

InfraCredit, FSD Africa Sign Technical Assistance Agreement to Unlock Climate-Aligned Local Currency Infrastructure Bonds in Nigeria

4th April 2022 – Lagos, Nigeria - InfraCredit, a ‘AAA’_(NG) rated specialised infrastructure credit guarantee institution in Nigeria and FSD Africa, a specialist development agency working to help make finance work for Africa’s future, have signed a Technical Assistance Agreement under which FSD Africa will provide funding for technical assistance to support pre-feasibility studies as well as the pre-transaction and transaction costs, including the design of innovative financing solutions for eligible projects that can issue climate-aligned local currency infrastructure bonds.

The successful implementation of the project will enable up to ten climate aligned infrastructure projects reach financial close, support new job creation and enable more capital markets instruments to be issued to institutional investors.

Speaking on the Agreement with FSD Africa, the Chief Executive Officer of InfraCredit, Chinua Azubike, stated that “To date, InfraCredit’s guarantees have enabled the issuance of up to USD200 Million (NGN Equivalent) of local currency infrastructure bonds, however an increasing pipeline of climate-aligned infrastructure projects are constrained by limited financial resources being dedicated to deliver well-structured projects that can access the debt capital markets, thus, our collaboration with FSD Africa through technical assistance support will also involve the design of an innovative financial solution that will catalyse more bankable climate-smart infrastructure projects for InfraCredit’s guarantees which will accelerate the issuance of credit worthy local currency infrastructure bonds to domestic institutional investors, thereby deepening the debt capital markets in Nigeria.”

Speaking on the Agreement entered into with InfraCredit, Mark Napier, the Chief Executive Officer of FSD Africa, noted that: “FSD Africa is pleased to facilitate the design of innovative financial markets products that will support institutions like InfraCredit provide access to inclusive capital. Our technical assistance will support the design of a vital climate-focused infrastructure facility that will bridge short term greenfield capital with long-term capital markets funds. Our partnership with InfraCredit intends to spur increased access to long-term finance and build financial sector resilience and environmental sustainability through local credit enhancement facilities (Guarantees) provided by InfraCredit.”

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Note to Editors

About InfraCredit

InfraCredit is a 'AAA'(NG) rated specialised infrastructure credit guarantee institution backed by the Nigeria Sovereign Investment Authority, GuarantCo (a Private Infrastructure Development Group company), KfW Development Bank, Africa Finance Corporation, InfraCo Africa and African Development Bank, to provide local currency guarantees and mobilise long term debt financing for infrastructure in Nigeria. InfraCredit's guarantees act as a catalyst to attract domestic credit from pension funds, insurance firms and other long-term investors into credit-worthy infrastructure projects, thereby deepening the Nigerian debt capital markets. InfraCredit operates on a commercial basis with a developmental role and benefits from private sector governance.

InfraCredit maintains the highest domestic financial strength ratings accorded to any financial institution by Agosto and Co. and Global Credit Ratings Co., two of the major domestic credit rating agencies.

For more information, please visit www.infracredit.ng and follow us on [LinkedIn](#) and [Twitter](#).

About FSD Africa

FSD Africa is a specialist development agency working to help make finance work for Africa's future. FSD Africa is incorporated as a non-profit company limited by guarantee in Kenya. It is funded by UK aid from the UK government. FSD Africa works to reduce poverty through a 'market systems development' approach, which means it aims to address the structural, underlying causes of poverty by improving how financial market systems function. FSD Africa's programming is designed to address systemic challenges within Africa's financial markets, with the aim of sparking large-scale and long-term change.

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