

Benefits of Using Multilateral Development Banks for Financing

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Stirling Infrastructure and Multilateral Development Banks (MDBs)

Stirling Infrastructure uses its expertise in financing infrastructure transactions to:

- Assess financial requirements of the project sponsor;
- Advise on the selection of the MDB to support the project.

If approved by our Investment Board, Stirling Infrastructure can arrange the entire financing transaction for bankable projects, including raising equity and debt. This financing may include the use of MDBs.

Stirling Infrastructure is in regular contact with MDBs globally and assesses their available financing terms. Available rates from alternative sources of finance within the market are benchmarked and Stirling Infrastructure advises on the most suitable course of action for the project sponsor.

MDB financing covered by Stirling Infrastructure

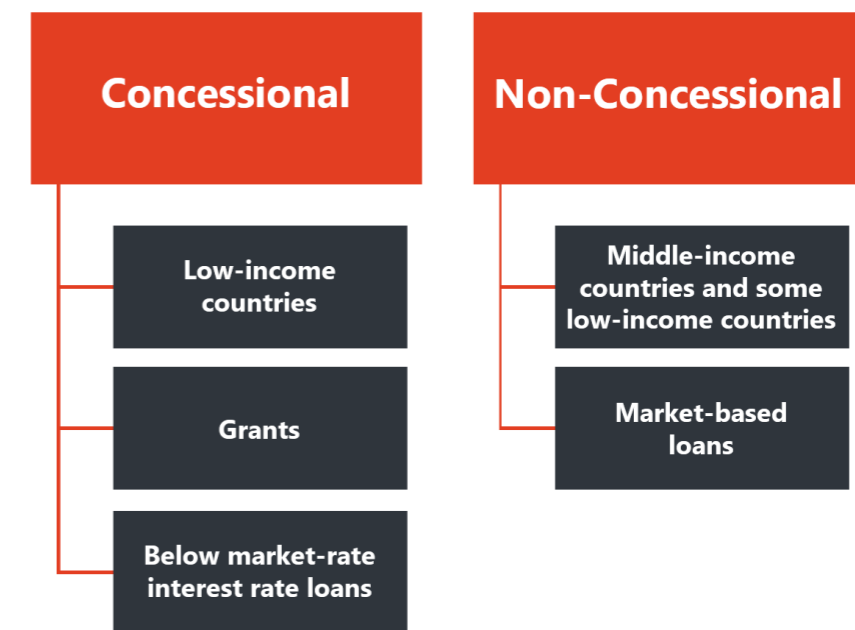
Project Finance	Project finance in addition to the sectors and real assets below
Energy Infrastructure	Renewable, gas, LNG and hydrogen power and supply chain
Mining	Most minerals, excluding coal
Ships and Tankers †	Oil tankers, LNG tankers and cargo vessels
Rail †	All rolling stock
Passenger Aircraft †	Specified categories of aircraft manufactured by Boeing and Airbus
Timberland	Supporting reforestation and environmentally sustainable projects

† For greater clarification on conditions regarding the type of ships, rail and aircraft that Stirling Infrastructure arranges financing for, please visit www.stirlinginfrastructure.com.

Role of MDBs

Multilateral Development Banks are institutions chartered by two or more nations, with the intention of promoting economic and social development in developing countries across the globe. MDBs fund and provide loans to a large number of infrastructure and development projects, in various countries across the world.

Figure 1: Lending windows offered by MDBs



MDBs can provide concessional financing in the form of grants and loans at a lower interest rate to low-income countries. These institutions also provide non-concessional, market-based financing to middle-income countries and some low-income countries, if considered creditworthy. Some MDBs can, on a selective basis, make equity investments, taking on a minority position in certain projects.

Every MDB will have their own classification as to which countries they define as low or middle-income for their lending purposes. Strong economic growth in a number of developing nations means that countries are increasingly eligible for MDB financing. There are over 25 MDBs globally, which can be global, regional or sub-regional. Smaller MDBs can often turn to larger MDBs in search of collaboration, due to the sometimes smaller capital base of these institutions.

Multilateral Development Bank by Region	Inception	Credit Rating	Last Review Date	Credit Outlook	Credit Outlook Date
AMERICA					
World Bank (International Development Association)	1959	AAA	10/02/21	Stable	09/21/16
Inter-American Development Bank (IADB)	1959	AAA	07/22/21	Stable	04/27/90
Central American Bank for Economic Integration (CABEI)	1960	AA	09/21/21	Stable	03/08/19
Caribbean Development Bank (CBD)	1969	AA+	05/24/21	Stable	05/09/17
Corporación Andina de Fomento (CAF)	1970	A+	06/14/21	Positive	06/14/21
AFRICA					
African Development Bank (AfDB)	1963	AAA	01/26/21	Stable	07/24/03
East African Development Bank (EADB)	1967	BBB-	01/10/21	Stable	01/10/21
Banque Ouest Africaine de Développement (BOAD)	1972	BBB+	16/10/2020	Negative	16/10/2020
Arab Bank for Economic Development in Africa (BADEA)	1974	-	-	-	-
Development Bank of the Central African States (BDEAC)	1975	-	-	-	-
Trade and Development Bank (TDB)	1985	BBB-	24/09/2021	Negative	24/09/2021
ECOWAS Bank for Investment and Development (EBID)	2003	B	01/12/20	Negative	01/12/20
EUROPE					
European Investment Bank (EIB)	1958	AAA	02/26/21	Stable	10/22/13
International Investment Bank (IIB)	1970	A-	03/30/21	Stable	03/07/19
OPEC Fund for International Development (OFID)	1976	-	-	-	-
International Fund for Agricultural Development (IFAD)	1977	-	-	-	-
European Bank for Reconstruction and Development (EBRD)	1991	AAA	07/16/21	Stable	09/25/91
Black Sea Trade and Development Bank (BSTDB)	1997	A-	07/28/21	Positive	03/08/19
ECO Trade and Development Bank (ETDB)	2005	-	-	-	-
ASIA					
Asian Development Bank (AsDB)	1955	AAA	08/23/21	Stable	09/18/89
Arab Fund for Economic and Social Development (AFSED)	1968	-	-	-	-
Islamic Development Bank (IsDB)	1975	AAA	11/30/20	Stable	12/19/02
Eurasian Development Bank (EDB)	2006	BBB	03/30/21	Negative	03/27/20
New Development Bank (NDB)	2014	AA+	02/26/21	Stable	08/29/18
Asian Infrastructure Investment Bank (AIIB)	2015	AAA	12/14/20	Stable	07/18/17

The Overseas Development Institution (ODI) report that project sponsors are increasingly seeking the support of MDBs for financing infrastructure projects.

Eligibility for MDB financing

For most MDBs, financing will be limited to companies that come from its shareholder countries, however most large nations, especially those within the EU tend to be shareholders of the largest MDBs globally. With generally flexible terms, MDBs provide personalized loans that match different profiles and needs. The size, maturity, currency and interest rate on the loan is decided when assessing the nature of the project at hand, as well as its social and economic impact. Most MDBs will require projects to follow two main mandates:

- To encourage sustainable economic development;
- To support economic cooperation and trade within the region the MDB finances.

Other mandates related to climate or specific industries, for example, will vary amongst MDBs. Furthermore, certain projects will be eligible for concessional financing, as opposed to the more widely offered market-based financing. Some projects may also qualify for a combination of these two lending windows. Nevertheless, Stirling Infrastructure Partners will contact MDBs and arrange these terms accordingly.

Stirling Infrastructure's criteria and requirements for MDB financing

Stirling Infrastructure Partners advises on a suitable financial structure based on the types of capital available for project finance. Furthermore, Stirling Infrastructure Partners only finances bankable projects, as approved by our Investment Board. This firm complies with the UK Anti Bribery Act 2010.

If suitable, Stirling Infrastructure Partners will arrange and execute MDB finance.

About Stirling Infrastructure

Stirling Infrastructure Partners is a corporate finance/project finance advisor. As part of our professional services, this firm also advises project sponsors on raising both debt and equity capital. The firm has expertise in the acquisition and disposal of both infrastructure and energy assets. With a global network of over 1,500 institutional investors and lending institutions, the firm is well placed to advise on arranging finance for project sponsors.

Disclaimer

This document has been prepared for information purposes only. Credit ratings are subject to change and this was correct as at the date published. Any third party should check data on a current basis.

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