September 2018

Dear ,

This month:

- PIDG CEO, Philippe Valahu joined the UK PM on trade delegation to Africa & DFID funding announcement
- Development Finance releases podcast featuring PIDG CEO, Philippe Valahu
- EAIF lends $35 million to Nigeria's largest fertiliser plant
- GuarantCo closes second deal with Sindicatum
- InfraCo Africa's Djermaya Solar project signs agreement with the Ministry of Energy Chad
- GuarantCo team visits Kenya to develop finance capability and capacity

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

Kind regards,

Philippe

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PIDG CEO joins UK PM on trade tour

Last week PIDG CEO Philippe Valahu joined the UK Prime Minister on a trade and investment tour visiting South Africa, Nigeria and Kenya. The Prime Ministerial trip focussed on UK investment in Africa to create economic stability and future employment opportunities for young people.

Philippe Valahu, PIDG CEO, said:

"I was delighted to join the Prime Minister on this visit. I hope that PIDG’s involvement will highlight the scale of
infrastructure investment needed in Africa, the opportunities for investment and the innovative support that PIDG can provide.”

During the trip, the UK PM announced £4bn of public sector investment into African economies over the next four years. As part of this, PIDG is pleased to announce that the UK’s Department for International Development (DFID) has approved a further tranche of funding to PIDG of up to £500m for the four-year period, 2018 to 2021.

This funding will be used over the coming years in pursuit of PIDG’s ambition to combat poverty in the poorest and most fragile countries through pioneering infrastructure to help economies grow and change people’s lives.

PIDG Chair, Andy Bainbridge said:

“This latest commitment of funding from one of our largest Owners reinforces our belief that what PIDG does matters. This will enable us to continue to develop the pioneering infrastructure projects which bring a real difference to some of the poorest and most fragile countries and communities in the world.”

Commenting on the announcement Philippe Valahu, PIDG CEO, said:

“We are delighted to announce this additional funding, which will enable us to do more, better. Our pioneering approach has seen significant success; with a successful track record we have supported 170 infrastructure projects, mobilised $22.9bn from the private sector and benefited an estimated 231m people.”

Read the full story on PIDG’s website.

Read the full announcement from DFID.
Development Finance podcast launched

Investment in infrastructure and innovation are crucial drivers of economic growth and development. If The United Nations SDG seven is to be delivered by 2030, public and private investments in energy need to be increased and innovative business models transformed to meet the world's energy needs.

Hear from PIDG CEO, Philippe Valahu and Rachel Kyte, Special Representative of UN Secretary General, CEO at SE for ALL Org and Chair of PIDG's ESG Committee as they discuss challenges and solutions, to ensure access to affordable, reliable, sustainable and modern energy for all.

Listen to the podcast on the link below.

The Development Finance Channel

EAIF lends $35 million to Nigeria's largest fertiliser plant
The Emerging Africa Infrastructure Fund (EAIF) will back the expansion of a fertiliser plant in Nigeria, contributing to higher crop yields and supporting more than 600 long-term jobs.

EAIF’s 11-year $35 million loan to Indorama Eleme Fertilizer & Chemicals Ltd (IEFCL) is part of the financing of a $1.1 billion expansion of the company’s existing fertiliser plant at Port Harcourt.

The new plant is to be built alongside the existing facility. It will double the company’s output annually to 2.8 million metric tonnes.

**EAIF Chair, Patrick Crawford said:**

“A successful and productive agriculture sector is essential to Nigeria’s future. The new plant for Indorama Eleme can benefit farming communities across Nigeria, which will help combat poverty, stimulate employment and improve the resilience of the Nigerian economy.”

**GuarantCo closes second deal with Sindicatum totalling $60m**

GuarantCo is proud to have closed their second deal with Sindicatum, guaranteeing local currency Green Bonds, totalling $60 million, to support solar and wind projects in India and the Philippines.

The Green Bonds are synthetic local currency issues in Indian Rupee (INR) and Philippine Peso (PHP) but issued and settled in USD. GuarantCo, provided the guarantee in support of a $15 million 5-year INR tranche, a $25 million 7-year INR tranche and a $20 million 10-year PHP tranche.
The proceeds from the Green Bonds will be used by Sindicatum Renewables to refinance a mezzanine debt facility from FMO, the Dutch development bank, and Proparco, the French Development Finance Institution, and to fund the construction and acquisition of solar and wind power projects in India and in the Philippines. Sindicatum Renewables is the first ever offshore private sector corporate entity to issue a 7-year INR Bond and this landmark transaction’s investor base comprises blue-chip names including life insurance companies, a corporate treasury arm of a leading multinational and a sovereign wealth fund.

It is expected that over 140,000 people will benefit from improved service levels through nearly a billion kWh net electricity exports by the greenfield projects in the Philippines. In addition, 2,700 people will benefit from employment during the construction phase of the projects in both India and the Philippines.

In attendance at the signing were (L to R) Sindicatum CFO Michael Boardman and CEO Assaad Razzouk and GuarantCo representatives Danesh Srishanker, Arnaud Valentin and Kwame Asa, joined remotely by Nishant Kumar.

InfraCo Africa gets green light on one of the first solar PPA’s in Chad

In August, InfraCo Africa's 60MW Djermaya Solar project signed a 25 year Power Purchase Agreement (PPA) with the Ministry of Energy and the national utility, La Société Nationale d'Electricité (SNE).

The PPA marks a key milestone in the development of Djermaya Solar, enabling the project to raise construction financing and demonstrating the joint commitment of all parties to developing renewable energy in Chad.
Historically Chad has relied upon expensive heavy fuel oil and diesel for electricity, making the country vulnerable to supply failures and global price fluctuations. Djermaya Solar is one of the first solar IPP projects in Chad. This pioneering project will be delivered in two phases of 32MWp and 28MWp, gradually integrating renewable power into Chad’s national grid.

InfraCo Africa has committed $3m to the development of Djermaya Solar and leveraged $0.8m in grants from fellow PIDG company, The Technical Assistance Facility (TAF).

PPA signing meeting Kodjo Afidegnon, InfraCo Africa’s Head of West Africa Business Development and Michel Boukar, Minister of Petroleum and Energy, Government of Chad.

Developing local capability and capacity of Kenyan capital markets

Last week, GuarantCo's CEO Las Perera and COO Emily Bushby joined Janice Kotut, GuarantCo’s Regional Director for East and Southern Africa, in East Africa to explore opportunities to develop capability and capacity in the local capital markets.

East Africa is an important market in which GuarantCo can build on its strong track record and local relationships to deliver innovative credit solutions that benefit society. GuarantCo is uniquely positioned to create opportunities for structuring new forms of innovative financing, attracting the growing volume of local currency savings and pension pools as well as the development of the local capital markets and building capability.

During their trip, the GuarantCo team met with the Ugandan Ministry of Finance to explore opportunities to support financing for a toll road infrastructure project.
through the use of an innovative local currency solution, blending bank and bond financing, a first for Uganda.

The team also joined Philippe Valahu, PIDG CEO at an infrastructure focussed event which formed part of the UK PM’s trip to Kenya. The event brought together representatives from business and government to discuss UK trade and investment opportunities in Kenya, particularly in sectors relating to the President’s Big Four economic priorities and addressing market access challenges.

GuarantCo team Janice Kotut, Emily Bushby and Las Perera with Philippe Valahu, PIDG CEO in Kenya

This internal newsletter, distributed across PIDG, its companies, service providers, advisers and owners, helps us all stay up-to-date.