Private Infrastructure Development Group

Philippe Valahu
Chief Executive Officer
Constraints to Private Investment / Risks

- Lack of bankable projects or limited developer capacity
- Shortage of long-term FX / local debt (liquid, longer term domestic investment instruments), depth of capital markets
- Public sector capacity constraints
- Lack of credit-worthy counter-parties
- Affordability risk
- Regulatory risks
The initial stages of project development require relatively little finance but the high levels of risk can deter private sector investors.

Source: GIB / UNEP Aequero; Infraco Africa; GAP
PIDG’s approach to infrastructure development

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

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

C. Concentrate on projects in LDCs, OLICs and FCAS
How PIDG Facilities support the infrastructure project development cycle

1. Project identification
2. Feasibility
3. Contracts and permits
4. Commercial close
5. Financial close
6. Construction
7. Operation
8. Asset management

Early stage development

Late stage development

Construction

Operations

Financial close

Commercial operations

Post transaction support

PIDG Facilities can apply for TAF grants at any point in the cycle

Facilities may enter discussions earlier depending on their role in the deal

TAF

DevCo

InfraCo Africa

InfraCo Asia

IEMF

EAIF

GuarantCo

GAP

ICF-DP

Private Infrastructure Development Group
PIDG commitments by Sector 2002-2014 (excluding TAF)

- **Energy Generation/T&D**: $828.2m / 41.4%
- **Transport**: $327.6m / 16.4%
- **Agri-Infrastructure**: $92.8m / 4.6%
- **Industrial Infrastructure**: $240.6m / 12.0%
- **Mining**: $37.0m / 1.9%
- **Housing**: $70.5m / 3.5%
- **Water, Sewerage and Sanitation**: $13.3m / 0.7%
- **Urban Development/Infrastructure**: $1.1m / 0.1%
- **Multi-Sector**: $25.7m / 1.3%

**PIDG telecoms commitments 2014**
- **Telecoms**: $361.6m / 18.1%
- **Telecoms**: $31.4m / 6.4%