
2014

PIDG MEMBERS

Australian Government
Department of Foreign Affairs and Trade

AUSTRIAN DEVELOPMENT AGENCY

UKaid
from the British people

Ministry of Foreign Affairs of the Netherlands

FMO
Finance for Development

Irish Aid
Government of Ireland
Rialtas na hÉireann

kfw
ENTWICKLUNGSBANK

NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO

SWEDEN

IFC International Finance Corporation
WORLD BANK GROUP

Cover: Gigawatt Global in Rwanda, the first solar independent power producer in East Africa. Supported by EAIF

PIDG

believes that infrastructure is vital to boost economic growth and combat poverty

annual report 2014

Contents

Acronyms and abbreviations

ADA	Austrian Development Agency
AfDB	African Development Bank
BMF	Bundesministerium für Finanzen (Austrian Federal Ministry of Finance)
CCCP	Community Climate Change Project
CFA	Communauté Financière d'Afrique
DEG	Deutsche Investitions und Entwicklungsgesellschaft
DevCo	Infrastructure Development Collaboration Partnership Fund
DFAT	Australian Department of Foreign Affairs and Trade
DFI	Development finance institution
DFID	UK Department for International Development
DGIS	Netherlands Ministry of Foreign Affairs
EAIF	The Emerging Africa Infrastructure Fund Ltd
FAIR	Frontier Africa Investment Resource
FCAS	Fragile and conflict-affected states
FDI	Foreign direct investment
FMFML	Frontier Markets Fund Managers Ltd
FMO	Financierings-Maatschappij voor Ontwikkelingslanden N.V. (Netherlands Development Finance Company)
GAP	Green Africa Power
GDP	Gross domestic product
GPOBA	Global Partnership on Output-Based Aid
GuarantCo	GuarantCo Ltd
IAD	InfraCo Asia Development
IAI	InfraCo Asia Investments
ICF-DP	Infrastructure Crisis Facility - Debt Pool LLP
IFC	International Finance Corporation
IFI	International financial institution
InfraCo Africa	InfraCo Africa Ltd
InfraCo Asia	InfraCo Asia Development Pte. Ltd
IPP	Independent power producer
JDA	Joint development agreement
JDSA	Joint development shareholder agreements
KfW	KfW Entwicklungsbank (German government-owned development bank)
LDC	Least developed countries
MENA	Middle East and North Africa
NIAF	Nigeria Infrastructure Advisory Facility
OBA	Output-based aid
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
OLIC	Other low income countries
OFID	OPEC Fund for International Development
PIDG	Private Infrastructure Development Group
PMU	Programme Management Unit
PPI	Private participation in infrastructure
PPIAF	Public Private Infrastructure Advisory Facility
PPP	Public private partnership
PSI	Private sector investment
PTAS	Post-transaction advisory support
RMS	Results monitoring system
SA	South Asia
SECO	Swiss State Secretariat for Economic Affairs
Sida	Swedish International Development Cooperation Agency
SMS	Short Message Service
SOPP	Statement of policies and procedures
SSA	Sub-Saharan Africa
SWM	Solid waste management
T&D	Transmission and distribution
TAF	Technical Assistance Facility
USAID	United States Agency for International Development
VGF	Viability gap funding

Key to sector icons

- **Agri-Infrastructure**
- **Energy Generation/T&D**
- **Housing**
- **Industrial Infrastructure**
- **Mining**
- **Multi-Sector**
- **Telecoms**
- **Transport**
- **Urban Development/Infrastructure**
- **Water, Sewerage and Sanitation**

Foreword

2014 has been a defining year for PIDG. With $1bn deployed in development projects in some of the world's poorest countries and its frontier states, a key focus and component of our work over the past financial year has been to reinforce and to restructure our management and governance.

As a maturing organisation of 12 years standing, we can point to the foundation work we have done to secure strong relationships with our Members and to establish PIDG's role within infrastructure projects worldwide. Many of the development projects that PIDG Facilities have been involved in and initiated have now gone on to become operational, sustained by private sector participants or local governments and communities.

To ensure those experiences can be replicated in the future, we have spent time looking closely at our own foundations and governance. Our work to make sure we have a solid central management team with adequate expertise and resources in place and that our financial reporting mechanisms are in line with best practice and yield helpful management information began in earnest in 2014, and we can look forward to those efforts bearing fruit in future years.

The aim of this work has been to future-proof PIDG so that it can continue its work and demonstrate both to our stakeholders and the wider world that developing infrastructure in fragile environments is achievable, and that the financial risk these projects inevitably face is far from insurmountable.

A sound governance and management structure also gives us scalability. Our ability to absorb and disperse more capital is something our Members can derive security from as well as providing our Facilities with greater confidence, enabling them to lay plans five and perhaps even 10 years ahead.

Over the course of 2014, we have also looked to highlight the gaps in infrastructure development that may halt existing projects or deter private sector investment in developing countries in the first place. We have concluded that in our own world there are two key areas that need attention. Firstly, there is the upstream side: we need to ensure a greater pipeline of projects, which may include work to support the governments, capital markets and communities whom we need to identify and clarify infrastructure needs. Host countries or governments often lack the resources for long-term planning or the financial capabilities needed to support complex infrastructure builds. They might also need external insight into the legal and regulatory changes that would create a more secure environment over the lifetime of a project.

Secondly, while debt might not necessarily be an issue, there is significant lack of patient capital or equity at projects' financial close. Investors are wary of taking on construction risk and, in many cases, will want to see a project operate for a couple of years before making a decision to invest. Patient capital therefore plays an important role in reducing deal risk significantly and shows that returns are achievable.

Another area that is often overlooked is the work done by GuarantCo in providing local currency guarantees and promoting development of local capital markets. It is an area that needs to be developed further so as to avoid the too-often prevalent issues of the mismatch in infrastructure projects between local currency revenue streams and foreign currency financing obligations.

One lesson of the past year has been the importance of projects to support power generation in developing countries, but also transmission and distribution. It is an area that the wider development community has yet to fully address, in spite of the obvious link between power and commercial growth and, therefore, poverty reduction, and in spite of wide acknowledgement of the power deficit in sub-Saharan Africa. Our success stories in this field include InfraCo Africa's work with Cenpower to finance an independent power plant near Accra in Ghana with a 20-year power purchase agreement. Or InfraCo Asia's much smaller but still significant Coc San hydropower project in Lao Cai, Vietnam – a response to growing demand for electricity there and a desire to reduce dependence on imports of electricity.

PIDG's great opportunity is to build on its unique position in the development community – its sole focus on infrastructure. This singular focus on infrastructure at the frontier and our distinct structure enables us to respond quickly to market gaps as they arise. I believe that this focus and agility enables our Facilities to bring projects to fruition and makes us capable as an institution of demonstrating to governments and investors that value for money infrastructure projects in challenging territories can generate returns.

Philippe Valahu
Executive Director

Members site visit to Coc San hydropower project in Lao Cai, Vietnam

The project will divert some of the river's flow through a tunnel leading to an electricity generating turbine; the water will then return to the river. Run of river hydros such as these are less environmentally invasive than those which necessitate building a large dam and reservoir.

Introduction to PIDG

Sound infrastructure is essential to boosting economic growth and combatting poverty. The Private Infrastructure Development Group (PIDG) is a multi-donor organisation focused entirely on championing infrastructure development by financing and supporting infrastructure projects in developing countries. PIDG Members, typically government aid agencies, commit funds through a group of specialist subsidiary companies and advisory services, known as PIDG Facilities. Together, the Facilities mobilise and increase flows of local and international investor capital, lending and expertise in countries where investors are scarce, experience is limited and the level of public funding is constrained.

PIDG projects improve access to power and telecommunications resources in some of the most challenging territories in the world, creating jobs and improving quality of life.

Activities of the PIDG Facilities fall in to three broad categories:

1. Facilities that provide **technical assistance, viability gap funding to improve affordability and capacity-building support** to PIDG projects (TAF) and to public authorities seeking to deliver projects with private sector involvement (DevCo)

2. Facilities that provide early-stage **project development capital, investment equity and expertise** in Africa and Asia (InfraCo Africa, InfraCo Asia Development and InfraCo Asia Investments)

3. Facilities that directly provide **long-term debt finance** in foreign currency (EAIF, ICF-DP, GAP) and in local currency through guarantees (GuarantCo)

Strategy 2013-2017

PIDG's approach to infrastructure development

A. Focus on the more challenging infrastructure sectors for private sector participation

B. Direct increased investment to the early stages of the infrastructure project cycle

C. Concentrate on projects in LDCs, OLICs and FCAS*

* See Annex 1 for OECD list of least developed countries, other low income countries and fragile and conflict-affected states

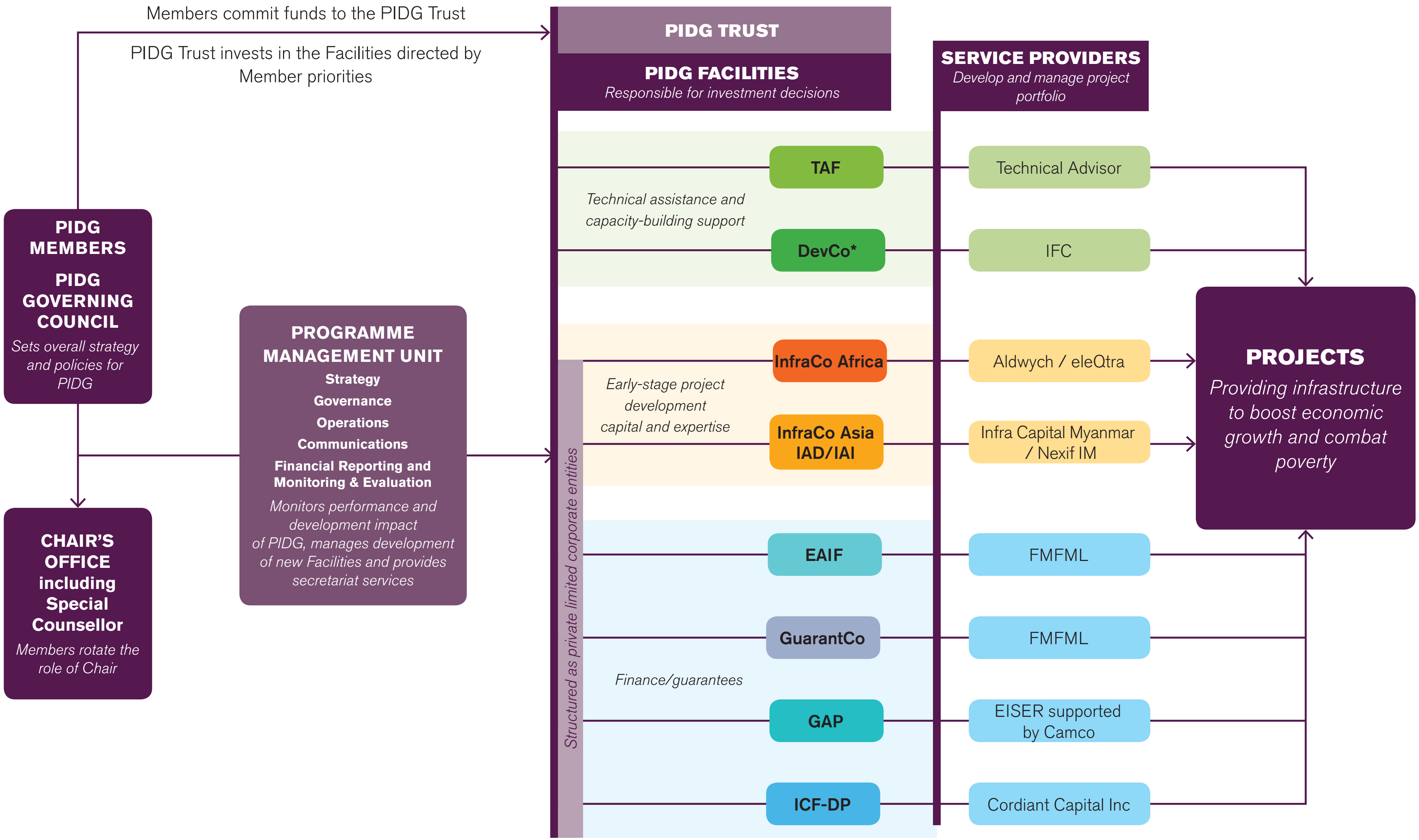
PIDG Facilities

Each PIDG Facility has a distinct remit to develop infrastructure projects with private sector participation, but shares a common goal of boosting economic growth and alleviating poverty in developing countries

Technical Assistance Facility (TAF)	DevCo	InfraCo Africa Ltd	InfraCo Asia		The Emerging Africa Infrastructure Fund Ltd (EAIF)	GuarantCo Ltd	Green Africa Power LLP (GAP)	Infrastructure Crisis Facility - Debt Pool LLP (ICF-DP)
			InfraCo Asia Development Ltd	InfraCo Asia Investments Ltd				
MARKET/POLICY CHALLENGE								
Shortage of public and private sector resources for project preparation, evaluation and affordability	Insufficiently well prepared projects for private sector involvement due to lack of public authority resources/capacity	Bankable projects not being developed in sub-Saharan Africa due to high risk of early stage project development	Bankable projects not being developed in Asia due to high risk of early stage project development	Shortfall in bridging finance, which can delay and sometimes prevent financial close of IAD projects	Shortage of long-term loans at sufficiently low interest rates due to perceived risks in developing countries in Africa	Shortage of long-term, local currency-denominated funding to reduce exchange rate risk for projects	Shortage of renewable energy projects in Africa due to high upfront costs and risks, lack of financing and cost-reflective tariffs	Reduced appetite of commercial banks to lend to infrastructure projects in developing countries due to the financial crisis
PIDG FACILITY RESPONSE								
Technical assistance and capacity-building support		**Early-stage project development capital and expertise**			**Long-term debt finance/guarantees**			
Provides grants to PIDG Facilities to build capacity and support project preparation and delivery	Provides advisory services to governments to help them deliver infrastructure projects	Develops commercially viable infrastructure projects in Africa	Develops commercially viable infrastructure projects in Asia	Provides investment capital to IAD projects	Provides long-term loans to private sector infrastructure projects in sub-Saharan Africa	Provides local currency guarantees to avoid exchange rate risks and stimulate local capital sources	Provides financing and policy support to demonstrate viability of renewable energy in Africa	Provides long-term loans to projects to address financing gaps as a consequence of the financial crisis
ESTABLISHED								
2004	2003	2005	2010	2014	2002	2006	2013	2009

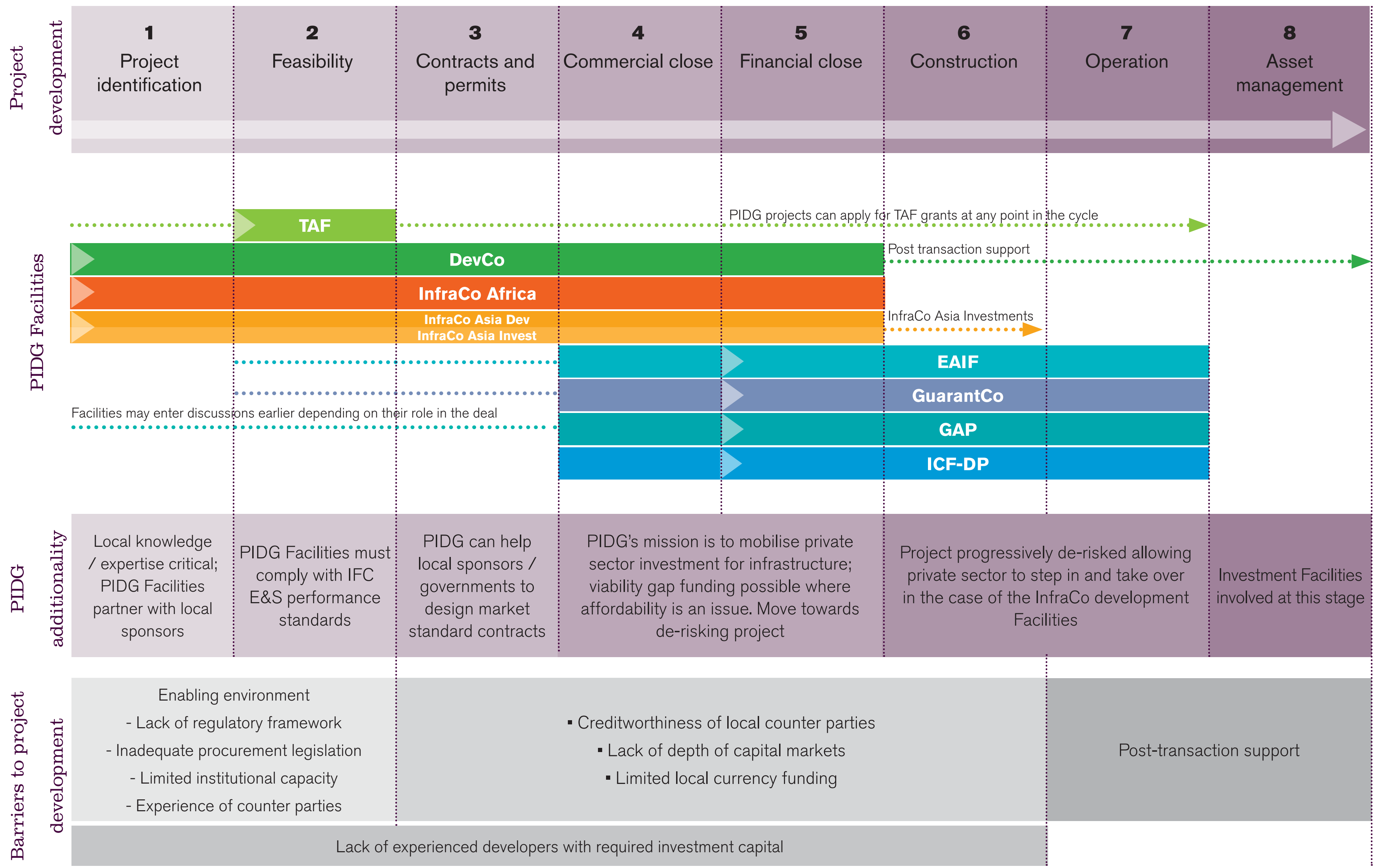
PIDG governance

The PIDG structure is designed to ensure its activities are organised, managed and monitored as effectively and efficiently as possible



* DevCo is funded directly by PIDG Members rather than through the PIDG Trust

PIDG project development



PIDG 2014

Overview

PIDG continues to change the fortunes of individuals and communities through focused investments in infrastructure in some of the poorest and most fragile countries in the world. Between 2003 and 2014, PIDG Members contributed close to $2bn and supported 156 projects (not including TAF grants). More than two thirds have reached commercial or financial close and nearly one third of that project portfolio is now operational, delivering new and or improved services.

Norway's Ministry of Foreign Affairs (MFA) formally joined PIDG this year and will direct a $40.9m funding commitment to GAP. The Austrian Development Agency, withdrew as a Member in 2014 following the expiry of its current funding commitment. Irish Aid confirmed its intention to withdraw in 2015 because of changes to its government's priority. Overall however, PIDG membership remains strong, comprising eight government agencies and the World Bank Group represented by the International Finance Corporation. Members remain committed to expanding PIDG's reach and impact.

In 2014, Members appointed a consortium led by MDY Legal and EY to provide the PMU. MDY Legal has an unrivaled understanding of PIDG, as it has been involved since its beginnings. The new partnership with EY will enhance the team's financial and compliance capability. More accessible financial statements will provide greater accountability and transparency for Members, and briefing notes will equip them to challenge key financials and funding requests from Facilities more rigorously. Development consultancy International Management Consulting Worldwide continues to provide the consortium with results monitoring services, helping PIDG to lead the way in measuring the impact of its activities. Over 2015, the consortium will continue to review PIDG's strategic and governance priorities, as well as those of the Facilities, and look to further strengthen reporting and compliance.

While PIDG reviews and develops its strategy internally, Members have commissioned an external audit of governance. With PIDG's growth ambitions for 2015 to 2020 in mind, this independent review will look at whether its structure and processes are optimal to ensure effective control and accountability at all levels. This will then allow Members and Facilities to explore future funding needs based on the medium-term business plans developed by each Facility.

Following a Value for Money study, the UK National Audit Office (NAO) published its report on the UK Department for International Development's oversight of PIDG in July 2014. The report acknowledged the innovative work PIDG carries out and made a series of useful recommendations, a number of which have been included in PIDG's continuous improvement strategy. DFID's Permanent Secretary and PMU Executive Director were subsequently called by the Public Accounts Committee (PAC) to answer a range of questions arising from the NAO report. Full details of the NAO and PAC recommendations are available online.

PIDG wants to ensure that Member funds as well as the highly specialised expertise within Facilities are put to best possible use. To do that, we work with other development finance organisations and think tanks to investigate the constraints that so often deter private investment in infrastructure projects in developing countries and better understand their impact. Throughout 2014 PIDG worked to establish new relationships with key stakeholders involved in the infrastructure project cycle and reinvigorate old ones. PIDG is keen to once again co-operate more closely with the Public Private Infrastructure Advisory Facility (PPIAF), for instance, and has become a member of the Let's Work steering group. Coordinated by IFC at the World Bank, Let's Work aims to develop knowledge and practical approaches to the jobs agenda (including improving methodologies to reflect the job creation potential of infrastructure projects) that will serve as a public good for the development community.

PIDG in numbers 2014

$412m
committed to
26 new projects

20 projects
reached financial close
12
in fragile and conflict-affected states

$2.9bn
mobilised from
the private sector
and DFIs

5
projects
became commercially
operational

Note: Dollars are US dollars throughout and all figures are as at 31 December 2014

Overview of Facilities performance in 2014*

TAF

2014 has been an active year for TAF, driven mainly by demand from GuarantCo. TAF made 14 grants over the course of the year with a combined value of $1.9m. It advanced 10 grants to GuarantCo, two to DevCo, one to InfraCo Asia Development and one to EAIF. Overall, TAF grants for 2014 will reach PIDG project work in nine countries.

TAF is dependent on demand from other Facilities and has developed a strong partnership with GuarantCo, which uses TAF grants to build capacity, promote best practice and provide training within local capital markets. West African markets have been a particular focus in 2014, for example.

No new post-transaction support or viability gap funding grants (VGF) were approved this year. However, multiple VGF applications are under consideration and expected to be put forward to TAF donors for approval in 2015.

DevCo

During 2014, DevCo signed six new mandates, three of them located in low income states in India. DevCo has increased its focus on transformational projects, such as power transmission and road construction and these, by their nature, tend to be complex and require extensive preparation.

DevCo's targets require it to concentrate 85% of its new mandates signed in LDC and OLIC countries (or the eight poorer states of India), but in fact 100% of all new mandates signed in 2014 were located in these countries.

Similarly, DevCo over-achieved its 35% target of total investment commitments arising in fragile and post-conflict states with 42% of investment arising in such countries. Five projects reached commercial close and one reached financial close in 2014.

InfraCo Africa

InfraCo Africa grew its internal management team from four to eight in 2014, with a focus on increasing its expertise in due diligence and social development to support its move to a multi-developer model.

InfraCo Africa signed only one joint development agreement, the development of a 40-megawatt hydropower plant in South Sudan. This project was delayed by the security situation there, but InfraCo Africa believes that the Peace Accord signed in February 2015 will bring stability, enabling the project to move on.

Cenpower reached full financial close in 2014 with investment from EAIF as well as other commercial banks and DFIs.

InfraCo Asia

InfraCo Asia Development

During 2014, InfraCo Asia Development projects have matured, and two renewable energy projects in Vietnam and Pakistan (Metro Wind) achieved financial close with support from InfraCo Asia Investments. InfraCo Asia Development expects another wind power project in Pakistan to close in 2015, replicating the innovative Metro Wind model. As planned, no new joint development shareholder agreements were signed this year, as the team has been focusing on the current portfolio of seven projects under active development, which have already signed joint development shareholder agreements.

Over the course of the year, InfraCo Asia Development has successfully achieved key milestones towards moving to a multi-developer business model, which is anticipated to increase its deal flow.

*GAP is not included as it only became operational in Q4 of 2014

InfraCo Asia

InfraCo Asia Investments

InfraCo Asia (IAI) began investing in 2014, supporting projects developed by InfraCo Asia Developments with investment capital.

By the end of 2014, InfraCo Asia Investments had $21.7m committed to two IAD projects, both for bridging finance and both for alternative energy initiatives. The projects, a hydropower project in Vietnam and a wind power project in Pakistan, reached financial close with InfraCo Asia Development during 2014. Combined, they created 850 construction jobs and will improve access to power for 480,000 people. IAI expects to invest $10m in the next financial year in another wind power project – Gul Ahmed Wind, Pakistan.

EAIF

2014 was a record year for EAIF, with 10 deals closed, eight of them in the energy sector and 66% (target 50%) of total investment commitments to projects in fragile and conflict-affected states. Some 73% of total investment committed was for projects in LDC and OLIC countries, against a target of 75%. This reflects Nigeria and Ghana's transition to middle income status.

It was a notable year in many other respects, including the fund's financing of the first large-scale private solar power project in East Africa and the first subscription in a bond placement where EAIF acted as an anchor investor to help access to international capital markets for a sub-Saharan African corporate. The latter will enhance EAIF's position in the market to take on frontier transactions.

During 2014, EAIF also refinanced its capital structure to accommodate its expansion. As a result, it is able to secure additional funds from non-PIDG sources in the form of debt, leveraging twice the level of equity it has received from PIDG Members.

GuarantCo

GuarantCo has shown a strong performance this year, signing seven guarantees totaling $115m, six of which are in fragile states and four of them in sub-Saharan Africa. Over the past two years, GuarantCo has expanded its reach, recruiting new staff members to match its growing capacity. The average deal size, $16m, was substantially lower than previous years, reflecting the nature of investments in typically risky markets.

A major step was achieved in 2014 with independent ratings of GuarantCo being issued by Bloomfield (AAA), Fitch (AA-) and Moody's (A1). This will allow it to expand its operations in certain regions as it seeks to further the development of local capital markets.

ICF-DP

ICF-DP signed one loan in 2014 with a value of $25m for EAIF-financed energy projects in Nigeria. To date ICF-DP has committed a total of $498m (€411m) to 15 projects.

ICF-DP expects to have committed its current total fund of €500m by 31 December 2015 when its investment period will end and the fund will close.

As part of PIDG's continuous monitoring and evaluation activities, independent progress reviews of ICF-DP and InfraCo Asia Development were commissioned in 2014. The final reports will be published in 2015.

Funding

During 2014 PIDG Members' cumulative investment to the PIDG Trust totaled in excess of $1bn ($1,135.1m). Overall the amount disbursed by Members to the PIDG Trust in 2014 was $179.9m. The disbursements were spread across the PIDG Facilities, demonstrating the continued support by the Members of the various stages of infrastructure development across the geographical regions that PIDG operates in.

While ADA and Irish Aid began the process of withdrawing from PIDG, MFA (Norway) formally became a Member in 2014, committing $40.9m to GAP. GAP received its first disbursement as an active Facility at the end of 2014.

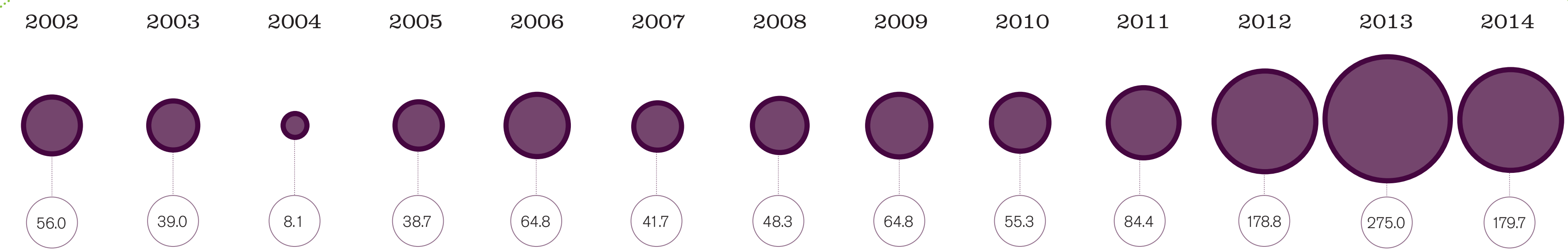
DFID moved to using promissory notes and cash for its funding of the Facilities. This enables DFID to meet the commercial needs of the Facilities while allowing cash to be held by the UK Government until such time as the Facility wishes to use it. This demonstrates that PIDG is able to meet the individual requirements of each Member with its flexible structure.

i For TAF only (not a PIDG Member)
ii For general administration only (not a PIDG Member)
iii For GuarantCo only (not a PIDG Member)
iv For GAP feasibility and design only (not a PIDG Member)

Annual contributions disbursed to PIDG Trust (yearly) $m

	2012	2013	2014	Total
ADA-BMF	1.6	1.1	**(0.5)**	16.6
ADB[i]	-	-	**-**	1.0
AECID[ii]	-	-	**-**	0.3
DFAT	-	9.7	**5.2**	14.9
DFID/DECC	172.4	233.1	**140.9**	803.7
DGIS	8.0	-	**0.8**	74.5
FMO[iii]	-	-	**-**	34.0
IFC/World Bank	0.4	0.4	**0.3**	22.6
Irish Aid	0.5	0.3	**-**	5.7
KFW	-	-	**-**	10.0
MFA	-	-	**16.7**	16.7
Norad[iv]	-	-	**-**	0.5
SECO	0.4	32.3	**16.5**	93.1
Sida	1.4	0.4	**(0.1)**	41.0
Cumulative 2002-2014	**679.9**	**954.9**	**1,134.6**	

Annual contributions disbursed to PIDG Trust (yearly) $m



2002-2014 cumulative disbursements to the PIDG Trust

$1,134.6m

PIDG Members

PIDG Members believe that infrastructure is critical to economic growth and poverty reduction in developing countries

ADA (joined 2007, exited 2014)

DFAT (joined 2012)

DFID (joined 2002)

DGIS / FMO[1] (joined 2002)

Irish Aid (joined 2008)

KfW (joined 2009)

Norwegian Ministry of Foreign Affairs (joined 2014)

SECO (joined 2002)

Sida (joined 2002)

The World Bank, currently represented by the IFC (joined 2004)

1 As FMO provides funding to GuarantCo on behalf of DGIS, the PIDG Members have agreed that FMO shall have the right to participate in meetings of the Governing Council of PIDG concerning GuarantCo. DGIS and FMO have the right to exercise one vote on their joint behalf at such meetings

The following figures for previous years have been adjusted in 2014:

2011 Norad's contribution ($0.5m) for the feasibility and design of GAP has been included as Norway is now a PIDG Member

2012 $3.5m of unspent TAF funding disbursed in 2012 has been returned to PIDG Members

2013 $1.1m of unspent TAF funding disbursed in 2012 has been returned to PIDG Members

An additional receipt of $255,090 received from DFID for TAF

Defining financial commitments and financial close

PIDG monitors its overall project portfolio by tracking the number of projects at three key stages of the development cycle:

- **When a Facility has made a financial commitment to a project**
- **When a project has reached commercial/contractual or financial close**
- **When a project becomes operational.**

As PIDG Facilities provide different types of funding support to projects, the exact nature of the commitment and what constitutes financial or commercial close differs from Facility to Facility.

Facility	Financial commitment	Commercial close	Financial close
DevCo	DevCo project preparation and transactional advisory support costs, committed when an application is approved. Funds are dispersed when DevCo signs a financial advisory agreement mandate	Commercial/contractual close occurs when all project agreements between the relevant private and public parties have been signed although financing arrangements may still be pending	Financial close occurs when all the project and financing agreements have been signed and all the required conditions contained in them have been met
	Financial commitment	**Equity sale**	**Financial close**
TAF	Size of grant made available	Not applicable	Not applicable
InfraCo Africa and InfraCo Asia	Total project development costs committed by the Facility when a binding joint development agreement or shareholders agreement with a development partner is signed	Signature of a share sale and purchase agreement(s) for part or all of the Facility's equity rights in a project	Financial close occurs when all the project and financing agreements have been signed and all the required conditions contained in them have been met
InfraCo Africa Investments and InfraCo Asia Investments	Value of debt or equity invested into the project company to support the project	Signature of a share sale and purchase agreement(s) and/or loan transfer refinancing agreement(s) for part or all of the Facility's equity rights and/or loans in a project	Financial close occurs when all the project and financing agreements have been signed and all the required conditions have been met
EAIF, Gap and ICF-DP	Value of loan agreement signed with borrower as at financial close.	Not applicable	Signature of agreements by all investors and lenders to meet total funding needs for completion of a project
GuarantCo	Value of guarantee agreement with borrower, committed when a guarantee agreement is signed	Not applicable	Signature of agreements by all investors and lenders to meet total funding needs for completion of a project

Cumulative number of PIDG projects at each key stage

	Commitment	Financial Close	Operational
DevCo	31	22	12
Infraco Africa	3	8	3
Infraco Asia Development	7	3	1
Infraco Asia Investments	2	2	0
EAIF	48	48	23
GuarantCo	30	30	9
ICF-DP	15	15	5

Total PIDG projects gross (and net)*

136 project commitments (net 127)

128 projects at financial close (net 115)

53 operational projects (net 51)

Net numbers have been adjusted to eliminate double counting of projects co-financed by more than one PIDG Facility

Financial commitments

By 31 December 2014, cumulative commitments reached almost $2bn across 156 projects[1] in over 52 countries. Some 70% of these commitments are in sub-Saharan Africa and 20% in Asia. In 2014, the PIDG Facilities committed $412m to 26 new infrastructure projects and 14 TAF grants.

The total funding amount committed by all PIDG Facilities in 2014 is nearly four times the amount committed in 2013 and that is indicative of the type and nature of the projects that closed. EAIF, which makes large capital commitments, supported 10 projects in 2014 with a total commitment of $243.5m compared to only two commitments totaling $37.5m in 2013.

Details of the individual projects to which commitments were made can be found in the Facilities section (page 35 onwards).

1 These include active, closed and no PSI-generated projects. Numbers have been adjusted to eliminate double counting of projects co-financed by more than one PIDG Facility

PIDG commitments by year (all figures in $m)

	Cumulative at end 2014		2014		2013*		2012*	
Facility	Value	Number of projects	Value	Number of projects	Value	Number of projects	Value	Number of projects
Technical Assistance Facility								
TAF grants	33.0	95	1.9	14	14.0	14	2.3	13
Project Preparatory Facility								
DevCo	34.9	53	4.9	6	5.2	12	6.9	9
Project Development Facilities								
InfraCo Africa	45.3	11	2.0	1	0.0	0	0.0	0
InfraCo Asia Development	40.8	10	0.0	0	0.0	0	26.6	11
InfraCo Asia Investments	21.7	2	21.7	2	0.0	0	0.0	0
Project Financing Facilities								
EAIF	951.2	48	243.5	10	37.5	2	98.0	5
GuarantCo	405.5	30	114.9	7	60.4	5	29.0	2
ICF-DP*	498.9	15	25.0	1	0.0	0	136.7	4
PIDG sub total (ex TAF) gross	1,998.3	169	412.0	27	103.1	19	297.2	31
PIDG sub total (ex TAF) net	1,998.3	156	412.0	26	103.1	19	297.2	29
Total PIDG gross	2,031.3	264	413.8	41	117.1	33	299.5	44
Total PIDG net	2,031.3	251	413.8	40	117.1	33	299.5	42

* Figures reported in the Annual Report 2013, 2012

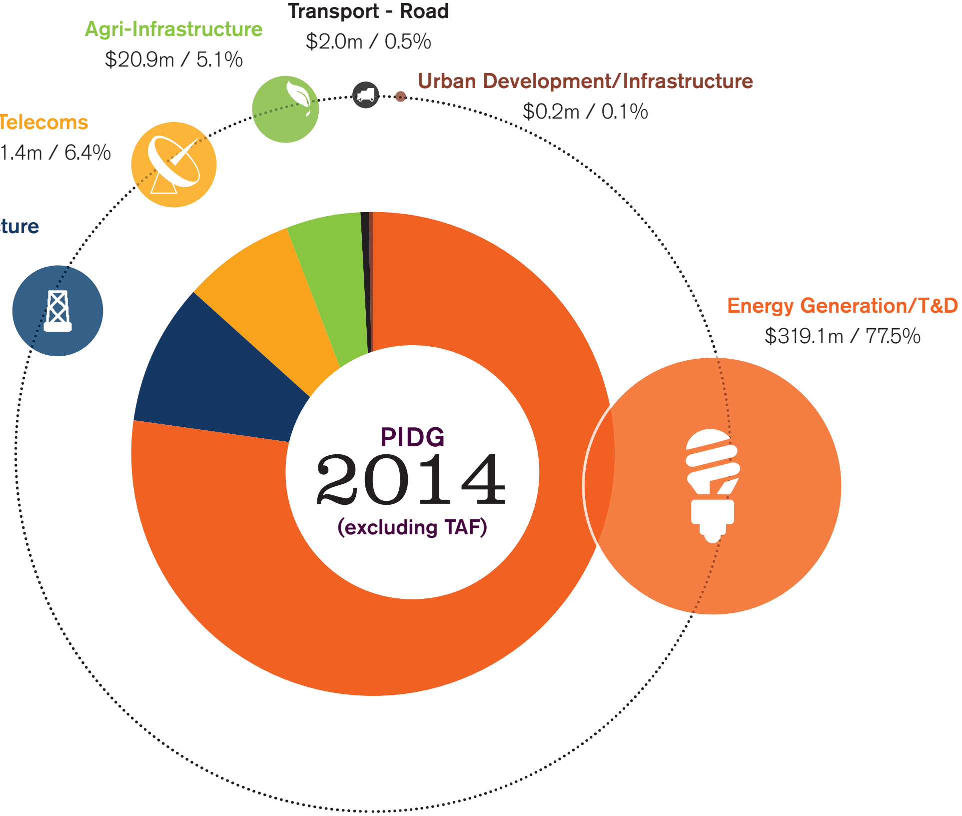
Note: Gross numbers of commitments are the summation of individual Facilities' commitments

Net numbers have been adjusted to eliminate double counting of projects co-financed by more than one PIDG Facility

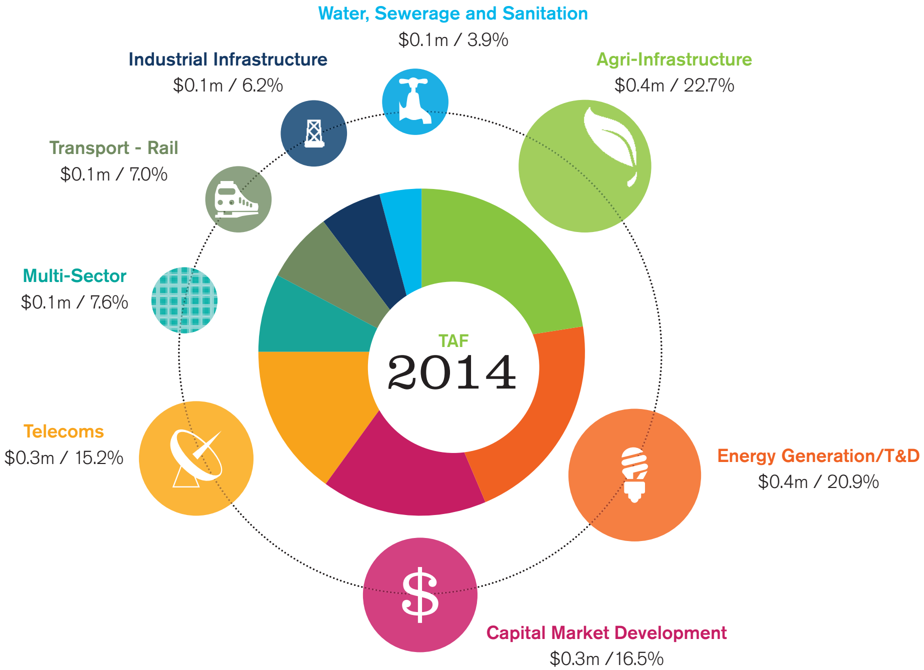
Commitments by sector

PIDG has worked successfully across a range of infrastructure sectors, although overall commitments remain concentrated in the energy generation, telecoms and transport sectors, which now account for 76% of all PIDG commitments. This year, 18 projects were in the energy sector and, of those, 14 were in sub-Saharan Africa, reflecting the chronic energy shortage in the region.

PIDG commitments by sector 2014 – excluding TAF



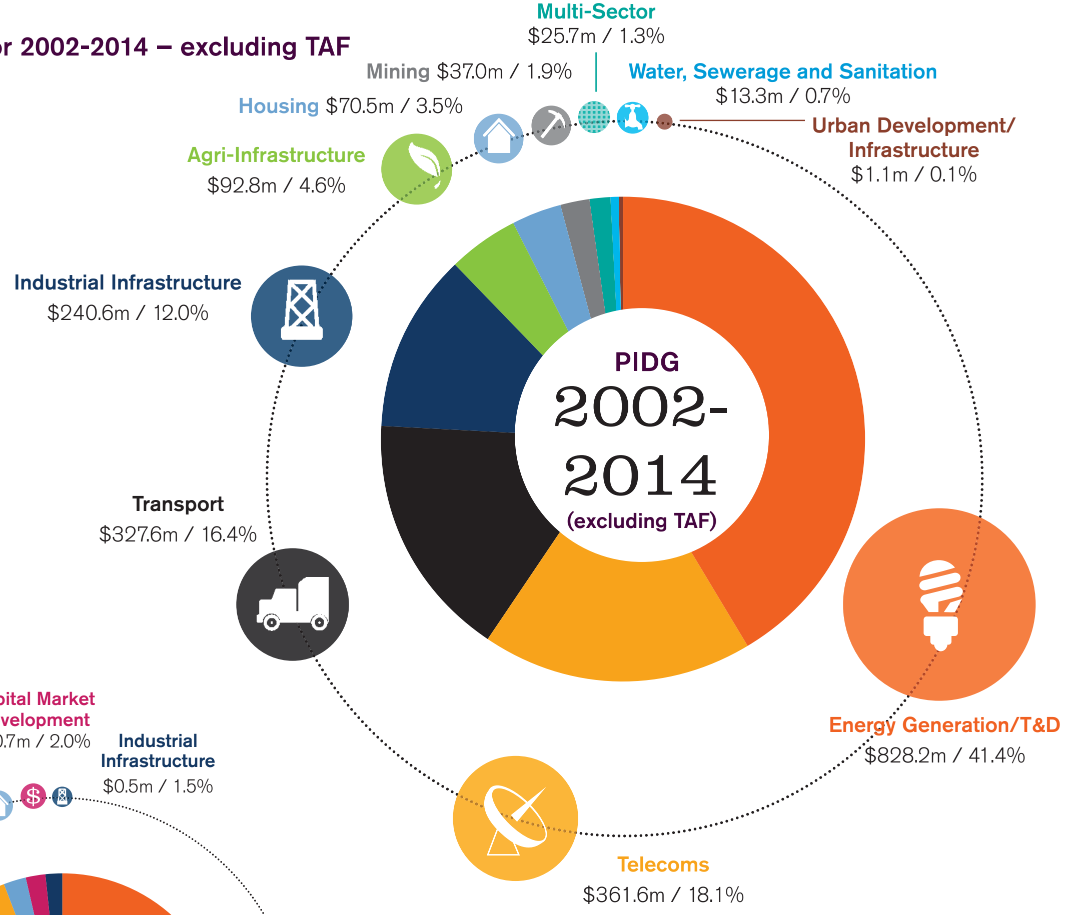
TAF commitments by sector 2014



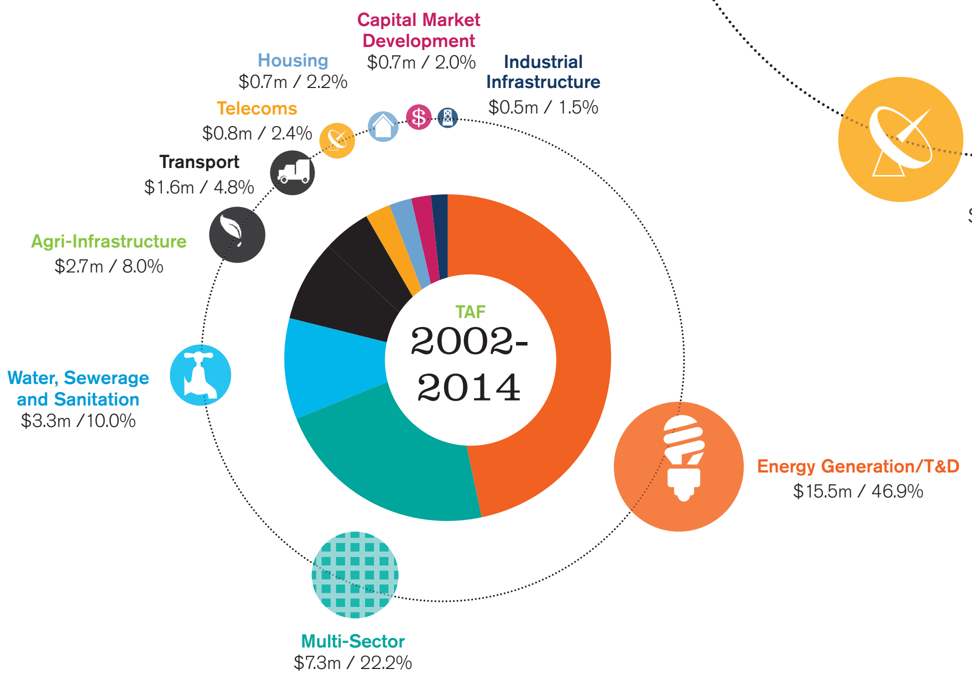
Commitments remain concentrated in the energy generation, telecoms and transport sectors – **76%** of all PIDG commitments

18 projects were in the energy sector 11 were in sub-Saharan Africa, reflecting the region's chronic energy shortage

PIDG commitments by Sector 2002-2014 – excluding TAF



TAF commitments by sector 2002-2014



Few sectors can galvanise economic and societal growth more powerfully or in a more enduring way than the energy sector. The impact of increased domestic electrification on GDP is significant, triggering more resilient business operations, job creation, advances in communications and more effective healthcare, agriculture and education.

Empowering emerging markets

There is an expectation that investment in most types of infrastructure will generate economic growth and improve living standards in emerging markets such as sub-Saharan Africa (SSA). Few sectors can galvanise economic and societal growth more powerfully or in a more enduring way than the Energy sector. The potential knock-on impact of increased domestic electrification on GDP is significant, triggering more resilient business operations, job creation, advances in communications and more effective healthcare, agriculture and education.

Further, an electrified Africa benefits not only its own citizens, but also opens up new markets for international and domestic businesses and investors, with improved living standards and economic growth spurring yet further demand for energy, goods and services. In short, a self-reinforcing growth cycle.

Power in numbers

The story becomes even more compelling when the sheer scale of the energy need in emerging markets such as SSA is understood – a megawatt imperative that translates into a dollar imperative.

The International Energy Agency (IEA) estimates that almost half the 1.2bn global population currently without access to electricity reside in SSA. It expects the SSA power system to expand rapidly, with capacity increasing fourfold to 385GW by 2040, requiring additional annual investment of around $46bn. However, while the IEA projects this will result in almost 1bn people in in the region benefitting from greater electrification, a rapidly increasing population and average energy demand growth of around 6% per annum means efforts will still be outpaced, leaving over 500m of SSA's population without full power access in 2040. The road to empowering SSA is therefore not a short one.

What is more, Governments, multilateral organisations and development banks simply do not have the resources – human or financial – to meet this need, putting a strong onus on the private sector. Yet, with scale of opportunity also comes scale of challenge, whether real or perceived. This creates a significant role for PIDG in bridging the gap between public and private sectors, and providing a range of support from technical assistance and project development capital to viability gap funding and long-term debt.

In it for the long-term

However, the potential for PIDG to catalyse private sector investment must also be assessed in the context of the energy sector's unique characteristics. Unlike most other infrastructure categories, energy assets can often involve long-term revenue streams as well as upfront capital and ongoing operational costs. This not only introduces a larger pool of potential stakeholders and investors (eg, institutional investors are increasingly interested in the long-term predictable yields of operating energy assets), but also additional challenges.

In emerging markets such as SSA, these include the creditworthiness of the power offtaker (often a government-owned utility); the lack of cost-reflective tariffs; the existence of legislative frameworks permitting independent power producers; the lack of data on environmental or technical issues, particularly for emerging renewable technologies; the absence of an independent regulator; and concerns over credible foreign exchange protection for long-term revenue profiles.

More broadly, the potential long-term financial flows of large-scale energy projects can exacerbate concerns over political or social governance. While these are very real in some markets and must be addressed, particularly where it undermines efforts to create creditworthy power offtakers, the assumption that it is pervasive across the SSA region must also be challenged to avoid perceived risks hindering real investment.

Transforming African utilities

Risks around power offtake can be particularly challenging given the impact on project bankability, although it is of course important to remember that these will differ by country given significant variances in energy market structures, policy frameworks and the financial strength of the utilities. As always this is a healthy reminder that Africa is not a single market.

However, steps are already being taken in a number of SSA markets to address such risks and in turn alleviate investor concerns. Malawi's utility ESCOM, for example, has prioritised a programme of operational reform resulting in a more efficient tariff and free cash generation. In parallel, the application of indexation and more accurate cost forecasting has enabled a tariff uplift, as non-cost-reflective

or subsidised electricity tariffs that fail to generate the required levels of return or fund future capital spending remain a key barrier to private investment in many markets.

Credit enhancement has also become a more important tool for mitigating power offtake risks. An improved cash position, for example, could enable utilities to use cash sweeps or debt service reserve accounts as a form of credit support. Meanwhile, Ghana is leveraging sovereign credit guarantees to support large-scale gas and solar plans, Nigeria is calling upon partial risk guarantees from third parties such as the World Bank and African Development Bank to support its extensive energy market reform, and Kenya achieved financial close on its flagship 300MW Lake Turkana wind project based on a government letter of support.

Renewable revolution

The eye-watering estimates of the generating capacity required to provide modern energy access across SSA will necessitate a diverse range of sources to ensure reliable and affordable energy supplies – the hydropower that currently makes up a large proportion of the energy mix in many SSA markets has become increasingly susceptible to droughts and will be insufficient to meet new demand.

With an abundance of untapped wind, solar and geothermal resource, investment in domestic renewable

energy generation will be particularly attractive for markets currently heavily reliant on expensive diesel imports, generating greater security of supply and potential cost savings. While renewables projects are generally still more expensive than domestic conventional energy in some SSA countries, costs are falling fast and applications such as onshore wind and solar PV are now at grid parity in many markets around the world. Further, while highly subsidised electricity prices in some SSA markets challenge this cost-competitiveness, anticipated reforms to tariff structures and subsidy schemes should increasingly enable market forces to determine the most efficient energy sources.

Renewable generation can also avoid the need to construct large-scale centralised grid infrastructure given its suitability for distributed or microgrid-based generation. With nearly 80% of those lacking access to electricity across SSA based in rural areas, off-grid renewables solutions are a critical route to electrification. Conventional power plants will also find it difficult to compete with the scalability and flexibility of renewables, which can cover anything from a 10kW solar installation that enables a community to move away from hazardous (and often highly subsidised) kerosene as a cooking fuel, to a 300MW wind farm that can provide 20% of a country's electricity generating capacity (ie, Kenya's Lake Turkana project). Deployment of renewables energy capacity at various scales will also often be quicker than constructing typically large thermal power plants, which can also suffer from relatively high operating costs.

Onsite renewable energy projects also offer the potential for direct offtake by industrial power users such as mining, cement and brewery companies, boosting operational resilience as well as further reducing pressure on the grid. The IEA estimates that transmission losses across SSA (excluding South Africa) average around 18%, more than double the world average and translating into an additional cost to the consumer of up to $50-US$80 per MW. Scalable distributed solar solutions can also deal with underlying investment such as payment risk, given individuals in the region typically lack credit histories. Innovative business models based on mobile-enabled pay-as-you-go solar systems have therefore emerged, while US-style solar leasing models are also being tailored to require some prepayment of future lease payments to help reduce credit risk.

While the scale of the energy deficit means governments must also give sufficient weight to baseload thermal generation to meet energy needs, the IEA still projects that almost half of the growth in electricity generation to 2040 will come from renewables given SSA's abundant natural resources.

Setting priorities

Greater energy access has a significant role to play in achieving PIDG's objective of using infrastructure investment to galvanise economic growth and combat poverty, given its potential to spark a self-reinforcing growth cycle with far-reaching economic and societal benefits. Investment in renewable energy infrastructure in particular has greater likelihood of achieving long-term secure, affordable and sustainable energy access, given its increasing cost-competitiveness, its ability to leapfrog large-scale grid infrastructure, and its potential to empower individuals and communities as well as emerging markets at large.

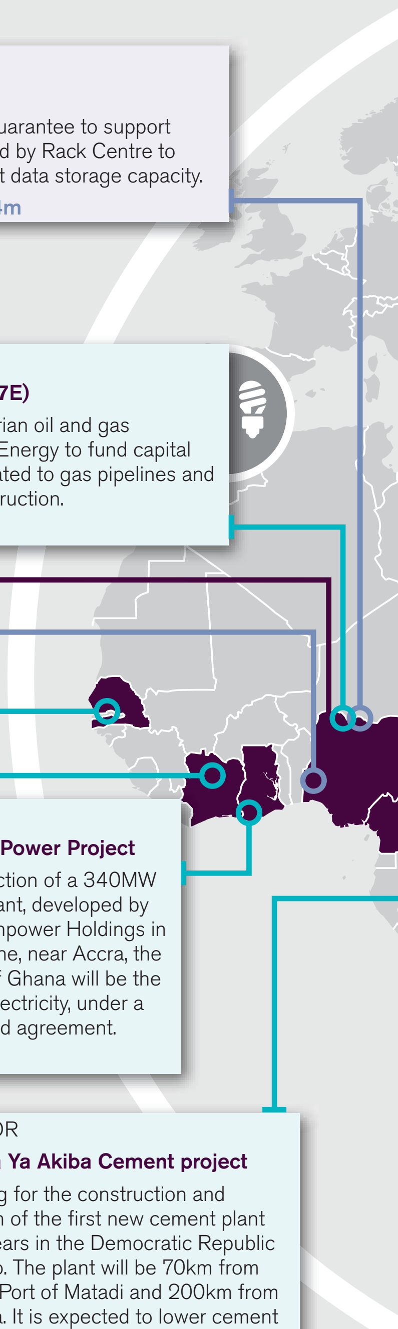
Financial close

Financial close is an important milestone in the project cycle: it means that a project's commercial viability has been established and all the contractual agreements and funding necessary to construct and/or operate the business are in place. The probability that a project will reach operation greatly increases at this point. Financial close may also represent the transition to the construction phase, when capital expenditure needs and funding exposures increase exponentially.

One lesson learnt by the PIDG project development Facilities (InfraCo Africa and InfraCo Asia) is the importance of being able to co-invest in the projects they develop at financial close in order to attract commercial financing. In reponse to this, PIDG set up InfraCo Asia Investments in 2014 with InfraCo Africa Investments planned to come on-line in 2015. Both these Facilities will make equity investments providing much needed early stage patient capital at financial close.

20 PIDG commitments totalling **$420m** mobilising investments of **$2,860m**

Projects that reached financial close in 2014



Nigeria
Rack Centre
A partial credit guarantee to support financing required by Rack Centre to double its current data storage capacity.
GuarantCo $9.4m

Nigeria
Azura Power West Africa Ltd
Financing for a 459MW gas-fired power plant, Edo state, Nigeria. First new greenfield power plant development following reform of Nigerian electricity sector - a landmark project.
EAIF $30.0m / ICF - DP $25.0m

Nigeria
Seven Energy (7E)
Supporting Nigerian oil and gas company Seven Energy to fund capital expenditures related to gas pipelines and associated construction.
EAIF $29.6m

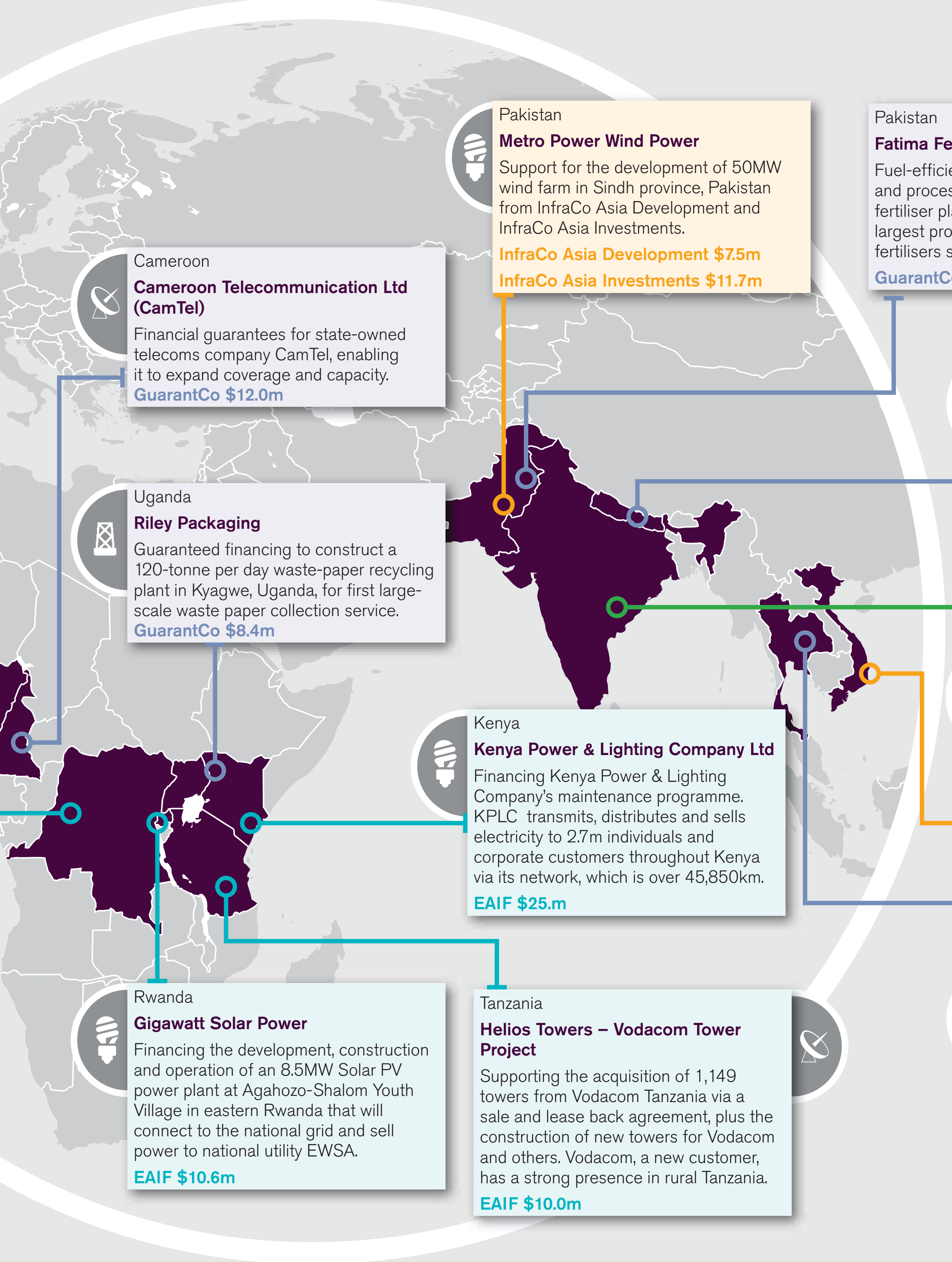
Nigeria
Zenith Bank PLC
Support for Nigeria's Zenith Bank for loans to power generation and distribution companies operating under the country's recent privatisation process. To secure the involvement of Standard Chartered Bank, GuarantCo and USAID have provided guarantees for half the facility provided to Zenith.
GuarantCo $22.5m

Senegal
Tobene Power
Financing to develop, design, construct and operate 96MW heavy fuel oil plant, located 90km from Dakar, Senegal. Power will be sold under a 20-year agreement with Société Nationale d'Electricité, national power utility of Senegal.
EAIF $32.0m

Ghana
Kpone Independent Power Project
Financing the construction of a 340MW independent power plant, developed by InfraCo Africa and Cenpower Holdings in 2005. Located in Kpone, near Accra, the Electricity Company of Ghana will be the plant's sole buyer of electricity, under a 20-year state-approved agreement.
EAIF $22.0m

Côte d'Ivoire (Ivory Coast)
Ciprel Expansion
Support for Ciprel's construction of a 111MW steam turbine and fuel-efficient upgrades to its power plant in Abidjan, in the Port Boüet municipality.
EAIF $34.3m

Congo, DR
Nyumba Ya Akiba Cement project
Financing for the construction and operation of the first new cement plant for 40 years in the Democratic Republic of Congo. The plant will be 70km from the river Port of Matadi and 200km from Kinshasa. It is expected to lower cement costs locally.
EAIF $30.0m



Cameroon

Cameroon Telecommunication Ltd (CamTel)

Financial guarantees for state-owned telecoms company CamTel, enabling it to expand coverage and capacity.

GuarantCo $12.0m

Uganda

Riley Packaging

Guaranteed financing to construct a 120-tonne per day waste-paper recycling plant in Kyagwe, Uganda, for first large-scale waste paper collection service.

GuarantCo $8.4m

Rwanda

Gigawatt Solar Power

Financing the development, construction and operation of an 8.5MW Solar PV power plant at Agahozo-Shalom Youth Village in eastern Rwanda that will connect to the national grid and sell power to national utility EWSA.

EAIF $10.6m

Pakistan

Metro Power Wind Power

Support for the development of 50MW wind farm in Sindh province, Pakistan from InfraCo Asia Development and InfraCo Asia Investments.

InfraCo Asia Development $7.5m

InfraCo Asia Investments $11.7m

Kenya

Kenya Power & Lighting Company Ltd

Financing Kenya Power & Lighting Company's maintenance programme. KPLC transmits, distributes and sells electricity to 2.7m individuals and corporate customers throughout Kenya via its network, which is over 45,850km.

EAIF $25.m

Tanzania

Helios Towers – Vodacom Tower Project

Supporting the acquisition of 1,149 towers from Vodacom Tanzania via a sale and lease back agreement, plus the construction of new towers for Vodacom and others. Vodacom, a new customer, has a strong presence in rural Tanzania.

EAIF $10.0m

Pakistan

Fatima Fertilizer Company Ltd

Fuel-efficient modernisation of equipment and processes at the third largest fertiliser plant in Pakistan, the country's largest producer of two specialised fertilisers suited to local conditions.

GuarantCo $20.9m

Nepal

Essel Clean Solu

Supporting the construction of a 82MW run of river hydropower plant at Lower Solu in North East Nepal. The project will supply power to the Nepal Electricity Authority under a 30-year agreement.

GuarantCo $28.2m

India

Bhubaneswar PSL – Street lighting

Assistance for the Bhubaneswar Municipal Corporation with design and management of a bid process for street lighting project, whereby investors will recover funds from a share in energy savings.

DevCo $0.3m

Thailand

Thai Biogas Energy Company

Guaranteeing the provision of local financing to support TBEC in the construction of two 7MW plants. TBEC contracts with agri-processing factories, setting up biogas plants. Biogas is extracted from the factories' wastewater, providing a clean, renewable energy for the host factories and local electricity grid.

GuarantCo $13.5m

Multiple Countries

Smart Energy Solutions

Supporting Nigerian oil and gas company Seven Energy to fund capital expenditures related to gas pipelines and associated construction.

EAIF $20.0m

Vietnam

Coc San Hydro Power Project

Development of 29.7MW Coc San hydropower project located in the Dum River Valley, Lao Cai, Vietnam – a response to growing demand for electricity and part of government and provincial hydropower strategies.

InfraCo Asia Development $7.5m

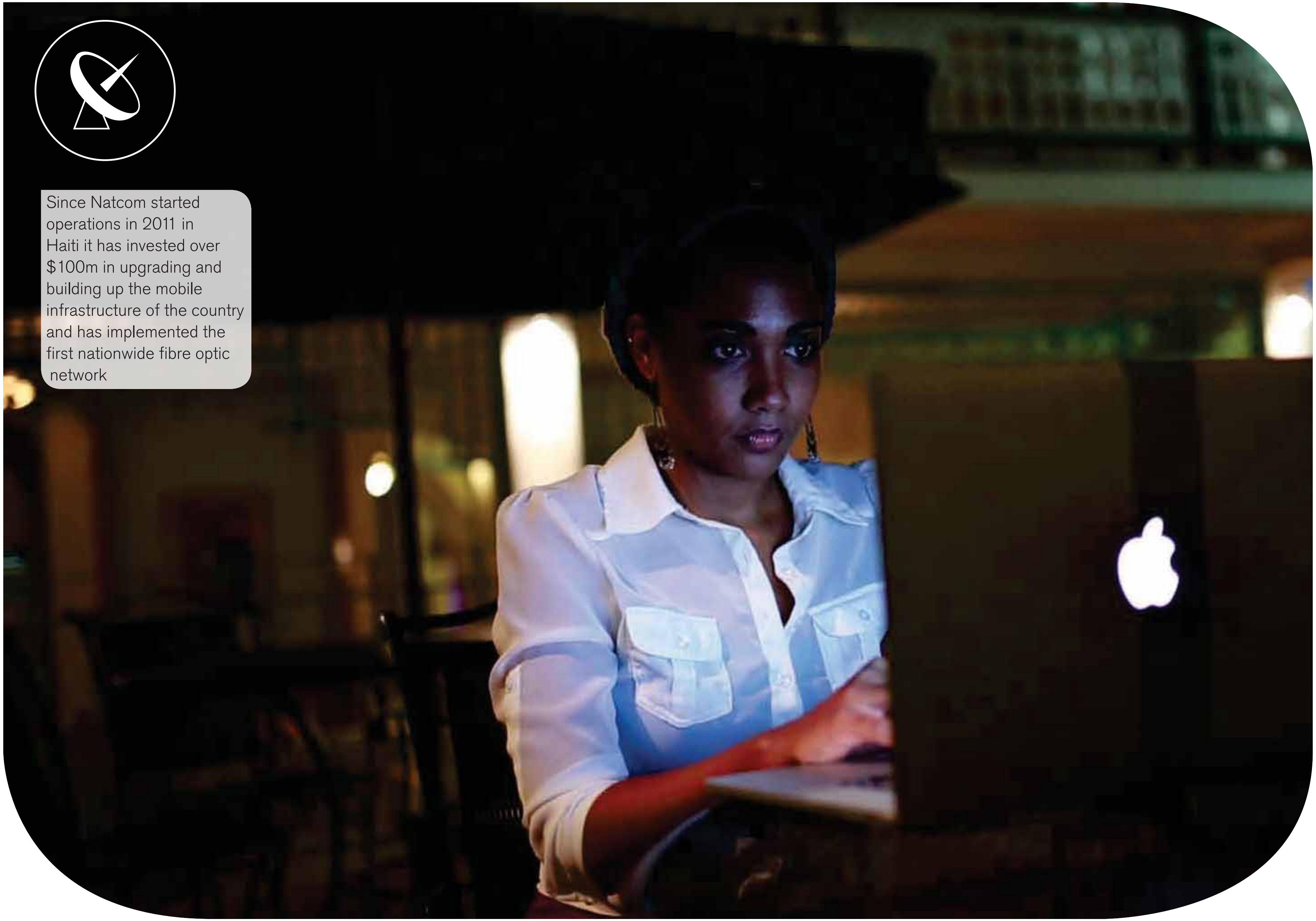
InfraCo Asia Investments $10.0m

Commercial operations

56 PIDG supported projects are now fully operational delivering infrastructure services to consumers – both businesses and individuals – and boosting economic activity. The involvement of the private sector is intended to ensure that operations are efficiently and professionally managed.

Measurement of the actual development impact of the project is undertaken at this stage and lessons learnt from the experience captured and shared with interested stakeholders.

Project	Country	Facility name	Progress in 2014	PIDG commitments	Status	Sector	Total actual project investment	Total actual improved/new access (#)
Privatisation of TELECO	Haiti	DevCo	Advisory mandate for the Government of Haiti to introduce PSP in the telecom sector. In April 2010, a new PPP telecom company (Natcom) that possessed licences and frequencies for a full range of telecom services, including wire line, fixed-wireless, international submarine cable, WiMax-based wireless broadband and cellular was established. Since Natcom started operations in 2011 it has invested over $100m in upgrading and building up the mobile infrastructure of the country and has implemented the first nationwide fibre optic network.	1.40	DAC I Fragile state		99.00	1,600,000
Ethiopian Airlines	Ethiopia	EAIF ICF-DP	10 Boeing 787 aircrafts purchased by the flag carrier of Ethiopia, 100% owned by the Ethiopian government – Ethiopian Airlines – were constructed and delivered. By end 2014, all planes were operational and providing services. The 787 aircraft is expected to be the most fuel efficient and green commercial aircraft in the market, enabling a 20% fuel saving to similar aircraft and significantly reducing carbon footprint.	60.00	DAC I Fragile state		1,100.00	1,454,544
Gigawatt Solar Power	Rwanda	EAIF	In July 2014 the new 8.5MW Solar PV ("Photo Voltaic") power plant located in the Agahozo-Shalom Youth Village – a residential community in the rural Eastern Province of Rwanda – began supplying electricity to the national grid. The project is governed by a 25-year concession agreement with the government of Rwanda.	10.60	DAC I		23.66	60,944
Helios Towers	Nigeria	EAIF	EAIF supported Helios Towers Nigeria to increase the capacity of their telecommunication infrastructure network operations (towers) and to refinance existing debt to harmonise terms and lengthen maturity profile of the company's debt stock. HTN managed to increase the tower usage from 2,785 to 3,500 subscribers.	19.00	DAC II Fragile state		200.00	1,050,000
PowerGrid Corporation of India (PGCIL)	India	ICF - DP	ICF-DP supported PowerGrid Corporation of India (PGCIL), a company that manages an inter-state power transmission system, to finance its FY2012-14 capex programs to expand the transmission network. Capex programs were completed during 2014.	50.00	DAC III		2,352.00	n/a
TOTAL							**3,774.66**	**4,165,488.00**



Since Natcom started operations in 2011 in Haiti it has invested over $100m in upgrading and building up the mobile infrastructure of the country and has implemented the first nationwide fibre optic network

Development impact

All PIDG supported projects are designed to deliver significant social and economic development impact. PIDG projects are concentrated in low and lower-middle income countries and fragile and conflict-affected states.

Collecting and verifying data that will enable us to monitor and assess the impact of PIDG projects is a challenging task, but critical for our Members who are accountable for the public funds they invest in PIDG Facilities. The PIDG results monitoring system has been developed hand in hand with Members. To ensure our approach sets and reflects best practice, we actively participate in working groups such as the International Aid Transparency Initiative, the Indicator Harmonisation Group run by the European Development Finance Institutions (EDFI) and the World Bank's Let's Work Partnership.


Commuters on the Kalangala Ferry

Key development impact indicators

PIDG monitors a project's impact against six key metrics

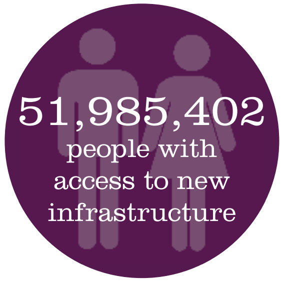
	Development impact indicator	Main features
1	**Total project investment**	Investments from commercial entities: ▪ Domestic commercial finance (equity and/or debt) ▪ Foreign commercial finance (equity and/or debt) ▪ Investment from DFIs: - DFI finance (equity and/or debt)
2	**Access to infrastructure**	▪ Number of additional women and men expected to have access to new infrastructure ▪ Number of additional women and men expected to have access to improved services
3	**Employment effects**	▪ Direct short-term jobs created during construction ▪ Direct long-term jobs created during operations
4	**Fiscal impact to host governments**	Fees and taxes paid to the government
5	**Additionality**	▪ Increased investment ▪ Better design and efficiency ▪ Improved regulatory or policy environment
6	**Demonstrating the viability and benefits of private infrastructure projects to host governments, potential investors and users**	▪ Capital mobilisation through greater private participation in infrastructure either in a country, sector or region ▪ Improved attitudes and greater willingness to invest in the private sector in emerging markets

Estimated development impact of the 115 PIDG projects that have reached financial close

	Cumulative	2014	2013
Number of projects that have reached financial close*	**115**	**20**	**12**
Total project investment - excluding grants ($bn)	**27.3****	**2.9**	**2.2**
Commercial investment (including FDI and local financing)	18.5	1.7	1.7
DFI investment	8.5	1.2	0.5
Access to infrastructure (million)	**262.0**	**77.3**	**13.0**
People expected to benefit from new infrastructure	152.9	36.2	7.5
People expected to benefit from improved infrastructure	109.1	41.1	5.5
Job creation	**318,820**	**9,823**	**40,962**
Temporary new jobs (construction)	103,870	8,625	5,651
Permanent new jobs (operations)	214,950	1,198	35,311
Fiscal Impact ($m)	**6,677.0**	**0.5**	**0.8**

* Numbers have been adjusted to eliminate double counting of projects co-financed by more than one PIDG Facility

** There is one DevCo project with expected financing of $346m, where the breakdown is not available



Comparison of estimated and actual development impact results for 39 PIDG-supported projects that are fully constructed and operational (excluding DevCo)

	Expected	Actual
Total project investment ($m)	12,317.19	**13,920.65***
Number of people with access to new infrastructure	30,888,403	**51,985,402**
Number of people with access to improved infrastructure	21,975,371	**48,997,179**
Fiscal impact ($m)	903.60	**1,583.89**
Short-term jobs created	9,855	**11,160**
Long-term jobs created	182,846	**189,097**

*The reported actual investment mobilised for an ICF-DP supported project, PowerGrid Corporation of India, is $7.7bn. This is an extreme outlier that cannot be fully verified by ICF-DP. We have taken a conservative approach and restricted our reporting of the actual investment to the expected amount of $2.35bn.

DevCo monitoring and evaluation policy changes

In January 2014 PIDG, in cooperation with DevCo, completed a data quality assurance exercise to review DevCo's entire portfolio of active and closed projects. DevCo now only reports actual impacts based on a post-completion monitoring report, which includes verifiable data collected after project operations have begun.

To align with other PIDG Facilities and the International Finance Corporation[3], where applicable, expected development impact indicators will be reported only for projects that have reached both commercial and financial close – even though the DevCo-supported project is closed once a project reaches commercial close and DevCo has no control over when financial close is achieved.

Comparison of estimated and actual development impact results for 12 DevCo-supported projects with post-completion monitoring undertaken

	Expected	Actual
Total project investment ($m)	890.00	**916.45**
Number of people with access to new infrastructure	11,927,000	**11,809,894**
Number of people with access to improved infrastructure	5,076,660	**4,936,660**
Fiscal impact ($m)	2,244.30	**1,519.61**
Short-term jobs created	200	**450**

3 Commercial/contractual close occurs when all project agreements between the relevant private and public parties have been signed. (Financing arrangements may still be pending.); Financial close occurs when all the project and financing agreements have been signed and all the required conditions contained in them have been met. In some cases eg management contracts, there is no financial close milestone as no additional investment is envisaged

1 Total project investment

Leverage
PIDG Facilities leverage Member funding at the project and Facility level with private sector capital from local, regional and international sources.

The leverage ratio is critical to assessing whether PIDG is achieving its mission to mobilise private sector participation for infrastructure development in developing countries. At the end of 2014, every dollar of PIDG Member contributions is expected to raise $20 of private local and foreign commercial financing (excluding DFI investments).

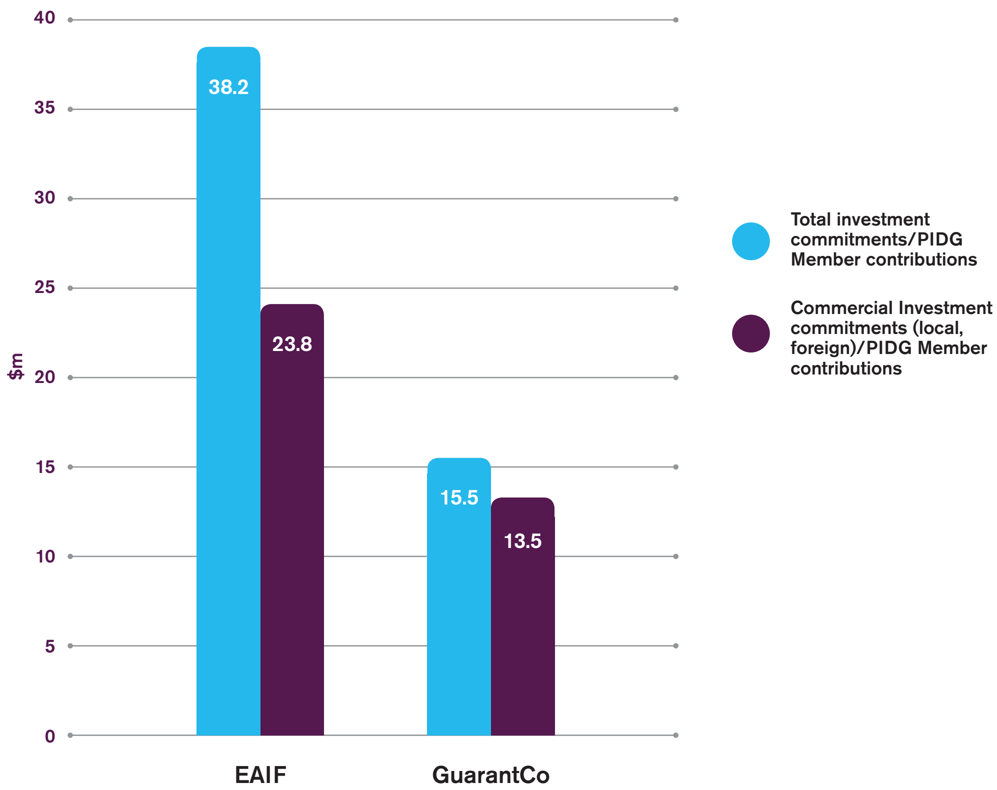
Nevertheless, due to the limited availability of private sector financing to close infrastructure projects in developing countries, PIDG projects are often co-financed by other DFIs. Overall, for every dollar of PIDG Member contributions channelled to projects, $30 is expected to be mobilised from non-PIDG sources.

At the PIDG **Facility level**, equity injected by PIDG Members enables the financing Facilities to raise additional financing from the private sector and other development finance institutions. These organisations look to PIDG Members' equity to mitigate the level of risk. The increased funding means Facilities can support both a higher number of projects and projects that are larger in scale. EAIF and GuarantCo have built portfolios in recent years beyond the equity contributions of the PIDG Members, despite some of the most challenging market conditions. Together, they currently have the capacity to raise over $1bn from commercial and development finance institutions' debt sources.

At the **project level**, PIDG support for a project encourages co-financing or follow-on financing from external sources, alongside the PIDG Facility, or follow-on financing from other sources. By taking on the up-front risk, Facilities reduce overall risk to a sufficient level for the private sector to invest – typically at financial close or shortly afterwards.

Project leverage ratios

(Based on commitments for financial closed projects at end 2014)



EAIF and GuarantCo's leverage ratios of additional investment commitments mobilised from commercial sources to the funding they receive from PIDG Members are 38 and 15 times respectively, demonstrating how they have been able to stretch the use of their Member funding for maximum impact

Expected total project investment by sector ($m)

	Total	Commercial loan and equity (foreign and domestic)	DFI investment (loan and equity)
Energy Generation/T&D	10,825	6,458	4,021
Telecoms	7,513	5,939	1,574
Transport	4,277	2,984	1,294
Industrial Infrastructure	2,507	1,542	966
Mining	605	343	262
Agri-Infrastructure	591	347	243
Housing	568	563	5
Multi-Sector	254	116	138
Water, Sewerage and Sanitation	190	188	2
Urban Development/Infrastructure	5	5	0
Total	27,335	18,484	8,505

Note: There is one DevCo project with expected financing of $346m, where the investment breakdown is not available

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An expected $27,335m to be invested

Expected total project investments by Facility ($m)

	Total	Domestic commercial investment	Foreign commercial investment	DFI investment
DevCo	1,807	379	1,204	224
InfraCo Africa	2,075	252	1,180	643
InfraCo Asia Development	179	94	6	79
GuarantCo	3,940	2,940	502	499
EAIF	13,712	3,273	5,261	5,178
ICF - DP	5,275	2,905	489	1,882

Note: There is one DevCo project with expected financing of $346m, where the investment breakdown is not available

Cumulative percentage of total project investment mobilised in LDCs, OLICs and PCAS by Facility

	LDC and OLIC			FCAS		
	2014	2013	2012	2014	2013	2012
DevCo	48%	48%	85%	42%	42%	59%
InfraCo Africa	96%	96%	95%	22%	26%	17%
InfraCo Asia Development	75%	100%	n/a	73%	0%	n/a
EAIF	73%	81%	91%	66%	62%	58%
GuarantCo	n/a	n/a	n/a	44%	35%	22%

2 Access

As more projects become operational so the actual number of people benefitting from new or improved infrastructure increases.

This year five projects became operational, reaching an additional **4.2m** people

Improved reporting

21 participating DFIs (including PIDG) contracted an independent consultant to commence phase two of the DFI Indicator harmonisation work, looking at qualitative indicators and conversion methodologies. These conversion methodologies are particularly important for PIDG as our 'numbers served with new or improved infrastructure' indicator relies substantially on their use. The report is expected by early 2015.

Projected cumulative access to new or improved infrastructure from 115 PIDG-supported projects by sector

Sector	Access predicted
Energy Generation/T&D	123,761,335
Telecoms	104,829,337
Industrial Infrastructure	16,790,423
Transport	12,093,881
Agri-Infrastructure	2,310,794
Water, Sewerage and Sanitation	1,975,195
Urban Development/Infrastructure	167,547
Housing	58,500
Multi-Sector	35,000
Mining	27,500

An estimated 262,049,512 people will benefit

Actual cumulative access to new or improved infrastructure from 39 PIDG-supported projects that are fully operational by sector (excluding DevCo)

Sector	Actual access
Telecoms	66,070,201
Energy Generation/T&D	15,594,026
Industrial Infrastructure	15,258,000
Transport	3,981,821
Agri-Infrastructure	51,033
Mining	27,500

100,982,581 people benefit

3 Job creation

Jobs are at the heart of eradicating poverty. The private sector plays a key role in economic growth and poverty reduction in developing countries, providing an estimated nine out of 10 employment opportunities, according to the World Bank.[4]

This is because the impact extends way beyond the jobs created by the companies constructing and then operating the infrastructure. There are indirect jobs – those created within the supply and distribution chain – as well as induced jobs, or those resulting from direct and indirect employees spending more money. Most significantly, there are the jobs the development community refers to as second order growth jobs, which result from the removal of an obstacle to growth, such as power provision.

At present, PIDG's results monitoring system captures information on direct job creation by gender. For example, by 31 December 2014, the 115 PIDG-supported projects that have reached financial close are expected to create 214,950 long-term jobs. But this is only a fraction of the story: a job creation impact study of the EAIF-supported Bugoye hydropower plant in Uganda[5] showed that for every direct job in the plant, eight to 10 jobs were supported in the economy.

Following the launch of the IFC's Jobs Study - Assessing Private Sector Contributions to Job Creation and Poverty Reduction in January 2013, 28 international finance institutions pledged to work together as the Let's Work global partnership (coordinated by IFC) to address the issue of job creation and learn from each others' experiences. PIDG became an officially recognised partner of Let's Work and a member of its Steering Group during 2014 and is the only member with a sole focus on infrastructure.

4 World Bank World Development Report 2013 on jobs

5 Job Creation Impact Study: Bugoye Hydropower Plant, Uganda, ODI, June 2013 (available at www.pidg.org)

Projected cumulative short-term employment (construction) generated from 115 PIDG-supported projects by Facility

Short-term employment

DevCo	805
InfraCo Africa	6,995
InfraCo Asia Development	1,100
EAIF	22,237
GuarantCo	64,233
ICF - DP	8,500

An estimated 103,870 people will be employed

Projected cumulative long-term employment (operations) generated from 115 PIDG-supported projects by Facility

Long-term employment

DevCo	-8, 835*
InfraCo Africa	1,029
InfraCo Asia Development	418
EAIF	8,736
GuarantCo	210,812
ICF - DP	2,790

An estimated 214,950 people will be employed

* including a privatisation project that resulted in cutting 12,000 jobs

4 Fiscal impact

We calculate the fiscal impact generated by PIDG supported projects as upfront fees to governments as well as payments in the form of corporate taxes and consumption and sales taxes. In 2013, PIDG harmonised some of its reporting indicators with other development finance institutions and now reports all transfers to government made by the client company during the first five years of operation; previously PIDG had reported all taxes arising during the lifetime of the project. In cumulative terms, PIDG projects are expected to generate $6.7bn in fiscal benefit of which $3.5bn comes from upfront fees paid to governments.

Changing this measure has had a considerable effect on PIDG's reported fiscal impact. Additionally, a number of developing countries' governments provide temporary tax reductions or tax abatement to foreign investors to incentivise private sector investment in infrastructure. As a result our fiscal impact figures, both cumulative and for 2014, have been adjusted and are much more conservative than previously reported.

5 Additionality

Additionality is an important concept within the development community. In PIDG's case, it refers to the distinctive contribution that PIDG Facilities make over and above those delivered by the market or an existing institutional framework. To qualify as 'additional' the inputs and services have to complement – and not substitute – what other institutions can or are willing to put in place in order to provide infrastructure services.

Current PIDG definition of additionality

Types of additionality	Question to be answered by PIDG Facility (if applicable):	
Financial additionality	Does the PPP element make an investment happen that would not have happened anyway?	Thai Biogas Energy Company (TBEC), GuarantCo created a flexible, innovative deal structure to enable a domestic loan to be made available to a private sector operator
Design and efficiency additionality	Does the private sector involvement bring changes to design and/or improvements in efficiency?	Modern technologies and environmentally responsible production are integral to an EAIF supported cement plant in the Congo, DR. This project is projected to add 140% to the current domestic cement supply
Policy additionality	Does PIDG participation contribute to improvements in the regulatory environment, both for specific investments and at the country level?	Cenpower Ghana: InfraCo Africa helped the Ghanaian government refine and implement a strategic framework for the power sector capable of attracting private sector investment. Results include the first power purchase agreement within the electricity sector, the first connection agreement with an independent power producer (IPP) and the first IPP in Ghana taking fuel-supply risk

In 2014 PIDG led a consultation for the **DFI Indicator Harmonisation Group** collecting and analysing the definitions and reporting of additionality by each participating DFI. It found that, while there is consensus on what constitutes financial additionality, there is no common approach among DFIs when it comes to defining non-financial additionality.

PIDG Members have requested a refining of the PIDG definition of additionality by developing Facility-specific definitions that fit the activities and maturity of each PIDG Facility. These will be developed and approved in 2015 and subsequently incorporated into each Facility's investment policy or equivalent.

6 Demonstration effect

PIDG alone cannot solve the infrastructure deficit in low and middle-income countries or post-conflict and fragile states. Our aim is to develop proof of concept projects that demonstrate to the market the viability of investing in pioneering initiatives and higher risk environments. And, over the long term, we want to ensure replicability so that the lessons learned in one project make it easier for the next to achieve a successful closing. Sometimes a single project is enough, but in other situations a critical mass is a more powerful demonstration.

A. Hydropower in Nepal

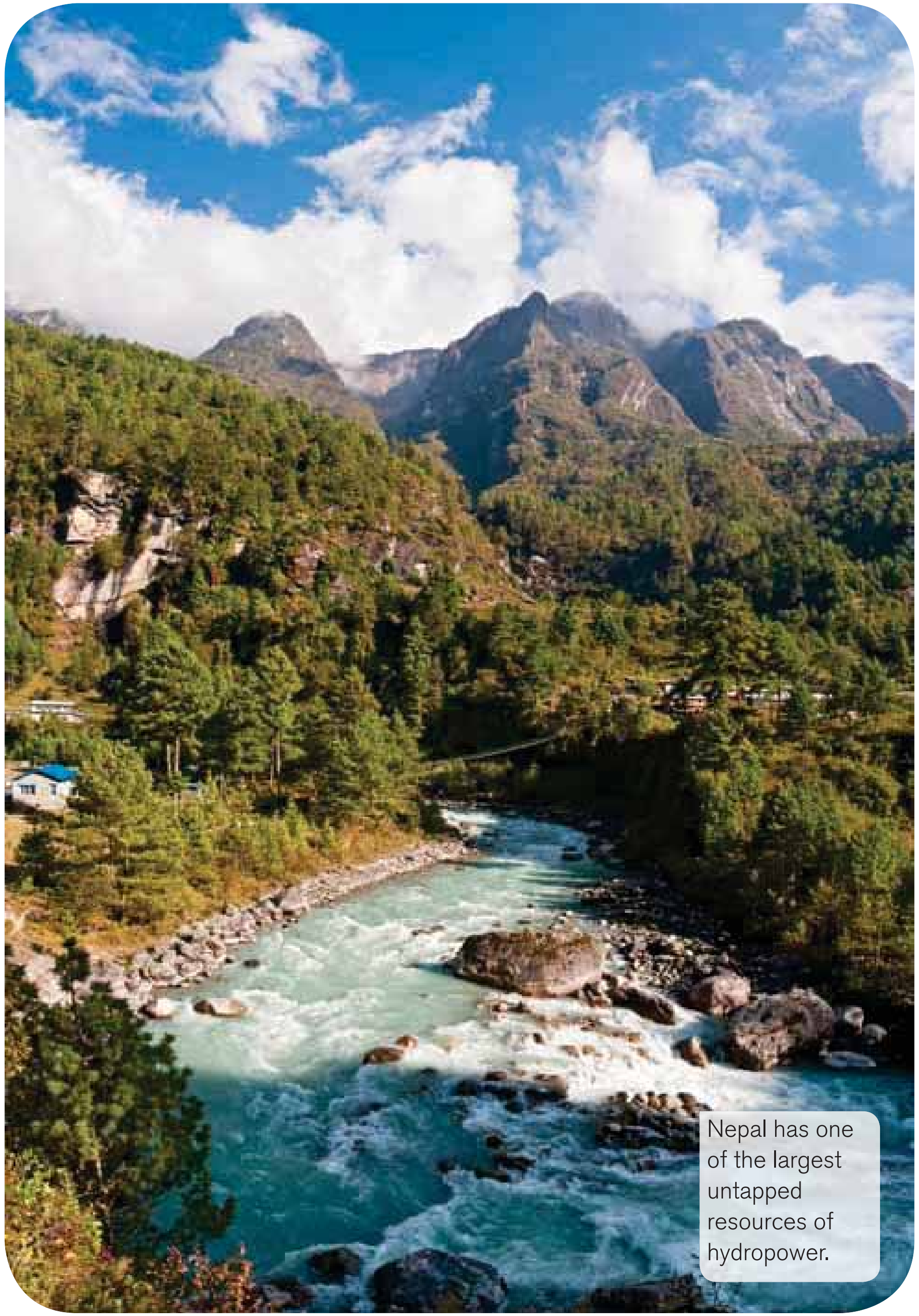
The state owned Nepalese Electricity Authority (NEA) is responsible for electricity supply through the national grid. Electricity supply is limited to 48% population (MoE 2007), primarily in urban areas and only 8% of people in rural areas have access to electricity. The low level of electrification hampers both economic development and access to information and education in rural areas.

Nearly 83% of the total electricity generated in Nepal is through hydropower plants. Energy demand is estimated to grow at an average annual rate of 8.34 % until 2028.

To meet this demand, GuarantCo provided a NPR2,785m ($28.2m equivalent) guarantee on behalf of Essel Clean Solu Hydropower Private Ltd, (ECS), to support the financing of the Lower Solu project in the Solukhumbu district in Nepal (see page 78). As well as being the largest private sector energy project in Nepal it was also the first Independent Power Producer (IPP) financed by both international and domestic financiers, and the first project financing involving an independent financial guarantor. GuarantCo worked extensively with the banks in Nepal to adapt the internationally accepted guarantee structure to satisfy central bank regulations and the Nepalese bank requirements. This will make it easier for future projects seeking guarantees, as much of the groundwork, for example market acceptance of the product, will have been done.

In parallel since 2012, InfraCo Asia has been working on a portfolio of three hydropower projects at various stages of development in Nepal with a view to opening up the Hydropower sector for commercial investment. The most advanced of these is the 37.6MW Kabeli A project.

InfraCo Asia and GuarantCo's work in Nepal provides a good example of the concept of replicability and is aimed at demonstrating the viability of hydropower in a country with one of the world's largest untapped hydropower resources.



Nepal has one of the largest untapped resources of hydropower.

B. Tower sharing in sub-Saharan Africa

Mobile phones have fundamentally changed the lives of people in sub-Saharan Africa by offering the ability to transfer money, check local market prices and access health messaging. It has also allowed many countries to leapfrog landline technologies resulting in huge savings over time. Demand for mobile and broadband remains high across the region and the telecoms infrastructure struggles to keep pace with demand.

African telecom infrastructure suffers from capacity shortage due to exponential subscriber growth. It is estimated that African Telecom/Tower sites typically support 3,000-4,500 subscribers with significant down times, compared to developed markets with 1,000 to 1,500 subscribers per site and 100% uptime.

As competition in the mobile industry increases and the regulators increase their focus on service quality, mobile operators will need to upgrade capacity and improve uptime, both structural dynamics that strongly favour a dedicated outsource solution.

One of the most effective solutions for expanding reach in both geography and capacity is tower sharing. Sharing the use of towers reduces the cost of expansion for all carriers, enabling them to provide a service to remote and economically less developed areas, where revenues and usage will be lower. It also makes it easier for new entrants to the market as they do not have to take on the cost of rolling out their own network.

EAIF has worked extensively with Helios Towers, one of Africa's biggest independent operators of telecom towers, supporting tower sharing as well as new tower construction transactions in Tanzania and Nigeria. In addition, Helios is currently considering financing similar projects in DRC and Chad, which will build up a significant demonstration effect for private sector investment in this market.

In order to establish a proof of concept with regard to tower sharing in sub-Saharan Africa, EAIF has been building on its long standing relationships in the region by playing an important bridging role in bringing both Helios Towers and the DFIs to a common position, thereby facilitating the necessary debt financing required for these deals. Specifically, EAIF gets involved as a co-lender, offering long-term financing which is frequently not available domestically and hard to secure from the international market, due to the perceived country risk. It supports tower sharing deals across countries, which struggle to attract investments and where the development impact – the transformation of lives for people living in poverty – is high.

Facilities

TAF

DevCo

InfraCo Africa

InfraCo Asia

EAIF

GuarantCo

GAP

ICF-DP

Technical Assistance Facility (TAF)
At a glance

Challenge	Shortage of public and private sector resources for infrastructure project preparation, evaluation and affordability
Response	The Technical Assistance Facility (TAF) is a pool of grant funding within the PIDG Trust to assist PIDG Facilities with capacity building and to help identify and assess potential investment opportunities
Established	2004
Funding PIDG Members	ADA (withdrew in 2014), DFID, DGIS, World Bank-IFC, Irish Aid, SECO and Sida. ADB, while not a PIDG Member, also provided funding
Cumulative PIDG Member funding	$46.04m
Managed by	TAF is a fund within the PIDG Trust that is managed by the PIDG PMU, PIDG TAF Technical Advisor and Trustees of PIDG Trust
Website	www.pidg.org
Total commitments at 31 December 2014	$11.2m total commitments to 48 completed or expired grants $20.6m total commitments to 33 live grants $1.2m total commitments to 14 completed grants to projects that did not generate private sector investment
2014 commitments	$1.9m to 14 grants
New grants in 2014 (that are still live at end 2014)	African Rental Housing Conference, Regional Bangladesh Drinking Water, Bangladesh Calcom Cement add-on, India Central Asia PPP Capacity Building, Regional Chad Oil Products Distribution, Chad Ghana LPG Services, Ghana Kampala Cement Availability Project, Uganda Lao Roads PPP Capacity Building, Lao PDR Nigeria Credit Enhancement Facility, Nigeria Nigeria Pension Regulator Training, Nigeria Pakistan Telecom Development add-on, Pakistan Rajasthan Agribusiness, India West Africa Risk Mitigation Workshop, Regional Windiga Zina Solar IPP, Burkina Faso

2014 Overview

During 2014, TAF continued to develop a robust pipeline of potential future activities with the Facilities, particularly GuarantCo

14 new TAF grants totalling $1.9m were approved to support projects being undertaken by four of the PIDG Facilities in 11 countries. This represented the second highest number of TAF grants approved in a single year to date. These grant-funded activities supported projects in the energy, agriculture, telecoms, industrial infrastructure, transport and water and sanitation sectors, while a number also supported capital market development activity.

Grants were approved for two developmental add-on projects. This type of grant provides additional funding to PIDG Facilities for activities with high development impact that go beyond those of the original project investment. One of these activities was with Mobilink, which aims to expand SMS-based literacy support programmes to women living in the remotest regions of Pakistan. The second activity, led by Calcom, attempts to introduce energy-efficient fuel stoves and small-scale power solutions to areas of Assam, India. Both of these projects are supported by GuarantCo.

During 2014, TAF continued to develop a robust pipeline of potential future activities with the Facilities, particularly GuarantCo. GAP has expressed an interest in the potential for TAF funding for projects, which it expects to initiate as it becomes fully operational in 2015.

TAF expects to see more applications in the future for grants for Viability Gap Funding (VGF). VGF is a relatively new form of TAF support. These grants reduce the upfront capital costs of a project by providing grant funding at the time of financial close that can be used during construction. This kind of funding addresses the gap between the revenues needed to make a project commercially viable and the revenues likely to be generated by user fees paid mostly by poor customers. VGF is designed to make projects that are economically viable over the long term commercially viable for investors. It helps mobilise private sector investment for development projects, while ensuring that the private sector still shares in the risks of infrastructure delivery and operation.

No new VGF grants were approved during the year. However, $1.8m was disbursed to InfraCo Asia in December 2014, the first disbursement of a $5m VGF grant approved in 2013 to develop the Coc San run of river hydropower project in Vietnam. By 31 December 2014, there were a number of VGF grant applications actively under consideration by several Facilities. In consultation with PMU, the TAF Technical Advisor has also redesigned the VGF application process to make it more rigorous and ensure that it continues to meet Members' demands with respect to additionality, due diligence and risk management.

With the continued interest in TAF funding from GuarantCo and EAIF, increased demand from the InfraCos as they accelerate their project signings, and GAP's start of operations, 2015 has the potential for a considerable scaling-up of TAF activity.

TAF in numbers

Chart 1: Cumulative TAF funding by PIDG Facility

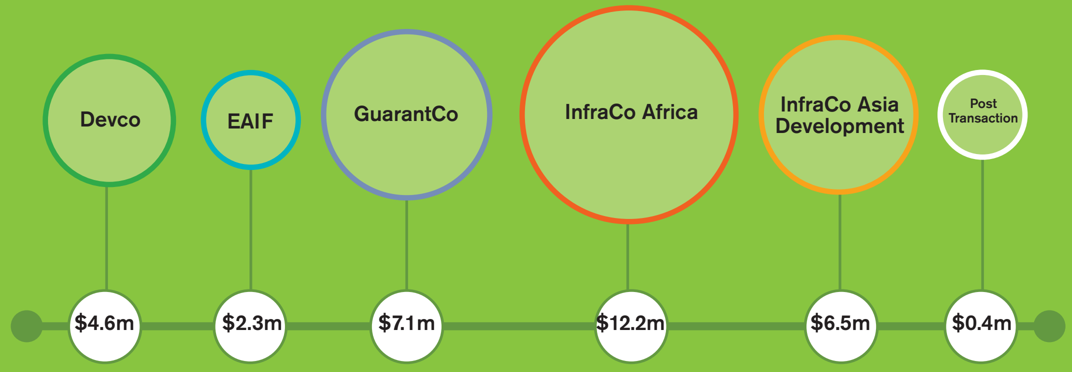


Chart 2: Cumulative TAF funding by region

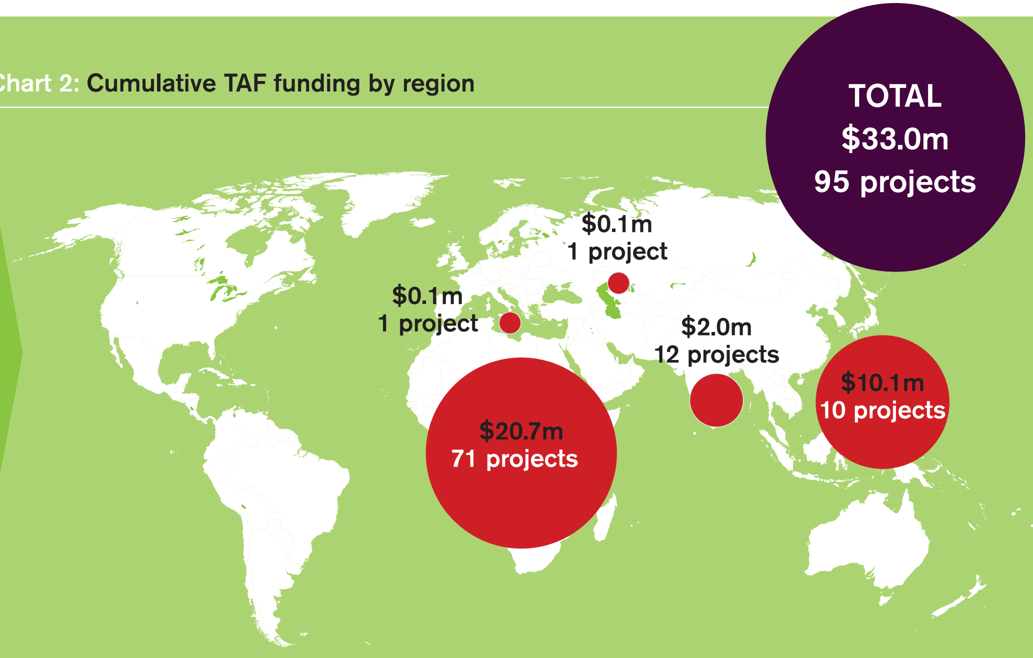


Chart 4: Cumulative TAF funding by sector

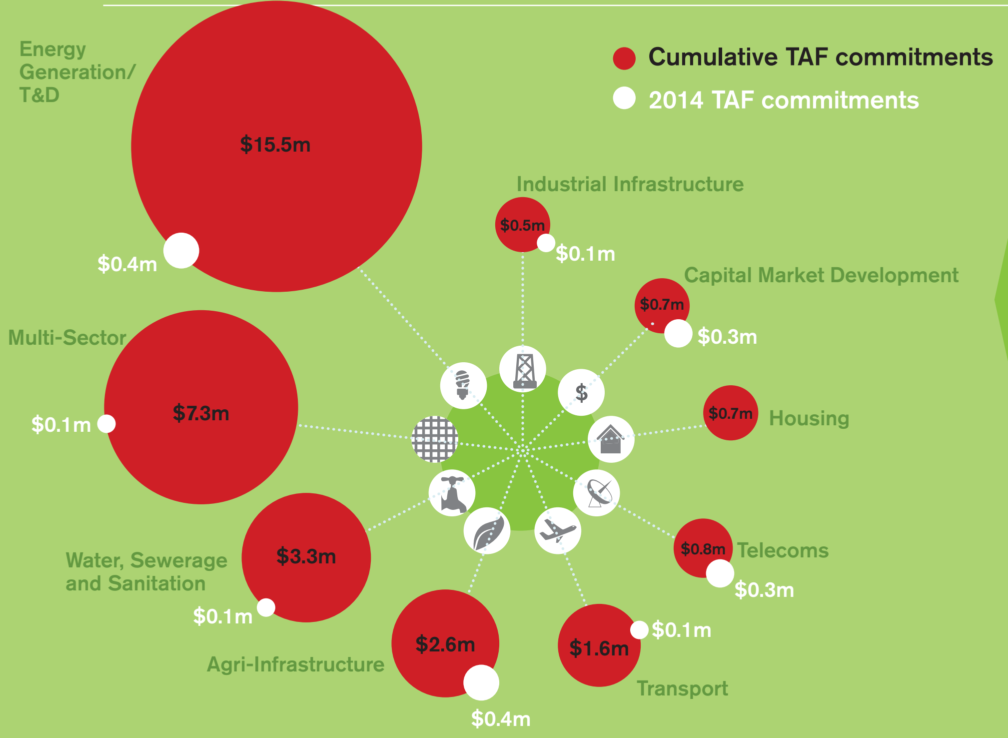


Chart 3: TAF funding by region in 2014

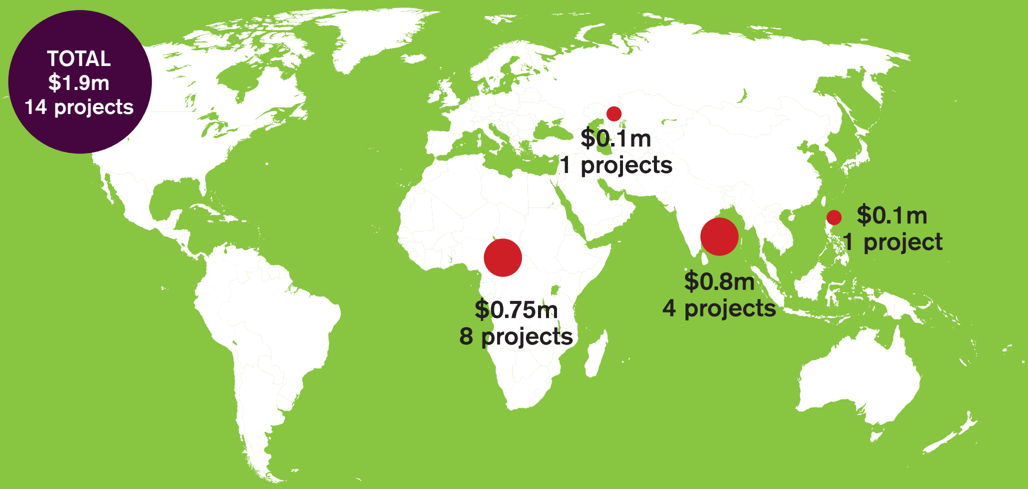


Chart 5: Cumulative TAF funding by type of activity ($m)

2014 TAF commitments	0.4	0.1	0.1	0.4	0.1
TAF commitments	15.5	7.3	3.3	2.6	1.6

2014 TAF commitments	0.3	0.0	0.3	0.1
TAF commitments	0.8	0.7	0.7	0.5

Chart 6: Type of activity as a % of cumulative approved TAF funding in 2014

Sector Key

- Agri-Infrastructure
- Energy Generation/T&D
- Housing
- Industrial Infrastructure
- Mining
- Multi-Sector
- Telecoms
- Transport
- Urban Development/Infrastructure
- Water, Sewerage and Sanitation

Commitments within LDC, OLIC and FCAS

Cumulative	
% of TAF grants (by value) in LDC and OLIC	75%
% of TAF grants (by value) in FCAS	45%
% of TAF grants (by number) in LDC and OLIC	77%
% of TAF grants (by number) in FCAS	44%

Creating a credit enhancement facility in Nigeria

With a population now exceeding 160m, Nigeria is the most populous country in sub-Saharan Africa and has the largest economy

Background

Nigeria has an active equity market regulated by the Nigerian Securities and Exchange Commission (NSEC). However, the debt capital market has been largely inactive, used only by national government, a handful of financial sector companies and several state governments.

With a population now exceeding 160m, Nigeria is the most populous country in sub-Saharan Africa and has the largest economy. Despite underlying tensions, it has recently been reclassified by the OECD as a lower-middle income country. To maintain the kind of economic growth needed to boost employment and provide adequate infrastructure services to the poor segments of its population, Nigeria needs a fully functioning capital market that can facilitate debt-financed infrastructure investment.

The roles of TAF and GuarantCo

The newly established Nigeria Sovereign Investment Authority (NSIA) requested assistance from GuarantCo and TAF in early 2014 to establish a Nigerian debt guarantee facility. NSIA has hundreds of millions of dollars for infrastructure investment, but is eager to explore ways of providing credit enhancements in preference to direct loans as a way of making more efficient use of its funding and attracting other investors to infrastructure projects. For example, \$25m in NSIA funding used to create a credit enhancement mechanism could generate between \$75 and \$100m in investment via the facilitation of bank borrowing or bond issuance.

No such facility exists in sub-Saharan Africa and the assessment of the commercial viability of enhancement facilities is highly specialised. GuarantCo applied for a TAF grant for NSIA to pay for most of the pre-feasibility study costs so that GuarantCo's expertise could be used to develop a comprehensive terms of reference that covered all key issues; to ensure that independent international experts were recruited to do the study (rather than market players who might have conflicts of interest); and to directly manage the work and vet conclusions.

The TAF grant

NSIA and GuarantCo approached TAF for help in designing and paying for a feasibility study to establish whether or not a credit enhancement facility would be commercially viable in Nigeria. In March 2014, the Members of PIDG approved a TAF grant of \$178,000 to GuarantCo to partially cover the costs of preparing such a study.

The work, mostly completed by the end of the year, involved two related kinds of assessments including an assessment of the potential size of the public finance market in Nigeria along with a review of its legal system and how it encourages or hinders infrastructure funding. This phase of the assessment would also recommend any appropriate changes to the legal system that might assist the development of a public finance market. The work would then look at preliminary design assumptions about how a credit enhancement facility would operate in Nigeria.

The results of the TAF-funded assessment were positive, and NSIA's board has since taken a decision to move forward by allocating the initial funding needed to establish such a facility. GuarantCo and TAF have been asked to provide further assistance as the facility becomes operational.

New TAF grants signed in 2014

Project	Country	Sector	Description	Facility	PIDG Commitments ($m)
African Rental Housing Conference	Multiple countries (SSA)	Capital Market Development	Finance participation in the African Rental Housing Conference by two keynote speakers who will represent GuarantCo at the conference.	GuarantCo	0.01
Bangladesh Drinking Water	Bangladesh	Water, Sewerage and Sanitation	Partial financing of three activities designed to set up a drinking water treatment and distribution operation in Dhaka, Bangladesh: a detailed market study; a review of legal and regulatory requirements; and a consumer awareness programme.	GuarantCo	0.07
Calcom Cement add-on	India	Industrial Infrastructure	Partial financing of a programme to roll out fuel-efficient cooking stoves and small-scale solar power solutions in the village areas around the Calcom Cement facility in Assam, India.	GuarantCo	0.07
Central Asia PPP Capacity Building, Regional	Multiple countries (ECA)	Multi-Sector	Contribution to costs for two two-day training forums for participants from three Central Asian countries: Kazakhstan, Tajikistan and the Kyrgyz Republic. Designed to introduce 110 public and private stakeholders to ways in which PPPs can be implemented in a financially, socially and environmentally sustainable manner.	DevCo	0.12
Chad Oil Products Distribution	Chad	Energy Generation/T&D	Finance half of the costs of a financial environment assessment to assess the viability of a credit-enhanced subordinated debt facility for an oil products distribution company in Chad and provide in-depth information about the company and the legal-regulatory-procedural dimensions of its financial environment.	GuarantCo	0.02
Ghana LPG Services	Ghana	Energy Generation/T&D	Partial financing of the legal costs associated with a guarantee provided by GuarantCo to Quantum Terminal Ltd to finance an LPG storage facility for gas from Ghana's off-shore Jubilee gas field.	GuarantCo	0.01
Kampala Cement Availability Project	Uganda	Industrial Infrastructure	Partial financing of a marketing study and an environmental and social impact assessment for a cement plant project in Kampala, Uganda. These activities are unusually expensive and must meet international, rather than local standards.	GuarantCo	0.04
Lao Roads PPP Capacity Building	Lao PDR	Transport - Rail	Partial financing of three intensive training modules designed to build the capacity of Lao officials and regulators and enable them to better understand how PPPs can be implemented in a financially, socially and environmentally sustainable manner.	DevCo	0.13
Nigeria Credit Enhancement Facility	Nigeria	Capital Market Development	Partial financing of the preparation of a feasibility assessment of a Nigerian debt guarantee or credit enhancement facility. If the results of this assessment are positive, and confirmed by a full feasibility study and business plan, the Nigerian Sovereign Investment Authority will consider establishing such a facility in partnership with GuarantCo.	GuarantCo	0.18
Nigeria Pension Regulator Training	Nigeria	Capital Market Development	Partial financing of a training programme for the staff of the National Pension Commission of Nigeria. The programme will cover investment management (analysis of bonds, risk management, foreign investments and performance measurement) and customer education and relations.	GuarantCo	0.12
Pakistan Telecom Development Add-on	Pakistan	Telecoms	Partially finance the continuation of a successful mobile phone-based literacy programme that will directly benefit 2,500 women living in Pakistan's impoverished rural areas sponsored by Pakistani mobile operator, Mobilink.	GuarantCo	0.28
Rajasthan Agribusiness	India	Agri-Infrastructure	Partially finance the costs associated with technical assistance and capacity building activities needed to develop a pioneering integrated, post-harvest agribusiness infrastructure project in India in the state of Rajasthan. The project will consist of a mechanised grain market supported by modern warehousing practices in the Kota District of Rajasthan.	InfraCo Asia Dvpt	0.42
West Africa Risk Mitigation Workshop	Lao PDR	Multi-Sector	Finance one-third of the costs of a workshop designed to help public and private sector stakeholders better understand the benefits of using risk mitigation tools to enhance the creditworthiness of infrastructure projects.	GuarantCo	0.02
Windiga Zina Solar IPP	Burkina Faso	Energy Generation/T&D	Partially finance the legal costs associated with advisory work needed to bring the Windiga Zina Solar IPP project to financial close.	EAIF	0.36

DevCo
At a glance

Challenge	Under prepared projects fail to attract private sector involvement due to lack of public authority resources and capacity
Response	DevCo, managed by the World Bank Group's International Finance Corporation (IFC), advises poorer developing countries' governments on structuring transactions to stimulate sustainable private sector participation.
Established	2003
Funding PIDG Members	ADA-BMF, DFID, DGIS Sida, and IFC DevCo is funded directly, not through the PIDG Trust
Managed by	IFC, a Member of the World Bank Group
Website	www.ifc.org/ppp
Total commitments at 31 December 2014	$34.9m to 22 projects that have reached financial close, 7 projects that have reached commercial close, 21 that are under active development, and three projects which were closed after Phase I studies completed
2014 commitment	$4.9m to six projects
Upstream project signed during 2014	PPP / Infrastructure Advisor to the Nigerian Sovereign Investment Authority ($1.5m)
Projects that reached financial close in 2014	Bhubaneswar Street Lighting, India
Projects that reached commercial close in 2014	Metro Clark Bulk Water Project, Philippines Niger Dry Port, Niger PPP for Rural Water Supply, Benin Rajasthan Street Lighting, India Thimphu Parking PPP, Bhutan
Projects that have undertaken post completion monitoring in 2014	Privatisation of TELECO, Haiti

Expected development impact

Expected	Cumulative	2014	2013*
Total investment commitments ($m)	2,153.20	4.80	15.10
People expected to benefit from new or better infrastructure (in millions)	26.09	0.17	1.44
Fiscal benefits ($m)	2,598.83	0.23	0.03

* The 2013 figures correspond to those reported in the Annual Report 2013

2014 Overview

DevCo positions itself at a critical point in the infrastructure project cycle, providing upstream institutional and policy development to PIDG Facilities and other entities that assist with the subsequent financing of projects. Specifically, DevCo provides transaction advisory services to governments looking to attract private sector participation to meet critical infrastructure needs. DevCo supports the structuring of well prepared, bankable transactions involving private sector participation. This includes due diligence work in structuring transactions and assisting governments in implementing transparent and competitive tender processes to attract private sector players. On a case-by-case basis, Devco helps its government partners structure or negotiate complex contractual arrangements.

In recent years, DevCo has increased its focus on transactions in some of the least developed countries (LDCs) where it works and in other low income countries (OLICs). It has increased its focus on transformational work in fragile and conflict-affected states (FCAS) and has started to offer selective post-transaction advisory support. DevCo has also cut back its support for telecoms projects.

Over the course of 2014, DevCo signed six mandates, all of which are in LDC and OLIC countries or states and two of them in FCAS. Of the six mandates three are located in poorer states of India, namely: Bihar Grid (Bihar Transmission); MP Wind Re-powering; and Odisha Street Lighting Program. Moreover, 67% of the mandates signed are in the energy sector. A further five DevCo projects reached their commercial close: Clark Water in Philippines; Thimphu Parking in Bhutan; Benin Water (which comprises four projects); Niger Dry Port; and Rajasthan Street Lighting in India.

2014 was, of course, marked by the Ebola crisis, which significantly affected DevCo's progress in West Africa. Other DevCo projects, especially those located in fragile states were impeded by conflict. However, by the end of 2014, DevCo was anticipating growth opportunities in new countries and industry sectors. These include opportunities in Myanmar, expanding into Pakistan, and addressing critical transport and power needs as well as engaging with the government of India in developing water infrastructure.

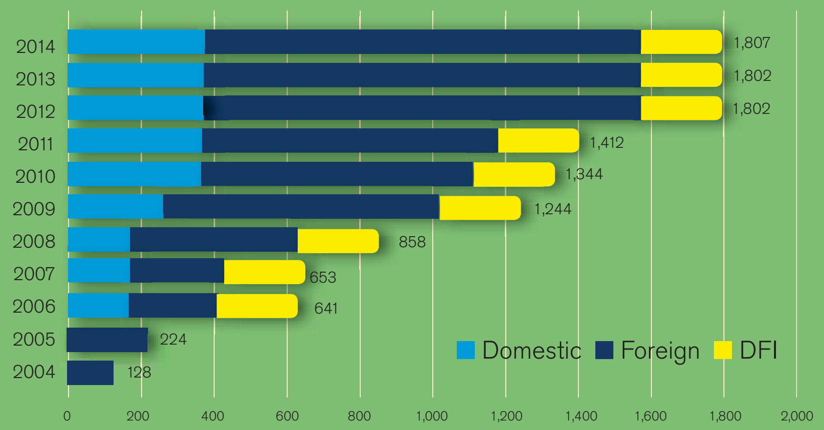
The 2013 evaluation of DevCo's performance from 2008 to 2013 concluded that DevCo's model is still relevant and valid; that governments need assistance to structure and implement public private partnership transactions and that their ability to afford such services is greatly enhanced by the support that DevCo provides. The evaluation also made some key recommendations: firstly, that PIDG Members should invite DevCo to submit a business plan for achieving impact through upstream and downstream integration; secondly, that DevCo should expand its post-completion monitoring work to help increase project sustainability.

In line with the recommendations, DevCo has focused on integrating upstream and downstream support into project preparation, so that transactions can be developed in a more focused and systematic manner. It has looked to address capacity constraints in governments and assist by identifying priority opportunities and needs for public and private investment. DevCo has looked to create options for developing public private partnerships and help develop a pipeline of projects that might be offered to the private sector through transparent procurement processes as a means of potentially accelerating infrastructure development. DevCo has, for example, received approvals for two downstream activities in Niger and Kosovo in 2014 and, on the upstream side, is working with Nigeria Infrastructure Advisory Facility (NIAF) in Nigeria, an area where other Facilities such as GuarantCo are also engaged.

During 2014, DevCo agreed to further refine its results monitoring so as to establish clearer guidelines on reporting leverage. For 2014 and future years, PIDG will only report development impacts for those DevCo projects that have reached financial close, in line with its reporting for other PIDG Facilities. Up until the end of 2013, PIDG reported on the development impacts of DevCo projects that had reached commercial close.

DevCo in numbers

Chart 1: Cumulative expected total investment commitments from 22 DevCo projects that have reached financial close, by year of close ($m)



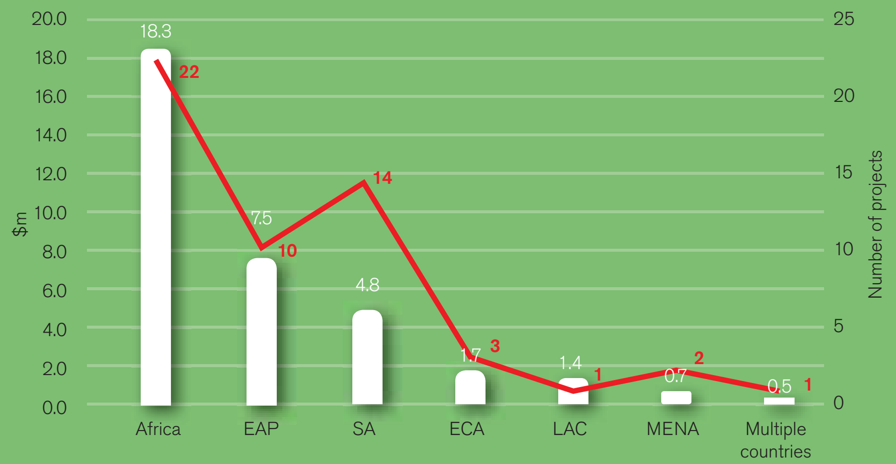
NOTE: There is one DevCo project with expected total investment committed of $346m, where no breakdown of financing is available

Chart 2: DevCo cumulative commitments by sector ($m)

2014 DevCo commitments	2.7	2.0	-	-	0.2
DevCo commitments	11.7	9.6	7.9	2.7	1.1

2014 DevCo commitments	-	-	-	-
DevCo commitments	0.6	0.5	0.5	0.5

Chart 3: DevCo cumulative commitments by region ($m)



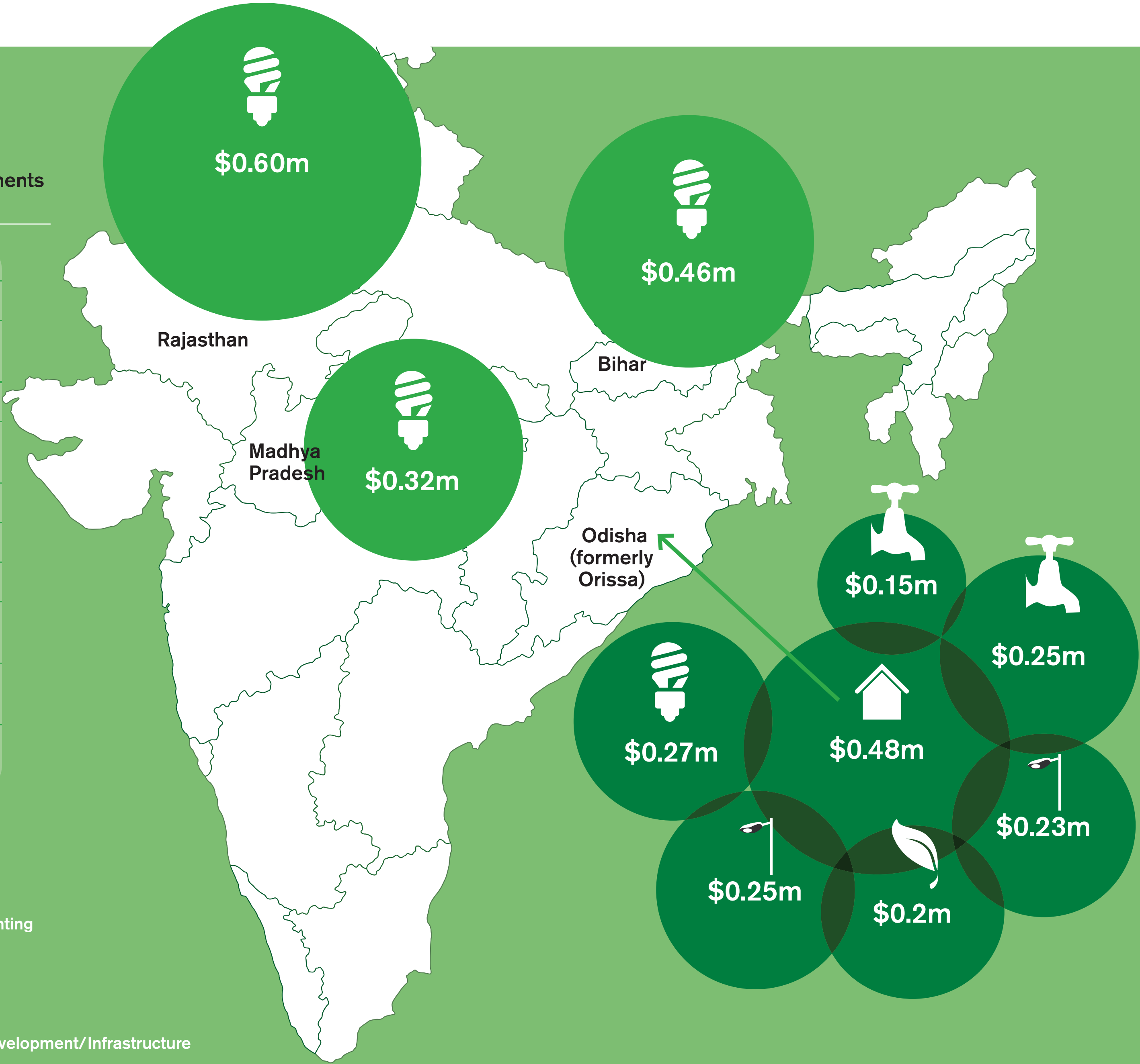
Commitments within LDC, OLIC and FCAS

Cumulative

% of total investment commitments (by value) in LDC and OLIC	48%
% of total investment commitments (by value) in FCAS	42%
% of projects (by number) in LDC and OLIC	74%
% of projects (by number) in FCAS	36%

Chart 4: $3.2m of DevCo cumulative commitments to 10 projects in lower states of India

PROJECT NAME	($m)
Bihar Grid, India	0.46
MP Wind Re-Powering Project	0.32
Bhubaneswar Street Lighting	0.25
Odisha Affordable Housing – Berhampur city	0.48
Odisha Rice Storage Project	0.20
Odisha Rooftop Solar Project	0.27
Odisha Street Lighting	0.23
Orissa Solid Waste Management	0.25
Puri (Odisha) Solid Waste Management	0.15
Rajasthan Street Lighting	0.60



Sector Key

- Agri-Infrastructure
- Energy Generation/T&D
- Housing
- Industrial Infrastructure
- Mining
- Multi-sector
- Street lighting
- Telecoms
- Transport
- Urban Development/Infrastructure
- Water, Sewerage and Sanitation

A rehabilitated water network for rural Benin

This project was implemented by the IFC with the financial support of DevCo and was designed to act as a model for countrywide replication

Background

In 2006, the government of Benin began to transfer the management of rural water systems, traditionally operated by local communities, to private operators under a lease/affermage arrangement. However, in 2010 a performance assessment commissioned by the World Bank Water and Sanitation Program (WSP) uncovered a number of shortcomings. To address the problems identified and to strengthen the contractual framework, the government of Benin retained the IFC in 2012 to improve and optimise the delegation of the management of piped water systems in rural and small towns to private sector operators through the competitive tender of a number of pilot sites in Benin. The project was implemented by the IFC with the financial support of DevCo and was designed to act as a model for countrywide replication.

The deal

Finalist for Water Deal of the Year at the Global Water Awards

Ten pilot sites grouped into four clusters and covering 41,000 people, were selected in three different municipalities (the Communes). IFC proposed a transaction structure based on an eight-year concession agreement for the design, partial financing, rehabilitation, extension and operation of the four clusters, which comprised of two to three rural water systems each.

The project design required the private operators to design, engineer, rehabilitate, operate and maintain systems, without increasing the price of water. This included rehabilitating equipment, extending the network, installing private water connections, and partially financing these activities. The concession arrangements provided a robust contractual framework and a better risk allocation among the parties.

The bidding process led to the selection of three winning local bidders – two consortia and one firm. The four concession agreements were signed in August and September 2014.

The role of DevCo

In 2012, IFC PPP Transaction Advisory with the support of DevCo, signed an advisory mandate with the government of Benin to act as its lead transaction adviser to structure, tender, and implement 10 pilot PPP transactions in the rural water sector. IFC's mandate included helping to select private operators for the selected piped water supply schemes through a transparent and competitive bidding process. Together with the water and sanitation programme (WSP), IFC provided strategic recommendations on an appropriate institutional framework, the range of activities to be transferred to the private sector and a tender and regulatory framework.

Total Investment committed	
	0.28m
Job creation	
Temporary (construction)	1,000
Permanent (operations)	75
Access to infrastructure	
People expected to benefit from new or better infrastructure	1,071 additional household connections 48,500 people

Design additionality

Designing a better structured PPP transaction will encourage the private sector to invest in the networks thus generating investment and expansion of services that would not have happened without the transaction. Through the contract the private sector will also be incentivised to improve efficiency and improve management.

Additional benefits

For the first time in Benin, local commercial banks have committed to support the sector by providing debt, equity, and various financing instruments to the concessionaires. This will reduce the financial burden on the public finances, as historically the state has fully financed capital investment.

Demonstration effect

The aim of the project is to develop a model which can be replicated across Benin, and regionally. If successful, the 1.6m people currently being serviced by piped water systems could receive improved, more sustainable services. The approach could also be extended to green field sites.

As well as serving as a model for replication and a pilot for broader sector reform, local commercial banks are now more familiar with the risk profile of rural water supply and are committed to supporting private operators.

The World Bank Group (WBG) has made public private partnership a focal point of the bank's strategy.

The reorganisation places DevCo, managed by IFC, at the forefront of one of the key persistent gaps in the market: upstream capacity building or support to local authorities to develop bankable PPP projects and infrastructure projects. Indeed, the reorganisation allows for greater co-operation, which in turn should make it easier for other entities outside the World Bank Group to participate in and support such initiatives.

New projects in 2014

Project	Country	Sector	Description
Kampala-Jinja Expressway PPP	Uganda	Transport - Road	Assist the Uganda National Roads Authority (UNRA) in the development of a 77km greenfield road from Kampala to Jinja on a Public Private Partnership (PPP) basis. It will also explore the feasibility of including the 17km Kampala Southern Bypass, which together with the existing Kampala Northern Bypass would form a ring road around Kampala City.
Myingyan IPP	Myanmar	Energy Generation/T&D	Advise on the selection of a private developer through a competitive bidding process to finance, build and operate a 250MW combined cycle power plant in the Myingyan area.
Bihar Grid	India	Energy Generation/T&D	Provide transaction advisory support to the Infrastructure Development Authority (IDA), Bihar, nodal agency for a PPP in Bihar, for structuring a project involving development of two transmission packages including sub-stations at pre-determined locations through private sector participation.
MP Wind Re-Powering Project	India	Energy Generation/T&D	Assist the government of Madhya Pradesh (GoMP) in structuring a bankable PPP model (IPP mode) for the development of a wind power project through the competitive bidding route, to re-power an existing wind farm at Dewas by installing modern high efficiency turbines. The GoMP wishes to use the opportunity of expiring agreements with existing investors at Dewas to boost electricity generation from the existing site and to explore alternative project structures to generate wider support of power purchasers.
Odisha Street Lighting Project	India	Urban Development/Infrastructure	Support major cities of Odisha – Bhubaneswar, Berhampur, Cuttack, Rourkela and Sambalpur – to structure a package of street lighting projects to improve the provision of public street lighting services through sustainable and bankable PPP transactions.
Zanzibar Power	Tanzania	Energy Generation/T&D	Assist in the implementation of a PPP for the Zanzibar Electricity Corporation, the utility responsible for providing electricity to the citizens of Zanzibar.

Projects that became fully operational in 2014

Year of close	Project name	Country	Sector	Description	PIDG commitments ($m)	Expected total investment committed ($m)		People to benefit from new/ better infrastructure		Fiscal Benefits ($m)		Short-term jobs		Long-term jobs	
						Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual
2010	Privatisation of TELECO	Haiti	Telecoms	Advisory mandate to assist BRH in structuring and implementing the international bidding process for the telecom PPP. IFC worked closely with Haiti's Council for the Modernisation of State-Owned Enterprises, which acted as the project's implementation agency on behalf of Banque de la République d'Haiti to ensure the highest standards of transparency and fairness. IFC also coordinated with the World Bank, which was conducting a reform project to improve the regulatory environment for telecom operators in the country.	1.40	100.00	99.00	1,500,000	1,600,000	200.00	0.00	n/a	n/a	n/a	n/a

InfraCo Africa
At a glance

Challenge	Bankable projects in sub-Saharan Africa are frequently not developed, due to the high risks associated with early stage project development
Response	InfraCo Africa is an infrastructure development facility, which has been designed to assume the risks and costs of early-stage project development in the lower income countries in Africa
Established	2004
Funding PIDG Members	ADA (withdrew in 2014), DFID, DGIS and SECO.
Cumulative PIDG Member funding disbursed to the PIDG Trust	$127.7m
Chair	Brian Count
Managed by	InfraCo Africa
Developers	eleQtra Ltd and Aldwych Africa Developments Ltd
Website	www.infracoafrica.com
Total commitments at 31 December 2014	$45.3m for a pipeline of projects under active development, eight having already achieved financial close or equity close. In addition, another 13 projects are currently under development
2014 Joint Development Agreements signed in 2014	Fula Rapids, South Sudan

The creation of InfraCo Africa Investment Ltd is a response to the need for equity investments at the project level post financial close, pre commercial operation and an opportunity to fill in certain funding gaps currently observed in the sub-Saharan infrastructure sector. InfraCo Africa Investment was set up as a wholly-owned subsidiary of the PIDG Trust and is currently funded by DFID. InfraCo Africa Investment will contribute to the aims of PIDG in stimulating greater private sector involvement and investment in the development of infrastructure projects in sub-Saharan Africa.

The main functions of InfraCo Africa Investment will be to: address market failures in the supply of capital to early stage infrastructure projects, which can delay and sometimes prevent viable projects from proceeding to implementation; facilitate the accelerated construction and completion of projects that satisfy donor-approved investment criteria; and provide 'bridge' investments to accelerate project implementation.

Expected development impact

Expected	Cumulative*	2014	2013**
Total investment commitments ($m)	2,075.17	0.00	0.00
People expected to benefit from new/better infrastructure (in millions)	13.03	0.00	0.00
Fiscal benefits ($m)	0.61	0.00	0.00
Job creation			
Short-term jobs (construction)	6,995	0	0
Long-term jobs (operations and maintenance)	1,029	0	0

* Development impact data is updated annually.

** The 2013 figures correspond to those reported in the Annual Report 2013.

2014 Overview

2014 has seen a number of changes in the sub-Saharan Africa infrastructure market that have proved significant to InfraCo Africa's project work; in particular, a greater appetite among African institutions to invest in African projects and an increased willingness to engage in cross-border investment activity.

InfraCo Africa is well placed to take advantage of these changes and 2014 has seen InfraCo Africa consolidate and strengthen its business model, building the foundations for a major expansion of its activities over the next five years. It also saw the sale of the Cenpower project.

InfraCo Africa continued to move towards a multi-developer business model with the appointment of Aldwych Africa Developments Ltd as its second developer, and the introduction of the financing of co-development projects. While eleQtra remains InfraCo Africa's principal developer, Aldwych brings an expertise in the power sector and considerable on-the-ground experience of sub-Saharan Africa. The co-development projects enable InfraCo Africa to work with project developers in other sectors, on condition of additionality, using their own experience and expertise to bring projects to completion.

The internal management team employed in 2013 continued to expand with new talent recruited to manage the anticipated increased activity over the next five years. Compliance oversight, risk management, a rigorous understanding and control of where and how money is being spent are critical to the long-term development of InfraCo Africa and PIDG. As various projects will be approaching the point of sale, planning and carrying out exits from projects will be an increasing area of activity.

During 2014 the Kpone Independent Project (the Cenpower project), a 340-megawatt power generation project in the Tema industrial area of Ghana, reached financial close. The project is the largest power project developed by InfraCo Africa, mobilising over $600m of private sector debt and equity investment. In addition, the Kalangala Infrastructure project was physically completed in 2014, with the delivery of a second ferry and a renewable energy project.

InfraCo Africa signed a joint development agreement for the Fula Rapids Hydropower project in South Sudan, although the pace of development there will depend on the success or otherwise of peace negotiations around Sudan's civil war. Projects can, of course, stall due to factors completely outside the control of the PIDG Facilities, and this is a reminder of the complexity of delivering innovative infrastructure projects in sub-Saharan Africa.

InfraCo Africa approved a memorandum of understanding for a wind power plant to be developed by eleQtra in Ghana and engaged in initial negotiations for the sale of two of its agricultural projects – Chiansi in Zambia and Envalor in Mozambique. Its maritime transport project in Lake Victoria entered the feasibility stage. InfraCo Africa approved Aldwych commencing work on a solar power project in Chad, which will initially involve the development of a five-megawatt facility, followed by a 35-megawatt facility. InfraCo Africa also took on the co-development of two geothermal plants of 140-megawatts each in Kenya and Ethiopia.

2014 saw a gradual increase in activity in InfraCo Africa's market and appetite for involvement from other players. Contributory factors include an increased willingness on the part of governments to get to grips with what is needed for infrastructure development, receding growth opportunities elsewhere in the world (such as in South America), and a greater acceptance of risk in sub-Saharan Africa.

Over 55% of InfraCo Africa's portfolio is in power projects. There are a number of reasons for this, including the fact that the regulatory environment is much more advanced in the power sector than elsewhere, and that other sectors have a greater tendency to involve political issues around tariffs, competition and the public good, which make project development a much lengthier and riskier process. This does not mean that InfraCo Africa is looking to move away from such projects, but simply that the predominance of viable opportunities in the market will be in the power sector.

InfraCo Africa is also testing the possibility of designing developmental add-ons, by working with local communities. An example of this is a hydropower project in Zambia, where as part of the arrangements the community will have an equity stake in the project in the form of a trust, which can then be used by the community to invest into whatever development they most need.

With its strengthened capability and capacity, InfraCo Africa can invest in and develop more projects. 2015 will see InfraCo Africa developing a more proactive pipeline strategy, one informed by market studies and on-the-ground experience. It will commission research into the power, transport and water sectors in a subset of countries which will help it identify new opportunities. As well as developing more projects, InfraCo Africa will look for ways to amplify the developmental impact of its work. In 2015, InfraCo Africa will further explore innovative benefit sharing mechanisms that empower local communities and enable them to identify and implement developmental initiatives.

InfraCo Africa in numbers

Chart 1: Cumulative expected total investment commitments from eight InfraCo Africa supported projects that have reached equity or financial close, by year of close ($m)

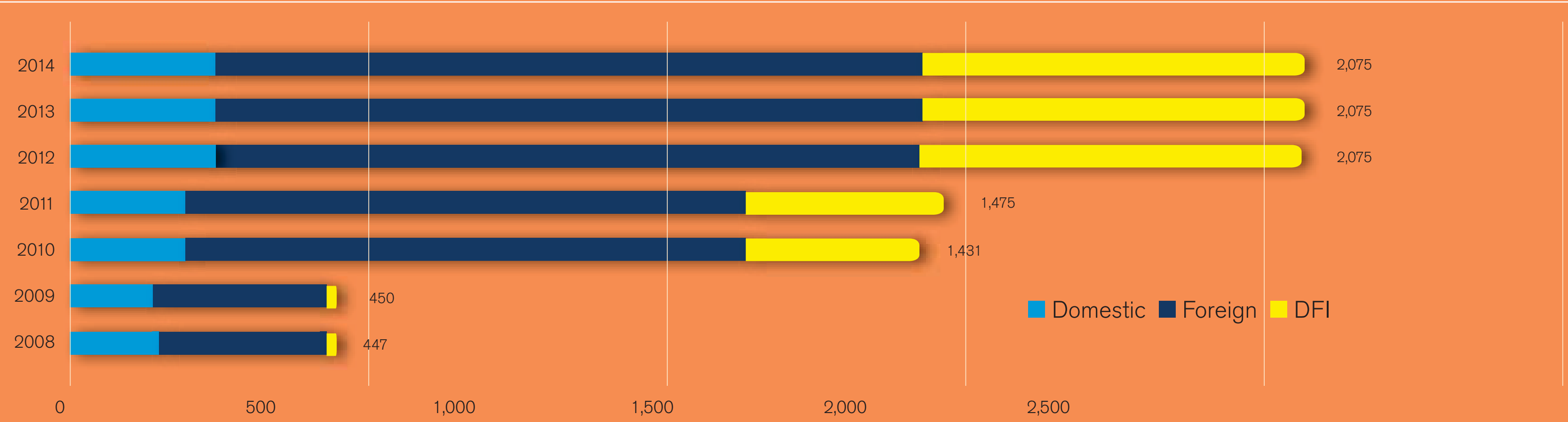
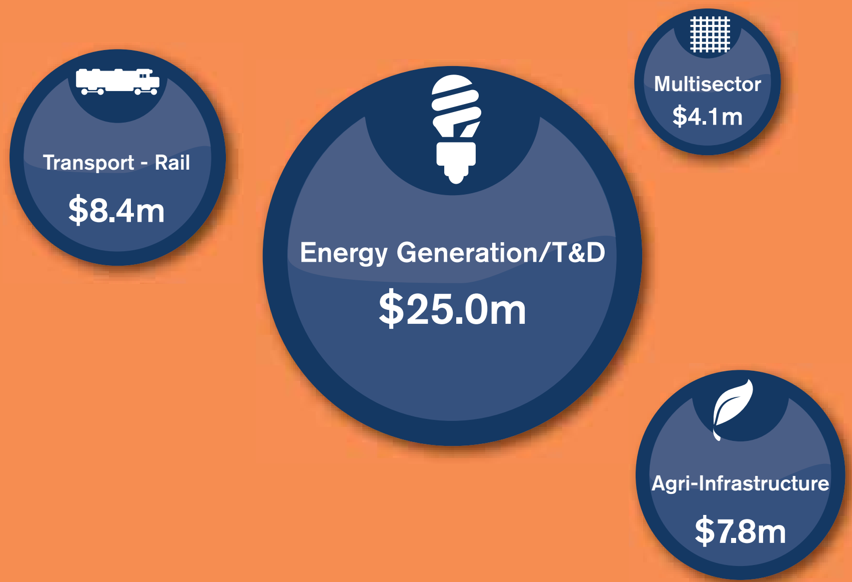


Chart 2: Cumulative InfraCo Africa commitments to projects under active development or that have reached equity close or financial close by sector



Commitments within LDC, OLIC and FCAS

Cumulative	
% of total investment commitments (by value) in LDC and OLIC	96%
% of total investment commitments (by value) in FCAS	22%
% of projects (by number) in LDC and OLIC	91%
% of projects (by number) in FCAS	45%

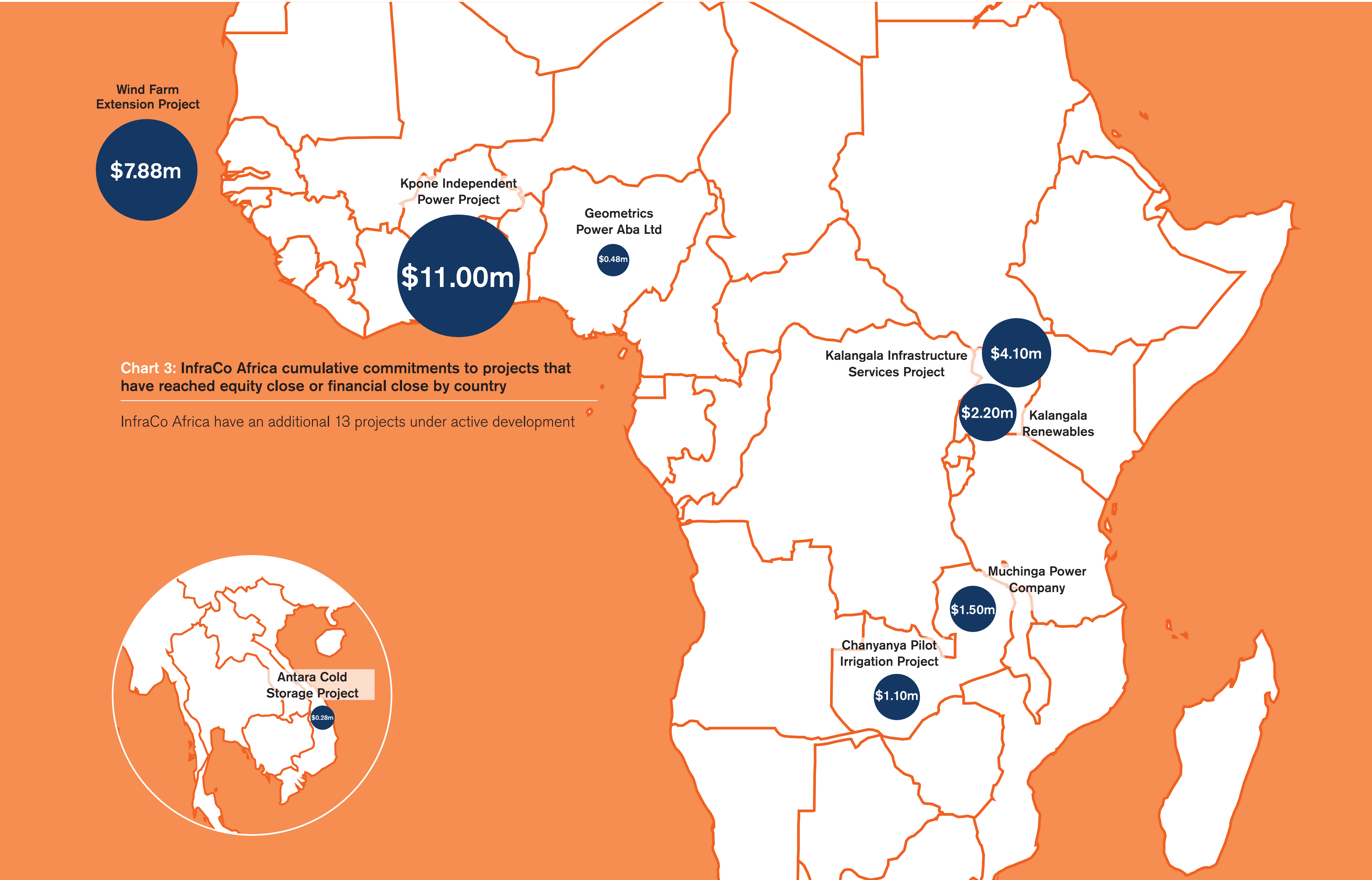


Chart 3: InfraCo Africa cumulative commitments to projects that have reached equity close or financial close by country

InfraCo Africa have an additional 13 projects under active development

Establishing secure and independent power provision in Ghana

"This is a shining example of what can be achieved when Africa's public and private sectors combine in innovative and sustainable partnership, to create the bankable energy infrastructure projects so critical to the continent's economic growth"

Oliver Andrews, AFC's (Africa Finance Corporation) Executive Director and Chief Investment Officer

Background

Since September 2006, the government of Ghana has had to implement periodic load shedding due to a steadily increasing demand for electricity and an unreliable supply from the Akosombo hydroelectric dam. Companies and households have resorted to investing in back-up power generators and economic development has been stunted.

The Kpone Independent Power Project will design, construct and operate a 340-megawatt combined-cycle gas turbine plant in the Tema industrial zone, 24km east of Ghana's capital Accra. The plant will supply electricity to the national grid, connecting at the Volta River Authority's planned 161kV collector sub-station. The plant will generate around 2,850 GWh per year which, assuming a per capita consumption of 344kWh, will provide enough electricity for some 8.3m people.

The deal

Total financing: $903.1m				
Total PSI: $685.8m			**Total DFI: $217.3m**	
Domestic PSI: $52.2m	Foreign PSI: $633.6m		DFI: $217.3m	
Equity: $52.2m	Equity: $186.2m	Debt: $447.4m	Equity: $10.3m	Debt: $207m
Cenpower Holdings Ltd	Foreign equity: · AFC Equity Investments Ltd ($79.2m for a 31.85% stake) · Summit Global Management XIV BV (Sumitomo) ($69.7m for a 28% stake) · Mercury Power (Pty) Ltd ($37.3m for a 15% stake) Debt is being funded under export credit cover by a consortium of South African commercial banks and international development finance institutions, including: Rand Merchant Bank (RMB); Nedbank; Standard Bank of South Africa; and Nederlandse Financierings-Maatschappij voor Ontwikkelings Landen NV (FMO).		FMO holds a 4.15% equity stake ($ 10.3m invested) Debt is being funded by: i) FMO ($44m, equivalent to 7% of total debt); ii) Deutsche Investitions und Entwicklungsgesellschaft mbH ($27m, equivalent to 4% of total debt); iii) Industrial Development Corporation of South Africa Ltd ($44m, equivalent to 7% of total debt); iv) OPEC Fund for International Development ($17m, equivalent to 3% of total debt); v) EAIF ($22m equivalent to 3% of total debt); vi) Development Bank of Southern Africa Ltd ($53m equivalent to 8% of total debt).	

The project successfully raised $903.1m through a special purpose vehicle: Cenpower Generation Company Ltd (Cenpower). More than three-quarters of the investment, $686m, was from commercial sources. Project financing comprised both debt ($654m or 72%) and equity ($249m or 28%) with strong support from African financing institutions: 67% of equity is held by African entities and 83% of senior debt is held by African lenders. Following the successful full financial close of the project in 2014, InfraCo Africa has recently exited.

The Export Credit Insurance Corporation of South Africa expanded its operation outside of South Africa for the first time.

PIDG contribution

In 2005, private sector involvement in the Ghanaian energy market was relatively rare, the regulatory framework was unproven and the project had yet to complete the due diligence and modeling that would make it bankable. Cenpower Holdings (a consortium of Ghanaian investors) approached InfraCo Africa to provide the funding and through their principal developer, eleQtra, the experience needed to develop the project from an idea to a fully financed, government supported initiative.

InfraCo Africa funded the initial development costs for the project totalling $11m, of which $6m was committed to third-party spend and $5m to internal developer costs.

By 2010, the project was not just bankable but able to entice blue chip investors, some of whom were providing project financing for energy in Ghana for the first time. The South African Development Bank sought and gained parliamentary approval to provide debt facilities outside of South Africa. The project reached financial close in October 2014 with the first draw down scheduled for January 2015. Construction also began in January with the intention that the plant will be fully operational in 2017.

The project's successful financial close has enabled InfraCo Africa to sell its remaining equity to Sumitomo and African Finance Corporation (AFC) and so fully recoup incurred development costs. Consequently, the initial funding provided by InfraCo Africa's donors can be recycled from this project to other early-stage projects in frontier markets: the cycle of project development can continue.

In 2014, the PFI Awards recognised Cenpower for its outstanding performance and commitment by presenting the project with the African Power Deal of the Year award.

Development Impact

Total Investment committed	
Private sector investment	$685.8m
DFI investment	$217.3m
Fiscal benefits	$500.0m
Tax revenue	$11.7m
Job creation	
Temporary (construction)	600
Permanent (operations)	70
Access to infrastructure	
People expected to benefit from new or better infrastructure	8,276,163
Women expected to benefit from new or better infrastructure	3,163,335
Increased installed energy capacity within Ghana	circa 12%
Available thermal generation capacity provided by KIPP	almost 20

Additionality

Financial Additionality: InfraCo Africa became involved at a time when the private sector was not interested in investing. Nine years on InfraCo Africa had leveraged over $900m of private and DFI debt and equity financing: most of it from African and overseas businesses that had not invested in Ghana previously. These blue-chip companies were willing to invest because of the work InfraCo Africa had done to prove the project's viability.

Policy Additionality: InfraCo Africa has helped the Ghanaian government with its goal to refine and implement a strategic framework for the power sector, one capable of attracting private sector investment. Its work on this project has resulted in the first power purchase agreement within the Ghanaian electricity sector, the first generating licence, the first connection agreement with an independent power producer (IPP) and the first IPP in Ghana taking fuel-supply risk.

Additional benefits

An indirect (cascade) benefit of improved energy supply will be an improvement in living standards, as more businesses will be provided with reliable electricity and more households are able to connect to the grid and access electricity.

Environmental benefits

Lower cost electricity, replacing expensive diesel-fired generating units and crude oil fired turbines, which currently provide marginal power supply

Improved usage of the West African Gas Pipeline Project and of both Ghanaian and Nigerian natural gas resources, reducing both gas flaring and oil imports.

In 2005, the government of Ghana wanted to create the conditions to encourage private sector investment in the energy sector but didn't have a track record in enabling Independent Power Projects (IPPs). Developing an IPP required both patient capital and a developer willing to take the risk of going first. Being publicly funded, InfraCo Africa could take the early-stage development risks and costs that the private sector could not, resulting in:

- The first power purchase agreement within the Ghanaian electricity sector
- The first generation licence no. 001
- The first connection agreement between the Government and an IPP.

Today the energy market has evolved. The Commission (a regulatory body set up to assess license applications) has a long list of entities seeking to be involved in the energy sector. Among these entities are two smaller IPPs: Sunon Asgoli Thermal Plant (200 megawatts) and CENIT Thermal Plant (100 megawatts).

InfraCo Asia
At a glance

Challenge	Shortage of bankable infrastructure projects in Asia due to the high-risk nature of early-stage project development that deters private sector investment
Response	InfraCo Asia comprises a project development Facility, InfraCo Asia Development (IAD), and an investment Facility, InfraCo Asia Investments (IAI), which aim to stimulate greater private investment in infrastructure development in lower income countries and regions of Asia, by acting as a principal project developer pre-financial close and co-investor at financial close respectively
Established	InfraCo Asia Development: 2010 InfraCo Asia Investments: 2014
Funding PIDG Members	InfraCo Asia Development: DFID, SECO and DFAT InfraCo Asia Investments: DFID
Cumulative PIDG Member funding disbursed to the PIDG Trust	InfraCo Asia Development: $76.2m InfraCo Asia Investments: $21.7m In addition to the amounts disbursed to IAI, DFID has put in place promissory notes totalling GBP 15.2m
Chair	Kenneth Baxter (IAD) Keith Palmer (IAI)
Managed by	InfraCo Asia
Website	www.infracoasia.com
Total commitments at 31 December 2014	IAD: $40.8m to three projects that have reached financial close and seven that have signed joint development shareholder agreements IAI: $21.7m to two projects that have reached financial close
Projects that reached financial close in 2014	Coc San Hydroelectric Power Project, Lao Cai Province, Vietnam Metro Wind Power Project, Sindh Province, Pakistan

Expected development impact

Expected	Cumulative	2014	2013*
Total investment commitments ($m)	179.30	176.40	2.90
People expected to benefit from new/better infrastructure (in millions)	0.48	0.48	n/a
Fiscal benefits ($m)	0.50	0.00	0.50
Job creation			
Short-term jobs (construction)	1,100	850	250
Long-term jobs (operations and maintenance)	418	68	350

* The 2013 figures correspond to those reported in the Annual Report 2013

2014 Overview

Formal signing of the Metro Wind Power Project agreement

InfraCo Asia comprises a project development Facility, InfraCo Asia Development (IAD), and an investment Facility, InfraCo Asia Investments (IAI), which act as a principal project developer before financial close and investor at financial close respectively.

IAD and IAI address a critical market gap in infrastructure development in Asia. A lack of bankable projects means that available private sector funding is not being fully deployed. At the same time, private sector investors are unwilling to invest in high-risk, early-stage project development even though relatively small investments are required for projects that are marginally bankable.

IAD meets this gap by taking an equity stake in early stage, high-risk infrastructure development projects, that are socially responsible and commercially viable. Throughout the development process it focuses on managing and mitigating risks to stimulate private sector participation and bring the projects to financial close. In this effort, IAD is supported by IAI which can, as funder of last resort, provide the financing required to achieve financial close after other investors and lenders have come in.

IAD and IAI co-operated on two projects in 2014, both of which reached financial close. The first is the 29.7-megawatt Coc San run of river hydroelectric power generation project located in Lao Cai Province in North Vietnam. Some 50% of this project's cost is financed through a non-recourse local currency project finance facility from a Vietnamese bank. The project also received support from IAI by way of a bridging investment as well as viability gap funding from PIDG's TAF. The second project is a 50-megawatt Metro Wind Power Project located in Sindh Province in Pakistan. Debt funding (75% of total project value) for the project's implementation is provided on a non-recourse basis by a combination of foreign and local lenders. IAI also participated to fill the equity funding gap needed to bring the project to financial close.

By the end of 2014, IAD had closed three projects and another five were well advanced in their development. Most of IAD's portfolio is concentrated in the renewable energy sector, but diversified across a range of countries.

2014 represented a landmark year for InfraCo Asia. IAD appointed a chief executive officer in September 2014 along with a finance manager and business analyst to strengthen IAD's internal management team and to develop and implement a new strategy. This strategy is based on three pillars: a core programme for South and South-East Asia moving to a multi-developer model; a co-investment programme for supporting third party projects; and a dedicated programme for Myanmar. The approach is designed so that InfraCo Asia can meet market needs and ensure it covers significantly underserved and unsupported parts of the region.

InfraCo Asia has made good progress towards moving to a multi-developer model. In September 2014, InfraCo Asia launched a procurement process for its Myanmar Developer Services Programme. It shortlisted eight candidates in December 2014 and selected a developer in April 2015.

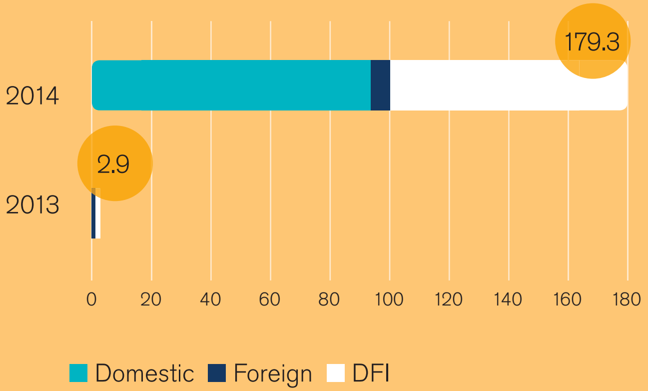
The next step will be launching the procurement process for up to two developers for South and South-East Asia. The move to a multi-developer model is an important one, bringing a broader range of skills to development projects as well as increased capacity.

During the year IAD worked closely with the local offices of DFID, SECO and DFAT, gaining useful support from them when facing project or country-specific issues. For example, when changes to the renewable energy tariff regime were proposed in Vietnam, IAD, with support from the Embassies of Australia and Switzerland and the World Bank, was able to coordinate a consultation process to provide feedback to the government.

In 2015, InfraCo Asia is looking forward to extending its work using the multi-developer model and increasing its project development work in Myanmar. It is developing its role as a co-investor and co-developer on third-party developments. Under this approach, IAD will undertake a co-funding, supervision and advisory role in projects where the lead developer is a third-party. This co-investment programme is complementary to InfraCo Asia's multi-developer model and in line with its mandate. Likely advantages include faster implementation, diversification of projects and developers and a wider coverage of sectors and regions.

InfraCo Asia in numbers

Chart 1: Cumulative expected total investment commitments from 3 InfraCo Asia Development supported projects that have reached financial close, by year of close ($m)



76% of InfraCo Asia Development's commitments are in the Energy Generation/T&D sector, 11% in Agri-Infrastructure and 13% in the Water, Sewerage and Sanitation sector.

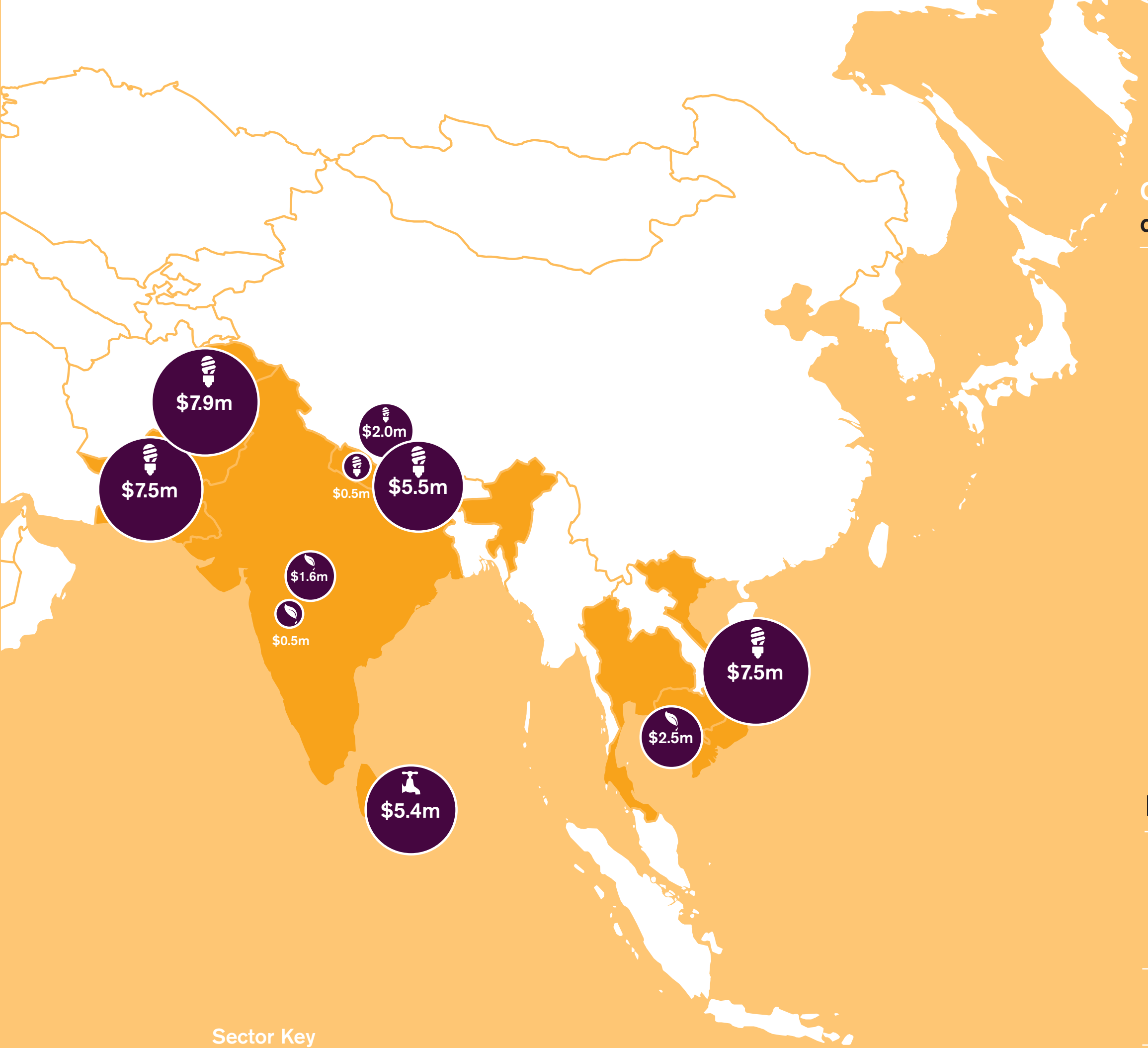
80% are located in InfraCo Asia Development's priority countries and regions.

InfraCo Asia Development has been active across a wide geographic area and now operates in six of the 12 countries in which it is mandated to operate.

Chart 2: InfraCo Asia cumulative commitments to projects under active development or that have reached financial close by country and by sector ($m) – see map opposite

Project name	IA cmts ($m)	Country	Sector	Description
Cambodia Salt Farm Development	2.48	Cambodia	Agri-Infrastructure	Demonstration project to mechanise salt farming using solar energy
Bikaner Mechanised Grain Market Infrastructure Development Project, Rajasthan	0.45	India	Agri-Infrastructure	Integrated grain market comprising post-harvest mechanised grain handling, sorting and bagging facilities integrated with mechanised warehousing and an electronic trading platform
Kota Mechanised Grain Market Infrastructure Development Project, Rajasthan	1.60	India	Agri-Infrastructure	Integrated grain market comprising post-harvest mechanised grain handling, sorting and bagging facilities integrated with mechanised warehousing and an electronic trading platform
Nyadi Hydropower Project	0.50	Nepal	Energy Generation/T&D	30MW run of river hydropower project
Kabeli A Hydropower	5.50	Nepal	Energy Generation/T&D	37.6MW peaking run of river hydropower project
Lower Manang Marsyangdi Hydropower Project*	2.00	Nepal	Energy Generation/T&D	140.5MW run of river hydropower project
Metro Wind Power	7.47	Pakistan	Energy Generation/T&D	50MW wind power project in Sindh Province
Gul Ahmed Wind	7.87	Pakistan	Energy Generation/T&D	50MW wind power project in Sindh Province
Sri Lanka Waste Management Project	5.40	Sri Lanka	Water, Sewerage and Sanitation	A waste-to-energy power project generating 10MW of power by incinerating roughly half of Colombo's municipal solid waste
Coc San Hydropower Project	7.54	Vietnam	Energy Generation/T&D	29.7MW hydropower project near border with China that reduces dependency on imported power

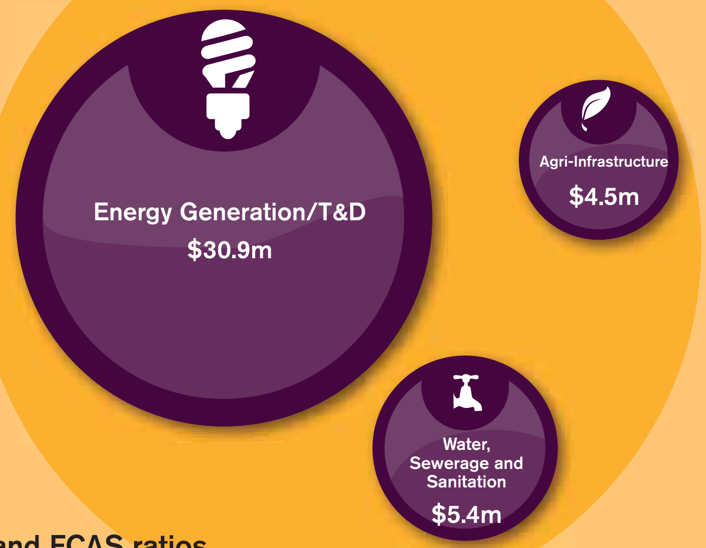
* This project is on hold since January 2015



Sector Key

- Agri-Infrastructure
- Energy Generation/T&D
- Housing
- Industrial Infrastructure
- Mining
- Multi-Sector
- Telecoms
- Transport
- Urban Development/Infrastructure
- Water, Sewerage and Sanitation

Chart 3: InfraCo Asia cumulative commitments to projects under active development or that have reached equity or financial close by sector



Priority and FCAS ratios

Cumulative	
% of total investment commitments (by value) in priority countries*	75%
% of total investment commitments (by value) in FCAS	73%
% of projects (by number) in priority countries*	80%
% of projects (by number) in FCAS	60%

* Priority countries are: Bangladesh, Bhutan, Cambodia, Lao PDR, Myanmar, Nepal and Pakistan

A hydropower project to meet growing electricity demand in Vietnam

"The Coc San project is the first Foreign Direct Invested (FDI) project in the hydroelectric power sector in Lao Cai Province and the first ever FDI project in Bat Xat district. Once the project is operational the province will significantly reduce power imports from China. We will also benefit due to increased electricity reliability, which will support industrial zone developments and attract investments in mineral processing facilities to support existing mining projects. Lastly the project will be a tax contributor to the province"

Mr Doan Van Huong, Chairman of the Lao Cai Provincial People's Committee

Background

Electricity demand in Vietnam is growing at a rate of 15% annually, creating huge pressures to increase capacity. At the end of 2013, state-owned Vietnam Electricity (EVN), owned over 70% of the 30,000-megawatt generating capacity and controlled the transmission grid. Hydropower accounts for about 44% of energy generated, yet its potential may be as high as 200,000 megawatts.

To encourage renewable energy, for projects below 30 megawatts, the Ministry of Industry and Trade obliges EVN to buy the bulk of its power at tariffs set by the Electricity Regulatory Authority of Vietnam. At the same time, a competitive electricity market is also being established.

Coc San, a 29.7-megawatt run of river plant located in the Lao Cai province, Vietnam, close to the border with China, has been developed and will be operated by a local company, the Lao Cai Renewable Energy (Vietnam) Joint Stock Company (LCRE). The original shareholders of LCRE and sponsors of the project were Colben Energy Holdings (Vietnam) Ltd (VCEH), a subsidiary of Singapore-based Asiatic Group (Holdings) Ltd and two Vietnamese companies, the Vietnam Infrastructure Development and Finance Investment Company (VIDIFI) and HVD Construction and Investment Consultant (HVD). IAD later became a majority shareholder of LCRE through its wholly owned subsidiary Viet Hydro Pte. Ltd.

The deal

Total financing: $44.9m			
Domestic PSI: $25.5m		**Foreign PSI: $5.44m**	**DFI: $13.96m**
Equity: $2.5m	Debt: $23m	Equity: $5.44m	Equity: $13.96m
Vietnam Infrastructure Development and Finance Investment Company (VIDIFI) and HVD Construction and Investment Consultant (HVD).	Saigon Hanoi Commercial Bank	Colben Energy (through VietHydro)	$52.2m IAD and IAI

Grant: $5m (from TAF) – not included in the financing structure breakdown

The debt is completely financed through a local bank, one of the seven banks certified to receive a credit line from the World Bank's Renewable Energy Development Project to refinance loans for small hydroelectric projects (under 30 megawatts).

The project is supported by two other PIDG Facilities:

- a $5m viability funding gap grant from TAF enabled the project to become financially viable since the tariff regime and the carbon reduction credits on their own did not allow resulting revenues to cover the costs.
- a $10m bridge loan facility from IAI enabled the project to achieve financial close in a timely manner.

Without the loan from IAI the project schedule and cost would have been adversely affected, jeopardising debt financing that was already secured, as well as government approvals. All of these factors significantly increased the risk of not being able to reach financial close at all. The financing also increased the prospects of a successful exit soon after financial close, reducing IAD to a minority stake.

The project is expected to achieve a financial internal rate of return of 16% and its revenues are backed with a power purchase agreement of 20 years.

PIDG contribution

InfraCo Asia's involvement provided expertise and impetus. Prior to IAD involvement in 2011, project implementation had stalled when the initial capital ran out. No long-term loan financing had been secured.

Prospective Vietnamese lenders objected to the high leverage of the project company, insufficient due diligence and safety issues. Furthermore unfavourable economic conditions prevailed.

IAD turned the project around by commissioning an environmental and social impact assessment gap analysis in accordance with PIDG's Environmental and Social Policy and Procedures. It restructured the construction arrangements and revised contract terms with the EPC – engineering, procurement, construction – contractor, secured a $23m non-recourse long-term debt facility from the Saigon and Hanoi Commercial Bank and an equity investment commitment from VCEH to be made once financial close was achieved.

In mid-2014, with the project at an advanced stage, the Vietnamese regulatory authorities proposed an amendment to power tariffs that would have adversely impacted commercial viability and put financial close at risk. IAD successfully engaged with the embassies of Australia and Switzerland to provide feedback to the regulatory authorities opposing the proposal. Ultimately, the amendments were rescinded and with certainty on the tariff re-established, IAD was able to resume work and bring the project to financial close before the end of 2014.

Development impact

In addition to the expected financial internal rate of return of 16%, the project will also achieve the developmental objectives summarised below

Total investment committed	
Private sector investment, commercial equity and debt	$30.94m
DFI investment	$13.96m
Fiscal benefits/ tax revenue	None: tax incentives apply for first five years
Job creation	
Temporary (construction)	250 (of whom 20 are female)
Access to infrastructure	
People expected to benefit from new or better infrastructure	130,000 (of whom 51,000 are female)

Additional benefits
Reducing cost of electricity and enhancing energy security by providing an alternative to the high-cost and unreliable electricity from China
Supports the expansion of various industries such as iron mining, copper, and fertiliser production from apatite mines
Environmental benefits
Reducing pollution by generating clean electricity from hydro resources

Projects that reached financial close in 2014

Project name	Country	Sector	Description	IAD funding ($m)	Expected total investment committed ($m): Private sector investment	Expected total investment committed ($m): DFI investment	People expected to benefit from new or better infrastructure	Expected fiscal benefits ($m)	Expected short-term jobs	Expected long-term jobs
Coc San Hydropower	Vietnam	Energy Generation/ T&D	A 29.7MW Coc San Hydropower project located in the Dum River Valley, 22km from Lao Cai City, Vietnam. Investment of $10m to help reach financial close	7.54	30.94	13.96	130,000	0.00	250	40
Metro Wind Power	Pakistan	Energy Generation/ T&D	A 50MW wind farm in the Sindh Province of Pakistan. Jointly developed by IAD and the Alimohamed family. Investment of $11.72m	7.47	68.4	63.10	346,325	0.00	600	28

Foundations being laid for one of the wind turbines at the Metro Wind Power Project, Sindh Province in Pakistan

EAIF
At a glance

Challenge	Shortage of long-term loans at appropriate interest rates for private sector infrastructure projects due to perceived risks within developing countries in Africa
Response	The Emerging Africa Infrastructure Fund Ltd is an open-ended debt fund, structured as a public private partnership, able to provide long-term senior or mezzanine debt on commercial terms to finance the construction and development of private sector infrastructure projects in sub-Saharan Africa
Established	2001
Funding PIDG Members	DFID, DGIS, Sida, SECO
Cumulative PIDG Member funding disbursed to the PIDG Trust	$388.1m
Fund capacity	In 2014, EAIF refinanced its capital structure to accommodate its expansion. As a result of the new financing, EAIF is able to leverage debt equal to twice the equity it has received from PIDG Members. On 31 December 2014, EAIF had $359m of total equity, which means it had the capacity to leverage $718m of debt from non-PIDG sources. As of 31 December 2014, $211.6m of this debt had been secured.
Chair	David White
Managed by	Frontier Markets Fund Managers Ltd
Website	www.emergingafricafund.com
Total commitments at 31 December 2014	$951.2m to 48 projects that have reached financial close or have been repaid
2014 commitments	$243.5m to 10 projects that all reached financial close
Projects that reached financial close in 2014	Azura Power West Africa Ltd Ciprel Expansion, Côte d'Ivoire Gigawatt Solar Power, Rwanda Helios Towers Vodacom Tower acquisition, Tanzania Kenya Power & Lighting Company Ltd, Kenya Kpone Independent Power Project, Ghana Nyumba Ya Akiba Cement project, Democratic Republic of Congo Seven Energy (7E), Nigeria Smart Energy Solutions, Regional Tobene Power, Senegal
Projects that became fully operational in 2014	Ethiopian Airlines, Ethiopia Gigawatt Solar Power, Rwanda Helios Towers, Nigeria

Expected development impact

Expected	Cumulative	2014	2013
Total investment commitments ($m)	13,712.45	2,262.11	1,275.00
People expected to benefit from new/better infrastructure (in millions)	180.53	67.31	2.98
Fiscal benefits ($m)	1,581.24	367.39	187.11
Job creation			
Short-term jobs (construction)	22,237	6,415	4,860
Long-term jobs (operations and maintenance)	8,736	694	363

These figures do not include development impact of projects that have been co-financed with other PIDG facilities, where EAIF was not the originating facility

2014 Overview

EAIF had a record year in 2014, with 10 transactions signed and total commitments of $244m

* IPO Watch Africa surveys all new primary market equity IPOs and FOs in which capital was raised on Africa's principal stock markets and market segments

EAIF is a public private partnership with risk capital supplied as equity and debt leveraged from financial institutions including DFIs and commercial banks. After 13 years of operations, EAIF is now a well-known and established financier in the sub-Saharan Africa long-term infrastructure debt market. While EAIF lends on commercial terms, it aims to support projects that promote economic growth and reduce poverty, benefit broad population groups, address issues of equity and participation, and promote social and cultural rights.

EAIF had a record year in 2014, with 10 transactions signed and total commitments of $244m. This included: Gigawatt Global in Rwanda, the first solar independent power producer in East Africa; and an award of a mandate to arrange and structure debt facilities for the first private water production concession in East Africa.

There is a good regional mix with 73% of the total investment committed to EAIF projects in locations that OECD defines as least developed countries or other low income countries and 66% in fragile and conflict-affected states, showing that well structured projects can provide finance to frontier economies. Given the chronic power shortage in sub-Saharan Africa, demand for long-term debt financing for power projects is expected to remain strong.

A number of EAIF projects are likely to bring benefits to the poorer regions of the countries they operate in. One example is the Helios Towers tower sharing telecom transactions. These companies will expand mobile telephony coverage to areas where it would not have been economic for an individual mobile company to operate. It will also enable the roll out of 4G/LTE networks to support business activities and mobile banking. Azura in Nigeria will provide cheaper power to the grid, superseding more expensive diesel generators. Finally KPLC in Kenya will reduce transmission losses and improve access of electricity to rural areas.

In October 2014, EAIF raised $225m consisting of senior debt, part of which has been used to refinance EAIF's existing debt, through a combination of senior long-term and short to mid-term revolving credit facilities. EAIF also made a fundamental change to the way it will leverage funds in the future – moving away from project-finance-type financing, where lenders have significant control over the company, to a more corporate approach, where the company or fund is in control.

With its track record, strong equity base and support from the PIDG, EAIF is well placed to increase its footprint in the sub-Saharan Africa infrastructure market to fulfil its investment mandate, accelerate development impact, secure financial sustainability and stimulate private sector investment.

According to IPO Watch Africa*, 2014 saw increased activity in African equity capital markets compared to the previous five years, and a significant increase in both transaction volume and capital raised. However, there remain concerns and barriers to financial flows, such as Ebola and security threats. According to Forbes, sub-Saharan Africa will have experienced economic growth of around 6% in 2014, slightly higher than 2013. These capital flows need debt to support their activities, which EAIF is well positioned to support, as shown by the high volume of transactions closed in 2014.

Looking ahead, EAIF will continue to work with business for stronger African economies. It is our view that the market perception of risk in Africa is overstated. It is possible to provide long-term debt to infrastructure projects on a commercial basis as well as achieving a positive development impact.

EAIF in numbers

Chart 1: Cumulative commitments by year end ($m)

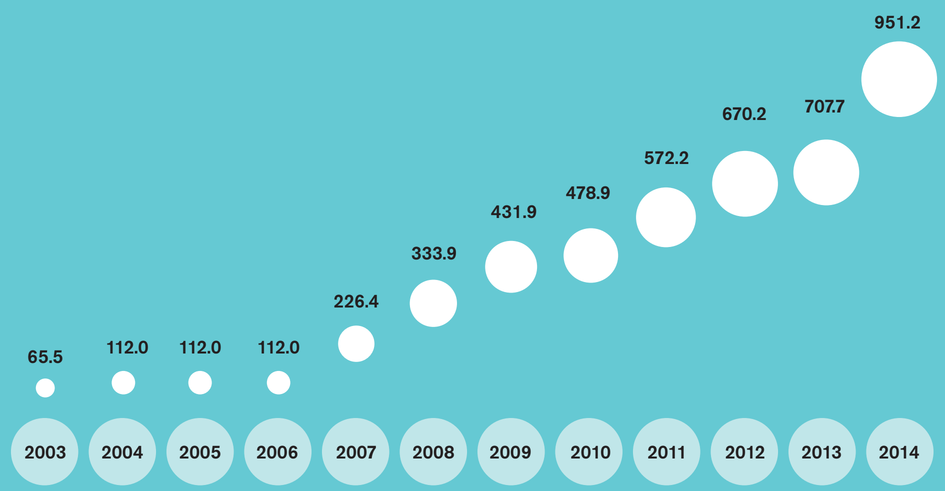


Chart 2: 2014 commitments by country ($m)

Project name	EAIF commitments ($m)	Country	Sector
Gigawatt Solar Power	10.60	Rwanda	Energy Generation/ T&D
Smart Energy Solutions	20.00	Multiple countries (SSA)	Energy Generation/ T&D
Helios Towers	10.00	Tanzania	Telecoms
Ciprel Expansion	34.30	Côte d'Ivoire	Energy Generation/ T&D
Tobene Power	32.00	Senegal	Energy Generation/ T&D
Kenya Power & Lighting Company Ltd	25.00	Kenya	Energy Generation/ T&D
Kpone Independent Power Project	22.00	Ghana	Energy Generation/ T&D
Seven Energy (7E)	29.60	Nigeria	Energy Generation/ T&D
Azura Power West Africa Ltd	30.00	Nigeria	Energy Generation/ T&D
Nyumba Ya Akiba Cement project	30.00	Congo, Democratic Republic	Industrial Infrastructure

Chart 3: EAIF Cumulative commitments by country 2014 ($m)

	EAIF commitments ($m)	EAIF commitments (number)
Algeria	17.0	1
Cameroon	35.5	1
Congo, Democratic Republic	45.5	3
Côte d'Ivoire	64.3	2
Ethiopia	30.0	1
Ghana	54.5	3
Kenya	72.8	3
Madagascar	2.0	1
Malawi	1.0	1
Mozambique	36.5	1
Multiple countries (SSA)	148.9	6
Nigeria	208.6	9
Rwanda	35.6	2
Senegal	49.0	2
Sierra Leone	40.3	2
Tanzania	30.0	3
Tunisia	17.0	1
Uganda	62.7	6
Grand Total	951.2	48

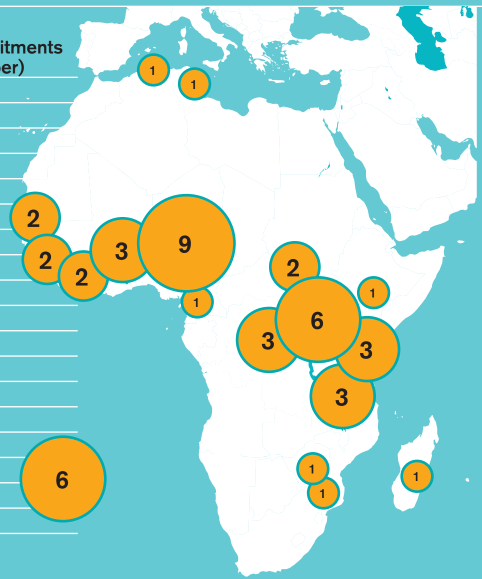


Chart 4: Cumulative expected total investment from 48 EAIF-supported projects that have reached financial close ($m)

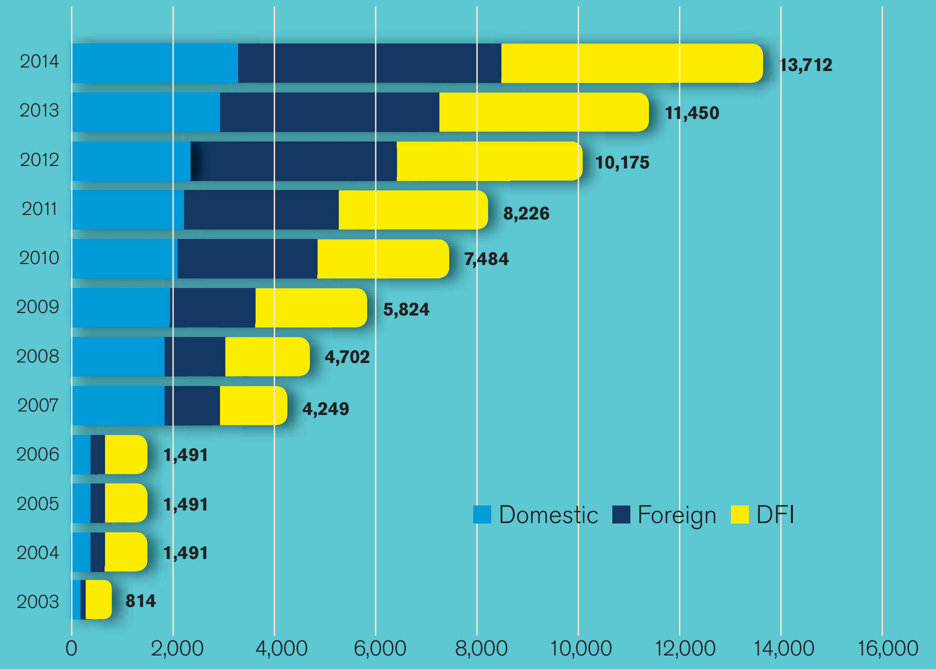


Chart 5: Cumulative commitments by sector ($m)

2014 EAIF commitments	203.5	10.0	30.0	-	-	-	-
EAIF commitments	435.6	228.4	168.0	47.0	36.5	31.3	4.4

Sector Key

- Agri-Infrastructure
- Energy Generation/T&D
- Housing
- Industrial Infrastructure
- Mining
- Multi-Sector
- Telecoms
- Transport
- Urban Development/Infrastructure
- Water, Sewerage and Sanitation

Commitments within LDC, OLIC and FCAS

Cumulative	
% of total investment commitments (by value) in LDC and OLIC	73%
% of total investment commitments (by value) in FCAS	66%
% of projects (by number) in LDC and OLIC	81%
% of projects (by number) in FCAS	58%

Affordable cement in DRC will provide for domestic infrastructure projects

The deal

Total financing: $270m			
Total PSI: $180m			**Total DFI: $90m**
Domestic PSI: $67.5m	**Foreign PSI: $112.5m**		**DFI: $90m**
Equity: $67.5m	Equity: $67.5m	Debt: $45m	Debt: S$90m
Represents the equity injection from the Rawji Group, the local sponsors, into the project company	Represents the equity injection from Lucky Cement, the Pakistan based co-sponsors (and key technical partners for the Rawji Group) into the project company	The commercial loan amount represents borrowings from EKF (AfDB tranche guaranteed by EKF) and HBL, Pakistan, the mandated lead arrangers for the transaction	Senior DFI debt: IFC $30m Africa Development Bank $30m EAIF $30m

- Total project investment is $270m, financed at a debt to equity ratio of 1:1 in line with the perceived high market and country risk.

- The project is 50% sponsored by the Rawji group, which has been operating in the DRC for over 100 years, and 50% by Lucky Cement, part of the Yunnus Brother group of Pakistan, which has built cement facilities in Pakistan greater than 3.5Mtpa and operates plants with an aggregate capacity of over 7.75Mtpa.

- One of the key strengths of this project is the combination of high levels of technical expertise and cement know-how of Lucky Cement and the Rawji Group. The Rawji Group has retail distribution and banking operations all over the DRC, important for the cement business. The group has survived through many periods of conflict.

- $180m or 67% of the total investment is from the commercial private sector with $45m of this financed through international commercial debt.

- The maximum tenor envisaged for the debt financers is 11 years, subject to potential reduction in tenor by a cash sweep structure.

Background

Democratic Republic of Congo (DRC) is one of the least-developed countries in sub-Saharan Africa and has endured decades of neglect, widespread corruption, civil war and regional conflict. There is little or no foreign investment in the DRC in infrastructure subsectors beyond mining.

A severe shortage of domestic or regional cement supply has thwarted economic development and growth. In 2014, there was only one operational plant of 0.45 metric tonnes per annum (Mtpa) capacity. Despite some imports, a shortfall in supply means that the price of cement is one of the highest in the region, making it expensive to implement infrastructure projects. From 2013 to 2014, cement, when available, traded at between $300 and $400 per tonne in Kinshasa, compared to $120 in Iraq and $102 in the USA.

The Nyumba Ya Akiba cement plant will be the first new cement plant for at least 40 years. It will have a capacity of 1.18Mtpa, an associated cement clinker production facility of 0.99Mtpa and related limestone mining facilities. Located 70km from the river Port of Matadi, 200km from Kinshasa and only 6km from an electrical substation, it is well connected to good quality roads and a rail link.

PIDG support

Despite an obvious market opportunity and the presence of two strong project sponsors, lack of enthusiasm among international financiers and lenders meant that the project took a long time to reach financial close.

EAIF played a key role in bringing together a lender group in 2011. The project then evolved considerably, but could not find sufficient debt financiers to close the financing.

Many private sector investors and multilateral institutions have little or no exposure to the DRC and are uncomfortable participating in long tenor loans as required by project finance structures within the country. In 2013, EAIF was again approached to fill a financing gap as a co-lender and able to replicate the deal structure used by Lucky Cement in the construction of its cement plants in Pakistan and Iraq. The project reached financial close in November 2014, showing the international investor community that it is possible to make investments in the DRC outside of the mining sector.

Development impact

Total investment committed	
Private sector investment	$180m
DFI investment	$90m
Fiscal benefits/tax revenue $29.2m in the first five years of operation. The plant will be exempt of corporation income tax for the first four years of operation, although withholding taxes apply on all interest payments on debt, except for the amounts payable to IFC and AfDB. $29.2m represents the corporate income tax generated in year five of operations ($25.4m) as well as witholding tax on interest payments over the first five years of operations ($3.8m).	

Job creation	
Temporary (construction)	600: 60% locals and 40% from Pakistan
Permanent (operations)	300: 90% locals and 10% from Pakistan
Training will be a major focus during the start-up period.	

Additional benefits
Demonstrates to the international investor community that it is possible to make investments in the DRC outside of the mining sector.
Even by conservative estimates, the project adds 140% to the current domestic cement supply, thereby helping to reduce the increasing demand/supply gap and the pressure to import.
Uses best available technologies and environmentally friendly production approaches, while existing cement plants use technology from 40 years ago.
Acts as a catalyst for the growth of SMEs and an industrial economy in a fragile country.
Training programmes offer skill development as well as employment.

Projects that reached financial close in 2014

Project name	Country	Sector	Description	EAIF Commitments ($m)	Expected total investment committed ($m): Private Sector Investment	Expected total investment committed ($m): DFI Investment	People expected to benefit from new or better infrastructure	Expected fiscal benefits ($m)	Expected short-term jobs	Expected long-term jobs
Gigawatt Solar Power	Rwanda	Energy Generation/T&D	Finance the development, construction and operation of an 8.5MW Solar PV (Photo Voltaic) power plant at the Agahozo-Shalom Youth Village – a residential community in the rural Eastern Province of Rwanda. The plant will be connected to the national grid and sell the power under a long term offtake agreement to Energy, Water and Sanitation Authority, the national utility	10.60	2.20	21.50	60,944	0.00	100	50
Smart Energy Solutions	Multiple countries (SSA)	Energy Generation/T&D	Finance 40MW power expansion of Smart Energy Solutions, a provider of power generation solutions, to address the market opportunity created by the structural deficit in power generation in the MENA and sub-Saharan Africa regions. SES currently operates in the KSA, UAE, Qatar, Oman, Yemen and Tanzania. The company can serve both small clients with power generation needs starting at 50KVA (flow) and large utilities, governments and companies with power requirements of up to 60MW	20.00	0.00	20.00	901,228	0.00	98	30
Helios Tower - Vodacom Tower Project	Tanzania	Telecoms	Facilitate the acquisition of 1,149 towers from Vodacom Tanzania through a sale and lease back transaction and the construction of new towers for Vodacom and others. HTT will service a new customer – Vodacom – which has a strong presence in the rural areas of Tanzania	10.00	90.00	10.00	3,400,000	8.60	2,992	39
Ciprel Expansion	Cote d'Ivoire	Energy Generation/T&D	Construction of a 111MW steam turbine and conversion of the existing 423MW power plant, to a 543MW power plant. Provide additional electrical capacity without requiring any additional fuel. Located in the southern part of the city of Abidjan, in the VRIDI industrial zone within the Port Boüet municipality	34.30	73.00	274.00	3,915,094	44.69	275	12
Tobene Power	Senegal	Energy Generation/T&D	Develop, design, construct and operate a 96MW heavy fuel oil power plant, located 90km from Dakar, Senegal. The project will sell its power under a 20-year power purchase agreement with SENELEC, the national power utility of Senegal	34.30	36.00	123.00	2,051,791	1.6	600	63
Kenya Power & Lighting Company Ltd	Kenya	Energy Generation/T&D	Financing of a Kenya Power & Lighting Company Ltd maintenance programme. KPLC currently serves 2.7m individual and corporate customers via its network, which totals over 45,850km. The government of Kenya holds 50.1% of the shares with the balance held by the National Pension fund NSSF (4.1%) and the private sector (45.8%)	25.00	83.00	67.00	112,500	0.00	420	n/a

Project name	Country	Sector	Description	EAIF Commitments ($m)	Expected total investment committed ($m): Private Sector Investment	Expected total investment committed ($m): DFI Investment	People expected to benefit from new or better infrastructure	Expected fiscal benefits ($m)	Expected short-term jobs	Expected long-term jobs
Kpone Independent Power Project (KIPP)	Ghana	Energy Generation/T&D	Financing the construction of the newest Independent Power Plant (KIPP), a 340MW gas and oil-fired, combined-cycle power generation plant developed by InfraCo Africa and Cenpower Holdings Ltd in 2005. The KIPP is located in Kpone near the Tema heavy industrial area, a coastal industrial town 24km east of Accra. The electricity Company of Ghana will be the sole buyer of the electricity produced under a 20-year signed, government approved power purchase agreement	22.00	n/a	n/a	n/a	n/a	n/a	n/a
Seven Energy (7E)	Nigeria	Energy Generation/T&D	Support Seven Energy (7E), an indigenous Nigerian oil and gas exploration, development and production company with a focus on supplying gas to the domestic market, to fund capital expenditures related to construction of gas pipelines and associated facilities. Current 7E midstream infrastructure assets, focused on south-east Niger Delta, include the 200m cubic feet per day (MMcfpd) Uquo Gas Processing Facility and a gas pipeline network of 230km with distribution capacity of 600MMcfpd, being further expanded	29.60	220.37	79.63	35,275,168	257.50	314	139
Azura Power West Africa Ltd	Nigeria	Energy Generation/T&D	Finance of a 459MW single or open cycle gas fired power plant in Edo state, Nigeria. The first new greenfield power plant development following the implementation of a reform of the Nigerian electricity sector. The reforms were made to encourage private sector investment and to ensure sector viability with more cost-reflective tariffs	30.00	559.86	332.55	21,588,402	25.80	1,016	61
Nyumba Ya Akiba Cement Project	Congo, DR	Industrial Infrastructure	Finance the construction and operation of the first new 1.18Mpta cement plant for at least 40 years in the Democratic Republic of Congo. Located 70km from the river Port of Matadi and 200km from Kinshasa with excellent access to power supply and limestone quarry	30.00	180.00	90.00	0	29.20	600	300

Projects that became fully operational in 2014

Year of close	Project name	Country	Sector	Description	PIDG commitments ($m)	Expected total investment committed ($m)		People to benefit from new/better infrastructure		Short-term jobs		Long-term jobs	
						Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual
2012	Ethiopian Airlines	Ethiopia	Transport - Air	Supporting the financing of the purchase of 10 Boeing 787 Aircraft for incorporation into the Ethiopian Airlines (ET) fleet. ET is the flag carrier of Ethiopia and is 100% owned by the Ethiopian Government. The planes are financed/purchased once they have been constructed and are delivered in a phased manner over three years. The 787 aircraft are expected to be the most fuel efficient and green commercial aircraft in the market, enabling a 20% fuel saving compared to similar aircraft, reducing the carbon footprint due to use of lighter weight materials	30.00	1,025.00	1,100.00	1,454,544	1,454,544	0	0	1,500	450
2014	Gigawatt Solar Power, Rwanda	Rwanda	Energy Generation/ T&D	Financing the development, construction and operation of an 8.5MW Solar PV power plant at the Agahozo-Shalom Youth Village in rural Rwanda. The plant will be connected to the national grid and sell the produced power under a long-term offtake agreement to EWSA, the national utility	10.60	23.70	23.66	60,944	60,944	100	10	50	5

Gigawatt Global in Rwanda, the first solar independent power producer in East Africa

GuarantCo
At a glance

Challenge	Shortage of suitable funding for infrastructure projects from local or regional markets and a lack of local currency finance options
Response	GuarantCo provides guarantees to local or regional banks and bond investors to support financing, mostly in local currency, for infrastructure projects in low and lower-middle income countries, promoting domestic infrastructure financing and eventually self-sustaining capital market development
Established	2006
Funding PIDG Members	DFID, Sida, SECO through the PIDG Trust, and DGIS through FMO
Cumulative PIDG Member funding disbursed to the PIDG Trust	$276.9m
Total guarantee capacity	$500m
Chair	Andrew Bainbridge
Managed by	Frontier Markets Fund Managers Ltd
Website	www.guarantco.com
Total commitments at 31 December 2014	$405.5m to 30 projects that have reached financial close or have been redeemed
2014 commitments	$114.9m to seven projects that reached financial close
Projects that reached financial close in 2014	Cameroon Telecommunication Ltd, Cameroon Fatima Fertilizer Company Ltd, Pakistan Lower Sulu, Nepal Rack Centre, Nigeria Riley Packaging, Uganda Thai Biogas Energy Company, Thailand Zenith Bank PLC, Nigeria

Expected development impact

Expected	Cumulative	2014	2013
Total investment commitments ($m)	3,939.50	417.40	911.90
People expected to benefit from new/better infrastructure (in millions)	32.29	9.39	8.57
Fiscal benefits ($m)	1,295.26	79.80	563.76
Job creation			
Short-term jobs (construction)	64,233	1,340	471
Long-term jobs (operations and maintenance)	210,812	416	34,258

These figures do not include development impact of projects that have been co-financed with other PIDG Facilities, where GuarantCo was not the originating Facility

2014 Overview

GuarantCo achieved financial close on seven projects with a total exposure of $114.85m, covering energy, telecoms, agribusiness, and ICT infrastructure. This was a 40% increase on the volume of deals signed in 2013 and the highest number achieved in a year since inception.

Local banks typically offer infrastructure-related loans for less than five years or not at all. By offering guarantees, GuarantCo allows infrastructure projects to either obtain financing, extend the tenor of loans, or improve other terms of loans available. Guarantees remain important for development finance as while they can be complex and time consuming to implement, they offer important support to local capital markets, which can then be accessed by other infrastructure projects. The developmental impact can be profound and transformational: viable projects are financed more sustainably in the appropriate currency and with the benefit of local partners.

Furthermore, the local financing partners gain experience and confidence to offer support to future projects. This process is evident within GuarantCo's portfolio and holds out the prospect of repairing market failures in target countries so that they become less reliant on overseas assistance.

GuarantCo is unique in that it aims to develop the local currency markets for funding infrastructure, whereas other DFIs circumvent such markets by lending direct in US dollars and euros. A key part of GuarantCo's work has been familiarising local private investors with new forms of finance to facilitate greater involvement from local currency markets. For example, based on its experiences in negotiations on the Lower Solu run of river hydropower project in Nepal, GuarantCo recognised the need for Nepalese banks and their central bank regulator to gain further experience of project finance structures. To that end, it has arranged a practitioner-led training programme for these organisations in Singapore. Experience shows that training linked to real life or real time scenarios is far more powerful than training in isolation. Similarly, GuarantCo is working with Lower Solu at its site to maximise local employment through a comprehensive skills development programme for local villagers. This will provide higher skilled employment opportunities during construction, which will then enable ongoing employment at other similar projects in the future.

Nevertheless, challenges remain. In many African countries, the wide differential between local currency and developed world interest rates has continued to discourage borrowers from tapping domestic markets despite the potential currency devaluation risks. In light of this, GuarantCo's achievements for 2014 are even more remarkable.

GuarantCo is mandated to operate in poorer developing countries (LDC, OLIC and LMICT), which all of its projects signed in 2014 adhered to. In addition, nearly all the projects signed in 2014 were in fragile and conflict-affected states. GuarantCo is able to provide dollar guarantees in these challenging countries, balancing the need for infrastructure creation against the desire to develop local currency markets. The extension is only applicable where private sector and local currency solutions are not possible, and must maximise participation of local and regional financial institutions in line with GuarantCo's mandate.

In 2014, GuarantCo continued to develop its highly diversified sector portfolio, but with a lower than desired exposure to the power sector, largely due to the unfortunate prevalence of countries which have power purchase agreements denominated in dollars or euros. As a result, its portfolio has no one sector predominating, but is spread principally between transport, power, telecoms and infrastructure projects, with a smaller level of commitment to water, cement and urban infrastructure. In terms of guarantee revenue, 2014 marked a significant improvement over the previous year, although income was less than expected due in part to delays in the close and disbursement of some transactions. However, GuarantCo expects further increases in line with its plans for 2015 and the medium-term future.

2014 also saw GuarantCo achieve a key milestone when it received ratings from Fitch (AA-) and Moody's (A1), as well as an AAA rating from Bloomfield in Côte d'Ivoire. The publication of these ratings is likely to be pivotal when it comes to expanding capacity and diversifying geographically and will support GuarantCo in its efforts to drive the development of local capital markets over the medium to long term.

Looking ahead, GuarantCo expects to achieve financial self-sustainability in 2017 and to extend its leverage to create a total guarantee issuing capacity of $1bn. GuarantCo has identified opportunities to expand its operations into francophone West Africa, following its AAA rating from Bloomfield in Côte d'Ivoire, where it hopes to eventually source 40% of its Africa projects.

GuarantCo in numbers

Chart 1: GuarantCo cumulative commitments by year end ($m)

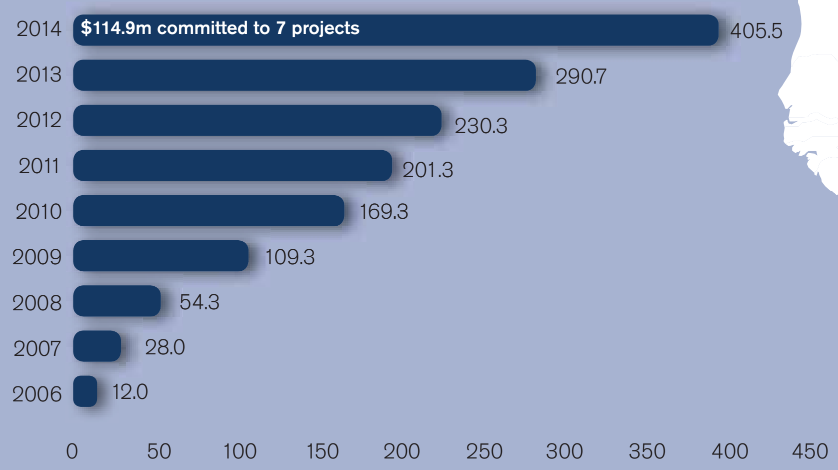
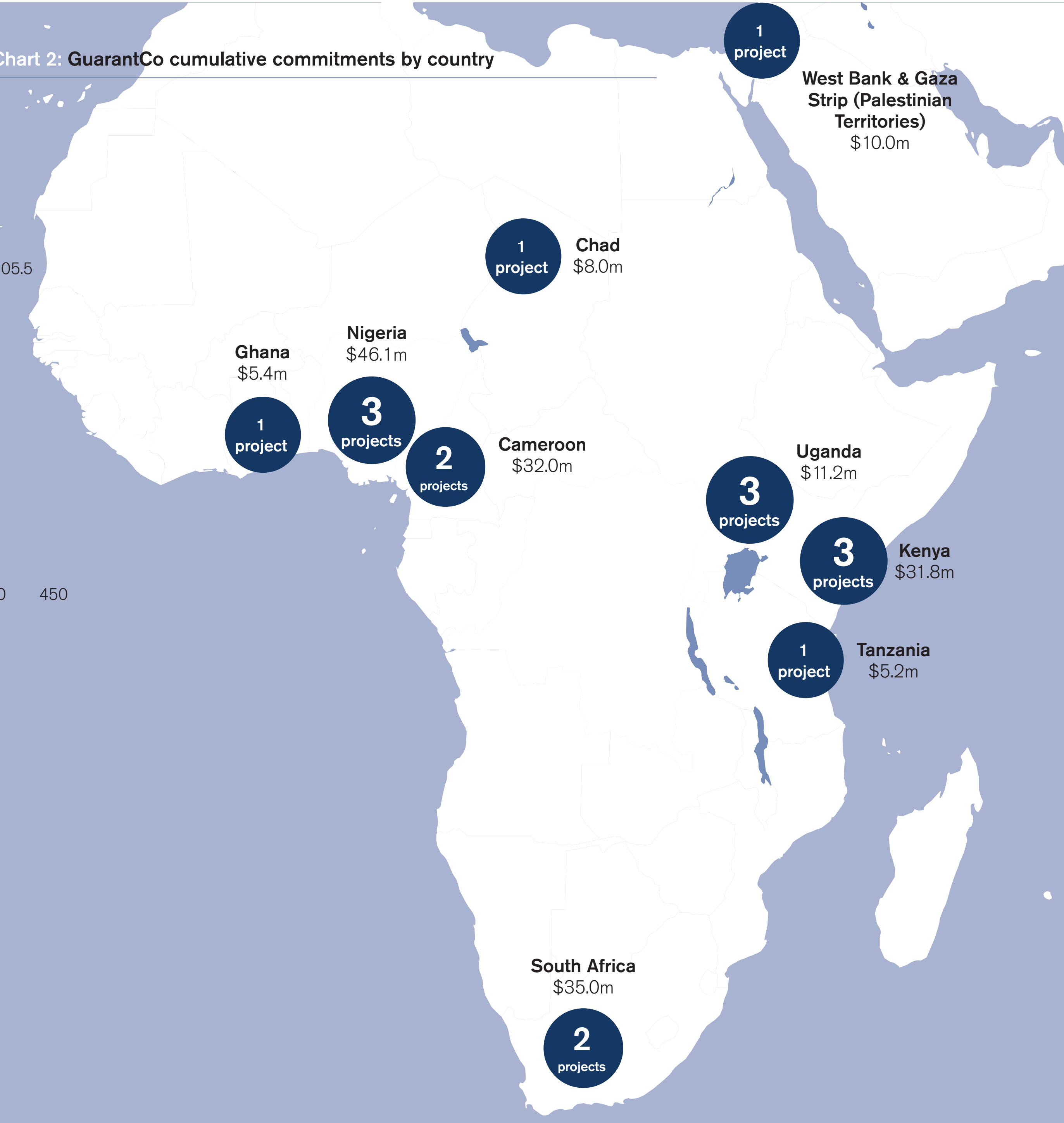


Chart 2: GuarantCo cumulative commitments by country



Commitments within LDC, OLIC and FCAS*

Cumulative	
% of total investment commitments (by value) in LDC and OLIC*	18%
% of total investment commitments (by value) in FCAS	44%
% of projects (by number) in LDC and OLIC	37%
% of projects (by number) in FCAS	57%

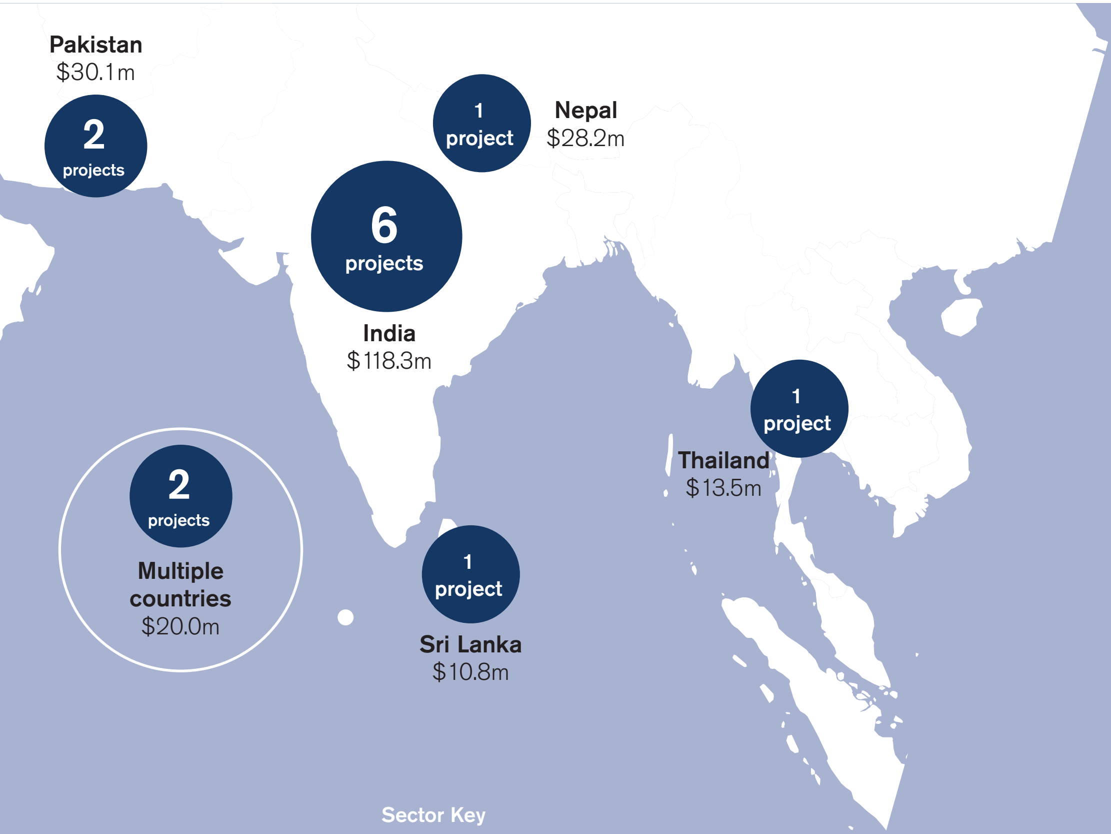
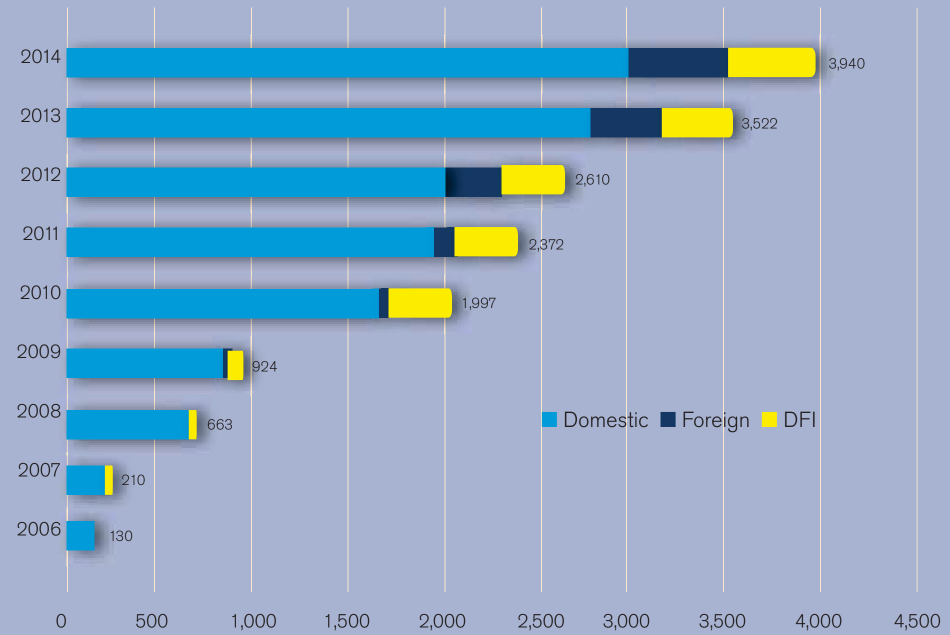


Chart 3: Cumulative expected total investment commitments from 30 GuarantCo supported projects that have reached financial close, by year of close ($m)



Sector Key

- Agri-Infrastructure
- Energy Generation/T&D
- Housing
- Industrial Infrastructure
- Mining
- Multi-Sector
- Telecoms
- Transport
- Urban Development/Infrastructure
- Water, Sewerage and Sanitation

Chart 4: GuarantCo cumulative commitments by sector ($m)

2014 GuarantCo commitments	-	21.35	8.4	64.2	-	20.9	-
GuarantCo cummulative commitments	104.1	80.6	72.6	70.7	40.0	20.9	16.7

Financing clean energy in Nepal

The largest private sector energy project in Nepal, the first Independent Power Producer (IPP) financed by both international and domestic financiers and the first project financing involving an independent financial guarantor

Background

With one of the largest untapped hydropower resources in the world (estimated at more than 80,000 megawatts), Nepal has the means to become a significant exporter of electricity, but it currently imports power and has one of the world's lowest per capita electricity generation and consumption rates. Hampered by decades of political instability, a challenging business environment and a lack of financing, no new large-scale power plants have been built in nearly two decades.

In December 2014, GuarantCo provided a NPR 2,785m ($28.2m) guarantee on behalf of Essel Clean Solu Hydropower Private Ltd (ECS), to support the financing of the Lower Solu project in the Solukhumbu district in Nepal. Comprising an 82-megawatt run of river hydroelectric power plant, it will provide electricity to an estimated four million people and help to alleviate the power shortages in the country. Construction at the project site is scheduled for September 2015 and the project is expected to be operational by 2019.

ECS is sponsored by a consortium of Nepalese and Indian investors, led by Essel Infraprojects Ltd, India, and Clean Developers Pvt Ltd, Nepal, who were awarded the right to develop the Lower Solu project through a competitive bidding process. With no need for a large dam or long tunnel, the project has a relatively small environmental footprint. It is forecast to create over 1,000 jobs during construction and operations and a skills training programme will be undertaken to maximise local employment. The company's success securing finance, particularly from local banks with GuarantCo's help, should encourage others.

The deal

Total financing: $191m				
Total PSI: $83.5m				**Total DFI: $107.5m**
Domestic PSI: $55m		Foreign PSI: $28.5m		DFI: $107.5m
Equity: $25m	Debt:$30m	Equity: $23.5m	Debt:$5m	Debt: $107.5m
	Five Nepalese banks have provided loans of around $30m, all in the local currency		Provided by Triodos Bank	$12.5m in subordinated loans, rest senior from FMO, DEG, OFID and BIO

- Total project investment is $191m, with $30m equivalent of the senior debt financing provided by commercial Nepalese banks, of which $28.2m equivalent is guaranteed by GuarantCo. GuarantCo has also guaranteed up to $0.85m equivalent of interest due to the Nepalese banks.

- The tenor of the debt is 16.5 years, including a moratorium of four years.

PIDG support

GuarantCo's flexibility in structuring solutions adapted to the local regulatory environment was critical, especially in light of the domestic Nepalese financial institutions' lack of familiarity with internationally accepted project finance structures.

$30m equivalent of debt needed to be sourced from local Nepalese banks, in order to match the currency profile of the project's revenues with its commitments. Nepalese banks can extend medium tenor finance to small-scale hydropower projects but lacked the financial strength to provide the quantum of debt and tenor required to support large projects.

GuarantCo worked with FMO, the lead offshore arranger, to satisfy the concerns of the Nepalese banks, a process that took nearly a year and required considerable flexibility on the part of GuarantCo to adapt internationally accepted guarantee structures to satisfy central bank regulations and the Nepalese banks' requirements.

Using a grant from PIDG's TAF, GuarantCo is now working with ECS to put together a practitioner-led training programme for the banks and the central bank, on international project finance. In addition, GuarantCo is collaborating with ECS to maximise local participation in employment through a comprehensive skills development programme, without which local participation would be limited to unskilled jobs.

Development impact

Total investment committed	
Private sector investment	$835.0m
DFI investment	$107.5m
Fiscal benefits	
Up-front fees to government (fee paid by ECS to acquire the rights to the project)	$2.5m
Tax revenue	$1.9m
Job creation	
Temporary (construction)	1,000
Permanent (operations)	75
Access to infrastructure	
People expected to benefit from new or better infrastructure	4.2m
Women expected to benefit from new or better infrastructure	1.7m

Environmental benefits, where relevant

- 82MW of clean, renewable power to be generated in an acutely power deficient country, which will add approximately 11% to Nepal's generating capacity
- Job creation and skills development training, including in Nepal's remote and poor areas
- Demonstration effect of a pioneering project for other developers and financiers

Projects that reached financial close in 2014

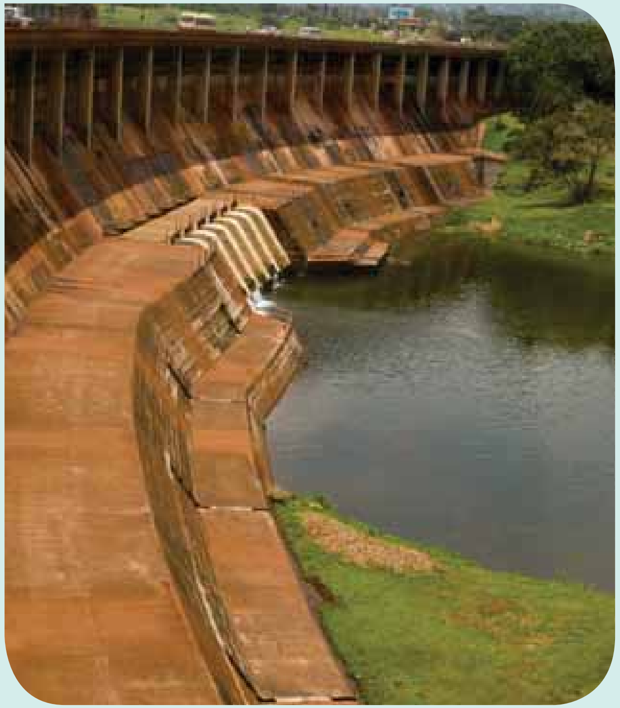
Project name	Country	Sector	Description	Guarantees provided ($m)	Expected total investment committed ($m): Private sector investment	Expected total investment committed ($m): DFI investment	People expected to benefit from new or better infrastructure	Expected fiscal benefits ($m)	Expected short-term jobs	Expected long-term jobs
Thai Biogas Energy Company (TBEC)	Thailand	Energy Generation/ T&D	Guarantee for the provision of local financing to support TBEC in the construction of two new plants producing an aggregate of 7MW. TBEC is a company that contracts with agri processing factories to set up biogas plants to extract biogas from the factories' wastewater and, in the process, clean the same as well. The biogas generated is used as a source of clean, renewable energy for the host agri factories and the local electricity grid	13.50	12.5	0.00	26,500	2.00	80	26
Riley Packaging	Uganda	Industrial Infrastructure	Guaranteed financing to support construction of a 120-tonne per day waste paper recycling plant located in Kyagwe, Uganda, that will help introduce the first formal, large scale waste paper collection service in Uganda. The recycled paper will be supplied to the other parts of the Corpack Group, contributing to reduced use of virgin paper	8.40	18.9	0.00	0	12.00	100	140
Zenith Bank PLC	Nigeria	Energy Generation/ T&D	Supporting Zenith Bank, a leading Nigerian bank, to on-lend to various power generation companies and distribution companies operating in Nigeria under the recent privatisation process. GuarantCo, together with USAID, has provided a guarantee to Standard Chartered Bank (SCB) covering half of the facility provided to Zenith, without which SCB was unwilling to participate	22.50	90	0.00	1,322,819	0.00	n/a	n/a
Rack Centre	Nigeria	Telecoms	Partial credit guarantee to support the financing required by Rack Centre to enable them to double their present data storage capacity	8.40	18.9	0.00	0	12.00	100	140
Cameroon Telecommunication Ltd (CamTel)	Cameroon	Telecoms	Supporting financing for CamTel, a telecoms state-owned company, to expand coverage and capacity of their wireless service offering through expanding capacity and functionality in the existing EVDO (Evolution-Data Optimised) Code Division Multiple Access (CDMA) network. Following the construction of the NBN network due to be completed in 2015 (supported by GuarantCo in 2012), CamTel decided to expand the existing EVDO CDMA network to provide necessary capacity to cater for forecast growth in new subscribers over the next five years, expand coverage across the country and improve the quality of service to end users	12.00	18.9	0.00	2,251,337	0.00	100	75

Project name	Country	Sector	Description	Facility Funding ($m)	Expected total investment committed ($m)		People expected to benefit from new or better infrastructure	Expected fiscal benefits ($m)	Expected short-term jobs	Expected long-term jobs
					Private sector investment	DFI investment				
Fatima Fertilizer Company Ltd	Pakistan	Agri-Infra-structure	Supporting the third largest fertiliser plant in Pakistan and the largest producer of Calcium Ammonium Nitrate and Nitro Phosphate, to enhance operations by including more modern equipment and processes into the plant's operations. The first project will increase ammonia production by around 10% and will also add a waste gas boiler to make more efficient use of this waste stream and reduce the plant's overall fuel consumption	20.90	57.1	0.00	150,000	14.70	n/a	n/a
Lower Sulu	Nepal	Energy Generation/ T&D	Supporting the construction of an 82MW run of the river hydro power plant at Lower Solu in north-east Nepal. The project will supply power to the Nepal Electricity Authority under a 30-year power purchase agreement	28.20	83.5	107.50	4,214,882	1.90	1,000	75

GAP
At a glance

Challenge	Slow pace of low-carbon technology adoption in Africa caused by a lack of cost-reflective tariffs and high up-front costs
Response	Green Africa Power provides financing and policy support to projects to demonstrate the viability of renewable energy in Africa
Established	2013 Operational Q4 of 2014
Funding PIDG Members	DFID (and DECC through DFID), Norway Ministry of Foreign Affairs
Cumulative PIDG Member funding disbursed to the PIDG Trust	$20.2m In addition DFID and DECC have put in place promissory notes totalling GBP 31.75m
Chair	Jim Cohen
Managed by	Management board supported by a service provider for investment analysis.
Service providers	EISER supported by Camco
Website	www.greenafricapower.com

2014 Overview



GAP, the newest PIDG Facility, is a mezzanine financing fund designed to address key market failures and stimulate private sector investment in renewable energy in Africa. It does that by reducing the overall cost of capital for energy generation projects, while maintaining commercial returns.

GAP is funded by three organisations, the UK Department for International Development, UK Department for Energy and Climate Change and, more recently, the Norwegian Ministry of Foreign Affairs. In all, some $185.3m has been committed for investment and operating costs. GAP selected its service provider, EISER Infrastructure, supported by Camco Clean Energy, in July.

It has an ambitious target to finance approximately 322 megawatts of new renewable energy generation capacity, saving an estimated 14m tonnes of carbon emissions and improving the supply of clean energy to millions of people. Through its selected investments, GAP will seek to demonstrate the viability of renewable energy in Africa and show how barriers to investment can be addressed.

Although it is in its early stages, there are many potential projects in the market for GAP. In the first six months that it has been looking at opportunities, more than 200 projects have been brought to its attention, some more credible than others.

There is a shortage of private sector investment, and several DFI-funded initiatives are coming in as equity players. This is helpful, but only if it encourages the private sector to come on board. Wind and solar projects are not reliable as base load generators and therefore place strains on the management of the distribution system. However, hydro and particularly geo-thermal power generation methods are more reliable as base load systems and these are areas that GAP is looking at. What is clear is that we lack an even distribution of renewable energy sources, so different solutions will work for different countries.

In 2015, we expect to see the first GAP projects signed. GAP has begun work on potential cross-Facility projects involving InfraCo Africa and will be making use of TAF in developing its work.

GAP has an ambitious target to finance approximately 322 megawatts of new renewable energy generation capacity, saving an estimated 14m tonnes of carbon emissions

It is generally accepted that access to reliable electrical power is one of the cornerstones of economic and social development. Yet sub-Saharan Africa is the world's most power-starved region, with more than 700m people lacking access to electricity. There is a shortage of all types of power generation projects and, in particular, of renewable power projects.

The need breaks down into three broad categories each requiring different solutions: on-grid generation on an industrial scale for major population centres; local off-grid solutions for communities that may in the relatively near future become grid connected; and local off-grid solutions for communities that in all probability will not be grid connected in the foreseeable future.

Climate change is an important issue here, particularly the consequences that would stem from this energy deficit being met solely from carbon-based sources. Tying power generation to renewable energy sources with an as large as possible element of non-governmental finance seems an overwhelmingly logical conclusion to the problem, a conclusion reached by GAP funders when they launched Green Africa Power.

ICF-DP
At a glance

Challenge	Reduced appetite among commercial banks to lend to private sector infrastructure projects in developing countries due to the financial crisis
Response	Infrastructure Crisis Facility - Debt Pool provides direct finance to infrastructure projects in emerging economies through long-term loan financing. ICF-DP is available to all private infrastructure projects originated by international financial institutions
Established	2009 ICF is a closed-end fund and will not make investments beyond December 2015
Funding PIDG Members	KfW
Cumulative PIDG Member funding disbursed to the PIDG Trust	$8.4m
Total guarantee capacity	$640.45m
Chair	Andrew Bainbridge
Managed by	Cordiant Capital Inc.
Website	www.cordiantcap.com/investment-program/icf-debt-pool
Total commitments at 31 December 2014	$498.9m to 15 projects that have reached financial close or have been repaid
2014 commitments	$25m to one project
Projects that reached financial close in 2014	Azura Power West Africa Ltd, Nigeria
Projects that became fully operational in 2014	Ethiopian Airlines, Ethiopia PowerGrid Corporation of India (PGCIL), India

Expected development impact

Expected	Cumulative	2014*	2013**
Total investment commitments ($m)	5,275.30	0.00	0.00
People expected to benefit from new/better infrastructure (in millions)	9.64	0.00	0.00
Fiscal benefits ($m)	595.00	0.00	0.00
Job creation			
Short-term jobs (construction)	8,500	0	0
Long-term jobs (operations and maintenance)	2,790	0	0

* Although ICF-DP signed one deal during 2014 this was co-financed by EAIF, the originating facility. Development impact data is accredited to the originating facility and not to ICF-DP

** The 2013 figures correspond to the ones reported in the Annual Report 2013

2014 Overview

The ICF - Debt Pool has a mandate to make at least 30% of its investments in the world's poorest countries

In 2009, in response to the sudden lack of capital for infrastructure financing caused by the 2008 global financial crisis, the ICF - Debt Pool was set up, with a $619m commitment from the Federal Republic of Germany, channeled through the German development bank KfW. The ICF - Debt Pool mobilises private sector investment to assist developing countries in providing infrastructure vital to boosting economic growth and combating poverty.

By mandate, the ICF - Debt Pool invests only in projects originated by international financial institutions that cannot obtain financing from other commercial sources as a result of the global retrenchment of credit. The ICF - Debt Pool has a mandate to make at least 30% of its investments in the world's poorest countries. Consequently, the development impact of a loan is of particular importance when making investment decisions for this fund. Portfolio commitments under the ICF - Debt Pool have totaled $498m to date through 15 loans to 15 distinct borrowers.

The ICF - Debt Pool diversifies its exposure with investments in 11 countries across a variety of infrastructure sectors covering natural gas distribution, mobile telephony, power generation, airports, container ports, urban transportation, slum redevelopment, power transmission and aircraft leasing. More than half of the fund's 15 investments are in the world's poorest countries.

During 2014, ICF-DP signed one loan of $25m for the Azura project in Nigeria, a 450-megawatt simple cycle power plant operating on natural gas. Other entities in PIDG have also participated with EAIF providing a mezzanine tranche. This has been a very good case of additionality, as it remains difficult to raise long tenor financing in Nigeria.

The project is likely to be critical in the reform of the Nigerian electricity sector, as it will set a precedent for several other independent power producers (IPP) following electricity sector reform. The project will continue the trend for using Nigeria's ample reserves of gas, currently largely unused or flared.

One other project, a $15m loan to Karadeniz, a Turkish company involved in power generation, had been expected to be signed at the end of the year, but slipped into 2015 and was signed in January.

ICF-DP was, by design, meant to be a fund with a finite lifetime designed to address stranded projects as a result of the financial crisis. In 2014, the pipeline has slowed due to the disruption faced in a number of countries caused by geopolitical events and the drop in oil prices. Unless it is extended, the Facility's investment period will expire on 31 December 2015, but the Facility will continue to disburse to projects approved until after that date.

ICF-DP in numbers

Chart 1: ICF-DP cumulative commitments by country

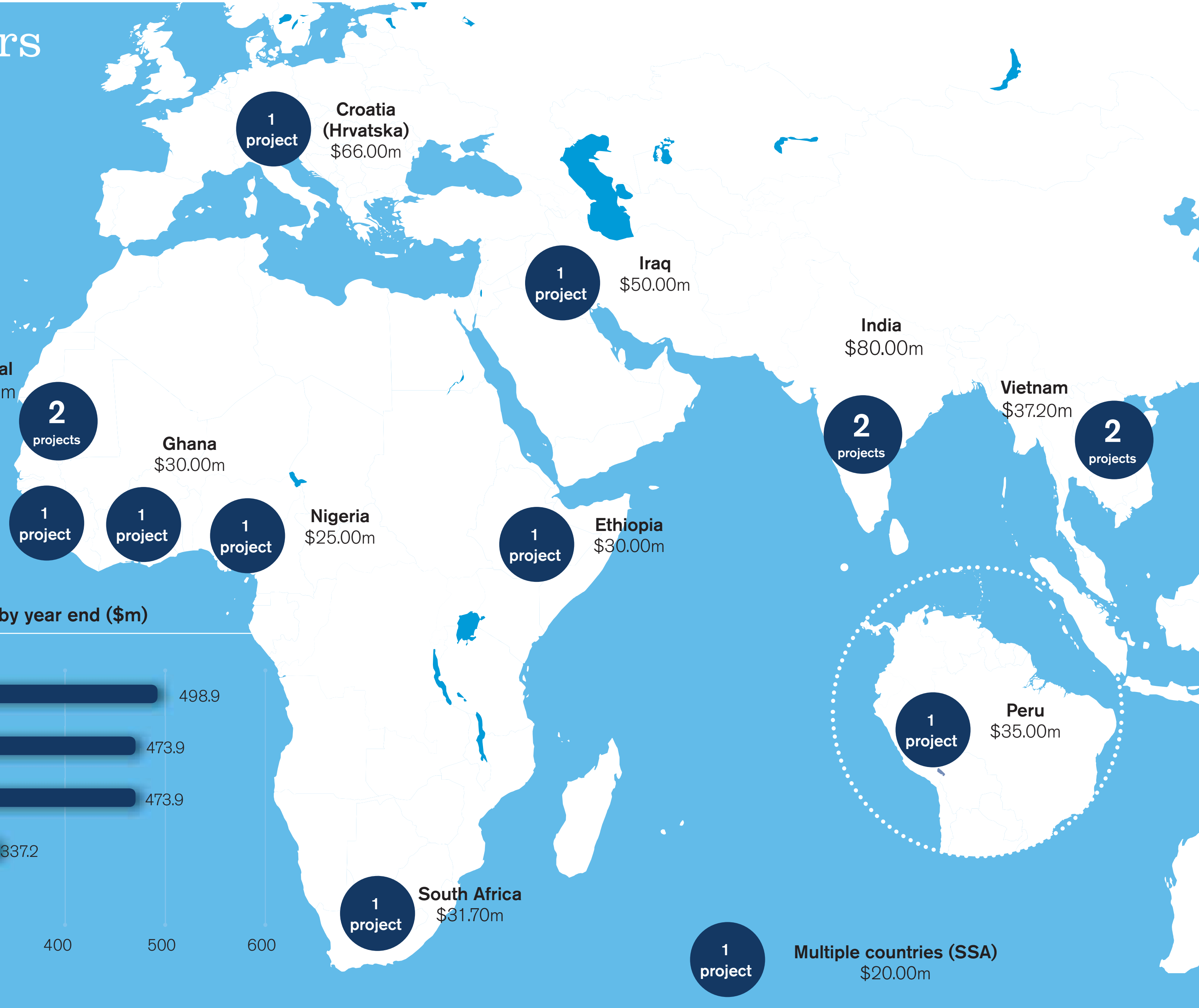


Chart 2: ICF-DP cumulative commitments by year end ($m)

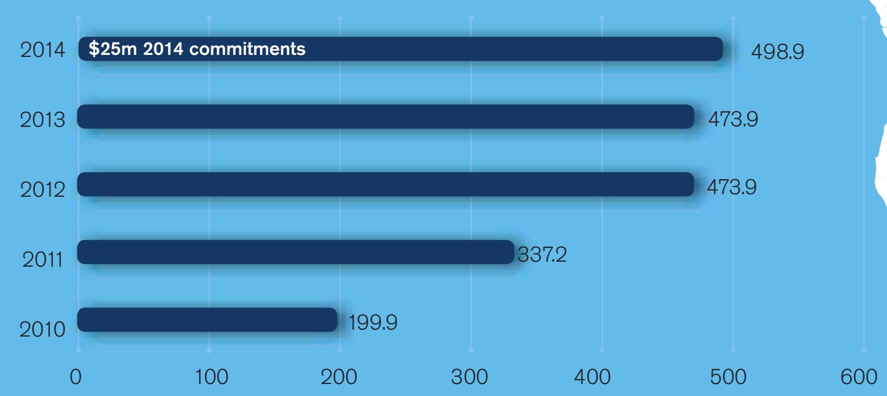
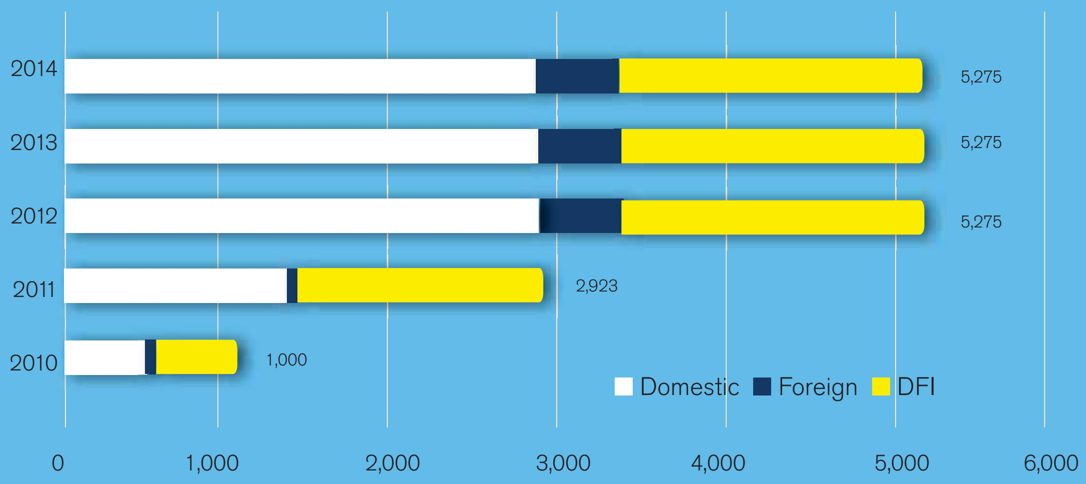


Chart 3: ICF-DP cumulative commitments by sector ($m)



Commitments within LDC, OLIC and FCAS

Cumulative	
% of total investment commitments (by value) in LDC and OLIC*	18%
% of total investment commitments (by value) in FCAS	20%
% of projects (by number) in LDC and OLIC	47%
% of projects (by number) in FCAS	33%

* ICF-DP has no specific targets related to total investment commitments in LDC and OLIC because it is reliant on projects being submitted by other entities

Chart 4: ICF-DP cumulative commitments by sector ($m)

2014 EAIF commitments (US$)	-	-	-	25.0	-
EAIF commitments (US$)	158.5	50.0	30.0	232.7	27.7

Sector Key

- Agri-Infrastructure
- Energy Generation/T&D
- Housing
- Industrial Infrastructure
- Mining
- Multi-Sector
- Telecoms
- Transport
- Urban Development/Infrastructure
- Water, Sewerage and Sanitation

Backing a landmark Nigerian power generation project

A landmark project for the country, Azura-Edo is the first new greenfield power plant development following the reform of the Nigerian electricity sector.

Background

In 2005, the Federal Government of Nigeria launched an ambitious electricity sector reform programme, with support from the World Bank and international donor organisations, including DFID. The Azura-Edo IPP is Nigeria's first independent power plant (IPP) following implementation of the reform and is expected to serve as a model for future IPPs.

Constructed in Edo State, the plant will supply power into the Benin North sub-station, which in turn will need to be expanded to accommodate the additional capacity. The project is an important step in addressing the acute power shortage in the country and is expected to add around 10% to current generation capacity.

Nigeria has an installed grid-connected generation capacity of nine gigawatts (80% thermal, 20% hydro). Actual generation capacity, however, is only five gigawatts, since substantial existing capacity is often non-functioning due to a limited gas supply. Individuals and communities use diesel and petrol generators, producing at least 6,000 megawatts – making Nigeria one of the world's biggest importers and users of private generators. This project will reduce the reliance on self-generation from polluting diesel and petrol generators, which cost $33-53 per kilowatt hour, significantly more than the price of electricity expected from the Azura-Edo IPP. The project will deliver further environmental benefits by using Nigeria's ample reserves of gas, currently largely unused or flared. Official statistics show that in 2010, Nigeria flared 25% of its gas production.

The deal

The Azura-Edo project has been developed by a consortium of local and international commercial investors led by Amaya Capital Limited and American Capital Energy & Infrastructure

Total financing: $892.41m

Total PSI: $559.86m				**Total DFI: $m**
Domestic PSI: $147.26m		Foreign PSI: $412.61m		DFI: $332.55m
Equity: $1.8m	Debt:$145.46m	Equity: $178.61m	Debt:$234.0m	Debt: $332.55m
Share of original sponsors/ Nigerian equity Edo stage government (2.5% stake for contributions of land and in kind services excluded as non-private sector investment)	First City Monument Bank (FCMB) lead syndicate backed by the Power and Aviation Infrastructure Fund (PAIF) managed by Bank of Industry of Nigeria (ultimately partially state backed)	From original sponsors offshore, as well as a/o AIIF2, Aldwych, PAIDF2, ARM	A consortium of 15 commercial banks and DFIs from nine countries led by Standard Chartered Bank (SCB) as global mandated lead arranger for the project, IFC, FMO, Rand Merchant Bank (RMB) - a division of FirstRand Bank Ltd, KfW, Siemens Finance, CDC, Swedfund, ICF-DP, Proparco, DEG, EAIF and OPIC (under the USA Africa Power Initiative of President Obama). Commercial lenders benefit in part from IBRD MIGA cover	

Role of PIDG

Azura was initially developed in 2010 but, given the significant sector reforms taking place at the time, it took considerable time to gain traction. It finally reached financial close in December 2014. As this project could be replicated in future IPP deals, it was important to get each aspect right, particularly as they related to project sponsors, government departments and financial institutions. Co-ordinating and negotiating with the large number of stakeholders involved presented considerable challenges.

At $892m, the project was not overly large by international or Nigerian standards, however, it is very significant in the context of actual versus perceived risk attached to the Nigerian power sector. It proved challenging for Azura to raise the necessary financing to close the first IPP following the reforms in the electricity sector in Nigeria. This difficulty existed at all levels in the financing structure, equity, mezzanine debt and senior debt.

EAIF's most significant and riskiest contribution was in the mezzanine debt tranche. Initially there was little appetite among the financiers for the project. EAIF and ICF were able to develop and negotiate terms for the project and attract co-financing from two further institutions – Proparco and OPIC – which was crucial to closing the project funding gap.

While the project is large and has many debt financiers, it proved difficult to raise long tenor financing in Nigeria for a new IPP project. EAIF and other DFIs were able to provide longer tenor funding, without cover by export credit agencies or political risk guarantee organisations. This longer-term senior debt was critical, helped complete the financing and also maintained consumer tariffs at a lower level.

Development impact

In addition to the expected financial internal rate of return of 16%, the project will also achieve the developmental objectives summarised below

Total investment committed	
Private sector investment	$559.9m
DFI investment Total DFI debt financing of $332.55m including $267.55m in DFI 15-year senior loans from a consortium led by IFC and FMO and including IFC, FMO, CDC, Swedfund, ICF-DP, Proparco, DEG, EAIF and OPIC and $65m in DFI subordinated debt.	
Fiscal benefits/concession fee revenue/tax revenue	
▪ $463m income tax income to government during life of 20 year power purchase agreement and $94m in withholding tax on dividends ▪ $35.1m withholding tax on interest and dividends to be paid ▪ $25.8m paid, is due to a combination of withholding tax on interest ($19.2m) and dividends ($6.8m) ▪ More fiscal revenue through VAT on electricity sales and indirectly through increased economic activity ▪ As a shareholder, the Edo government will benefit from any future dividends paid by the project	
Job creation	
Temporary (construction)	1,016
Permanent (operations)	61
Access to infrastructure	
People expected to benefit from new or better infrastructure	21.6m out of a population of 170m
Women expected to benefit from new or better infrastructure	8.0m
Demonstration	
Sets a precedent for several other IPPs. Regarded as a pioneering model for implementation of the power sector reform	
Environmental benefits, where relevant	
▪ Better use of stranded Nigerian commercial gas reserves ▪ In 2010 Nigeria flared 25% of its production	

Projects that reached financial close in 2014

Project name	Country	Sector	Description	Facility funding ($m)	Expected total investment committed ($m): Private sector investment	Expected total investment committed ($m): DFI investment	People expected to benefit from new or better infrastructure	Expected fiscal benefits ($m)	Expected short-term jobs	Expected long-term jobs
Azura Power West Africa Limited	Nigeria	Energy Generation/ T&D	Supporting the financing of a 459MW single or open-cycle gas fired power plant in Edo state, Nigeria. The project is the first new greenfield power plant development since reforms were made to encourage private sector investment and ensure sector viability with more cost-reflective tariffs, seven generation companies and 11 distribution companies were privatised	25.00	n/a	n/a	n/a	n/a	n/a	n/a

Projects that became fully operational in 2014

Year of close	Project name	Country	Sector	Description	PIDG commitments ($m)	Expected total investment committed ($m)		People to benefit from new/ better infrastructure		Fiscal benefits ($m)		Short-term jobs		Long-term jobs	
						Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual
2012	Ethiopian Airlines	Ethiopia	Transport - Air	Purchase of 10 Boeing 787 Aircraft for incorporation into the Ethiopian Airlines (ET) fleet. ET is the flag carrier of Ethiopia and is 100% owned by the Ethiopian Government. The planes are financed/purchased after phased delivery over three years. The 787 aircraft is expected to be the most fuel efficient and green commercial aircraft on the market, enabling a 20% fuel saving and significantly reducing carbon footprint	30.00	1,025.00	1,100.00	1,454,544	1,454,544	0	0	0	0	1,500	450
2012	Power Grid Corporation of India (PGCIL)	India	Energy Generation/ T&D	Providing financing to support the 2012-14 CAPEX programme of an inter-state power transmission system to expand the transmission network. This programme includes a large number of projects, some of which will expand existing services while others will provide new services to areas that do not currently receive electricity service	50.00	2,352.00	2,352.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Annexes

Annex 1: List of ODA recipients

Effective for reporting on 2014, 2015 and 2016 flows

Least developed countries	Other low income countries (per capita gross national income <= $1,045 in 2013)	Lower middle income countries and territories (per capita gross national income $1,046-$4,125 in 2013)	Upper middle income countries and territories (per capita gross national income $4,126-$12,745 in 2013)
Afghanistan	Korea, PDR	Armenia	Albania
Angola	Kenya	Bolivia	Algeria
Bangladesh	Tajikistan	Cabo Verde	Antigua and Barbuda[2]
Benin	Zimbabwe	Cameroon	Argentina
Bhutan		Côte d'Ivoire	Azerbaijan
Burkina Faso		Egypt	Belarus
Burundi		El Salvador	Belize
Cambodia		Georgia	Bosnia and Herzegovina
Central African Republic		Ghana	Botswana
Comoros		Guatemala	Brazil
Democratic Republic of Congo		Guyana	Chile[2]
Djibouti		Honduras	China (People's Republic of)
Equatorial Guinea[1]		India	Colombia
Eritrea		Indonesia	Cook Islands
Ethiopia		Kosovo	Costa Rica
Gambia		Kyrgyzstan	Cuba
Guinea		Micronesia	Dominica
Guinea-Bissau		Moldova	Dominican Republic
Haiti		Mongolia	Ecuador
Kiribati		Morocco	Fiji
Lesotho		Nicaragua	Former Yugoslav Republic of Macedonia
Liberia		Nigeria	Gabon
Madagascar		Pakistan	Grenada
Malawi		Papua New Guinea	Iran
Mali		Paraguay	Iraq
Mauritania		Philippines	Jamaica
Mozambique		Republic of the Congo	Jordan
Myanmar		Samoa	Kazakhstan
Nepal		Sri Lanka	Lebanon
Niger		Swaziland	Libya
People's Republic of Lao		Syrian Arab Republic	Malaysia
Republic of Chad		Tokelau	Maldives
Rwanda		Ukraine	Marshall Islands
Sao Tome and Principe		Uzbekistan	Mauritius
Senegal		Vietnam	Mexico
Sierra Leone		West Bank and Gaza Strip	Montenegro
Solomon Islands			Montserrat
Somalia			Namibia
South Sudan			Nauru
Sudan			Niue
Tanzania			Palau
Timor-Leste			Panama
Togo			Peru
Tuvalu			Saint Helena
Uganda			Saint Lucia
Vanuatu[1]			Saint Vincent and the Grenadines
Yemen			Serbia
Zambia			Seychelles
			South Africa
			Suriname
			Thailand
			Tonga
			Tunisia
			Turkey
			Turkmenistan
			Uruguay[2]
			Venezuela
			Wallis and Futuna

1 The United Nations General Assembly resolution 68/L.20 adopted on 4 December 2013 decided that Equatorial Guinea will graduate from the least developed country category three and a half years after the adoption of the resolution and that Vanuatu will graduate four years after the adoption of the resolution

2 Antigua and Barbuda, Chile and Uruguay exceeded the high income country threshold in 2012 and 2013. In accordance with the DAC rules for revision of this list, all three will graduate from the list in 2017 if they remain high income countries until 2016

Annex 2: Fragile and conflict-affected states 2014

Used for reporting on the PIDG project portfolio. The list below is reproduced from Fragile States 2014: Domestic Revenue Mobilisation[3] produced by the OECD Development Assistance Committee (DAC) through the International Network on Conflict and Fragility (INCAF)

Africa		Europe, Asia, Middle East and Australasia		Latin American & Caribbean
Angola	Madagascar	Afghanistan	Solomon Islands	Haiti
Burkina Faso	Malawi	Bangladesh	Sri Lanka	
Burundi	Mali	Bosnia and Herzegovina	Syrian Arab Republic	
Cameroon	Mauritania	Iraq	Timor-Leste	
Central African Republic	Niger	Kiribati	Tuvalu	
Comoros	Nigeria	Korea, DPR	West Bank & Gaza Strip	
Democratic Republic of Congo	Republic of Chad	Kosovo	Yemen, Republic	
Côte d'Ivoire	Republic of the Congo	Marshall Islands		
Egypt	Sierra Leone	Micronesia, Federated States		
Eritrea	Somalia	Myanmar		
Ethiopia	South Sudan	Nepal		
Guinea	Togo	Pakistan		
Guinea-Bissau	Uganda			
Kenya	Zimbabwe			
Liberia				
Libya				

3 http://www.oecd.org/dac/incaf/FSR_2014.pdf

Annex 3. PIDG Projects

TAF

TAF grants concluded					
Year concluded	**Country**	**Sector**	**PIDG recipient**	**Project**	**Grant**
2014	Benin	Transport - Ports	DevCo	Benin Port Concession Support	0.2
2014	Multiple countries (SSA)	Multi-Sector	DevCo	Kenya-Rwanda PPP Training	0.1
2014	Philippines	Multi-Sector	DevCo	Philippines PPP Training	0.1
2014	Uganda	Water, Sewerage and Sanitation	DevCo	Uganda Solid Waste Management – VGF Support	0.0
2014	Congo, DR	Energy Generation/T&D	EAIF	MagEnergy Inc, DRC	0.0
2014	Africa (Sub-Saharan)	Capital Market Development	GuarantCo	African Rental Housing Conference	0.0
2014	Chad	Energy Generation/T&D	GuarantCo	Chad Oil Products Distribution, Chad	0.0
2014	Ghana	Energy Generation/T&D	GuarantCo	Energy Sector Capacity Building Project (Ghana GridCo)	0.3
2014	Multiple Countries (EAP)	Energy Generation/T&D	GuarantCo	Laos and Myanmar Waste to Energy VGF Support	0.0
2014	Multiple Countries (SSA)	MultiSector	GuarantCo	West Africa Risk Mitigation Workshop	0.0
2014	Multiple Countries (SSA)	Energy Generation/T&D	GuarantCo	Africa Energy Forum Session on Local Currency Financing	0.0
2014	Niger	Capital Market Development	GuarantCo	Fonds de Solidarite Africain (FSA) – Capacity Building and Collaboration	0.1
2014	Pakistan	Capital Market Development	GuarantCo	Pakistan Bond Issuance Legal Costs	0.1
2014	Sri Lanka	Capital Market Development	GuarantCo	Sri Lanka Capital Development	0.0
2014	Cape Verde	Energy Generation/T&D	InfraCo Africa	Cape Verde Wind Power – Cabeolica	0.1
2014	Ghana	Energy Generation/T&D	InfraCo Africa	Kpone (Tema) Independent Power Project – Grant 2	0.5
2014	Ghana	Energy Generation/T&D	InfraCo Africa	Kpone (Tema) Independent Power Project – Grant 1	0.3
2014	Madagascar	Water, Sewerage and Sanitation	InfraCo Africa	Sandandrano Water	0.1
2014	Multiple Countries (SSA)	Energy Generation/T&D	InfraCo Africa	Infrastructure for Renewable Energy Fuels, Mozambique & Togo	0.1
2014	Multiple Countries (SSA)	Energy Generation/T&D	InfraCo Africa	Tanzania-Uganda Transmission Interconnection	0.1
2014	Tanzania	Energy Generation/T&D	InfraCo Africa	Tanzania Wind Power	0.1
2014	Uganda	MultiSector	InfraCo Africa	Kalangala Infrastructure Services – OBA	5.0
2014	Zambia	Energy Generation/T&D	InfraCo Africa	Muchinga Hydropower, Zambia	0.5
2014	Myanmar	MultiSector	InfraCo Asia	Myanmar Infrastructure Strategy	0.2
2014	Vietnam	Energy Generation/T&D	InfraCo Asia	Vietnam Hydropower VGF Support	0.0
TOTAL 2014					**7.9**
2013	Liberia	Energy Generation/T&D	DevCo	Liberia Management Contract Amendment	0.1
2013	West Bank & Gaza Strip (Palestinian Territories)	Water, Sewerage and Sanitation	DevCo	West Bank Solid Waste Management	0.1
2013	Nigeria	Capital Market Development	GuarantCo	Nigeria SEC Capacity Building	0.1
TOTAL 2013					**0.3**
2012	Madagascar	Transport - Ports	DevCo	Toamasina Port – Interim Management Assistance	0.3
2012	Multiple Countries (SSA)	Transport - Rail	DevCo	Rift Valley Railway Strategic Business Plan	0.05
2012	Rwanda	Water, Sewerage and Sanitation	DevCo	Kigali Bulk Water, Rwanda	0.05
2012	Gambia	Energy Generation/T&D	EAIF	Gambia IPP – Affordability Study	0.1
2012	Gambia	Energy Generation/T&D	EAIF	Gambia IPP – Transmission and Distribution	0.05
2012	Chad	Telecoms	GuarantCo	Celtel Chad Financing	0.05
2012	India	Industrial Infrastructure	GuarantCo	Calcom Cement Capacity Building, Assam, India	0.2
2012	India	Industrial Infrastructure	GuarantCo	Low Cost Housing Project, India	0.1
2012	India	Industrial Infrastructure	GuarantCo	Calcom Cement – Legal Assistance	0.1

2012	Multiple countries (SSA)	Housing	GuarantCo	Housing Finance Guarantors Africa (Reinsurance) – HFGARe	0.4
2012	Vietnam	Agri-Infrastructure	InfraCo Africa	Antara Cold Storage Project	0.1
2012	Ghana	Energy Generation/T&D	Technical Assistance Facility (post-transaction support)	Energy Sector Capacity Building, Ghana	0.05
TOTAL 2012					**1.5**
2011	Niger	Telecoms	GuarantCo	Seaquest Infotel Niger ICT Preliminary Investigation Project Grant 1	0.1
2011	Zambia	Agri-Infrastructure	InfraCo Africa	Chiansi Irrigation	0.4
TOTAL 2011					**0.5**
2010	Liberia	Energy Generation/T&D	DevCo	Liberia Power Sector Advisory	0.0
TOTAL 2010					**0.0**
2009	Nigeria	Energy Generation/T&D	InfraCo Africa	Geometrics Power Aba Ltd	0.3
2009	Nepal	Energy Generation/T&D	InfraCo Asia	Nepal Hydroelectric Projects	0.1
TOTAL 2009					**0.4**
2007	Nigeria	Industrial Infrastructure	EAIF	Eleme Petrochemicals Ltd	0.1
TOTAL 2007					**0.1**
2006	Uganda	Multi-Sector	InfraCo Africa	BidCo Palm Oil – Kalangala Infrastructure Services	0.3
2006	Uganda	Multi-Sector	InfraCo Africa	Kalangala Infrastructure Services	0.4
TOTAL 2006					**0.7**
GRAND TOTAL					11.4

TAF grants to projects that have generated no investment

Start Year	Country	Sector	PIDG recipient	Project	Grant
2009	Sierra Leone	Agri-Infrastructure	EAIF	Goldtree Palm Oil Project, Sierra Leone	0.1
2009	Zambia	Energy Generation/T&D	DevCo	Kafue Gorge Lower Hydropower IPP, Zambia	0.2
TOTAL 2009					**0.3**
2008	Indonesia	MultiSector	InfraCo Asia	Nias Island Integrated Infrastructure – Feasibility Study	0.1
2008	Tanzania	Energy Generation/T&D	EAIF	Ruhudji Hydropower	0.3
TOTAL 2008					**0.4**
2007	Kenya	Capital Market Development	GuarantCo	Facilitating Capital Market Development	0.0
TOTAL 2007					**0.0**
2006	Mozambique	Industrial Infrastructure	InfraCo Africa	Beira Land Development	0.0
2006	Uganda	Energy Generation/T&D	EAIF	Uganda 50MW Biomass IPP	0.2
2006	Zambia	Housing	GuarantCo	Lilayi Housing	0.0
TOTAL 2006					**0.2**
2004	Madagascar	Transport - Air	DevCo	Madagascar Seaport & Airport Privatisation	0.1
2004	Mozambique	Agri-Infrastructure	InfraCo Africa	Beira Corridor	0.1
2004	Nigeria	Agri-Infrastructure	InfraCo Africa	Nigeria Fertiliser I	0.0
2004	Tanzania	Energy Generation/T&D	GuarantCo	Tanzania Power (IPTL)	0.0
2004	Uganda	Agri-Infrastructure	EAIF	Kakira Rural Development (Phase I)	0.1
2004	Uganda	Agri-Infrastructure	EAIF	Kakira Rural Development (Phase II)	0.1
TOTAL 2004					**0.4**
GRAND TOTAL					**1.3**

Current TAF grants

Start Year	Country	Sector	PIDG recipient	Project	Grant ($m)
2014	Bangladesh	Water, Sewerage and Sanitation	GuarantCo	Bangladesh Drinking Water, Bangladesh	0.1
2014	Burkina Faso	Energy Generation/T&D	EAIF	Windiga Zina Solar IPP, Burkina Faso	0.4
2014	Ghana	Energy Generation/T&D	GuarantCo	Ghana LPG Services, Ghana	0.0
2014	India	Industrial Infrastructure	GuarantCo	Calcom Cement add-on, India	0.1
2014	India	Agri-Infrastructure	InfraCo Asia	Rajasthan Agribusiness, India	0.4
2014	Lao PDR	Transport - Rail	DevCo	Lao Roads PPP Capacity Building	0.1
2014	Multiple countries (ECA)	Multi-Sector	DevCo	Central Asia PPP Capacity Building, Regional	0.1
2014	Nigeria	Capital Market Development	GuarantCo	Nigeria Credit Enhancement Facility, Nigeria	0.2
2014	Nigeria	Capital Market Development	GuarantCo	Nigeria Pension Regulator Training, Nigeria	0.1
2014	Pakistan	Telecoms	GuarantCo	Pakistan Telecom Development Add-on, Pakistan	0.3
2014	Uganda	Industrial Infrastructure	GuarantCo	Kampala Cement Availability Project, Uganda	0.0
TOTAL 2014					**1.8**
2013	India	MultiSector	DevCo	Odisha Urban Development PPPs	0.3
2013	Kenya	Transport - Rail	InfraCo Africa	Nairobi Commuter Rail, Kenya	0.3
2013	Multiple Countries (EAP)	Energy Generation/T&D	GuarantCo	Laos, Cambodia & Myanmar Waste to Energy VGF Grant	4.1
2013	Senegal	Energy Generation/T&D	InfraCo Africa	Senegal Wind Farm Development – 2013	0.1
2013	Sierra Leone	Energy Generation/T&D	EAIF	Sierra Leone Bumbuna Project Manager	0.4
2013	Uganda	Water, Sewerage and Sanitation	DevCo	Uganda Solid Waste Management – VGF Grant	3.0
2013	Vietnam	Energy Generation/T&D	InfraCo Asia	Coc San Hydro Project, Vietnam (VGF)	5.0
2013	Zambia	Housing	Guarantco	Zambia Home Loans (ZHL) Capacity Building	0.3
TOTAL 2013					**13.5**
2012	Cambodia	Agri-Infrastructure	InfraCo Asia	Cambodia Salt Farm Development	0.4
2012	Cape Verde	MultiSector	InfraCo Africa	Cape Verde Development Add-on	0.1
2012	Nepal	Energy Generation/T&D	InfraCo Asia	Nepal Hydropower	0.4
2012	Sierra Leone	Energy Generation/T&D	EAIF	Sierra Leone Hydropower	0.3
TOTAL 2012					**1.2**
2011	Ghana	Energy Generation/T&D	InfraCo Africa	Ghana Wind Power	0.5
2011	Kenya	Transport - Rail	InfraCo Africa	Nairobi Commuter Rail – ESIA	0.4
TOTAL 2011					**0.9**
2010	Mozambique	Agri-Infrastructure	InfraCo Africa	Envalor Ltda., Mozambique	0.4
2010	Senegal	Energy Generation/T&D	InfraCo Africa	Senegal Wind Farm Development	0.3
TOTAL 2010					**0.7**
2009	Kenya	Transport - Rail	InfraCo Africa	Nairobi Commuter Rail	0.2
2009	Uganda	MultiSector	InfraCo Africa	Kalangala Infrastructure Project Resettlement Action Plan	0.7
TOTAL 2009					**0.9**
2008	Niger	Telecoms	Guarantco	Seaquest Infotel Niger ICT Preliminary Investigation Project Grant 2	0.4
2008	Zambia	Agri-Infrastructure	InfraCo Africa	Chanyanya Infrastructure Company, Zambia	0.5
TOTAL 2008					**0.9**
2007	Cape Verde	Energy Generation/T&D	InfraCo Africa	Cape Verde Wind Power Development	0.4
TOTAL 2007					**0.4**
2006	Rwanda	Energy Generation/T&D	EAIF	Lake Kivu	0.5
TOTAL 2006					**0.5**
GRAND TOTAL					**20.8**

DevCo

Completed DevCo transactions

Year of financial close	Country	Sector	Project	DevCo funding commitments ($m)	Total commitments ($m)	People provided with new/improved infrastructure	Fiscal impact ($m)*
2014	India	Urban Development/Infrastructure	Bhubaneswar PSL – Street lighting, India (589387)	0.25	4.80	167,547	0.23
TOTAL 2014				**0.25**	**4.80**	**167,547.00**	**0.23**
2013	Liberia	Energy Generation/T&D	Liberia Power Amended Management Contract (595547)	0.03	0.00	75,000	0.00
2013	West Bank & Gaza Strip (Palestinian Territories)	Water, Sewerage and Sanitation	West Bank Solid Waste (588148)	0.20	0.00	840,000	0.00
TOTAL 2013				**0.23**	**0.00**	**915,000.00**	**0.00**
2012	Kosovo	Energy Generation/T&D	Kosovo KEK (29107)	0.60	390.00	1,800,000	34.00
TOTAL 2012				**0.60**	**390.00**	**1,800,000.00**	**34.00**
2011	India	Agri-Infrastructure	Punjab Silos, India (28159)	0.40	8.00	6,660	6.00
2011	Maldives	Water, Sewerage and Sanitation	Maldives PPP – Solid Waste Management (28082)	0.50	60.00	120,000	0.00
TOTAL 2011				**0.90**	**68.00**	**126,660.00**	**6.00**
2010	Haiti	Telecoms	Privatisation of TELECO, Haiti (26250)	1.40	100.00	1,500,000	200.00
2010	Liberia	Energy Generation/T&D	Liberia Power Sector Advisory (25742)	1.26	0.00	150,000	40.00
2010	Uganda	Water, Sewerage and Sanitation	Small Towns Water Programme, Uganda SSIP (560987)	1.31	0.40	15,195	0.00
TOTAL 2010				**3.97**	**100.40**	**1,665,195.00**	**240.00**
2009	Albania	Energy Generation/T&D	Albania KESH (25624)	0.59	346.00	3,400,000	270.00
2009	Benin	Transport - Ports	Cotonou Port, Benin (26544)	1.20	256.00	0	200.00
2009	Egypt	Water, Sewerage and Sanitation	New Cairo Wastewater Project, Egypt (552647)	0.50	130.00	1,000,000	0.00
TOTAL 2009				**2.29**	**732.00**	**4,400,000.00**	**470.00**
2008	Albania	Energy Generation/T&D	Ashta IPP, Albania (25031)	0.50	200.00	170,000	80.00
2008	Philippines	Energy Generation/T&D	SPUG Basilan, Philippines (26153)	0.35	5.00	145,000	10.00
TOTAL 2008				**0.85**	**205.00**	**315,000.00**	**90.00**
2007	Kenya	Telecoms	Divestment of GoK Share of SafariCom	0.25	0.00	11,102,000	500.00
2007	Kenya	Telecoms	Privatisation of TelCom Kenya Ltd (TKL)	1.00	0.00	360,000	390.00
2007	Philippines	Energy Generation/T&D	SPUG II, Masbate, Philippines (23282 Same ID as SPUG I)	0.09	12.00	60,000	38.00
TOTAL 2007				**1.34**	**12.00**	**11,522,000.00**	**928.00**
2006	Multiple Countries (SSA)	Transport - Rail	Joint Concession for Kenya Railways and Uganda Railways (11615)	1.05	417.00	5,000,000	110.30
TOTAL 2006				**1.05**	**417.00**	**5,000,000**	**110.30**
2005	Madagascar	Transport - Ports	Madagascar PPP in the Port of Tamatave ((22167)	0.81	63.00	0	6.30
2005	Philippines	Energy Generation/T&D	SPUG I, Philippines (Tablas Romblon and Marindique) (23282)	0.03	28.00	100,000	53.00
2005	Samoa	Transport - Air	Joint Venture Partnership in Polynesian Airlines, Samoa (21483)	0.73	5.00	80,000	40.00
TOTAL 2005				**1.56**	**96.00**	**180,000.00**	**99.30**
2004	Mozambique	Mining	Development of the Moatize Coal Mine (22694)	0.50	128.00	0	621.00
TOTAL 2004				**0.50**	**128.00**	**0.00**	**621.00**
GRAND TOTAL				**13.54**	**2,153.20**	**26,091,402.00**	**2,598.83**

* Includes the up-front fees due to a national government as a result of a privatisation, including concession fees and/or licence fees; total taxes paid over the first five years of the project; as well as the best (undiscounted) estimate of the subsidy savings for governments to be generated by the infrastructure project private sector investment (if applicable)

DevCo Phase I mandates concluded without follow on				
Year of financial close	**Country**	**Sector**	**Project**	**DevCo Commitments ($m)**
2011	Mozambique	Water, Sewerage and Sanitation	Mozambique Water Supply Project	0.8
TOTAL 2011				**0.8**
2010	Bhutan	Transport - Air	Drukair, Bhutan	0.3
TOTAL 2010				**0.3**
2009	Comoros	MultiSector	Comoros Telecoms & Hydrocarbons Privatization – Phase I, Comoros	0.5
TOTAL 2009				**0.5**
GRAND TOTAL				**1.6**

DevCo mandates that have reached commercial close				
Start year	**Country**	**Sector**	**Project**	**DevCo Commitments ($m)**
2012	Benin	Water, Sewerage and Sanitation	PPP for Rural Water Supply, Benin	0.8
2012	Bhutan	Transport - Road	Thimphu Parking PPP, Bhutan	0.5
2012	India	Urban Development/Infrastructure	Rajasthan PSL, India	0.6
TOTAL 2012				**1.9**
2011	India	Water, Sewerage and Sanitation	Orissa SWM, India	0.3
TOTAL 2011				**0.3**
2010	Philippines	Water, Sewerage and Sanitation	Metro Clark Bulk Water Project, Philippines	0.2
TOTAL 2010				**0.2**
2009	Niger	Transport - Ports	Niger Dry Port, Niger	0.8
TOTAL 2009				**0.8**
2008	Indonesia	Energy Generation/T&D	Central Java IPP, Indonesia	1.8
TOTAL 2008				**1.8**
GRAND TOTAL				**5.0**

DevCo mandates under active development				
Start year	**Country**	**Sector**	**Project**	**DevCo Commitments ($m)**
2014	India	Energy Generation/T&D	Bihar Grid, India	0.5
2014	India	Energy Generation/T&D	MP Wind Re-Powering Project, India	0.3
2014	India	Urban Development/Infrastructure	Odisha Street Lighting Program, India	0.2
2014	Myanmar	Energy Generation/T&D	Myingyan IPP, Myanmar	1.6
2014	Tanzania	Energy Generation/T&D	Zanzibar power	0.4
2014	Uganda	Transport - Road	Kampala-Jinja Expressway PPP, Uganda	2.0
TOTAL 2014				**5.0**
2013	Ghana	Energy Generation/T&D	Ghana Electricity Distribution, Ghana	0.6
2013	Guinea	Energy Generation/T&D	Guinea Power PPP, Guinea	0.6
2013	India	Energy Generation/T&D	Odisha Rooftop Solar Project, India	0.3
2013	India	Agri-Infrastructure	Odisha Rice Storage Project, India	0.2
2013	India	Housing	Odisha Affordable Housing – Berhampur city, India	0.5
2013	India	Water, Sewerage and Sanitation	Puri (Odisha) Solid Waste Management, India	0.2
2013	Lao PDR	Transport - Road	Lao Roads PPP	0.8
2013	Mozambique	Water, Sewerage and Sanitation	Mozambique Water PPP 2 ID	1.1
2013	Multiple countries (General)	Energy Generation/T&D	CASA-1000	0.5
TOTAL 2013				**4.8**
2012	Lesotho	Energy Generation/T&D	Lesotho Wind Power PPPs	0.7
2012	Timor Leste (East Timor)	Transport - Ports	TL Port PPP, Timor Leste	1.5
2012	Uganda	Energy Generation/T&D	Nyagak III, Uganda	0.6
2012	Uganda	Water, Sewerage and Sanitation	Kampala Waste Management PPP, Uganda	1.1
TOTAL 2012				**3.9**
2010	Rwanda	Water, Sewerage and Sanitation	Kigali Bulk Water Supply Project, Rwanda	1.0
TOTAL 2008				**1.0**
2009	Solomon Islands	Energy Generation/T&D	Tina River Hydro IPP, Solomon Islands	0.5
TOTAL 2008				**0.5**
GRAND TOTAL				**15.2**

InfraCo Africa

InfraCo Africa Projects that have reached equity/financial close

Year of financial close	Country	Sector	Project	InfraCo Africa funding commitments ($m)	Total Investment Commitments ($m)	People provided with new/improved infrastructure	Fiscal impact ($m)*
2012	Zambia	Energy Generation/T&D	Muchinga Power Company, Zambia	1.50	600.00	600.00	82.00
TOTAL 2012				**1.50**	**600.00**	**600.00**	**82.00**
2011	Uganda	Multi-Sector	Kalangala Infrastructure Services Project, Uganda	4.10	28.99	28.99	1.63
2011	Uganda	Energy Generation/T&D	Kalangala Renewables, Uganda	2.20	15.55	15.55	3.74
TOTAL 2011				**6.30**	**44.54**	**44.54**	**5.37**
2010	Ghana	Energy Generation/T&D	Kpone Independent Power Project, Ghana	11.00	903.10	903.10	511.70
2010	Cape Verde	Energy Generation/T&D	Wind Farm Extension Project, Cape Verde	7.88	78.00	78.00	0.00
TOTAL 2010				**18.88**	**981.10**	**981.10**	**511.70**
2009	Zambia	Agri-Infrastructure	Chanyanya Pilot Irrigation Project, Zambia	1.10	2.53	2.53	0.00
TOTAL 2009				**1.10**	**2.53**	**2.53**	**0.00**
2008	Nigeria	Energy Generation/T&D	Geometrics Power Aba Ltd, Nigeria	0.48	420.00	420.00	8.00
2008	Vietnam	Agri-Infrastructure	Antara Cold Storage Project, Vietnam	0.28	27.00	27.00	0.00
TOTAL 2008				**0.76**	**447.00**	**447.00**	**8.00**
GRAND TOTAL				**28.54**	**2,075.17**	**2,075.17**	**607.07**

* Includes the up-front fees due to a national government as a result of a privatisation, including concession fees and/or licence fees; total taxes paid over the first five years of the project; as well as the best (undiscounted) estimate of the subsidy savings for governments to be generated by the infrastructure project private sector investment (if applicable)

InfraCo Africa Projects that are under active development (and with JDAs signed)

Start Year	Country	Sector	Project	InfraCo Africa funding commitments ($m)
2014	South Sudan	Energy Generation/T&D	Fula Rapids, South Sudan	2.00
TOTAL 2014				**2.00**
2009	Kenya	Transport - Rail	Nairobi Commuter Rail Project, Kenya	8.40
TOTAL 2009				**8.40**
2006	Zambia	Agri-Infrastructure	Chiansi Irrigation, Zambia	6.40
TOTAL 2006				**6.40**
GRAND TOTAL				**16.80**

InfraCo Asia

InfraCo Asia Projects that have reached financial close							
Year of financial close	Country	Sector	Project	InfraCo Africa funding commitments ($m)	Total investment commitments ($m)	People provided with new/improved infrastructure	Fiscal impact ($m)**
2014	Vietnam	Energy Generation/T&D	Coc San Hydro Power Project, Vietnam*	7.54	44.90	130,000	0.00
2014	Pakistan	Energy Generation/T&D	Metro Wind Power, Pakistan*	7.47	131.50	346,325	0.00
TOTAL 2014				**15.01**	**176.40**	**476,325**	**0.00**
2013	Cambodia	Agri-Infrastructure	Cambodia Salt Farm Development	2.48	2.90	0	0.50
TOTAL 2013				**2.48**	**2.90**	**0**	**0.50**
GRAND TOTAL				**17.49**	**179.30**	**476,325**	**0.50**

* These projects have been supported by InfraCo Asia Investments (US$ 21.7m)

** Includes the up-front fees due to a national government as a result of a privatisation, including concession fees and/or licence fees; total taxes paid over the first five years of the project; as well as the best (undiscounted) estimate of the subsidy savings for governments to be generated by the infrastructure project private sector investment (if applicable)

InfraCo Asia Projects that are under active development (and with JDSAs signed)				
Start Year	Country	Sector	Project	InfraCo Africa funding commitments ($m)
2012	Nepal	Energy Generation/T&D	Nyadi Hydropower Project, Nepal	0.50
2012	Nepal	Energy Generation/T&D	Kabeli A Hydropower, Nepal	5.50
2012	India	Agri-Infrastructure	Bikaner Mechanised Grain Market Infrastructure Development Project, Rajasthan, India	0.45
2012	Sri Lanka	Water, Sewerage and Sanitation	Sri Lanka Waste Management Project	5.40
2012	Pakistan	Energy Generation/T&D	Gul Ahmed Wind, Pakistan	7.87
2012	India	Agri-Infrastructure	Kota Mechanised Grain Market Infrastructure Development Project, Rajasthan, India	1.60
2012	Nepal	Energy Generation/T&D	Lower Mangang	2.00
TOTAL 2012				**23.32**
GRAND TOTAL				**23.32**

EAIF

EAIF supported projects that have reached financial close							
Year of financial close	Country	Sector	Project	EAIF funding commitments ($m)	Total investment commitments ($m)	People provided with new/improved infrastructure	Fiscal impact ($m)*
2014	Congo, DR	Industrial Infrastructure	Nyumba Ya Akiba Cement project, Democractic Republic of Congo	30.00	270.00	0	29.20
2014	Cote d'Ivoire (Ivory Coast)	Energy Generation/T&D	Ciprel Expansion, Cote d'Ivoire	34.30	347.00	3,915,094	44.69
2014	Ghana	Energy Generation/T&D	Kpone Independent Power Project, Ghana	22.00	0.00	0	0.00
2014	Kenya	Energy Generation/T&D	Kenya Power & Lighting Company Ltd (KPLC), Kenya	25.00	150.00	112,500	0.00
2014	Multiple countries (SSA)	Energy Generation/T&D	Smart Energy Solutions	20.00	20.00	901,228	0.00
2014	Nigeria	Energy Generation/T&D	Seven Energy (7E), Nigeria	29.60	300.00	35,275,168	257.50
2014	Nigeria	Energy Generation/T&D	Azura Power West Africa Ltd (Azura)	30.00	892.41	21,588,402	25.80
2014	Rwanda	Energy Generation/T&D	Gigawatt Solar Power, Rwanda	10.60	23.70	60,944	0.00
2014	Senegal	Energy Generation/T&D	Tobene Power, Senegal	32.00	159.00	2,051,791	1.60
2014	Tanzania	Telecoms	Helios Towers Tanzania – Vodacom Tower Project	10.00	10**	3,400,000	8.60
TOTAL 2014				**243.50**	**2,172.11**	**67,305,127**	**367.39**
2013	Congo, DR	Telecoms	Helios Towers, DRC	7.50	47.50**	1,774,000	42.11
2013	Nigeria	Industrial Infrastructure	Indorama Eleme Fertilizer & Chemicals Ltd (IEFC)	30.00	1,200.00	1,201,923	145.00
TOTAL 2013				**37.50**	**1,247.50**	**2,975,923**	**187.11**
2012	Cote d'Ivoire (Ivory Coast)	Energy Generation/T&D	Azito Energie Expansion, Cote d'Ivoire	30.00	430.55	5,260,000	7.50
2012	Ethiopia	Transport - Air	Ethiopian Airlines	30.00	1,025.00	1,454,544	0.00
2012	Ghana	Energy Generation/T&D	TICO Takoradi Expansion Project, Ghana	15.00	440.00	8,910,000	27.20
2012	Tunisia	Industrial Infrastructure	SPA Maghreb Tubes, Tunisia	17.00	24.00	0	7.34
2012	Uganda	Energy Generation/T&D	South Asia Energy Management Systems II (SAEMS) – Nyamwamba Hydro Station	6.00	30.00	587,850	25.00
TOTAL 2012				**98.00**	**1,949.55**	**16,212,394**	**67.04**
2011	Nigeria	Energy Generation/T&D	Tower Power Abeokuta Ltd, Nigeria	15.00	21.40	2,000,000	0.30
2011	Rwanda	Energy Generation/T&D	KivuWatt Ltd., Lake Kivu, Rwanda	25.00	142.23	2,496,600	11.00
2011	Sierra Leone	Agri-Infrastructure	Addax Bioenergy (SL) Ltd (Addax), Sierra Leone	31.31	493.00	2,103,000	0.00
2011	Tanzania	Telecoms	Helios Towers, Tanzania	15.00	0**	2,472,000	99.00
2011	Uganda	MultiSector	Kalangala Infrastructure Services Project, Uganda	4.40	0.00	0	0.00
2011	Uganda	Energy Generation/T&D	Kalangala Renewables, Uganda	2.60	0.00	0	0.00
TOTAL 2011				**93.31**	**656.63**	**9,071,600**	**110.30**
2010	Multiple countries (SSA)	Telecoms	O3b	25.00	1,331.00	50,000,000	0.00
2010	Senegal	Transport - Ports	Dakar Container Terminal, Senegal	17.02	293.66	0	61.60
2010	Tanzania	Industrial Infrastructure	ALAF, Tanzania	5.00	35.00	1,225,000	0.00
TOTAL 2010				**47.02**	**1,659.66**	**51,225,000**	**61.60**
2009	Algeria	Industrial Infrastructure	SPA Maghreb Tubes, Algeria	17.00	24.00	0	3.60

2009	Ghana	Telecoms	Zain Ghana	17.50	523.00	5,500,000	120.00
2009	Kenya	Energy Generation/T&D	Olkaria III	15.00	179.40	2,270,592	3.00
2009	Multiple countries (SSA)	Energy Generation/T&D	Aldwych Corporate – Project Development Loan	9.48	71.30	0	0.00
2009	Nigeria	Industrial Infrastructure	African Foundries Ltd, Nigeria	20.00	124.30	7,500,000	0.00
2009	Nigeria	Telecoms	Helios Towers	19.00	159.25**	3,300,000	157.00
TOTAL 2009				**97.98**	**1,081.25**	**18,570,592**	**283.60**
2008	Kenya	Energy Generation/T&D	Rabai Power Ltd	32.77	163.78	4,257,360	0.00
2008	Multiple Countries (SSA)	Industrial Infrastructure	Safal Investments Mauritius Limited Financing, Africa Regional	29.00	145.00	2,362,500	0.00
2008	Uganda	Energy Generation/T&D	Bugoye Hydro Power Plant	31.70	56.82	983,923	23.20
2008	Uganda	Energy Generation/T&D	South Asia Energy Management Systems (SAEMS) Hydro Stations	14.00	88.00	816,000	25.00
TOTA8 2008				**107.47**	**453.60**	**8,419,783**	**48.20**
2007	Congo, DR	Telecoms	Celtel Africa Telecoms Project DRC	8.00	197.00	1,200,000	0.00
2007	Madagascar	Telecoms	Celtel Africa Telecoms Project – Madagascar	2.00	114.00	0	0.00
2007	Malawi	Telecoms	Airtel Malawi (Former Celtel) Telecoms Project – Malawi	1.00	25.00	0	0.00
2007	Multiple Countries (SSA)	Telecoms	Seacom, Africa Regional	35.40	375.00	1,500,000	0.00
2007	Nigeria	Industrial Infrastructure	Eleme Petrochemicals Ltd, Nigeria	20.00	400.00	0	240.00
2007	Nigeria	Telecoms	Celtel Nigeria Telecoms Project, Nigeria	35.00	1,327.00	0	0.00
2007	Sierra Leone	Telecoms	Celtel Africa Telecoms Project – Sierra Leone	9.00	221.30	0	0.00
2007	Uganda	Telecoms	Celtel Africa Telecoms Project – Uganda	4.00	98.60	550,000	0.00
TOTAL 2007				**114.40**	**2,757.90**	**3,250,000**	**240.00**
2004	Mozambique	Mining	Moma Titanium Mineral Projects, Mozambique	36.50	477.00	27,500	0.00
2004	Nigeria	Telecoms	MTN Nigeria Communications Ltd, Nigeria	10.00	200.00	1,400,000	144.00
TOTAL 2004				**46.50**	**677.00**	**1,427,500**	**144.00**
2003	Cameroon	Energy Generation/T&D	AES-Sonel	35.50	554.00	2,071,000	72.00
2003	Multiple countries (SSA)	Telecoms	Mobile Systems International Cellular Investments Holdings BV (MSI) Expansion	30.00	260.00	0	0.00
TOTAL 2003				**65.50**	**814.00**	**2,071,000**	**72.00**
GRAND TOTAL				**951.18**	**13,469.20**	**180,528,919**	**1,581.24**

* Includes the up-front fees due to a national government as a result of a privatisation, including concession fees and/or licence fees; total taxes paid over the first five years of the project; as well as the best (undiscounted) estimate of the subsidy savings for governments to be generated by the infrastructure project private sector investment (if applicable)

** For confidentiality reasons, reporting is restricted to the DFI component only

GuarantCo

GuarantCo projects that have reached financial close							
Year of financial close	Country	Sector	Project	GuarantCo funding commitments ($m)	Total investment commitments ($m)	People provided with new/improved infrastructure	Fiscal impact ($m)*
2014	Cameroon	Telecoms	Cameroon Telecommunication Limited (CamTel)	12.00	18.90	2,251,337	0.00
2014	Nepal	Energy Generation/T&D	Lower Sulu, Nepal	28.20	191.00	4,214,882	1.90
2014	Nigeria	Energy Generation/T&D	Zenith Bank PLC, Nigeria	22.50	90.00	1,322,819	0.00
2014	Nigeria	Telecoms	Rack Centre, Nigeria	9.35	29.00	1,420,000	49.20
2014	Pakistan	Agri-Infrastructure	Fatima Fertilizer Company Limited, Pakistan	20.90	57.10	150,000	14.70
2014	Thailand	Energy Generation/T&D	Thai Biogas Energy Company (TBEC), Thailand	13.50	12.50	26,500	2.00
2014	Uganda	Industrial Infrastructure	Riley Packaging, Uganda	8.40	18.90	0	12.00
TOTAL 2014				**114.85**	**417.40**	**9,385,538.00**	**79.80**
2013	Ghana	Energy Generation/T&D	Quantum Terminals Limited (QTL), Ghana	5.40	28.50	2,182,950	5.16
2013	India	Transport - Road	Au Financiers Ltd, India	20.00	171.00	22,400	100.00
2013	Pakistan	Telecoms	Pakistan Mobile Telecommunications Limited (Mobilink), Pakistan	9.20	658.00	6,000,000	456.00
2013	South Africa	Transport - Road	SA Taxi Development Finance Proprietary Ltd (SATDF) II	15.00	23.50	350,577	0.00
2013	Sri Lanka	Transport - Road	Softlogic Finance, Sri Lanka	10.75	30.90	9,660	2.60
TOTAL 2013				**60.35**	**911.90**	**8,565,587.00**	**563.76**
2012	Cameroon	Telecoms	Cameroon Telecommunication Limited (CamTel)	20.00	203.00	2,600,000	0.00
2012	Kenya	Industrial Infrastructure	Kaluworks Limited, Kenya	9.00	35.10	225,000	12.00
TOTAL 2012				**29.00**	**238.10**	**2,825,000.00**	**12.00**
2011	India	Housing	Kumar Urban Development Ltd (KUDL) Slum Redevelopment, India	15.00	345.00	22,500	165.00
2011	Nigeria	Industrial Infrastructure	Tower Aluminium Group Limited, Nigeria	14.20	30.00	690,000	19.90
2011	Uganda	MultiSector	Kalangala Infrastructure Services Project, Uganda	1.74	0.00	0	0.00
2011	Uganda	Energy Generation/T&D	Kalangala Renewables, Uganda	1.06		0	0.00
TOTAL 2011				**32.00**	**375.00**	**712,500.00**	**184.90**
2010	India	Transport - Road	Shriram Transportation II, India	20.00	490.00	32,000	28.00
2010	Multiple countries (SSA)	MultiSector	Spencon, Uganda, Kenya & Tanzania	15.00	225.00	0	0.00
2010	Multiple countries (SSA)	Housing	Housing Finance Guarantee Africa (HFGA), SSA	5.00	223.00	36,000	0.00
2010	South Africa	Transport - Road	South Africa Development Finance Company	20.00	135.00	2,016,700	0.00
TOTAL 2010				**60.00**	**1,073.00**	**2,084,700.00**	**28.00**
2009	India	Industrial Infrastructure	Calcom Cement	25.00	120.80	306,000	0.00
2009	India	Housing	Ackruti City Ltd Slum Redevelopment, India	20.00	0.00	0	36.00
2009	West Bank & Gaza Strip (Palestinian Territories)	Telecoms	Wataniya Telecoms, West Bank	10.00	140.00	1,000,000	385.00
TOTAL 2009				**55.00**	**260.80**	**1,306,000.00**	**421.00**
2008	Chad	Telecoms	Celtel Chad Financing	8.00	33.00	0	5.80
2008	India	Transport - Road	Shriram Transportation I, India	18.30	420.00	128,000	0.00
TOTAL 2008				**26.30**	**453.00**	**128,000.00**	**5.80**
2007	Kenya	Industrial Infrastructure	Safal Roofing – Mabati Rolling Mills, Kenya	10.80	51.00	2,300,000	0.00
2007	Tanzania	Industrial Infrastructure	Safal Roofing – ALAF, Tanzania	5.20	29.30	980,000	0.00
TOTAL 2007				**16.00**	**80.30**	**3,280,000.00**	**0.00**
2006	Kenya	Telecoms	Celtel Kenya Refinancing	12.00	130.00	4,000,000	0.00
TOTAL 2006				**12.00**	**130.00**	**4,000,000**	**0.00**
GRAND TOTAL				**405.50**	**3,939.50**	**32,287,325**	**1,295.26**

* Includes the up-front fees due to a national government as a result of a privatisation, including concession fees and/or licence fees; total taxes paid over the first five years of the project; as well as the best (undiscounted) estimate of the subsidy savings for governments to be generated by the infrastructure project private sector investment (if applicable)

ICF-DP

ICF-DP supported projects that have reached financial close							
Year of financial close	**Country**	**Sector**	**Project**	**ICF-DP funding commitments ($m)**	**Total commitments ($m)**	**People provided with new/improved infrastructure**	**Fiscal impact ($m)***
2014	Nigeria	Energy Generation/T&D	Azura Power West Africa Ltd (Azura)	25.00	0.00	0	0.00
TOTAL 2014				**25.00**	**0.00**	**0**	**0.00**
2012	Ethiopia	Transport - Air	Ethiopian Airlines	30.00	0.00	0	0.00
2012	Ghana	Energy Generation/T&D	Takoradi International Company Ltd, Ghana	30.00	0.00	0	0.00
2012	India	Energy Generation/T&D	PowerGrid Corporation of India (PGCIL)	50.00	2,352.00	0	0.00
2012	Senegal	Energy Generation/T&D	Sendou Power Plant, Senegal	26.70	0.00	0	0.00
TOTAL 2012				**136.70**	**2,352.00**	**0**	**0.00**
2011	Iraq	Telecoms	Zain Iraq	50.00	1,069.00	3,500,000	0.00
2011	Multiple countries (SSA)	Transport - Rail	Rift Valley Railways (RVR)	20.00	0.00	0	0.00
2011	Senegal	Transport - Air	Aeroport International Blaise Diagne, Senegal	39.60	792.00	3,000,000	595.00
2011	Sierra Leone	Agri-Infrastructure	Addax Bioenergy (SL) Limited ("Addax"), Sierra Leone	27.70	0.00	0	0.00
TOTAL 2011				**137.30**	**1,861.00**	**6,500,000.00**	**595.00**
2010	Croatia (Hrvatska)	Energy Generation/T&D	INA Industrija Nafte, d.d., Croatia	66.00	**	2,464,000	0.00
2010	India	Housing	Ackruti City Ltd Slum Redevelopment, India	30.00	0.00	0	0.00
2010	Peru	Energy Generation/T&D	Calidda, Peru	35.00	235.00	675,000	0.00
2010	South Africa	Transport - Road	South Africa Development Finance Company	31.70	0.00	0	0.00
2010	Vietnam	Transport - Ports	Cai Mep Port, Vietnam	10.00	0.00	0	0.00
2010	Vietnam	Transport - Ports	Cai Lan Port, Vietnam	27.20	155.30	0	0.00
TOTAL 2010				**133.90**	**1,062.30**	**3,139,000**	**0.00**
GRAND TOTAL				**498.90**	**5,275.30**	**9,639,000**	**595.00**

* Includes the up-front fees due to a national government as a result of a privatisation, including concession fees and/or licence fees; total taxes paid over the first five years of the project; as well as the best (undiscounted) estimate of the subsidy savings for governments to be generated by the infrastructure project private sector investment (if applicable)

** It cannot be disclosed

Annex 4. Funds disbursed by PIDG Members

MEMBER Disbursements by Facility	**MEMBER**													NON MEMBER	
Disbursed ($m)	**DFID***	**DGIS**	**FMO**	**Sida**	**IFC/ World Bank**	**SECO**	**ADA-BMF**	**Irish Aid**	**ADB**	**DFAT**	**Norad****	**MFA**	**KFW**	**AECID**	**Total**
TAF	18.4	3.5	-	0.2	7.9	9.0	1.7	4.1	1.0	-	-	-	-	-	45.8
DevCo	49.8	5.5	-	3.3	11.7	-	7.0	-	-	-	-	-	-	-	77.3
InfraCo Africa Development	63.3	35.5	-	-	-	22.5	6.4	-	-	-	-	-	-	-	127.7
InfraCo Africa Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
InfraCo Asia Development	52.9	-	-	-	-	9.0	-	-	-	14.3	-	-	-	-	76.2
InfraCo Asia Investment	21.7	-	-	-	-	-	-	-	-	-	-	-	-	-	21.7
EAIF	322.9	27.0	-	20.0	-	18.2	-	-	-	-	-	-	-	-	388.1
GuarantCo	196.9	-	34.0	15.0	-	31.0	-	-	-	-	-	-	-	-	276.9
GAP	3.5	-	-	-	-	-	-	-	-	-	-	16.7	-	-	20.2
ICF Debt Pool	-	-	-	-	-	-	-	-	-	-	-	-	8.7	-	8.7
AgDevCo	67.0	-	-	-	-	-	-	-	-	-	-	-	-	-	67.0
Administration	4.7	2.9	-	2.4	2.7	3.1	1.5	1.6	-	0.6	-	-	1.3	0.3	21.0
Project Development	2.6	0.1	-	0.1	0.3	0.3	-	-	-	-	0.5	-	-	-	4.0
Totals	**803.7**	**74.5**	**34.0**	**41.0**	**22.6**	**93.1**	**16.6**	**5.7**	**1.0**	**14.9**	**0.5**	**16.7**	**10.0**	**0.3**	**1,134.6**
Total less admin	**799.1**	**71.6**	**34.0**	**38.6**	**19.9**	**90.0**	**15.1**	**4.1**	**1.0**	**14.3**	**0.5**	**16.7**	**8.7**	**-**	**1,113.6**

*This includes GBP500,000 provided by the Department of Energy & Climate Change (DECC) to support the establishment of Green Africa Power (GAP)
** For GAP feasibility and design only (not a PIDG Member)

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Australian Department of Foreign Affairs and Trade
www.dfat.gov.au

Austrian Development Agency
www.ada.gv.at

Irish Aid
www.irishaid.gov.ie

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Swiss State Secretariat for Economic Affairs
www.seco-cooperation.ch

The World Bank Group
(Currently represented by the International Finance Corporation)
www.worldbank.org
www.ifc.org

UK Department for International Development
www.dfid.gov.uk

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