INFRASTRUCTURE **CAPACITY BUILDING** PROGRAMME

Catalysing Sustainable Development Impact

2020 REPORT

InfraCredit
Securing Infrastructure Finance

2020 REPORT

Catalysing Sustainable Development Impact

Funding Partners:

Strategic Partners:

INFRASTRUCTURE
CAPACITY BUILDING
PROGRAMME

Content

CHAPTER 01

Foreword

CEO'S REMARK

MESSAGE FROM OUR DEVELOPMENT AND STRATEGIC PARTNERS

INFRASTRUCTURE CAPACITY BUILDING PROGRAMME 2020 REPORT

1.1

CEO's Remarks

The COVID-19 pandemic and its impact on all 17 SDGs has shown that what began as a health crisis has quickly become a human and socio-economic crisis. While the crisis is adversely affecting progress towards the SDGs, it also makes their achievement even more urgent and pertinent.

> Accordingly to the United Nations Conference on Trade and Development (UNCTAD), "in infrastructure projects with public and private participation, on average, $1 of public investment (in equity or direct transfer) can generate between $2.2 and $3 of total equity through private participation. This capacity to raise additional private equity is comparable across different types of infrastructure and development levels (from low-income to higher-middle-income countries). The total investment impact potential of public recovery spending can be further increased through leverage, with average debt/equity ratios in infrastructure project finance varying between 2.5x and 3.5x. depending on the sector and the industry risk profile. As a result of the equity multiplier and the debt leverage, $1 of direct public support to infrastructure projects can, under the right circumstances, mobilise $10 of capital investment through public-private financing schemes[1].

With the impact of COVID 19, the SDGs will be even more expensive to achieve by the donor community alone. Development capital in the form of aid and public funds cannot cover this gap. But by de-risking some of these investments, blended finance can allow the private sector to participate. These times desperately require increased public and private financial flows to work for unserved and underserved markets, designing and implementing innovative and robust blended finance strategies to sustainably attract capital from private investors to help alleviate the challenges posed by the Covid-19 pandemic is of monumental priority.

New sources of private capital can be used to fill the SDG financing gap but will require innovative and scalable approaches. Developing countries would benefit from mobilizing pools of local capital from increased investments by pension funds, insurance firms and other domestic institutional investors. However, Development Finance Institutions should lead the way in financing and de-risking the earlier stages of large infrastructure projects in Sub Saharan Africa and, where needed, using blended finance instruments (such as concessional capital, guarantees and risk insurance, technical assistance funds, and design-stage grants) to absorb higher tranches of risk and make infrastructure assets' risk-return ratios more attractive to private investors.

In other words, blended finance can make unattractive greenfield projects investable and guide commercial capital towards SDG-inclined sectors like agriculture, transport, water and sanitation, information and communication technology, affordable housing, and clean energy, as there is increasing awareness of blended finance's potential to address the region's infrastructure gap.

As such, InfraCredit has collaborated with KfW Development Bank , the development finance institution of the German Government to support up to 11 projects of various sizes to stimulate market development and support infrastructure investments. KfW has committed over 1.7million euros (c. USD 2 million) to supporting project preparatory technical assistance and case studies in core, high impact sectors like agriculture, healthcare, clean energy, education, and affordable housing.

[1] United Nations Conference on Trade and Development (UNCTAD), World Investment Report 2021 (page 188)

17	50	604	₦43.5b
Trainings	Institutions	Participants	Private Capital Mobilised

This includes a grant of 60,000 euros (c. USD70,000) committed to supporting InfraCredit's Infrastructure Capacity Building Programme.

The collaboration between InfraCredit and KfW is in alignment with InfraCredit's strategic approach to strengthen technical assistance support, leveraging our contribution and market positioning to crowd-in development capital and technical assistance from donor agencies and DFIs.

As at December 2020, under the Infrastructure Capacity Building Programme, seventeen (17) capacity building programmes have been implemented including three (3) investor roundtable workshops, ten (10) investors' training sessions and four (4) Co-due diligence exercises targeted at participants at different levels of executive management, investment managers/analysts, and risk teams of the target institutional investors as well as regulators relevant for developing the infrastructure finance industry. These programmes, co-funded by KfW, GuarantCo and PIDG TAF, attracted a total of six hundred and four (604) participants from fifty (50) unique institutions including twenty-one (21) Pension Fund Administrators, five (5) Closed Pension Fund Administrators, five (5) Life Insurance Companies and five (5) Regulatory bodies and fourteen (14) other institutions.

As a result, InfraCredit has increased first time access to local currency finance from the domestic bond market to an aggregate of N43.5 billion (c. USD 109 million) and up to 15-year tenor for four infrastructure projects which were oversubscribed by up to 60% from local pension fund investors, with investment by 16 pension fund managers that participated in the capacity building programme, signifying strong potential and investor appetite in infrastructure.

Importantly, is that first time issuers originally fully guaranteed by InfraCredit are able to access the capital markets for the second time without the need for a guarantee, demonstrating self-sustaining and catalytic impact of our capacity building programme and credit enhancement.

The success of the Infrastructure Capacity Building Programme is strongly aligned with our vision to be a catalyst and the most trusted partner in the attraction of long-term capital into infrastructure finance in Nigeria. As we journey to our next phase, we will explore collaborative partnership that will mobilise blended finance and technical assistance support towards enabling a life-cycle approach to allocating capital and building capacity to unlock climate-friendly infrastructure projects for institutional investments from domestic pension funds and insurance investors.

We are so far pleased with the success of our market development activities through the programme and will be working to build partnerships to unlock blended finance as a critical tool for inclusive growth in addressing the complex challenges of infrastructure deficit and sustainable finance in Nigeria.

Chinua Azubike,
Chief Executive Officer,
InfraCredit

1.2

Message from Our Development and Strategic Partners

MESSAGE FROM GUARANTCO

GuarantCo, the guarantee arm of the Private Infrastructure Development Group (PIDG), is one of the founding sponsors of InfraCredit Nigeria, alongside the Nigerian Sovereign Investment Authority.

In 2021, a sister PIDG company, InfraCo Africa, invested USD $27 million (circa NGN 10.3 billion) as an equity investment to increase InfraCredit's guarantee capacity and mobilise greater amounts of institutional capital into critical infrastructure projects in Nigeria.

In addition to the market confidence created by its guarantees, InfraCredit's Infrastructure Capacity Building Programme is now a proven catalyst for market transformation in Nigeria which is best exemplified by the success of Axxela Limited's bond. Issued in March 2020, the NGN 10 billion was heavily oversubscribed and finally raising NGN 11.5 billion. What was particularly remarkable was that Axxela Limited's bond benefitted from no third party credit enhancement and was assigned a BBB+ long-term rating (with stable outlook) by GCR and BBB+ long-term rating (with positive outlook) by Agusto & Co, significantly below the AAA rating that institutional investors had historically sought.

The success of Axxela Limited's bond issuance suggests that there is a wider positive impact of InfraCredit's contribution to deepening the Nigerian debt capital market. Several institutional investors that invested in the Axxela Limited bond had also participated in InfraCredit's Infrastructure Capacity Building Programme since its inception and confirmed that the programme improved their ability to appraise the credit risk of infrastructure assets which led to increased risk appetite and informed their decision to invest.

GuarantCo is proud to be associated with InfraCredit and what it has accomplished via the Infrastructure Capacity Building Programme. We are looking forward to continuing our constructive partnership with InfraCredit Nigeria as the company builds its experience and track record.

Lasitha Perera,
Chief Executive Officer
Guarantco

Lasitha Perera has been Chief Executive Officer at GuarantCo since 2017 and has been with the company from 2009 as Chief Investment Officer and Executive Director responsible for GuarantCo's investment activities globally.

Prior to joining GuarantCo, Lasitha was an Investment Director of Total Capital, a private equity fund, where he was responsible for new investments and represented the fund on the Boards of portfolio companies in the UK and the Nordic region. He started his career at Barclays Capital where he worked in a variety of debt capital market roles in London and New York for nearly ten years.

Lasitha holds an LLB (Hons) in Law from the University of Bristol.

GuarantCo mobilises private sector local currency investment for infrastructure projects and supports the development of financial markets in lower income countries across Africa and Asia. GuarantCo is part of the Private Infrastructure Development Group (PIDG) and is funded by the governments of the United Kingdom, Switzerland, Australia and Sweden, through the PIDG Trust, the Netherlands, through FMO and the PIDG Trust, and France through a stand-by facility. GuarantCo is rated AA- by Fitch and A1 by Moody's. GuarantCo's activities are managed by GuarantCo Management Company which is part of Cardano Development. www.guarantco.com

MESSAGE FROM KFW

The impact of the Covid-19 pandemic is unprecedented, affecting assets across the investment spectrum. The onset of the pandemic triggered the most abrupt global economic shutdown of modern times, with the infrastructure sector being tested like never before.

Despite the pandemic and its resulting challenges, InfraCredit, through its Infrastructure Capacity Building Programme, continued to build the capacity of its investors to appraise infrastructure assets and investments especially in line with the current realities and associated risks.

The resilience and adaptive thought-leadership exhibited through the program aligns with KfW's commitment to contributing to infrastructure development in developing countries.

Through the year, KfW Development Bank disbursed various grants to InfraCredit to execute a number of innovative projects including the technologically driven Infrastructure Co-Due Diligence Platform, the Unified IFRS 9 Reporting Framework for Nigerian Pension Industry, Development of InfraCredit's Development Impact Framework, among others. KfW is committed to continue supporting InfraCredit in achieving a mutual goal of catalyzing long-term private institutional capital towards infrastructure development in Nigeria.

Livia Hackemann,
Project Manager
KfW

Livia Hackemann has been Project and Portfolio Manager responsible for equity and funds investment in Sub-Saharan Africa at KfW Development Bank. Over the years, she has worked on development and financing issues covering sectors such as education, agriculture, banking and infrastructure in North and Sub-Saharan Africa. Prior to joining KfW Development Bank in 2018, Livia worked in different roles for KfW in Frankfurt, Berlin and Brussels. She holds a Masters degree in Management (M.Sc.) from Frankfurt School of Finance and Management.

KfW is one of the world's leading promotional banks. With its decades of experience, it works on behalf of the Federal Government and the federal states of Germany to improve economic, social and ecological living conditions at home and abroad.

KfW Development Bank has been supporting the German Federal Government in achieving its development policy and international cooperation goals for more than 50 years. Its role in German development cooperation is both that of an experienced bank and an institution specialising in development policy. On behalf of the German Federal Government and the European Union, KfW Development Bank promotes and supports projects in developing countries and emerging economies – from their conception and execution through to monitoring their success. In doing so, KfW Development Bank acts in line with the United Nations' 2030 Agenda and the Sustainable Development Goals (SDGs) described therein, as well as the resolutions of the Paris Agreement on climate change of 2015.

MESSAGE FROM PENOP

Investing in infrastructure is critical to developing economies like ours and as much as the government has a role to play in funding infrastructure, so does the private sector. There is no other sector that is well-positioned to fund infrastructure like the pension industry. The industry holds a large proportion of the country's long-term savings and we can and should channel that to infrastructure development.

However, the industry also holds the trust of millions of pension contributors who entrust us with their future, so we need to balance the need to develop infrastructure, with the need to provide safety and returns to these pension contributors. This balancing act takes a lot of skill, dexterity and requires sound investment and risk management knowledge.

Working with Infracredit, we are looking to provide these skills through a number of capacity development programs that share real-life stories and case studies of what has happened in the past and how to navigate infrastructure as an asset class and to ensure that the pension funds are able to effectively deliver on the role of investing for the long term and posting decent returns for their contributors.

Working with Infracredit and the pension operators, we have designed bespoke courses, sessions, workshops and sometimes engaging directly with the issuers and infrastructure asset owners to understand the risks and get a better understanding of the individual transaction and infrastructure as an asset class in general so that pension funds can be more comfortable to invest in these assets and sectors.

It has been an exciting journey and we trust that the training lined up will bring many benefits to the pension funds, the economy as a whole, and to the contributors who subscribe to these funds.

Oguche Agudah
FCIB, FCS
CEO PENOP

Oguche is currently the Chief Executive Officer (CEO) of the Pension Fund Operators Association of Nigeria (PenOp). In this role he leads the efforts of the $ 28 billion pension industry in Nigeria in engaging the government, regulators, the media, the financial markets and other stakeholders in ensuring that the interests of the pension operators are protected and promoted and that the pension industry has a positive impact on National Development. Before this appointment, Oguche was Nigeria's Regional Director for OurCrowd, a crowd funding, venture capital and impact investment firm with headquarters in Israel.

Before then, he was the Chief Investment Officer/ Executive Director of a start-up alternative asset management company and social enterprise, where he was in charge of engaging local and foreign investors and lenders on behalf of the firm. Prior to this, he worked as a Special adviser to Nigeria's Minister of Industry, Trade and Investment. His portfolio was "Access to Finance". In this role, he advised on and implemented policies and programmes that could help to increase access to finance to start and grow local businesses.

Along with a team of others, he was involved in the formulation and implementation of Nigeria's most ambitious industrial revolution plan, christened- The Nigeria industrial Revolution Plan (NIRP). In addition, he worked with a team to implement Nigeria's entrepreneurship development strategy at the time, christened – National Enterprise Development Plan– NEDEP.

Prior to this, he worked with Standard Chartered Bank (SCB) as an Associate Director in their Lagos office, where he was in charge of the credit quality of a portfolio of assets worth USD 7 billion dollars. This included various loan products and derivatives to banks, the government and sovereign owned enterprises (SOEs) in Nigeria. In SCB, he had short term assignments in South Africa and London, working in the Risk management, Credit and Corporate Finance functions. In his 14-year stint with SCB he held various roles spanning financial control, operations, Risk management & Credit, financial institutions and strategy. He possesses a degree in Banking and finance (University of Lagos) and is a fellow of both the Chartered Institute of Bankers, Nigeria and the Chartered Institute of Stockbrokers, Nigeria, which are the highest professional qualifications locally for Banking and the Capital Market respectively.

He sits on the advisory boards of some small businesses in Nigeria. He is deeply involved in community work, as he mentors a group of volunteers, focusing on building global businesses and leaders out of Nigeria. He has been privileged to experience life as an entrepreneur, a policy maker and an employee in a world class organization operating in an emerging market. These varied circumstances have enabled him to appreciate different perspectives, arming him with a unique blend of the business acumen of the private sector and the social impact objective of the public sector.

02

CHAPTER

Introduction

SUMMARY OF 2020 ACTIVITIES

INFRASTRUCTURE CAPACITY BUILDING PROGRAMME 2020 REPORT

2.1

Summary of 2020 Activities

17 TRAININGS

03 ROUNDTABLE DISCUSSIONS

10 INVESTOR TRAININGS

04 CO-DUE DILIGENCE EXERCISES

604 TOTAL NUMBER OF INVESTORS TRAINED

194 WOMEN REPRESENTING **32% PARTICIPATION**

50 TOTAL NUMBER OF INSTITUTIONS

Participation by institution

PFAs	42%
CPFAs	14%
Regulators	10%
Others	34%

Participation by Participant Designation

Chief Risk Officers	12%
Chief Investment Officers	22%
Chief Executive Officers	1%
Investment Officers	18%
Risk Officers	16%
Board members	1%
Regulators	10%
Others	20%

03

CHAPTER

Activities and Events

Co-Due Diligence Exercise

HIGHLIGHT OF ACTIVITIES

DESCRIPTION

TRANSPORT SERVICE LIMITED

INVESTOR TRAININGS

ROUNDTABLE DISCUSSIONS

INFRASTRUCTURE
CAPACITY
BUILDING
PROGRAMME
2020
REPORT

3.1

Co-Due Diligence Exercise

3.1.1 HIGHLIGHT OF ACTIVITIES

The Infrastructure Capacity Building Programme has conducted the Co-due diligence exercise on four (4) projects since inception, comprising projects in the power and transportation sectors. Each of the exercises was well-attended by investors in the Pension fund and insurance industries in Nigeria. A total of seventy-one (71) investment management professionals have attended the co-due diligence exercises so far, including 19 Chief Investment Officers, 11 Chief Risk Officers, 26 Investment Officers and 7 Risk Officers and 8 others representing 23 institutions.

04
Co-Due Diligence exercises

71
Participants have attended

19
Chief Investment Officers

11
Chief Risk Officers

26
Investment Officers

23
Institutions

S/N	Activity (Site Visit + Presentation)	Target Participants	Participation	No of Institutions
1	Project One	Investment Officers, Risk Officers	28	19
2	Project Two	Investment Officers, Risk Officers	34	18
3	Project Three	CIOs, CROs	31	16
4	Project Four	CIOs, CROs, Investment Officers, Risk Officers	31	18

One of the co-due diligence exercise which was conducted for Transport Services Limited (project four) bond issuance held virtually in March 2020. A total of thirty-one (31) investors were in attendance including 11 Chief Investment Officers, 5 Chief Risk Officers, 13 Investment Officers and 2 Risk Officers representing eighteen (18) Pension Fund Administrators.

Cross Section of TSL trucks

The Co-Due Diligence Exercise is targeted at enhancing the capacity of long-term investors to evaluate and invest in bankable infrastructure assets in Nigeria by obtaining practical know-how and technical hands-on exposure to the due diligence process, credit analysis, and other risk management processes.

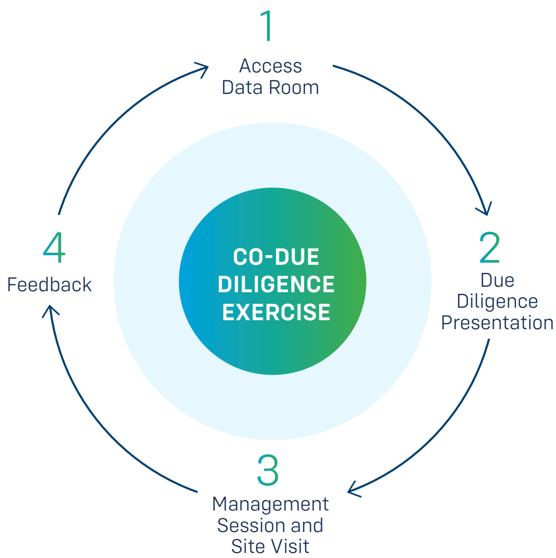
CO-DUE DILIGENCE EXERCISE IN REVIEW

- On grid & Off grid Power Generation and distribution
- Transport and Logistics company
- 71 Participants representing 23 institutions
- 20 Pension Fund Administrators, 3 Life Insurance Companies
- Presentations on Financial, Legal and ESG Due Diligence
- Participants gained first hand exposure to the Project Company
- Access to data room, Management Presentation, Site Visit, Q & A Session

The exercise exposes targeted long-term investors, specifically, Pension Fund Administrators (PFAs), Closed Pension Fund Administrators (CPFAs) and Insurance Companies (the “Participants”) to the due diligence process adopted by InfraCredit in evaluating eligible infrastructure projects for the purpose of issuing its guarantees.

The Exercise is designed to build market awareness, market confidence and alignment of interest among long term investors as well as enhance the industry’s capacity to invest in infrastructure assets.

The Co-Due Diligence Exercise seeks to achieve its objectives by conducting investors through the following four activities:



1 Access Data Room

Participants are granted access to the Project Data Room for a minimum period of 2 weeks. The Data Room was opened a week before the first on-site practical exercise to allow participants carry out extensive desktop analysis of the economic and financial fundamentals of the project and the company.

The Data Room provides the participants with project-specific information including details of the credit paper, business, regulatory and financial information on the transaction.

The data room was set up to afford the Participants desktop review and analysis (financial and otherwise) of the infrastructure company and projects with a view to understanding the business and identifying concerns for clarifications ahead of the project sponsors/management engagements under the Co-Due Diligence Exercise.

2 Due Diligence Presentations

During the presentation session, the participants were taken through InfraCredit's Due Diligence Process with specific focus on the approach adopted in analysing the financial, legal and environmental aspects of the project. The Legal and Environmental Due Diligence sessions were facilitated by experts from leading firms such as Detail Solicitors Partnership and Environmental Resource Management Limited

3 Management Session and Site Visit

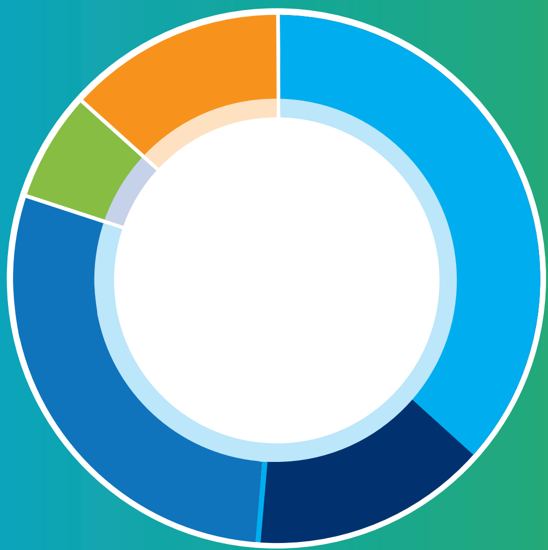
During the management session, Participants were afforded first-hand exposure to the Project Company's business operations, strategy, and outlook. General questions were received and addressed by senior management of the company.
There was no site visit session due to the onset of the Covid-19 pandemic.

4 Feedback

Investors were encouraged to provide feedback on ways to improve the Co-Due Diligence initiatives to enable the exercise achieve better effective engagement. To achieve this, a pre-designed evaluation form was completed by the participants.
In addition, investors were encouraged to contact InfraCredit's team for additional feedback and comments.

PROJECT 4 CO-DUE DILIGENCE EXERCISE

Participants by Designation	Number of Attendees	%
Investment Officer	13	42%
Risk Officer	2	6%
Chief Investment Officer	11	36%
Chief Risk Officer	5	16%



Overall Participation in Co-Due Diligence Exercises

Participants by Designation	Number of Attendees	%
Investment Officer	26	37%
Risk Officer	7	10%
Chief Investment Officer	19	27%
Chief Risk Officer	11	15%
Others	8	11%

3.1.2 ABOUT TRANSPORT SERVICES LIMITED

BACKGROUND

Transport Services Limited (''TSL'') is a leading transport and logistics company incorporated in 2001. It offers value-added logistics and distribution services to a wide range of corporate and retail clientele in industries such as agro-processing, FMCG, oil and gas, cement, amongst others under fixed-term contracts. InfraCredit guaranteed TSL's N12billion 10-Year Series 1 Senior Guaranteed Fixed Rate Infrastructure Bonds due 2030, as part of a larger N50billion Debt Issuance Programme. The bond, which was oversubscribed by eighteen (18) institutional investors including eleven (11) Pension Fund Administrators, is the first 10-year bond issuance by any company in the transportation and logistics sector. The bond proceeds was used to refinance TSL's short-term loans, thereby leveraging long term fixed rate debt that will sustainably support its consistent business growth and expansion plans.

TSL

Renewed contracts with Blue-chip companies

Operates a fleet of over 760 vehicles

Steady growth in revenues

A leading transportation and logistics service provider

HIGHLIGHTS OF THE COMPANY

Company Profile	**Transport Services Limited ("TSL")** was incorporated in September 2001 and is a leading transportation and logistics company in Nigeria with operations across 9 major locations. The Company transports products for customer locations in 5 southern states in Nigeria.
Business Model	TSL operates two core business units; B2B Trucking services and B2C Trucking services. The B2B trucking services handles dry freight for FMCG, port logistics, agriculture and mining & construction companies. The B2C trucking services are focused on spot hire services for customers. The company's fleet of trucks is split as dedicated and non-dedicated. The dedicated fleet represents vehicles that are assigned to specific clients, while the non-dedicated fleet are held for spot-hire/on demand services.

PROJECT FEATURES

Presents growth opportunities with huge earnings potentials

Quality service delivery

Strong and growing Customer base

Contractual cash flows

Sponsor	Transport Services Limited	**Expected Issue Rating**	AAA (backed by the irrevocable credit guarantee of InfraCredit)
Infrastructure Activity	Transportation and logistics	**Size**	Up to NGN 12 billion
Tenor	10 years	**Expected Maturity Date**	May 2030
Guarantor	Infrastructure Credit Guarantee Company Limited **(InfraCredit)**	**Use of proceeds**	• Refinance existing loans • Capital expenditure e.g. financing of assets and acquisition of new fleet

EXPECTED DEVELOPMENT IMPACT

FINANCE → **INFRASTRUCTURE** → **IMPACT**

Up to
NGN12.0bn
Financing

Capital expenditure associated with the financing of assets and fleet acquisition

Local currency refinancing for existing project loan

Reduced tenor Mismatch
Refinancing expensive debts using suitable long-term funding

Improved Earnings
Improving bottom line through increased operational efficiencies and reduced cost

Job Creation
Creating new direct and indirect jobs

Ayodeji Wright
CEO, TSL

Testimonial from the CEO

The TSL Bond was conceived few years ago and I am profoundly grateful to the entire Project Four transaction parties, TSL Bond Investors and the Regulators, who have made this become a reality today.

The successful issuance of the Bond is attributable to our relentless and collaborative efforts, underscored by our track record of excellence in 19 years of existence as an indigenous logistics and evolving Mobility Company.

Today, TSL remains committed to delivering its vision of providing bespoke supply chain and logistics solutions within Nigeria, and to sub-Saharan Africa. The TSL Bonds will undoubtedly be the springboard to provide the financial reinforcement to our business strategy, strong operating model and will in turn stimulate an atmosphere for profitable growth over the next decade.

3.2

INVESTOR TRAININGS

3.2.1 Financing Infrastructure Projects: Case Studies for CIOs & CROs

Course description and general overview

The ***"Financing Infrastructure Projects- Case Studies for CIOs & CROs"*** course was designed to help participants understand the variety of approaches that may be adopted in project financing transactions in different infrastructure sectors. One of such ways is the use of project finance as the primary mechanism by which such projects can be financed. In addition, and as most infrastructure has a public function, the notion of partnering between the public and private sectors, through Public Private Partnerships (PPPs) is a well-used technique within project finance to develop infrastructure assets across the world. Accordingly, this course's main objective was to allow participants to develop thorough insights into the financing of infrastructure projects.

Notably, the course was designed to use case studies as the main instrument for learning. Thus, using practical and real transactions, participants gained full and detailed understanding of the rationale behind undertaking PPP-inclined transactions, how public and private objectives are combined as well as the motivations and objectives behind PPPs. Furthermore, the use of case methodology allowed for the use of financial models to practically understand the implications of a contractual regime and what these obligations mean in practical financial terms. The case studies were selected carefully to blend best international practise with relevant Nigerian examples.

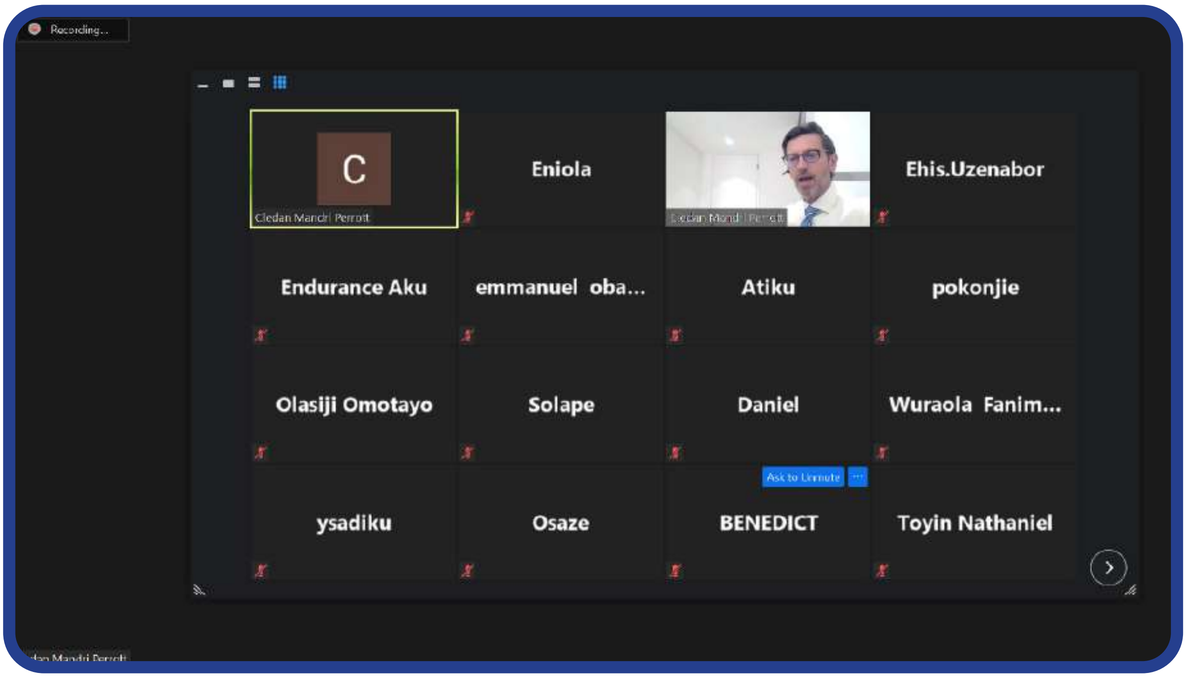
In tandem with Covid-19 Pandemic realities, the three-day training was delivered virtually from 9th to 11th June 2021. It was designed for Investment Officers and Risk Officers of PFAs.

Participation

21	16	03	07	04	07
Overall Participants	Institutions	Investment Officers	Risk Officers	Chief Risk Officers	Chief Investment Officers

Distribution of participation by designation

Investment Officer	14%
Risk Officer	34%
Chief Investment Officer	33%
Chief Risk Officer	19%



3.2.2 PPP: Structuring Legal Agreements and Concession Contracts

Course description and general overview

In the past decade, many countries initiated major infrastructure sector reforms that separated policy making from service delivery and promoted projects with various forms of private sector participation or public private partnerships (PPPs). These projects have been implemented under a range of approaches varying from management contracts to concessions to divestitures to greenfield build-operate-transfer or build-operate-own projects. This range of risk transfer reflects a continuum of increasing allocation of risk to the private sector.

The three-day course which held virtually from 28th to 30th October 2020, set out the basic elements for considering Private Participation in developing infrastructure, and then looked at how to best plan the process of introducing private expertise and finance. As many PPPs are actively used to provide public services, the course delved into the importance of involving different stakeholders in the design of the arrangement. This led on to an appropriate allocation of risks and responsibilities between the parties and how that is represented within a contractual arrangement. Finally, an overview of the fiscal impact of PPPs, and the need for governments to adequately manage direct and contingent liabilities related to such agreements was considered.

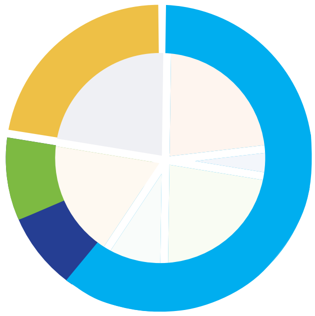
By the end of the course, participants were able to (i) provide context for developing infrastructure financing with partial or non-recourse financing solutions by using PPPs; (ii) describe the process of developing a project from the concept stage to implementation and contract supervision; (iii) present a set of tools and techniques that can be used as a basis for sound and rigorous evaluation, decision making, monitoring and control of PPPs; (iv) understand the main principles and techniques for robust PPP contract design.

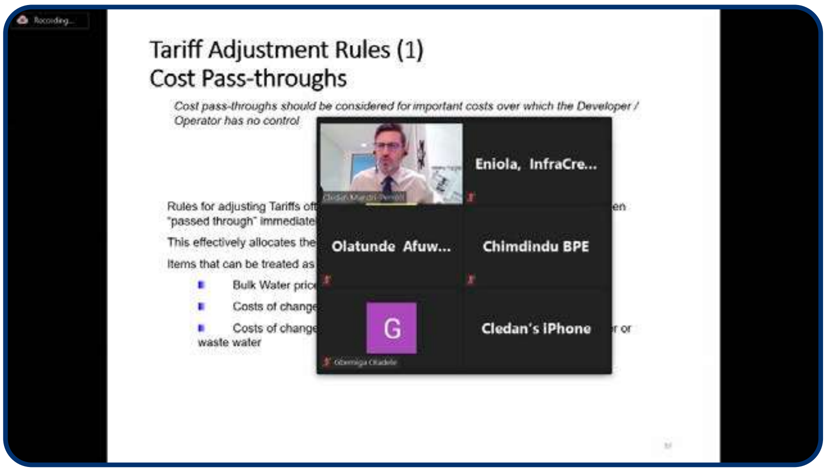
Participation

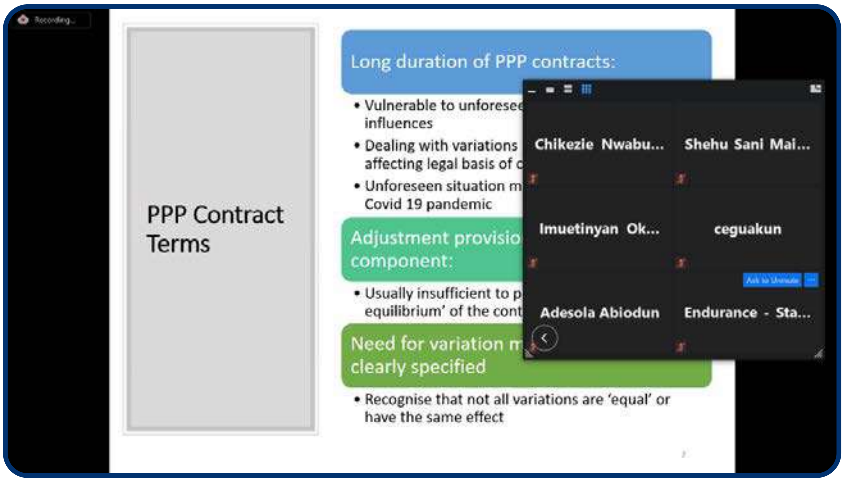
28	08	16	08	02	02
Overall Participants	Institutions	Regulators	Other Officers	Chief Investment Officers	Investment Managers

Distribution of participation by designation

Regulators	57%
Investment Officer	7%
Chief Investment Officer	7%
Others	29%

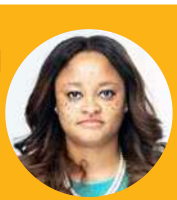






" All in all, an excellent program, I enjoyed every single moment of the training and the real-life experience, as the facilitator brought everything home. "

Chimdindu Nebo
Transaction Manager
Bureau of Public Enterprises



" Honestly, I am very impressed with the Infrastructure Capacity Building Programme for the training as administrators were very professional and we had the privilege of learning from an excellent Facilitator who has garnered wide experience in the subject matter and in different Countries which drove home points for me personally. "

Kofoworola Adams
Senior Enterprise Officer, Legal Services
Bureau of Public Enterprises

3.3

ROUNDTABLE DISCUSSION

Understanding Development Impact, ESG and the UN SDGs - A Guide to Incorporation in Nigeria

General overview and description

Development Impact (DI) is becoming an important element of any private sector business as the delivery of the United Nations' Sustainable Development Goals (SDGs) become a shared responsibility of public and private stakeholders, requiring new collaboration to fill the gap. Recent analysis indicates that $12 trillion in economic value could be unlocked by 2030 if we achieve the SDGs. Infrastructure underpins many of the United Nations' SDGs. Therefore, integrating Environmental, Social and Governance (ESG) considerations into investment guidelines and decisions is crucial to engendering responsible investment in Infrastructure projects focused on sustainable long-term value.

This roundtable discussion which held virtually on 4th & 5th August 2020, was set up with an objective to highlight and promote the best practice approaches to Development Impact monitoring, ESG and responsible investing to unlock the full economic value of sustainable infrastructure investments in Nigeria.

Recommendations on how ESG and SDG considerations can be integrated into investment guidelines and policies were proposed during the sessions.

The programme was aimed at equipping regulators and institutional investors with the tools required for incorporating ESG and DI indicators in the infrastructure investment guideline in Nigeria. The roundtable conversations were facilitated by Nicole Martens (Regional Head, Africa and Middle East, PRI), Lade Araba (Managing Director, Africa, Convergence Capital) and InfraCredit's Development Impact Lead, Fiona Robertson.

The roundtable discussion was preceded by a pre-session on 4th August 2020 for regulators only. This pre-session was led by Olivia Mooney (Senior Policy Analyst, PRI).

The roundtable discussion was targeted at decision-making officials of regulatory bodies as well as Chief Executive Officers, Chief Investment Officers and Chief Risk Officers of the Pension Funds Industry.

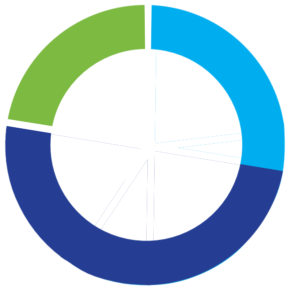
Participation

67 Participants

27 Institutions

Distribution of participation by Institution

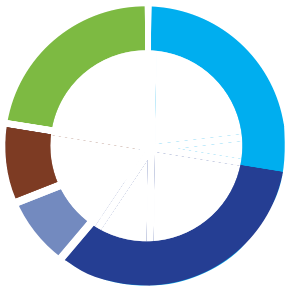
Regulators	27%
PFAs	42%
Others	19%



The webinar attended by a total number of 67 participants representing 27 institutions including 13 PFAs, 4 regulatory organisations and 10 other institutions.

Distribution of participation by designation

Cheif Risk Officers	27%
Investment Officers / Portfolio Managers	38%
Chief Investment Officers	19%
Risk Officers	12%
Executive Directors	4%



A total number of 26 participants attended the session from the pensions industry including 7 Chief Officers, 5 Chief Investment Officers, 10 Investment Officers, Portfolio Managers, 3 Risk Officers and 1 Executive Director.

Supported by:

CONVERGENCE
BLENDING GLOBAL FINANCE

PRI Principles for Responsible Investment

04

CHAPTER

Feedback

OVERALL FEEDBACK

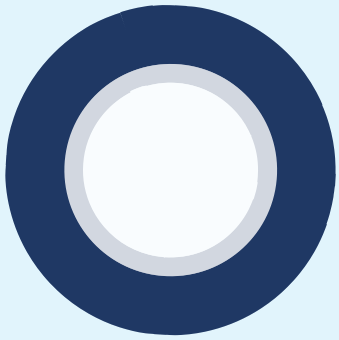
OVERALL FEEDBACK

Course Application

Highly likely	100%
Likely	0%
Not likely	0%
Not Applicable	0%

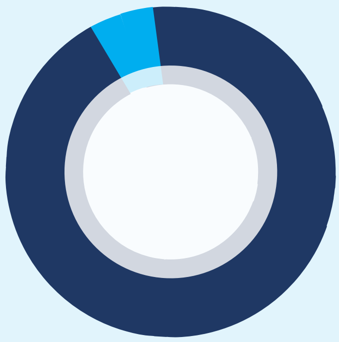
Relevance of the Course to Participants

Very relevant	100%
Slightly relevant	0%
Not so relevant	0%
Not Applicable	0%



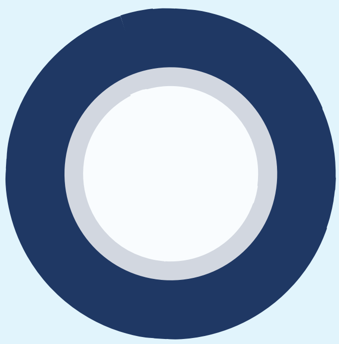
The course helped enhance participants' understanding of infrastructure investing

Strongly agree	96%
Agree	4%
Neutral	0%
Disagree	0%
Strongly disagree	0%



Trainers demonstrated professional credibility regarding the subject matter

Strongly agree	100%
Agree	0%
Neutral	0%
Disagree	0%
Strongly disagree	0%



4.2

STRATEGIC OUTLOOK

Over the past 2 years, the initial concept of the Infrastructure Capacity Building Programme as envisioned, has now been proven to be a valid idea with demonstrable outcomes and measurable impact. The Programme is a transitional mechanism to jumpstart private institutional investors involvement in infrastructure investments by helping to build their technical capacity, know-how and understanding of infrastructure, as an investable asset class.

Going forward, our strategic plans will be aimed at institutionalising operational efficiency, expand donor support and multi-stakeholder partnerships, integrate ESG and SDGs, scale impact with measurable outcomes, and demonstrate sustainability.

A. Institutionalising the Programme

As we aim to expand the programme, institutionalising the operating framework in order to scale capacity and impact is an imperative, this will be accompanied with a re-aligned "Theory of Change" to be implemented under InfraCredit's Development Impact Framework. A key outcome of this process will be defining measurable outcomes, evidence-based data and indicators geared towards informing the decision-making process with our stakeholders for effective monitoring, evaluation and reporting.

B. Strengthening Technical Assistance Support

There are a multitude of donor programmes addressing some part of the greater challenge of catalysing private investments into SDG related infrastructure that will reduce poverty, and we aim to use this programme and its theory of change to align, incentivise and increase donor coordination and funding support into more effective, efficient, integrated and scalable intervention in sustainable infrastructure finance. Leveraging InfraCredit's contribution and market positioning to crowd-in development capital and technical assistance from other donors/ DFIs to the programme.

C. Building Strategic Partnerships with Key Stakeholders[2]

Addressing the complex challenges of infrastructure deficit and sustainable finance requires building strong multi-stakeholder partnerships that can create systemic change. The Programme will aim to evolve into a multi-stakeholder partnership, by collaborating with key stakeholders to create shared values and successes. We will leverage the power of multi-stakeholder partnerships as a key mechanism to deliver on the goals by pooling knowledge, expertise, and resources.

2 (Self-Regulatory Organisations e.g. PENOP, Regulators, e.g. SEC, PENCOM, Local Press e.g. Capital Market Correspondent Association), Donors

D. Capacity Building of Boards, Regulators and Public Officials

As ultimate decision makers and policy makers, the boards and regulators have an especially important role to play in influencing the effectiveness of the expected development outcomes of this programme. In response to feedback from surveys conducted during the initial phase with participants, we will increasingly aim to equally focus on capacity building and training programmes for the leadership of this core group of market decision makers and regulators in order to develop and maintain a very cordial and trusted relationship on the mutual aims and objectives of this programme.

E. Strengthen Stakeholder Roundtables

Finding a path towards sustainable development will require the pooling of diverse perspectives, knowledge and resources. We recognise the need to adopt a more strategic approach to engagement activities by improving communication, and close dialogue with key stakeholders in building market awareness and consensus on key contemporary issues in infrastructure and expected development outcomes of this programme. Importantly, is building trust with our stakeholders.

F. Integration of ESG and SDGs

Infrastructure underpins many of the UN Sustainable Development Goals (SDGs) and the bond market as the largest source of long-term investment capital is emerging as an important source of financing to meet the UN SDGs. Therefore integrating ESG considerations into investment decisions has become crucial, and one key area of focus in the capacity building and training courses will be sustainable, responsible investing and we would be collaborative with stakeholders in educating institutional investors on best practice approaches to ESG investing in order to engender a proactive action-oriented programme focused on sustainable long-term value.

The success of the Programme is strongly aligned with our vision to be a catalyst and the most trusted partner, in the attraction of long term capital into infrastructure finance in Nigeria.

By successfully leveraging capacity building to foster market development and catalyse local capital from private institutional investors into supporting new infrastructure development that will create jobs, protect the environment, reduce poverty and promote local economic growth, we aim to establish a shared purpose with our stakeholders in aligning our collective effort to solve some of the most pressing challenges of our time.

INFRASTRUCTURE
CAPACITY
BUILDING
PROGRAMME

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Infrastructure Capacity Building Programme is a multi-donor funded programme