

FINANCING PRIVATE INFRASTRUCTURE PROJECTS

The majority of the population in developing countries cannot access basic services (electricity, water, transport) due to a lack of suitable equipment. Furthermore, businesses require a good quality infrastructure to work efficiently and as a result boost local economic growth. Private funding for this type of project contributes to the acceleration of national development plans given the budgetary constraints in those countries.

MISSION

- Create a strong private sector in developing countries
- Demonstrate the importance of private infrastructure funding in economic growth
- Accelerate local infrastructural plans
- Promote environmentally responsible energies
- Bridge the gap between energy demand and supply
- Improve living conditions in local communities

INSTRUMENTS

Medium and long term funding in the form of:

- Debt
- Equity
- Quasi-equity

AMOUNTS

- BIO provides financing, or if necessary co-funds with other finance institutions, in €, \$, or local currency financing on an ad hoc basis, for a minimum amount of EUR 5million per project.
- Loan maturity may vary up to 15 years (18 years in some cases), with a maximum grace period of 4 years.

TYPES OF PROJECT

- Private projects or public-private partnerships aiming at servicing local populations and businesses.
- Proven financial viability and bankability (market conditions)
- New projects, extensions or rehabilitation of existing equipment

SECTORS

BIO prioritises the following areas:

- Energy (renewable)
- Water access and irrigation (agriculture)
- Telecommunications

GEOGRAPHICAL FOCUS

- Least Developed Countries, Low Income Countries, Lower-Middle Income Countries (List of ODA-recipients of the OECD-DAC))
- Particular emphasis on Africa

TECHNICAL ASSISTANCE

BIO may also grant non-reimbursable subsidies for technical assistance to help client companies with project feasibility studies or increase skills and enhance professionalism through training courses or upgrading programmes.

SUSTAINABLE DEVELOPMENT AND FINANCIAL RETURN

BIO examines each project in terms of technical and financial feasibility and its relevance to the country's economical and social development.

The project's technical and financial feasibility must be clearly set out in a clear information memorandum and financial model, which are the most critical documents in the appraisal process.

Finally, in order to ensure a sustainable investment, the different partners involved in the project are assessed not only in terms of their economic performance and financial commitment to the project, but also on the level of corporate governance and compliance with social and environmental standards.

How to submit a financing request

Send a comprehensive business plan to infrastructure@bio-invest.be.

CONTACT

For further information about our Infrastructure department please visit our website or contact us directly at the address below:

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ABOUT BIO

BIO is a Development Finance Institution established in 2001 by the Belgian Development Cooperation to support private sector growth in developing countries. BIO provides long-term financing (equity, quasi-equity, debt and guarantees) to enterprises, the financial sector, and private infrastructure projects, as well as grants for feasibility studies and technical assistance programmes. BIO operates as an additional partner to the financial institutions and looks for projects with a balance between return on investment and development impact.

BIO is a member of EDFI (European Development Finance Institutions).