Working to enable Private Sector to develop early stage infrastructure projects
We operate as part of the Private Infrastructure Development Group (PIDG)
We are funded by governments and multilateral agencies but operate as a private company

130 Projects and 69 TAF grants in 55 countries catalysing US$27 Billion of Private Sector Investment
**Our challenge - alleviating poverty with infrastructure**

Early-stage infrastructure projects are a risky business:

- Scarce risk capital
- Limited local development teams
- Information gaps
- Constrained host government capacity
- Corruption and vested interests
- First mover (dis)advantage (sector opening)
- Disenfranchised local communities

These challenges are exacerbated in the poorest and most fragile sub-Saharan countries – our focus geography.
Enabling and not replacing the private sector

We do more than provide scarce capital:
- Providing experienced on-the-ground resource
- Funding studies and deep specialists
- Building host government capacity
- Tackling corruption and pioneering best practices
- Engaging local communities
- Funding pilot solutions

People and partnerships are key to successful projects but we will never subsidise other’s returns - instead we look to invest and partner in early-stage projects that are too risky for others alone.
Working across sub-Saharan Africa

Today we have 9 projects under development and are developing 12 further opportunities

➢ By 2021 we plan to start another 23 projects

So far our financially closed projects have mobilised more than US$2 billion

➢ By 2021 this could reach US$3.7 billion

Responsible, sustainable projects are good for businesses and good for governments. We champion best practices (Anti Bribery, health & safety, environmental & social) on our projects and in our business operations.
How does InfraCo Africa support projects?

Support from PIDG
• Equity funding
• Convertible loans
• Technical support (due diligence)
• Grants – Technical Assistance Facility

Support from other agencies
• USAID Power Africa partner
• EU – Africa Infrastructure Trust Fund

Political Support
• UK DFID and DIT
• US embassy / USAID
• Netherlands embassy
• IFC
From and InfraCo standpoint, what makes an attractive geothermal project?

Good anti-bribery track record

Developer capable of delivering a project:

- Able to work with host government to obtain license / concession
- Able to fund and organise surface explorations
- Able to secure grants from Geothermal Risk Mitigation Facility

Countries encouraging private projects by:

- Able to sign bankable Power Purchase Agreements (PPA)
- Willing to encourage private sector to increase investment in country

2015 Gislason et al.
Current Geothermal Investment - Corbetti

- 2013 Reykjavik Geothermal sign Heads of Terms for PPA
- 2014 Reykjavik Geothermal, Iceland Drilling and Africa Renewable Energy Fund commit to funding Corbetti
- 2014 InfraCo Africa commissions report on geothermal projects in Africa
- 2015 InfraCo Africa commits to funding US$15 million
- 2018 PPA Signed - Exploration Drilling
- 2019/2020 First phase starts generation

First IPP in Ethiopia
First greenfield geothermal project in Africa
Second project financed geothermal project in Africa
Greenfield Development

- Equity to prove resource
- Geothermal resource insurance
  - Fix costs
  - Resource risk
  - Implementation risk
- Funding for appraisal drilling
  - Mezzanine Finance
  - Equity pool
  - Refinance earlier phase
- Early generation whilst arranging finance
- Phasing as resource area proved up
  - Size and funding versus speed
  - Grid capacity

“Don’t make the same mistake once”