# PIDG2013

## 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

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: Dakar Port, Senegal**
**With EAIF support, the port has seen substantial expansion to its container capacity, resulting in increased trading opportunities for Senegal and neighbouring landlocked countries**

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

PIDG
Annual Report
2013

# 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 |
| **DAC** | Development Assistance Committee of the OECD |
| **DAC I** | Least Developed Countries, as listed in Column I of the DAC List of ODA Recipients |
| **DAC II** | Other low income countries, as listed in Column II of the DAC List of ODA Recipients |
| **DAC III** | Lower middle income countries and territories, as listed in Column III of the DAC List of ODA Recipients |
| **DAC IV** | Upper Middle Income Countries and Territories, as listed in Column IV of the DAC List of ODA Recipients |
| **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 Limited |
| **FAIR** | Frontier Africa Investment Resource |
| **FDI** | Foreign Direct Investment |
| **FMFML** | Frontier Markets Fund Managers Limited |
| **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 Limited |
| **IAI** | InfraCo Asia Investments |
| **ICF-DP** | Infrastructure Crisis Facility - Debt Pool LLP |
| **IFC** | International Finance Corporation |
| **IFI** | International financial institution |
| **InfraCo Africa** | InfraCo Africa Limited |
| **InfraCo Asia** | InfraCo Asia Development Pte. Limited |
| **IPP** | Independent power producer |
| **JDA** | Joint Development Agreement |
| **JDSA** | Joint Development Shareholder Agreements |
| **KfW** | KfW Entwicklungsbank (German government-owned development bank) |
| **MENA** | Middle East and North Africa |
| **OBA** | Output based aid |
| **ODA** | Official development assistance |
| **OECD** | Organisation for Economic Co-operation and 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 |
| **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 |

# Foreword

It is a pleasure for me to share the PIDG 2013 results with you. 2013 has been an important year for PIDG with the implementation of the recommendations of its 2012 Strategy Review in order to ensure PIDG's internal operating architecture, governance and reporting systems can support the growth anticipated in the coming years.

Members' confidence in, and commitment to, PIDG is reflected in increased financial contributions allowing for continued expansion of operations across all Facilities. Members' cumulative lifetime investment to the PIDG Trust reached US$958m and, through existing multi-year commitments by DFID and SECO, in 2014 investment will reach and exceed US$1bn. At the Facilities level, there has been good progress in increasing capacity by moving to a multi-developer model (InfraCo Asia and InfraCo Africa) and getting Green Africa Power (GAP) off the ground.

Whilst 2013 was a successful year in terms of projects reaching financial close, the PIDG Facilities had mixed success in making new project commitments. However, given the continued fallout of the financial crisis, and the slow pace of project development, the Facilities' performance need to be viewed in the context of their annual incremental growth, their steady progress in meeting their objectives, and how they adjust their activities to achieve PIDG's strategic direction and maintain market relevance.

In that respect, PIDG Facilities showed how they can make a difference: increasing transactions in post-conflict and fragile states, expanding PIDG's footprint on the African continent, opening up Myanmar to private sector participation, creating innovative transactions such as PIDG's first local currency guarantee backed Sharia-compliant bond financing in Pakistan, and applying PPP structures in new infrastructure sectors such as the Kampala solid waste management project and the public street lighting and solid waste management projects in the state of Odisha.

PIDG has been able to create a unique, highly regarded, and successful operating model. By drawing effectively on outsourced expert service providers and experienced board members, PIDG has established a strong track record in reaching out to projects in frontier markets which otherwise might not get financed. Throughout its history, PIDG has actively encouraged innovation, creativity and entrepreneurial spirit to respond to prevailing market conditions and thus has managed to grow operations and funding significantly in the past three years.

I look forward to working with PIDG Members and the Facilities as PIDG continues to grow and responds to the forthcoming challenges with a view to addressing additional gaps that are identified. This is especially true post financial crisis as we see how traditional financial sources are constrained and there is a need, more than ever, for increased partnerships.

Indeed, the environment in which PIDG operates continues to be shaped by the after effects of the global financial crisis. IFIs face capital constraints, and commercial banks are below pre-crisis levels as they deal with weak balance sheets and regulatory pressure to avoid or limit long-term structured finance. The traditional donor governments are also experiencing a constrained fiscal environment and greater public scrutiny of aid spending. As a result, there is a growing interest in the contributions private sector enterprise can make to poverty alleviation and an understanding that there is a need to further leverage the existing sources of finance (be they official or commercial) with alternative sources of debt and equity.

PIDG is well placed to take a leading role in this area as it has a successful track record of engaging the private sector, mobilising and delivering sustainable commercial returns on investments in some of the poorest countries in the world, and securing measurable poverty reduction and economic growth. As a result, and notwithstanding the challenging market conditions, the past year has brought new opportunities and increased funding to PIDG Facilities.

Of course, with increased funding comes increased responsibility, and PIDG must also continue to show accountability for public funds through appropriate monitoring, measuring and evidencing of poverty reduction and economic growth. Furthermore, across the Facilities PIDG must continue to innovate, not only in mobilising private capital but also in creating financial efficiencies and making aid go farther with greater impact.

As we look ahead, the continued need for significant investment in infrastructure provision requires the pursuit of alternative sources of capital (including but not limited to private equity funds, pension funds, sovereign wealth funds, social impact investors and local investors). New players are looking to enter the market, though not necessarily at the frontier. This is where PIDG can take a lead, demonstrating that investment in infrastructure in lower income countries can be viable and that the risk profile may not always be as high as perceived and can often be managed through various risk mitigating measures.

Infrastructure is top of the agenda at the G20 as the Investment Infrastructure Working Group looks at ways to unlock private sector investment, particularly in infrastructure and SMEs. Areas the group is looking at include ways in which countries can improve the intermediation of domestic and global savings to finance long term investment, actions that can improve project preparation, planning and funding, and options to optimise the use of existing multilateral development bank resources in infrastructure investment. This is a debate that PIDG looks forward to contributing to in the coming months. PIDG can use both its experience and its success to become an effective advocate for the involvement of the private sector and its distinct approach to development.

Before concluding, I would like to take this opportunity to extend my thanks to my predecessor as Executive Director, Ed Farquharson. Ed stepped down in September 2013, having joined the PIDG PMU at the end of 2011, and so deserves our thanks and appreciation for many of the achievements set out in this 2013 Annual Report. I wish him the very best in his new assignment at the EIB's European PPP Expertise Centre. On behalf of PIDG, I also would like to thank Gunter Schall (ADA) for his work as Chair of the Governing Council in 2013.

**Philippe Valahu**
**Executive Director**

# PIDG in numbers

## 2013

**US$103.1m**
committed to 19 new projects

**12 projects**
reached financial close, 6 in fragile states

**US$2.2bn**
mobilised from the private sector and DFIs

**8 projects**
became commercial operations

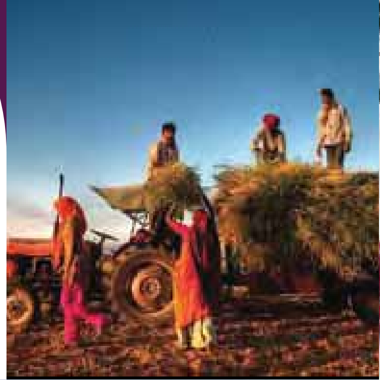
## 2003-2013

**99 projects in 57 countries**
have closed since 2003 mobilising US$27.9bn

**46 projects**
are now operational, delivering a range of new and improved services, in power, transport, agri-infrastructure and manufacturing to local people and businesses

# PIDG in pictures






# Introduction to PIDG

The Private Infrastructure Development Group (PIDG) is a multi-donor organisation committed to mobilising private sector investment in infrastructure in countries where investors are scarce, experience is limited and the level of public funds and long-term private sector financing available to meet the infrastructure need is constrained. It does so in the belief that infrastructure is vital to boost economic growth and combat poverty. PIDG-supported projects are designed to deliver improved infrastructure services that have transformational economic and social benefits.

Demand for infrastructure services is estimated to be in the tens of billions of dollars annually in the countries in which PIDG operates. In sub-Saharan Africa infrastructure standards, in terms of density and coverage, remain significantly lower than other developing countries, despite increasing investments. At the same time, risk aversion in the capital markets continues to be a constraint to the need for infrastructure assets in low-income countries.

PIDG's strategy is to push the perceived boundaries of risk in investing in developing countries in order to incentivise and demonstrate to the private sector that it is able to make commercial investments with an acceptable risk-return profile. This strategy is underpinned by the private sector composition of the PIDG Facilities, which gives PIDG a competitive advantage through its commercial approach to finding and developing projects.

PIDG's positive market reputation and relevance is demonstrated by the demand for its services, as indicated by its project commitments and the strength and depth of the pipelines of its Facilities.

Together, PIDG Members commit funds that are invested through a portfolio of Facilities to mobilise and increase flows of local, regional and international investor capital, lending and expertise for infrastructure investments.

Activities of the PIDG Facilities fall into 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 and expertise** in Africa and Asia (InfraCo Africa and InfraCo Asia).

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

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

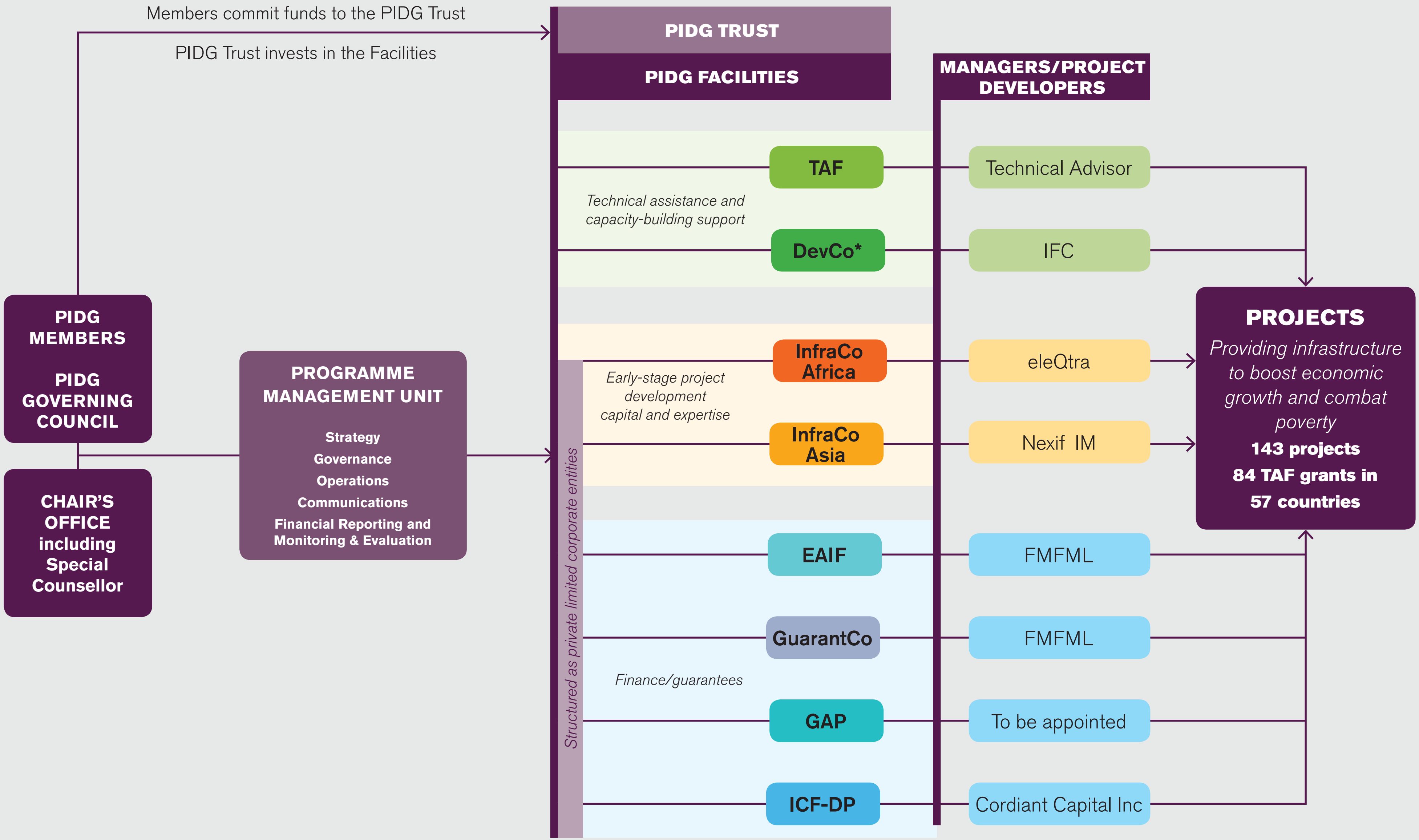
## PIDG MEMBERS

| | |
|---|---|
| **ADA /BMF** | Austria (joined 2007) |
| **DFAT** | Australia (joined 2012) |
| **DFID** | United Kingdom (joined 2002) |
| **DGIS/FMO**[1] | The Netherlands (joined 2002) |
| **Irish Aid** | Ireland (joined 2008) |
| **KfW** | Germany (joined 2009) |
| **SECO** | Switzerland (joined 2002) |
| **Sida** | Sweden (joined 2002) |
| **World Bank Group** | 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.

# 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 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 combating poverty in developing countries***

| Technical Assistance Facility | DevCo | InfraCo Africa Ltd | InfraCo Asia Development Pte Ltd | The Emerging Africa Infrastructure Fund Ltd | GuarantCo Ltd | Green Power Africa LLP | Infrastructure Crisis Facility - Debt Pool LLP |
|---|---|---|---|---|---|---|---|
| **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 | 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 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 |
| 2004 | 2003 | 2005 | 2010 | 2002 | 2006 | 2013 | 2009 |

# PIDG 2013

## Overview

Overall PIDG continues to spread its reach and introduce innovative solutions to support the infrastructure project cycle in the countries and sectors in which it operates. In doing so, it strives to remain consistent with its mission to catalyse infrastructure development and crowd-in private sector investment to promote economic growth and reduce poverty in some of the poorest countries in the world.

2013 was a defining year in implementing the recommendations and three-pronged approach of the PIDG Strategy Review 2012 to support another decade of sustained growth. Significant progress was made in transitioning to a multi-developer platform in the project development Facilities, expanding funding sources for EAIF and GuarantCo as well as operationalising the most recent addition to the PIDG Facilities, Green Africa Power (GAP). Less visible, but equally important, was work on PIDG's internal operating architecture, governance and reporting systems.

Operationally, while 2013 was a successful year in terms of projects reaching financial close and commencing commercial operations, the PIDG Facilities had mixed success in making new project commitments. Given the market challenges and the slow pace of project development, the Facilities' performance should be viewed in the context of their annual incremental growth, their steady progress in meeting their objectives, and how they adjust their activities to achieve PIDG's strategic direction and maintain market relevance.

### Strategy 2013-2017

**PIDG's approach to infrastructure development**

**1**
Focus on the more challenging infrastructure sectors for private sector participation

**2**
Build increased investment in the early stages of the infrastructure project cycle

**3**
Concentrate on projects in DAC I and II countries and fragile states[2]

### Operating at the frontier

A multi-billion dollar infrastructure financing gap continues to exist in PIDG's target markets. PIDG can only ever make a limited contribution, but it can act as a leader and demonstrate viability to the wider market, thereby crowding-in other investors. PIDG's competitive advantage comes through its capital structure and risk appetite, supported by its relatively small size and focus on infrastructure. These factors combined, and underpinned by unwavering support from PIDG Members, enable the PIDG Facilities to tackle projects at the "frontier".

The frontier for PIDG is the point at which market failures prevent the private sector from investing in otherwise commercially viable infrastructure projects. These market failures - most commonly a misperception of risk - render these projects incapable of attracting private sector capital from either domestic or foreign markets.

Through this focus on infrastructure projects in developing countries, where others are not quite ready to invest, PIDG can maximise its impact. It does so by demonstrating to other investors the commercial viability of the market, creating the conditions for the scale-up of private flows of capital into infrastructure and catalysing further private sector investments into those markets.

2 See Annex 1 for OECD DAC List of ODA Recipients and Annex 2 for list of Fragile States.

# In 2013, the PIDG Facilities worked to set the stage for further growth

## *Finding innovative solutions to changing markets*

*In pursuit of its mission and delivery of its stategy, PIDG Members encourage the Facilities to innovate and are willing to adjust or create new Facilities as required. The flexible structure of PIDG enables it to be responsive and to implement new solutions without the lag experienced by some organisations*

### Meeting its strategic goals to expand transaction origination capacity:

**GuarantCo** increased its management team, established a presence in Nairobi and dedicated staff to French-speaking West Africa.

**Benefit: A substantial increase in its transacton pipeline.**

### Providing post-transaction support and assistance to governments who want to conduct direct negotiations to improve project sustainability:

**DevCo** has been mandated to respond to market demand and offer these services to support capacity development.

**Benefit: More prospective clients, a strong pipeline of projects and increased impact.**

### Moving to a multi-developer model to increase development activity:

**InfraCo Africa** implemented its plan to draw on multiple diverse sources of project development expertise. **InfraCo Asia** will also move towards this model in 2014.

**Benefit: A scale-up of operations, an increased focus of its developer teams and the number of projects that will reach financial close.**

### Increasing economic activity through cross-border trade:

PIDG Members approved the provision of up to GB£35m (US$58.59m) for **InfraCo Africa** to develop trade corridor infrastructure projects in Southern, East and West Africa to catalyse equity investments into key development and trade initiatives.

**Benefit: Opportunity for PIDG to develop innovative approaches to project development in extremely challenging contexts and prove commercial viability to the private sector and DFIs.**

### Opening up Myanmar to private sector participation:

**InfraCo Asia** will establish a dedicated programme to support project development in Myanmar in light of high levels of poverty and the urgent need for infrastructure investment.

**Benefit: By assuming the high risks and costs of project development, InfraCo Asia has a real opportunity to make infrastructure projects happen where they would not otherwise.**

### Expanding PIDG's footprint on the African continent:

Harith General Partners, a South African infrastructure private equity fund manager, acquired FMFML, the fund manager of **EAIF** and **GuarantCo**.

**Benefit: Through FMFML, Harith's strategic relationships, expertise and complementary product offerings will advance the objectives and vision of the two Facilities.**

### Increasing the number and size of projects with strong pro-poor benefits:

Expanding the Viability Gap Funding (VGF) window of **TAF** to provide upfront grants to support infrastructure projects with strong pro-poor outcomes.

**Benefit: improves the commercial viability of projects and makes them more attractive to private sector financing and potential operators, as well as ensuring the services are affordable to all sectors of society.**

### Increasing transactions in post-conflict and fragile states:

**GuarantCo's** Guarantee Policy was amended by the PIDG Members so as to allow it to conduct US dollar transactions in fragile states in limited circumstances. Often these states do not have an operative local currency, making project financing in local currency extremely difficult. GuarantCo can issue US dollar guarantees, provided the involvement of local banks is maximised and doing so does not expose borrowers to unmitigated currency exposures.

**Benefit: The change has increased deal flow and commitments to fragile states.**

### Increasing investment in the early stage of the infrastructure value chain, where it is most needed:

Recognising the limited availability of affordable and long-term capital for frontier projects, particularly since the financial crisis, **EAIF** proposed a long-term mezzanine or quasi-equity capital funding window for commercially viable projects with high development impact. Approved by the PIDG Members in 2013, Frontier Africa Investment Resource (FAIR) will be implemented in 2014 as a parallel entity to EAIF.

**Benefit: More infrastructure projects with high development impact in frontier markets brought to financial close.**

PIDG Members approved the establishment of a new company. Operating along similar lines to **InfraCo Asia Investments Pte. Ltd**, it will be able to make longer-term investments in both **InfraCo Africa** and third party projects at or before financial close.

**Benefit: Addresses the lack of early-stage investment capital at financial close and enables the retention of investment in projects post financial close, enabling InfraCo Africa to benefit from the premium accrued during construction. These returns will be channelled back into developing more projects.**

### Creating innovative transactions:

The Facilities routinely seek imaginative approaches to seemingly intractable problems, creating innovative financing solutions and responding to market gaps that, if addressed, allow for increased infrastructure development.

**GuarantCo** developed PIDG's first Sharia-compliant financing, extending a guarantee to support the issue of a Sukuk (Islamic bond) by Mobilink in Pakistan, thereby crowding-in a new group of Islamic investors. (see page 82).

**Benefit: GuarantCo has identified opportunities to apply the model in a number of African countries.**

### Testing PPP structures in new infrastructure sectors:

**DevCo** has adapted PPP structures to new sectors such as street lighting and solid waste management, as well as tailoring the approach to small scale projects.

**Benefit: PIDG is able to extend its reach and develop proof of concept approaches to support the delivery of vital infrastructure services.**

PIDG Members' support will exceed US$1bn in 2014

## Funding

During 2013, the PIDG Members' contributions across the PIDG Facilities have allowed for continued expansion of operations with the corresponding potential development impact. PIDG Members' cumulative lifetime investment to the PIDG Trust totalled US$958.8m in 2013 and, through existing multi-year commitments by DFID and SECO, in 2014 investment will reach and exceed US$1bn. The multi-year commitments by PIDG Members provide the Facilities with the liquidity to plan and execute their strategies, as well as to assure the market of their financial stability.

Table 1 and Figure 1 illustrate over 10 years of sustained investment in the PIDG Trust by its Members and demonstrates the significant increase in investment in the past five years.

- DFID, SECO, Sida, Irish Aid, IFC and DFAT disbursed US$276.2m[3] for general administration and investments in EAIF, GAP, GuarantCo, InfraCo Asia, InfraCo Africa, TAF and an Affiliated Facility – AgDevCo.
- Australia, PIDG's most recent Member, disbursed AUD9.5m (US$9.26m) to the PIDG Trust for InfraCo Asia Development and will make an additional commitment in 2014.
- SECO's contribution of US$32.3m in 2013 is the first in its US$62m four-year funding programme. Its commitment to PIDG is one of the largest bilateral grants that SECO has ever made.
- DFID contributed US$233.1m in the second year of its four-year programme of performance-based support. In line with DFID's Contestibility Mechanism US$2m was deducted because GuarantCo did not meet targets set in 2011.[4]

3 Includes contributions to general administration.

4 In 2013 GuarantCo exceeded their targets – reflecting the irregular year to year project commitments by Facilties.

### DFID's Contestability Mechanism

DFID's Contestability Mechanism links the amount of DFID funding for a PIDG Facility to the development impact results it achieves.

Each Facility has set performance targets for the year in its logframe, including the number of projects, amount of financing mobilised, its focus on the poorest and fragile countries and number of people provided with new or improved infrastructure services. At the end of each year actual performance is compared against these targets for the Facilities that DFID funds. If a Facility fails to reach its targets, DFID can reduce future funding by up to 5%. If a Facility meets or exceeds its targets, then it is eligible to apply for additional funding.

This innovative funding mechanism is delivering results, as these examples demonstrate:

In 2011 GuarantCo did not meet its agreed targets and a funding penalty was applied. Consequently in 2013 the Board implemented a range of strategies designed to increase staff capacity and the flow of deals in order to ensure targets were met. GuarantCo closed the year having exceeded the targets set for 2013.

Having met their targets in previous years, EAIF and InfraCo Asia successfully applied for additional funding under the Contestibility Mechanism to support the establishment of FAIR and InfraCo Asia's Myanmar programme.

## Table 1: Members' disbursements to the PIDG Trust (2002 – 2013) US$m

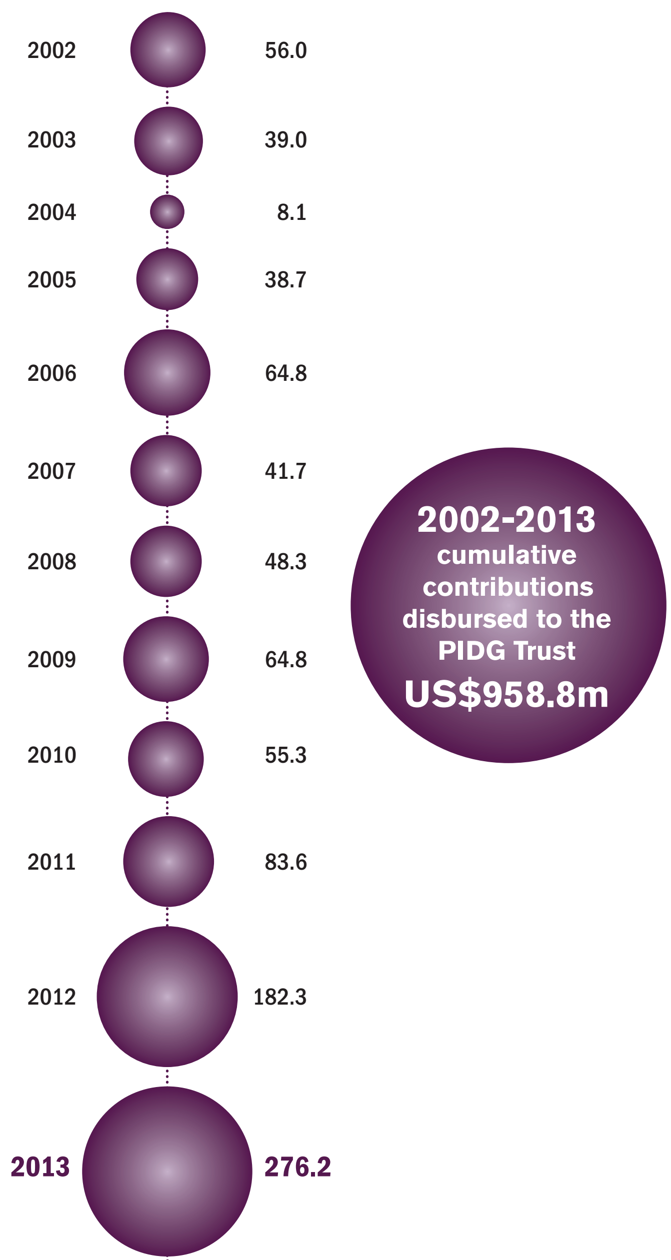
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADA-BMF | | | | | | 2.2 | 7.2 | 0.2 | 7.7 | 2.6 | 0.2 | - | 20.1 |
| ADB* | - | - | - | - | - | - | - | - | 1.0 | - | - | - | 1.0 |
| DFAT | | | | | | | | | | | - | 9.7 | 9.7 |
| DFID | 56.0 | 8.9 | 1.3 | 31.0 | 14.5 | 15.7 | 22.3 | 29.8 | 23.5 | 54.4 | 172.3 | 233.1 | 662.8 |
| DGIS | - | 5.8 | 0.1 | 1.5 | 11.2 | 6.1 | 1.2 | 10.3 | 8.7 | 21.6 | 8.0 | - | 73.6 |
| FMO** | - | - | - | - | 25.0 | - | - | - | 9.0 | - | - | - | 34.0 |
| IFC | | | 6.5 | 0.7 | 8.0 | 2.2 | 3.2 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 | 22.3 |
| Irish Aid | | | | | | 1.5 | 2.8 | - | - | 0.6 | 0.5 | 0.3 | 5.7 |
| KFW | | | | | | | | 10.0 | - | - | - | - | 10.0 |
| SECO | - | 10.0 | 0.1 | 0.2 | 5.0 | 5.9 | 1.1 | 13.4 | 4.3 | 3.9 | 0.4 | 32.3 | 76.6 |
| Sida | - | 15.0 | 0.1 | 5.2 | 1.6 | 8.3 | 10.4 | 0.8 | 0.8 | 0.3 | 0.4 | 0.4 | 42.8 |

***PIDG's organisational flexibility and range of Facilities allow PIDG Members to target their funding according to their own priorities. This makes PIDG attractive to a broad range of Members who share the same overall mission but have differing priorities. Annex 4 details funds disbursed by Members to Facilities.***

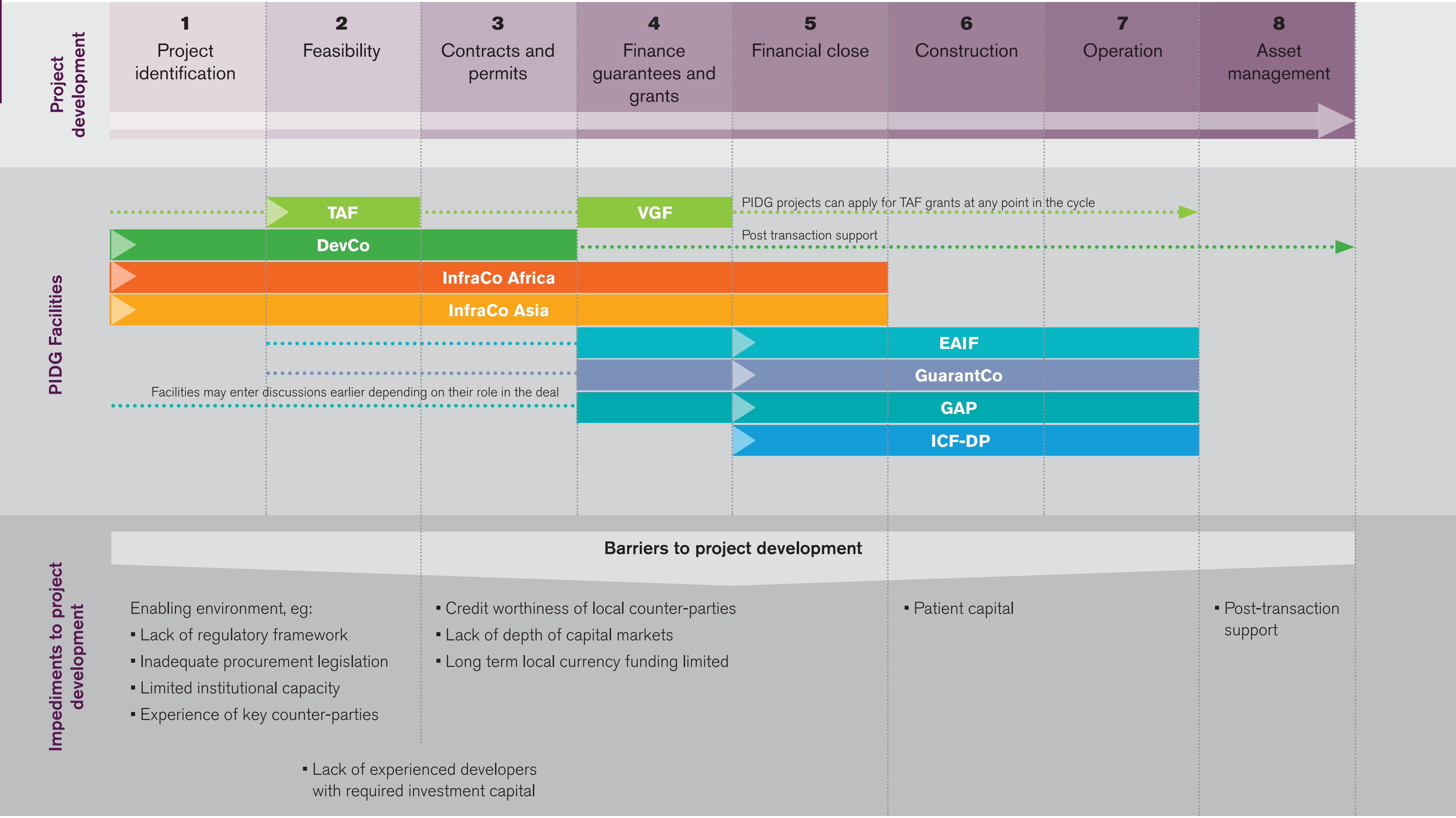
Joined PIDG in this year

* ADB is not a PIDG Member but has provided funding to the PIDG Trust to support TAF.
** FMO funds are disbursed directly to GuarantCo.

## Figure 1: Annual contributions disbursed to the PIDG Trust (2002 – 2013) US$m



# PIDG PROJECT DEVELOPMENT



## Defining 'financial commitments' and 'financial close'

PIDG Facilities provide different types of funding support to projects; a 'financial commitment' refers to a formal commitment by a PIDG Facility to support the funding of a project. The nature and timing of the commitment will reflect the activity of the PIDG Facility. The definition of 'financial close' also depends on the type of PIDG Facility.

| Facility | Financial commitment | Equity sale | Financial close |
|---|---|---|---|
| **DevCo** | DevCo project preparation and transactional advisory support costs, committed when DevCo signs a financial advisory agreement mandate | | Contract awarded to private sector investors |
| **TAF** | Size of grant made available to support a PIDG Facility project | | N/A |
| **InfraCo Africa and InfraCo Asia** | Total project development costs committed by the Facility when a joint development agreement with a development partner is signed | Signature of equity sale agreements for some or all of the Facility's equity rights in a project to a private sector investor | Signature of agreements by all investors and lenders to meet total funding needs for completion of a project |
| **EAIF and ICF-DP** | Value of loan agreement signed with borrower as at financial close | | 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 | | |

### Table 2: Cumulative number of PIDG projects at each key stage

| Facility | Commitment | Financial close | Operational |
|---|---|---|---|
| DevCo | 28 | 24 | 11 |
| InfraCo Africa | 3 | 8 | 3 |
| InfraCo Asia | 10 | 1 | 1 |
| EAIF* | 38 | 38 | 20 |
| GuarantCo* | 23 | 23 | 9 |
| ICF-DP* | 14 | 14 | 3 |
| **TOTAL PIDG (GROSS)** | **116** | **108** | **47** |
| **TOTAL PIDG (NET)** | **109** | **99** | **46** |

* As per the definitions in the table opposite commitment and financial close occur concurrently.

Gross numbers are the summation of the number of PIDG projects for each individual Facility. Net numbers have been adjusted to eliminate double counting of projects co-financed by more than one PIDG Facility.

The timing of each stage is uneven, project-specific and often measured in years. Projects in the pipeline can stall or be delayed due to commercial issues with the project, only to be revived many months or a year later, once the issues are resolved. This is reflected in the irregular year-to-year changes in each of the project commitments of the individual Facilities.

# Financial commitments

## Consistent operational growth over time

By 31 December 2013 cumulative commitments crossed the US$1.6bn level for 225 projects[5] in 57 countries. 69% of these commitments are in sub-Saharan Africa and 19% in Asia. In 2013, the PIDG Facilities committed US$117.1m to 19 new infrastructure projects and 15 TAF grants.

The total funding amount committed in 2013 is less than the amount committed in 2012 and is indicative of the type and nature of the projects that were approved. The average size of a commitment was US$5.4m (excluding TAF), reflecting the smaller amounts committed by DevCo to the 12 projects it advised on in 2013. In contrast EAIF and ICF-DP, which make large capital commitments, committed to fewer projects in 2013.

5 These include active, closed and projects that do not generate investment. Numbers have been adjusted to eliminate double counting of projects co-financed by more than one PIDG Facility.

### Table 3: Financial Commitments by Facility

| | Cumulative at end 2013 | | 2013 | | 2012** | |
|---|---|---|---|---|---|---|
| Facility | Value (US$m) | # of projects | Value (US$m) | # of projects | Value (US$m) | # of projects |
| **Project Preparatory Facility** | | | | | | |
| **DevCo** | 36.7 | 55 | 5.2 | 12 | 6.9 | 9 |
| **Project Development Facilites** | | | | | | |
| **InfraCo Africa** | 50.7 | 11 | 0.0 | 0 | 0.0 | 0 |
| **InfraCo Asia Development** | 35.1 | 11 | 0.0 | 0 | 26.6 | 11 |
| **Project Financing Facilites** | | | | | | |
| **EAIF** | 707.7 | 38 | 37.5 | 2 | 98.0 | 5 |
| **GuarantCo** | 290.7 | 23 | 60.4 | 5 | 29.0 | 2 |
| **ICF-DP** | 473.9 | 14* | 0.0 | 0 | 136.7 | 4 |
| **PIDG sub total (ex TAF) gross** | 1,594.8 | 152 | 103.1 | 19 | 297.2 | 31 |
| **PIDG sub total (ex TAF) net** | 1,594.8 | 143 | 103.1 | 19 | 297.2 | 29 |
| **Technical Assistance Facility** | | | | | | |
| **TAF grants** | 32.3 | 84 | 14.0 | 15 | 2.3 | 13 |
| **TOTAL PIDG GROSS** | 1,627.1 | 236 | 117.1 | 34 | 299.5 | 44 |
| **TOTAL PIDG NET** | 1,627.1 | 227 | 117.1 | 34 | 299.5 | 42 |

* Cai Mep Port, Vietnam, is at a standstill and is to be restructured starting 2017
** Figures reported in the Annual Report 2012
*** Figures reported in the Annual Report 2011
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.

# Facilities performance in 2013



*PIDG continues its sustained growth of financial commitments*

## TAF

TAF's overall commitments soared from US$2.3m in 2012 to US$14m in 2013, reflecting increased uptake of the VGF window by the other PIDG Facilities. VGF utilises up-front capital grants to attract private financiers to infrastructure projects with strong pro-poor benefits. US$12.1m was committed via the VGF window to three projects developed by InfraCo Asia, DevCo and GuarantCo. Strong demand for TAF assistance reflects recognition by the other PIDG Facilities of a need to strengthen the enabling environment, build capacity and develop local capital markets.

## DevCo

DevCo was very active and continued to expand the pace of the number of projects in which it is engaged. Twelve new projects started[6] and four reached financial close in difficult sectors, such as solid waste management, and in fragile states, such as Liberia. Getting its projects to closure remains challenging and time consuming due to the complexity of public sector processes and approvals. However its successful track record and the demonstration effect of prior projects has created a level of trust and relationships resulting in "repeat" clients, such as the State Government of Odisha, asking for support in new sectors and new clients requesting post-transaction support.

6 Of the 12 projects where DevCo committed funds in 2013, 11 had mandates signed and one (Liberia Amended Contract) did not have a formal mandate signed.

## InfraCo Africa

A lack of new commitments in 2013 by InfraCo Africa masks the building blocks put in place for its continued growth and ongoing developments in its portfolio of projects. InfraCo Africa's priorities for the year were the recruitment of an internal management team, the extension of the contract with eleQtra (its principal developer), the resolution of the funding constraints that had hampered its existing development team and the implementation of a new multi-developer model. The new model is designed to increase the scope, investment rate and coverage of its project development activities, providing value for money in its selection process.

## InfraCo Asia

Launched in 2010, InfraCo Asia had its first project reach financial close in 2013 - demonstrating proof of concept. Having made 11 commitments in 2012, Nexif, InfraCo Asia's appointed developer, focused in 2013 on turning these commitments into bankable projects. 2013 also saw the beginning of the initial steps toward the multi-developer model, and additional developer teams will be selected in 2014.

## EAIF

EAIF, with a strong 12-year track record of successfully providing long-term finance, is well established in Africa as a commercially-oriented and reliable long-term lender. Its 2013 performance reflects that finalising agreements are largely out of the control of lenders: it signed only two new projects, with six board-approved transactions pending financial close at year-end.

## GuarantCo

GuarantCo had its most successful year ever, closing five guarantees. This reflects its strategy to expand its business by putting the staffing resources in place to match its increased funding, resulting in substantially more commitments and new business. While high local interest rates continue to deter some project promoters from tapping local currency, GuarantCo has succeeded in demonstrating the benefits. It has also been able to target post-conflict and fragile states with its new flexibility to support state-owned sponsors where there is no prospect of a private sector solution, and to offer US dollar transactions where suitable risk mitigation exists and local or regional lenders are encouraged to participate.

## ICF-DP

Although ICF-DP did not make any new commitments in 2013, a robust pipeline is in place with the potential for five large scale investments in Africa. The existing portfolio performed well with some restructuring/loan recovery work completed. To date a total of US$474m has been invested in 14 projects with a further US$280m available until 2015 when the fund will close.

Figure 2: Facility commitments to PIDG-supported projects that reached financial close in 2013

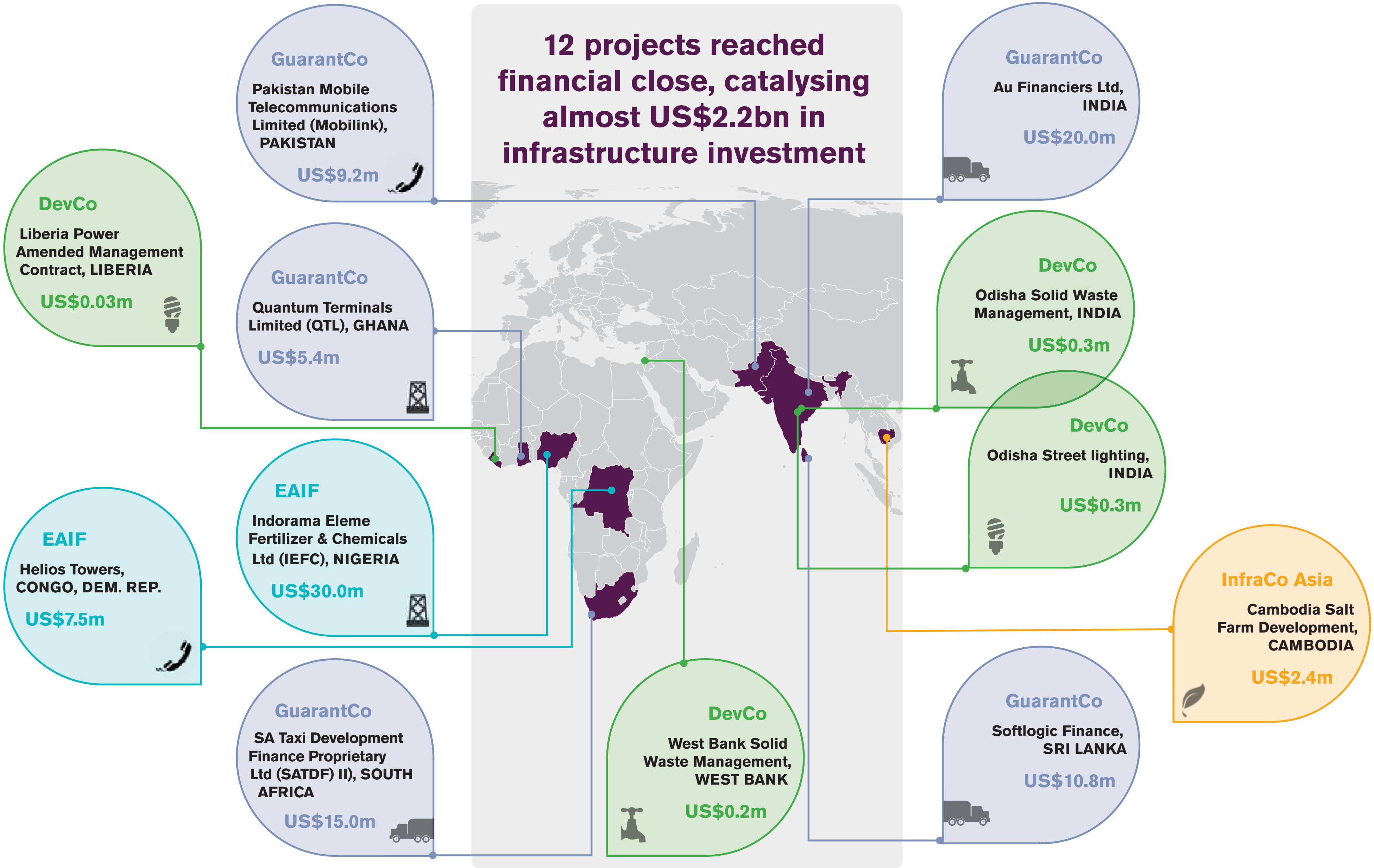
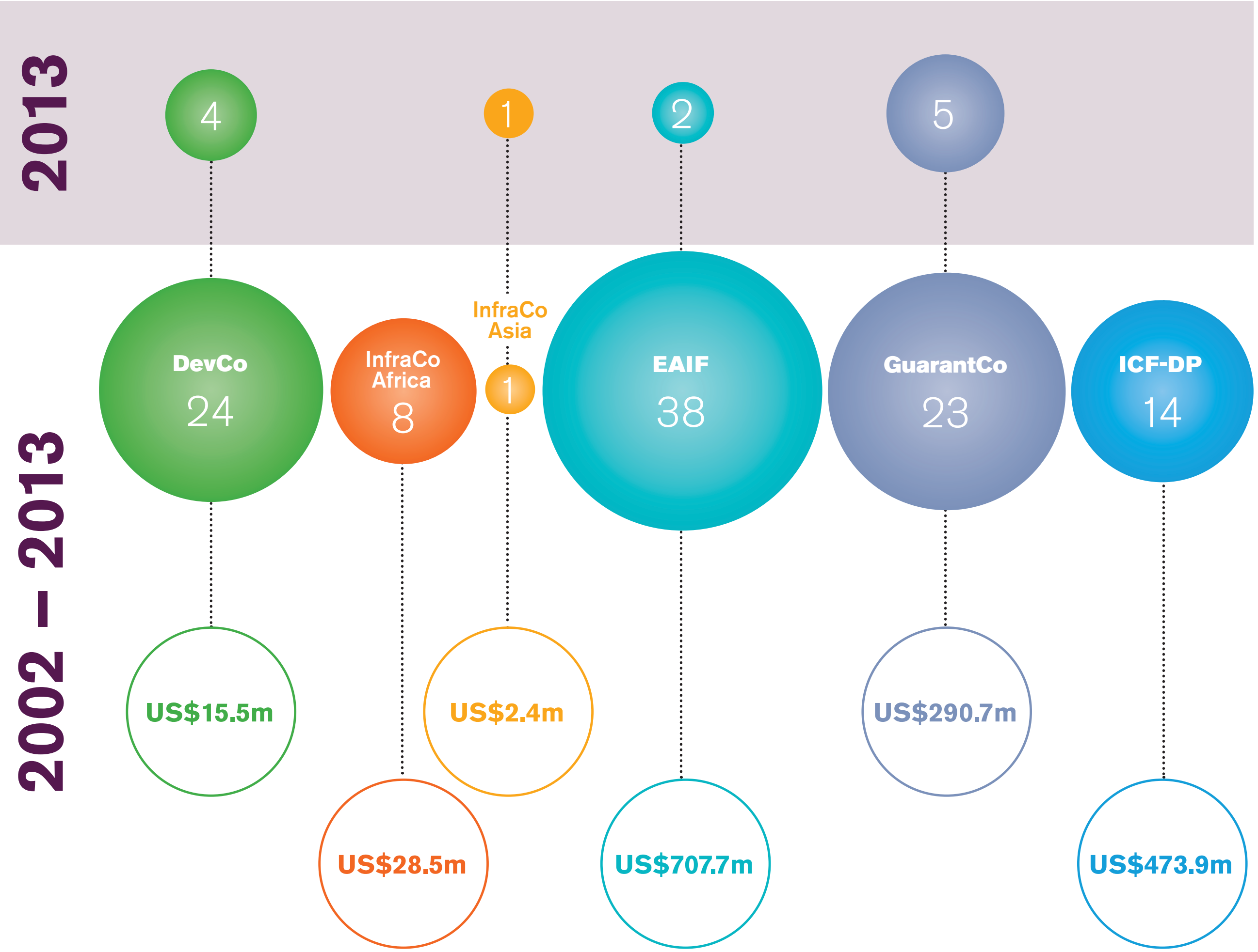


**Figure 3: PIDG-supported projects that reached financial close including cummulative Facility commitments**




# Financial close

Financial close is a very important milestone in the project cycle. In the project finance context, this means that a project's commercial viability has been established. It has in place all the contractual agreements and committed funding necessary to construct and operate a new business. The probability that a project will reach operation and provide tangible benefits has greatly increased at this point. It also represents the transition to the construction period, a key phase of the project cycle, where the capital expenditure needs and funding exposures increase exponentially.

# Commercial operations

It is only when a project commences operations that it can produce the desired results, bringing infrastructure services to businesses and consumers to be used to expand economic activity. Actual impacts can be measured and lessons learned.

Eight more PIDG projects in seven countries were constructed and/or began commercial operations in 2013, bringing the total number of operational projects to 46[7] (see page 33 for details of projects which became operational).

7 The number of projects raises to 47 if projects financed by more than one PIDG Facility are double counted.

# Commitments by sector

PIDG has worked successfully across a range of infrastructure sectors, although projects in the energy generation, telecoms and transport sectors represent over 70% of commitments. The PIDG Facilities do not have sectoral targets, in order to let them take advantage of market opportunities and demand in their countries of operation, although in some cases they do have portfolio exposure limits.

In 2013 GuarantCo was particularly active in the transport sector, with three of its five closed projects supporting transport companies, responding to the current demand.

## Water and sanitation and agricultural infrastructure

Following the 2012 Strategy Review, which identified water and sanitation and agricultural infrastructure as priority sectors, the PIDG Members undertook two studies in 2013 to investigate whether PIDG could find ways of increasing its support to these sectors.

In the water and sanitation sector, PIDG Members determined that the Facilities already had the necessary tools to support the few water projects amenable to project financing. In addition, TAF funding is available to help PIDG Facilities structure bankable water and sanitation PPP projects to open up the sector, and DevCo is exploring options to increase support given to water projects.

In the agricultural sector, Members determined that there was no need to create a new Facility or to alter the 20% cap on agribusiness investments alongside agri-infrastructure investments, as investments are far below the limit.

The PIDG Members also agreed to continue funding AgDevCo (on the following page) as an Affiliated PIDG Facility on an interim basis while exploring future funding options, outside of PIDG, for further investment in agriculture infrastructure.

**Figure 4: Distribution by sector of PIDG-supported projects 2002-2013**

*PIDG commitments by sector, excluding TAF, as % of total PIDG commitments*

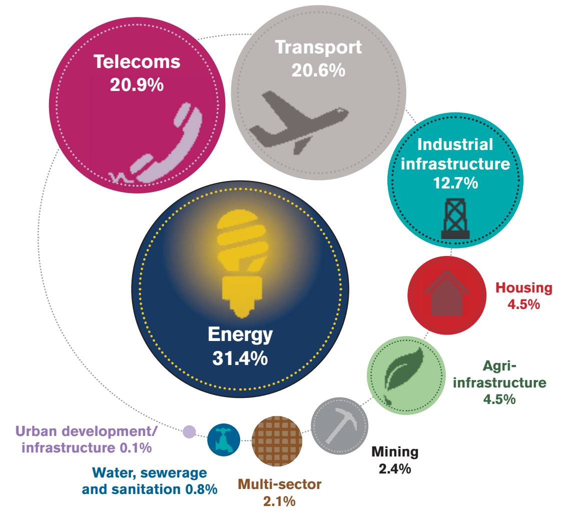
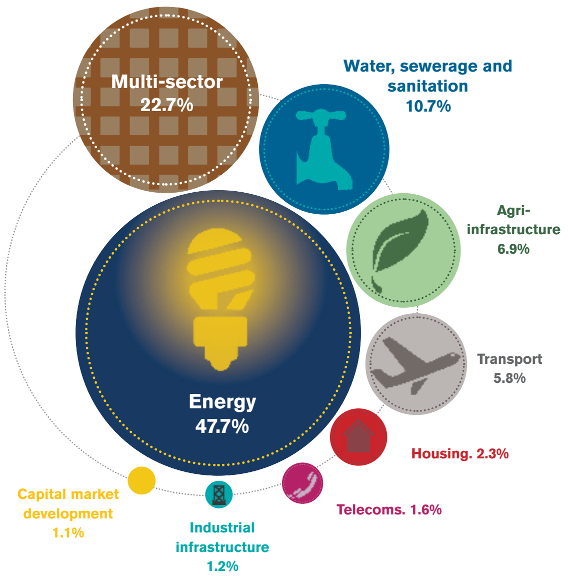
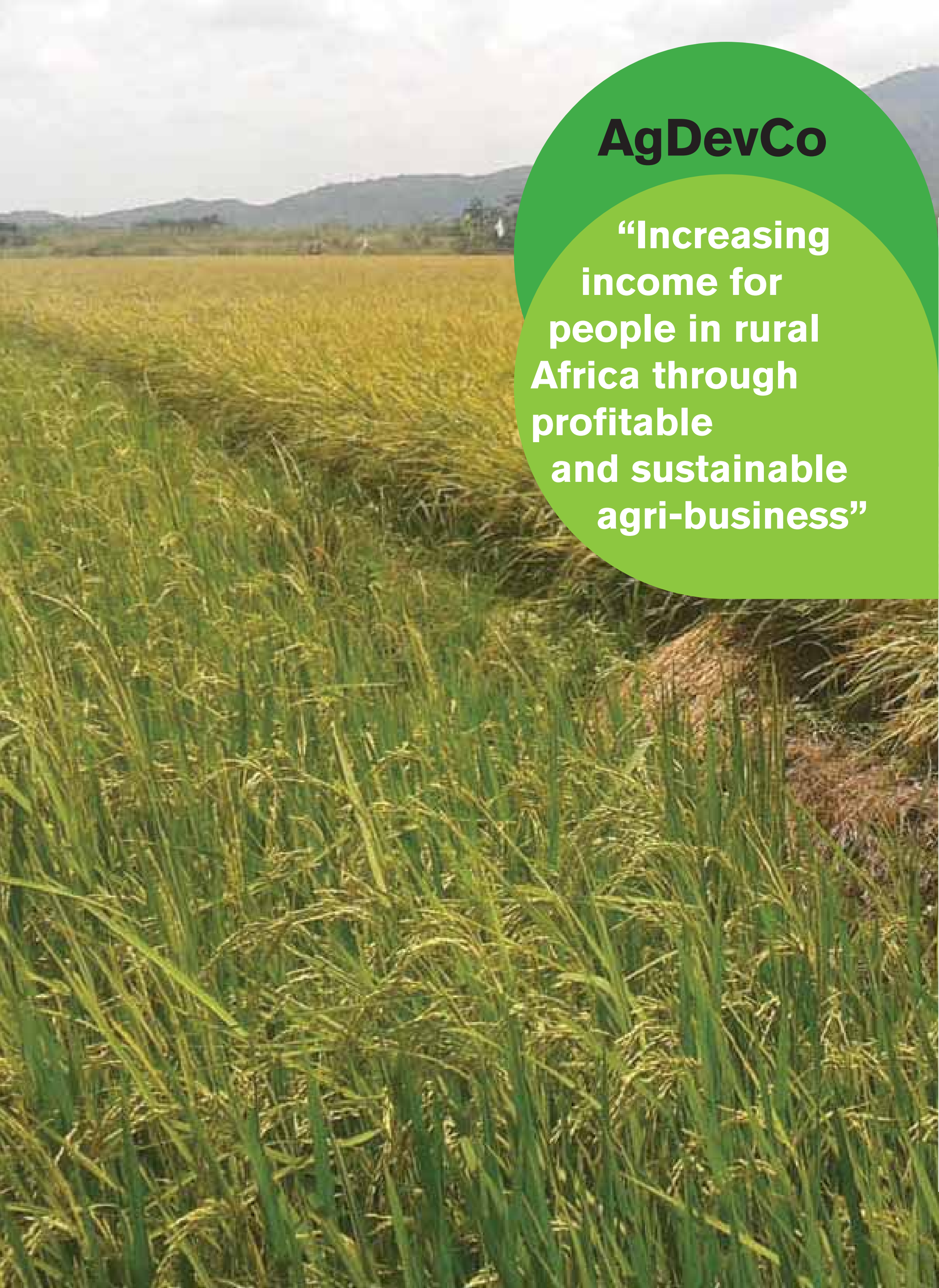



**Figure 5: TAF commitments by sector, as % of total TAF commitments**





# AgDevCo

**"Increasing income for people in rural Africa through profitable and sustainable agri-business"**

AgDevCo is an agri-business social impact investor and project developer that invests patient capital into early-stage agri-businesses and acts as promoter or co-promoter of greenfield agriculture opportunities to create commercially sustainable ventures. Support is provided to businesses to the point where they can attract private investment from domestic and overseas investors.

DGIS provided AgDevCo with €3.1m (via InfraCo Africa) in 2012 to develop a portfolio of projects with a significant infrastructure component in Ghana, Mozambique and Tanzania.

**Ghana Greenfield Programme:** Initial scoping and pre-feasibility work led to the development of two mid-size irrigated farming blocks (6,000ha in total). Funding enabled AgDevCo to develop the project to the point where it was able to attract an additional US$4m to complete the project development phase.

**Mozambique Westfalia:** Early-stage development of horticultural clusters in Mozambique enabled AgDevCo to mobilise about US$6m in private sector capital into the sector and country. In addition to financing, management and marketing the private sector investor Westfalia, a major industry player will provide seedlings and technical assistance to outgrower avocado suppliers.

**Tanzania Sao Hill:** Funding enabled the development of a commercial hub farm and outgrower programme in Tanzania's Southern Corridor (SAGCOT). AgDevCo partnered with a private sector partner, Green Resources, to develop the project which aims to increase the incomes of more than 3,000 smallholder families.

In 2013, DFID committed £11m through the PIDG Trust to enable AgDevCo to continue developing agricultural infrastructure and related agriculture investment opportunities in sub-Saharan Africa.

By reducing rural poverty directly and indirectly by raising agricultural productivity and incomes, and creating employment opportunities for rural communities, AgDevCo can also make an important contribution to reducing food insecurity, hunger and under-nutrition.

*AgDevCo currently operates as an Affiliated Facility of PIDG.*

# PIDG support in poorer countries: fragile states and DAC I and II countries

PIDG support is targeted at the poorest countries in the world, particularly in sub-Saharan Africa. These countries have underdeveloped financial systems and limited, or no, access to international capital markets.

Reflecting PIDG's strategic goals many of the PIDG Facilities have targets for the percentage of total investment commitments they plan to mobilise in DAC I and II countries and in fragile states (see Annex 2). These states face enormous challenges in providing basic infrastructure services to their populations. In post-conflict situations already limited infrastructure is in disrepair, if not destroyed, adding to the challenges for these governments. By incentivising the private sector to participate, PIDG Facilities can leverage their support to rehabilitate or develop new infrastructure, thereby helping to underpin much-needed economic activity to lift people out of poverty.

Looking forward, with the continued limited appetite of the commercial banking sector to invest in long-term assets in PIDG-targeted countries, broadening the sources of co-financing is a challenge and an opportunity for the PIDG Facilities.

## Fragile states

In 2013, PIDG continued to increase the percentage of its projects in fragile states.

- More than half of all commitments (57.1% representing US$58.9m) were to projects located in fragile states.
- 60% of those countries currently denoted as fragile states have one or more PIDG-supported projects
- US$1.96bn additional expected commitments were mobilised for projects in fragile states.

Cumulatively PIDG Facilities have made investments of US$707.9m, representing 44.4% of all PIDG's commitments and mobilised US$10.8bn of private sector and DFI investments for projects in fragile and post-conflict states.

**Figure 6: Percentage of total project investment mobilised in post-conflict and fragile states by Facility**

| | Target | Achievements to 31 Dec 2013 |
|---|---|---|
| DevCo | 35% | 42% |
| InfraCo Africa | 20% | 26% |
| InfraCo Asia | 20% | 0%* |
| EAIF | 50% | 62% |
| GuarantCo | 15% | 35% |
| ICF-DP | n/a | 20% |

Note: GuarantCo, which depends on local capital markets has a lower target. However, given its success in 2013, a higher target has been set for 2014. ICF-DP responds to requests for funding and so does not have a target.

* Only one project has reached financial close to date, located in Cambodia (not a fragile state).

## DAC I and II

PIDG Facilities once again demonstrated that opportunities for private sector investment exist or can be created in some of the poorest countries in the world.

In 2013, 71% of PIDG-supported projects were located in the lowest income, DAC I and II countries. (see Annex 2 for definitions).

DevCo, EAIF, InfraCo Africa, InfraCo Asia and GAP all have specific investment targets for investments in DAC I and II countries. InfraCo Africa and EAIF have achieved cumulative total investments in DAC I and II countries of 96% and 81% respectively - exceeding their mandated targets.

Both GuarantCo and ICF-DP are reliant on other capital market participants to be able to support investments – consequently, over half of their projects are in DAC III and IV countries.

If the results from GuarantCo and ICF-DP are excluded, the percentage of total expected project investment mobilised for financially closed projects in DAC I/II countries rises to 78.5%[8] from 56.3%.

Cumulatively, all PIDG Facilities have mobilised US$13.7bn of private sector and DFI investments for projects located in DAC I and II countries.

The Facilities section (see page 41 onwards) highlights examples of the contributions that PIDG Facilities are making in these challenging business environments.

**Figure 7: Percentage of total project investment mobilised in DAC I and II countries by Facility**

| | Target | Achievements to 31 Dec 2013 |
|---|---|---|
| DevCo | 65% | 48% |
| InfraCo Africa | 75% | 96% |
| InfraCo Asia | 67% | 100% |
| EAIF | 75% | 81% |

8 Excluding Central Java IPP – DevCo project.

**The financing gap for African infrastructure cannot be funded purely from public resources and ODA. The key is better and smarter aid**

## Better and smarter aid: leveraging the PIDG Members' funding to go further

It has been widely recognised that the infrastructure financing gap cannot be funded purely from public resources and ODA. The key is better and smarter aid – the potential of the private sector must be realised to help meet the capital requirements for infrastructure development.

PIDG already has a successful 12-year track record of leveraging its Members' funding at the PIDG Facility and/or at the project level.

### Facility level

- At the PIDG **Facility level**, its equity funds enable the financing Facilities to raise capital from the private sector and other DFIs, who look to the PIDG Members' equity to mitigate the level of risk of the investments made by the Facilities. The increased funding expands the Facilities' capacity to support both a higher number of projects and larger projects. 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. In the aggregate, they have been able to raise over US$800m from commercial debt sources. And they have ambitious future expansion plans.

  - GuarantCo's total gross guarantee issue capacity of US$250m (net US$222m) represents a leverage of two times PIDG Member contributions.

  - GuarantCo's plans call for scaling up its operations to US$1bn by the end of 2016. This requires obtaining public ratings in order to increase in its leverage to three times and, with further PIDG Member funding, quadruple capacity.

  - To implement its West and Central African strategic initiative, GuarantCo also needs to be accredited by the regional Central Banks so that local banks, by using GuarantCo, can receive reduced capital risk weighting and reduce the cost of their borrowing[9]. A regional rating agency for West and Central Africa, Bloomfield Investment Corporation, was appointed at the end of 2013 to lead in the accreditation process.

  - EAIF have leveraged the US$357m of PIDG Member funding to secure additional financing from non-PIDG sources, giving a total fund size of US$934m – leveraging Members' funding by more than 2.6 times.

  - EAIF intends to raise additional debt of circa US$250m as part of a refinancing exercise and has engaged a financial advisor to assist during the process. It conducted a market sounding in 2013, and it is expected that the new financing will be put in place in 2014.

### Project level

- At the **project level**, PIDG support to a project enables either co-financing of the project from other sources, alongside the PIDG Facility, or follow-on financing from other sources by taking upfront risks to develop a project. In doing so the Facilities reduce overall risk to a sufficient level for the private sector to invest – typically at financial close or shortly afterwards.

  In 2013, PIDG's leverage reporting was refined to include in the leverage calculation only private commercial financing (local and foreign) raised by PIDG-supported projects and to exclude financing from other DFIs[10]. Figure 8 (on the following page) illustrates this by comparing the additional investment commitments raised from commercial foreign and domestic sources by PIDG projects to the funding available to the PIDG Facilities.

9 GuarantCo was accredited for Central Africa in March 2014 and for West Africa in April 2014.

10 Prior to 2013, the leverage calculation included DFI loan funding in the calculation of investment mobilised. It is excluded to show the amount of funding mobilised from purely commercial sources, as it is assumed that these investments would likely not have been made without the participation of the PIDG Facility.

The funding from commercial sources (ie excluding equity and debt funding invested by DFIs in PIDG-supported projects) raised for PIDG project commitments will generate additional financing equal to 8.4 times the aggregate of all of the PIDG Facilities' available financing.

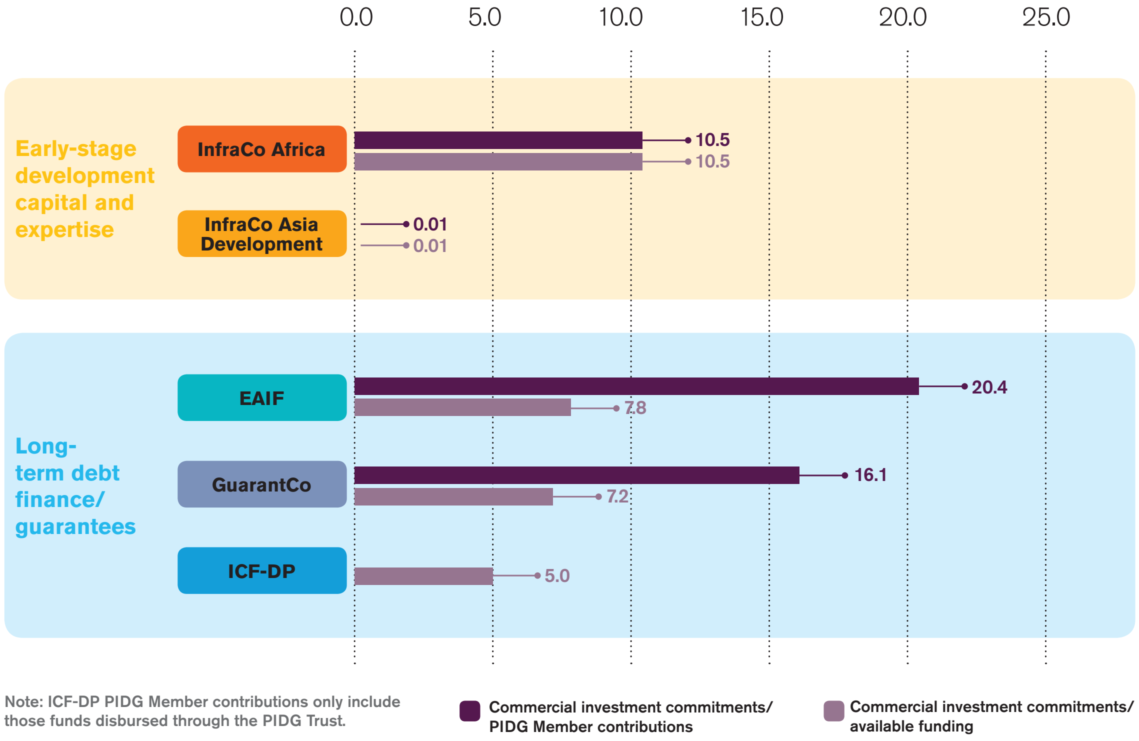
- If DevCo was excluded, as it provides early stage advisory services rather than investing financial support, the overall leverage ratios of additional investment commitments from commercial sources to PIDG Facility funding would be 6.8 times.

- EAIF and GuarantCo's leverage ratios of additional investment commitments mobilised from commercial sources to the funding they receive from PIDG Members are 20 and 16 times respectively, demonstrating how they have been able to stretch the use of their Member funding for the maximum impact.

- In fragile and post-conflict states, PIDG projects have successfully crowded-in local lenders and investors and, as such, contributed to developing the local capital markets.

**Figure 8: Co-financing commercial leverage ratios of the PIDG Facilities**

(based on financing commitments for financially closed projects at end 2013)

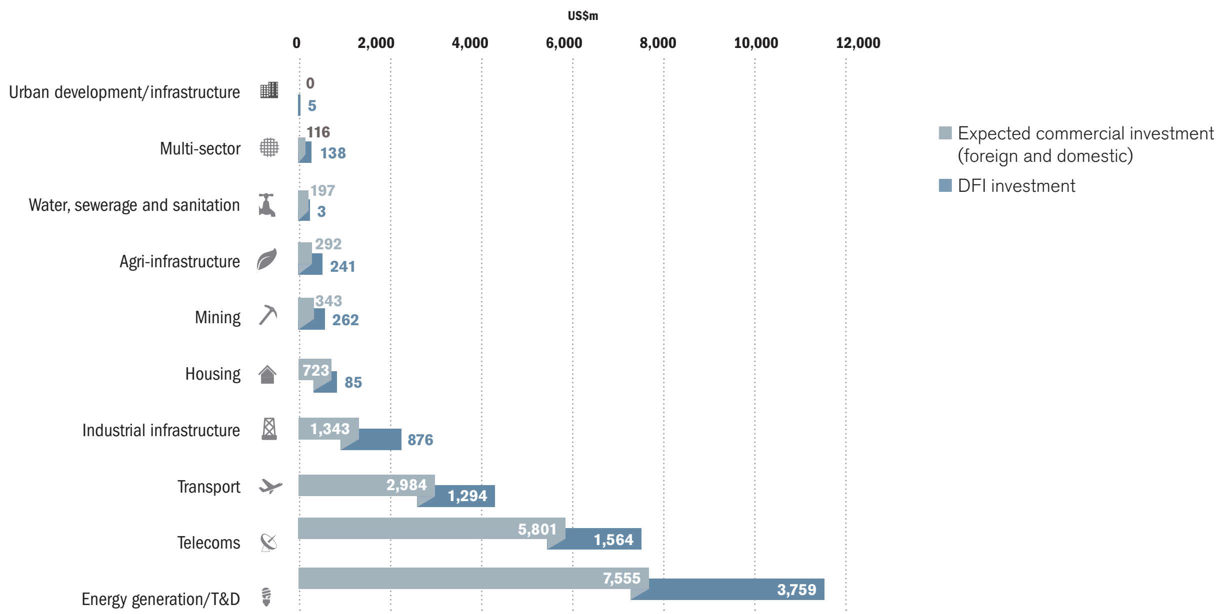



Note: ICF-DP PIDG Member contributions only include those funds disbursed through the PIDG Trust.

TAF and DevCo are excluded as they provide technical assistance/early stage advisory support.

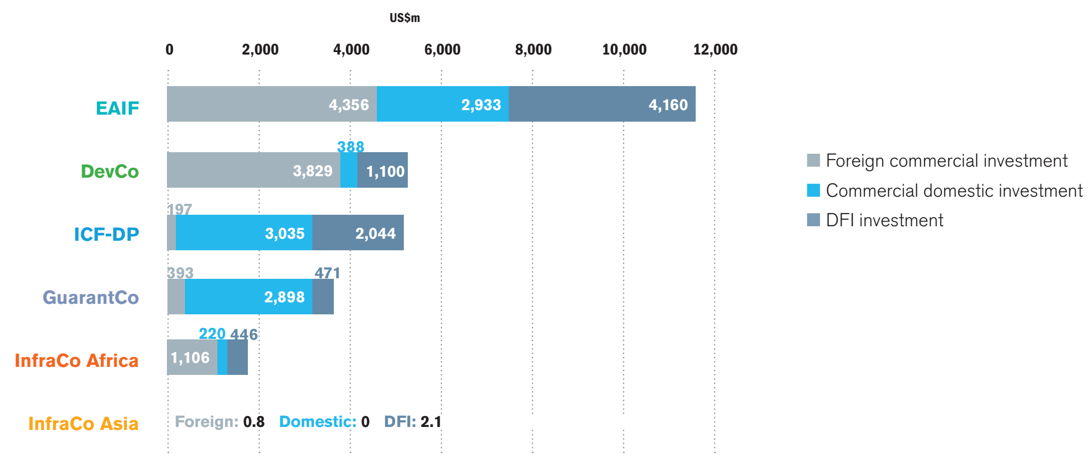
**In fragile and post-conflict states, PIDG projects have successfully crowded-in local lenders and investors and, as such, contributed to developing the local capital markets**

## Figure 9: Expected co-financing investments by Sector (US$m)




Note: based on financing commitments for financially closed projects at end 2013.

## Figure 10: Expected co-financing investments by Facility (US$m)



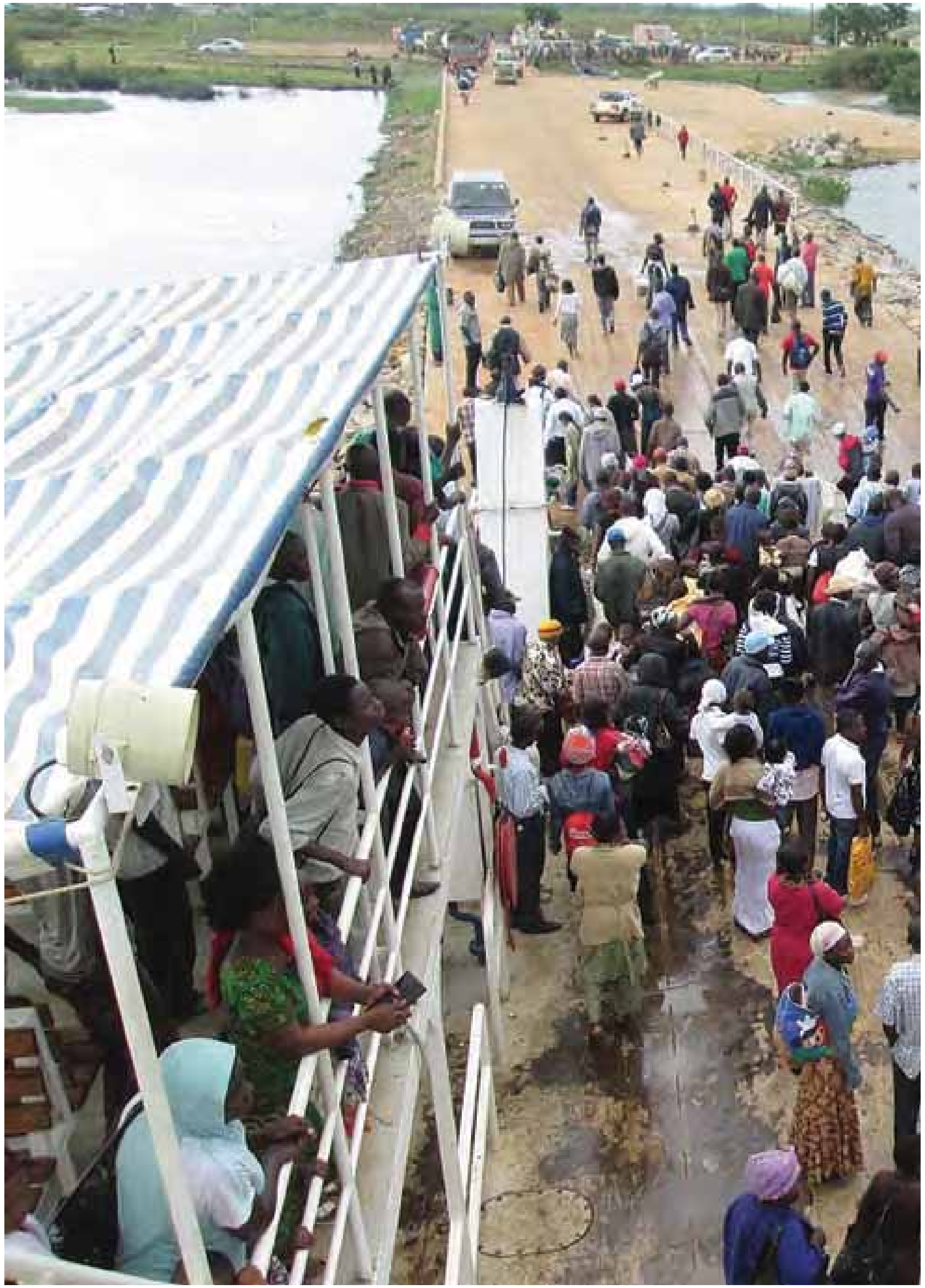

Note: Based on financing commitments for financially closed projects at end 2013. There is one DevCo project with expected project financing of US$346m, where the breakdown is not available.

The 99 PIDG-supported projects that have closed have co-financing commitments of US$27.9bn. Over two-thirds of these co-financing commitments are from commercial sources, of which about half (US$10bn) are sourced from domestic private lenders and investors. Consequently foreign investors account for 35% of total PIDG co-financing commitments.

- EAIF lends to capital-intensive projects that often require funding from multiple sources. While its co-financiers are diversified, over 74% represent foreign commercial lenders and DFIs, who are more likely to provide long-term finance.
- The loans supported by GuarantCo's local currency guarantees are predominately from domestic sources (77% cumulatively and 84% in 2013) reflecting the nature of its guarantees and its mandate to build local capital markets.
- ICF-DP, set up to fill in the commercial lending gap for infrastructure projects as a result of the financial crisis, has principally co-financed its projects with DFIs and domestic investors.
- InfraCo Africa's principal source of equity for its projects has been from foreign sources (62%).

**Rabai power plant**

**The Rabai power plant is one of the most efficient, and among the cleanest thermal fuel plants in East Africa. The plant is fully constructed, and has been 100% operational since 2011.**



# Development impact

Poverty reduction remains a central goal and imperative of all PIDG-supported transactions. Intermediary outcomes include increased economic opportunities, higher levels of employment, increased investment – both foreign and domestic, lower subsidies and increased tax revenues for the host governments and improved market conditions, government policies and regulations.

These impacts can be derived from the project directly or from broader economic activities arising from the project, for example increased business activities enabled by a reliable supply of electricity or improvements in health and productivity resulting from clean water and sanitation.

PIDG offers not just the means to change lives and alleviate poverty but a changed approach to development which engages and embraces the private sector.

## Measuring development impact

The PIDG Results Montioring System (RMS) is used to to capture and monitor the development impact of all PIDG-supported projects.

Development impact is captured at two levels: firstly through verifiable impacts where PIDG-supported projects deliver new and improved infrastructure services; and secondly through wider demonstration impacts where PIDG seeks to demonstrate the commercial viability of infrastructure projects.

The RMS tracks projects against seven indicators (on the following page) at three points in the project cycle when:

**i) a PIDG Facility makes a financial commitment (estimated)**
**ii) the project reaches financial close (estimated)**
**iii) the project commences commercial operations (actual)**

PIDG reports development impact on the PIDG website **www.pidg.org**

## Key development impact indicators[11]

***PIDG monitors a project's contribution to development through seven main indicators.***

| Development impact indicator | Main features |
|---|---|
| Total project investment | Investments from commercial entities:<br>▪ Domestic commercial finance (equity and/or debt)<br>▪ Foreign commercial finance (equity and/or debt)<br>Investment from DFIs:<br>▪ DFI finance (equity and/or debt) |
| Access to infrastructure | Number of additional women and men expected to have access to new infrastructure<br>Number of additional women and men expected to have access to improved services |
| Fiscal impact to host governments | Fees and taxes paid to the government |
| Employment effects | Direct short-term jobs created (during construction)<br>Direct long-term jobs created (during operations) |
| Alignment with national development plans | National/sector development plans with which the project conforms |
| Additionality | Increased investment<br>Better design and efficiency<br>Improving the regulatory or policy environment |
| 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<br>Improved attitudes and greater willingness to invest of the private sector in emerging markets |

11 Definitions of PIDG key development impact indicators are from the Results Monitoring Handbook, which can be found on the PIDG website.

## Table 4: Estimated developmental impact of the 99 PIDG projects that have reached financial close

| As at 31 December 2013 | Cumulative | 2013 |
|---|---|---|
| **Number of projects that have reached financial close** | **99[1]** | **12** |
| **Total project investment – excluding grants** | **US$27.9bn*** | **US$2.2bn** |
| Commercial investment (includes FDI and domestic institutions) | US$19.4bn | US$1.7bn |
| DFI investment | US$8.2bn | US$0.5bn |
| **Access to infrastructure** | **195.5m** | **13.0m** |
| People expected to benefit from new infrastructure | 122.5m | 7.5m |
| People expected to benefit from improved infrastructure | 73.0m | 5.5m |
| **Fiscal impact (US$m)** | **US$6.4bn** | **US$0.8bn** |
| **Job creation** | **311,379** | **40,962** |
| Temporary new jobs (construction) | 97,293 | 5,651 |
| Permanent new jobs (operations) | 214,086 | 35,311 |

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

**46 closed projects are now operational in 26 countries delivering vital infrastructure services to people and local businesses**

12 When each Facility's financing to these co-financed projects is counted individually, the total number of projects is 108.

**The gap between expected and actual access to infrastructure reflects the impact of mobile phone technology. In 2003 when the first PIDG investment was made no one had any idea just how much, or how many lives, would be transformed by access to mobile phones**

As the PIDG portfolio matures, post-completion monitoring of fully operational PIDG-supported projects is becoming increasingly important. As agreed by the PIDG Members, PIDG's trigger-point for undertaking post-completion monitoring is when a project becomes "100% operational as per its original scope and is delivering services on the ground".

### Table 5: Comparison of estimated and actual development impact results for 35 PIDG-supported projects, which are fully constructed and operational, as at 31 December 2013 (excluding DevCo)[13]

| | Expected | Actual |
|---|---|---|
| Total project financing (US$m) | 8,716.49 | 10,244.69 |
| No. of people with access to new infrastructure | 29,433,859 | 50,530,858 |
| No. of people with access to improved infrastructure | 18,669,427 | 47,941,235 |
| Fiscal impact (US$m) | 746.60 | 1,426.39 |
| No. of short-term jobs created | 9,755 | 10,960 |
| No. of long-term jobs created | 181,059 | 187,382 |

PIDG's performance to date from its 46 operational projects illustrates that the PIDG Facilities have achieved, in the aggregate, and, in some cases, exceeded their development objectives. In 2013 alone, eight additional projects started commercial operation and 8.6 million people started receiving new or improved infrastructure services as a result of PIDG.

### Table 6: Comparison of estimated and actual development impact results for 11 DevCo-supported projects with post-completion monitoring undertaken, as at 31 December 2013

| | Expected | Actual[14] |
|---|---|---|
| Total project financing (US$m) | 790.00 | 813.85 |
| No. of people with access to new infrastructure | 11,852,000 | 11,809,894 |
| No. of people with access to improved infrastructure | 3,576,660 | 3,336,660 |
| Fiscal impact (US$m) | 2,082.30 | 1,526.51 |
| Short-term jobs created | 200 | 450 |

### DevCo's post-completion monitoring approach

DevCo's advisory services cover a range of long-term contractual arrangements such as management contracts, privatisations and concessions of existing infrastructure. In 2013 a monitoring system was developed that better reflects their business and more accurately records the impact of DevCo projects. The PIDG Members also agreed to separate DevCo reporting from that of the other PIDG Facilities.

From 2013, the decision to commission a post-completion report of a DevCo closed project will be made on a case-by-case basis, as opposed to the standard PIDG policy of starting post-completion monitoring when commercial operations commence. Post-completion monitoring of DevCo projects will be undertaken only for projects with at least two years of operations. Priority will be given to transformative and innovative projects where lessons learned can help inform further developments in a specific sector or country.

13 See box on DevCo's post-completion monitoring approach for explanation as to DevCo's exclusion.

14 As comparisons of estimated vs. actual total investment can only be made at a point in time, the measured realised impacts may not reflect the actual lifetime impact.

**Table 7: PIDG-supported projects that commenced full operations in 2013**

| Project | Country | Progress in 2013 | Total project investment (US$m) | Sector | Facility |
|---|---|---|---|---|---|
| **Ashta IPP** | **Albania** | In April 2013 the 53MW Ashta hydropower plant began supplying electricity to KESH, the Albanian Power Corporation, with full operations commencing in July 2013. The plant is Albania's first major hydropower plant development in 30 years and the government's first large public-private partnership project | 262.00 | Energy | DevCo |
| **SPUG II, Masbate** | **Philippines** | Advisory mandate for the government of the Philippines to introduce PSP in power generation in non-grid areas, Masbate | 15.75 | Energy | DevCo |
| **Cambodia Salt Farm Development** | **Cambodia** | The 120ha solar salt farm in Cambodia was constructed and began operations in May 2013, with the first shipment of salt exported to Korea later in the year | 2.90 | Agri-infrastructure | InfraCo Asia |
| **SPA Tubes Maghreb** | **Algeria** | Steel pipe manufacturing factory targeting the water transport pipe market in Algeria commenced full operations in December 2013. This is the first water pipe producer in Algeria | 24.00 | Industrial infrastructure | EAIF |
| **African Foundries Limited** | **Nigeria** | The new steel mill plant, situated in Ogun State, Nigeria, was constructed and began operations in September 2013, converting local scrap into steel reinforcing bars. 350 jobs were created during the construction phase | 155.30 | Industrial infrastructure | EAIF |
| **Dakar Container Terminal** | **Senegal** | Although the inauguration of the Terminal extension took place in 2011, it became fully operational in 2013 with the final completion of all associated civil works. The upgraded terminal will lower trade costs in general and help open up the landlocked territories of the region | 293.66 | Transport - ports | EAIF |
| **SA Taxi Development Finance Proprietary Ltd (SATDF) II** | **South Africa** | GuarantCo supported an additional tranche of financing provided to SA Taxi, enabling it to continue to provide affordable and dedicated financing for minibus taxi vehicles. The additional financing will allow the replacement of old vehicles as well as adding to the capacity of the industry | 23.50 | Transport - roads | GuarantCo |
| **Tower Aluminium Group Limited** | **Nigeria** | GuarantCo supported a seven-year Naira denominated corporate bond on the Nigerian Bond market for Tower, the largest producer of aluminum products (including roofing) in West Africa to refinance dollar debt for a new factory. It was the first bond of its kind eligible for investment by the local pension funds | 30.00 | Industrial infrastructure | GuarantCo |

**In 2013 alone, eight additional projects began commercial operations and 8.6 million people started receiving new or improved infrastructure services**

# Connecting people

The 12 projects that reached financial close in 2013 are expected to benefit around 13.0 million people by connecting approximately 7.5 million people to new services and improving the service quality for another 5.5 million.

GuarantCo's projects account for 66% of this (8.6 million). For example, the telecom project in Pakistan alone expects to provide additional access to 6.0 million people (see page 82).

**Table 8: Expected increased access to new/improved infrastructure from PIDG-supported projects that have reached financial close at end 2013 (in millions)**

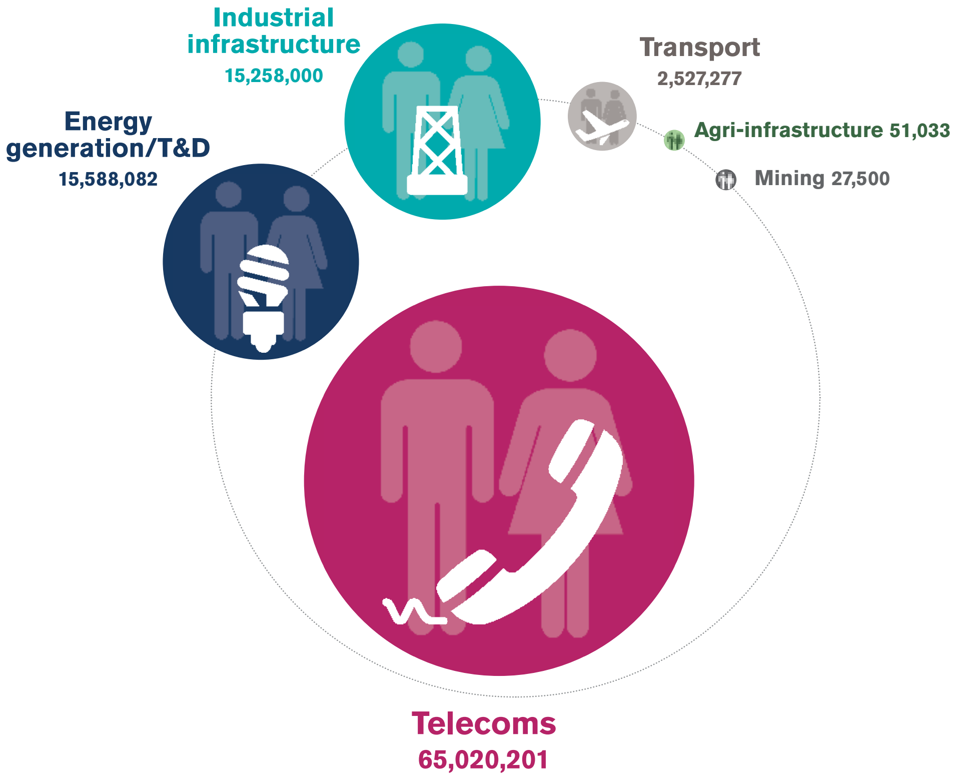
| Sector | Cumulative 99 projects |
|---|---|
| Telecoms | 97.8 |
| Energy generation/T&D | 63.5 |
| Industrial infrastructure | 16.8 |
| Transport | 12.1 |
| Agri-infrastructure | 2.7 |
| Water, sewage and sanitation | 2.3 |
| Urban development/infrastructure | 0.2 |
| Housing | 0.1 |
| Multi-sector | 0.03 |
| Mining | 0.03 |
| **Total number of people in millions** | **195.5** |

**195.5 million people are expected to gain access to new or improved infrastructure**

**73.0% are in DAC I and II countries**

**42.2% are in fragile states**

**Figure 11: Actual access to new/improved infrastructure from the 35 PIDG-supported projects that are fully operational at end 2013 (excluding DevCo)[15] by sector**




**98.5 million people are already benefiting from new or improved infrastructure**

**90.3% in DAC I and II countries**

**68.4% in fragile states**

15 See box on DevCo's post-completion monitoring approach for explanation as to DevCo's exclusion.

## Generating fiscal impacts

In 2013 the reporting of fiscal impact was changed from 'avoided subsidies' to income from fees and taxes to align with recommendations from the DFI Indicator Harmonisation Group.

The harmonised definition of taxes includes corporate tax and VAT during the first five years of operations. A retrospective exercise was undertaken in order to capture projected income from fees and taxes from PIDG-supported projects that have reached financial close. The fiscal impact total on page 31 includes avoided subsidies prior to 2013 and projected income from fees and taxes.

**2013**

**US$748m**

**in total taxes paid (including corporate tax and VAT) during the first five years of operations**

**US$4.9bn**

**aggregate fiscal benefits from all closed projects (excluding subsidies)**

### Reporting harmonised development results indicators

In October 2013, after more than two years of collaboration, PIDG, along with a group of 25 IFIs, reached agreement on a memorandum to make it more straightforward for private sector companies in receipt of DFI funds to provide common development impact data.

The first phase focused on harmonising outputs. The two indicators relevant to PIDG reporting were: direct jobs created (long term and short term); and income from fees. Both these definitions have now been revised for the PIDG Facilities and are harmonised with the rest of the participating DFIs. This represents a milestone in the process and is important to PIDG, as a multi-donor organisation. Harmonising core indicators is expected to lower clients' reporting costs, facilitate the learning process and ultimately tell a shared story of development results.

Phase two of the DFI Indicator Harmonisation Group's work will commence in early 2014, focusing on harmonising conversion methodologies to report on outcomes, namely numbers of people served. PIDG is expected to actively participate in this process.

## Job creation

Jobs are fundamental to alleviating poverty. By providing nine out of 10 jobs in developing countries[16], the private sector plays an essential role in economic growth and poverty reduction. Infrastructure projects create jobs – temporary jobs during construction and permanent jobs when the project becomes operational. The PIDG-supported projects that closed in 2013 are expected to create 5,651 short-term jobs and 35,311[17] permanent jobs.

However, for infrastructure projects, measuring only direct job creation barely captures the significant employment effects. Indirect jobs[18], induced jobs[19] and, most importantly, second-order growth effect jobs[20] have a much larger impact than the direct jobs created by the project company. As our recent job creation impact study of the EAIF-supported Bugoye hydropower plant in Uganda[21] showed, for every direct job in the plant, eight to 10 jobs were supported in the economy.

Job creation is so critical that a new initiative, the Let's Work Global Partnership, co-ordinated by the IFC, has been created and supported by multiple IFIs. It aims to develop knowledge, and a practical approach to measuring indirect job creation, through the use of multipliers that will service as a public good for the development community. PIDG recognises the need to refine methodologies for estimating job impacts of private sector operations and will participate in the Let's Work Initiative in 2014.

16 World Development Report 2013.

17 Including three GuarantCo projects that generated LT employment (Au Financiers Ltd, India (22,400), Softlogic Finance, Sri Lanka (9,660), SA Taxi Development Finance Proprietary Ltd (SATDF) II (1,980)).

18 Jobs created in the company's suppliers and distributors.

19 Jobs resulting from direct and indirect employees of the company spending their income.

20 Jobs resulting from the removal of an obstacle to growth such as electricity.

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

# Job Creation Impact Study: Bugoye Hydropower Plant, Uganda

***One local carpenter has invested in additional machinery and now employs three more people since his business connected to the power supply***

In 2013 PIDG completed a pilot study of the job creation impact of the Bugoye Hydro Power Project so as to better understand the impact that the project has had on wider job creation and economic growth, and to help develop a methodology for similar studies on other projects. The Bugoye Hydropower Project is a 13MW run-of-the-river hydro plant, located in the Kasese District of Western Uganda, which has been operating since October 2009. The study assessed the net direct, indirect and induced employment effects of the project, following an approach modelled on a methodology developed by the IFC and adapted for Uganda and the project. The estimated job creation impacts are summarised below.

| Effect | Result |
|---|---|
| Category 1 jobs (construction and operations phases) | |
| | Jobs |
| Direct | 1,079 |
| Indirect | 191-199 |
| Total | 1,270-1,278 |
| Category 2 jobs (created as a result of more/better power supply) | |
| | Jobs |
| Induced | 8,434-10,256 |
| Grand Total | 9,704-11,534 |

*LEFT: Engineer Sarah Namujjuzi is a Bugoye Hydropower plant operator*

**Table 9: Expected direct employment generated from PIDG project development and financing Facilities at end 2013 (number of FTE)**

| | Expected short-term jobs (construction) | Expected long-term jobs (operations) |
|---|---|---|
| **EAIF** | 16,012 | 7,890 |
| **GuarantCo** | 63,381 | 210,532 |
| **ICF – DP** | 8,500 | 2,790 |
| **InfraCo Africa** | 7,395 | 1,059 |
| **InfraCo Asia (Development)** | 250 | 350 |
| **Total** | **95,538** | **205,551** |

Note: All numbers refer to full-time equivalent (FTE).

# Additionality

PIDG Facilities are designed to crowd-in private sector investment for infrastructure. To capture this, additionality was introduced to the PIDG RMS as a qualitative indicator in 2010. Additionality refers to the specific inputs and services provided by a PIDG-supported project in addition to those delivered by the market or institutional framework that is in place. To qualify as additional the PIDG inputs and services have to complement – and not substitute for – what other institutions can, or are willing to, provide in order to pursue the achievement of the PIDG mission.

PIDG's experience shows that additionality can be highly dynamic: it can change as the PIDG Facilities broaden and deepen their own capacities; as other institutions enhance their capabilities and willingness to provide certain inputs in challenging situations; and as circumstances evolve in developing countries. PIDG tries to capture the additionality of its projects in terms of:

Financial additionality: does the PPP element make an investment happen that would not have happened anyway? (see Pakistan Wind Power case study page 68)

Design and efficiency additionality: does the private sector involvement bring changes to design and/or improvements in efficiency? (see Pakistan Mobilink case study page 82)

Policy additionality: does PIDG participation contribute to improvements in the regulatory environment, both for specific investments and at the country level? (see Kalangala case study page 60)

# Demonstration effect

Over the last decade, PIDG has established a track record of performance and a reputation for stability and trust, and with these built relationships in the public and private sectors. The PIDG Facilities' ability to make things happen demonstrates to the commercial markets what can be accomplished in the poorest countries of the world. In 2013, PIDG projects have again achieved demonstration effect, as represented through replication and mobilisation of new private sector sources of capital and new business.

Since 2011, DevCo has supported the state government in Odisha, India, to develop urban PPP projects, building on prior DFID India funding. Following the successful development and implementation of PPPs for street lighting and solid waste management, the government continues to seek DevCo's transaction advice to create new PPP solutions. DevCo also supports capacity building to make sure all these projects have sustained success. DevCo is currently advising the goverment of Odisha on four PPP transactions, building a significant demonstration effect for the private sector and the government. Similarly InfraCo Africa is exploring ways to replicate the Kalagala model (see page 60) which has significant development impact.

It often requires more than one project to open up a difficult sector, or for a government to be willing to make the changes necessary to include the private sector. However, once trust is established through successful transactions and demonstrated results, the value of mobilising the private sector can turn officials into advocates.

## Building local financial markets

By its nature, a guarantee is not sufficient to finance a project. For every guarantee issued there must be a source of funding. On a cumulative basis 77% of funding backed by GuarantCo has come from local sources and, following a deliberate policy of seeking to maximise local involvement, for 2013 this was 100%. GuarantCo typically guarantees a maximum of 50% of the debt of a borrower so the local engagement involves local lenders sharing in risk, sometimes lending to infrastructure for the first time. This poses challenges for GuarantCo, as supporting inexperienced lenders is time consuming and often frustrating, but the development benefit when successful is immense. Once a bank or bond investor gains confidence from a GuarantCo transaction they will often expand their lending many times without the need for further GuarantCo support. The transition to self-sufficiency in local financing means the need for development aid is lessened and can be redirected to other targets.

For example in 2010, GuarantCo supported the development of SA Taxi Development Finance, a niche operator providing affordable taxi leases to small, medium and micro enterprises (SMME) in South Africa. At that time, with no commercial lending available to the company, GuarantCo provided a US$20m (ZAR135m equivalent) guarantee to FMO on its loan. Less than three years later, having expanded its business successfully but requiring additional financing to fund its continued growth, SA Taxi asked GuarantCo to support a second loan – this time from a domestic commercial lender – ABSA. This accords with GuarantCo's strategy to develop the market and involve local financial institutions. It marks the first time ABSA have provided financing to SA Taxi.

# Governance

PIDG has been structured intentionally so that it is able to be highly responsive to the strategic direction and funding of Members and the changing needs of the marketplace. In recent years PIDG has experienced rapid growth and increased complexity of operations.

2013 was a year marked by internal reorganisation and implementation of enhanced frameworks and practices recommended by the 2012 Strategy Review. These are intended to ensure that PIDG processes are able to support the planned growth and expansion in subsequent years and PIDG's future as an effective and relevant organisation.

### i) Strengthening the role of the Chair of the Governing Council

The creation and transition to a fully operational Chair's Office was accomplished in 2013. A sub-group to support the PIDG Governing Council, the Chair's Office will strengthen the PIDG Members' oversight of the increasingly diverse and complex PIDG operations. It has also become an effective conduit for increased interaction with the PMU to prioritise the PIDG Members' work agenda as well as managing the proposed strategic projects and initiatives recommended in the Strategic Review. A Special Counsellor position, responsible for strategic management and acting as an interface between the PMU and the PIDG Members, supports the Chair's Office. Lisa Scenna joined PIDG as Special Counsellor in October 2013.

### ii) Improving PIDG's financial reporting

Improvements were made in financial reporting to the PIDG Members to increase accountability and allow for comparison, where applicable, across the Facilities. This work will continue into 2014 with the support of an expanded PMU team.

### iii) Developing a code of conduct and updating PIDG operating policies and procedures

A PIDG code of conduct and operating policies and procedures were adopted in September 2013 and will apply to all PIDG participants from 1 January 2014. Designed to enhance transparency and accountability they are benchmarked against comparable organisations and reflect the standards expected from organisations and individuals in receipt of public funds. The code of conduct and operating policies and procedures are available on the **PIDG website.**

The re-tendering of the Programme Management Unit (PMU) contract was a major effort by the Chair's Office in 2013. The PMU is central to maintaining the smooth operations of PIDG and supporting the relationship with the Chair's Office, Members, Facilities and facility managers. A consortium led by MDY Legal and EY was selected from a competitive field. The enhanced contract with an increased focus on strategy, reporting and compliance is for four years, commencing in March 2014.

### Introducing Special Counsellor Lisa Scenna

In October 2013, Lisa Scenna joined the Chair's Office as PIDG's Special Counsellor.

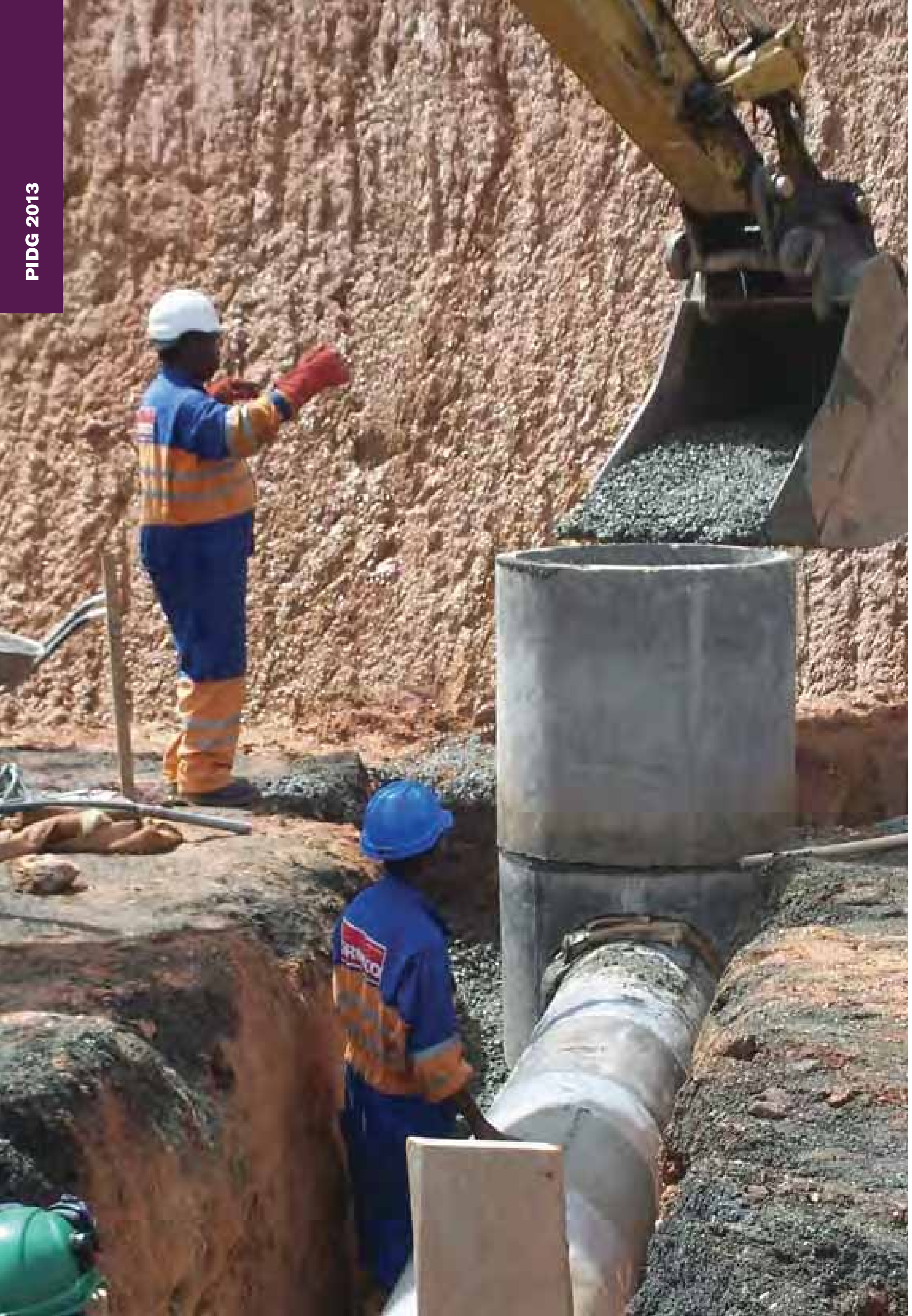
Lisa has over 20 years of executive level private sector experience in strategy, finance and business repositioning in large multinationals, and brings with her strong leadership skills and a collaborative style.

*"One of my first tasks will be to work with the Chair's Office to plan, develop and, even more importantly, prioritise the strategic work agenda with the PIDG Members and the PMU.*

*We will also be looking at monitoring compliance, a PIDG-wide risk management framework, improved analytics related to the financial reporting and the demonstration of value for money; and governance, for example how the Boards are being reviewed and developing succession plans on operational issues and challenges.*

*What I find so interesting about PIDG is that it is a unique public-private partnership model that must chart its own direction as it grows. The strategic questions don't necessarily have the same type of answers that you would expect in advising a single organisation with one Board and few shareholders. Each Facility stands on its own, yet they are an integral part of a larger entity with a common set of organising principles. This means that we need to look across the Facilities to make them more efficient as well as encouraging knowledge-sharing as we work together to deliver the PIDG mission.*

*It is a pleasure to be a part of this organisation."*





## Looking forward to the next decade

PIDG has successfully demonstrated its "proof-of-concept" that public sector funds can be effectively used to pull in private sector investment to deliver infrastructure services in low-income countries, thereby fostering economic growth and reducing poverty. PIDG's comparative advantage of having a flexible capital structure, while at the same time representing a stable, efficient organisation, makes it attractive to Members seeking to achieve specific targeted, high-impact approaches with their funds.

Having agreed to a comprehensive four-year strategy in 2012, PIDG Members are on track through multiple targeted efforts to implement the changes necessary to achieve their objectives. PIDG's work to innovate and focus on the frontier, in terms of the countries and sectors in which it targets will continue in 2014, reinforced by a stronger organisational structure, stable funding and professionals in the PMU and Facilities committed to championing the case for private sector investment in some of the most impoverished and fragile countries on earth.

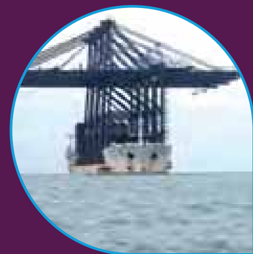
### Andrew Maclean, Incoming Chair PIDG Governing Council

*"Having lived for 20 years in some of the poorest countries in Africa I know what problems the lack of infrastructure causes for people, companies and service providers. Imagine trying to run a business when the power is switched off for hours every day; or when your only road to supply your customers is impassable for weeks at a time. Try running a hospital without a plentiful and clean water supply. Infrastructure such as power, telecoms and transport is essential for the economic development that in turn creates prosperity to lift people out of poverty. Although the sheer scale of infrastructure that is needed by the poorest countries that are DFID's focus is significant, PIDG offers an interesting approach to tackling the problem. PIDG invests public aid money in a smart way to reduce investment risks and thereby attract much greater amounts of private money to projects. So I feel very privileged to be involved with the governance of PIDG and to see it grow, mature and flourish."*

The Chairperson of the Governing Council is appointed for one-year. A Co-Chairperson is appointed for one year before serving as the Chairperson the following year.

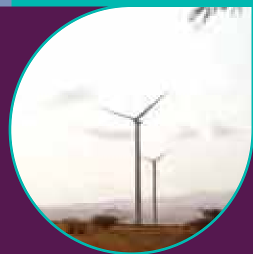
# PIDG Facilities



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 funding within the PIDG Trust to assist the PIDG Facilities with capacity building, preparation and investment requirements that cannot be met by the normal working capital resources of the Facilities. |
| **Established** | 2004 |
| **Funding PIDG Members** | ADA, DFID, DGIS, Irish Aid, SECO, Sida and World Bank Group/IFC.<br><br>The Asian Development Bank has also provided funding in previous years. |
| **Cumulative PIDG Member funding disbursed to the PIDG Trust** | US$57m |
| **Managed by** | TAF is a fund within the PIDG Trust that is managed by the PIDG PMU and the PIDG TAF Technical Advisor. |
| **Website** | www.pidg.org |
| **Total commitments at 31 December 2013** | US$4.24m total commitments to 25 completed grants[1].<br>US$26.90m total commitments to 44 grants under active development.<br>US$1.20m total commitments to 15 completed grants to projects that did not generate private sector investment. |
| **2013 commitments** | US$14.02 to 15 grants |
| **New grants in 2013** | Africa Energy Forum Session on Local Currency Financing, multiple countries (SSA)<br>Coc San Hydro Project (VGF Grant), Vietnam<br>Coc San Hydropower VGF Assessment and Preparation, Vietnam<br>Dar es Salaam Water Desalination Evaluation, Tanzania<br>Kampala Solid Waste Management (VGF Grant), Uganda<br>Kampala Solid Waste Management VGF Assessment and Preparation, Uganda<br>Laos and Myanmar Waste to Energy VGF Assessment and Preparation<br>Laos, Cambodia and Myanmar Waste to Energy (VGF Grant)<br>Nairobi Commuter Rail (III), Kenya<br>Odisha Urban Development PPPs, India<br>Pakistan Bond Issuance Legal Costs<br>Senegal Wind Farm Development<br>Sierra Leone Bumbuna Project Manager<br>Sri Lanka Capital Development<br>Zambia Home Loans Capacity Building |

1 Figure is lower than for 2012 as total commitments were revised downwards in 2013 to take into account the difference between approved grant funds and spent grant funds in the case of projects where the actual spend was less than the amount approved.

# 2013 Overview

*TAF supports the objectives of PIDG by enhancing the ability of PIDG-supported projects to mobilise private sector investment, thus enabling developing countries to make a strong and positive contribution to growth and poverty reduction*

**US$14m**

**to 15 new grants in 14 countries**

**2013 marked another milestone in the development of TAF as an effective tool to support the PIDG Facilities in covering the costs of unusual or unusually expensive capacity building and project preparation activities that the Facilities cannot fund from normal working capital resources. During the year 15 new TAF grants were approved to projects in 14 countries, totalling US$14.02m – the highest amount approved in a single year to date. These grant-funded activities support projects in the energy, transport, urban development and water and sanitation sectors.**

One of the most innovative of the approved TAF grants will partially fund a feasibility study for a seawater desalination plant that will supply water to Dar es Salaam, Tanzania. If the study finds that such a plant is technically and commercially feasible, the plant will be built and operated on a Build Operate Transfer basis, which would help demonstrate that PPP structures can contribute to the development of Africa's water sector despite previous failures.

TAF also supported the additional legal work needed to structure the pioneering Sukuk (Islamic bond) issue to be sold by a Pakistani telecoms company (Mobilink) and guaranteed by GuarantCo. TAF and GuarantCo are also preparing an application for a TAF developmental add-on grant, which will help Mobilink expand an already successful mobile phone-based literacy program that will directly benefit 2,500 women living in Pakistan's impoverished rural areas.

At the beginning of the year, an independent progress review concluded that TAF performs effectively and efficiently in providing a valuable contribution to the overall achievement of PIDG objectives. The main recommendations were to complete the ongoing updating of TAF's Statement of Policies and Procedures (SOPP), the institutionalisation of new monitoring and reporting requirements for TAF-funded activities, and to expand cooperation with other technical assistance and advisory programmes, such as PPIAF. The TAF Technical Advisor and the PMU have taken steps to address each of these recommendations. Ensuring effective quality control over the rapidly expanding scale and scope of TAF activities within a tight administrative budget will be a continuing challenge.

Looking ahead, the TAF Technical Advisor sees significant potential for broadening the variety of support activities needed to address emerging issues related to infrastructure development. For example, the TAF Technical Advisor is working with GuarantCo to explore opportunities to promote the use of bonds for infrastructure finance in countries like Nigeria, Pakistan and Sri Lanka.

## Mobilising private sector investment for development projects

Viability Gap Funding (VGF) reduces the up-front capital costs of pro-poor private infrastructure investments by providing grant funding at the time of financial close, which can be used during construction. The VGF 'gap' is between the revenues needed to make a project commercially viable and the revenues likely to be generated by user fees paid mostly by poorer customers. Although the economic benefits of a private investment project may be high, in situations where the incomes of end users are low it may not be possible to collect sufficient user fees to cover costs. 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.

Substantial risks are associated with this kind of funding, but TAF procedures include a number of overlapping mitigation measures. VGF grants are only disbursed after investors have committed equity to the project, thereby putting their money at risk for a project they believe to be viable. VGF disbursements also track debt drawdowns, to benefit from lender due diligence and performance monitoring. The TAF policies and procedures place limits on the size of VGF grants to ensure that private capital is genuinely at risk to performance. The TAF Technical Advisor also uses an independent panel of experts to evaluate all VGF applications before they go to TAF's donors for final approval.

2013 saw the take-off of the VGF programme. three grants were approved totalling US$12.1m. Projects included a solid waste management project in Kampala, Uganda, a run-of-river hydroelectricity project in a poor region of Vietnam and a series of renewable energy projects in Cambodia, Lao PDR and Myanmar.

In each case, a TAF grant was used to fund a prefeasibility study to confirm that projects have the potential to generate substantial social and economic benefits for low-income populations without unduly subsidising private investors or distorting local markets. The VGF prefeasibility grants supplement the financial and management skills of the PIDG Facilities with specialist expertise in social and economic cost-benefit analysis.

**3**

**VGF grants totalling**

**US$12m**

*Vietnam Coc San Hydro Power received the first VGF grant from TAF to help make the project commercially viable, while still offering affordable electricity tariffs for poorer people*

# TAF in numbers (2013 results in purple)

## Cumulative TAF funding by PIDG Facility (US$m)


## Cumulative TAF funding by sector (US$m)


## Focus on poor and fragile countries (cumulative)

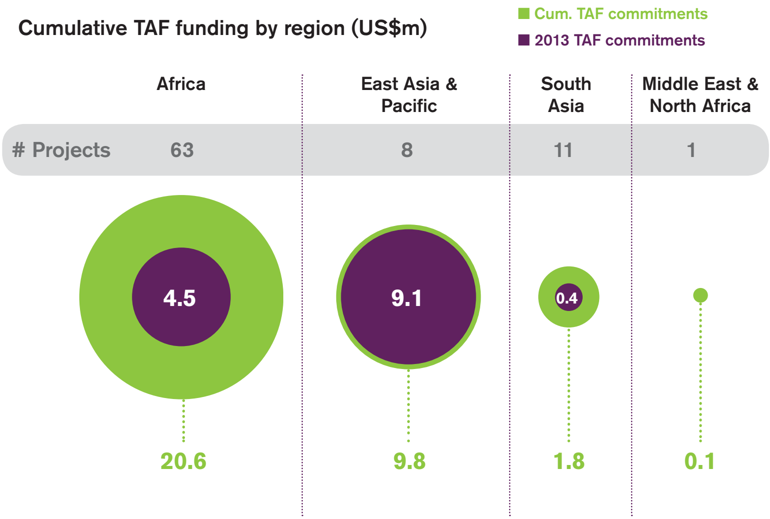
**78%** of grants (by value) in DAC I and II countries

**44%** of grants (by value) in fragile states

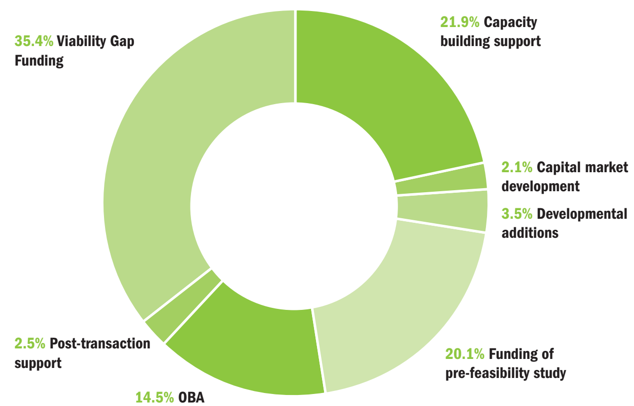
**80%** of grants (by number) in DAC I and II countries

**43%** of grants (by number) in fragile states

## Cumulative TAF funding by region (US$m)




## Type of activity as a % of cumulative approved TAF funding



# Kampala Solid Waste Management VGF

## **Helping Uganda clean up:** Transforming waste management services for poorer communities in Kampala

### Background

Kampala, the capital of the Republic of Uganda, developed around a 19th century port. At the turn of the 20th century the population of Kampala was less than 3,000. Now more than 3 million people a day are drawn to the city, the country's economic hub. With its huge population and ageing infrastruture, the city faces many service delivery challenges, but none is so formidable as waste management.

The city does not have a robust management system to handle, monitor, co-ordinate, finance, plan and control the waste flow chain from generation, collection and transportation through to disposal, treatment and re-use. The associated environmental and public health risks include surface and underground water pollution, air pollution and soil contamination. Untreated waste is accumulating in the city and creating a major public health hazard.

Addressing this challenge is the aim of a new, state-of-the-art solid waste management project, funded by DevCo with the support of a US$3m VGF grant provided by TAF. The first element of the project is a landfill concession that will focus on the closure of existing landfill sites and the construction and operation of a new modern site. Among other things, the new site will harness landfill methane for electricity generation, not only providing an important additional source of electricity generation for the city, but also reducing greenhouse gas emissions.

The second element of the project is a separate series of waste collection concession contracts, which DevCo will help bid out and finalise with local Ugandan companies. The TAF VGF Grant will reduce the up-front capital costs of constructing the new landfill. This in turn should allow for a reduced 'gate fee' charged on the waste delivered to the landfill by the collection companies. The government intends to use the reduced gate fee to require collection companies to provide improved services at no charge in poorer areas of the city. Collection companies can also charge for their services in more affluent areas, and use these revenues to cross-subsidise service in poorer districts.

The overall objective of the project is to ensure safe and sustainable disposal of the city's waste in a way that benefits all urban households, including those who cannot pay the full cost of collection.

### Expected development impact

| | |
|---|---|
| **Access to infrastructure** | 1.3 million people<br>Access to proper waste services for slum dwellers will rise from 30% to 70% and those with access to waste collection will benefit from improved service quality.<br>12-15m kWh electricity generated per year. |
| **Fiscal benefits** | The Government of Uganda will be able to cover costs through cross-subsidisation. Fees collected for a premium service provision for more affluent customers will mean that people in poorer areas can be served without charge. |
| **Job creation** | |
| Long-term jobs (operations and maintenance) | 380 informal workers at the Kiteezi landfill will be employed by the private operator. |
| **Alignment with national plans** | The project is compatible with development strategies being prepared by Uganda and its development partners, including the World Bank, IFC, the African Development Bank and bilateral donors. |
| **Environmental benefit** | Expected GHG emission reductions of 100-150,000 tons of $CO_2$ equivalent per year through landfill gas capture and electricity production. |
| **Demonstration effect** | The first PPP waste management project to be developed in sub-Saharan Africa (excluding South Africa) with potential to serve as a model for similar projects in the country and across East Africa. |

# New TAF grants signed in 2013

| Project | Country | Sector | Description | Facility funding (US$m) |
|---|---|---|---|---|
| Coc San Hydropower VGF Assessment and Preparation | Vietnam | Energy generation/ T&D | Partially finance the costs of an early stage appraisal of the subsidy requirements of a hydropower project in Vietnam. Specifically, this grant will fund preparation of the VGF concept note required for all VGF proposals. | 0.03 |
| Nairobi Commuter Rail (III) | Kenya | Transport - rail | Partially finance capacity building support that will help Kenya Railways and the Government of Kenya better understand key contractual structuring and financing elements that will be factors in the Nairobi Commuter Rail Project. | 0.30 |
| Odisha Urban Development PPPs | India | Multisector | Partially finance three technical assistance activities needed to facilitate successful completion (and sustainable implementation) of two PPP projects in Odisha | 0.28 |
| Senegal Wind Farm Development | Senegal | Energy generation/ T&D | Partially finance two capacity building activities in support of InfraCo Africa's Leona Wind Farm | 0.13 |
| Laos and Myanmar Waste to Energy VGF Support | Multiple countries (EAP) | Energy generation/ T&D | Partially finance an early stage appraisal of the subsidy requirements of waste-to-energy projects in Laos and Myanmar. Specifically, this grant will fund preparation of the VGF Concept Note required for all VGF proposals. | 0.03 |
| Kampala Solid Waste Management VGF Assessment and Preparation | Uganda | Water, sewerage and sanitation | Partially finance an early stage appraisal of the subsidy requirements of a solid waste management project in Uganda. Specifically, this grant will fund preparation of the VGF Concept Note required for all VGF proposals. | 0.03 |
| Coc San Hydro Project (VGF Grant) | Vietnam | Energy generation/ T&D | Up-front capital grant designed to close the viability gap affecting the Coc San Hydro Project in Vietnam. | 5.00 |
| Africa Energy Forum Session on Local Currency Financing | Multiple countries (SSA) | Energy generation /T&D | This grant is designed to partially cover the costs of participation in the Africa Energy Forum by Dr Benon Mutambi, CEO of the electricity Regulatory Authority of Uganda. | 0.003 |
| Dar es Salaam Water Desalination Evaluation | Tanzania | Water, sewerage and sanitation | Partial funding of an evaluation of the viability of a seawater desalination plant to supply water to the city of Dar es Salaam, Tanzania. | 0.30 |
| Sierra Leone Bumbuna Project Manager | Sierra Leone | Energy generation/ T&D | Partially finance the costs associated with hiring a project manager to assist the Government of Sierra Leone (GoSL) with the Bumbuna II Hydropower Project. | 0.40 |
| Zambia Home Loans Capacity Building | Zambia | Housing | Facilitate development of an affordable home loan industry in Zambia by offsetting part of the start-up costs of moving into this market, particularly with respect to capacity building and training for borrowers. | 0.33 |
| Laos, Cambodia & Myanmar Waste to Energy (VGF Grant) | Multiple countries (EAP) | Energy generation/ T&D | VGF grant of US$4.1m to support a series of six small waste-to-energy projects in Laos, Cambodia and Myanmar, which will receive a local currency guarantee from GuarantCo. | 4.10 |
| Pakistan Bond Issuance Legal Costs | Pakistan | Capital market development | Partially cover the legal costs incurred by a private telecoms company in resolving legal and regulatory issues associated with a GuarantCo local currency guarantee. | 0.07 |
| Kampala Solid Waste Management (VGF Grant) | Uganda | Water, sewerage and sanitation | Up-front US$3m VGF grant to facilitate a solid waste management project in Kampala, Uganda. The VGF grant will be used to reduce the up-front capital costs of a landfill concession, in order to allow a reduced 'gate fee' for the private collection/transport companies that will also be contracted on the basis of separate concession contracts. | 3.00 |
| Sri Lanka Capital development | Sri Lanka | Capital market development | Partially finance the costs associated with a pioneering capital market debt transaction in Sri Lanka involving a local currency guarantee by GuarantCo. The costs involve market-making activities, and include higher rating agency costs, higher legal costs and investor education costs. | 0.04 |

# DevCo

## At a glance

| | |
|---|---|
| **Challenge** | Insufficiently well-prepared projects for private sector involvement due to lack of public authority resources and capacity. |
| **Response** | DevCo advises poorer developing country governments on structuring transactions to facilitate sustainable private sector participation in infrastructure. |
| **Established** | 2003 |
| **Funding PIDG Members** | ADA-BMF, DFID, DGIS, Sida and World Bank Group/IFC |
| **Managed by** | World Bank Group's International Finance Corporation (IFC) |
| **Website** | **www.ifc.org/ppp** |
| **Total commitments at 31 December 2013** | US$36.72m to 24 projects that have reached financial close, 28 projects that are under active development, and three projects which were closed after Phase I studies completed. |
| **2013 Commitment** | US$5.22m to 12 projects |
| **Projects that reached financial close in 2013** | Bhubaneswar Public Street Lighting, India<br>Liberia Power Amended Management Contract, Liberia<br>Odisha Solid Waste Management, India<br>West Bank Solid Waste, West Bank and Gaza Strip |
| **Projects that have undertaken post completion monitoring in 2013** | Ashta IPP, Albania<br>SPUG II, Masbate, Philippines |

## Development impact table[2]

| | Cumulative[3] | 2013 | 2012 |
|---|---|---|---|
| Total investment commitments mobilised (US$m) | 5,663.50 | 15.10 | 390.00 |
| People expected to benefit from new/ better infrastructure (in millions) | 33.95 | 1.44 | 1.70 |
| Fiscal benefits (US$m) | 2,598.63 | 0.03 | 34.00 |

2 The 2012 figures correspond to the ones reported in the Annual Report 2012.

3 Figure is lower than for 2012, as expected development impacts are updated annually to reflect the latest estimates.

# 2013 Overview


*Al Menya Landfill provides an efficient solution to waste management in the West Bank and reduces greenhouse gas emissions*

**33%**

**of new projects are in the power sector**

**24%**

**are in water, sewerage and sanitation**

**DevCo's results for 2013 showed a modest increase in activity over previous years, and promising signs for future growth of its operations.**

DevCo signed 12 new projects[4] compared with nine in 2012. All but one (Ghana Electricity Distribution, Ghana) were in low-income (DAC I and II) countries or in one of India's poorest states. This includes projects in three countries – Guinea, Laos and South Sudan – where PIDG has not operated previously, expanding PIDG's total geographic coverage to 57 countries.

33% of these mandates are in the power sector, and 24% in the water, sewerage and sanitation sector. While PIDG Members decided not to create a new specific Facility dedicated to the water sector, DevCo has strengthened its commitment to the facilitation of PPPs in the challenging water and sanitation sectors in poorer, developing countries.

Four DevCo-supported projects reached financial close during the year, compared with only one in 2012. These included contracts for the management of a power plant in Liberia and a solid waste treatment facility in the West Bank, and PPPs for public street lighting and solid waste management in the Indian state of Odisha. Each of these projects illustrates DevCo's pioneering role in promoting private sector participation in infrastructure in challenging locations.

4 Of the 12 projects where DevCo committed funds in 2013, 11 had mandates signed and one (Liberia Amended Contract) did not have a formal mandate signed.

In Liberia and the West Bank (both fragile states), the mandates paved the way for private contractors to manage plants built using ODA funding. So, although no additional investment was mobilised, the efficiencies gained through successful management contracts awarded to private sector operators is developmental by providing improved services at lower costs.

In Odisha, DevCo helped demonstrate the substantial scope for technical and financial gains to be realised through providing modest additional investment associated with a PPP, which made the arrangement attractive to the local authorities. This included the development of a targeted stakeholder outreach programme that is now being used as a model throughout the state. Operations in Odisha do not involve significant amounts of expected investment commitments (US$15.1m) but they do represent significant contributions to delivering improved infrastructure services through private participation. DevCo is already working on replicating its experience in solid waste management and street lighting projects elsewhere in Odisha and Rajasthan.

In the second half of 2013, DevCo substantially increased its pipeline of projects under active consideration in response to a general increase in interest in PPP-type transactions, as well as some specific prospecting work in priority frontier markets. At end 2013, DevCo had 28 active mandates, most of them with good prospects, and expects that five transactions will close in 2014.

Over the 10 years since its creation, DevCo has maintained a fairly consistent record of completed mandates leading to successfully bid out projects. Out of a cumulative total of 52 completed transaction-related interventions, 24 (46%) have successfully reached financial close. While there are few other project preparation facilities to serve as benchmarks, and taking into account the many factors that can delay or stop the later stages of negotiating PPP arrangements or raising financing (over which DevCo has little control), this is a creditable performance especially given DevCo's strategic goals of working in DAC I and II, and fragile and post-conflict states.

During 2013, PIDG engaged consultants to carry out an evaluation of DevCo. Overall, the consultants concluded that DevCo continues to be relevant and has been effective in achieving expected results and in contributing to delivering development benefits in the low-income countries identified as a priority by the PIDG Members. The evaluation (see www.pidg.org) recommended that DevCo should expand the scope of its activities, in particular by undertaking more upstream activities, for example to promote the enabling environment for PPPs in frontier markets where the concepts are not well accepted, and to engage more systematically in the downstream stages of structuring and negotiating PPP transactions.

In response to this, DevCo in collaboration with IFC has already expanded the scope of its services to include post-transaction advisory support to governments, particularly where they have limited professional capacity to structure or negotiate complex contractual arrangements. So far, IFC has signed four such post-transaction support projects that are supporting the contract management and implementation of previously DevCo-funded projects.

Finally, the evaluation recommended improved post-completion monitoring procedures to be designed and implemented for DevCo, to reflect the unique nature of advisory PPP projects. In collaboration with the IFC, changes have been made to improve DevCo's post-completion reporting (see page 32).

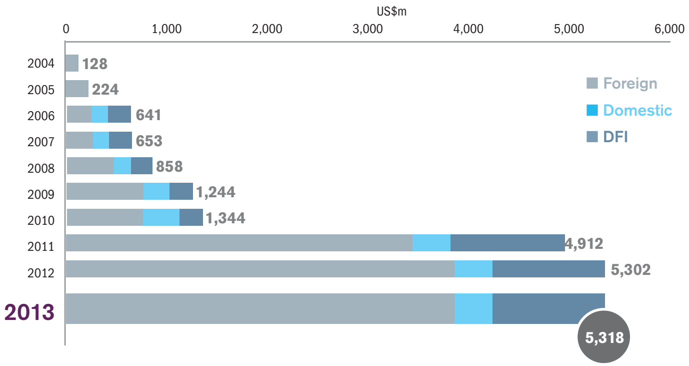
### Post-transaction support (PTAS) to DevCo funded projects

- **West Bank Solid Waste Mgmt. PTAS** (Mandate signed in Sept 2013)
- **Kosovo KEDS PTAS** (Mandate signed in November 2013)
- **Berhampur (Odisha) Solid Waste Mgmt. PTAS** (Mandate signed in November 2013)
- **Bhubaneswar Street Lighting PTAS** (Mandate signed in November 2013)

*The Liberian civil war left the country's infrastructure devastated. IFC, using DevCo funding to provide technical and legal assistance, worked with the government of Liberia as the lead advisor on the selection of a utility operator to operate the Liberian Electricity Corporation*

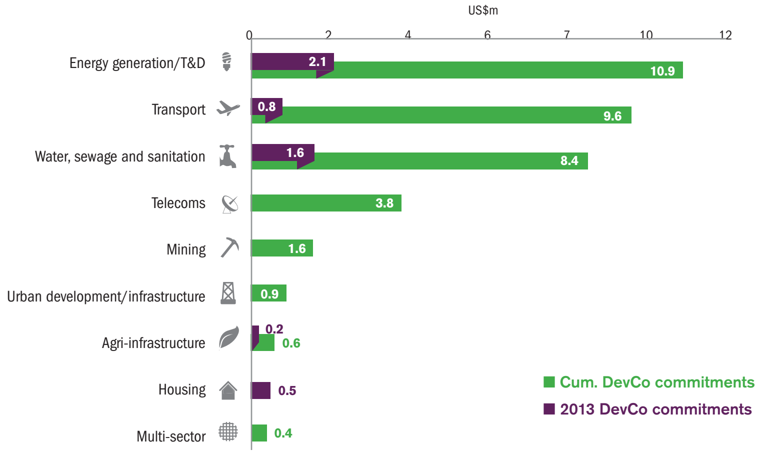
# DevCo in numbers (2013 results in purple)

### Cumulative expected total investment commitments from 24 DevCo successfully closed mandates by year of close (US$m)

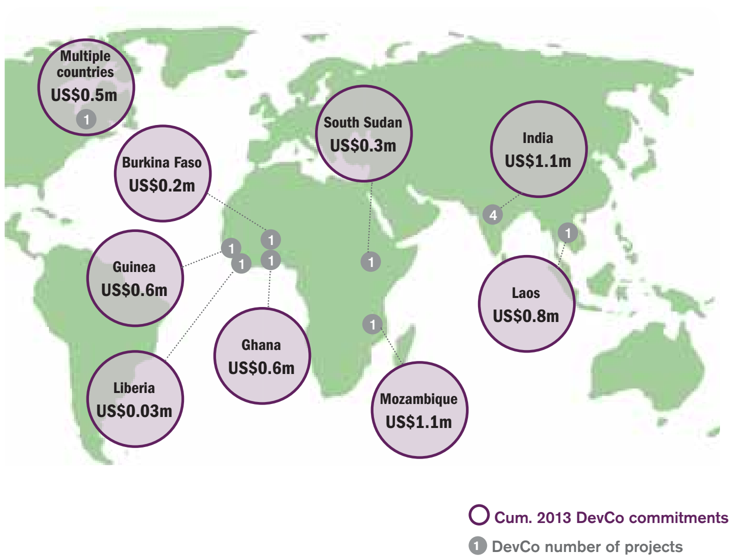



Note: There is one DevCo project with expected investment committed of US$346m, where the breakdown is not available.

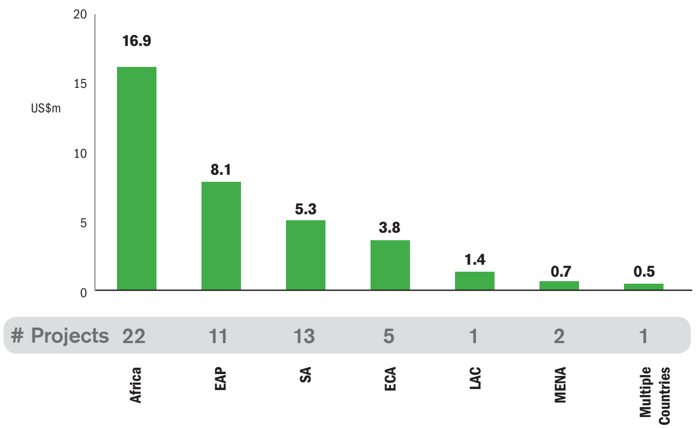
### DevCo cumulative commitments by sector (US$m)




### 2013 DevCo new commitments by country (US$m)




### DevCo cumulative commitments by region (US$m)




### Focus on poor and fragile countries (cumulative)

**48%** of total investment commitments (by value) **in DAC I and II countries***

**42%** of total investment commitments (by value) **in fragile states**

**76%** of projects (by number) **in DAC I and II countries**

**40%** of projects (by number) **in fragile states**

* Excluding Central Java IPP, Indonesia, an outlier.

# West Bank Solid Waste Management

**No time for waste on the West Bank:** Operating and managing a landfill site in the southern West Bank

*Much waste is simply tipped onto open sites above ground with disastrous environmental consequences*

**The disposal of rubbish is a serious problem in the West Bank**

**500 tons**

**can be generated per day**

## Background

The disposal of rubbish is a serious problem in the West Bank. The population generates around 500 tons of waste per day, and the volume is increasing. Much of it is simply tipped onto open sites above ground with disastrous environmental consequences.

The Southern West Bank Solid Waste Management (SWM) project to operate the Al Menya landfill offers a modern, efficient, safe solution to this problem. Instead of open dumping, rubbish that cannot be recycled will be buried in a modern landfill system. This kind of landfill both contains the waste and reduces emissions of greenhouse gases.

## The deal

The World Bank and other donors provided the necessary funding, but decided that the local capacity to manage it was insufficient. DevCo provided advisory support to the Joint Services Council for Hebron and Bethlehem (JSC-H&B) to identify an experienced private sector partner to manage the new facility.

A management contract for the operation of the Al Menya landfill was signed by JSC-H&B with a Greek consortium. To improve the sustainability of the project and the sector, a US$8m grant from the Global Partnership on Output Based Aid (GPOBA) is also being provided. Output-based aid is used in cases where poor people are excluded from services because they cannot afford to pay the full user costs of accessing the service. Output-based aid provides the supplier with a subsidy for providing services to low income users, which complements or substitutes the user fees they would normally charge. In this project, output-based aid will offset the costs of the improved solid waste management service for poorer households during the first four years of the new landfill operation, and provide well-designed incentives to increase service quality which in turn will affect customer willingness to pay and gradually recover costs borne by the service providers.

## Role of PIDG

Funding from DevCo was used to cover the costs of legal assistance to support the technical due diligence of the PPP transaction and the design of the pilot output-based aid component of the project outlined above. This component was crucial to the success of the project, as it provided comfort that service improvements would be implemented by municipalities and gradual progress towards financial sustainability of the full SWM system would be achieved.

Supplementary funding was provided by TAF to part-finance the technical due diligence (including defining the Waste Acceptance Protocol), an affordability and willingness to pay test, and assistance with technical inputs in the transaction documents.

## Expected development impact

| | |
|---|---|
| **Access to infrastructure** | 840,000 people, including 320,550 women. |
| **Job creation** | |
| Long-term jobs (operations and maintenance) | 20 |
| **Financial additionality** | It is very unlikely that the project would have materialised without DevCo's intervention and staff expertise. The grant agreement with GPOBA was also key in the success of the transaction as it provided comfort that service improvements would be implemented by municipalities and gradual progress towards financial sustainability of the full SWM system would be achieved. |
| **Design additionality** | Involvement of the private sector will help curb disposal of waste at unregulated dump sites and ensure efficient and appropriate operations and maintenance of the landfill. |
| **Environmental benefit** | Reduction in greenhouse gas emissions is estimated at 13,400 tons over seven years. |
| **Demonstration effect** | As the first genuine PPP in the West Bank, the project demonstrates an innovative mechanism to deliver public services.<br>It will establish a track record for the JSC-H&B in PPP, and help it attract further private sector participation in other infrastructure projects. |

# Newly signed projects in 2013[5]

| Project | Country | Sector | Description | Facility funding (US$m) |
|---|---|---|---|---|
| Liberia Power Amended Management Contract | Liberia | Energy generation/ T&D | Assisting in negotiating and preparing an Amended Management Contract (AMC). The AMC will enable the operator to establish a Project Implementation Unit for the reconstruction of the Mt Coffee hydropower plant in Liberia. | 0.03 |
| CASA-1000 | Multiple countries | Energy generation/ T&D | Supporting the construction of high-voltage transmission lines to carry surplus electricity generated in the Kyrgyz Republic and Tajikistan to consumption centres in Afghanistan and Pakistan. | 0.50 |
| Mozambique Water PPP 2 | Mozambique | Water, sewerage and sanitation | Assisting the government of Mozambique, through FIPAG, the water asset holding company. In the Greater Maputo Area IFC will help prepare, structure and tender a delegated service contract to a private operator. | 1.10 |
| Odisha Rooftop Solar Project | India | Energy generation/ T&D | Providing transaction advisory support to the Government of Odisha to assist in the implementation of a grid-connected mega-watt scale rooftop/distributed solar power project in the cities of Bhubaneswar and Cuttack, which involves the installation and operation of grid-connected solar panels on rooftops of public and/or private buildings by competitively selected private sector developer(s). | 0.27 |
| Odisha Rice Storage Project | India | Agri-infrastructure | Providing transaction advisory support to the government of Odisha in structuring a scheme/policy for developing rice storage facilities on a PPP basis across the state. | 0.20 |
| Odisha Affordable Housing – Berhampur city | India | Housing | Supporting the design and construction of housing units on a greenfield site to be provided by the authority in Berhampur. The target beneficiaries will be low-income households. The units will be sold to the beneficiaries under several incentives and criteria that discriminate against speculators | 0.48 |
| Ghana Electricity Distribution | Ghana | Energy generation/ T&D | Carrying out a technical and financial diagnostic of Ghana's two state-owned electricity utility companies – ECG and NEDCO – that will be then used as an input in the development of an option analysis for introducing PSP in those utilities. | 0.60 |
| Puri (Odisha) Solid Waste Management | India | Water, sewerage and sanitation | Providing transaction advisory support to the Puri Municipality, Odisha in structuring an integrated solid waste management project on a PPP basis to address the challenges of fluctuating waste quantity for its collection and treatment in the city. | 0.15 |
| Solar IPP | Burkina Faso | Energy generation/ T&D | Supporting the development, construction and financing of a 20MW greenfield solar plant in Zagtouli, less than 20km from the capital city of Burkina Faso, Ouagadougou. | 0.15 |
| Guinea Power PPP | Guinea | Energy generation/ T&D | Structuring and implementing a PPP project whereby a private operator will improve Electricite de Guinea's (EDG's) poor performance, with the aim of improving access to electricity in the country. | 0.60 |
| South Sudan Water PPP | South Sudan | Water, sewerage and sanitation | Supporting the delivery of two pilot water PPP projects that involve different models of private sector participation (Build Operate Transfer and Management Contract models) and associated capacity building to help inform water sector development and policy in South Sudan. | 0.34 |
| Lao Roads PPP | Laos | Transport - road | Supporting the competitive tender under PPP for a private sector investor/developer to improve safety aspects and expansion of around 260km along of road in Vientiane. | 0.80 |

5 Of the 12 projects where DevCo committed funds in 2013, 11 had mandates signed and one (Liberia Amended Contract) did not have a formal mandate signed.

# Projects that have reached financial close in 2013

| Project | Country | Sector | Description | Facility funding (US$m) | Expected project financing (US$m): Commercial PSI | Expected project financing (US$m): DFI investment | Expected people served with new/ improved infrastructure | Expected fiscal benefits (US$m) | Expected short-term jobs (construction) | Expected long-term jobs (operations and maintenance) |
|---|---|---|---|---|---|---|---|---|---|---|
| West Bank Solid Waste | West Bank & Gaza Strip (Palestinian Territories) | Water, sewerage and sanitation | Supporting the Joint Services Council for Hebron and Bethlehem in attracting Private Sector Participation (PSP) for the operation and maintenance of the Southern West Bank landfill. By acting as lead advisor, IFC will conduct a legal, technical and commercial review of the project to develop a robust PPP transaction structure (if feasible) that would set an appropriate risk allocation for both the public and the private sectors. | 0.20 | - | - | 840,000 | 0 | 0 | 20 |
| Bhubaneswar Public Street Lighting | India | Urban development/ infrastructure | Designing, structuring and managing the bid process for a performance based street-lighting project in Bhubaneswar, whereby an energy service company would invest in upgrading the street lighting infrastructure and improve management through metering, remote monitoring, compliance with national lighting standards, and use of inventory records, and recover its investment by claiming a share of energy savings. | 0.25 | 4.8 | - | 167,547 | 0.03 | 20 | 20 |
| Odisha Solid Waste Management | India | Water, sewerage and sanitation | Transaction advisory services to introduce PPP in solid waste management in order to extend the private management of the solid waste to all areas of the city. | 0.25 | 8.9 | 1.4 | 355,823 | 0 | 50 | 300 |
| Liberia Power Amended Management Contract | Liberia | Energy generation/ T&D | Assisting in negotiating and preparing an Amended Management Contract. The Amended MC will enable the operator to establish a Project Implementation Unit for the reconstruction of the Mt Coffee hydropower plant in Liberia. | 0.03 | - | - | 75,000 | 0 | 0 | 0 |

# Projects that have become fully operational in 2013

| Year of close | Project | Country | Sector | Description | Facility funding (US$m) | Project financing (US$m) | | People served with new/improved infrastructure | | Fiscal benefits (US$m) | | Short-term jobs (construction) | | Long-term jobs (operations and maintenance) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Expected | Actual | Expected | Actual | Expected | Actual | Expected | Actual | Expected | Actual |
| 2005 | SPUG II (Tablas Romblon and Marindique) | Philippines | Energy generation/T&D | Advisory mandate to assist the government of Philippines to introduce PSP in power generation in non-grid areas, such as remote islands. | 0.09 | 12.0 | 15.8 | 60,000 | 21,624 | 76.00 | 0.21 | - | - | 1,000 | 91 |
| 2008 | Ashta IPP | Albania | Energy generation/T&D | Supporting consulting services to design, construct, operate and transfer a 53MW Ashta run-of-river hydropower plant on the Drin river cascade. | 0.50 | 200 | 262 | 170,000 | 170,000 | 80.00 | 26.20 | - | 250 | 100 | 27 |

# InfraCo Africa

## At a glance

| | |
|---|---|
| **Challenge** | Shortage of bankable private sector infrastructure projects being developed in sub-Saharan Africa due to the high risks of the early stages of project development. |
| **Response** | InfraCo Africa is an infrastructure project development facility, which has been designed to assume the risks and costs of early-stage project development in the lower income countries in sub-Saharan Africa. |
| **Established** | 2004 |
| **Funding PIDG Members** | ADA, DFID, DGIS and SECO |
| **Cumulative PIDG Member funding disbursed to the PIDG Trust** | US$126.70m |
| **Chair** | Brian Count |
| **Managed by** | InfraCo Africa internal management team |
| **Principal developer** | eleQtra (InfraCo) Ltd |
| **Website** | **www.infracoafrica.com** |
| **Total commitments at 31 December 2013** | US$50.74m to eight financially closed projects and three projects with Joint Development Agreement (JDA) signed. |

## Development impact table [6]

| | | Cumulative[7] | 2013 | 2012 |
|---|---|---|---|---|
| Total investment commitments (US$) | | 1,772.09 | 0 | 600.00 |
| People expected to benefit from new/better infrastructure (in millions) | | 15.25 | 0 | 2.21 |
| Fiscal benefits (US$m) | | 595.37 | 0 | 82.00 |
| Job creation (No. of people) | Short-term jobs (construction) | 7,395 | 0 | 4,000 |
| | Long-term jobs (operations and maintenance) | 1,059 | 0 | 225 |

6 The 2012 figures correspond to the ones reported in the Annual Report 2012.

7 Figure is higher than for 2012, as expected development impacts are updated annually to reflect the latest estimates.

# 2013 Overview

*The Chiansi project will establish a commercial farming operation through irrigation provision on 1,575 hectares of 600 smallholder and commercially owned land.*

**US$600m**

**of private sector debt and equity investment mobilised for the Cenpower project**

**2013 was an important year of consolidation for InfraCo Africa, building the foundations for a major expansion of its activities over the next five years.**

InfraCo Africa began to transform its business to a multi-developer model by seeking additional developer teams and exploring opportunities through its internal management team to co-invest in infrastructure projects under development. The multi-developer model will expand the scale and scope of InfraCo Africa's operations, as well as stimulating the supply of project developers in the region. An extensive and transparent tendering process to select additional developer teams in 2013 produced five bids. At the year end, InfraCo Africa was evaluating these bids and expects to appoint at least one additional developer team under a long term contract in the first half of 2014.

At the same time, InfraCo Africa has been building up its internal management team, appointing its first Executive Director, to oversee and manage the multi developer model and assess co-investment opportunities.

In May 2013, InfraCo Africa extended the contract of its principal developer eleQtra, which in turn substantially expanded its staffing both of experienced specialists and high quality local field staff. As a result, eleQtra increased the number of projects in its active pipeline from 10 to 15 by year end. These include both the potential replication of the successful Cabeólica (Cape Verde) wind farm project in Ghana and Senegal, the replication of the multi-sector Kalangala Infrastructure Project in the Lake Albert Region in Uganda, as well as developing new power projects in Mozambique and Zambia.

In 2013, the Cenpower project, a 340MW power generation project in the Tema industrial area of Ghana, made significant progress towards full financial close, expected now to be reached in mid-2014. This will be the largest power project developed by InfraCo Africa, mobilising over US$600m of private sector debt and equity investment.

InfraCo Africa had a target for 2013 of reaching an equity close on the Chiansi agri-infrastructure development in Zambia, which was not met. The Chiansi project has a high developmental impact and has been a showcase project for local community involvement in PIDG-supported agricultural production and the development of local agricultural markets. The main goal in 2013 has been to move towards a financial close while maintaining the support of all stakeholders including the local community in order to see their long held ambitions and dreams realised. It is now expected that an equity and debt close will occur during 2014.

Targets for 2013 included the signature of one joint development agreement for a renewable power project. The Leona Wind project, while at an advanced stage of development, suffered a setback as the government of Senegal unexpectedly awarded contracts to other renewable energy projects in the country, thereby negatively impacting Leona's viability. InfraCo Africa is exploring the government's

support of the project before financing further development. Two other renewable projects are in the process of reaching joint development agreements. Both achieved significant progress towards agreements, and negotiations will continue into 2014. It is important to note that projects can be stalled by 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.

During the year, the Board approved two new hydro projects in Mozambique, a new wind project in Ghana and a second hydro project in Zambia for initial due diligence. In the co-investment portfolio, equity documents for the Fula Rapids hydro project in South Sudan are now in final form, however sign-off by the government has been delayed by the ongoing civil conflict.

Meanwhile, two InfraCo Africa projects reached important operational milestones. The Kalangala Ferry Services (Uganda) is now fully operational with the first ferry (MV Pearl) running and all four of Cabeolica's wind farms (Cape Verde) are producing electricity above projected levels.

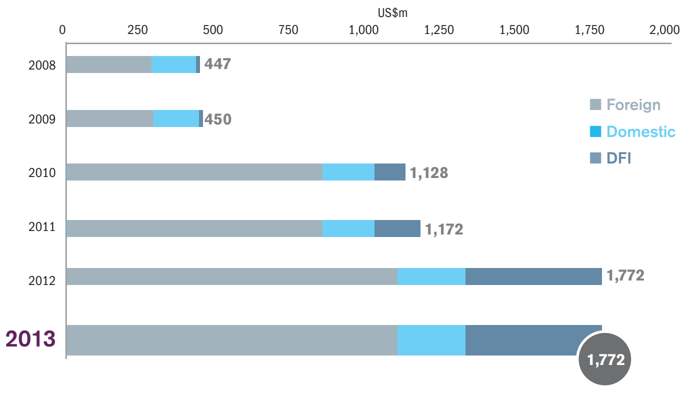
During 2012, InfraCo Africa completed the sale of its equity interest in the Muchinga Power Company in Zambia, in line with its long-term goal of becoming a self-sustaining project development company. InfraCo Africa expects to progressively divest more of the mature investments in its portfolio over the next two to three years to make additional funds available to develop new infrastructure projects.

Development of greenfield infrastructure in Africa is a long-term business. Since its establishment in 2004, InfraCo Africa has reached equity closings on eight projects. This steady but slow pace of growth reflects both its focus on identifying potential projects at an early stage, as well as the complexities of project development work – including conducting prefeasibility studies, optimising the project design, structuring contractual arrangements and attracting equity and debt finance. Recently, several private project developers have begun to raise funds for infrastructure development in Africa, but these are aimed at bringing larger, more mature projects to completion and so are not likely to compete directly with InfraCo Africa's focus on innovative, early stage project development.

In November 2013 the PIDG Members approved the establishment of an InfraCo Africa investment company, which is intended to provide a source of patient equity capital to bridge funding gaps during the early stage development of projects. In the past these funding gaps have seriously delayed several promising prospects from reaching financial closure. The investment company will be mandated to complement, and not compete with, private investors and to balance the goals of achieving attractive financial returns on its investment activities with promoting infrastructure projects with a high developmental impact. This Facility is expected to be fully operational in the second half of 2014.

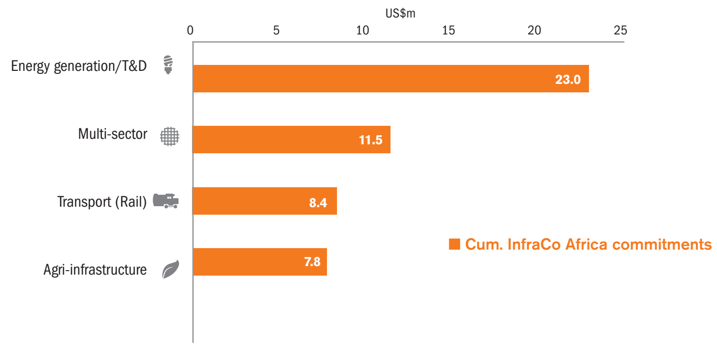
# InfraCo Africa in numbers

**Cumulative expected total investment commitments from InfraCo Africa-supported projects that have reached equity close or financial close by type of investment and by year of close (US$m)***

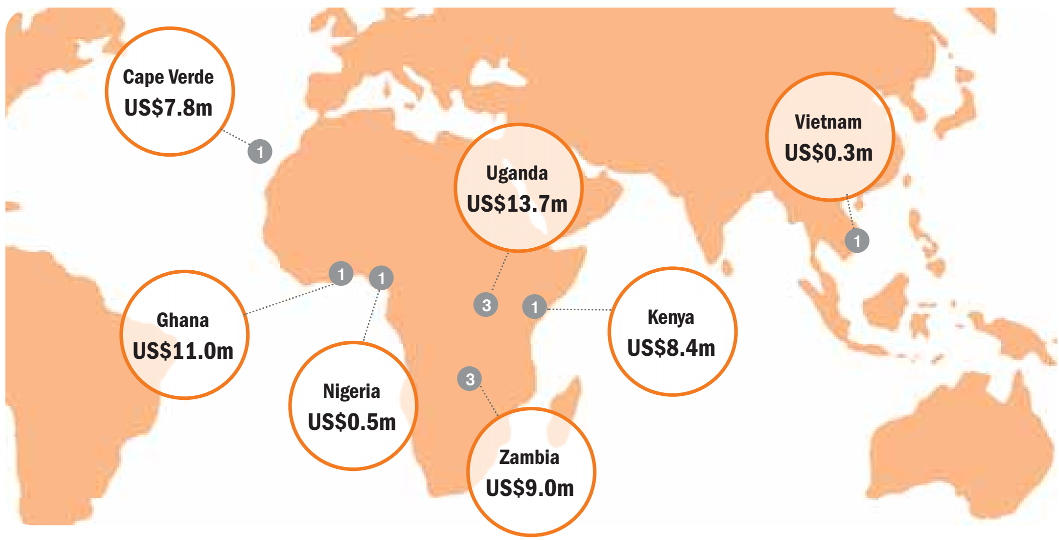



* 2012 figure is higher than reported in 2012 Annual Report as the total investment commitments figures for the eight closed projects have been updated during 2013.

**Cumulative InfraCo Africa commitments to projects under active development or that have reached equity close or financial close by sector (US$m)**




**InfraCo Africa cumulative commitments to projects under active development or that have reached equity close or financial close by country (US$m)**




Note: At inception, InfraCo Africa had a mandate to operate globally in developing countries (when the project in Vietnam was developed). This was subsequently amended in 2009 to focus solely on sub-Saharan Africa, with InfraCo Asia established to operate in the poorer countries of Asia.

Focus on poor and fragile countries (cumulative)

**96%** of total investment commitments (by value) **in DAC I and II countries**

**26%** of total investment commitments (by value) **in fragile states**

**91%** of projects (by number) **in DAC I and II countries**

**46%** of projects (by number) **in fragile states**

# Kalangala District Infrastructure Provision

**Transforming Bugala Island's infrastructure:** Multi-sector initiative developing environmentally sensitive infrastructure services

## Overview

A mixed utility, providing transport, water and electricity on Bugala Island in Uganda's Kalangala District introduces two new roll-on-roll-off ferries, upgrades the main road and overhauls the water supply system. A renewable solar-diesel hybrid power energy system brings grid electricity, prepaid metering and potable water to households and businesses across the island for the first time.

## Background

Bugala Island is the largest of 84 islands that make up the Ssese archipelago in Lake Victoria, covering 275 sq km. While fishing (along the shores of Lake Victoria) and agriculture (oil palm growing, timber) dominate the island economy, its location and climate have made it a magnet for holidaymakers – and, with improved infrastructure, tourism is expected to become a more vital part of its economy. As an isolated and poor rural location, much of the existing infrastructure on the island's principal settlements was either in a dilapidated state, had limited capacity or was non-existent.

This project is a unique multi-sector initiative, developing environmentally sensitive infrastructure services designed to achieve the economies of scope and scale necessary to attain project finance and operate efficiently.

### Kalangala Infrastructure Services Project (KIS) comprises:

| | |
|---|---|
| The development, construction, and maintenance of two roll-on-roll-off passenger and vehicle ferries (each with a capacity of 16 cars and 200 passengers) | The first ferry (MV Pearl) is now operating between Bukakata and Luku; the second ferry is in construction in Mwanza and is scheduled to enter service in August 2014. |
| The upgrade of the island's 66km main road | Construction of the main Bugala Island road has begun, upgrading it from dirt to gravel, and should be completed by November 2014. |
| Improved solar-powered water supply systems | Two of seven fish landing sites have already been connected to a water distribution network. A further five are in advanced stages of construction and will have new water distribution systems in operation by the end of 2014. |

### Kalangala Renewables (KR) comprises:

| | |
|---|---|
| The development of a 1.6MW power generation system through a renewable energy mini-grid, 33kv transmission system | Construction of the KIS power plant, transmission and distribution lines on Bugala Island commenced in February, 2013. All equipment required for the construction of the KIS solar power plant has been delivered to the project site. The foundation works for solar panels and control rooms are being constructed and 90% of the low voltage poles have been placed throughout the island. Construction of the high voltage lines commenced during Q3 2013. The solar diesel hybrid power plant and grid will be commissioned in July 2014. |
| A low voltage distribution system | |
| Installation of a prepaid metering system to households and businesses | |
| Installation of 2,000 domestic connections at various load centres on the island, with further connections over time | |

## The deal

| KIS | Total project investment for Kalangala Infrastructure Services Project : US$28.99m | | | |
|---|---|---|---|---|
| TAF funded OBA | Foreign PSI: US$3.25m | | DFI: US$25.74m | |
| US$1.7m | Eq: US$0 | Debt: US$3.25m | Eq: US$21.18m | Debt: US$4.56m |
| | | Nedbank | US$6.34m domestic DFI equity (UDC); US$14.84m foreign DFI equity, split US$7.31m IDC and US$7.53m InfraCo Africa | EAIF |

| KR | Total project investment for Kalangala Renewables: US$15.57m | | | |
|---|---|---|---|---|
| TAF funded OBA | Foreign PSI: US$1.75m | | DFI: US$13.82m | |
| US$3.3m | Eq: US$0 | Debt: US$1.75m | Eq: US$11.38 | Debt: US$2.44m |
| | | Nedbank | US$3.40m domestic DFI equity (UDC); US$7.96m foreign DFI equity split US$3.92m IDC and US$4.04m InfraCo Africa | EAIF |

The total project investment required across the board is US$44.5m. The two passenger ferries, road upgrade and water supply system, required an investment of US$29m, with a further US$15.6m needed for the power generation, transmission and distribution (to be delivered through Kalangala Renewables).

The KIS investment was financed with a commercial loan of US$3.3m from Nedbank as well as a combination of debt and equity from various DFIs, including EAIF and a debt joint guarantee from USAID/GuarantCo. TAF provided an output based aid (OBA) grant of US$5m, used initially to fund the ferry construction and then reallocated to subsidise power and water connections as well as the ferry service to poor households on Bugala Island. The OBA grant of US$1.7m for KIS was directly targeted at enabling affordability for the local, poorer community.

Kalangala Renewables funded its investment with an OBA grant from TAF of US$3.3m and a US$1.8m commercial loan from Nedbank, alongside DFI loans and equity funding totaling US$13.8m, including US$2.4m from EAIF. InfraCo Africa will maintain a 54% equity stake in the project

## Role of PIDG

Through its principal developer eleQtra, InfraCo Africa is the prime mover in the project. It has led the design of the Kalangala project, playing a catalytic role in encouraging investment through the blending of various innovative private financing instruments and co-ordinating the development, finance and construction. Other PIDG Facilities – EAIF, GuarantCo and TAF – have all played a part in tying together numerous lenders, investors, donors and guarantors. Without their expertise and financial backing, this transformative, but complex, project would never have seen the light of day. Through this project, commercial funding from Nedbank, the Ugandan Development Corporation and the Industrial Development Corporation of South Africa was mobilised for the first time to finance a greenfield multi-sector infrastructure project in sub-Saharan Africa whose principal beneficiaries are poor rural communities. Both projects reached financial close in December 2012.

*TOP RIGHT: The Kalangala project's first ferry, the MV Pearl, pulling into port on its route between Bukakata and Luku*

*RIGHT: Part of the Kalangala solar power plant (largest solar PV project in East Africa) providing renewable electricity to households and businesses in Kalangala District*

## Expected development impact

| | |
|---|---|
| **Total project investment** | **US$44.56m** |
| Kalangala Infrastructure Services Project (KIS) | US$28.99m |
| Kalangala Renewables (KR) | US$15.57m |
| **Access to infrastructure: Roads, ferries, power** | 35,000 people, the entire population of Bugala Island. |
| **Fiscal benefits** | |
| **Income from taxes KIS** | US$0.93m in the first five years: ferry VAT, ferry license fees, and an allocated portion of stamp tax on share capital. |
| **Income from taxes KR** | US$1.04m in VAT, and allocated portion of stamp tax on share capital. |
| **Job creation** | |
| KIS short-term jobs (construction) | 150-200 |
| KR short-term jobs (construction) | 75 |
| KIS long-term jobs (operations and maintenance) | 68, including 10 that have gone to women and 35 of which are skilled. |
| KR long-term jobs (operations and maintenance) | 6 |
| **Financial additionality** | InfraCo Africa developed an innovative financial structure for the project with blended finance, including OBA, allowing the project to reach the poorest residents while also being commercially viable. |
| **Design additionality** | Modern, safe ferries – local staff (including women) trained as ferry operators; solar powered water supply systems employing efficient, renewable technology with low maintenance requirements; largest solar PV project in East Africa – a rare example of a renewable energy mini grid in sub-Saharan Africa. |
| **Policy additionality** | The project took InfraCo Africa seven years to develop and reach financial close. During this time it has contributed to several improvements in the regulatory environment:<br>a) First private sector water authority in Uganda; appropriate contracts for PSP in water had to be designed with the Ugandan authorities.<br>b) First private firm to be granted a license to own and operate a commercial ferry service. Government needed capacity building support to design the Ferry Licensing Agreement.<br>Innovative shadow toll payment structure implemented to finance costs of road upgrading. |
| **Additional benefits** | Economic empowerment of women – the provision of electricity will free up time for women in the area and create opportunities for them to engage in commercial activity. Two trained apprentices are women and have become the first certified female mariners in Uganda.<br>Productivity boost – an extension of activities that previously could only be carried out during the daytime, such as studying, is adding to productivity and education, and diversifying income generation opportunities. |
| **Demonstration effect** | The Kalangala Infrastructure Project, given its rural setting and challenging economics, has demonstrated the demand in local financial markets for long-term debt instruments, enhanced by partial credit guarantees. InfraCo will continue to steer other rural infrastructure projects in this direction to attract private capital and replicate the model. |

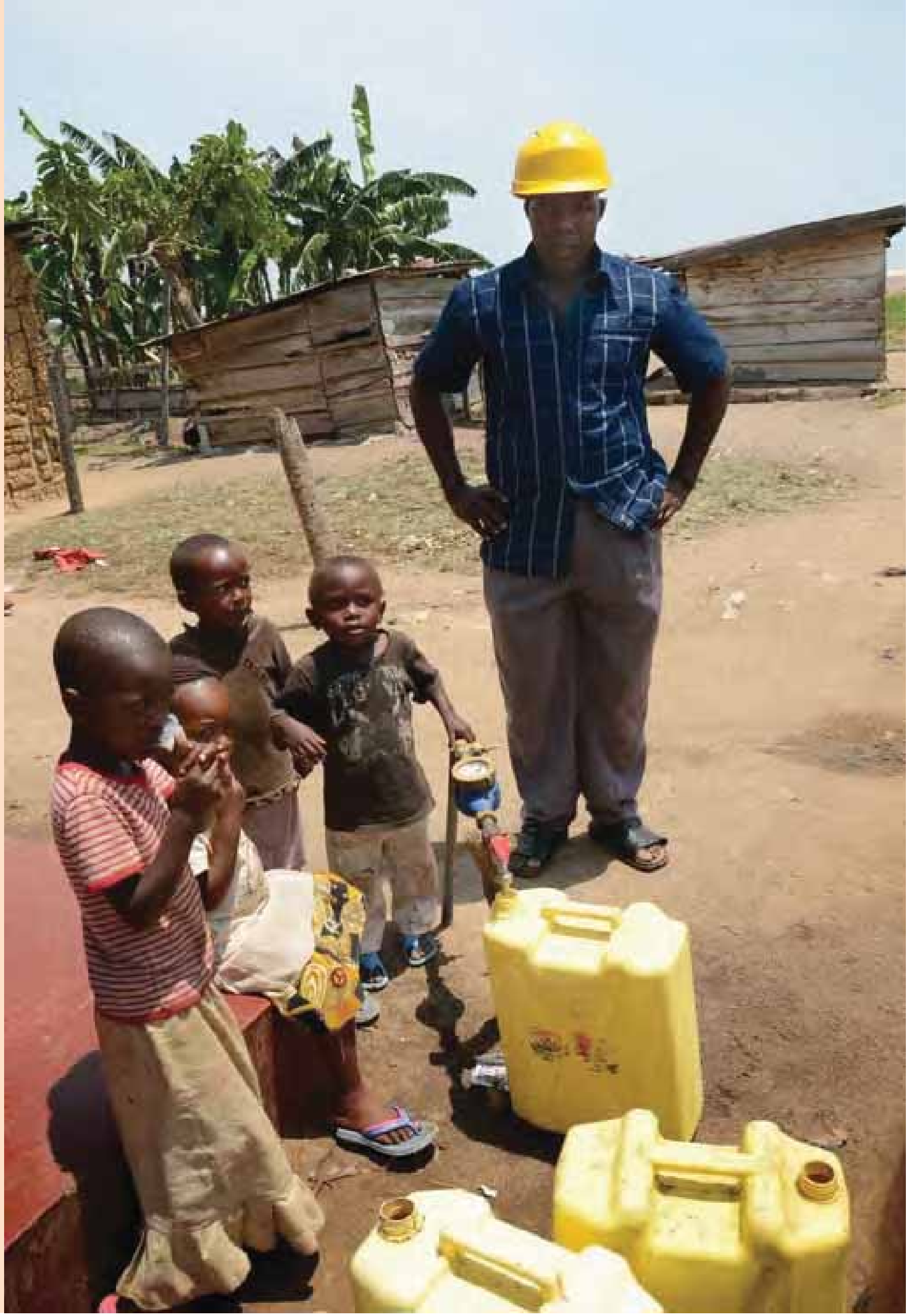
## Changing lives

The Kalangala Infrastructure Project has demonstrated the demand in local financial markets for long-term debt instruments, enhanced by partial credit guarantees. InfraCo Africa will seek to replicate this successful model for other rural infrastructure projects.

Although not all aspects of the project are operational, benefits to direct project beneficiaries are already being observed. "I was privileged to be selected by KIS as one of the ferry trainees, and later appointed as an employee," says Theresa Namutebi. She is one of 10 apprentices KIS recruited from Bugala Island, and trained at an international martitime academy. Theresa and her fellow apprentices, Racheal Ninsiima and Dorah Nampamba, have become the first certified female mariners in Uganda. "After getting a job with KIS, my social, health and economic conditions improved... I can now pay for my children's school fees, feed them well and also take care of their health."

Furthermore, the government-subsidised ferry service allows residents to transport their crops and fish to the mainland for sale. The daily trips to the mainland also allow residents to work further afield, receive medical treatment and supplies, resupply fresh food, and import building materials.

Villages where KIS water supply is provided have seen a drop in waterborne diseases, a leading cause of illness and death for children under five years of age in Africa. There is also a visible increase in the settlement of families in permanent homes, in contrast to the temporary structures that were prevelant before the project started. Muhamed Namuyimba and his wife, who live at Kasekulo village landing site, were selected from community members to implement the KIS water project as water tap managers. "Water has become employment to my wife," he says. "The health in my home has also improved because of the safe water provided by KIS."



# InfraCo Asia

## At a glance

| | |
|---|---|
| **Challenge** | Shortage of bankable private sector infrastructure projects being developed in Asia due to the high risk nature of early-stage project development. |
| **Response** | InfraCo Asia is an infrastructure development facility which aims to stimulate greater private investment in infrastructure in selected emerging countries of South and South-East Asia by acting as principal project developer. |
| **Established** | 2010 |
| **Funding PIDG Members** | DFAT, DFID and SECO |
| **Cumulative PIDG Member funding disbursed to the PIDG Trust** | US$62.58m |
| **Chair** | Kenneth Baxter |
| **Managed by** | Nexif (InfraCo) Management Pte Ltd |
| **Website** | **www.infracoasia.com** |
| **Total commitments at 31 December 2013** | US$35.12m to one project that has reached financial close and 10 projects with Joint Development Shareholder Agreements (JDSA) signed. |
| **Projects that reached financial close in 2013** | Cambodia Salt Farm Development, Cambodia |
| **Projects that have become fully operational in 2013** | Cambodia Salt Farm Development, Cambodia |

## Development impact table of Cambodia Salt Farm: the first InfraCo Asia project to reach financial close[8]

| | | Cumulative | 2013 |
|---|---|---|---|
| Total investment commitments mobilised (US$m) | | 2.9 | 2.9 |
| People expected to benefit from new/better infrastructure (in millions) | | n/a | n/a |
| Fiscal benefits (US$m) | | 0.50 | 0.50 |
| Job creation (No. of people) | Short-term jobs (construction) | 250 | 250 |
| | Long-term jobs (operations and maintenance) | 350 | 350 |

8 The 2012 figures correspond to the ones reported in the Annual Report 2012.

# 2013 Overview

*Employing 250 people and modernising salt farm techniques, the solar salt farm in Cambodia became operational in 2013*

**In 2013 InfraCo Asia made a good start to converting the projects under development in 2012 into completed financial transactions. One project, a solar salt farm in Cambodia, reached financial close and began operations during the year. This was a first for InfraCo Asia, demonstrating the relevance of the PIDG project development model in the region.**

InfraCo Asia also made substantial progress in structuring four other projects – a grain market in India, hydroelectric power schemes in Nepal and Vietnam and a wind power farm in Pakistan – all of which are expected to reach financial close in 2014. In the case of the Coc San hydroelectric power scheme in Vietnam, InfraCo Asia drew on the support of the VGF window of TAF (see page 44) to devise and provide a capital subsidy grant critical to finalising the project, which is not financially viable under the current power tariff regime but is located in one of the poorest regions in Vietnam and will have positive environmental and social benefits.

Meanwhile, InfraCo Asia maintained an active pipeline of 10 projects spread across six countries, 80% of them in InfraCo Asia's priority countries and regions of Bangladesh, Bhutan, Cambodia, Laos, Nepal, Pakistan and the poorer Indian states (Madhya Pradesh, Odisha, West Bengal, Bihar, Uttar Pradesh, Chhattisgarh, Rajasthan and Jharkhand). These provide a solid base for growing InfraCo Asia's commitments in the years ahead, although advancing infrastructure projects in low income countries is still constrained by a general reluctance of private sector investors to commit equity capital until such time as project risks have been sufficiently reduced, and specific regulatory and transparency issues in some countries, as well as a challenging banking environment.

In addition, based on the conclusions of a TAF-funded scoping study during 2012/13, DFID committed US$29m under its Contestability Mechanism (see page 14) to fund the extension of InfraCo Asia's activities to Myanmar. With the government of Myanmar embracing wide-ranging reforms, the country is now in transition and opening at a rapid pace. Myanmar's advantages of natural resources, strategic location and young labour force have attracted a rush of attention from foreign investors. However, the country's ability to maximise its potential and drive economic growth and poverty reduction is hampered by poor infrastructure. By participating in Myanmar as a developer and sponsor of infrastructure projects, and by taking on the high risks and costs of project development, InfraCo Asia has a real opportunity to initiate infrastructure projects where they would not otherwise happen. Such projects will be crucial to supporting wider economic development and poverty reduction in the country.

InfraCo Asia's donors have approved an amendment to the Facility's Operating Policies and Procedures to include Myanmar within the geographic scope of its mandate. In addition, given the unique and urgent challenges facing the country, InfraCo Asia is launching a procurement process to recruit a specialist project development firm to handle this programme. Initial indications of interest from credible potential developers to bid for this contract have been promising and the selection process is likely to be completed in 2014.

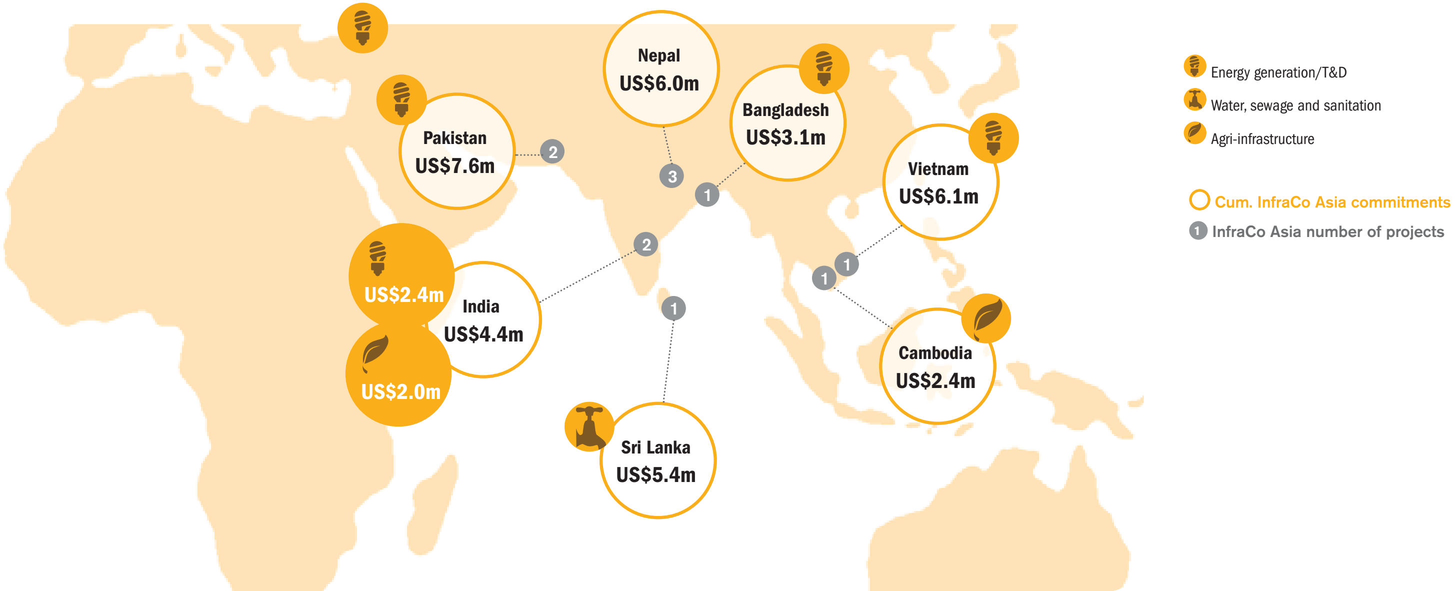
In addition to the developer services programme, InfraCo Asia is introducing a co-investment programme in Myanmar to invest in specific infrastructure opportunities already under development but which require additional development capital before they can reach financial close.

As further indications of donor support for InfraCo Asia, during 2013 SECO and DFAT signed previously-announced funding agreements for US$10m and AUD9.5m (US$9.26m) respectively.

InfraCo Asia Investments (IAI) has been established to provide investment capital to address market failures in the supply of capital to early stage infrastructure projects which can delay and sometimes prevent financial close of viable infrastructure projects; and to facilitate the accelerated construction and completion of projects with high developmental value. During the year, its Investment Policy and Procedures were finalised and IAI has started evaluating potential projects for investment.

# InfraCo Asia in numbers

**InfraCo Asia Development cumulative commitments to projects under active development or that have reached equity close or financial close by sector and country (US$m)**




* 72% of InfraCo Asia Development's commitments are in the Energy generation/T&D sector, 13% in agri-infrastructure and 15% in the water, sewerage and sanitation sector
* 82% (nine out of 11) 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 seven of the 14 countries in which it is mandated to operate

Focus on poor and fragile countries (cumulative)

**67%** of projects (by value) **in priority countries**

**63%** of projects (by value) **in fragile states**

**82%** of projects (by number) **in priority countries**

**64%** of projects (by number) **in fragile states**

## Projects that have reached financial close and become operational in 2013

| Project | Country | Sector | Description | Facility funding (US$m) | Total project investment (US$m) Commercial | Total project investment (US$m) DFI investment | People served with new/ improved infrastructure (in millions) | Fiscal benefits (US$m) | Short-term jobs (construction) | Long-term jobs (operations and maintenance) |
|---|---|---|---|---|---|---|---|---|---|---|
| Cambodia Salt Farm Development | Cambodia | Agri-infrastructure | Development of 120ha (Project 1) Solar Salt Farm in Cambodia, to demonstrate best practices in salt farm design and methodology in order to improve yield and quality for export market. | 2.4 | 0.8 | 2.1 | n/a | 0.50 | 250 | 350 |

# Pakistan Wind Power

**Farming wind for energy in Pakistan:** Developing a major new wind farm in Pakistan's Sindh province, improving power services for almost 350,000 people

## Background

In Pakistan power cuts are common and, with rapidly increasing demand, the situation is only expected to deteriorate. The capacity shortfall in power generation is more than 5,000MW – about a third of the total demand on the system. Load shedding is persistent, which means people in some cities can lose power for up to 10 hours a day, and in rural areas this often increases to up to 18 hours. Recent studies suggest that the effect of this shortage of electricity on business and industry in Pakistan is a loss of 2-3% of the country's annual GDP.

Pakistan also relies too heavily on expensive and polluting oil and diesel power plants, which means the energy sector is dependent on imported petroleum fuel. The country needs to dramatically improve its ability to generate sustainable power so that more people in more regions can access reliable energy.

The National Transmission & Despatch Company Limited, and other smaller rural distribution companies, are actively seeking new sources of power generation. The development of a 50MW wind farm in Sindh, by Metro Power Company Limited (MPCL), supplying power into the grid, will improve security of supply to existing customers, and may also enable distribution companies to connect new households to electricity for the first time. Almost 350,000 people will benefit from improved service.

## Role of PIDG

The project development work was in a state of stagnation when the sponsor approached InfraCo Asia Development. The stagnation was due to an inability to develop the project to international standards required to raise the necessary debt financing (local and foreign) to reach financial close. The availability of suitable financing was hampered by high power sector borrowing and circular debt, adverse economic conditions, security issues and political turmoil.

In general, as a politically fragile state, few international investors are capable of managing the risks for capital intensive infrastructure projects in Pakistan. However, by applying its focused project development expertise, InfraCo Asia has been able to drive the project towards financial close. It has set up with local partners Metro Power Company Limited, a special purpose company created to deliver the project in which InfraCo Asia has a 50% shareholding. InfraCo Asia brings international infrastructure project development expertise including non-recourse project finance, contract negotiation and structuring in relation to shareholding arrangements, while local partners provide power sector experience and networks.

## The deal

| Total project investment: US$131.5m | | | | | |
|---|---|---|---|---|---|
| Domestic PSI: US$68.4m | | Foreign PSI: US$14.8 | | DFI: US$48.3m | |
| Equity: US$14.8m | Debt: US$53.6m | Equity: US$14.8m | | Eq: US$3.3m | Debt: US$45.0m |
| Joint development partner – Alimohamed Family, Pakistan | Leading local commercial banks | Potential investors at exit may include investors from Japan, Korea, China, the Middle East and other Asian countries, international clean energy funds and others | | Multilaterals and development finance institutions in Asia | |

## Expected development impact

| | |
|---|---|
| **Total project investment** | **US$131.5m** |
| Domestic commercial investment | US$68.4m |
| Foreign commercial investment | US$14.8m |
| DFI investment | US$48.3m |
| **Access to infrastructure** | 364,325 people, including 77,000 who are below the poverty line.<br>Additional electricity generated 155.5GWh per year. |
| **Job creation** | |
| Short-term jobs (construction) | 600 |
| Long-term jobs (operations and maintenance) | 28 |
| **Financial additionality** | InfraCo Asia arranged a timely and efficient financial restructuring for the project that had previously stagnated due to the sponsor's inability to raise the necessary debt and reach financial close. InfraCo Asia's expertise was deployed to prepare the necessary documentation to raise commercial financing, while also demonstrating how to arrange optimal non-recourse project financing. InfraCo Asia has initiated detailed discussions with leading multilaterals and development finance institutions in parallel, to provide additional debt to the project. |
| **Environmental benefits** | Reduces reliance on fossil fuels with carbon emissions reduced by 73,000 tonnes a year.<br>Secure source of energy at significantly lower cost: 14-16 cents per kWh compared to 20-25 cents per kWh for oil/diesel generation. |
| **Demonstration effect** | Establishes the potential for PSI in renewable energy and other infrastructure projects in Pakistan.<br>Promotes transfer of technical knowledge and acts as a pioneer in promoting the spread of renewable technology. |

# The Emerging Africa Infrastructure Fund EAIF

## At a glance

| | |
|---|---|
| **Challenge** | Shortage of long-term loans at sufficiently low interest rates for private sector infrastructure projects due to perceived risks in developing countries in Africa. |
| **Response** | The Emerging Africa Infrastructure Fund Ltd. (EAIF) is a Public Private Partnership able to provide long-term debt or mezzanine finance 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, SECO and Sida |
| **Cumulative PIDG Member funding disbursed to the PIDG Trust** | US$357.25m |
| **Total fund size** | US$934m |
| **Chair** | David White |
| **Managed by** | Frontier Markets Fund Managers Limited (FMFML) |
| **Website** | **www.emergingafricafund.com** |
| **Total commitments at 31 December 2013** | US$707.68m to 38 projects that have reached financial close or have been redeemed |
| **2013 commitments** | US$37.50m to two projects that reached financial close. |
| **Projects that reached financial close in 2013** | Helios Towers, Congo, Dem. Rep.<br>Indorama Eleme Fertilizer & Chemicals Ltd (IEFC), Nigeria |
| **Projects that became fully operational in 2013** | African Foundries Limited, Nigeria<br>Dakar Container Terminal, Senegal<br>SPA Tubes Maghreb, Algeria |

## Development impact table [9]

| | | Cumulative | 2013 | 2012 |
|---|---|---|---|---|
| Total investment commitments mobilised (US$m) | | 11,450.34 | 1,275.00 | 1,949.55 |
| People expected to benefit from new/ better infrastructure (in millions) | | 113.72 | 2.98 | 16.21 |
| Fiscal benefits (US$m) | | 1,213.85 | 187.11 | 42.04 |
| Job creation (No. of people) | Short-term jobs (construction) | 16,012 | 4,860 | 1,450 |
| | Long-term jobs (operations and maintenance) | 7,890 | 363 | 1,914 |

During 2013 Frontier Markets Fund Managers Limited (FMFML) was acquired by Harith General Partners. Harith is an established and dedicated fund manager with a wealth of experience investing in infrastructure in Africa. The transaction was subject to the consent of the two PIDG Facilities which FMFML exclusively manages, EAIF and GuarantCo.

The management team of FMFML will remain in place and the Facility continues to operate as a standalone business under the Frontier Markets Fund Managers brand name, supported by Harith.

9 The 2012 figures correspond to the ones reported in the Annual Report 2012.

# 2013 Overview



*Nearly 33% of EAIF's cumulative commitments have been focused on the power sector. Projects like AES-SONEL (above), which has been 100% operational since 2004 and has raised the generating capacity in Cameroon by approximately 10%, help meet the demand for power generation in sub-Saharan Africa*

**US$37.5m**

**committed to projects in fragile states in 2013**

**2013 saw continued developments in EAIF's long-term efforts to promote private sector participation in infrastructure development in frontier markets.**

Two deals reached financial close, involving commitment from EAIF of US$37.5m: one to finance the upgrading and expansion of the telecoms tower network in the Democratic Republic of Congo, which will provide new mobile access to around 1.8 million people, and the other for the expansion of fertiliser production in Nigeria, which is central to the government of Nigeria's plans to develop agriculture in the country and is expected to attract investment commitments of US$1.2bn. six loans to other projects were approved by EAIF's Board, but were still pending signature at year end because of delays for project-specific reasons outside of EAIF's control.

Although 2013 marked a slowdown in projects reaching financial close compared to 2012, overall EAIF has an impressive record of sustained growth since its creation 12 years ago. By the end of 2013, EAIF had made cumulative commitments of US$708m to 38 projects, with over 85% of the aggregate value in low income countries and 61% in fragile states. EAIF has established itself as a relatively major player in the frontier markets where it is mandated to operate but in which mainstream private investors have limited appetite to invest.

EAIF has a robust pipeline of promising projects at an advanced stage of appraisal or negotiation, which it expects will be translated into a higher number of approvals in 2014. It is significant that the majority of the pipeline projects are in the power sector, demonstrating the unmet demand for increased power generation in sub-Saharan Africa.

EAIF's developmental role is also illustrated by the three projects which became fully operational during 2013, bringing the cumulative total to 20 projects delivering infrastructure-related services on the ground. These included the expansion and modernisation of container terminals at the port of Dakar, Senegal; a greenfield steel pipe manufacturing plant to serve the water sector in Algeria; and a steel mill in Nigeria, which converts local scrap into steel reinforcing bars used in infrastructure projects.

The EAIF portfolio remains generally strong. In 2012, EAIF incurred its first two impairments (representing US$21.2m, or around 4% of total assets). During 2013 EAIF was actively involved in recovering these impairments. In the 2013 EAIF audited accounts the majority of those provisions were reversed, however a new provision was incurred (amounting to US$17.3m). This resulted in a net decrease of US$1.9m in total provisioning compared with 2012 (circa 0.3% of total assets). This illustrates the inherent risks of project financing in frontier markets, but also the potential value of EAIF's constructive role in devising and negotiating restructuring plans to manage those risks.

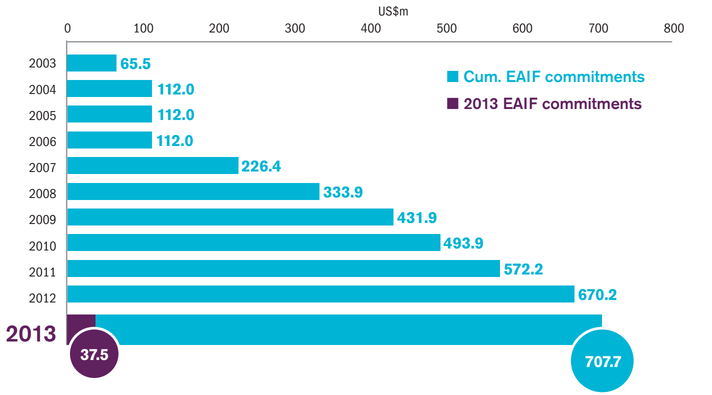
During the year, DFID approved an application under its Contestability Mechanism (see page 14) to provide an additional US$100m to set up a new sister PIDG Facility to EAIF. This will enable EAIF to extend its range of financing options to include long-term mezzanine or quasi-equity capital to commercially viable projects in Africa, with a strong focus on low-income countries and fragile states, which can demonstrate high levels of developmental impact. This new Facility is being structured as a separate legal entity: Frontier Africa Investment Resources (FAIR).

FAIR loans will take the form of mezzanine capital or quasi-equity, for example by pegging loan repayments to the performance of the business/project, so that its support is both highly developmental and commercially viable. Extending EAIF's capabilities will help address the limited availability of affordable higher risk debt instruments for infrastructure projects in frontier markets, which continue to be perceived as too high-risk by international commercial banks and other private investors, particularly since the global financial crisis. EAIF has identified a substantial pipeline of potentially eligible projects for FAIR – including agri-business projects in Sierra Leone and Tanzania – and expects to commence implementation in 2014.

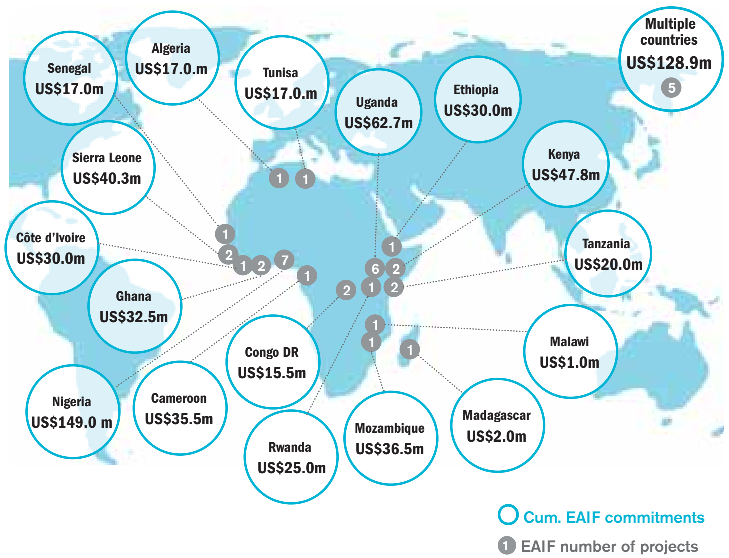
*Olkaria Geothermal Power Plant: near Lake Naivasha in the Great Rift Valley of Kenya, powerful geothermal activity is being harnessed to generate clean electrical power.*

# EAIF in numbers (2013 results in purple)

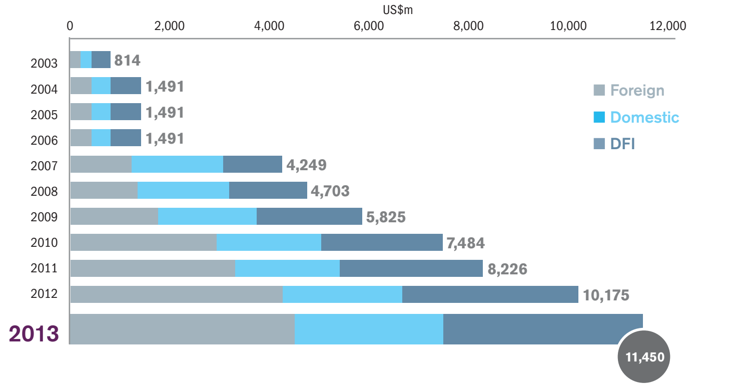
## EAIF cumulative commitments by year end (US$m)




## EAIF cumulative commitments by country (US$m)

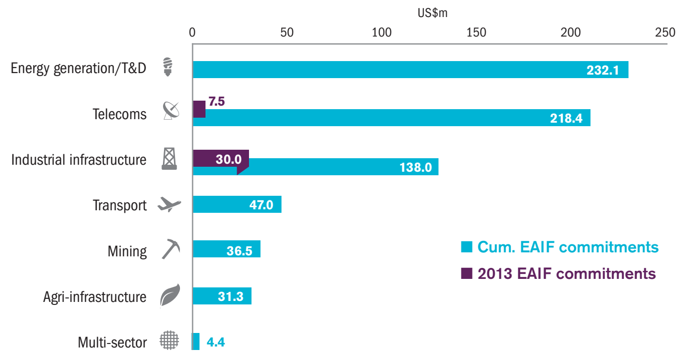



## Cumulative expected total investment commitments from 38 EAIF-supported projects that have reached financial close by type of investment and by year of close (US$m)




Note: 2012 figure is higher than reported in the 2012 Annual Report (US$10,021m) as investment commitment figures have been updated during 2013.

## EAIF cumulative commitments by sector (US$m)




## Focus on poor and fragile countries (cumulative)

**81%** of total investment commitments (by value) in DAC I and II countries

**62%** of total investment commitments (by value) in fragile states

**87%** of projects (by number) in DAC I and II countries

**61%** of projects (by number) in fragile states

# Dakar Port

**Dakar moves ahead:** Expanding, modernising and operating three existing container terminals in Dakar, Senegal, with the option of developing a new terminal at an adjoining site, Port de Futur

## Background

Dakar, the capital and port city of Senegal, is a strategic gateway to West Africa, and is set at the crossroads of several major trade lanes. As it offers excellent cargo access to landlocked sub-Saharan African countries, an efficient container port – with room for expansion – is critical to the country's and the region's economic development. But its port has fallen far short of its potential.

Phase I of the transformation of Dakar into a world-class port is complete and became fully operational in 2013. Finance was provided to expand and modernise the three container terminals at the existing facilities: developing roads, extending quays, installing and supplying electricity, adding more ship-to-shore cranes, along with new buildings and IT systems.

When traffic volume at the existing facilities reaches a certain threshold, a phase II option involves developing and managing an entirely new container terminal (Port du Futur) at an adjoining site, with potential 20ft equivalent cargo capacity (TEU) of 1.2 million.

In 2007, DP World FZE (DPW) won a competitive tender for a 25-year, renewable concession awarded by Société Nationale du Port Autonome de Dakar (PAD). The total transaction size of the first phase was US$294m.

The majority of the project investment came through domestic or foreign direct equity injections from DPW. These were supplemented by US$87m of loans from a consortium of commercial banks, including Standard Chartered Bank as well as Development Finance Institutions including EAIF, IDC, Proparco, AfDB and FMO.

## Role of PIDG

The PPP between the government of Senegal and DPW sparked interest in funding this transaction from the international commercial financial markets. The initial plan involved financing the whole deal with funds from commercial banks, but this proved to be difficult. Therefore, AfDB stepped in as co-arranger with Standard Chartered, and facilitated the involvement of other DFIs, including EAIF. Without the involvement of a large private container terminal operator such as DPW, such a large-scale investment would not have happened. There have been no similar port projects in Senegal.

## The deal

| Total project investment: US$293.66m | | | | | |
|---|---|---|---|---|---|
| Domestic PSI: US$99.00m | | Foreign PSI: US$107.86m | | DFI: US$86.80m | |
| Equity: US$99m | Debt: US$0 | Eq: US$65.36m | Debt: US$42.50m | Eq: US$0m | Debt: US$86.80m |
| DP World Dakar S.A. | | DP World FZE | Standard Chartered Bank and IDC | | EAIF, Proparco, AfDB and FMO |

## Development impact realised

| | |
|---|---|
| **Total project investment** | **US$293.66m** |
| Domestic commercial investment | US$99m |
| Foreign commercial investment | US$107.86m |
| DFI investment | US$86.80 |
| **Fiscal benefits** | |
| Upfront fees to government | US$61.6m up-front payment from DPW. This is the entry ticket for the concession paid by DPW to the government of Senegal. |
| Taxes | The project will generate approx US$9.6m (€7m) per annum for the government of Senegal in the form of corporate/ withholding taxes. |
| **Job creation** | |
| Short-term jobs (construction) | 102 |
| Long-term jobs (operations and maintenance) | 339 |
| **Financial addtionality** | Commercial banks required political risk insurance for this transaction. EAIF took sovereign risk thereby reducing the cost of the financing. |
| **Additional benefits** | Significant increase in container handling capacity at the port from 335,000 TEUs to 550,000 TEUs a year.<br><br>Reduction in shipping costs and increased access to shipping services should increase export revenues and lower cost of imports, benefiting firms and consumers in Senega and increasing trade opportunities for the landlocked territories of the region.<br><br>The project is expected to have a large positive impact on indirect employment and economic growth. |
| **Demonstration effect** | Adopting a similar model, the government of Senegal entered into a PPP to develop a toll road in Dakar in 2010. |

## Projects that have reached financial close in 2013

| Project | Country | Sector | Description | Facility funding (US$m) | Expected project financing (US$m) Commercial PSI | Expected project financing (US$m) DFI investment | Expected people served with new/improved infrastructure (million people) | Expected fiscal benefits (US$m) | Expected short-term jobs (construction) | Expected long-term jobs (operations and maintenance) |
|---|---|---|---|---|---|---|---|---|---|---|
| Indorama Eleme Fertilizer & Chemicals Ltd (IEFC) | Nigeria | Industrial infrastructure | Financing the construction of a nitrogenous fertiliser complex. Total plant capacity will be 2,300 metric tons per day (MTPD) of ammonia, and 4,000MTPD of granulated urea. A new port terminal will also be constructed at the nearby Onne Port to support the fertiliser complex. At completion, Eleme Fertilizer will supply the domestic fertiliser market in Nigeria and also export directly into the international urea market. | 30.00 | 770 | 430 | 1,201,923 | 145.00 | 3500 | 363 |
| Helios Towers | Congo, DR | Telecoms | Supporting the acquisition of more than 700 telecoms towers. The majority of these towers have been reactivated, refurbished and leased out to other telecoms providers. | 7.50 | 27.5 | 47.5 | 1,774,000 | 42.11 | 1360 | n/a |

## Projects that have become fully operational in 2013

| Year of close | Project | Country | Sector | Description | Facility funding (US$m) | Project financing (US$m) | | People served with new/improved infrastructure (in millions) | | Fiscal benefits (US$m) | | Short-term jobs (construction) | | Long-term jobs (operations and maintenance) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Expected | Actual | Expected | Actual | Expected | Actual | Expected | Actual | Expected | Actual |
| 2009 | SPA Maghreb Tubes | Algeria | Industrial infrastructure | Financing the construction and operation of a greenfield factory producing spiral weld and high frequency welded steel pipes and fittings in Algeria, near the city of Ain Defla. | 17.00 | 24 | 24 | 0 | 0 | 3.6 | 0 | 100 | n/a | 250 | n/a |
| 2009 | African Foundries Limited | Nigeria | Industrial infrastructure | Financing the development, construction and operation of a steel mill with a capacity of 225,000 tonnes per annum, that converts local scrap into steel reinforcing bars, and a 40MW independent gas-fired power plant | 20.00 | 124.3 | 155.3 | 7.5 | 7.5 | n/a | n/a | 500 | 350 | 515 | 500 |
| 2010 | Dakar Container Terminal | Senegal | Transport - ports | Providing financing to expand and modernise container terminals 1, 2, and 3 at the existing port in Dakar. Throughput capacity of the container terminal is expected to increase from 335,000 to 550,000 TEU per annum. | 17.02 | 293.66 | 293.66 | n/a | n/a | 61.6 | 61.6 | 250 | 102 | 18 | 339 |

**Dakar is a strategic gateway to West Africa, and is set at the crossroads of several major trade routes. It offers excellent cargo access to landlocked sub-Saharan African countries. Phase I of the transformation of Dakar into a world-class port is complete and became fully operational in 2013**

# 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 banks and bond investors to support mostly local currency finance for infrastructure projects in low and lower-middle income countries, promoting domestic infrastructure financing and self-sustaining capital market development. |
| **Established** | 2006 |
| **Funding PIDG Members** | DFID, SECO, Sida and DGIS through FMO |
| **Cumulative PIDG Member funding disbursed to the PIDG Trust** | US$204.69m |
| **Total guarantee capacity:** | US$450m (US$300m activated) |
| **Chair** | Andrew Bainbridge |
| **Managed by** | Frontier Markets Fund Managers Limited (FMFML) |
| **Website** | **www.guarantco.com** |
| **Total commitments at 31 December 2013** | US$290.65m to 23 projects that have reached financial close. |
| **2013 commitments** | US$60.35m to five projects |
| **Projects that reached financial close in 2013** | Au Financiers Ltd, India<br>Pakistan Mobile Telecommunications Ltd (Mobilink), Pakistan<br>Quantum Terminals Ltd (QTL), Ghana<br>South Africa Development Finance Company II, South Africa<br>Softlogic Finance, Sri Lanka |
| **Projects that have become fully operational in 2013** | South Africa Development Finance Company II, South Africa<br>Tower Aluminium Group Ltd, Nigeria |

## Development impact table [10]

| | | Cumulative | 2013 | 2012 |
|---|---|---|---|---|
| Total investment commitments mobilised (US$m) | | 3,762.10 | 911.90 | 238.00 |
| People expected to benefit from new/better infrastructure (in millions) | | 22.93 | 8.57 | 2.82 |
| Fiscal benefits (US$m) | | 1,325.46 | 563.76 | 12.00 |
| Job creation (No. of people) | Short-term jobs (construction) | 63,381 | 471 | 600 |
| | Long-term jobs (operations and maintenance) | 210,532 | 34,258 | 450 |

10 The 2012 figures correspond to the ones reported in the Annual Report 2012.

*Following the successful provision of support for Tower Aluminium's pioneering local currency corporate bond issue, in tandem with TAF, GuarantCo helped facilitate a capital markets training programme in Nigeria that set up important precedents for successful infrastructure bond-related issues in the future*

## GuarantCo exceeded perfomance targets in 2013

**2013 was a transformative year for GuarantCo. Funding for GuarantCo from PIDG Members increased from US$161.6m in 2012 to US$204.7m, allowing it to take on larger-scale exposures and expand operations. As a result, GuarantCo issued five new guarantees totalling US$60.4m for projects in the energy, transport and telecommunications sectors. This is the highest number of transactions signed in a single year by GuarantCo since its inception.**

These five projects are expected to generate US$911.9m of investment commitments, 84% of which are from domestic commercial sources. They include innovative financing transactions with substantial developmental benefits such as helping Mobilink, a Pakistani mobile telephone operator, to raise finance to expand its network in the rural areas of the country through a first of its kind Sukuk (a Sharia-compliant Islamic bond). This project is expected to provide access to mobile services to 6 million previously unserved people – see the case study on page 82 for more details. In South Africa a partial guarantee from GuarantCo enabled South Africa Taxi Development Finance, which finances commuter minibuses, to graduate from DFI financing to local commercial bank borrowing.

Overall, GuarantCo's 26% increase in aggregate commitments, together with the expansion of the Board and recruitment of three additional field staff by FMFML to expand GuarantCo's market presence and deal origination capacity, indicate that it is moving from a proof of concept stage to a sustainable growth model.

Local banks typically offer loans for less than five years. By offering guarantees, GuarantCo allows these tenors to be extended and other terms improved for borrowers. Guarantees remain a rare form of financing for development finance as they can be complex and time consuming to implement, but they offer important support to local capital markets, enabling infrastructure projects which are more financially viable. 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 further projects in the future. 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.

Nonetheless 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 risks. In light of this, GuarantCo's achievements for 2013 are even more remarkable.

GuarantCo is mandated to operate in poorer developing countries (DAC I, II and III categories) and over 95% its portfolio (by value) is concentrated in these countries.[11] GuarantCo is repositioning itself to respond to the PIDG Members' priority to increase its business in Africa, setting a portfolio target of at least 50%. In particular, it is exploring the potential for expanding operations in the Communauté Financière Africaine (CFA) zone, where interest rate differentials are less marked (since the CFA franc is pegged to the euro). This will involve GuarantCo obtaining a rating from a local credit rating agency to allow it be accredited by the West African Stock Exchange and to seek similar accreditation in Central Africa.

11 A specific waiver from donors was obtained for the SA Taxi transactions, on the grounds that the transaction, despite being based in South Africa, would finance improved transport services for the poorer sections of the population.

Due to the sometimes complex nature of guarantees, GuarantCo's projects are often limited to countries that have more developed domestic capital markets. A new policy adopted during 2013 enables GuarantCo to support state-owned companies and to provide finance in hard currencies to projects in fragile states. Designed to increase GuarantCo activity in these challenging countries, 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.

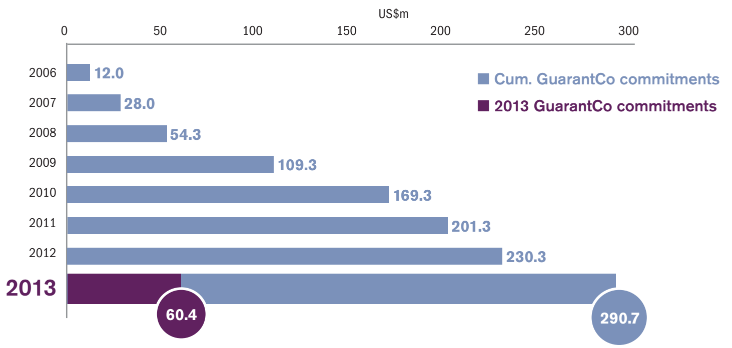
GuarantCo has a strong pipeline of potential new business to further grow its portfolio, including renewable energy projects in Africa and the Mekong region. At times the complexities of reaching agreements among a range of stakeholders and utilising innovative financial instruments with which not all parties are familiar make it difficult to bring deals to closure at a regular pace.

During 2013, to facilitate capacity building of domestic commercial banks and national regulators as well as make projects more developmental (eg by reaching the poorest/ targeting women), GuarantCo has been actively working with the TAF Technical Advisor. This has resulted in six TAF grants being approved to support five GuarantCo projects in 2013. Further details may be found in the TAF section of this report (page 47).

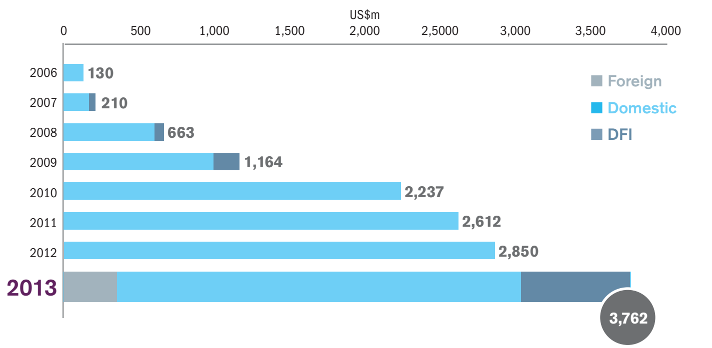
Looking ahead, GuarantCo expects to continue on its higher growth trajectory, subject to the availability of additional equity contributions and leverage capital to maintain a prudent financial structure.

# GuarantCo in numbers (2013 results in purple)

### GuarantCo cumulative commitments by start year (US$m)

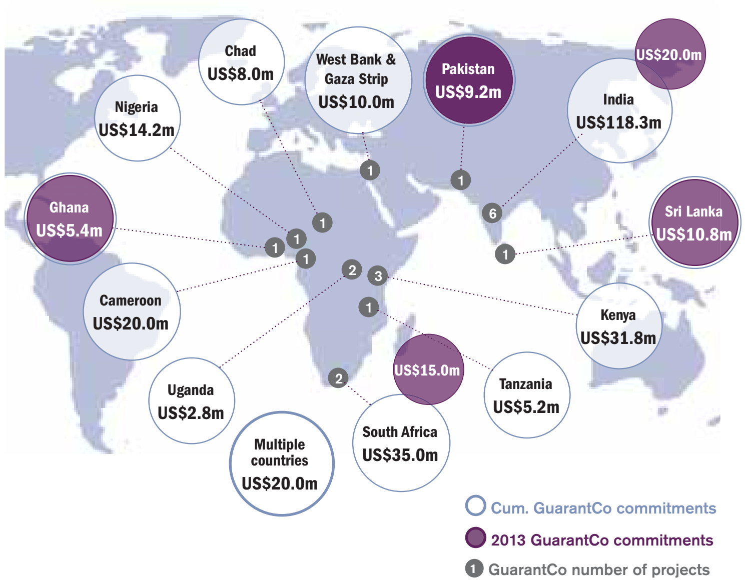



### Cumulative expected total investment commitments from 23 GuarantCo supported projects that have reached financial close by type of investment and by year of close (US$m)

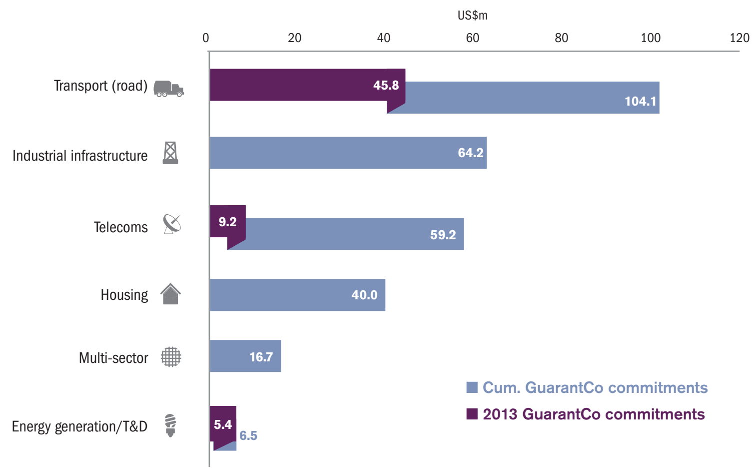



Note: 2012 figure is higher than reported in the Annual Report 2012 (US$ 1,572m) as investment commitment figures have been updated during 2013.

### GuarantCo cumulative commitments by country (US$m)




### GuarantCo cumulative commitments by sector (US$m)




### Focus on poor and fragile countries (cumulative)

**19%**
of Total Investment Commitments (by value) in DAC I and II countries*

**35%**
of total investment commitments (by value) in fragile states

**39%**
of projects (by number) in DAC I and II countries

**48%**
of projects (by number) in fragile states

*GuarantCo has no specific targets related to total investment commitments in DAC I/II countries. This recognises the need for developed capital markets for there to be a demand for its products.

# Pakistan Mobile

**Islamic bond takes Pakistan mobile:** Installing, operating and maintaining a countrywide mobile network in Pakistan

**10%**
increase in broadband can boost GDP by
**1.4%**

## Background

Pakistan is currently the eighth largest mobile telecommunications market in the world, with more than 120 million subscribers, but there is still room for expansion. Pakistan Mobile Communications Ltd (Mobilink), the largest telecoms operator in Pakistan, is leading the way in providing network coverage to those living in remote parts of the country.

Research indicates that a 10% increase in broadband coverage can boost GDP in a developing country by up to 1.4%[12]. With the government likely to issue 3G licences in 2014, Mobilink wants to take advantage of this opportunity to expand the coverage of its network.

12 The correlation between increased internet penetration and economic growth has been the subject of much analysis. A study by international management consultancy McKinsey & Company concludes that "a 10% increase in internet penetration delivers a boost to a country's GDP that ranges from 0.1% to 1.4%". In developing countries, the broadband boost to GDP calculated by the World Bank is 1.38%, at the very upper end of this scale.

In addition, Mobilink has developed partnerships to launch an SMS mobile-based literacy programme that is increasing literacy rates among women in the rural areas of Pakistan. So far 6,000 women have benefitted from the programme. GuarantCo has identified an opportunity to develop the programme in an even more developmental direction by using TAF funding to expand literacy support into the remotest and most challenging regions of Pakistan.

## Role of PIDG

To fund this capital expenditure, Mobilink decided to issue a local currency Sukuk (Islamic bond) of up to US$75m in local currency. But given the limited size of the corporate bond market in Pakistan, existing investors had reached their regulatory limits in terms of their exposure to Mobilink or to the telecoms sector. Therefore Mobilink approached GuarantCo to support the transaction, the first time that a Sukuk issue has been backed by a third-party guarantee in Pakistan. GuarantCo's involvement helped existing investors overcome their regulatory limits and also, by improving Mobilink's local credit rating from AA- to AA+ and developing an innovative Shariah compliant structure, enabled new, more conservative, Islamic investors to participate. Over 60% of the issue was taken up by investors which had not previously supported Mobilink, and the broadening of their investor base has had a positive impact on the cost of borrowing for their subsequent financings, thus helping keep their mobile services affordable.

Of particular note was the leveraging that GuarantCo achieved. GuarantCo's guarantee amounted to only 14% of the Sukuk proceeds, demonstrating how efficient guarantees can be in delivering a development return for donors.

The involvement of GuarantCo in this Sukuk transaction required substantial legal work on behalf of Mobilink and the Pakistani capital market regulator to adapt Sukuk rules to accommodate third party local currency guarantees. TAF is assisting this project by partially covering the legal costs incurred by Mobilink in resolving the legal and regulatory issues associated with the GuarantCo-supported transaction.

## The deal

| | Total project investment: US$658m | | | |
|---|---|---|---|---|
| **TAF funding** | **Domestic PSI: US$568m** | | **Foreign PSI: US$90m** | |
| **US$0.07m** | Equity: US$272m | Debt: US$296m | Eq: US$90m | Debt: US$0 |
| Used to partially cover the legal costs incurred by a Mobilink in resolving legal and regulatory issues associated with the transaction | Mobilink internally generated cash | Domestic sources including conservative investors | VimpelCom, Mobilink's parent company | |

## Expected development impact (excludes SMS-based literacy project)

| | |
|---|---|
| **Total project investment** | **US$658m** |
| Domestic commercial investment | US$568m |
| Foreign commercial investment | US$90m |
| **Access to infrastructure** | 6 million people, including 2.2 million women and 1.3 million people below the poverty line. |
| **Fiscal benefits** | |
| **Taxes** | US$456m during first five years of operation to government of Pakistan. |
| **Job creation** | |
| Short-terms jobs (construction) | 100 |
| Long-term jobs (operations and maintenance) | 100, of which 25 are for women |
| **Alignment with national plan** | The network expansion will play a significant role in supporting the government of Pakistan to deliver its objectives outlined in Vision 2030. |
| **Financial additionality** | The Service Ijara was an innovative solution developed by GuarantCo to improve Mobilink's liquidity by enabling existing investors to overcome their regulatory limits and by improving Mobilink's current local credit rating thereby, attracting new conservative investors to support the bond. |
| **Design additionality** | GuarantCo plan to apply for a TAF grant to support the extension of a successful joint UNESCO and Moblilink SMS-based literacy programme to include inaccessible regions of north-west Pakistan. It will address gender gap in literacy rate by supporting an additional 2,500 women and girls.<br><br>The Service Ijara is the first product of its kind in Pakistan and therefore helps to build new products and capacity in the local capital markets. |
| **Demonstration effect** | The Islamic Bond (Sukuk) was issued in line with GuarantCo's mission to open up domestic capital markets to support essential infrastructure finance. It demonstrates to others a viable way to raise finance from financially conservative investors through enhanced credit rating and therefore helps build new products and capacity in the local capital markets. It also has potential for replication in some African markets. |

Sukuk, is an Islamic financial certificate – similar to a bond in Western finance. It is structured to comply with Islamic finance investment principles which prohibits the charging, or paying of interest. The issuer of a sukuk sells an investor group certificates which represent shares in an asset which is then leased back to the issuer for a predetermined fee. The issuer also makes a contractual promise to buy back the certificates at a future date at par value. Sukuk provide a means of financing large enterprises that are engaged in the real economy and which are beyond the scope of a single party to support. They allow for equitable distribution of wealth as all investors benefit fairly from the profits resulting from the enterprise.

## Projects that have reached financial close in 2013

| Project | Country | Sector | Description | Facility funding (US$m) | Expected project financing (US$m) Commercial PSI | Expected project financing (US$m) DFI investment | Expected people served with new/ improved infrastructure | Expected fiscal benefits (US$m) | Expected short-term jobs (construction) | Expected long-term jobs (operations and maintenance) |
|---|---|---|---|---|---|---|---|---|---|---|
| Quantum Terminals Ltd (QTL) | Ghana | Energy generation/ T&D | Supporting construction of a Liquefied Petroleum Gas (LPG) loading and storage facility in Atuabo, Ghana. Construction of three 500metre$^3$ LPG storage tanks, three loading gantries and supporting infrastructure. | 5.4 | 28.5 | 0 | 2,182,950 | 5.2 | 371 | 118 |
| Pakistan Mobile Telecommunications Ltd (Mobilink) | Pakistan | Telecoms | Helped existing investors overcome their regulatory limits and by improving Mobilink's local credit rating from AA- to AAA successfully attracted financially conservative investors. The Sukuk was structured as a Service Ijara, the first time this structure has been used in Pakistan, thus helping to build new products and capacity in the local capital markets and demonstrating viability of the bond. | 9.2 | 658.0 | 0 | 6,000,000 | 456.0 | 100 | 100 |
| Au Financiers Ltd | India | Transport - road | Provision of stable long-term funds to assist with growth plans of Au Financiers, a specialist commercial vehicle financer in India providing financing predominantly for small entrepreneurs engaged in commercial passenger/ goods transport services in rural and semi urban areas of India. | 20.0 | 111.0 | 60.0 | 22,400 | 100.0 | 0 | 22,400 |
| Softlogic Finance | Sri Lanka | Transport - road | Enabling Softlogic, a financier of small commercial vehicle owner-operators and other transport linked businesses, to raise affordable long-term finance for the benefit of its customers. It will also help in the development of Sri Lanka's debt capital markets by increasing acceptability. | 10.8 | 30.9.0 | 0 | 9,660 | 2.6 | 0 | 9,660 |
| SA Taxi Development Finance Proprietary Ltd (SATDF) II | South Africa | Transport - road | GuarantCo initially guaranteed financing for SATDF in 2010 but, due to the continued fall-out from the financial crises, had to resort to supporting additional US$ financing swapped into rand financing from a DFI. The intention was always to seek to involve the local financial institutions and accordingly further financing from ABSA has now been secured, marking the first time that ABSA has provided financing to SA Taxi. | 15.0 | 23.5 | 0 | 350,577 | 0 | 0 | 1,980 |

## Projects that have become fully operational in 2013

| Year of close | Project | Country | Sector | Description | Facility funding (US$m) | Project financing (US$m) | | People served with new/improved infrastructure | | Fiscal benefits (US$m) | | Short-term jobs (construction) | | Long-term jobs (operations and maintenance) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Expected | Actual | Expected | Actual | Expected | Actual | Expected | Actual | Expected | Actual |
| 2013 | SA Taxi Development Finance Proprietary Ltd (SATDF) II | South Africa | Transport - road | GuarantCo initially guaranteed financing for SATDF in 2010 but, due to the continued fall-out from the financial crises, had to resort to supporting additional US$ financing swapped into rand financing from a DFI. The intention was always to seek to involve the local financial institutions and accordingly further financing from ABSA has now been secured marking the first time that ABSA has provided financing to SA Taxi. | 15.0 | 23.5 | 23.5 | 350,577 | 350,577 | 0 | - | 0 | 0 | 1980 | 1980 |
| 2011 | Tower Aluminium Group Limited | Nigeria | Industrial infrastructure | Tower recognised the need to diversify away from relying on the bank market and decided to refinance its US$ liabilities by issuing a seven-year Naira-denominated corporate bond. GuarantCo was able to use its local AAA rating in Nigeria to credit enhance Tower's bond issue, thereby making it eligible for pension fund investors. This was the first time such a structure had been used in Nigeria. GuarantCo's support for Tower has had a strong demonstration effect, helping build further capacity in the embryonic Nigerian capital markets. | 14.2 | 30.0 | 30.0 | 690,000 | 540,000 | 19.9 | 0 | 0 | 0 | 0 | 0 |

# Green Africa Power
# GAP

## At a glance

| | |
|---|---|
| **Challenge** | Slow pace of low-carbon technology adoption in Africa caused by lack of cost reflective tariffs and high upfront costs. |
| **Response** | Green Africa Power (GAP) provides financing and policy support to projects to demonstrate the viability of renewable energy in Africa. |
| **Established** | 2013 |
| **Funding PIDG Members** | DFID and DECC, acting jointly |
| **PIDG Member funding committed** | US$163.78m (£98m) |
| **Chair** | Jim Cohen |
| **Managed by** | Management Board supported by a Fund Management Adviser for investment analysis (expected appointment Q2 2014). |
| **Website** | **www.greenafricapower.com** |

## 2013 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 by reducing the overall cost of capital for energy generation projects, while maintaining commercial returns.**

Sub-Saharan Africa is the world's most power-starved region, with more than 700 million people lacking access to electricity. There is a shortage of all types of power generation projects and, in particular, of renewable power projects. GAP has an ambitious target to finance approximately 240MW of new renewable energy generation capacity, saving an estimated 9 million 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 how barriers to investment can be addressed.

GAP is being structured, like other PIDG Facilities, as an autonomous legal entity owned by the PIDG Trust, with a board of directors. GAPs core activites will be outsourced to a Fund Management Adviser for investment analysis, with an incentive structure designed to encourage achieving results which are aligned with the PIDG Members' development priorities.

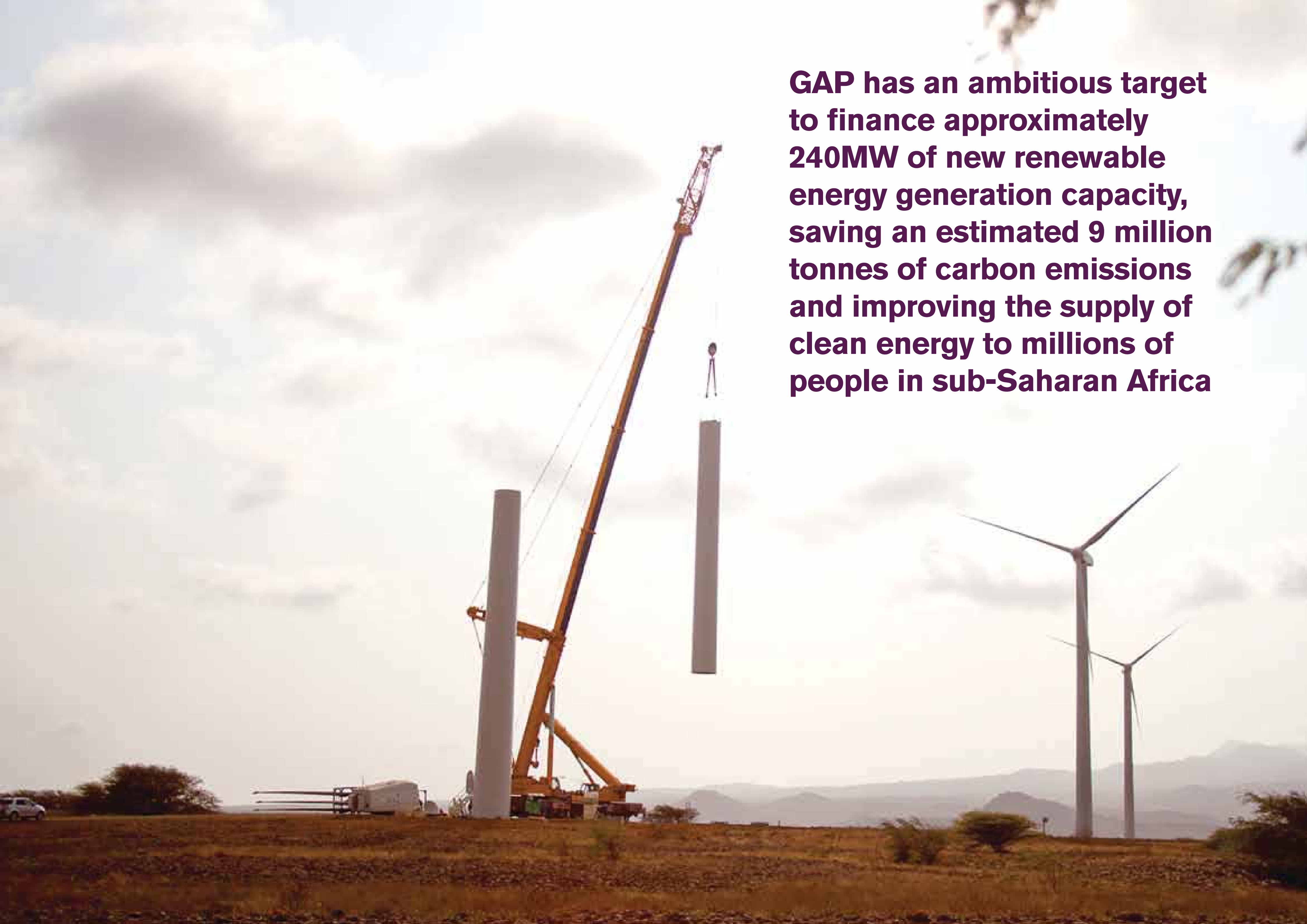
During 2013, the GAP Board, supported by an Executive Director, have made substantial progress in setting up the corporate and management structure of the new Facility.

GAP LLP was incorporated in April 2013. Additional Board members were appointed to provide a balance of financial and technical skills and local knowledge. By early 2014, the transparent process of selecting a Fund Management Adviser is expected to have reached the presentation of final bids from four shortlisted candidates. Selection of the Fund Management Adviser is expected to be made during the second quarter of 2014.

The first PIDG Member to fund GAP is DFID, with additional UK funding being provided by DECC, who together have committed £98m (US$163.78m) to capitalise GAP and support monitoring and knowledge management activities. These resources are expected to be sufficient to enable GAP to finance a diversified portfolio of economic-scale renewable energy projects in the US$10m-100m range, within prudent investment criteria.

Developments during the year confirmed that GAP has a potentially critical role in promoting viable renewable energy projects. There is increasing interest in applying renewable technologies in Africa. The prospective Fund Management Advisers participating in the GAP selection process collectively identified a substantial portfolio of potential run-of-river hydro, solar and wind power projects. By demonstrating the economic viability and technical feasibility of new technologies, GAP will encourage investment by private investors in the development of sustainable business models and help meet Africa's energy needs.

GAP expects to be open for business in the second quarter of 2014.



**GAP has an ambitious target to finance approximately 240MW of new renewable energy generation capacity, saving an estimated 9 million tonnes of carbon emissions and improving the supply of clean energy to millions of people in sub-Saharan Africa**

# Infrastructure Crisis Facility – Debt Pool ICF-DP

## At a glance

| | |
|---|---|
| **Challenge** | Reduced appetite of commercial banks to lend to private sector infrastructure projects in developing countries due to the financial crisis. |
| **Response** | Infrastructure Crisis Facility – Debt Pool (ICF-DP) 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<br><br>ICF-DP 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** | US$8.74m (€6.34m)<br><br>KfW also provides loan financing to ICF-DP initially worth €500m (US$687.15m). |
| **Total fund size** | US$640.45m (€466.01m) |
| **Chair** | Andrew Bainbridge |
| **Managed by** | Cordiant Capital Inc. |
| **Website** | **www.cordiantcap.com/investment-program/icf-debt-pool** |
| **Total commitments at 31 December 2013** | US$473.90m (€343.56m) to 14 projects that have reached financial close. |

## Development impact table[13]

| | | Cumulative | 2013 | 2012 |
|---|---|---|---|---|
| Total investment commitments mobilised (US$m) | | 5,275.30 | 0 | 2,615.00 |
| People expected to benefit from new/better infrastructure (in millions) | | 9.64 | 0 | 5.70 |
| Fiscal benefits (US$m) | | 595.00 | 0 | 28.80 |
| Job creation (No. of people) | Short-term jobs (construction) | 8,500 | 0 | 600 |
| | Long-term jobs (operations and maintenance) | 2,790 | 0 | 85 |

13 The 2012 figures correspond to the ones reported in the Annual Report 2012.

# 2013 Overview



*Sisak is one of INA's two main refineries and is located near Zagreb. ICF-DP funds were used to help complete Phase I of the plant's infrastructure modernisation plan*

**14** **loans closed to date**

**A further US$280m available**

**Although ICF-DP signed no new loans during 2013, its operations during the year concentrated on building a robust pipeline for the future. The Board considered 10 investments at the preliminary clearance stage and asked the Manager to proceed with the detailed appraisal and negotiation of terms for five potential transactions. Most of the approved transactions are very large investments in Africa, which traditionally mature slowly towards closing.**

During 2013, in the case of one Board-approved project, ICF-DP's potential involvement assisted in crystallising commitments from other DFIs, thereby making ICF-DP's financing redundant. This is evidence of ICF-DP continuing to catalyse financing from other sources.

The Manager and Board also devoted substantial efforts to monitoring the existing loan portfolio and restructuring or recovering loans to projects in difficulty. ICF-DP works with the DFI lead lenders, but contributes a commercial focus and practical experience to their joint effort. In the case of the development of a large sugar cane plantation with an ethanol plant and a bagasse-fired power plant in Sierra Leone, very large cost overruns had been incurred. A restructuring plan has been negotiated with the project sponsors, which, after approval by all lenders, is expected to allow disbursement of the loan to be resumed.

In 2013, ICF-DP exited from two of its signed commitments. In both cases, ICF-DP made an important contribution to allowing the projects to proceed at a critical time in their development cycle.

- A Peruvian gas distribution project (Calidda), an early ICF-DP investment, was prepaid by the borrower who raised funds on its domestic debt capital market at a cheaper rate to refinance ICF-DP and finance additional capital expenditures. While the investment is no longer on ICF-DP's books, it is a perfect illustration of the Facility's additionality in that it provided much-needed capital to implement the project and achieve the associated development benefits at a time when commercial financing was not available, and stepped aside when the financial markets recovered.

- In late 2012, ICF-DP committed to bridging a gap in the financing plan of a Senegalese power plant (Sendou) as contractual obligations made it mandatory for the borrower to close the financing before the end of 2012. ICF-DP stepped in temporarily as other sources of finance were being sought, and exited the investment during Q3 2013.

Overall, since its creation in 2009, ICF-DP has signed 15 loans[14] – the Fund's original target number – amounting to total original

14 Including 1 loan (Tema Osonor Power Limited (TOPL), Ghana) that was subsequently cancelled.

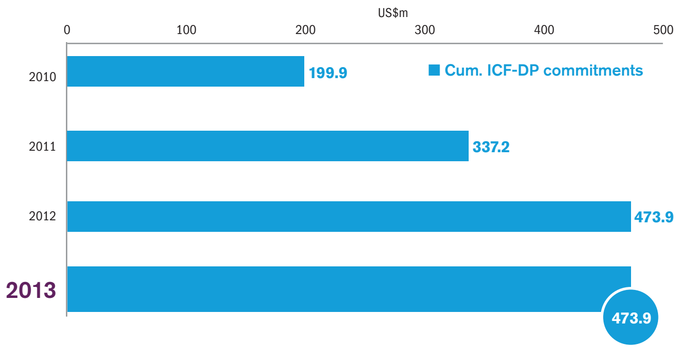
*Vietnam: Arrival at Cai Mep Port of the ship-to-shore cranes from ZPMC in China. The development of the Cai Mep Port will improve Vietnam's transportation infrastructure, increasing efficiency, competition and reduction of all-in transport costs, which will benefit the country as a whole. In the absence of a bank market for long-term financing, ICF-DP's funds were crucial*

commitments of US$489m. These loans have supported infrastructure projects in 12 countries, of which 50% are located in DAC I and II countries and 29% are in fragile states. The energy sector is the dominant sector, accounting for 44% of the total signed commitments, followed by the transport sector with 33%. This is consistent with the general private infrastructure sub-sectors DFIs most actively support in poorer, developing countries.

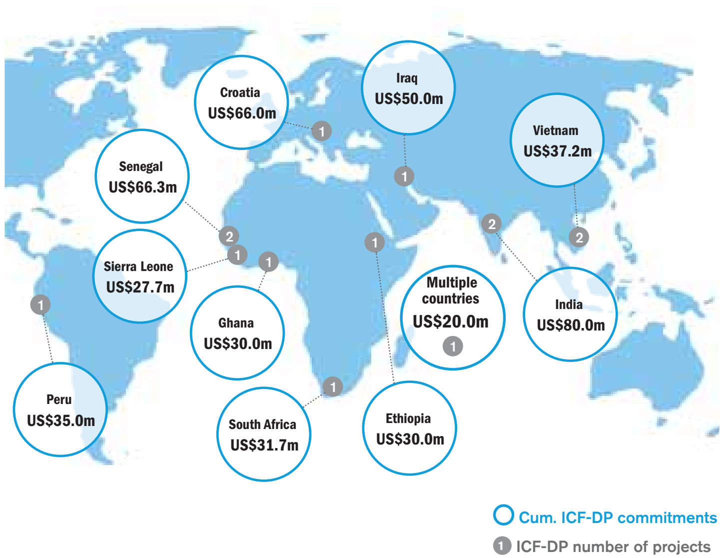
At the end of 2013, ICF-DP has around US$280m in funding available to invest in new projects, taking into account cancellations and repayments. ICF-DP's donors have decided to extend the term of ICF-DP's mandate until the end of 2015, by when the Board and Fund Manager expect that the remaining funds will be fully committed.

# ICF-DP in numbers

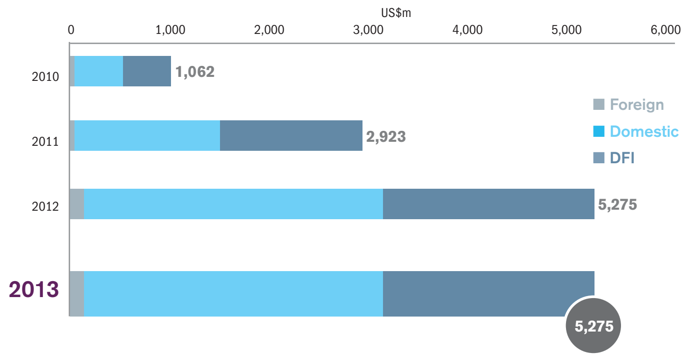
### ICF-DP cumulative commitments by year of financial close (US$m)




### ICF-DP cumulative commitments by country (US$m)

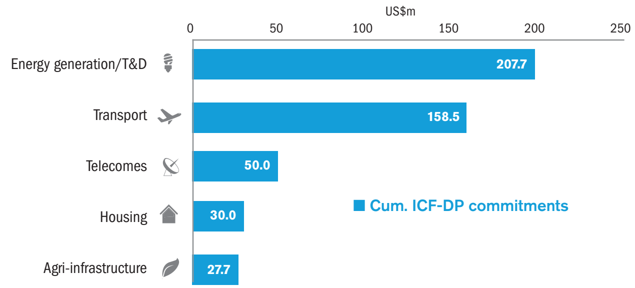



### Cum. expected total investment commitments from ICF-DP-supported projects that have reached financial close by type of investment and by year of close (US$m)




Note: 2012 figure is lower than reported in the 2012 Annual Report (US$5.763m) as investment commitment figures have been updated during 2013.

### ICF-DP cumulative commitments by sector (US$m)




### Focus on poor and fragile countries (cumulative)

**18%** of total investment commitments (by value) in DAC I and II countries*

**20%** of total investment commitments (by value) in fragile states

**50%** of projects (by number) in DAC I and II countries

**29%** of projects (by number) in fragile states

* ICF-DP has no specific targets related to total investment commitments in DAC I/II countries.

# Takoradi

## **Ghana steams ahead:** An innovative expansion of an existing power plant in western Ghana to serve a wider community

### Background

Ghana faces a critical energy challenge: unmet demand and an unreliable energy supply. The government of Ghana has steadily pursued a programme of power sector reform to increase access to electricity as well as to improve energy use efficiency.

The Takoradi International Company (TICO) project is based at a power plant near the town of Aboadze, just east of Takoradi in western Ghana. It involves the expansion of Takoradi 2 (T2) – a 220MW simple cycle power plant, which has been up and running since September 2000 – with an additional 110MW steam turbine powered from the exhaust heat of the existing T2 turbines. The result is a 330MW combined cycle thermal plant with the potential to provide an extra 8.9 million people with power. The plant uses steam generated from the waste heat of the existing gas turbines to drive a steam turbine. This means that the electric generating capacity is increased by 50% without increasing fuel consumption – thereby reducing greenhouse gas emissions per kWh by about a third. The project is now under construction.

T2 is a joint venture, 10% owned by the Volta River Authority (VRA), and 90% by TAQA, the Abu Dhabi National Electricity and Water Company. In 2011 TICO sought to raise US$327m of financing over 15 years to finance the expansion, on a limited recourse basis. Long-term commercial funding for such projects are not available in Ghana, and therefore TICO approached the Dutch development bank FMO and the International Finance Corporation (IFC) to arrange the financing.

FMO acted as Mandated Lead Arranger and arranged a syndicate providing US$212.1m in debt financing.

### Role of PIDG

PIDG Facilities ICF-DP and EAIF have committed US$45m as part of a wider DFI loan of US$330m. The involvement of the PIDG Facilities was critical to its success as long-term commercial funding for such projects is not available in Ghana.

Furthermore, ICF-DP permitted the project to reach financial close as the 15-year money required to finance such a power plant was not available in Ghana at the time.

### The deal

| Total project investment: US$440m | | | | | |
|---|---|---|---|---|---|
| Domestic PSI: US$110m | | Foreign PSI: US$0 | | DFI: US$330m | |
| Equity: US$110m | Debt: US$0 | Eq: US$0 | Debt: $0 | Eq: $0 | Debt: US$330m |
| This is a combination of the value of the existing asset and internally generated cash from TICO. | | | | AfDB: US$22.2m, DEG: US$24.9m, EAIF: US$15m, FMO: US$80m, ICF-DP: US$30m and Proparco: US$40m. The IFC tranche lenders are IFC: US$80m, IFC on behalf of the CCCP: US$15m and OFID: US$22.5m | |

## Development impact

| Total project investment | US$440m |
| --- | --- |
| Domestic commercial investment | US$110m |
| DFI investment | US$330m |
| **Access to infrastructure** | 8.9 million people, including 3.3 million women.<br>Additional capacity will produce approx 742.5 million kWh per year. |
| **Fiscal benefit** | |
| Upfront fees to Government | US$27.2m up-front fees to government of Ghana. |
| **Job creation** | |
| Short-term jobs (construction) | 72 |
| Long-term jobs (operations and maintenance) | 771 |
| **Alignment with national plans** | Part of a wider programme of power sector reform pursued by the government of Ghana, which has included the creation of an independent regulatory agency, the Public Utilities Regulatory Commission, to set tariffs and policies, and to promote competition. |
| **Financial additionality** | ICF-DP were able to provide long-term funding for the project, which is not available from Ghana's capital markets. |
| **Design additionality** | Technological expertise is being transferred to local Ghanaian engineers who will receive training in modern power-generation plant management practice.<br>The company will utilise proven technology, already in operation across other markets. |
| **Environmental benefit** | TICO will increase the reliability of the power grid, and reduce disruptions caused by black-outs, removing the need for expensive and polluting back-up power arrangements. |
| **Demonstration effect** | TICO was the first independent power producer (IPP) in Ghana and the planned expansion is a sign of confidence in both the IPP model, and the Ghana power sector. Several other IPPs are now under development in the country.<br>In parallel the government has created the Ghana Grid Company to provide fair and open access to the transmission grid, providing a legal and commercial basis for private sector power generation. As a result, half of all new power projects are being built by independent power producers, raising their share from 19% in 2000 to 31% of total generation capacity by 2013. |

*Ghana: Takoradi 2 will help to support a growing power demand key to Ghana's socio-economic development*

# Annexes

## Annex 1. DAC list of ODA recipients

Effective for reporting on 2012 and 2013 flows

### Least developed countries (DAC I)

Afghanistan
Angola
Bangladesh
Benin
Bhutan
Burkina Faso
Burundi
Cambodia
Central African Republic
Chad
Comoros
Congo, DR
Djibouti
Equatorial Guinea
Eritrea
Ethiopia
Gambia
Guinea
Guinea-Bissau
Haiti
Kiribati
Laos
Lesotho
Liberia
Madagascar
Malawi
Mali
Mauritania
Mozambique
Myanmar
Nepal
Niger
Rwanda
Samoa
São Tomé & Príncipe
Senegal
Sierra Leone
Solomon Islands
Somalia
South Sudan
Sudan
Tanzania
Timor-Leste
Togo
Tuvalu
Uganda
Vanuatu
Yemen
Zambia

### Other low-income countries (DAC II)

Kenya
Korea, Dem. Republic
Kyrgyz Republic
Tajikistan
Zimbabwe

### Lower middle income countries and territories (DAC III)

Armenia
Belize
Bolivia
Cameroon
Cape Verde
Congo, Republic
Côte d'Ivoire
Egypt
El Salvador
Fiji
Georgia
Ghana
Guatemala
Guyana
Honduras
India
Indonesia
Iraq
Kosovo[1]
Marshall Islands
Micronesia, Federated States
Moldova
Mongolia
Morocco
Nicaragua
Nigeria
Pakistan
Papua New Guinea
Paraguay
Philippines
Sri Lanka
Swaziland
Syria
Tokelau*
Tonga
Turkmenistan
Ukraine
Uzbekistan
Vietnam
West Bank & Gaza Strip

### Upper middle income countries and territories (DAC IV)

Albania
Algeria
Anguilla*
Antigua & Barbuda
Argentina
Azerbaijan
Belarus
Bosnia & Herzegovina
Botswana
Brazil
Chile
China
Colombia
Cook Islands
Costa Rica
Cuba
Dominica
Dominican Republic
Ecuador
Former Yugoslav Republic of Macedonia
Gabon
Grenada
Iran
Jamaica
Jordan
Kazakhstan
Lebanon
Libya
Malaysia
Maldives
Mauritius
Mexico
Montenegro
Montserrat*
Namibia
Nauru
Niue
Palau
Panama
Peru
Serbia
Seychelles
South Africa
St Helena*
St Kitts-Nevis
St Lucia
St Vincent & Grenadines
Suriname
Thailand
Tunisia
Turkey
Uruguay
Venezuela
Wallis & Futuna*

1 "This is without prejudice to the status of Kosovo under international law".
* Territories ie Tokelau, Anguilla, Montserrat, St Helena and Wallis & Futuna.

# Annex 2. List of fragile and conflict-affected states

Used for reporting on the PIDG project portfolio. Methodology used is taken from the OECD INCAF 2013 Report *Fragile states 2013: Resource flows and trends in a shifting world*

| Africa | | Europe, Asia, Middle East and Australasia | | Latin America and the Caribbean |
|---|---|---|---|---|
| Angola | Liberia | Afghanistan | Pakistan | Haiti |
| Burundi | Malawi | Bangladesh | Solomon Islands | |
| Cameroon | Niger | Bosnia and Herzegovina | Sri Lanka | |
| Central African Republic | Nigeria | Federated States of Micronesia | Timor-Leste | |
| Chad | Rwanda | Georgia | West Bank & Gaza Strip | |
| Comoros | Sierra Leone | Iran | Yemen, Republic of | |
| Congo, DR | Somalia | Iraq | | |
| Congo, Republic of | South Sudan | Kiribati | | |
| Côte d'Ivoire | Sudan | Kosovo | | |
| Eritrea | Togo | Kyrgyz Republic | | |
| Ethiopia | Uganda | Marshall Islands | | |
| Guinea | Zimbabwe | Myanmar | | |
| Guinea-Bissau | | Nepal | | |
| Kenya | | North Korea | | |

# Annex 3. PIDG Projects

## TAF

| TAF grants concluded | | | | | |
|---|---|---|---|---|---|
| **Year grant approved** | **Country** | **Sector** | **PIDG Facility Recipient** | **Project** | **Grant (US$m)** |
| 2012 | West Bank & Gaza Strip (Palestinian Territories) | Capital market development | DevCo | West Bank Solid Waste Management | 0.08 |
| 2012 | Liberia | Energy generation/T&D | DevCo | Liberia Management Contract Amendment | 0.07 |
| 2012 | Nigeria | Water, sewage and sanitation | GuarantCo | Nigeria SEC Capacity Building | 0.10 |
| **TOTAL 2012** | | | | | **0.25** |
| 2011 | Multiple countries (SSA) | Housing | GuarantCo | Housing Finance Guarantors Africa (Reinsurance) | 0.18 |
| 2011 | India | Industrial infrastructure | GuarantCo | Calcom Cement Capacity Building, Assam | 0.39 |
| 2011 | Rwanda | Water, sewage and sanitation | DevCo | Kigali Bulk Water | 0.05 |
| **TOTAL 2011** | | | | | **0.62** |
| 2009 | Gambia, The | Energy generation/T&D | EAIF | Gambia IPP - Transmission and Distribution | 0.06 |
| 2009 | Multiple countries (SSA) | Transport - rail | DevCo | Rift Valley Railway Strategic Business Plan | 0.07 |
| **TOTAL 2009** | | | | | **0.13** |
| 2008 | Gambia, The | Energy generation/T&D | EAIF | Gambia IPP - Affordability Study | 0.07 |
| 2008 | Nepal | Energy generation/T&D | InfraCo Asia | Nepal Hydroelectric Projects | 0.07 |
| 2008 | Ghana | Energy generation/T&D | Technical Assistance Facility (post-transaction support) | Energy Sector Capacity Building | 0.05 |
| 2008 | India | Industrial infrastructure | GuarantCo | Calcom Cement - Legal Assistance | 0.06 |
| 2008 | India | Industrial infrastructure | GuarantCo | Low Cost Housing Project | 0.07 |
| 2008 | Niger | Telecoms | GuarantCo | Seaquest Infotel Niger ICT Preliminary Investigation Project Grant 1 | 0.07 |
| **TOTAL 2008** | | | | | **0.39** |
| 2007 | Vietnam | Agri-business | InfraCo Africa | Antara Cold Storage Project | 0.11 |
| 2007 | Liberia | Energy generation/T&D | DevCo | Liberia Power Sector Advisory | 0.01 |
| 2007 | Ghana | Energy generation/T&D | InfraCo Africa | Kpone (Tema) IPP (II) | 0.46 |
| 2007 | Chad | Telecoms | GuarantCo | Celtel Chad Financing | 0.05 |
| **TOTAL 2007** | | | | | **0.63** |
| 2006 | Zambia | Agri-business | InfraCo Africa | Chiansi Irrigation | 0.40 |
| 2006 | Nigeria | Industrial infrastructure | EAIF | Eleme Petrochemicals Ltd | 0.07 |
| 2006 | Uganda | Multi-sector | InfraCo Africa | Kalangala Infrastructure Services | 0.35 |
| **TOTAL 2006** | | | | | **0.82** |
| 2005 | Nigeria | Energy generation/T&D | InfraCo Africa | Geometrics Power Aba Ltd | 0.35 |
| 2005 | Ghana | Energy generation/T&D | InfraCo Africa | Kpone (Tema) IPP (I) | 0.35 |
| 2005 | Uganda | Multi-sector | InfraCo Africa | BidCo Palm Oil - Kalangala Infrastructure Services | 0.38 |
| **TOTAL 2005** | | | | | **1.08** |
| 2004 | Madagascar | Transport - ports | DevCo | Toamasina Port - Interim Management Assistance | 0.32 |
| **TOTAL 2004** | | | | | **0.32** |
| **GRAND TOTAL** | | | | | **4.24** |

| Current TAF grants | | | | | |
|---|---|---|---|---|---|
| **Year grant approved** | **Country** | **Sector** | **PIDG Project Recipient** | **Project** | **Grant (US$m)** |
| 2013 | Pakistan | Capital market development | GuarantCo | Pakistan Bond Issuance Legal Costs | 0.07 |
| 2013 | Sri Lanka | Capital market development | GuarantCo | Sri Lanka Capital Development | 0.04 |
| 2013 | Sierra Leone | Energy generation/T&D | EAIF | Sierra Leone Bumbuna Project Manager | 0.40 |
| 2013 | Multiple countries (SSA) | Energy generation/T&D | GuarantCo | Africa Energy Forum | 0.003 |
| 2013 | Multiple countries (EAP) | Energy generation/T&D | GuarantCo | Laos and Myanmar Waste to Energy - VGF Support | 0.03 |
| 2013 | Multiple countries (EAP) | Energy generation/T&D | GuarantCo | Laos, Cambodia & Myanmar Waste to Energy VGF Grant | 4.10 |
| 2013 | Senegal | Energy generation/T&D | InfraCo Africa | Senegal Wind Farm Development (II) | 0.13 |
| 2013 | Vietnam | Energy generation/T&D | InfraCo Asia | Coc San Hydro Project, Vietnam (VGF) | 5.00 |
| 2013 | Vietnam | Energy generation/T&D | InfraCo Asia | Vietnam Hydropower VGF Support | 0.03 |
| 2013 | Zambia | Housing | GuarantCo | Zambia Home Loans (ZHL) Capacity Building | 0.33 |
| 2013 | India | Multi-sector | DevCo | Odisha Urban Development PPPs | 0.28 |
| 2013 | Kenya | Transport - rail | InfraCo Africa | Nairobi Commuter Rail (III), Kenya | 0.30 |
| 2013 | Uganda | Water, sewage and sanitation | DevCo | Uganda Solid Waste Management - VGF Support | 0.03 |
| 2013 | Uganda | Water, sewage and sanitation | DevCo | Uganda Solid Waste Management - VGF Grant | 3.00 |
| 2013 | Tanzania | Water, sewage and sanitation | EAIF | Dar es Salaam Water Desalination Evaluation | 0.30 |
| **TOTAL 2013** | | | | | **14.02** |
| 2012 | Cambodia | Agri-business | InfraCo Asia | Cambodia Salt Farm Development | 0.40 |
| 2012 | Sierra Leone | Energy generation/T&D | EAIF | Sierra Leone Hydropower | 0.25 |
| 2012 | Bangladesh | Energy generation/T&D | InfraCo Asia | Bangladesh Power Generation | 0.30 |
| 2012 | Nepal | Energy generation/T&D | InfraCo Asia | Nepal Hydropower | 0.39 |
| 2012 | Multiple countries (SSA) | Multi-sector | DevCo | Kenya-Rwanda PPP Training | 0.12 |
| 2012 | Philippines | Multi-sector | DevCo | Philippines PPP Training | 0.07 |
| 2012 | Cape Verde | Multi-sector | InfraCo Africa | Cape Verde Development add-on | 0.07 |
| 2012 | Myanmar | Multi-sector | InfraCo Asia | Myanmar Infrastructure Strategy | 0.34 |
| 2012 | Benin | Transport - ports | DevCo | Benin Port Concession Support | 0.15 |
| 2012 | India | Transport - ports | DevCo | Kerala Port ESIA | 0.04 |
| **TOTAL 2012** | | | | | **2.13** |
| 2011 | Ghana | Energy generation/T&D | InfraCo Africa | Ghana Wind Power | 0.50 |
| 2011 | Ghana | Transport - General | InfraCo Africa | Lake Volta Transport Corridor PPP | 0.39 |
| 2011 | Kenya | Transport - rail | InfraCo Africa | Nairobi Commuter Rail - ESIA | 0.35 |
| **TOTAL 2011** | | | | | **1.24** |
| 2010 | Mozambique | Agri-business | InfraCo Africa | Envalor Ltda | 0.43 |
| 2010 | Niger | Capital market development | GuarantCo | Fonds de Solidarite Africain (FSA) - Capacity Building and Collaboration | 0.10 |
| 2010 | Zambia | Energy generation/T&D | InfraCo Africa | Muchinga Hydro Power | 0.45 |
| 2010 | Senegal | Energy generation/T&D | InfraCo Africa | Senegal Wind Farm Development | 0.26 |
| **TOTAL 2010** | | | | | **1.24** |
| 2009 | Cape Verde | Energy generation/T&D | InfraCo Africa | Cape Verde Wind Power - Cabeolica | 0.07 |
| 2009 | Ghana | Energy generation/T&D | InfraCo Africa | Energy Sector Capacity Building Project (Ghana GridCo) | 0.29 |
| 2009 | Uganda | Multi-sector | InfraCo Africa | Kalangala Infrastructure Project Resettlement Action Plan | 0.68 |
| 2009 | Kenya | Transport - rail | InfraCo Africa | Nairobi Commuter Rail | 0.20 |
| **TOTAL 2009** | | | | | **1.24** |

| | | | | | |
|---|---|---|---|---|---|
| 2008 | Zambia | Agri-business | InfraCo Africa | Chanyanya Infrastructure Company | 0.52 |
| 2008 | Multiple countries (SSA) | Energy generation/T&D | InfraCo Africa | Infrastructure for Renewable Energy Fuels, Mozambique & Togo | 0.07 |
| 2008 | Tanzania | Energy generation/T&D | InfraCo Africa | Tanzania Wind Power | 0.07 |
| 2008 | Multiple countries (SSA) | Energy generation/T&D | InfraCo Africa | Tanzania-Uganda Transmission Interconnection | 0.06 |
| 2008 | Uganda | Multi-sector | InfraCo Africa | Kalangala Infrastructure Services - OBA | 5.00 |
| 2008 | Niger | Telecoms | GuarantCo | Seaquest Infotel Niger ICT Preliminary Investigation Project Grant 2 | 0.40 |
| **TOTAL 2008** | | | | | **6.12** |
| 2007 | Cape Verde | Energy generation/T&D | InfraCo Africa | Cape Verde Wind Power Development | 0.40 |
| **TOTAL 2007** | | | | | **0.40** |
| 2006 | Rwanda | Energy generation/T&D | EAIF | Lake Kivu | 0.50 |
| **TOTAL 2006** | | | | | **0.50** |
| **GRAND TOTAL** | | | | | **26.89** |

**TAF grants to projects that have generated no investment**

| Year grant approved | Country | Sector | PIDG Project recipient | Project | Grant (US$m) |
|---|---|---|---|---|---|
| 2009 | Sierra Leone | Agri-business | EAIF | Goldtree Palm Oil Project | 0.07 |
| 2009 | Zambia | Energy generation/T&D | DevCo | Kafue Gorge Lower Hydropower IPP | 0.15 |
| **TOTAL 2009** | | | | | **0.22** |
| 2008 | Tanzania | Energy generation/T&D | EAIF | Ruhudji Hydropower | 0.28 |
| 2008 | Indonesia | Multi-sector | InfraCo Asia | Nias Island Integrated Infrastructure - Feasibility Study | 0.07 |
| **TOTAL 2008** | | | | | **0.35** |
| 2007 | Kenya | Capital market development | GuarantCo | Facilitating Capital market development | 0.04 |
| 2007 | Congo, DR | Energy generation/T&D | EAIF | MagEnenergy Inc. | 0.02 |
| **TOTAL 2007** | | | | | **0.06** |
| 2006 | Uganda | Energy generation/T&D | EAIF | Uganda 50MW Biomass IPP | 0.16 |
| 2006 | Zambia | Housing | GuarantCo | Lilayi Housing | 0.01 |
| 2006 | Mozambique | Industrial infrastructure | InfraCo Africa | Beira Land Development | 0.01 |
| **TOTAL 2006** | | | | | **0.18** |
| 2004 | Uganda | Agri-business | EAIF | Kakira Rural Development (Phase I) | 0.07 |
| 2004 | Uganda | Agri-business | EAIF | Kakira Rural Development (Phase II) | 0.07 |
| 2004 | Mozambique | Agri-business | InfraCo Africa | Beira Corridor | 0.12 |
| 2004 | Nigeria | Agri-business | InfraCo Africa | Nigeria Fertiliser I | 0.04 |
| 2004 | Tanzania | Energy generation/T&D | GuarantCo | Tanzania Power (IPTL) | 0.02 |
| 2004 | Madagascar | Transport - air | DevCo | Madagascar Seaport & Airport Privatisation | 0.07 |
| **TOTAL 2004** | | | | | **0.39** |
| **GRAND TOTAL** | | | | | **1.20** |

# DevCo

**Completed DevCo transactions**

| Year of commercial close | Country | Sector | Project | DevCo funding commitments (US$) | Total Commitments (US$m) | People provided with new/improved infrastructure | Fiscal impact (US$m)* |
|---|---|---|---|---|---|---|---|
| 2013 | Liberia | Energy generation/T&D | Liberia Power Amended Management Contract | 0.03 | 0 | 75,000 | 0 |
| 2013 | India | Urban development/infrastructure | Bhubaneswar PSL - Street lighting | 0.25 | 4.8 | 167,547 | 0.03 |
| 2013 | West Bank & Gaza Strip (Palestinian Territories) | Water, sewage and sanitation | West Bank Solid Waste | 0.2 | 0 | 840,000 | 0 |
| 2013 | India | Water, sewage and sanitation | Orissa Solid Waste Management | 0.25 | 10.3 | 355,823 | 0 |
| **TOTAL 2013** | | | | **0.7** | **15.1** | **1,438,370** | **0.03** |
| 2012 | Kosovo | Energy generation/T&D | Kosovo KEK | 0.6 | 390.0 | 1,800,000 | 34.0 |
| **TOTAL 2012** | | | | **0.6** | **390.0** | **1,800,000** | **34.0** |
| 2011 | India | Agri-business | Punjab Silos | 0.4 | 8.0 | 6,660 | 6.0 |
| 2011 | Indonesia | Energy generation/T&D | Central Java IPP | 1.8 | 3,500.0 | 7,500,000 | 0 |
| 2011 | Maldives | Water, sewage and sanitation | Maldives PPP - Solid Waste Management | 0.5 | 60.0 | 120,000 | 0 |
| **TOTAL 2011** | | | | **2.7** | **3,568.0** | **7,626,660** | **6.0** |
| 2010 | Liberia | Energy generation/T&D | Liberia Power Sector Advisory | 1.3 | 0 | 150,000 | 40.0 |
| 2010 | Haiti | Telecoms | Privatisation of TELECO | 1.4 | 100.0 | 1,500,000 | 200.0 |
| 2010 | Uganda | Water, sewage and sanitation | Small Towns Water Programme | 1.3 | 0.4 | 15,195 | 0 |
| **TOTAL 2010** | | | | **4.0** | **100.4** | **1,665,195** | **240.0** |
| 2009 | Albania | Energy generation/T&D | Albania KESH | 0.6 | 346.0 | 3,400,000 | 270.0 |
| 2009 | Benin | Transport – Ports | Cotonou Port | 1.2 | 256.0 | 0 | 200.0 |
| 2009 | Egypt | Water, sewage and sanitation | New Cairo Wastewater Project | 0.5 | 130.0 | 1,000,000 | 0 |
| **TOTAL 2009** | | | | **2.3** | **732.0** | **4,400,000** | **470.0** |
| 2008 | Albania | Energy generation/T&D | Ashta IPP | 0.5 | 200.0 | 170,000 | 80.0 |
| 2008 | Philippines | Energy generation/T&D | SPUG Basilan | 0.3 | 5.0 | 145,000 | 10.0 |
| **TOTAL 2008** | | | | **0.8** | **205.0** | **315,000** | **90.0** |
| 2007 | Philippines | Energy generation/T&D | SPUG II, Masbate | 0.1 | 12.0 | 60,000 | 38.0 |
| 2007 | Kenya | Telecoms | Divestment of GoK Share of SafariCom | 0.2 | 0 | 11,102,000 | 500.0 |
| 2007 | Kenya | Telecoms | Privatisation of TelCom Kenya Ltd (TKL) | 1.0 | 0 | 360,000 | 390.0 |
| **TOTAL 2007** | | | | **1.3** | **12.0** | **11,522,000** | **928.0** |
| 2006 | Multiple countries (SSA) | Transport - rail | Joint Concession for Kenya Railways and Uganda Railways | 1.1 | 417.0 | 5,000,000 | 110.3 |
| **TOTAL 2006** | | | | **1.1** | **417.0** | **5,000,000** | **110.3** |
| 2005 | Philippines | Energy generation/T&D | SPUG I | 0.03 | 28.0 | 100,000 | 53.0 |
| 2005 | Samoa | Transport - air | Joint Venture Partnership in Polynesian Airlines | 0.7 | 5.0 | 80,000 | 40.0 |
| 2005 | Madagascar | Transport - ports | Madagascar PPP in the Port of Tamatave | 0.8 | 63.0 | 0 | 6.3 |
| **TOTAL 2005** | | | | **1.5** | **96.0** | **180,000** | **99.3** |
| 2004 | Mozambique | Mining | Development of the Moatize Coal Mine (Phase 1) | 0.5 | 128.0 | 0 | 621.0 |
| **TOTAL 2004** | | | | **0.5** | **128.0** | **0** | **621.0** |
| **GRAND TOTAL** | | | | **15.5** | **5,663.5** | **33,947,225** | **2,598.6** |

* 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 signed | Country | Sector | Project | DevCo funding commitments (US$) |
|---|---|---|---|---|
| 2010 | Mozambique | Water, sewage and sanitation | Mozambique Water Supply Project | 0.8 |
| **TOTAL 2010** | | | | **0.8** |
| 2009 | Bhutan | Transport - air | Drukair | 0.3 |
| 2009 | Comoros | Multi-sector | Comoros Telecoms & Hydrocarbons Privatisation - Phase I | 0.5 |
| **TOTAL 2009** | | | | **0.8** |
| **GRAND TOTAL** | | | | **1.6** |

## DevCo mandates under active development

| Year signed | Country | Sector | Project | DevCo funding commitments (US$) |
|---|---|---|---|---|
| 2013 | India | Agri-Infrastructure | Odisha Rice Storage Project | 0.2 |
| 2013 | Multiple countries (general) (>50% of PSI in fragile states) | Energy generation/T&D | CASA-1000 | 0.5 |
| 2013 | India | Energy generation/T&D | Odisha Rooftop Solar Project | 0.3 |
| 2013 | Ghana | Energy generation/T&D | Ghana Electricity Distribution | 0.6 |
| 2013 | Burkina Faso | Energy generation/T&D | Solar IPP | 0.2 |
| 2013 | Guinea | Energy generation/T&D | Guinea Power PPP | 0.6 |
| 2013 | India | Housing | Odisha Affordable Housing - Berhampur city | 0.5 |
| 2013 | Laos | Transport - Road | Lao Roads PPP | 0.8 |
| 2013 | Mozambique | Water, sewage and sanitation | Mozambique Water PPP 2 | 1.1 |
| 2013 | India | Water, sewage and sanitation | Puri (Odisha) Solid Waste Management | 0.2 |
| 2013 | South Sudan | Water, sewage and sanitation | South Sudan Water PPP | 0.3 |
| **TOTAL 2013** | | | | **5.3** |
| 2012 | Lesotho | Energy generation/T&D | Lesotho Wind Power PPPs | 0.7 |
| 2012 | Uganda | Energy generation/T&D | Nyagak III | 0.6 |
| 2012 | India | Other | Rajasthan PSL | 0.6 |
| 2012 | Comoros | Telecoms | Privatisation of Comoros Telecoms | 1.1 |
| 2012 | Timor Leste (East Timor) | Transport - air | Dili Airport PPP | 0.2 |
| 2012 | Timor Leste (East Timor) | Transport - ports | TL Port PPP | 1.5 |
| 2012 | Bhutan | Transport - Urban | Thimphu Parking PPP | 0.4 |
| 2012 | Benin | Water, sewage and sanitation | PPP for Rural Water Supply | 0.7 |
| 2012 | Uganda | Water, sewage and sanitation | Kampala Waste Management PPP | 1.1 |
| **TOTAL 2012** | | | | **6.9** |
| 2011 | Georgia | Transport - roads | Georgia EW Road | 1.0 |
| 2011 | Mauritania | Transport - ports | Nouakchott Port | 0.9 |
| **TOTAL 2011** | | | | **1.9** |
| 2010 | Philippines | Water, sewage and sanitation | Metro Clark Bulk Water Project | 0.4 |
| 2010 | Rwanda | Water, sewage and sanitation | Kigali Bulk Water Supply Project | 1.0 |
| **TOTAL 2010** | | | | **1.4** |
| 2009 | Solomon Islands | Energy generation/T&D | Tina River Hydro IPP | 0.5 |
| 2009 | Tajikistan | Mining | Konimansur Mine | 1.1 |
| 2009 | Niger | Transport - general | Niger Dry Port | 0.8 |
| **TOTAL 2009** | | | | **2.4** |
| 2006 | Vietnam | Energy generation/T&D | Private Sector Participation in Electricity Generation | 1.8 |
| **TOTAL 2006** | | | | **1.8** |
| **GRAND TOTAL** | | | | **19.7** |

* 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

| InfraCo Africa projects that have reached financial close | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | DEVELOPMENT IMPACT | | |
| Year of financial close | Country | Sector | Project | InfraCo Africa funding commitments (US$) | Total commitments (US$m) | People provided with new/improved infrastructure | Fiscal impact (US$m)* |
| 2012 | Zambia | Energy generation/T&D | Muchinga Power Company | 1.5 | 600.0 | 2,207,244 | 82.0 |
| **TOTAL 2012** | | | | **1.5** | **600.0** | **2,207,244** | **82.0** |
| 2011 | Uganda | Energy generation/T&D | Kalangala Renewables | 2.2 | 15.6 | 35,000 | 3.7 |
| 2011 | Uganda | Multi-sector | Kalangala Infrastructure Services Project | 4.1 | 29.0 | 35,000 | 1.6 |
| **TOTAL 2011** | | | | **6.3** | **44.6** | **70,000** | **5.3** |
| 2010 | Cape Verde | Energy generation/T&D | Wind Farm Extension Project | 7.9 | 78.0 | 422,000 | 0 |
| 2010 | Ghana | Energy generation/T&D | Kpone Independent Power Project | 11.0 | 600.0 | 10,500,000 | 500.0 |
| **TOTAL 2010** | | | | **18.9** | **678.0** | **10,922,000** | **500.0** |
| 2009 | Zambia | Agri-business | Chanyanya Pilot Irrigation Project | 1.1 | 2.5 | 1,134 | 0 |
| **TOTAL 2009** | | | | **1.1** | **2.5** | **1,134** | **0** |
| 2008 | Nigeria | Energy generation/T&D | Geometrics Power Aba Ltd | 0.5 | 420 | 2,000,000 | 8.0 |
| 2008 | Vietnam | Agri-business | Antara Cold Storage Project | 0.3 | 27.0 | 50,000 | 0 |
| **TOTAL 2008** | | | | **0.8** | **447.0** | **2,050,000** | **8.0** |
| **GRAND TOTAL** | | | | **28.6** | **1772.1** | **15,250,378** | **595.3** |

| InfraCo Africa projects that are under active development (with a signed JDA in place) | | | | |
|---|---|---|---|---|
| Year signed | Country | Sector | Project | InfraCo Africa funding commitments (US$) |
| 2010 | Uganda | Multi-sector | Lake Albert Infrastructure Project | 7.4 |
| **TOTAL 2010** | | | | **7.4** |
| 2009 | Kenya | Transport - rail | Nairobi Commuter Rail Project | 8.4 |
| **TOTAL 2009** | | | | **8.4** |
| 2006 | Zambia | Agri-business | Chiansi Irrigation | 6.4 |
| **TOTAL 2006** | | | | **6.4** |
| **GRAND TOTAL** | | | | **22.2** |

* 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

| InfraCo Asia projects that have reached financial close | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | DEVELOPMENT IMPACT | | |
| Year of financial close | Country | Sector | Project | InfraCo Africa commitments Funding (US$) | Total commitments (US$m) | People provided with new/improved infrastructure | Fiscal impact (US$m)* |
| 2013 | Cambodia | Agri-Infrastructure | Cambodia Salt Farm Development | 2.4 | 2.9 | 0 | 0.5 |
| **TOTAL 2013** | | | | **2.4** | **2.9** | **0** | **0.5** |
| **GRAND TOTAL** | | | | **2.4** | **2.9** | **0** | **0.5** |

| InfraCo Asia projects that are under active development (with signed JDA) | | | | |
|---|---|---|---|---|
| Year signed | Country | Sector | Project | InfraCo Asia commitments Funding (US$) |
| 2012 | India | Agri-business | Mechanised Grain Market Infrastructure Development Project, Rajasthan | 2.1 |
| 2012 | Bangladesh | Energy generation/T&D | Bangladesh Gas-Fired Power Project | 3.1 |
| 2012 | Nepal | Energy generation/T&D | Nyadi Hydropower Project | 2.0 |
| 2012 | Nepal | Energy generation/T&D | Kabeli A Hydropower | 2.0 |
| 2012 | Nepal | Energy generation/T&D | Lower Manang Marsyangdi Hydropower Project | 2.0 |
| 2012 | Pakistan | Energy generation/T&D | Gul Ahmed Wind | 1.7 |
| 2012 | Pakistan | Energy generation/T&D | Metro Power Wind | 6.0 |
| 2012 | Vietnam | Energy generation/T&D | Coc San Hydropower Project | 6.1 |
| 2012 | Sri Lanka | Water, sewage and sanitation | Sri Lanka Waste Management Project | 5.4 |
| **TOTAL 2012** | | | | **30.4** |
| 2011 | India | Energy generation/T&D | Rajasthan Power Project | 2.4 |
| **TOTAL 2011** | | | | **2.4** |
| **GRAND TOTAL** | | | | **32.8** |

# EAIF

## EAIF supported projects that have reached financial close

| | | | | | DEVELOPMENT IMPACT | | |
|---|---|---|---|---|---|---|---|
| Year of financial close | Country | Sector | Project | EAIF financing (US$) | Total commitments (US$m) | People provided with new/improved infrastructure | Fiscal impact (US$m)* |
| 2013 | Nigeria | Industrial infrastructure | Indorama Eleme Fertilizer & Chemicals Ltd (IEFC) | 30.0 | 1,200.0 | 1,201,923 | 145.0 |
| 2013 | Congo, DR | Telecoms | Helios Towers, DRC | 7.5 | 75.0 | 1,774,000 | 42.1 |
| **TOTAL 2013** | | | | **37.5** | **1,275.0** | **2,975,923** | **187.1** |
| 2012 | Côte D'Ivoire (Ivory Coast) | Energy generation/T&D | Azito Energie Expansion | 30.0 | 430.6 | 5,260,000 | 7.5 |
| 2012 | Ghana | Energy generation/T&D | TICO Takoradi Expansion Project | 15.0 | 440.0 | 8,910,000 | 27.2 |
| 2012 | Uganda | Energy generation/T&D | South Asia Energy Management Systems II (SAEMS) - Nyamwamba Hydro Station | 6.0 | 30.0 | 587,850 | 25.0 |
| 2012 | Tunisia | Industrial infrastructure | SPA Maghreb Tubes, Tunisia | 17.0 | 24.0 | 0 | 7.3 |
| 2012 | Ethiopia | Transport - air | Ethiopian Airlines | 30.0 | 1,025.0 | 1,454,544 | 0 |
| **TOTAL 2012** | | | | **98.0** | **1,949.6** | **16,212,394** | **67.0** |
| 2011 | Sierra Leone | Agri-business | Addax Bioenergy (SL) Limited ("Addax") | 31.3 | 493.0 | 2,603,000 | 0 |
| 2011 | Nigeria | Energy generation/T&D | Tower Power Abeokuta Limited | 15.0 | 21.4 | 2,000,000 | 0.3 |
| 2011 | Rwanda | Energy generation/T&D | KivuWatt Ltd, Lake Kivu | 25.0 | 142.2 | 2,496,600 | 11.0 |
| 2011 | Uganda | Energy generation/T&D | Kalangala Renewables | 2.6 | 0 | 0 | 0 |
| 2011 | Uganda | Multi-sector | Kalangala Infrastructure Services Project | 4.4 | 0 | 0 | 0 |
| 2011 | Tanzania | Telecoms | Helios Towers | 15 | 85.0 | 2,472,000 | 99.0 |
| **TOTAL 2011** | | | | **93.3** | **741.6** | **9,571,600** | **110.0** |
| 2010 | Tanzania | Industrial infrastructure | ALAF | 5.0 | 35.0 | 1,225,000 | 0 |
| 2010 | Multiple countries (SSA) | Telecoms | O3b | 25.0 | 1,331.0 | 50,000,000 | 0 |
| 2010 | Senegal | Transport - ports | Dakar Container Terminal | 17.0 | 293.7 | 0 | 61.6 |
| **TOTAL 2010** | | | | **47.0** | **1,659.7** | **51,225,000** | **61.6** |
| 2009 | Kenya | Energy generation/T&D | Olkaria III | 15.0 | 179.4 | 2,270,592 | 3.0 |
| 2009 | Multiple countries (SSA) | Energy generation/T&D | Aldwych Corporate - Project Development Loan | 9.5 | 71.3 | 0 | 0 |
| 2009 | Algeria | Industrial infrastructure | SPA Maghreb Tubes | 17.0 | 24.0 | 0 | 3.6 |
| 2009 | Nigeria | Industrial infrastructure | African Foundries Limited | 20.0 | 124.3 | 7,500,000 | 0 |
| 2009 | Ghana | Telecoms | Zain Ghana | 17.5 | 523.0 | 5,500,000 | 120.0 |
| 2009 | Nigeria | Telecoms | Helios Towers | 19.0 | 200.0 | 3,300,000 | 157.0 |
| **TOTAL 2009** | | | | **98.0** | **1,122.0** | **18,570,592** | **284.0** |
| 2008 | Kenya | Energy generation/T&D | Rabai Power Ltd | 32.8 | 163.8 | 4,257,360 | 0 |
| 2008 | Multiple countries (SSA) | Industrial infrastructure | Safal Investments Mauritius Limited Financing, Africa Regional | 29.0 | 14.05 | 2,362,500 | 0 |
| 2008 | Uganda | Energy generation/T&D | Bugoye Hydropower Plant | 31.7 | 56.8 | 983,923 | 23.2 |
| 2008 | Uganda | Energy generation/T&D | South Asia Energy Management Systems (SAEMS) Hydro Stations | 14.0 | 88.0 | 816,000 | 25.0 |
| **TOTAL 2008** | | | | **107.5** | **453.6** | **8,419,783** | **48.0** |
| 2007 | Nigeria | Industrial infrastructure | Eleme Petrochemicals Ltd | 20.0 | 400.0 | 0 | 240.0 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2007 | Congo, DR | Telecoms | Celtel Africa Telecoms Project | 8.0 | 197.0 | 1,200,000 | 0 |
| 2007 | Madagascar | Telecoms | Celtel Africa Telecoms Project | 2.0 | 114.0 | 0 | 0 |
| 2007 | Malawi | Telecoms | Airtel Malawi (Former Celtel) Telecoms Project | 1.0 | 25.0 | 0 | 0 |
| 2007 | Multiple countries (SSA) | Telecoms | Seacom, Africa Regional | 35.4 | 375.0 | 1,500,000 | 0 |
| 2007 | Nigeria | Telecoms | Celtel Nigeria Telecoms Project | 35.0 | 1,327.0 | 0 | 0 |
| 2007 | Sierra Leone | Telecoms | Celtel Africa Telecoms Project - Sierra Leone | 9.0 | 221.3 | 0 | 0 |
| 2007 | Uganda | Telecoms | Celtel Africa Telecoms Project - Uganda | 4.0 | 98.6 | 550,000 | 0 |
| **TOTAL 2007** | | | | **114.4** | **2,757.9** | **3,250,000** | **240.0** |
| 2004 | Mozambique | Mining | Moma Titanium Mineral Projects | 36.5 | 477.0 | 27,500 | 0 |
| 2004 | Nigeria | Telecoms | MTN Nigeria Communications Ltd | 10.0 | 200.0 | 1,400,000 | 144.0 |
| **TOTAL 2004** | | | | **46.5** | **677.0** | **1,427,500** | **144.0** |
| 2003 | Cameroon | Energy generation/T&D | AES-Sonel | 35.5 | 554.0 | 2,071,000 | 72.0 |
| 2003 | Multiple countries (SSA) | Telecoms | Mobile Systems International Cellular Investments Holdings BV (MSI) | 30.0 | 260.0 | 0 | 0 |
| **TOTAL 2003** | | | | **65.5** | **814** | **2,071,000** | **72.0** |
| **GRAND TOTAL** | | | | **707.7** | **11,450.4** | **113,723,792** | **1,213.8** |

* 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).

# GuarantCo

| GuarantCo projects that have reached financial close | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | DEVELOPMENT IMPACT | | |
| Year of financial close | Country | Sector | Project | GuarantCo guarantees (US$m) | Total commitments (US$m) | People provided with new/improved infrastructure | Fiscal impact (US$m)* |
| 2013 | Ghana | Energy generation/T&D | Quantum Terminals Limited (QTL), Ghana | 5.4 | 28.5 | 2,182,950 | 5.2 |
| 2013 | Pakistan | Telecoms | Pakistan Mobile Telecommunications Limited (Mobilink), Pakistan | 9.2 | 658.0 | 6,000,000 | 456.0 |
| 2013 | India | Transport - Road | Au Financiers Ltd, India | 20.0 | 171.0 | 22,400 | 100.0 |
| 2013 | Sri Lanka | Transport - Road | Softlogic Finance, Sri Lanka | 10.7 | 30.9 | 9,660 | 2.6 |
| 2013 | South Africa | Transport - Road | South Africa Development Finance Company II | 15.0 | 23.5 | 350,577 | 0 |
| **TOTAL 2013** | | | | **60.3** | **911.9** | **8,565,587** | **563.8** |
| 2012 | Kenya | Industrial infrastructure | Kaluworks Limited | 9.0 | 35.1 | 225,000 | 12.0 |
| 2012 | Cameroon | Telecoms | Cameroon Telecommunication Limited (CamTel) | 20.0 | 203.0 | 2,600,000 | 0 |
| **TOTAL 2012** | | | | **29.0** | **238.1** | **2,825,000** | **12.0** |
| 2011 | Uganda | Energy generation/T&D | Kalangala Renewables | 1.1 | 0 | 0 | 0 |
| 2011 | India | Housing | Kumar Urban Development Ltd (KUDL) Slum Redevelopment | 15.0 | 345.0 | 22,500 | 165.0 |
| 2011 | Nigeria | Industrial infrastructure | Tower Aluminium Group Limited | 14.2 | 30.0 | 690,000 | 19.9 |
| 2011 | Uganda | Multi-sector | Kalangala Infrastructure Services Project | 1.7 | 0 | 0 | 0 |
| **TOTAL 2011** | | | | **32.0** | **375.0** | **712,500** | **184.9** |
| 2010 | Multiple countries (SSA) | Housing | Housing Finance Guarantee Africa (HFGA) | 5.0 | 223.0 | 36,000 | 0 |
| 2010 | Multiple countries (SSA) | Multi-sector | Spencon, Uganda, Kenya & Tanzania | 15.0 | 225.0 | 0 | 0 |
| 2010 | India | Transport - roads | Shriram Transportation II | 20.0 | 490.0 | 32,000 | 28.0 |
| 2010 | South Africa | Transport - roads | South Africa Development Finance Company | 20.0 | 135.0 | 2,016,700 | 0 |
| **TOTAL 2010** | | | | **60.0** | **1,073.0** | **2,084,700** | **28.0** |
| 2009 | India | Housing | Ackruti City Ltd Slum Redevelopment | 20.0 | 240.0 | 30,000 | 146.0 |
| 2009 | India | Industrial infrastructure | Calcom Cement | 25.0 | 120.8 | 306,000 | 0 |
| 2009 | West Bank & Gaza Strip (Palestinian Territories) | Telecoms | Wataniya Telecoms, West Bank | 10.0 | 140.0 | 1,000,000 | 385.0 |
| **TOTAL 2009** | | | | **55.0** | **500.8** | **1,336,000** | **531.0** |
| 2008 | Chad | Telecoms | Celtel Chad Financing | 8.0 | 33.0 | 0 | 5.8 |
| 2008 | India | Transport - roads | Shriram Transportation I | 18.3 | 420.0 | 128,000 | 0 |
| **TOTAL 2008** | | | | **26.3** | **453.0** | **128,000** | **5.8** |
| 2007 | Kenya | Industrial infrastructure | Safal Roofing - Mabati Rolling Mills | 10.8 | 51.0 | 2,300,000 | 0 |
| 2007 | Tanzania | Industrial infrastructure | Safal Roofing - ALAF, Tanzania | 5.2 | 29.3 | 980,000 | 0 |
| **TOTAL 2007** | | | | **16.0** | **80.3** | **3,280,000** | **0** |
| 2006 | Kenya | Telecoms | Celtel Kenya Refinancing | 12.0 | 130.0 | 4,000,000 | 0 |
| **TOTAL 2006** | | | | **12.0** | **130.0** | **4,000,000** | **0** |
| **GRAND TOTAL** | | | | **290.6** | **3,762.1** | **22,931,787.00** | **1,325.5** |

* 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 projects that have reached financial close | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | DEVELOPMENT IMPACT | | |
| Year of financial close | Country | Sector | Project | ICF-DP financing (US$) | Total commitments (US$m) | People provided with new/improved infrastructure | Fiscal impact (US$m)* |
| 2012 | Ghana | Energy generation/T&D | Takoradi International Company Ltd | 30.0 | - | - | - |
| 2012 | India | Energy generation/T&D | PowerGrid Corporation of India (PGCIL) | 50.0 | 2,352.0 | 0 | 0 |
| 2012 | Senegal | Energy generation/T&D | Sendou Power Plant | 26.7 | - | - | - |
| 2012 | Ethiopia | Transport - air | Ethiopian Airlines | 30.0 | - | - | - |
| **TOTAL 2012** | | | | **136.7** | **2,352.0** | **-** | **-** |
| 2011 | Sierra Leone | Energy generation/T&D | Addax Bioenergy (SL) Limited ("Addax") | 27.7 | - | - | - |
| 2011 | Iraq | Telecoms | Zain Iraq | 50.0 | 1,069.0 | 3,500,000 | 0 |
| 2011 | Senegal | Transport - air | Aeroport International Blaise Diagne | 39.6 | 792.0 | 3,000,000 | 595.0 |
| 2011 | Multiple countries (SSA) | Transport - rail | Rift Valley Railways (RVR) | 20.0 | - | - | - |
| **TOTAL 2011** | | | | **137.3** | **1,861.0** | **6,500,000** | **595.0** |
| 2010 | Croatia (Hrvatska) | Energy generation/T&D | INA Industrija Nafte, d.d. | 66.0 | - | - | - |
| 2010 | Peru | Energy generation/T&D | Calidda | 35.0 | 235.0 | 675,000 | 0 |
| 2010 | India | Housing | Ackruti City Ltd Slum Redevelopment | 30.0 | - | - | - |
| 2010 | Vietnam | Transport - ports | Cai Mep Port | 10.0 | - | - | - |
| 2010 | Vietnam | Transport - ports | Cai Lan Port | 27.2 | 155.3 | 0 | 0 |
| 2010 | South Africa | Transport - roads | South Africa Development Finance Company | 31.7 | - | - | - |
| **TOTAL 2010** | | | | **199.9** | **390.3** | **675,000** | **-** |
| **GRAND TOTAL+** | | | | **473.9** | **4,603.3** | **7,175,000** | **595.0** |

* 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).

+ The development impact of every ICF-DP project cannot be disaggregated: therefore the totals recorded here are lower than for the portfolio as a whole, as quoted on pages 88-91 of this report

Where projects are co-financed with other PIDG Facilities, the development impact arising is attributed to the originating PIDG Facilities.

# Annex 4. Funds disbursed by PIDG Members

## Disbursed by PIDG Members to the Facilities, affiliated programmes and for project development and administration (US$m) from 1 January 2002 to 31 December 2013

| | TAF | DevCo | InfraCo Africa | InfraCo Asia Development | InfraCo Asia Investment | EAIF | GuarantCo | GAP | ICF-DP | AgDevCo | Administration | Project development | Totals | Total less admin |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DFID* | 26.60 | 49.77 | 63.30 | 45.32 | 21.75 | 293.85 | 134.19 | 0.04 | 0.00 | 21.75 | 2.87 | 3.44 | 662.89 | 660.01 |
| DGIS | 3.50 | 5.50 | 35.48 | 0.00 | 0.00 | 27.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2.04 | 0.12 | 73.65 | 71.60 |
| FMO | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 34.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 34.00 | 34.00 |
| Sida | 2.00 | 3.28 | 0.00 | 0.00 | 0.00 | 20.00 | 15.00 | 0.00 | 0.00 | 0.00 | 2.41 | 0.12 | 42.81 | 40.40 |
| World Bank Group/IFC | 7.91 | 11.75 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2.41 | 0.26 | 22.33 | 19.92 |
| SECO | 6.50 | 0.00 | 21.50 | 8.00 | 0.00 | 16.40 | 21.50 | 0.00 | 0.00 | 0.00 | 2.41 | 0.29 | 76.60 | 74.19 |
| ADA-BMF | 5.38 | 7.00 | 6.42 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.29 | 0.00 | 20.08 | 18.80 |
| Irish Aid | 4.11 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.57 | 0.00 | 5.68 | 4.11 |
| ADB | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 | 1.00 |
| DFAT | 0.00 | 0.00 | 0.00 | 9.26 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.49 | 0.00 | 9.75 | 9.26 |
| KfW | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 8.74 | 0.00 | 1.26 | 0.00 | 10.00 | 8.74 |
| **Total** | **57.00** | **77.29** | **126.70** | **62.58** | **21.75** | **357.25** | **204.69** | **0.04** | **8.74** | **21.75** | **16.75** | **4.23** | **958.78** | **942.03** |

*This includes £500,000 provided by the Department of Energy & Climate Change (DECC) to support the establishment of Green Africa Power (GAP). Provided through DFID.

## Disbursed by PIDG Members to the Facilities, affiliated programmes and for project development and administration by year (US$m) from 1 January 2002 to 31 December 2013

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Totals |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DFID* | 56.00 | 8.93 | 1.29 | 30.99 | 14.45 | 15.70 | 22.31 | 29.82 | 23.54 | 54.38 | 172.37 | 233.11 | **662.89** |
| DGIS | 0.00 | 5.08 | 0.05 | 1.50 | 11.16 | 6.07 | 1.21 | 10.30 | 8.71 | 21.56 | 8.02 | 0.00 | **73.65** |
| FMO | 0.00 | 0.00 | 0.00 | 0.00 | 25.00 | 0.00 | 0.00 | 0.00 | 9.00 | 0.00 | 0.00 | 0.00 | **34.00** |
| Sida | 0.00 | 15.01 | 0.12 | 5.23 | 1.16 | 8.26 | 10.40 | 0.80 | 0.79 | 0.30 | 0.37 | 0.37 | **42.81** |
| World Bank Group/IFC | 0.00[+] | 0.00 | 6.49 | 0.71 | 7.99 | 2.18 | 3.19 | 0.30 | 0.29 | 0.37 | 0.44 | 0.37 | **22.33** |
| SECO | 0.00 | 10.01 | 0.12 | 0.23 | 4.98 | 5.88 | 1.19 | 13.40 | 4.29 | 3.87 | 0.37 | 32.27 | **76.60** |
| ADA-BMF | 0.00 | 0.00 | 0.00 | 0.00 | 0.06 | 2.15 | 7.18 | 0.22 | 7.71 | 2.55 | 0.22 | 0.00 | **20.08** |
| Irish Aid | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.47 | 2.83 | 0.00 | 0.00 | 0.57 | 0.51 | 0.30 | **5.68** |
| ADB | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 | **1.00** |
| AusAID | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 9.75 | **9.75** |
| KFW | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10.00 | 0.00 | 0.00 | 0.00 | 0.00 | **10.00** |
| **Total** | **56.00** | **39.04** | **8.06** | **38.66** | **64.79** | **41.71** | **48.29** | **64.83** | **55.34** | **83.59** | **182.30** | **276.16** | **958.78** |

[+] US$4,000

*This includes £500,000 provided by the Department of Energy & Climate Change (DECC) to support the establishment of Green Africa Power (GAP). Provided through DFID.

# Annex 5. PIDG contacts

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

**Austrian Development Agency**
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**Austrian Federal Ministry of Finance**
www.bmf.gv.at

**Irish Aid**
www.irishaid.gov.ie

**KfW Entwicklungsbank, Germany**
www.kfw.de

**Netherlands Development Finance Company**
www.fmo.nl

**Netherlands Ministry of Foreign Affairs**
www.minbuza.nl

**Swedish International Development Cooperation Agency**
www.sida.se

**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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