

IDB Announces US\$2 Billion New Infrastructure

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By Azizul Ahmad

JEDDAH, June 26 (Bernama) -- The Islamic Development Bank (IDB) today announced the launch of the US\$2 billion Islamic Development Bank Infrastructure Fund II (the IDB Fund II) on its 40th anniversary.

The IDB Fund II is the largest private equity infrastructure fund dedicated to IDB member countries, IDB President Dr. Ahmad Mohamed Ali said at the closing of the 39th Annual Meeting of the Group here today.

He said the new fund is supported by Saudi Arabia's Public Pension Agency, Bahrain's Ministry of Finance and Brunei's Ministry of Finance as founding investors, with aggregate commitments totalling US\$750 million for the first closing.

A final closing with additional investors is targeted for early 2015, he said.

The IDB Fund II is the successor to the US\$730 million IDB Infrastructure Fund I (the IDB Fund I), also supported by the founding investors, which achieved an internal rate of return of 18 per cent.

In IDB Fund I, IDB achieved good returns on investment in signature projects such as AirAsia in Malaysia, Saudi International Petrochemical Co (SIPCHEM) in Saudi Arabia and AES Oasis Ltd with power assets in Pakistan, Oman and Jordan.

"Building on the successful track record of IDB Fund I, the IDB and founding investors are nearly tripling the size of the IDB Fund II to US\$2 billion.

"The fund will mobilise up to US\$24 billion of aggregate financing to support the development of key infrastructure projects in IDB member countries," he added.

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