east Asia. InfraCo Asia de-risks projects that otherwise wouldn’t get off the ground, creating commercially viable infrastructure projects in the places that need them most.

InfraCo Asia funds pre-financial close, early-stage infrastructure development activities by taking an equity stake in high-risk projects. We step in where the private sector is initially unable or unwilling to invest. We mitigate risks at the beginning of a project, opening up opportunities for private sector participation.

InfraCo Asia drives the development of its projects to stringent international standards, including IFC Performance Standards and other globally recognised benchmarks.

We incur the upfront costs and risks related to preparing and structuring infrastructure projects for private sector participation at an early stage, which would typically involve considerable time, resources and uncertainty for investors.

Allard Nooy
CEO, InfraCo Asia
How We Invest

Two Complementary Pools of Capital

InfraCo Asia can draw on two strategic funding streams.

Development Capital

- Provides early-stage development expertise and capital
- De-risks projects and creates bankable investment opportunities
- Invests as sponsor/joint owner, usually in partnership with local or regional sponsors

Investment/Construction Capital

- Provides capital at or near financial close
- Bridges the gap when a project is unable to raise all the capital needed
- Participates as co-investor alongside private sector, usually taking a minority stake
- Flexible in form of investment: equity/mezzanine/debt finance

InfraCo Asia aims to exit from projects through the sale of equity and/or refinancing; when the project is sufficiently de-risked; after commercial operation; or when the project can attract private capital on its own merits. InfraCo Asia then recycles the proceeds into new infrastructure development projects.
Lao Cai Renewable Energy personnel at Coc San Hydropower Project
InfraCo Asia does not participate in project development that could have damaging environmental or social impact.
InfraCo Asia’s project selection criteria is based on three core pillars.

### Development Impact

The projects we undertake give disadvantaged populations in south and south east Asia better access to new or improved infrastructure. Projects must be sustainable and adhere to stringent environmental best-practice standards.

### Additionality

InfraCo Asia’s role is to complement, not compete. We operate where the private sector is initially unable or unwilling to take on upfront risks and costs. Our aim is to ‘crowd in’ private sector investment when projects are sufficiently de-risked.

### Commercial Viability

Return for projects must be commercially attractive in order to mobilise private sector participation.

“PIDG companies each provide critical expertise on the ground. We keep a close watch on the opportunities and challenges faced in the countries where we work.”

Philippe Valahu

CEO, Private Infrastructure Development Group
Our Model

InfraCo Asia’s Developer Programmes help us deliver our mandate.

Developer Services Programme

InfraCo Asia’s Developer Services Programme, which includes project origination, pre-financial close project development, EPC management and financial structuring activities, leverages three teams of contracted project developers.

- Equicap Asia provides developer services for south Asia.
- Infunde Development provides developer services for south east Asia (excluding Myanmar).
- Infra Capital Myanmar provides developer services for Myanmar.

Co-Development Programme

Under the Co-Development Programme, InfraCo Asia invests in third-party developer projects, where the third-party developer takes the lead in project development.

- InfraCo Asia provides project development and financing expertise, along with corporate governance oversight that helps bring projects from development stage to financial close.
- In return for development funding and assistance, InfraCo Asia will have the right to an equity stake in the project, board positions, and exit with returns on its investments.
Our Impact

Based on InfraCo Asia’s projects in operation, around 1,000,000 people are benefitting from access to new or improved infrastructure.

In Vietnam, InfraCo Asia’s run-of-river Coc San Hydropower Project provides almost 30MW of clean energy generation capacity and over 120 GWh per year of clean energy. Local owner/operator Lao Cai Renewable Energy runs a Community Development Program that constructed access roads, rehabilitated schools and built small-scale irrigation projects. A Livelihoods Restoration Program assists people whose land was impacted by the project to reinstate income-producing activities. It provides agricultural supplies and scholarships enabling the children of poorer families to attend school and buy books and uniforms. InfraCo Asia divested its shareholding in the Coc San Hydropower Project to TEPCO in November 2018.

Pakistan’s power capacity shortfall of more than 5,000 MW is equal to about one-third of total demand on the system. Industry, businesses and households all bear the burden of unreliable power, and an estimated 2-3% of national GDP is lost. InfraCo Asia’s 100MW Metro and Gul Ahmed Wind Power Projects, the first project-financed wind projects in Pakistan, provide approximately 315 GWh of clean energy per year, supporting industry and creating jobs. The projects benefit approximately 700,000 people through access to a more reliable, affordable power supply. InfraCo Asia divested its shareholding in the Metro Wind and Gul Ahmed Wind Power Projects to Daelim Energy in September 2017.

Wherever InfraCo Asia develops and implements a project, we aim to enrich our host communities. From employment opportunities to livelihood enhancement and community development programmes, we add to the opportunities available to local people.

Learn more about InfraCo Asia’s impact at www.infracoasia.com/impact
Impact Infrastructure

Access to Infrastructure
- Around 1,000,000 people have access to new or improved infrastructure such as sustainable, renewable power sources*

Jobs Created
- More than 1,000 short-terms jobs and 117 long-term jobs have been created through InfraCo Asia’s projects*

Environmental Impact
- InfraCo Asia’s projects have led to the reduction of around 362,000 tonnes of carbon emissions per annum*

Private Sector Capital Mobilised
- For every dollar InfraCo Asia invests, $12 in private sector capital is mobilised.

* Based on projects that have reached operation
At the highest level, InfraCo Asia’s role is providing leadership for private, institutional and strategic investors to come into markets that they may not understand; that they quite justifiably have risk aversion to.

John Walker
Chair, InfraCo Asia
Vision for the Future

Each time InfraCo Asia brings a sustainable infrastructure project to a point where the private sector is attracted to invest, a success story is born.

We provide leadership capital and infrastructure development and financing expertise to unlock private sector capital.

As we deliver projects that provide access to new or improved infrastructure, we demonstrate a powerful proof of concept. Nothing entices private sector participation more effectively than real, working examples of success.

InfraCo Asia’s unique structure means we can go where others fear to tread. The more early-stage infrastructure projects that are successfully de-risked, the better the business and local community’s appreciation for what is possible. Many of InfraCo Asia’s projects are highly replicable.

InfraCo Asia plays a critical role in the creation of private infrastructure industries. Beyond this, we are capturing people’s imaginations and building a real bridge between opportunities for private sector investors and those most in need of access to quality infrastructure.
Work with Us

Partners

InfraCo Asia’s key expertise is in the early-stage development of infrastructure projects. We are happy to discuss genuine proposals with governments, businesses and individuals.

Bridge the Gap

Join us in unlocking the private sector capital that is so critical to bridging the infrastructure gap in emerging Asia.

Enquiries are welcome.

Projects

We are interested in projects located in south east Asia (including Myanmar) and south Asia that may be ideal candidates for InfraCo Asia’s Co-Development Programme.
Leadership Capital for Infrastructure Development

InfraCo Asia is part of the Private Infrastructure Development Group