Our mission is to mobilise private investment with public funds to help developing countries provide infrastructure vital to boosting their economic growth and combating poverty.
The Private Infrastructure Development Group’s mission is to mobilise private investment with public funds to help developing countries provide infrastructure vital to boosting their economic growth and combating poverty.

For every $1 of PIDG member funding, projects we have supported have mobilised $23, of which $17 comes from private sector financing.

We use that money to fill market gaps in sub-Saharan Africa and south and south-east Asia, offering financial solutions to infrastructure development in the most challenging environments.

We were an early proponent of blended finance, encouraging public and private interests to work together, target investment where it is most needed, support local capital markets where possible and maximise development impact.

Our specialist companies work along the infrastructure development cycle and across the capital structure.

Through them we bring financial, practical and strategic leadership and invest where others cannot or will not.
Christopher Mwamlima (21) is an entrepreneur in Shitunguru, who runs a small cinema where he shows African, Indian, Chinese and Korean films. Reliable electricity inspired Christopher to return to the village from Tanzania’s capital Dar es Salaam to develop his business ideas.

Pilly Mwashiyombo (37) teaches English in Nambinzo Secondary School, Shitunguru, where she has seen her pupils top the regional attainment league since reliable power was introduced. Before, it was dark at 6pm and Pilly had to use unreliable, expensive diesel generators for light to prepare lessons. She now teaches night classes too.

Roida Kajiba (52) is a public health worker and nurse in Shitunguru. With power available, women are increasingly going to the dispensary to give birth to their children. They no longer worry about a lack of reliable lighting for night-time deliveries and are more relaxed.

Musa Haonga (27) began work as a security guard for Redavia, patrolling the solar farm to prevent thefts. He was fascinated by the off-grid solar power system and grew his skills as an electrician, before becoming assistant technician. Musa now works with the head technician to connect new customers and maintain the solar farm in Shitunguru.

Delivering clean power to remote communities

Energy made up 52% of PIDG company investments in 2017, reflecting the impact that access to reliable power has on home life and business opportunities.

While investment in large-scale energy supply is vital, providing power essential for national grid stability, many remote communities need a more immediate and localised solution.

PIDG company InfraCo Africa, is working at the leading edge of off-grid power, committing $5m to support private sector partner Redavia, to scale up its solar business in rural Tanzania.

The company can now deploy sustainable solar power in the remote communities of Shitunguru and Isenzanya and to major industries in the country.

Teacher Pilly Mwashiyombo said: “Power helps when I need light for preparing study materials for my next lessons. The availability of light has also improved the kids’ performance.”

And it is not just the school which has been helped. Access to reliable off-grid power has had a positive impact on employment, health and security.

Redavia addresses this need by deploying containerised solar PV panels, which have an installed capacity of 89KW and can be connected to a mini-grid in just six days. Customers pay for what they use via mobile banking and battery storage enables them to access clean power 24/7.

Elly Mwasenga, a former farmer who had the opportunity to become a welder once the solar panels were installed in his home village, Isenzanya, said: “Truly this electricity is changing lives.”
A message from PIDG’s Chair

Scaling up our unique approach to deliver greater impact

I am honoured and delighted to be appointed Chair of PIDG, an organisation that has been fundamental to changing people’s lives. We are a catalyst for changing how frontier markets evolve. Last year we created more than 10,000 permanent jobs and improved access to infrastructure for more than 9 million people.

PIDG is unique. We identify and address market failures and accelerate development impact in the world’s lowest-income and most fragile countries. We mobilise private sector infrastructure investment in frontier and emerging markets across Africa and Asia in a way that no-one else does.

Over the last year we have made significant strides towards delivering a new governance structure. One which embeds collaborative working across our organisation, creating a single board and committee structure which unifies our organisation and oversees development and investment decisions across the Group. With a unified Executive Committee, this new structure creates better alignment, greater impact and cost efficiencies to improve value for money for our owners.

Our pioneering approach is outstanding. We change lives.

In 2017, we committed $487m to projects, facilitating $2.5bn of incremental investment, benefiting more than 9 million people in some of the world’s lowest-income countries. For every $1 of public funding invested since 2002, $17 of private sector funding has been mobilised by projects we have supported. This is something we are hugely proud of. We have forged innovative partnerships with private sector investors, including a $110m commitment from Allianz, a leading European insurer, to PIDG company, EAIF. This first-of-a-kind long-term commitment reflects another milestone in our work to mobilise new sources of private sector investment into infrastructure projects.

PIDG will advance gender equality and women’s empowerment. We will do this through our work in low-income countries and at a corporate level, recognising that change must happen at every level of our organisation. World Economic Forum research says that it will take until 2133 to achieve gender parity. We believe that this is unacceptable. We will set targets for gender equality at a corporate and project level over the coming year. We will measure ourselves on this and we expect to be held to account.

We have now begun the next stage of PIDG’s evolution. All of these changes are additive to building a sustainable business over time. Working with our owners and private sector partners, we will continue to innovate. That is our mandate. As a consequence of the commitment of our owners, our people and our other stakeholders, all of whom I am very grateful to, we are now better organised to deliver against our mandate than we have ever been.

Andrew Bainbridge
Chair
Private Infrastructure Development Group
A message from PIDG’s CEO

PIDG plays a unique role in delivering innovative infrastructure solutions

Our projects are transformative, they drive change and improve people’s daily lives

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 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
How PIDG transforms economies and improves livelihoods

PIDG infrastructure creates development impact in the lowest income countries

Access to infrastructure
In 2017 PIDG has helped 9.2 million people gain access to new or improved infrastructure

Jobs
PIDG-supported projects created 6,235 short-term jobs and 10,335 long-term jobs in 2017

Supply chain
Developers, businesses and service providers that support projects can expand, improving their capacity and creating additional employment

Wider economic impact
PIDG projects help local businesses grow, improve financial flows and generate fiscal benefits to governments

Demonstration effect
The private sector replicates projects PIDG has supported

Investment mobilised
For every $1 of PIDG member funding, projects PIDG has supported have mobilised $23, of which $17 comes from private sector financing

Viable infrastructure

PIDG companies provide additional support that corrects market failures and attracts Private Sector Investment through policy support, technical design, financial structuring and quality standards

Funding from PIDG members and other donors

Finance
PIDG, through its companies, provides funding to infrastructure projects throughout the development life-cycle (see pages 44-45), mitigating risk in low-income and Fragile and Conflict-Affected States

TAF
EAIF
GuarantGo
InfraCo Africa
InfraCo Asia
ICF-DP
GAP

Funding from PIDG members and other donors

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