

NSIA and InfraCredit Co-develop Innovative Construction Finance Warehouse Facility (CFWF), to Unlock Long-Term Domestic Capital to Finance Greenfield Climate Infrastructure Projects in Nigeria.

Abuja, Nigeria – October 10, 2023

The Nigerian Sovereign Investment Authority (“NSIA” or “The Authority”) and InfraCredit have co-developed an innovative Construction Finance Warehouse Facility (CFWF), seeded with NGN10 billion, to unlock long-term capital towards the development of sustainable greenfield infrastructure projects in Nigeria.

The CFWF is a multi-funder revolving facility co-developed by NSIA and InfraCredit to facilitate the provision of construction finance for eligible sustainable greenfield infrastructure projects backed by InfraCredit’s guarantees and to be subsequently refinanced through an InfraCredit-guaranteed long-term debt financing from the domestic capital markets.

The CFWF has been designed to provide much-needed early-stage debt financing for sustainable infrastructure projects until such projects can secure long-term financing from the debt capital markets, post-commercial operation, supported by InfraCredit’s guarantee. With a downside protection on investor’s capital, the Facility will mobilise and increase the appetite of early-stage investors, reduce the cost of project finance, and boost the overall success rate of greenfield project execution.

NSIA has seeded the CFWF with NGN10 billion to mobilise additional funding from development financiers and institutional investors. The aim is to reach up to NGN100 billion capacity within the next three years and unlock up to NGN 500 billion in well-structured, bankable infrastructure projects, which will expand the market with quality infrastructure projects for institutional investors backed by credit enhancements from InfraCredit.

Chinua Azubike, CEO of InfraCredit said: “To close the infrastructure gap in a sustainable way, we need more greenfield infrastructure projects to reach financial close. We are pleased to be supported by our sponsor, the NSIA, in sustaining strategic innovative funding solutions at the earlier stages of the infrastructure project’s life cycle, which is a crucial and urgent intervention to make projects more resilient, and accelerate private sector investments in infrastructure that will improve Nigeria’s economic trajectory.”

Aminu Umar-Sadiq, MD and CEO of NSIA, said, “NSIA, through the creation of InfraCredit, has successfully channeled long-term institutional funding towards brownfield infrastructure projects in Nigeria. The CFWF is set to amplify this capital mobilization, unlocking a source of long-term local currency capital for sustainable greenfield investments, in a downside-protective manner. This will significantly enhance access to sustained financing for green projects, consequently driving the development of sustainable infrastructure across Nigeria.”

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About NSIA:

The Nigeria Sovereign Investment Authority is an investment institution of the Federation set up to manage funds in excess of budgeted hydrocarbon revenues. Its mission is to play a leading role in driving sustained economic development for the benefit of all Nigerians through building a savings base for the Nigerian people, enhancing the development of Nigeria's infrastructure, and providing stabilization support in times of economic stress.

NSIA operates three mandate funds: The Stabilization Fund, the Future Generations Fund, and the Nigeria Infrastructure Fund. For more information, please visit www.nsia.com.ng

About Infracredit:

InfraCredit – a “AAA” rated local currency financial guarantor with a capitalisation of over USD237 million. Since its inception in 2017, InfraCredit has built an exemplary record of supporting private sector development of strategic Nigerian infrastructure projects, having issued guarantees of NGN183 billion (approximately USD440 million – par value at issuance) to fifteen (15) companies distributed across the power, transportation & logistics, ICT/telecommunications, gas to power, LPG clean cooking and input to infrastructure sectors, with issuances to the debt capital markets of up to 20 years tenor fully subscribed, some by more than 160% by over 19 domestic pension funds and insurance companies, demonstrating strong demand from domestic institutional investors.

The set-up cost for the Facility was supported by funding provided by FSD Africa (<https://fsdafrica.org/>) under a Technical Assistance Agreement with InfraCredit.