Beat: Business

PIDG COMPANY EMERGING AFRICA INFRASTRUCTURE FUND´S 2020 REVIEW SHOWS LOAN BOOK

TOPPED US$1 BN FOR THE 1ST TIME

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USPA NEWS - Eight (8) projects with an EAIF loan commitment value of USD 243m; 19% year-on-year committed loan portfolio growth; Local capital markets strengthened with EAIF anchor support for two local currency bond issues; Zimbabwe becomes 18th African country in current portfolio. The Private Infrastructure Development Group´s (PIDG) (www.PIDG.org) long-term infrastructure debt business, the Emerging Africa Infrastructure Fund (EAIF) saw its loan book break through the US$1 billion mark in 2020. EAIF signed eight new projects, bringing the loan book value to US$1.04 billion. The Fund committed $243 million in new loans to businesses in digital and telecommunications, energy generation, manufacturing, transportation and logistics and bulk storage.

PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP´S PIDG COMPANY EMERGING AFRICA INFRASTRUCTURE FUND´S 2020 REVIEW SHOWS LOAN BOOK TOPPED US$1 BN FOR THE 1ST TIME
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Managed by Ninety One, EAIF offers loans to mainly private sector infrastructure developers across Africa and parts of the Levant. It can typically lend between US$10 and US$65 million and can lend to 10 infrastructure sectors. In 2020, Zimbabwe became the 18th African country in the Fund´s current loan portfolio to benefit from EAIF support. EAIF loaned US$43.7 million to Zimborders, the company that won the Zimbabwe government´s concession to modernise one of the nation´s most important border posts. The US$296 million project is at Beitbridge on the border between Zimbabwe and South Africa. The development includes substantial ancillary infrastructure eventually being transferred to community ownership.

Martijn Proos, a Director of EAIF at Ninety One, says;

“To have signed so many deals during one of the most difficult years in recent global history is a great compliment to our borrowers, to PIDG, our owners, our lenders and all the many different governments, financial institutions and professional advisers we worked with in 2020. EAIF´s core objectives are the mobilising of private capital to strengthen Africa´s economic resilience, helping to build sustainable economies and contributing to poverty alleviation. Our activities will support many parts of Africa in recovering from COVID-19 and have long-term economic impact.“-----

The Zimbabwe transaction saw EAIF take a significant role in structuring the economics of the project. In the two digital and telecommunications bond issues it supported, EAIF was an anchor investor. In the local bond market issue by Senegal´s Sonatel, XOF100 billion was raised for investment in extending Sonatel´s 4G + network and into new activities including energy, banking and multimedia content. With the transaction, EAIF supported a key regional infrastructure business and the development of Senegal´s capital markets.

19% YEAR ON YEAR COMMITTED LOAN PORTFOLIO GROWTH----------

A London bond issue by Helios Towers plc raised US$750 million. Helios Towers operates over 7,000 telecommunications towers, mainly in Tanzania, the Democratic Republic of Congo, Congo Brazzaville and Ghana and has recently established a presence in South Africa. Tom Greenwood, Chief Financial Officer at Helios Towers, said following the successful London issue; “EAIF´s presence as anchor investor was an important signal to private investors and instrumental to the positive market sentiment that greeted the issue. Their anchor investment helped us to effectively reopen the African corporate debt capital market. EAIF has been a wholly

supportive backer of Helios Towers since its creation. Once again, we are delighted to have it involved in our success.“ In another digital and telecommunications deal, EAIF worked with the French development finance institution, Proparco, providing up to US$40 million to a total loan of US$100 million to the West Indian Ocean Cable Company (WIOCC). The loan is part of a significant planned investment programme by WIOCC across Eastern and Southern Africa.----------

A core element of the PIDG strategy is supporting the creation and growth of Special Enterprise Zones (SEZ). EAIF was the anchor investor in the local currency bond issue by the Port Authority of Dakar (PAD) that raised over XOF60 billion. The proceeds of the PAD bond will help fund the move of the port of Dakar from the centre of Senegal´s capital city to a new deep water location. The port will be part of the new special economic zone´s interconnected transport nodes. In Nigeria, EAIF backed a project by Indorama Eleme to improve productivity and energy conservation at its Port Harcourt fertiliser plant. In the energy sector, the Fund loaned to projects in Côte d´Ivoire and Ghana.

As COVID-19 spread across the world, the Fund worked with PIDG and PIDG TA on grant programmes to assist a number of its borrowers with public health equipment and health and safety communications materials. Progressive Health and Safety, Environmental and Social (HSES) standards and female empowerment are fundamental to EAIF and PIDG. Every loan application must demonstrate corporate commitment to and transparency in these areas and the issues are closely monitored across the period of loans. Source : Private Infrastructure Development Group (PIDG).

ABOUT EAIF:----------

The Emerging Africa Infrastructure Fund is a member of the Private Infrastructure Development Group (PIDG). EAIF provides a variety of debt products to infrastructure projects promoted mainly by private sector businesses in Africa and parts of the Levant. Lending from $15 million up to $100 million, the Fund mobilises private sector capital for investment in new infrastructure across Africa. Its core objective is to promote economic development, leading to sustained economic stability, greater business confidence, job creation and poverty reduction. It has to date supported over 80 completed infrastructure projects across 10 sectors. It has backed projects located in 18 African countries, though the Funds impact extends to many parts of the continent. This is most notably the case in the digital and telecommunications, ports and energy sectors. EAIF was established and substantially funded by the governments of the United Kingdom, The Netherlands, Switzerland, and Sweden. It raises its debt capital from public and private sources, including Allianz Global Investors, the global insurance and financial services company; Standard Chartered Bank; the African Development Bank; the German development finance institution, KFW,and FMO, the Dutch development bank. EAIF is managed by Ninety One. www.EAIF.com

ABOUT PIDG:----------

The Private Infrastructure Development Group (PIDG) is an innovative infrastructure development and finance organisation which encourages and mobilises private investment in pioneering infrastructure in the frontier markets of sub-Saharan Africa and south and south-east Asia to promote economic development and combat poverty. PIDG delivers its ambition in line with its values of opportunity, accountability, safety, integrity and impact. Since 2002, PIDG has supported 175 infrastructure projects to financial close which provided an estimated 223 million people with access to new or improved infrastructure. PIDG is funded by six governments (the United Kingdom, the Netherlands, Switzerland, Australia, Sweden, Germany) and the IFC. www.PIDG.org

ABOUT NINETY ONE:----------

Ninety One is one of the largest third party investors in private equity, credit, public equity and sovereign debt across the African continent. The Emerging Africa Infrastructure Fund (EAIF) is managed by and fully integrated into Ninety One´s African investment platform. Ninety One manages the entire process on behalf of the EAIF. It markets the Fund, seeks projects, evaluates loan applications, including due diligence, manages transaction administration and monitors the loan portfolio. Since May 2016, when it was awarded the management mandate, Ninety One and its EAIF team have closed over 20 infrastructure transactions with a capital value of USD 650m. The team also led EAIF´s last round of fundraising, raising US$385 million, including US$100 million from Allianz Global Investors and US$50 million from Standard Chartered, a long-standing lender to EAIF.----------

Ninety One is an independent, active global asset manager listed on the London and Johannesburg stock exchanges. Established in South Africa in 1991, as Investec Asset Management, the firm was a pioneer in emerging markets in Africa. In 2020, almost three decades of organic growth later, the firm de-merged from Investec Group and became Ninety One. Today, Ninety One offers distinctive, active strategies across equities, fixed income, multi-asset and alternative investments to institutions, advisors and individual investors around the world. www.NinetyOne.com Source: “”Private Infrastructure Development Group (PIDG)

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