October 2018

Dear ,

This month:

- PIDG CEO Philippe Valahu joins City of London steering committee
- DFID representatives visit PIDG offices
- PIDG attends FinDev Canada Launch and Global Disability Summit event
- GuarantCo CEO Las Perera speaks at Pakistan Credit Enhancement Facility event
- InfraCo Asia CEO in feature interview
- Moody's: GuarantCo's credit profile reflects solid capitalisation
- Malawi Salima Solar PPA signing
- Redavia Solar power film released by InfraCo Africa
- GuarantCo and Infraco Asia awards

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

Kind regards,

Philippe

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**Philippe Valahu joins City of London steering committee**

At the UN General Assembly in New York last month, the UK Prime Minister co-hosted an event calling for investment in jobs for young people in Africa. At the event, the City of London Corporation announced the launch of its Sustainable Development Capital Initiative (SDCI), to help raise the investment needed to meet the UN Sustainable Development Goals (SDGs).
The SDCI, of which Philippe Valahu is a member, is supported by DFID and key public and private institutions, and will work to develop London as a leading hub for development finance, with the goal of helping to raise the necessary capital required to help meet the SDGs. The group aims to deliver its first set of outcomes in line with the UK-Africa Summit in 2019.

**PIDG CEO Philippe Valahu said:**

"I am pleased to be a part of the high level steering group announced by The City of London. I am confident our expert group can provide innovative financial stewardship in support of the upcoming African Summit in 2019."

Read the full press release here

**DFID representatives visit PIDG offices**

It was a pleasure having DFID representatives join Philippe Valahu in the PIDG offices on September 17. Nick Dyer, Director General of Policy, Research and Humanitarian and Tony Burdon, Head of Private Sector Department, joined us to discuss working together and furthering infrastructure development.

Our guests toured PIDG's offices meeting staff and discussing plans for PIDG and DFID-funded projects. We very much enjoyed having the DFID staff with us, and we look forward to further collaborative work in the future.
In attendance were (L to R) Tony Burdon, Head of Private Sector Department (DFID), Nick Dyer, Director General for Economic Development and International and PIDG CEO, Philippe Valahu

**FinDev Canada asks how women could change the world**

Established earlier this year by the Government of Canada, FinDev Canada, the country's development finance institute, celebrated its launch and the opening of its head office in Montreal in September, by hosting an international conference entitled: "What could women do with $3 billion? ... Change the World."

The title refers to the leadership role Canada played at the G7 meeting in June, where FinDev Canada joined with other DFIs in supporting the 2X Challenge: Financing for Women, jointly committing to raise $3 billion to be invested in initiatives that advance women as entrepreneurs, business leaders, employees and consumers.

For PIDG Head of Partner Relations Karen Menzel, attending the conference was a great opportunity to learn more about Canada's international development plans, particularly in Africa, and foster relationships with potential Canadian partners.

**Global Disability Summit event**

In September, PIDG attended a follow-up event to the Global Disability Summit, arranged on the sideline of the UNGA week in NYC, hosted by DFID, The Government of Kenya and the International Disability Alliance.

PIDG is committed to identifying how developers and operators within its portfolio can take action where appropriate in the design of infrastructure, the operation of infrastructure companies and the delivery of
infrastructure services, in order to remove barriers to access for people with disability.

Over the next 18 months, PIDG will conduct training to raise awareness; embed questions and prompts in the terms of reference for environmental and social impact assessments and in investment papers; identify at least one project suitable for a pilot study; and undertake a survey of stakeholders in at least one project to assess the particular impact on people with disabilities.

These activities will improve our understanding and enable us to identify where opportunities exist to do more.

GuarantCo helps launch Pakistan Credit Enhancement Facility

On September 11th, The Pakistan Credit Enhancement Facility (PCEF) was introduced to public and private sector stakeholders at a conference in Islamabad co-hosted by Karandaaz Pakistan and the UK Department for International Development (DFID).

This local currency credit enhancement facility is being set up to address and overcome existing constraints in the supply of local financing to infrastructure projects and to help the development of the local financial market.

The facility is supported by PIDG company GuarantCo with assistance from DFID. The PCEF will help Pakistani businesses, especially SMEs in the social sector, access financing avenues in the face of under banking across almost all sectors of the economy.
Kirsten Briars and Angela Silva from GuarantCo presented at the conference, along with GuarantCo CEO Las Perera.

**GuarantCo CEO Las Perera said:**

"It is expected that the Pakistan Credit Enhancement Facility (PCEF) will enhance Pakistan’s capacity to attract and unlock latent pools of capital from pensions and insurance for infrastructure investment into key sectors of the country’s economy.

GuarantCo has been active in Pakistan since 2013 as an international credit enhancement provider, and is delighted to be part of this constructive partnership to establish a Pakistan-based credit enhancement facility as we have successfully done in Nigeria.

In Pakistan, this facility will provide local currency guarantees for infrastructure projects making them bankable for commercial lending. PCEF is expected to support smaller-scale power projects (including renewables); logistics including storage, warehouses, industrial parks, pipelines, smaller port developments, secondary roads with some demand risk; hospitals, education, housing, waste water and water including desalination; local transportation, and inputs to infrastructure projects."

**Interview with InfraCo Asia CEO Allard M. Nooy**

The August-September issue of the *Southeast Asia Infrastructure forum* features InfraCo Asia CEO Allard Nooy in its ‘First Person’ interview series.
Allard discusses trends in private participation in Southeast Asia, as well as ways that InfraCo Asia is working to catalyse private sector investment.

Read full article here

GuarantCo's credit profile reflects its solid capitalisation

Moody's Investors Service reaffirmed that GuarantCo's (A1 stable) in its Annual Credit analysis report. This reflects GuarantCo's solid capitalisation and strong liquidity buffers, reinforced by an absence of debt funding.

Read the full press release here

PPA signed for Malawian Salima Solar project

JCM Matswani Solar Corp Limited signed a 20-year PPA with the Malawian national utility, Electricity Supply Corporation of Malawi Limited (ESCOM) in September, to progress the 40MW Salima Solar project. Co-developed by InfraCo Africa and a development fund managed by a subsidiary of JCM Power and Matswani Capital, Salima Solar will be among Malawi’s first commercial-scale solar photovoltaic plants.

InfraCo Africa has committed $2.6m to the development of Salima Solar and has to date leveraged $320,000 in grant funding from its TAF PIDG's Technical Assistance Facility (TAF), to support IFC-compliant acquisition of the project site.

The environmental and social impact assessment and technical studies are now complete. The project is expected to reach financial close in late 2018, and to
begin delivering clean power to Malawi’s national grid in 2019.

The Government of Malawi recognises electricity as a key economic driver, and is committed to diversifying the country’s energy mix.

**InfraCo Africa’s Executive Director Alex Katon said:**

“InfraCo Africa is uniquely positioned to provide patient risk capital and expertise to bring bankable infrastructure projects to market in countries such as Malawi. It can also access key grant and debt funding where required, prioritising the development of pioneering, replicable projects that can establish precedents in those countries that most need them.”

**REDAVIA Solar Power film debuts**

InfraCo Africa’s support for REDAVIA Solar’s work in Tanzania is helping the company to scale up its cost-effective clean energy solution to promote economic growth.

In 2013, the Shell Foundation partnered with REDAVIA to help the company explore the commercial potential of deploying solar farms in sub-Saharan Africa.

REDAVIA developed an innovative, modular solar PV solution, with the PV panels, fittings, electrical components and control systems required to provide up to 90KW of installed capacity, all delivered in a standardised shipping container.

With funding from InfraCo Africa, REDAVIA is implementing a phased growth plan. Using an initial $350,000 of capital from InfraCo Africa, REDAVIA deployed two solar farms to two rural communities in the Mbeya region of Tanzania: Isenzanya and
Shitunguru. Once these were operational, InfraCo Africa committed to release further funding up to a total of $5 million to finance the deployment of up to 30 solar systems.

This investment will enable REDAVIA to prove its business model and grow to a commercially viable scale in Tanzania. In turn, REDAVIA’s solution will improve living standards within rural communities and provide isolated SMEs with the power they need to be productive and profitable, fuelling economic growth in Tanzania.

Find out more about the project in the film below.

Asian Power Awards 2018

PROINSO and client Joules Power have been announced as winners of the Asian Power Awards 2018 at a gala ceremony in September, attended by more than 100 senior executives and prime industry figures in Jakarta, Indonesia.

The 28 MW project in Teknaf was selected by the judges as “Solar Power Project of the Year – Bangladesh”. The project is the first large-scale solar plant in Bangladesh, and commenced commercial operation earlier this month.

GuarantCo is proud to have provided the guarantee to support the financing for this award winning project.

Developer team awards
InfraCo Asia’s Second Annual Developer Team Awards took place in September in Singapore. Recognising top performers from across the 60+ members of InfraCo Asia’s contracted Developer Teams, the awards recognised outstanding achievements across the project development process. Team members from Equicap Asia, Infra Capital Myanmar, and Infunde Development received citations.

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