

A message from PIDG's CEO

PIDG plays a unique role in delivering innovative infrastructure solutions



Philippe Valahu

Our strength relies on our ability to adapt and continue to fill market gaps as they evolve, and to create development impact. We operate at the frontier, where others cannot or will not.

Our projects are transformative, they drive change and improve people's daily lives. However, this alone is not enough, they must also achieve scale and replicability to deliver a demonstration effect not just in-country but across other countries as well. They must also be delivered cost effectively while achieving a high developmental impact, thereby demonstrating to our owners and private sector partners the good business sense it makes to invest in the regions in which we operate.

While our structure may be changing, our ground-breaking approach continues. What sets us apart is our ability to move swiftly to take advantage of new technologies and develop new products that are suited to the local conditions.

In 2017, we achieved many firsts. In response to Mali's power deficit, PIDG companies provided innovative finance to support the first private sector solar power project. The 50MW Akuo Kita solar farm will be the largest of its kind in West Africa. Power generated at the site will be fed into the national grid and will serve up to 730,000 people. This will help to reduce reliance on the environmentally damaging burning of wood and charcoal for power, which currently provides nearly 80% of energy supplies.

In Rwanda, PIDG companies helped finance the Kigali bulk water treatment plant which will provide a reliable supply of clean water for up to 500,000 people. Based at Kanzenze, it will produce 40,000m³ of water per day, the equivalent to one third of Kigali's total supply. As such, it is one of the first projects of its kind to be developed using a public-private partnership model in sub-Saharan Africa.

PIDG helped establish InfraCredit in Nigeria with the Nigerian Sovereign Investment Authority to overcome some of the challenges facing infrastructure finance. InfraCredit now provides local currency guarantees to enhance the credit quality of infrastructure bonds, with the aim of attracting pension and insurance fund investors in Nigeria. This will

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also allow InfraCredit to open up infrastructure bonds as an asset class to pension funds, insurance companies and other investors. Plans are already underway to replicate the model in other countries, including Pakistan.

Our PIDG companies operate collaboratively across the capital structure and along all stages of the project cycle, from upstream project preparation to the provision of equity and debt instruments. Together, we provide holistic and innovative infrastructure finance solutions. We are building on strong foundations to drive the next stage of PIDG's evolution, allowing us to do more, better.

Looking to 2018 and beyond, we will continue to lead the way in opening domestic capital markets to mobilise local pension funds, insurance companies and other investors. We will drive innovative investments, pushing the boundaries of what is possible for infrastructure finance in emerging and frontier markets. We have the funding and capability to catalyse greater private sector participation and deliver investor-ready, life changing infrastructure in the parts of the world that need it the most.

I look forward to 2018 and beyond with confidence and a sense of excitement of what we can achieve.



Philippe Valahu

Chief Executive Officer
Private Infrastructure Development Group