

Smart Solar Network Project (Phase 1)

Palawan, Philippines



Description

- Many of the Philippines' 7,000 islands are remote, with challenging economic circumstances. The communities who call these islands home face significant challenges in accessing reliable and affordable electricity sources.
- A portfolio of AC microgrids and DC smart solar network projects in off-grid islands in the Philippines was developed by InfraCo Asia, a company of the Private Infrastructure Development Group (PIDG), in partnership with AIEC-ILAW. These microgrids provide communities with 24/7 access to electricity through the use of smart solar networks, which displace the use of unreliable and costly energy sources that produce high amounts of pollution.

InfraCo Asia's role

- As part of its development funding and in order to attract funding for scaling up, InfraCo Asia provided equity to roll out Phase 1 of the project, which aims to energise 4,000 households. In the expansion phase the portfolio is targeted to energise 200,000 households in total. InfraCo Asia's Phase 1 investment was US\$5.7m.
- Additionally, PIDG Technical Assistance (TA) provided funding for solar pump and water systems that will provide access to potable drinking water for 3,750 people across three sites.



Above: A short video showcases the community benefits and social impact realised by Phase 1 of the Smart Solar Network Project.

Left: Solar panels that make up one of the microgrids in the portfolio.

Infra Zamin Pakistan

Pakistan



Description

- The Pakistan financial system is characterized by low levels of financial participation and development. Overall, the country has a significant infrastructure investment deficit, and the Pakistani Government -- typically the main funder of infrastructure -- is fiscally constrained.
- InfraCo Asia, a company of the Private Infrastructure Development Group (PIDG), together with its partner Karandaz Pakistan, provided the core equity for a first-of-its kind local currency credit enhancement facility in Pakistan, called Infra Zamin Pakistan (IZP). Fellow PIDG company GuarantCo provided the contingent capital.
- IZP will issue credit guarantees for infrastructure-related debt instruments based on its AAA rating from PACRA, the local credit rating agency, and thereby attract private capital that would otherwise not participate in lending to infrastructure-related sectors in Pakistan

InfraCo Asia and GuarantCo's role

- InfraCo Asia Investments has provided US\$15m in core capital. GuarantCo is providing up to US\$50m of contingent capital, capped at the level of equity capital, with a tenor of 23 years.
- Additionally, the PIDG Technical Assistance Facility (TAF) provided a US\$1m grant to fund the market assessment and pre-operationalisation expenses of IZP.



Above: Infra Zamin Pakistan leadership and government dignitaries at the Infra Zamin Pakistan launch on 25 June 2021.

Distributed Rooftop Solar Power Portfolio

Pakistan

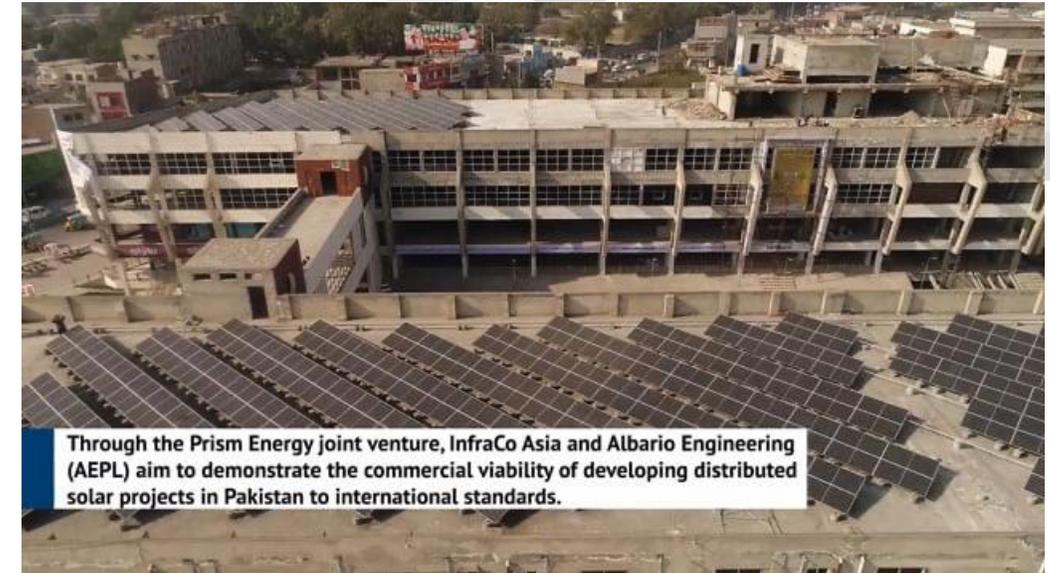


Description

- Pakistan relies heavily on coal and thermal power to fuel the growth of trade and industry. Additionally, load shedding and power outages hinder progress toward economic goals.
- Private sector developers are challenged by a lack of project development capacity, limited access to mainstream financing, and perceived sovereign risks.
- Deployment of distributed rooftop solar systems will improve Pakistan's energy mix and help the country reach its targets for clean energy. Commercial and industrial players will be the main end-users of the electricity generated. Moreover, site owners avoid significant upfront costs by spreading out ownership costs over a longer period of time, and will benefit from more reliable access to power at affordable tariffs.

InfraCo Asia's role

- As part of its development funding and in order to attract funding for scaling up, InfraCo Asia, a company of the Private Infrastructure Development Group (PIDG), provided equity to roll out Phase 1 of the project, which aims to energise 4,000 households
- InfraCo Asia is jointly developing the portfolio of rooftop solar projects with Al-Bario Engineering Pte. Ltd. InfraCo Asia has contributed US\$4.9m as equity investment for the first phase roll-out.
- The project will be developed in phases to overcome the barriers of inadequate financing in the sector. Phase 1 development equity has gone toward the implementation of 4MW of power generation capacity. Debt will be raised from local banks to expand the portfolio to 40MW in Phase 2.



Through the Prism Energy joint venture, InfraCo Asia and Albario Engineering (AEPL) aim to demonstrate the commercial viability of developing distributed solar projects in Pakistan to international standards.



Above: A video demonstrates how the Distributed Rooftop Solar Power project works, and how it will benefit end users.

Left: Solar panels installed on the roof of the Pearl Towers building in Faisalabad, Pakistan.