COLOMBIA’S INFRASTRUCTURE: ADVANCES AND CHALLENGES

Clemente del Valle, Presidente FDN
2014
WHAT IS THE 4G PROGRAM?

Covers 8,000 km and over US$25 billion in investments:

- Four lane highways: Over 1,370 km
- Number of tunnels: 141
- Km of tunnels: 125 km
- Number of viaducts: 1,300
- Km of viaducts: 146 km

Technical specifications of the program allow for average speeds of 80 km/hour

Savings in travel time up to 30% and in vehicle operation cost up to 20%

More than 40 projects:
- 8 projects have been awarded
- All should be awarded in the next year

Currently, none Latin-American country has a concrete infrastructure program (general plans and projects structured independently).

E.g. Chile spent US$9 bn from 1993 to 2010, and has an infrastructure plan of about US$11 bn for the next six years (2020).

Our program is compared to the National Highway Development Programme in India of US$60 bn in five years (2012-2017).
PPP PROJECTS IN OTHER MODES

USD 1.2 billion
Magdalena River navigability.

USD 3.5 billion
railroad projects.

USD 2.2 billion
Ten airports.

USD 1 billion port projects.

Awarded to the NAVELENA consortium, led by Brazil's Odebrecht.

This deepening program will be carried out along a 908 kilometers.

405 Km of new railways and 990 Km will be rehabilitated.

More than 45,000 direct jobs in the construction phase.

Projects are in prequalification stage.

1000 direct jobs created per each million passengers transported.

16 new ports
Terminals for hydrocarbons, coal, natural gas, grains, and general cargo.
INVESTMENT IN TRANSPORTATION INFRASTRUCTURE 2010-2018

INVESTMENT WILL INCREASE MORE THAN THREE TIMES FROM 2010 TO 2018
ANI INVESTMENT IN TRANSPORTATION INFRASTRUCTURE 2010-2018

PPP TRANSPORTATION INFRASTRUCTURE PROGRAM WILL INCLUDE ROAD, PORT, AIRPORT AND RAILROAD PROJECTS
FINANCING CHALLENGES

• The ambitious 4g program **required debt in excess** of $20 billion

• **Long term financing needs:** concession contracts (25 to 30 years) with project payments starting once the construction phase is completed.

• Projects with **high equity commitments** by the sponsors (20-25% of the value of the project).

**EXAMPLE OF TYPICAL PROJECT CASH FLOWS**

*Source: ANI*
FDN ROLE

OUR BUSINESS:

FINANCING SERVICES
Provide and mobilize resources to address the needs of complex infrastructure projects that have a unique set of risks.

ADVISORY SERVICES
Advise, structure, and contract management to help public sector clients build a pipeline of new infrastructure projects.

STRONG SHAREHOLDERS:

CURRENT CAPITAL

MINHACIENDA  (Ministry of Finance)
USD 246 million

CAF
USD 28 million

IFC
USD 55 million

INITIAL CAPITALIZATIONS (2014)
FDN CATALYTIC ROLE

- Generating a ripple effect -

- Mobilizing capital from different sources
- Developing tailor-made products
- Standardizing project finance practices
- Mitigating construction and operation risks

GOVERNMENT

BANKS

MULTILATERALS

INSTITUTIONAL INVESTORS
THANK YOU!

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