



## SOCIAL INFRA VENTURES (SIV)

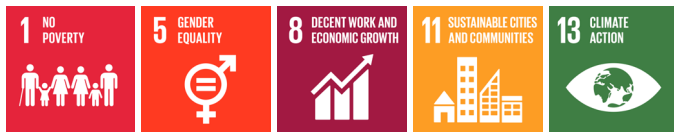
**SECTORS:** SUSTAINABLE CITIES, URBAN INFRASTRUCTURE, BUILDINGS, CLIMATE RESILIENCE

**REGION:** AFRICA

**INVESTMENT TYPE:** COMMERCIAL CAPITAL, CONCESSIONAL CAPITAL

**ATTRIBUTE:** GENDER EQUALITY

**SDGs:**



**PROPONENT:** SOCIAL INFRA VENTURES

**OTHER IMPLEMENTATION PARTNERS:** CARDANO DEVELOPMENT

Africa is expected to see over half of the global population growth between now and 2050, with much of this growth concentrated in secondary cities with up to one million inhabitants. The demand for affordable housing in these cities is outstripping supply, forcing many low- and middle-income households to live in informal, substandard housing. This informal housing is often poorly constructed, unsafe for women, and vulnerable to climate shocks. In addition, many low- and middle-income households, particularly women, have limited access to mortgage finance, which limits their access to formal housing.

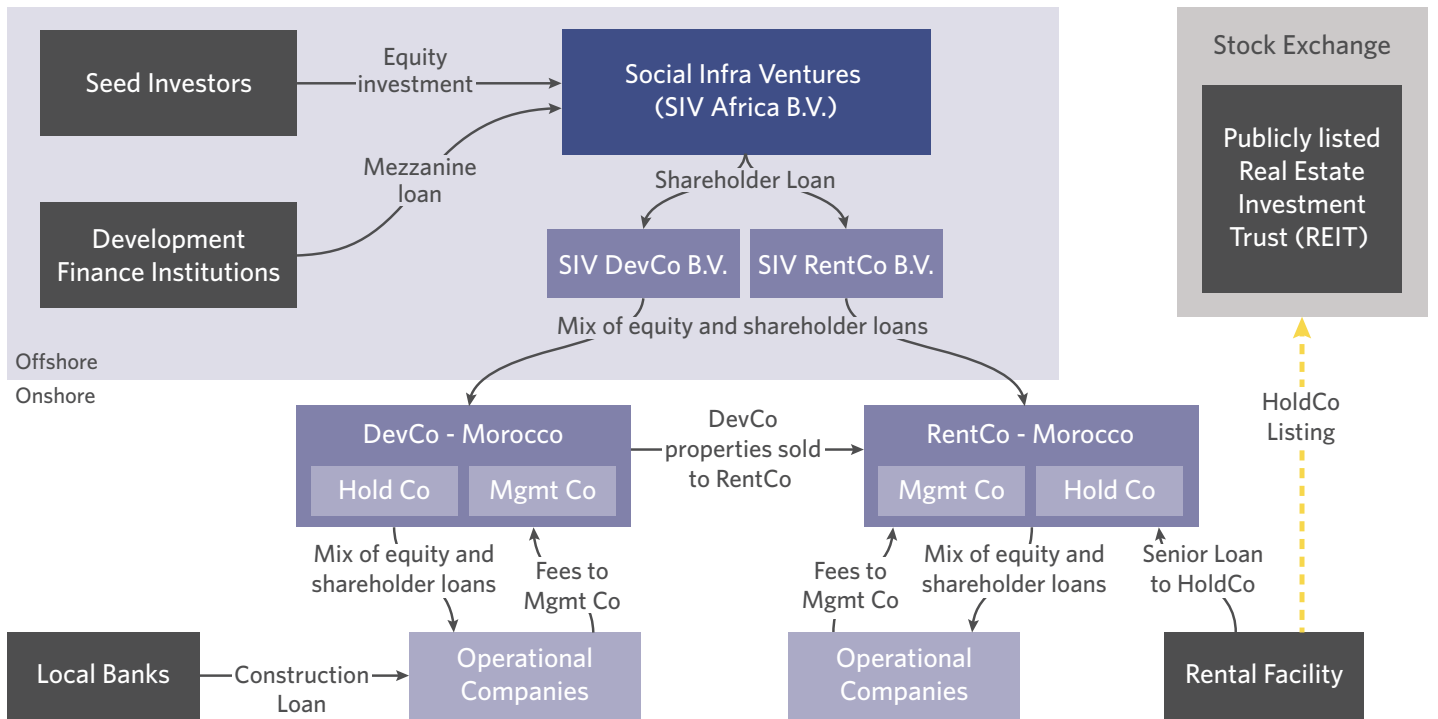
SIV is a first-of-its-kind rental and for-sale gender-responsive green affordable housing platform in Northern Africa.

## INNOVATION

SIV is the first developer in Northern Africa to integrate four key factors into its housing development projects: capital markets, rental and for sale housing units, gender considerations, and climate-sensitive buildings. SIV plans to sell its rental portfolio through a strategic sale or a listing on the Moroccan stock exchange to fund future phases, creating a self-sustaining housing finance ecosystem and institutionalizing green and gender-responsive housing, including for rental. SIV also integrates gender mainstreaming into its program cycle, seeking to contribute to reducing gender inequalities in access to housing, social and economic opportunities, and addressing the needs of women in the design, implementation, monitoring, and evaluation of its projects.

## IMPACT

Over the next ten years, SIV projects will house over 104,000 people in Morocco in community-centered developments close to economic opportunities. Of these, approximately 25% will be through RentCo, thus contributing to institutionalizing the currently informal rental market. All houses built, acquired, or financed through SIV will be IFC EDGE certified, making them at least 20% more efficient in energy, water consumption, and embodied carbon of materials. SIV will improve the climate resilience of the housing stock by using the IFC BRI, a self-assessment tool for developers to assess, manage, and disclose risks. SIV has set a gender-specific strategy and targets based on a gender analysis to ensure women are a sizeable share of beneficiaries and targeted by specific interventions such as the construction of childcare facilities.



## DESIGN

SIV is established offshore and capitalized through international debt and equity. This seed funding finances two offshore structures: the development and rental platforms. These funds then flow to the onshore (Moroccan) Devco and RentCo vehicles to carry out the asset development and management activities.

The asset portfolio of RentCo will either be sold directly or packaged into a Real Estate Investment Trust (REIT) for listing on the Moroccan stock exchange. The capital raised from this sale will fund the next development phase.

SIV's structure provides flexibility for seed investors while mitigating currency risk and allowing for alternative financing strategies, addressing the limited investment in affordable housing in Morocco.

## TEAM



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## INVESTMENT OPPORTUNITIES

TYPE	ROLE OF CAPITAL	AMOUNT
EQUITY CAPITAL - SIV	Seed capital for SIV, funding for first phase	USD 25M
MEZZANINE DEBT - SIV	Blended financing for SIV for first phase	USD 35M
SENIOR DEBT - SIV RENTCO	Senior secured facility for RentCo	USD 30M
LOCAL COMMERCIAL DEBT - SIV DEVCO	Senior secured facility at project level for DevCo	USD 220M
HEDGING INSTRUMENT - SIV RENTCO	Mitigate currency risk of SIV RentCo facility	USD 30M (amount covered, not the value of the hedge)

The Global Innovation Lab for Climate Finance identifies, develops, and launches innovative finance instruments that can drive billions in private investment to action on climate change and sustainable development. Bloomberg Philanthropies and the governments of Canada, Germany, the United Kingdom, and the United States have funded the Lab's 2023 programs. Climate Policy Initiative serves as the Secretariat and analytical provider.