

Q&A WITH INFRAACO AFRICA



InfraCo Africa is an infrastructure investment fund and part of the Private Infrastructure Development Group. InfraCo Africa seeks to alleviate poverty by mobilising investment into sub-Saharan infrastructure projects, through investing directly into early-stage projects which need the financial commitment and support, and investing into innovative solutions that need support to scale-up or to pilot new products or enter new markets.

InfraCo Africa invest in a number of innovative agricultural projects, and we have asked **Ravi Dhanani** from InfraCo Africa to provide a quick Q&A in relation to their agri assets.

Q&A



What Projects are you currently working on in the agricultural space?

We have four projects in the agricultural space. In the Republic of Zambia we have the Chanyanya Infrastructure Project, Chiansi Farming Project and Chiansi Irrigation Infrastructure Project. In Senegal, we are supporting the scale up of solar powered irrigation.



What have been the key issues in getting these projects off the ground (if any)?

There have been a number of challenges in getting the projects established. Chiefly, we needed to engage with the local community around the future of the project in which they have a stake. We draw on their local knowledge to design the project. In Zambia's Kafue District, these communities are located across a large geographic area.

We also needed government and Ministry support to get agreements and permits issued and for support with power supply issues.

Finally, we have worked to establish a strong culture of Health and Safety. Ensuring that all team members are aware of the best practice when it comes to HSES and reporting any and all incidents helps us to improve future work patterns and ensure the safety of the workers and community alike.



OPPORTUNITIES

- If communities have a shared goal and vision, as the Chanyanya co-operative did around irrigation, there is huge potential in building and investing in more community-company partnership models like the Chanyanya project. They have to operate at scale to be profitable, but we have proven that the model works to deliver real benefits for smallholder farmers.
- There is potential to invest in upstream activities such as mills or processing plants and market infrastructure.



- InfraCo Africa would pursue projects that improve agricultural yields and land productivity or that enable value to be added to agricultural produce. We look to prioritise development of irrigation systems for farms to help farmers adapt to and mitigate against the impacts of climate change.



Are there any particular jurisdictions that InfraCo find particularly exciting in terms of opportunities in the agriculture sector?

Our scope is to develop projects across sub-Saharan Africa and we are always looking for opportunities to share our expertise across geographies. We prioritise Least Developed Countries (LDC), Other Low-Income Countries (OLIC) and Fragile or Conflict-Affected States (FCAS) – as defined by the OECD.



What sort of size projects does InfraCo invest in?

InfraCo Africa invests in projects of various sizes. Typically our development capital would be between US\$1 and US\$10m. We can also come in at or beyond financial close to scale an operating business. The investment instrument is also variable – equity – loan – or a combination of elements of both.



What is the application process for funding, what do you look for from applications for funding?

To apply for funding, please visit our website – **www.infracoafrica.com** and follow the path for “Apply for Funding”. This sets out the process for funding.

We are always looking for strong partners who are committed to the success of the project. A key consideration for us is whether or not the project has the potential to be commercially viable and what its development impact will be. Our partners need to share our values around the importance of HSES and good governance and our commitment to addressing climate change and empowering women and girls.

InfraCo Africa will only get involved in a project if it can bring something additional, something that is unique to it that other private or DFI parties cannot bring to the project. InfraCo Africa will not subsidise other investors’ returns but instead look to invest in projects that are too risky for others alone but have the potential to be bankable and raise sufficient investment.

For InfraCo Africa, being additional does not just mean providing scarce capital. Its involvement may enable a project to run a pilot to build investor confidence or pioneer a technology or business model for the first time within a country. Its involvement may also mean that the project adopts international environmental, social or governance standards or implements additional benefit-sharing programmes for local communities. For InfraCo Africa, being additional is fundamental to achieving its purpose and delivering on its goals.



RAVI DHANANI
ASSET MANAGER

Ravi is InfraCo Africa’s Asset Manager for East and Southern Africa. He is a Chartered Accountant having previously worked at PriceWaterhouseCoopers. Ravi manages the post financial close aspect of the projects ranging from construction to operations from the East Africa office in Nairobi. He used to be the finance manager for InfraCo Africa prior to focussing solely on asset management from mid-2016. Ravi holds a BEng Hons in Manufacturing Engineering from the University of Nottingham.