



# Climate Finance Workshop

Potential Financing Models for Climate-Smart Infrastructure Projects

8 December 2021

# Who We Are



InfraCredit is a specialised financial guarantor established by the Nigeria Sovereign Investment Authority in collaboration with GuarantCo to provide guarantees to enhance the credit quality of local currency debt instruments issued to finance eligible infrastructure related assets in Nigeria.

For more information go to: <http://www.infracredit.ng/>



## Credit Rating

 **Agusto**

**AAA** (NG)  
June 2022

**GCR**

**AAA** (NG)  
June 2022



## Capital Providers



## Capital

**US\$183m**  
Total Capital

**Core Capital**

**US\$ 87 Million** (NGN EQUIVALENT)

**Subordinated Capital**

**US\$ 71 Million** (NGN EQUIVALENT)

**Callable Capital**

**US\$ 25 Million** (NGN EQUIVALENT)



## Eligibility Criteria

- › Naira Denominated Debt Issue
- › Eligible Infrastructure Activity
- › Debt Tenor of up to 20 years
- › Brownfield Asset
- › Acceptable Credit Profile
- › Pension (PENCOM) Compliant
- › Minimum BBB- Credit Rating
- › Adequate Security Package
- › Environmental & Social Standards














## Development Partners





# Our Track Record

InfraCredit has successfully closed six infrastructure financings, crowding-in about 17 institutional investors

		Off-grid power	NGN10.0 billion \$25.9million (USD Equivalent)	10 years	2017	12
		On-grid power	NGN8.5 billion \$22million (USD Equivalent)	15 years	2019	9
		Off-grid power	NGN13.0billion \$33.7million (USD Equivalent)	15 years	2019	10
		Transport & Logistics	NGN12.0 billion \$31.1million (USD Equivalent)	10 years	2020	11
		Inputs to Infrastructure	NGN10.5 billion \$26.3 million (USD Equivalent)	20 years	2021	11
		Transport & Logistics	NGN20 billion \$48.7million (USD Equivalent)	10 years	2021	9

InfraCredit is a  
Harvard Business  
School Case Study



**HARVARD**  
BUSINESS SCHOOL




17 pension funds were represented which accounted for 61% of total number of PFAs and represented 75% of total Pension Assets.



Steady decrease in price of deals



Increased reduction in variance between price of deals and comparable FGN Bond rate.

- 82bps
  - 70bps
  - 66bps
- 

## Key Highlights

Over the past 4 years of its initial operations, InfraCredit has facilitated first-time access to local currency finance of up to 20-year tenor from the domestic bond market for six infrastructure focused companies. Total value was NGN74 billion (USD180mn) which was oversubscribed by local pension fund investors, signifying strong investor appetite and confidence in its credit standing.

# Introduction

InfraCredit has developed four (4) financing products that will unlock long-term local currency financing for climate-smart infrastructure projects in Nigeria...

1 Contingent Refinancing Guarantee  
Product/Model

2 Bridge to Bond Product/Model

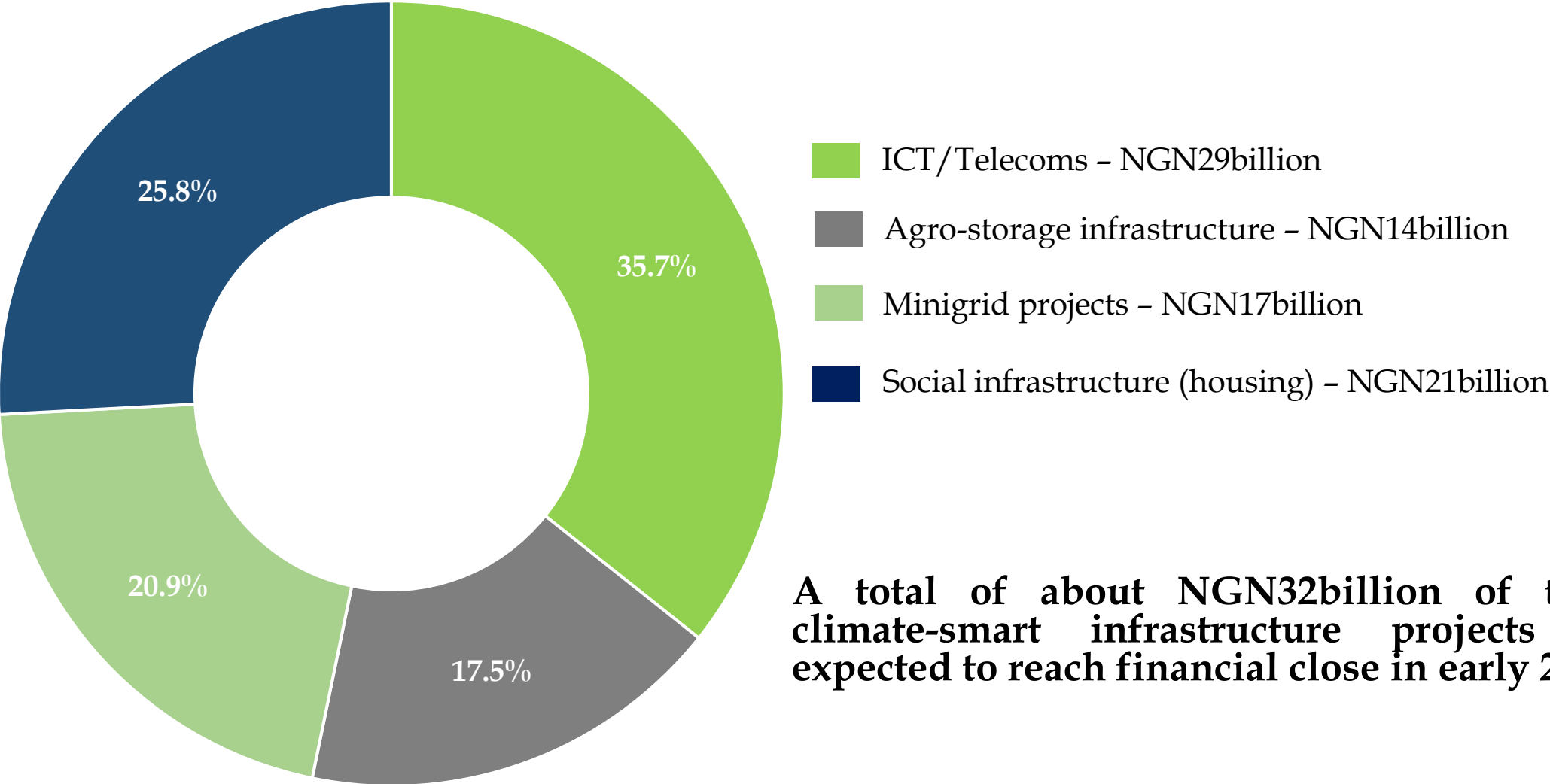
3 Blended Finance Product/Model

4 AssetCo (Leasing) Product/Model

# InfraCredit Deal Pipeline

InfraCredit has a mandated deal pipeline of climate-smart infrastructure projects in excess of NGN80 billion...

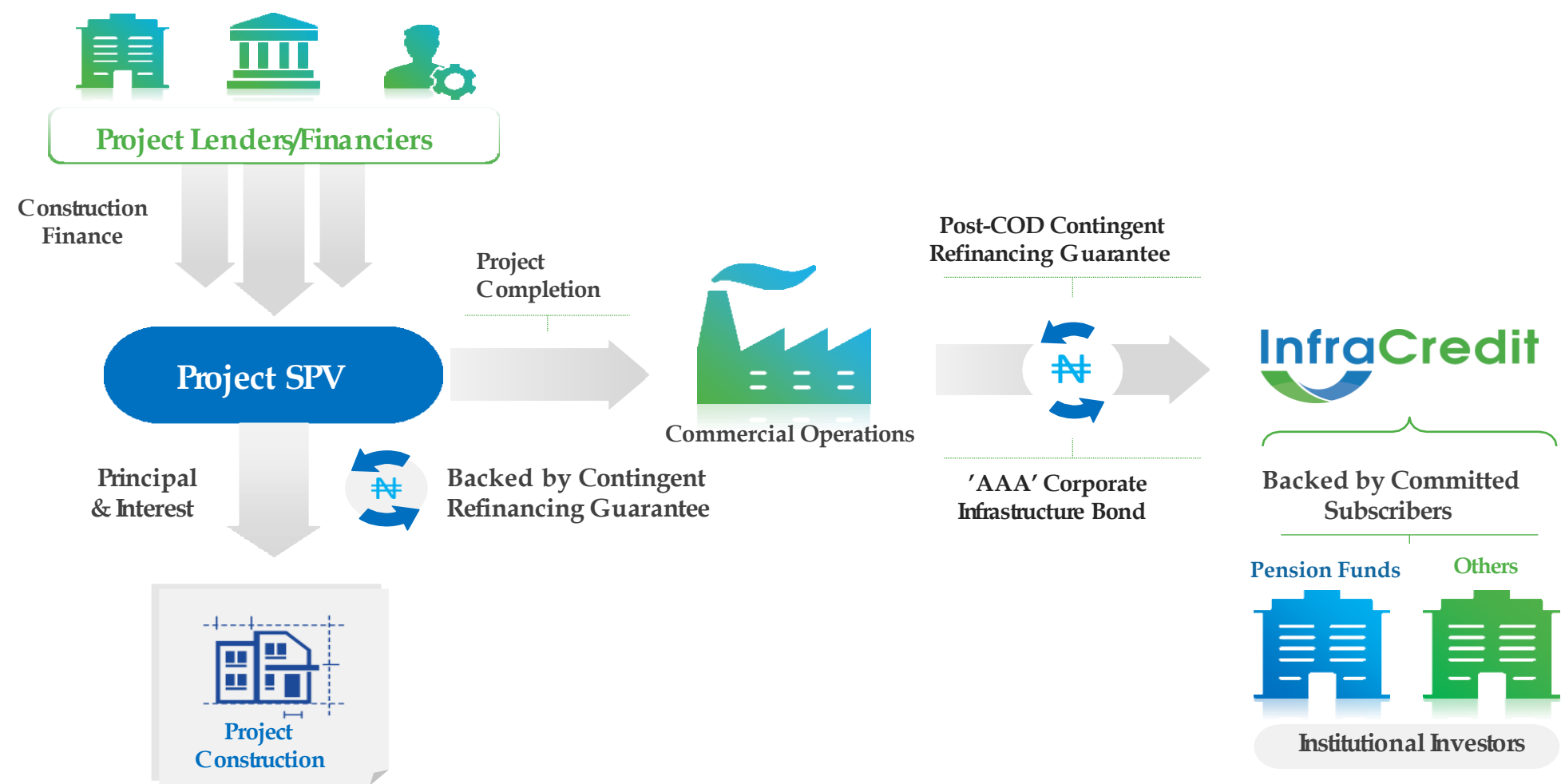
Mandated Deal Pipeline



A total of about NGN32billion of these climate-smart infrastructure projects are expected to reach financial close in early 2022

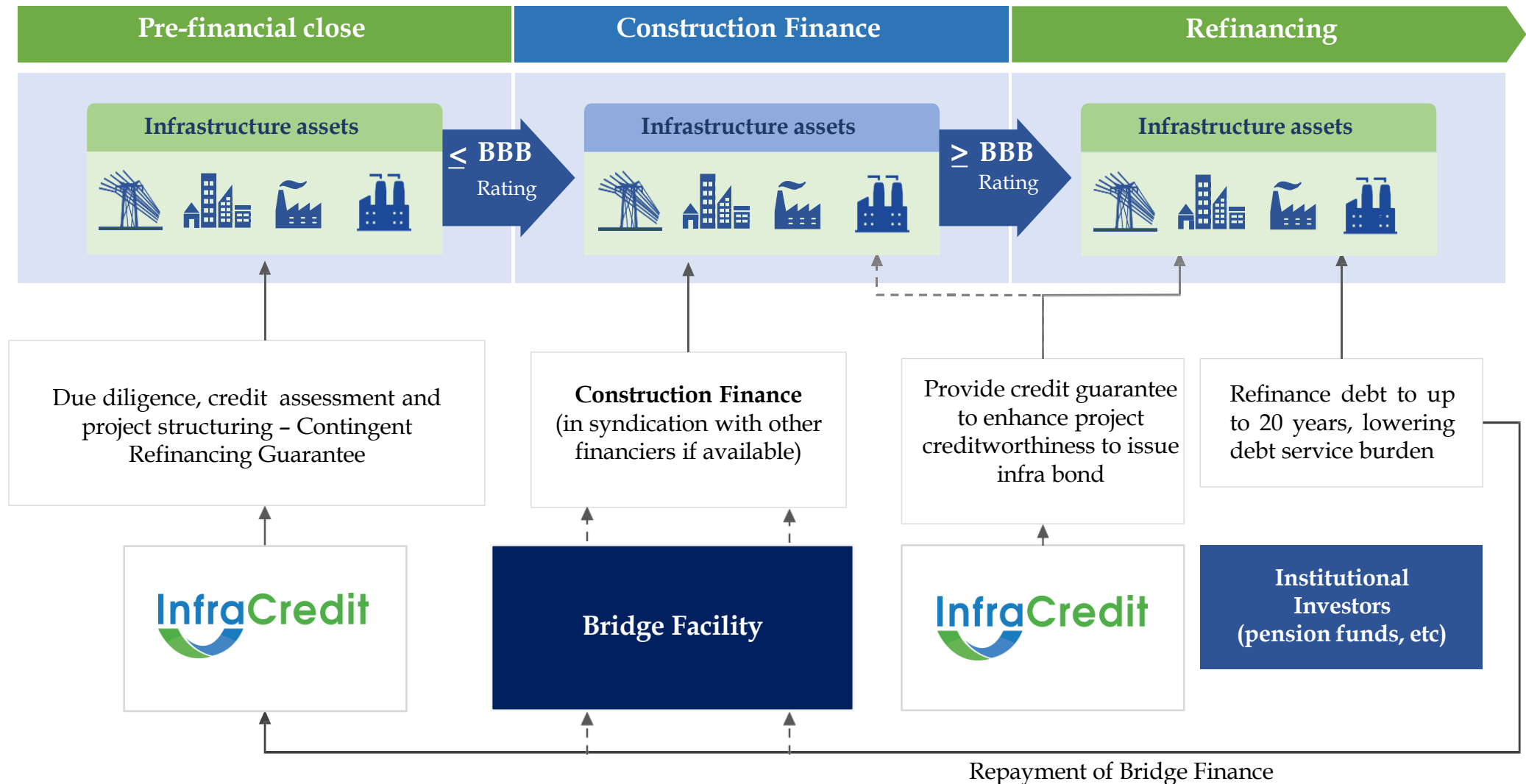
# Contingent Refinance Guarantee Product/Model

The Contingent Refinancing Guarantee (CRG) model will accelerate the development of much-needed greenfield climate-smart infrastructure projects and facilitate capital recycling further lending to the real economy and leading to job growth/innovation...



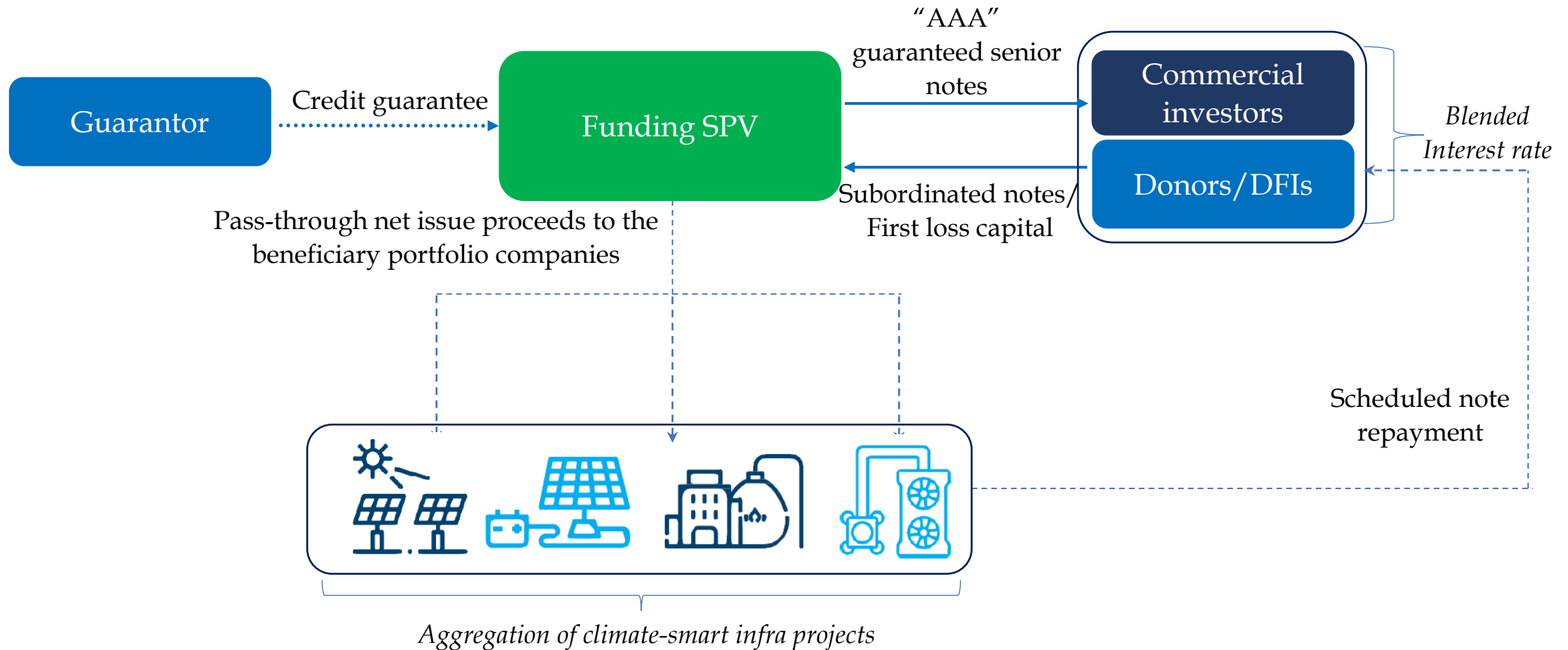
# Bridge-to-Bond Product/Model

The proposed bridge facility to be funded by donors and DFIs will enable climate-smart infrastructure projects with perceived and hard-to-mitigate risks in the construction phase, access long-term institutional capital...



# Blended Finance Product/Model

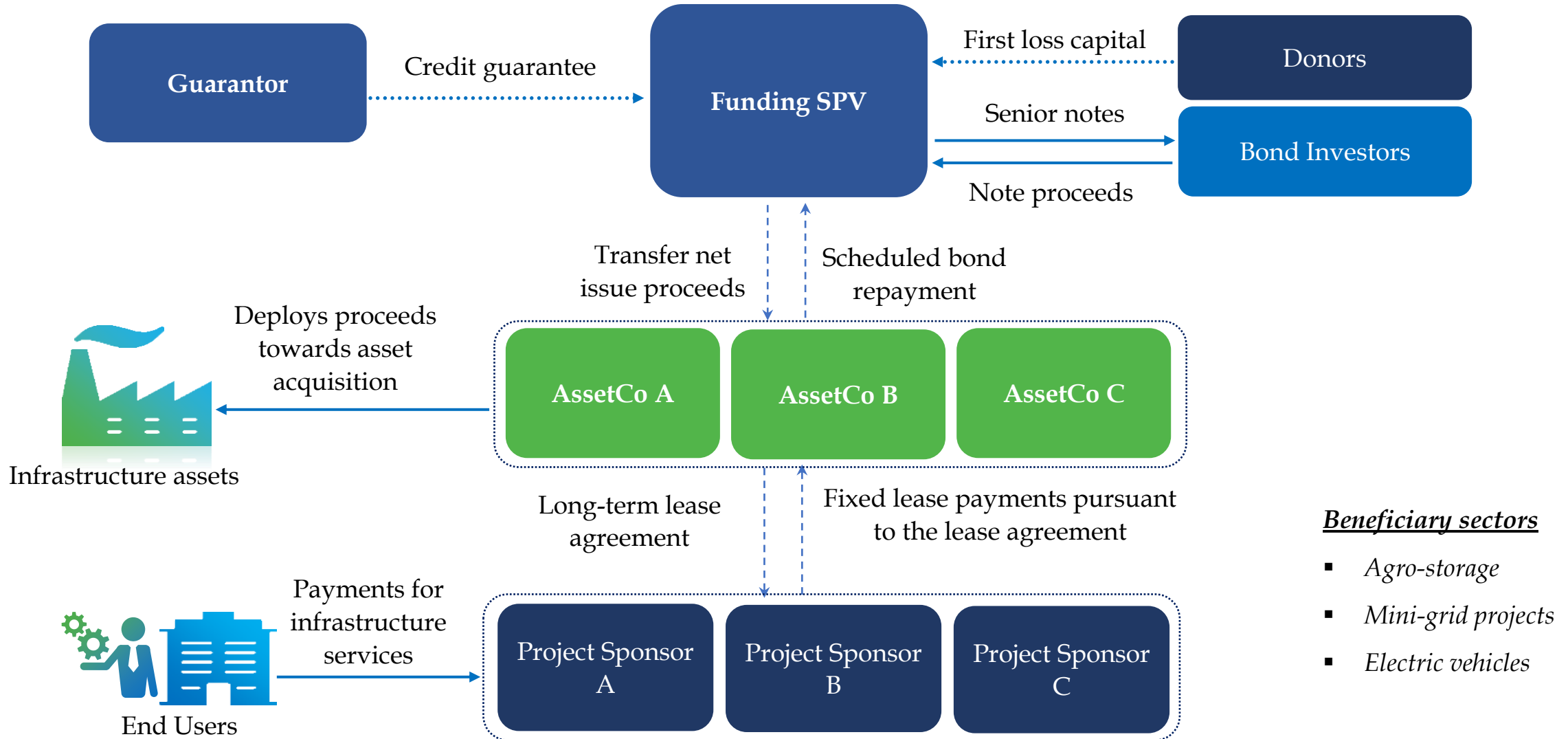
Unlocking blended finance to the required scale demands actively exploring financial intermediation models using local currency debt instruments with first loss risk capital from donors and DFIs playing a critical role...





# AssetCo (Lease) Product/Model

The fixed lease payments model will address the lack of contractual cashflows and huge upfront CAPEX requirements which impedes climate-smart infrastructure projects' ability to scale...



A blurred background image of a modern office interior. The scene shows a large, open-plan space with a high ceiling and large windows. Several people are walking through the space, their figures blurred to convey a sense of movement. The floor is highly reflective, mirroring the people and the light from the windows. The overall color palette is dominated by cool blues and greens, with a gradient effect across the image.

# Thank you

---

No representation or warranty, either express or implied, is made as to the accuracy, completeness or reliability of the information contained in this presentation. This presentation should not be regarded by the Recipient as a substitute for the exercise of its own judgment and the recipient is expected to rely on its own due diligence if it wishes to proceed further.

The valuations, forecasts, estimates, opinions and projections contained herein involve elements of subjective judgment and analysis. Any opinions expressed in this material are subject to change without notice and may differ or be contrary to opinions expressed by others as a result of using different assumptions and criteria. This presentation may contain forward-looking statements. Parties undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates or to update or keep current any of the information contained herein. Any estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and stock performance) are based upon the best judgment from the information provided and other publicly available information as of the date of this presentation. Any statements, estimates or projections are accurate only as at the date of this presentation. There is no guarantee that any of these estimates or projections will be achieved. Actual results will vary from the projections and such variations may be material.

Nothing contained herein is, or shall be relied upon as, a promise or representation as to the past or future. The parties expressly disclaim any and all liability relating or resulting from the use of all or any part of this presentation or any of the information contained therein except where stated. This presentation has been prepared solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. The Recipient should not construe the contents of this presentation as legal, tax, accounting or investment advice or a recommendation. The Recipient should consult its own counsel, tax and financial advisors as to legal and related matters concerning any transaction described herein. This presentation does not purport to be all-inclusive or to contain all of the information that the Institution may require. No investment, divestment or other financial decisions or actions should be based solely on the information in this presentation.

This presentation has been prepared on a confidential basis solely provided that the Recipient and any of its employees, representatives, or other agents may disclose to any and all persons. Distribution of this presentation to any person other than the **Recipient** and those persons retained to advise the **Recipient**, who agree to maintain the confidentiality of this material and be bound by the limitations outlined herein, is unauthorized. This material must not be copied, reproduced, distributed or passed to others at any time, in whole or in part, without the prior written consent of InfraCredit.

---