November 2018

Dear ,

This month:

- PIDG CEO Philippe Valahu and Head of Development Impact Alice Chapple attend Safeguarding Summit 2018
- Introducing Cameron Bain, PIDG’s new HSES Director
- GuarantCo partners with LSE for Kenya Day
- Mali Albatros Energy plant inauguration
- GuarantCo and EAIF provide support for €78m Akuo Kita solar power plant in Mali
- FT Water Summit attended by PIDG and EAIF
- InfraCo Africa co-sponsors AIX Nairobi
- GuarantCo General Counsel Kirsten Bryans attends UK-Ghana Investment Summit
- InfraCo Africa scaling solar in Tanzania

Please do get in touch about anything in this newsletter, and I will come back to you.

Kind regards,

Philippe

philippe.valahu@pidg.org

Safeguarding Summit 2018

More than 500 delegates from 50 nations representing public and private sector interests from the international development community attended Safeguarding Summit 2018 in London in October to drive collective action to prevent and respond to sexual exploitation and abuse and sexual harassment in the aid sector.

Following revelations of abuse by aid workers earlier this year, the international aid community is committed to
driving up standards to ensure the aid sector protects the people it serves. The summit was an important step forward to meeting that commitment.

PIDG CEO Phillippe Valahu said: “I was very moved hearing the brave testimonials of individuals who suffered abuse at the hands of aid workers. The responsible delivery of international development around the world is something we take very seriously.”

Live recorded conference stream here

PIDG welcomes new HSES Director, Cameron Bain

PIDG has appointed its first Health, Safety, Environment and Social (HSES) Director, Cameron Bain. Based in London, Cameron is a member of ExCo and responsible for the implementation and oversight of the HSES management system, the subsequent interpretation of data and the continuous improvement of HSES performance across the group.

Trained as a mechanical engineer, Cameron also holds a Pg. Dip in Environmental Risk and Technology. With over 20 years of HSES experience in the oil and gas sector in Africa and the Middle East, he has been involved with numerous energy and infrastructure projects, and has a hands-on approach to engineering and technical safety management. His immediate focus will be on developing new safety standards and raising awareness about project risk. “We all have to remember that projects can have both positive and negative impacts,” said Cameron; noting that his aim is for PIDG companies to lead by example across all stages of a project.

“It’s really about getting safety into the DNA of all the deals we’re doing,” he said. “We’re here to change lives. I’m here to save lives.”
GuarantCo partners with LSE for Kenya Day

GuarantCo partnered with the London Stock Exchange Group (LSEG) for Kenya Capital Markets Day on 29th October.

The event was designed to provide an insight into investment opportunities in Kenya’s energy sector. Guests of honour were Hon. John Munyes EGH, Cabinet Secretary, Ministry of Petroleum & Mining, Republic of Kenya and Harriett Baldwin MP, Minister of State for Africa, UK Government.

LSEG and GuarantCo also co-hosted a round table titled ‘Financing the affordable housing market in Kenya’. Participants included senior representatives from corporate companies, banks and regulators in Kenya, Kenyan housing specialist from London and representatives from DFID, LSEG, PIDG and GuarantCo. This builds on several affordable housing projects with which PIDG companies are involved, and aligns with PIDG’s ambition to expand further into the affordable housing sector.
25% electricity boost for Mali as €122 million power station opens

The value of innovative blended financing for major infrastructure projects in Africa was demonstrated on 31st October with the opening of the 90MW Albatros Energy Mali (AEM) power station in Kayes, Mali. The plant is expected to increase Mali's effective baseload electricity capacity by 25%, providing up to 4.5 million people with improved access to power and paving the way for new renewable energy facilities.

The €122 million power plant has the support of a €5.0 million, 15-year term conventional loan and an innovative €3.8 million Sha’ria financing facility with a 14-year term facilitated by PIDG company the Emerging Africa Infrastructure Fund (EAIF).

The project has drawn on support from other PIDG companies to ensure its success. PIDG’s Technical Assistance Facility (TAF) assisted AEM with $500,000 of funding to support legal and environmental studies. In addition, GuarantCo provided a €3.8m, 13-year Debt Service Reserve Account (DSRA) guarantee to AEM.

By establishing this long-tenor DSRA guarantee, GuarantCo created a financial structure for the project which is unique to Mali and to the country’s energy sector. The significant benefit of the DRSA guarantee is that the legal obligation to reserve cash to service interest and principal payments on the debt, can now be used for other purposes and that tariff levels will remain affordable.

The early-stage investment arranged by PIDG companies in a high-risk market has enabled private investor confidence in both the project and in Mali and has been instrumental to the successful development and completion of the plant – PIDG’s first energy project in Mali.

With PIDG company support, Albatros Energy represents the successful realisation of the first post-conflict power development in Mali; enabling an in country idea to be realised through innovative blended finance and is an excellent demonstration of PIDG operating collaboratively across its specialist companies.
President of Mali Ibrahim Boubacar Keita and UK Ambassador to Mali Cat Evans attended the inauguration, along with senior members of Mali’s government, who helped AEM Chairman Amadou Sow and CEO Koenraad Beckers to conduct the official opening. Emilio Cattaneo, Executive Director, attended on behalf of EAIF, and Alex Hazoury attended on behalf of GuarantCo. The event attracted significant media attention in the region.

PIDG companies the Emerging Africa Infrastructure Fund (EAIF) and GuarantCo announced in October that the €78 million Akuo Kita solar power station project in Mali had achieved financial close.

EAIF, the joint Mandated Lead Arranger (MLA) on the Akuo Kita Solar project financing, arranged the senior debt facility for a total of €54 million over 15 years. The project marks EAIF’s first MLA role in a French-speaking African country and is PIDG’s second project in Mali, after the Albatros Energy plant, which provided the baseload needed to support renewable energy projects.

EAIF’s share of the debt package is €18 million, and it provided an additional €8 million mezzanine facility over 20 years. GuarantCo has provided a €2.3 million Debt Service Reserve Account guarantee.

Built and managed by French company Akuo Energy, the 50MW Akuo Kita Solar plant will sell its power to Electricité du Mali SA, the national utility, under a 28-year power-purchase-agreement. It will be the largest solar farm in West Africa; powering the equivalent of over 91,000 homes a year in a fragile country where 36% live
below the poverty line. Up to 400 people, including 20 managers, will be employed during the plant’s 14-month construction period. When operational, the Akuo Kita facility will employ 30 permanent staff, all of whom are expected to be from Mali. It will be the first photovoltaic power station in Mali owned and run by a private sector independent power producer.

PIDG continues to support the development of renewable energy projects in fragile economies; encouraging economic growth and helping to provide greater confidence for investors.

FT Water Summit attended by PIDG and EAIF

PIDG and EAIF attended the FT Water Summit, a unique event on the global financial and water sector calendars. It is designed for companies and NGOs who use water as an input in their products, processes, and/or supply chains, as well as banks and investors and global financial institutions.

EAIF Executive Director Emilio Cattaneo joined a high-level panel that discussed why investors are holding back from water-based infrastructure projects. He spoke about the innovative PPP behind the PIDG Kigali Bulk Water project in Rwanda, that attracted private sector, government and international partners to address Kigali’s water shortage.

Addressing some of the pitfalls that fail to inspire investor confidence, he noted how DFIs can provide support to host governments in the early stage to build capacity that creates an enabling environment for success; along with high-quality, transparent tendering processes and blended finance instruments to keep tariffs low for users.
The Kigali Bulk water project will provide 40,000m³ of water per day, allowing 500,000 people access to clean and sanitised water. The project hopes to create a water-secure future for Kigali that is free from rationing.

At the FT Water Summit, UK Minister of State for Africa Harriett Baldwin highlighted the need for crowding in private sector investment in developing countries, and recognised PIDG's support for the Kigali Bulk Water project in Rwanda.

See video extract of the Minister's speech below.

InfraCo Africa co-sponsors AIX Nairobi

InfraCo Africa was a key sponsor of the first Africa Investment Exchange (AIX) event to take place in Africa. As a highly focused event attended by predominantly local developers, InfraCo Africa's East Africa team identified AIX as an important platform to share our expertise, enabling us to build local capacity and engage with partners to co-develop future projects across East
Africa. The team chaired lively panels on scaling up mini-grids, early-stage development and strategies to increase clean power generation.

The event featured a good deal of discussion around future energy demand in East Africa, most of which will come from industrialisation, rather than energy access or the electrification of the transport sector. In particular, there were questions about how to grow the IPP market for the private sector. The view of delegates was that there are undoubtedly transmission and distribution opportunities on the ground for the private sector, but also challenges on how these deals could be structured.

**GuarantCo General Counsel Kirsten Bryans attends UK-Ghana Investment Summit**

Kirsten Bryans, GuarantCo General Counsel, recently represented PIDG at a summit in Accra organised by DFID and the UK Ghana Chamber of Commerce. The event was designed to further develop trade between the UK and Ghana, which is currently the UK’s fourth biggest export market in sub-Saharan Africa.

Kirsten participated in a panel discussion on infrastructure investment opportunities in Ghana and how infrastructure development can support economic transformation and job creation.

Transformative PIDG company projects in Ghana include Quantum Terminals - a liquid petroleum storage terminal in Atuabo near the country’s Jubilee Oil Fields that benefited from a GuarantCo guarantee - and Cenpower, a 350MW Combined Cycle Gas Turbine (CCGT) plant designed to address Ghana's power deficit, which received assistance from TAF, EAIF, and InfraCo Africa.
InfraCo Africa has released a video that talks about the challenges and successes in providing mini-grid services to rural Tanzanian communities; which demonstrates how we are able to extend the reach of mini-grids through scale and replicability.

600 million people in Africa have no access to electricity. To achieve SDG7 - Energy Access For All by 2030 - it is estimated that 30% of sub-Saharan Africa’s future power generation capacity will need to come from mini-grids.

InfraCo Africa is pioneering work in the off-grid energy sector with 4 mini-grid projects currently operational or under active development (Virunga, Standard Microgrid, REDAVIA and Kalangala Infrastructure Services). The REDAVIA project is delivering clean, reliable power in rural Tanzania; enabling businesses like Hakim Simchimba’s flour mill to improve the quality and quantity of production.

Watch the video below for more or visit the InfraCo Africa website for more case studies.
You are receiving this email because you are on our database. If you would prefer not to, please update your preferences below.