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**IFU – investment projects in
developing countries**

Legal Mandate

- **IFU is a self-governing fund. For the purpose of developing economic activity in developing countries, IFU has been created to promote investments in these countries in collaboration with Danish Trade and Industry.**

BASIC FACTS AS PER 31 DEC. 2007

- Created by Act of Parliament in 1967
- Equity: DKK 2,316 mill.
- 616 projects in 77 countries
- Investments: range from DKK 45,000 to DKK 50 mill.
- Joint Venture ownership: range from 4% to 50%
- Eligible Countries per capita income < USD 2,876 (2008)
- Asia 46% of investments, Africa 31% and Latin America 16%
- IFU is demand driven – many different sectors



IFD CONTRIBUTES WITH:

- **Financing of joint ventures**
- **Risk-sharing**
- **Know-how on local investment conditions**
- **40 years of experience from developing countries around the world**
- **International network of development finance institutions (DFIs)**
- **“Quality mark”**
- **Deep pockets/courage to stay the course**
- **Good governance/CSR policy**



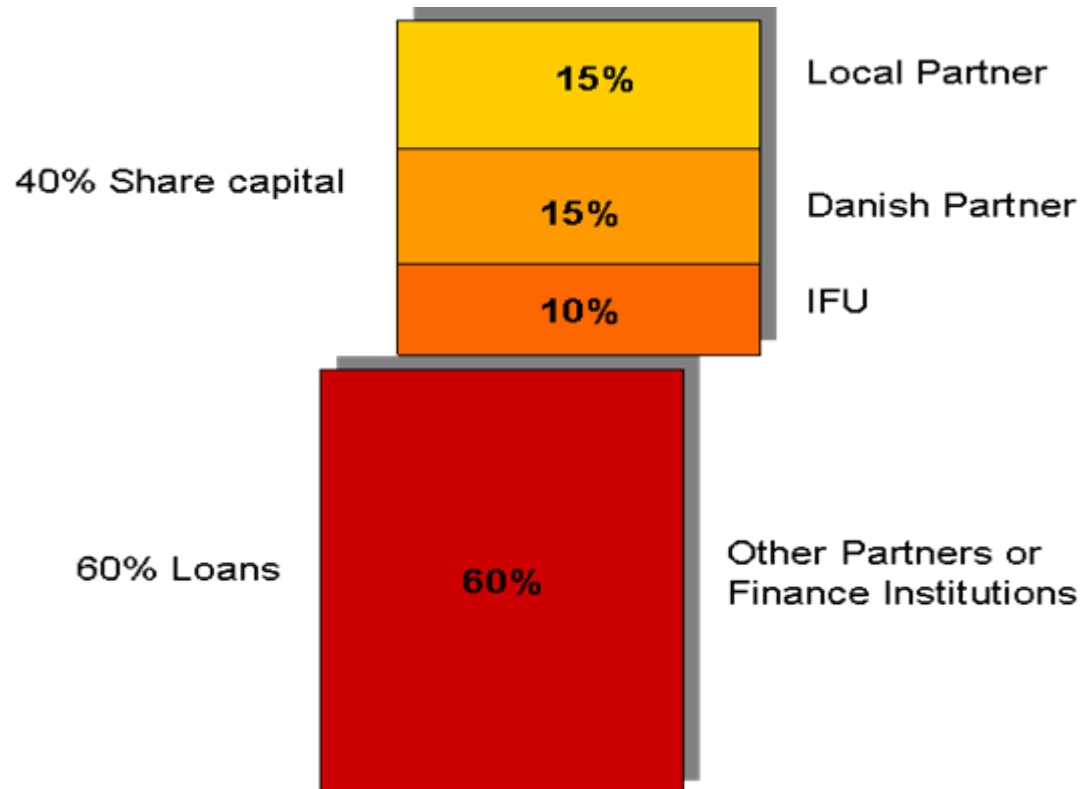
Financing- Equity or Quasi Equity Capital

- **Share Capital**
- **Equity Loan**
- **Subordinated Loan**
- **IFU's exit**
 - **stock exchange**
 - **sale to partner**
 - **sale to third party**

Legal Mandate

- **Project loans**
 - **hard currency**
 - **commercial terms**
 - **typically 5 years repayment**
 - **security**
- **Guarantees**

EXAMPLE OF PROJECT FINANCING OF A JOINT VENTURE INVESTMENT



- **Share capital / loan**
- **33% / 49% of total investment**
- **Max. 10 MUSD**
- **Investment period: 6-8 years**

IFU in the Water Sector

Generally limited experience with investments in the water sector, but some examples:

- Seychelles Desalination Plant**
- Maldives Desalination Plant**
- Victoria Pumps, Uganda**
- Drillcon, Uganda**
- Drill Corporation of Asia, Philippines**
- Scandrill, Malawi**
- Kualiti Alarn Sewerage, Malaysia**
- Sustain Water Philippines (“pipeline”)**

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