



Private sector funding for power projects in Namibia



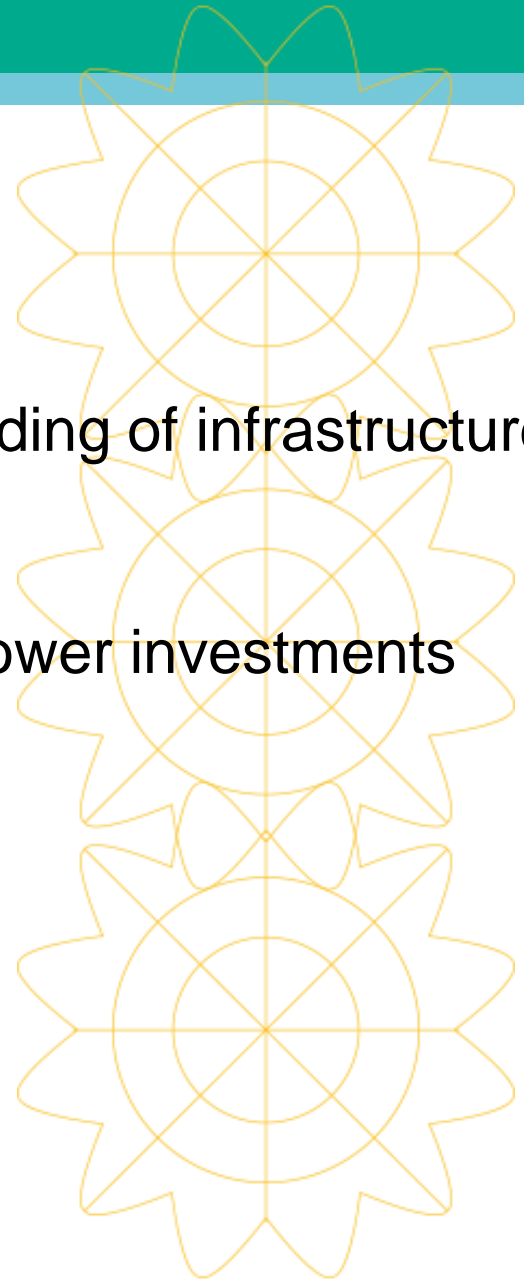
GIPF

Government Institutions
Pension Fund

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Content

- Infrastructure defined
- Private sector vs. government funding of infrastructure- /
power projects
- Factors making infrastructure- / power investments
attractive
- Possibilities for Namibia
- Conclusion



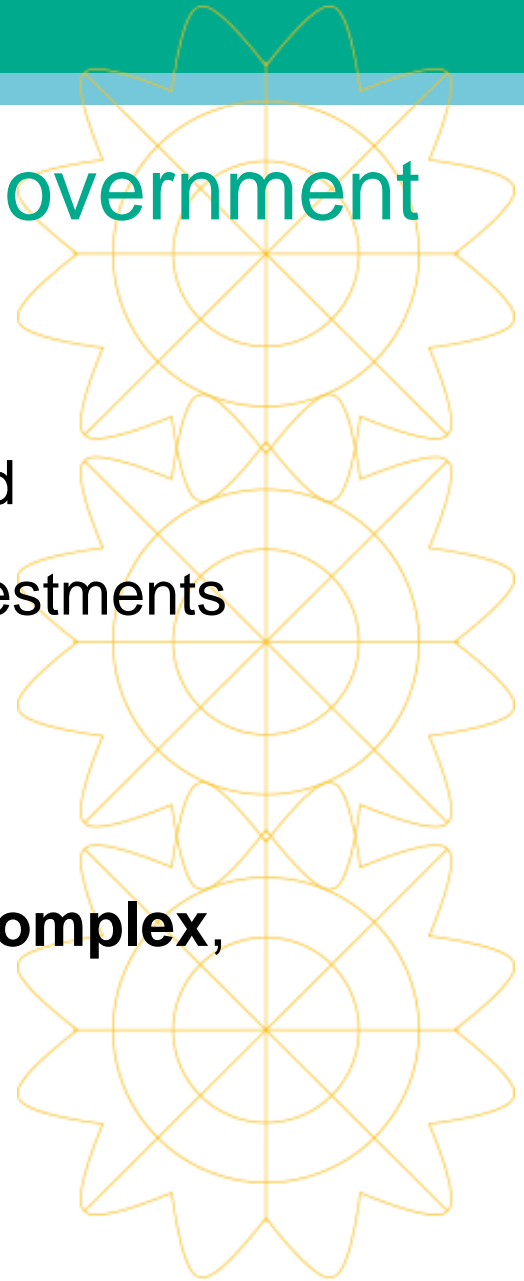
Infrastructure defined

Assets & services that a society requires to operate its economy, including industry, trade and social requirements



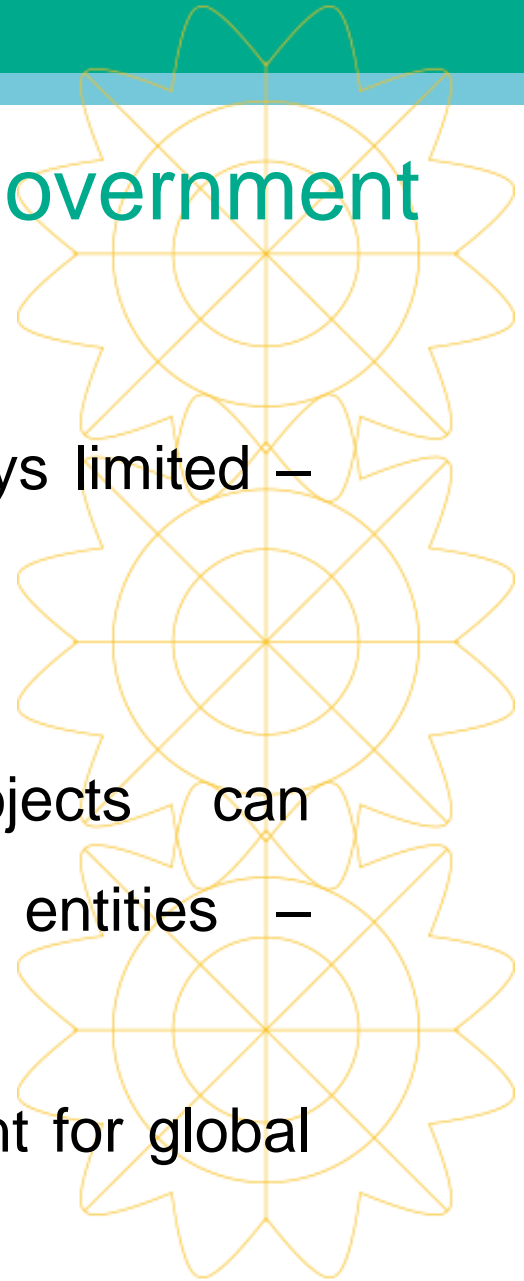
Private sector funding vs. government funding for power projects

- **Traditionally – Governments** funded infrastructure projects incl. power investments
- This is **normally** because:
 - Such projects are **operationally complex**,
 - normally **expensive**, and
 - **Politically sensitive**



Private sector funding vs. government funding for power projects

- Government resources almost always limited – with multiple needs
- But....
- Self-sustaining infrastructure projects can support investments from other entities – including from private sector
- This has been an area of investment for global private equity investors

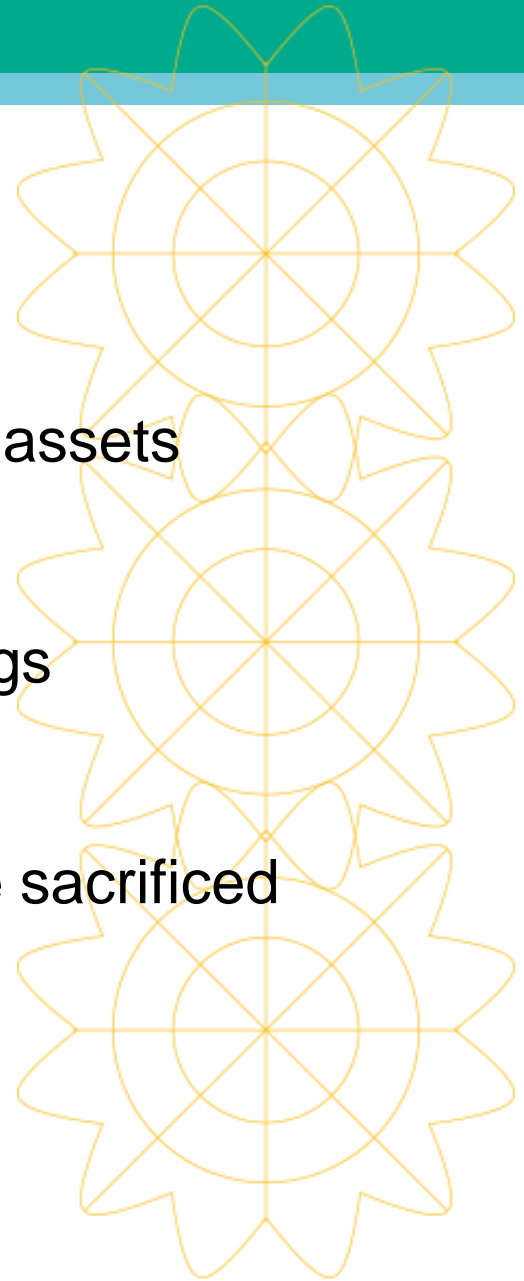


Factors making infrastructure investments **attractive**:

- **Long asset life** that may be more **closely matched** to an investors **long-term liabilities**;
- Potential for **stable** and **predictable cashflows**;
- Potential for **diversifying returns** that are **uncorrelated** with **other asset classes**; and
- Offering a degree of **inflation protection**

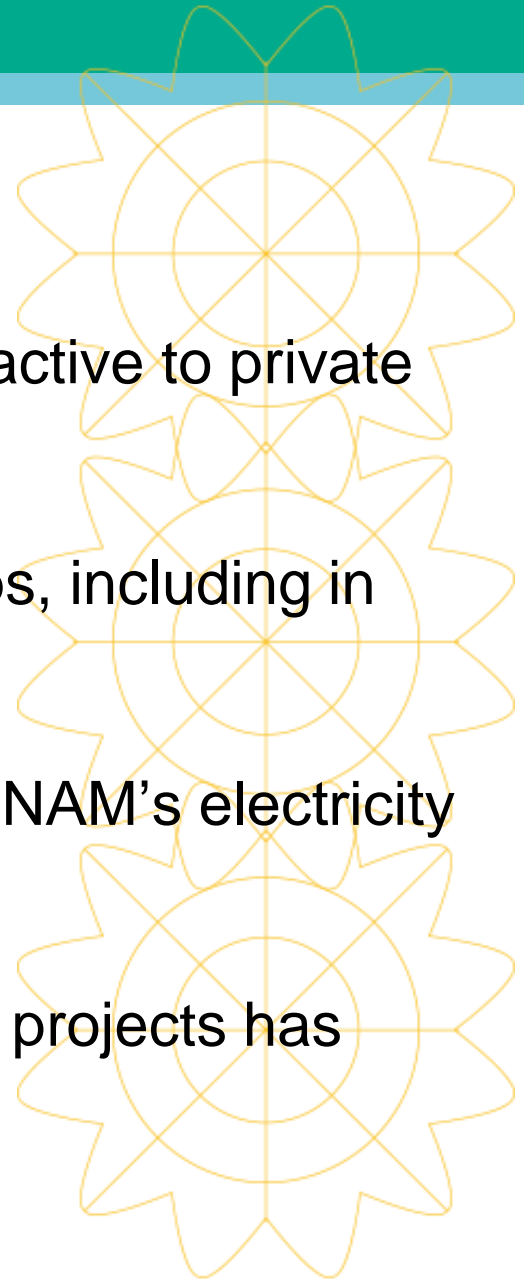
Possibilities for Namibia

- Infrastructure deficit, including energy assets
- Catalytic effect on wider economy
- Funding available – Institutional savings
- Local employment of capital -
- Investment return does not need to be sacrificed



Conclusion

- Infrastructure investment can be attractive to private investors
- Namibia has many infrastructure gaps, including in energy
- Nampower produces around 45% of NAM's electricity needs, importing balance
- Business case for investing in power projects has never been better





Thank you

