# Co-Investment Options in Infrastructure
## A Guide for Institutional Investors

### Summary Guidance

Drawing on case study analysis completed by IFC for a grouping of Pacific islands investment funds, we analyse six different co-investment options to show that, when it comes to co-investment, success can take various forms.

The options were drawn from a global set of case studies in both emerging and developed market contexts.

### Overview of Options

**Option 1:**
**Information /Collaboration Platform**

*Case study: The Pacific Islands Investment Forum in its current form*

**Option 2:**
**Co-investment platform**

*Case studies: Pension Infrastructure Platform (PiP) – UK & Caribbean Investment Facility (CIF)*

**Option 3:**
**Joint-owned fund manager**

*Case study: Industry Funds Management (IFM) – Australia*

**Option 4:**
**Specific investment instrument**

*Case study: Philippine Investment Alliance for Infrastructure (PINAI)*

**Option 5:**
**Appoint independent fund manager**

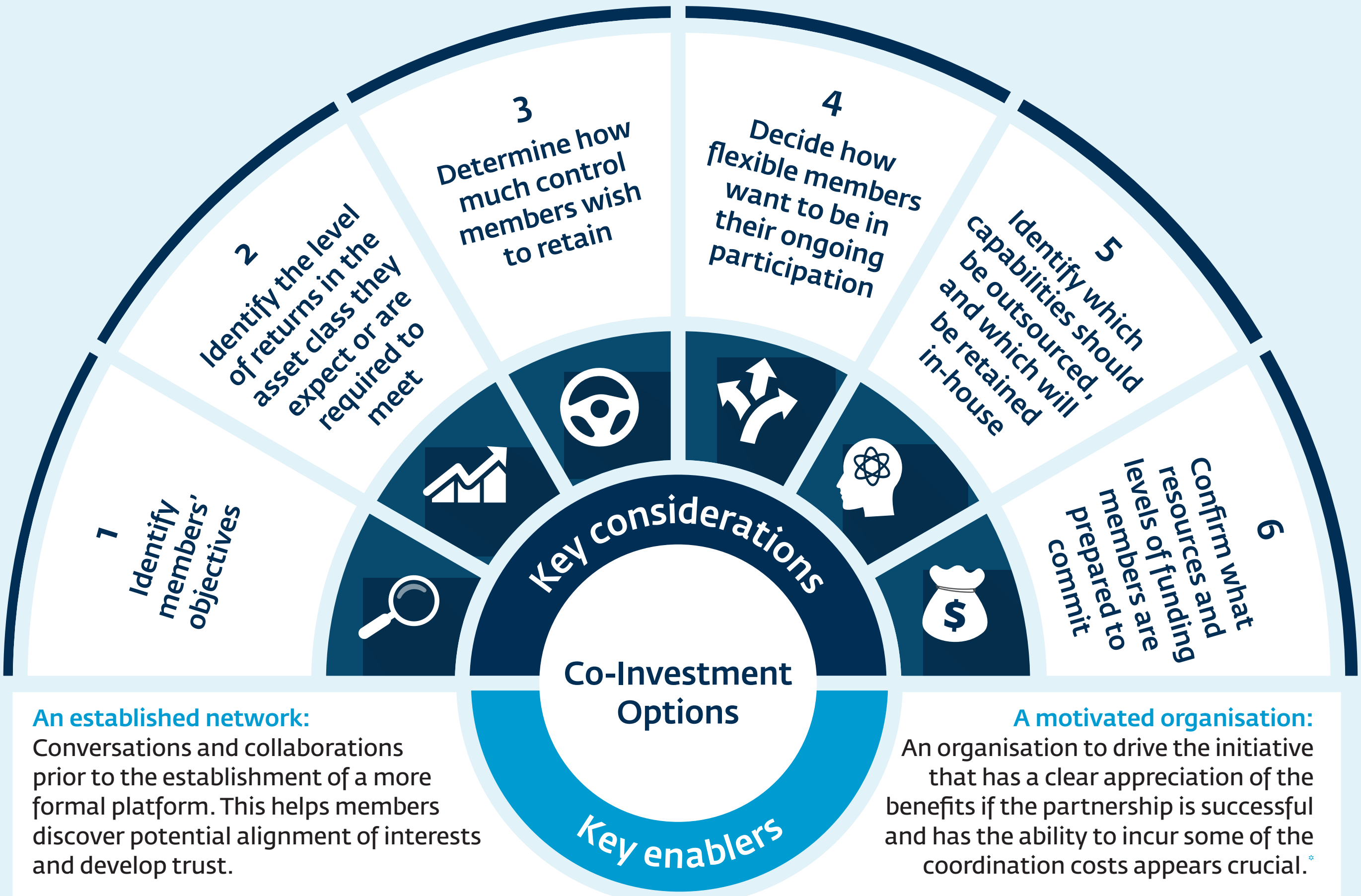
*Case study: H.R.L Morrison & Co – New Zealand*

**Option 6:**
**Listed company**

*Case study: Elia – Belgium*

## Key considerations for co-investment

Consideration of these elements can guide investors to determine which co-investment might be best suited to their unique context and needs.




**An established network:** Conversations and collaborations prior to the establishment of a more formal platform. This helps members discover potential alignment of interests and develop trust.

**A motivated organisation:** An organisation to drive the initiative that has a clear appreciation of the benefits if the partnership is successful and has the ability to incur some of the coordination costs appears crucial.*

**Funding:** prior to making their first investments most platforms will incur development costs above those of simply coordinating the partners.

**Flexibility:** Investors benefit from flexibility; when structures can change over time to suit the investment landscape and shifting member demands.

**Capability:** some level of capability be it to source investments, undertake due diligence or manage the investment is required. For several of the case studies this capability was acquired from an external manager.

**Investment Pipeline:** An early set of investable opportunities demonstrates that the platform can meet members' needs.

**Number of Partners:** There is no perfect number of partners. There are benefits to bringing partners onboard, however, as the number of partners on a platform grows so does complexity and coordination costs, which can turn into a barrier. The right partners—aligned in their objectives—are more important than the total number.

## Key enablers

Several factors facilitate success regardless of the objectives and form taken for the investment platform. These 'enablers' of success were common across the six case studies.

*An international finance institution, such as International Finance Corporation, with a development mandate and strong mobilisation capabilities are often the catalysts for establishing these kinds of platforms with the case study examples of the Managed Co-Lending Portfolio Program and the IFC Global Infrastructure Fund, highlighted in section 4 of the report.