PIDG Mission

To mobilise private-sector investment to assist developing countries to provide infrastructure vital to boost their economic growth and combat poverty.

A consortium of donor organisations who have joined together to help facilitate private sector investment in infrastructure in developing countries.

- Australia
- Germany
- Ireland
- Norway
- Sweden
- Switzerland
- The Netherlands
- United Kingdom

PIDG works across the project cycle

PIDG: Cumulative Commitments per Sector

Leveraging PIDG Members’ funding; public resources and ODA can not meet financing gap for African Infrastructure. The key is better and smarter aid.

PIDG Impacts

US$19.6 billion in commitments from commercial sources

US$8.6 billion from DFIs

98.5 million people benefitting from new or improved infrastructure

- 90% in poorest countries (LDC / OLIC)
- 68% in fragile states
Constraints to Private Investment / Risks

- Lack of bankable projects or limited developer capacity
- Shortage of long-term FX / local debt (fluid, longer-term domestic investment instruments)
- Public sector capacity constraints
- Lack of credit-worthy counter-parties
- Affordability risk
- Regulatory risks

PIDG - Looking Forward

- Structure: designed to leverage private sector
- Delivers a social return: carefully measured
- Demonstration effect: frontier markets are viable
- Risk management: addressed / managed at every step
- Dialogue with industry: key to our strategy development
- Always looking for new ideas: PIDG aims to be transformational

Uganda: Kalangala, Infrastructure Services & Renewables

4 integrated infrastructure components:
- Solar power supply and distribution
- Solar-powered pump-based water supply
- 6 km road rehabilitation to serve population of Bugala Island, Lake Victoria
- 2 ferries

- Project developed by: InfraCo Africa
- Co-financed by: NedBank, USAID (co-guarantor), Ugandan Development Corporation, Industrial Development Corporation of South Africa, EAIF, GuarantCo and TAF
- Total project investment - $44.5m
- It is estimated that due to the project, literacy will be increased by 5% by 2020 and 20% of women who are engaged in commercial activity, will be doing so as a consequence of the project.

Ghana: Cenpower, 340 MW IPP in Tema

- UBO (72%): Export credit cover by a consortium of South African commercial banks and international DFIs, including Rand Merchant Bank, Nedbank, Standard Bank and FMO.
- Equity (28%): AFC Equity Investments Limited (~32%); Sumitomo Corporation (~28%); Cenpower Holdings Limited (~21%); Mercury Power (15%); and FMO (~4%).
- ‘African Power Deal of the Year’ in 2014 (PFI Awards), the plant should be fully operational by 2017
- 67% of equity is held by African entities and 83% of senior debt is held by African lenders

Thai Biogas Energy Company, Mekong Region

- TBEC sets up biogas plants near agri-processing factories to extract biogas from the factories’ wastewater. The biogas can be used to generate clean, renewable energy and carbon credits (replacing coal, Diesel or HFO).
- The total investment of $12.5m has been used to set up two wastewater processing plants in Laos and Cambodia.
- 100% commercial debt financing was provided by a local Thai lender, ICBC (GuarantCo provides a 100% guarantee for ICBC’s loan).

GuarantCo: Mobilink Pakistan – PKR 8bn ($75m) Sukuk

- The Sukuk was structured as a “Service Ijara”, the first time this structure has been used in Pakistan.
- Strengthening and deepening local capital markets – mobilising 16 Islamic investors, 60% of financing from new sources.
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Thank you

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