



Private Infrastructure  
Development Group  
Pioneering infrastructure changing lives

## **THE PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP LIMITED**

**Annual report and financial statements for the year ended 31 December 2023**

**The Private Infrastructure Development Group Limited**

**Company number: 11265124**

6 Bevis Marks

London

EC3A 7BA

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

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## Business Review

### Principal activities

The primary activity of The Private Infrastructure Development Group Limited (the Company), including its Singapore Branch and The Private Infrastructure Development Group (Kenya) Limited (together the Group) is to oversee the activities of and, where appropriate, provide centralised resources in relation to the other companies in The Private Infrastructure Development Group (PIDG) (as set out in note 24) on behalf of its shareholders and the members of PIDG (as set out in note 25), similar to that of a head office or parent company. Due to this governance structure, the Company makes a number of decisions on the activities of PIDG. This report provides details on both the Company and PIDG's activities to reflect this position.

### Our mission

PIDG's mission is to get infrastructure finance moving and multiplying – accelerating climate action and sustainable development where most urgently needed.

### Our vision

PIDG's vision is a thriving infrastructure ecosystem, delivering climate resilience and sustainable development for all.

### Our work

PIDG's mandate is to accelerate the development and financing of sustainable infrastructure that improves climate resilience, adaptation and mitigation, and contributes to sustainable development and poverty reduction, through investment and capital market development in Africa and south and southeast Asia.

PIDG provides the leadership, development capability, funding and finance solutions across the project life cycle to support this infrastructure provision, resulting in high sustainable development impact (SDI) by strengthening the local capacity, capability and

financing potential of local credit and capital markets.

PIDG operates along the project life cycle and across the capital structure, to help projects overcome financial, technical or environmental challenges – creating investment-ready, bankable infrastructure opportunities, catalysing private sector participation and creating SDI. In doing so, it contributes directly to the achievement of many of the United Nations' Sustainable Development Goals.

### PIDG's purpose

PIDG's purpose is to combat poverty in the poorest and most fragile countries through pioneering infrastructure to help economies grow and change people's lives. PIDG will seek to identify a pathway to be financially sustainable at the consolidated PIDG level in the medium-term. To achieve this, PIDG will require its Credit Solutions businesses (EAIF and GuarantCo) to be consistently profitable.

PIDG also provides upstream technical assistance through its technical assistance arm, which plays a critical role in delivering PIDG's strategy and impact.

PIDG aims to be risk-aware, as opposed to risk-averse. We take on projects that others cannot or will not, hence the risks can be intrinsically high. PIDG aims to understand these risks, mitigate them as far as possible and make informed judgments about whether the residual risk in an individual project is justified by its expected impact, sustainability and its long-term nature.

### Business model

The Company was established in March 2018 as part of a governance reorganisation within PIDG to co-ordinate and oversee activities across the PIDG companies, particularly in relation to corporate governance, co-ordination and oversight.

#### **Business model continued**

The Company's shareholders are the Trustees of the PIDG Trust (the Trust), a special purpose trust established in 2001 by the members of PIDG in Mauritius<sup>1</sup> to pool, co-ordinate and administer the members' funds in relation to PIDG activities. As shareholders of the Company, the Trustees are required to seek the consent of the members of PIDG before taking any material decisions.

The Trust has established eight corporate entities (PIDG companies) since 2003 that are in operation today, being the Company and the other companies set out in note 24, on behalf of the members of PIDG. The members provide the Trust with funding to subscribe for shares or to make capital grant contributions to the PIDG companies. Certain PIDG members also provide funding to the Trust for technical assistance grants that support PIDG companies' activities and meet a range of needs associated with the infrastructure project development cycle; and for a trust fund, DevCo, held by the International Finance Corporation (IFC), which the IFC uses to fund advisory services to governments on public and private infrastructure partnerships in PIDG's target countries. PIDG members also provide the Trust with funding to pay for the operating costs of the Trust and the Company.

The Company has entered into service level agreements (SLAs) with the Trust and the other PIDG companies under which it charges them for its oversight, support and advice as well as any centralised services it provides.

#### **Financial results**

The Group's results for the year are set out on page 57. As a services company, income is received from charging PIDG companies and the Trust for its services through arms-length SLAs.

During the year to 31 December 2023 the Group received income of £9,444,066 from service level agreement related charges to other PIDG companies (2022: £8,287,148). The rise in income reflected a wider range of services provided to PIDG due to the expansion of the Group's services. The Group also received a further £102,311 (2022: £109,628) of income through the recovery of rent from InfraCo Africa Ltd and EAIF on its shared offices at Bevis Marks, London.

The Group incurred costs of £8,329,421 (2022: £7,110,285) as it expanded its teams to help manage PIDG and its stakeholders. This includes staff costs of £5,910,429 (2022: £5,468,555).

Third party costs were incurred in areas such as SDI studies of projects supported by PIDG, Health, Safety, Environment and Social (HSES) and risk consultancy advice and legal and professional fees, and the core operating costs of running the Group.

The Group's profit before tax was £1,245,705 (2022: £1,267,741). As at 31 December 2023 the Group had £243,217 (2022: £274,648) in fixed assets, comprising leasehold improvements, furniture, fixtures and fitting and IT equipment and software associated with its new premises.

#### **Tax**

As a UK tax resident, the Company pays corporation tax and value added tax (VAT), as well as national insurance contributions in relation to its employees. In relation to its activities the Trust and PIDG companies (including PIDG Ltd) voluntarily comply with the European Development Finance Institutions' *Principles for Responsible Tax in Developing Countries*.

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<sup>1</sup> The Trust is UK tax resident.

## Strategy

### Business strategy

PIDG launched its first five-year strategic plan in 2019 for the period 2019-2023. A refresh of the strategy which covers the time period 2023-2030 was launched in June 2023.

**PIDG is focused on delivering pioneering infrastructure that contributes to reducing poverty, progressing towards the Sustainable Development Goals (SDGs) and delivering an equitable transition towards global net zero emissions in line with the goals of the Paris Agreement on Climate Change.**

We will continue to work at the frontier, innovating where it matters the most. By focusing on:

- supporting Least Developed Country (LDCs)
- solutions that attract new sources of capital into early stage project development, equity investment and credit enhancement facilities
- new technologies in developing and emerging markets
- nature-based solutions and green-grey solutions that improve infrastructure while protecting/restoring/regenerating nature
- our value proposition to other investors and private-sector partners on our capacity to: raise health, safety, environment and social standards (HSES); implement a climate, nature and gender inclusion lens in infrastructure; and manage and demonstrate sustainable development impact.

We offer a range of solutions throughout the entire project lifecycle from early stage incubation and development, to credit solutions that bridge gaps in local capital markets.

Our core proposition is to:

- Increase the pipeline of projects built to internationally investable standards
- Unlock domestic institutional capital for infrastructure development
- Deploy commercial and institutional capital in developing and emerging markets through our blended finance structures.

### PIDG strategic priorities

Considering the size of the infrastructure financing gap and the scale and pace of investment needed to achieve the SDGs by 2030, we are highlighting the following key shifts needed for PIDG to rise to the scale of the current challenges:

- Elevating climate action together with sustainable development
- Scaling our impact with new ambition and urgency
- A more deliberate and coordinated origination and product strategy:
  - Scaling up project development and early stage work in partnership with others
  - Unlocking local currency domestic institutional capital
  - Attracting and deploying capital from commercial investors into climate resilience and just energy transitions.
- A more strategic focus on project origination
- Growing the level of investment that we deliver while balancing financial sustainability with sustainable development impact
- Nurturing a culture of radical collaboration within the Group and with partners.

#### **Investment themes and broad sector framework**

We will take a more strategic origination approach, focusing on scaling up impact through a deliberate investment focus on combinations of sectors, geographies and products. These sectors are:

- Energy and electrification that power people and societies
- Transport, logistics and connectivity that move and connect people and goods
- Sustainable and resilient cities and circular economy
- Water and natural resource management.

This investment framework will apply across the PIDG Group and our entire product offering, geared towards scaling impact in selected.

## Sustainable Development Impact

### The countries in which we operate

PIDG develops and funds sustainable infrastructure in sub-Saharan Africa and south and south-east Asia. Since 2015, over 50% of PIDG projects have been in countries classified as Least Developed Countries and Other Low-Income Countries by the OECD. Over 50% of projects financed were in fragile or conflict affected states.

According to the World Bank (2023 data), almost 700 million people around the world live in extreme poverty – on less than \$2.15 per day, the extreme poverty line. Just over half of these people live in Sub-Saharan Africa. After several decades of continuous global poverty reduction, a period of significant crises and shocks resulted in around three years of lost progress between 2020-2022. Low-income countries, which saw poverty increase during this period, have not yet recovered and are not closing the gap.

At the mid-point of the SDGs, the world is behind its targets. At current rates of progress, the world will likely not meet the global goal of ending extreme poverty by 2030, with estimates indicating nearly 600 million people will still be struggling in extreme poverty by then.

According to the International Energy Agency (2023), the number of people without access to electricity globally increased in 2022 for the first time in decades, rising by around 6 million to roughly 760 million. This setback was primarily concentrated in sub-Saharan Africa, where four in five people without access live today.

The world is not on track to achieve the goal of universal energy access by 2030. However we welcome that in 2023 the number of people globally without electricity access has decreased to 745 million. In sub-Saharan Africa, the number of people without access is on track to stabilise in 2023 after rising for three consecutive years. Progress in developing economies in Asia is also set to resume according to the International Energy Agency, albeit at a much slower pace than before 2019. The regions in which PIDG invests are also the most vulnerable to the effects of the changing climate. Those living in poverty or near the poverty line are particularly vulnerable to shocks such as natural disasters. Greater vulnerability means that they lose more when such shocks occur, which can quickly undo any progress on poverty reduction made.

PIDG mobilises private sector funding and capacities to deliver infrastructure projects that would not otherwise happen in the most difficult geographies and where it is most needed. PIDG investments transform economies and improve lives in these challenging markets.

### PIDG Theory of Change



#### SDI against mission and theory of change

PIDG has an end-to-end system to drive and demonstrate SDI against its mission and theory of change, which is set out in more detail on the following pages.

The system includes:

1. An integrated Key Performance Indicator (KPI) framework.
2. A systematic approach to assessing the impact potential of prospective investments and consistent monitoring, evaluation and learning of the SDI generated at investment and portfolio level.
3. A portfolio approach that combines expected SDI and risk-adjusted financial returns to ensure SDI, risk and financial return – and trade-offs across them – are explicitly factored into decision making.

PIDG is a signatory to the Operating Principles of Impact Management and its disclosure of compliance with the principles is available at [www.pidg.org](http://www.pidg.org).

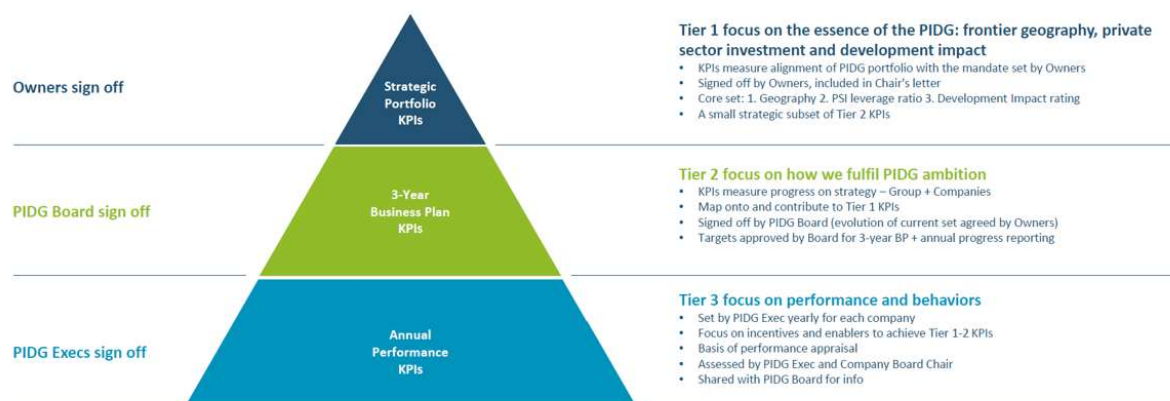
#### KPI Framework

The following KPIs are being monitored by PIDG, which represent a mix of financial and impact performance indicators for all companies:

1. Total investment commitments in projects reaching financial close (US\$m).
2. Cumulative Private Sector Investment (PSI) mobilisation ratio in projects reaching financial close.
3. Number of projects reaching financial close.
4. Percentage of cumulative number of projects committed in LDC and OLIC (DAC I/II).
5. Percentage of cumulative number of projects committed in FCAS Countries.
6. Number of projects reaching financial close, scored as empowering women or transforming gender dynamics.
7. Portfolio carbon intensity by 2023 – against forecast trajectory.
8. SDI Rating – portfolio distribution, based on SDI Scorecard process.
9. Group financial sustainability milestones.

The KPI framework has been further refined in line with the new 2030 Strategy and changes will be implemented from 2024.

### 3-Tier KPI framework agreed with the Board and members

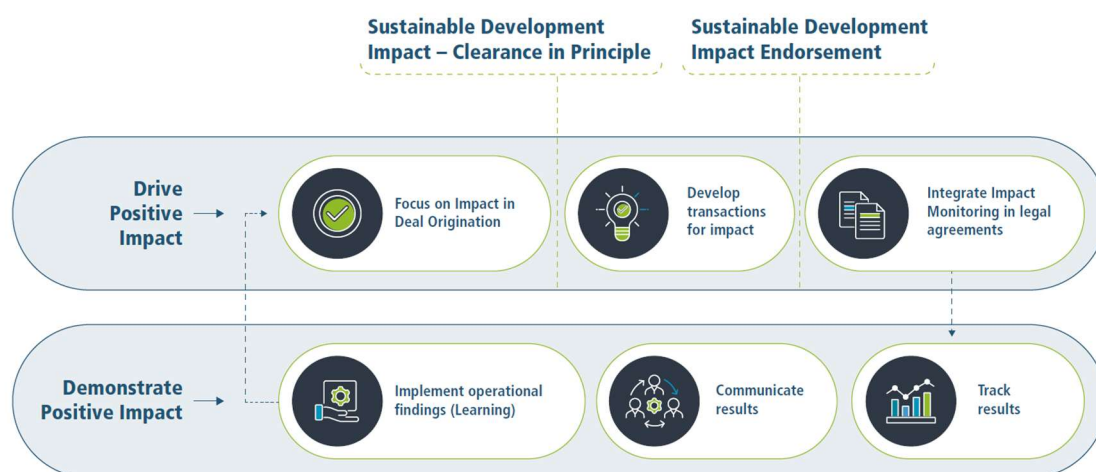




*Approach to assessing impact*

PIDG uses a systematic approach to assessing the impact potential of prospective investments; and consistent monitoring, evaluation and learning of SDI generated at investment and portfolio level.

The Company’s SDI and HSES teams have a de facto veto power on prospective investments, while deals that exceed expectations on climate, gender or market transformation are prioritised.



*SDI and risk-adjusted financial returns*

There is active communication and collaboration between teams working on SDI, financial performance and risk management. A ‘capital and portfolio optimisation framework’ is being operationalised to define the desired trade-off between impact and risk-adjusted returns and targets will be set accordingly.

**PIDG Climate Strategy**

As a responsible investor focused solely on infrastructure in some of the poorest and most fragile contexts, PIDG takes climate change into account in every investment and operation decision. In 2021 PIDG published its Climate Strategy, illustrating the key strategic priorities of PIDG’s climate action.

The overall strategic objective of PIDG’s climate change action is to accelerate an equitable and just transition to net zero in the countries we operate in. PIDG aims to do so by enabling the development of low carbon, climate resilient, sustainable infrastructure and by mobilising flows of climate finance to countries with the widest

infrastructure gap, to leapfrog and replace the highest Greenhouse Gas (GHG) emitting technologies, while stimulating sustainable socio-economic development.

PIDG is conscious of the need to lead by example, and we measure and report the carbon footprint of our operations annually. The COVID-19 pandemic allowed us to explore new ways of working involving less travelling, thereby reducing our GHG emissions. Based on this experience we continue to explore ways to reduce our operations’ footprint and to positively influence the behaviour of our suppliers and contractual partners. We are however aware that the bulk of our GHG emissions come from our investment portfolio, which is the focus of this strategy.

For the period 2021-23, PIDG’s climate action focused on four strategic priorities:

1. Mobilise private climate finance in underserved, fast growing markets, demonstrating the viability of low carbon, climate resilient infrastructure for private investors.

2. Strengthen climate change adaptation and resilience through our investments.
3. Mobilise domestic investors, entrepreneurs and stakeholders in emerging markets in climate savvy investments, including through local currency solutions.
4. Integrate climate and gender investment lenses in infrastructure investment to maximise the gender outcomes of climate related investment.

The PIDG Climate Strategy (available at [www.pidg.org](http://www.pidg.org)) applies to all PIDG companies. Since 2020, all new investments in the energy and transport sectors that PIDG companies consider must demonstrate alignment with the goals of the Paris Agreement.

At the operational level, the PIDG Climate Standard covers the minimum requirements that we expect in each PIDG investment, as well as the decision trees that allow us to demonstrate alignment.

PIDG assesses physical and transition climate risks for each prospective investment, recommending further due diligence, mitigation actions and dedicated monitoring as appropriate. In addition to the resilience of the investments to climate risks, PIDG also assesses the impact of the investment on resilience to climate of the prospective infrastructure users and surrounding communities.

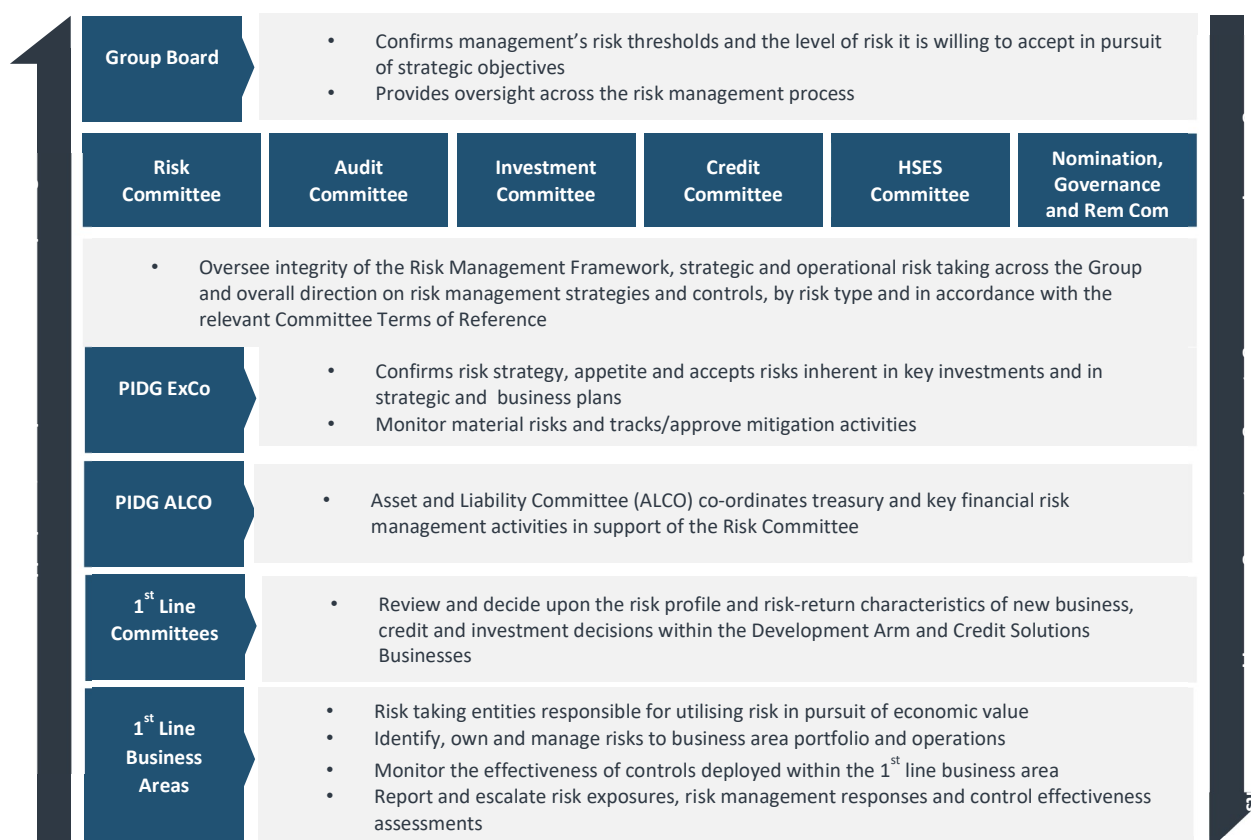
Since 2020, PIDG publishes the estimated carbon intensity of its portfolio. In 2021 PIDG published its first Disclosure Report in line with the Task Force on Climate Related Financial Disclosures (TCFD) which is available on [www.pidg.org](http://www.pidg.org).

PIDG's Climate Strategy document complements PIDG's Climate Standard and TCFD Disclosure by focusing on the key areas that we are prioritising now to make a significant contribution to a just transition to net zero by no later than 2050.

PIDG's climate change approach is organised around the pillars of the TCFD recommendations, to which PIDG signed up as a supporting organisation. The approach covers:

1. **Governance:** Describing the Company Board's oversight of climate-related risks and opportunities and PIDG management's role in assessing and managing climate-related risks and opportunities across PIDG companies and functions.
2. **Strategy:** Demonstrating the technical and financial viability of low carbon and inclusive infrastructure will be crucial to a just transition towards net zero by 2050 and is at the core of the PIDG mandate. The climate vulnerability of PIDG investment geographies, the need to balance global climate goals with socio-economic developmental needs, the long-term nature of infrastructure investment and the opportunity for PIDG to be at the frontier of low carbon technology introduction are key considerations.
3. **Risk:** Screening of physical and transition climate risks is incorporated in the SDI Review of each prospective investment and fed into the credit and investment decision making decisions.
4. **Targets and metrics:** Our main Group KPI in relation to climate change for 2021-23 is the estimated carbon intensity of PIDG investment across all sectors (tCo2 equivalent per US\$m invested). Other climate change related metrics cover the number of innovative climate solutions financed, GHG emissions (actual, avoided, sequestered), GHG emissions from PIDG operations and the number of innovative climate solutions financed. In 2021 PIDG financially closed a number of pathfinding climate-related transactions including pioneering investments in on-grid solar with a battery energy storage system and electric mobility in sub-Saharan Africa.

## Risk Management



### Risk Management Principles

The diversity of the PIDG business model requires us to identify, assess, measure, aggregate and manage our risks, and to allocate scarce economic capital in a risk-informed manner, compliant with Group procedures. PIDG’s approach to risk management is underpinned by the following core principles that guide our behaviours and desired risk management outcomes:

- Our risk management activities and decisions are undertaken in line with our values of pioneering, partnership, safety, inclusivity and urgency.
- We take risks within a defined risk appetite (expressed in quantitative and qualitative terms).
- Risk management and controls monitoring is executed in manner that is proportionate to the materiality of risks and criticality of key controls in question.

- All risk management activities are undertaken in line with the Group’s risk and governance requirements.

### Identifying and managing risk

Key risk decisions are taken at multiple levels in the organisation. Several layers of management combine to provide cohesive risk governance within PIDG Ltd and across its entities, as shown above.

The Board is responsible for maintaining and reviewing the effectiveness of PIDG’s risk management systems from a strategic, financial, and operational perspective.

PIDG operates at the frontier of low-income countries and fragile states. The risk management processes deployed by PIDG are designed to support risk/reward decisions that recognise the elevated levels of risk within the jurisdictions in which we operate.

Our processes centre around the proactive assessment of risks across our portfolio, within defined risk appetite levels that support the delivery of the PIDG's strategic objectives.

#### Three lines of defence

We manage our risks through a framework of principles, organisational structures, policies, standards, procedures and sources of assurance that are aligned with the activities of our business and Group functions. We operate these activities within the three lines of defence risk management model, which splits responsibility for operational risk and controls across first and second lines and uses the third line as a source of independent assurance.

##### *First line*

The PIDG companies and business functions own and manage risks directly by identifying and defining risk, as well as through the internal control environment that supports the management of risks.

##### *Second line*

The Company's risk and compliance function together with other second line employees, develop and maintain risk management policies, operational policies and frameworks, which facilitate the implementation of sound systems of risk, governance and compliance across PIDG.

##### *Third line*

Internal Audit provides independent and objective assurance on the adequacy of the design and operating effectiveness of the systems of internal control and risk management deployed by both the first and second lines. Alongside this, third line assurance work is performed through external compliance-based audits and deep dive specialist reviews commissioned by the PIDG companies and undertaken by external 'co-source' providers of assurance.

#### Principal risks and uncertainties of PIDG Ltd

The key risks related to the Company and the associated system of internal control are noted below.

##### *Conduct and compliance risk*

PIDG promotes a strong risk culture where employees at all levels are responsible for the management and escalation of risks. Employees are expected to exhibit behaviours that support a strong risk culture in line with the Code of Conduct. The Group's risk culture is shaped by a range of factors including its ownership structure, funding model, operating footprint, mission and business activities in jurisdictions with high levels of geo-political, economic, bribery, corruption, safety and security risks. The Company endeavours not to involve itself or the PIDG companies with transactions, activities, processes or relationships that are likely to attract negative publicity that cannot be credibly rebutted.

The assessment of risks that may give rise to reputational impacts form a key component of our strategic business approval processes. The PIDG Investment Policy defines the sectors PIDG plans to operate in and sets out certain excluded sectors. Any deviation requires approval from the members of PIDG. Whilst the Company does not itself invest in, nor lend to or provide guarantees for the infrastructure projects that PIDG supports, it makes certain investment and credit decisions and faces a reputational risk from poor decisions. It seeks to minimise the incidence and/or impact of this risk through requiring careful due diligence and decision making by executives, providing appropriate training and operating robust internal processes.

The Company has adopted PIDG's Code of Conduct and Operating Policies and Procedures (OPPs), which set out the values and behaviours expected from employees within the Group and from other relevant stakeholders, such as project partners.

#### *Conduct and compliance risk continued*

These include policies on anti-corruption and integrity, conflicts of interest, share dealing and remuneration that are available at [www.pidg.org](http://www.pidg.org). The anti-corruption and integrity OPP sets our policies and procedures for our employees, stakeholders and project partners in relation to anti-money laundering, bribery and corruption, terrorist financing and fraud which are intended not only to set the appropriate standards but also to set PIDG's mitigating controls to prevent any such incidents occurring.

Complaints and whistleblowing concerns are recorded using specific processes designed to protect the anonymity of complainants and ensure confidentiality of any relevant reviews or investigations, in line with the Company whistleblowing policy. In addition the Company utilises media monitoring software which alerts it to any adverse publicity about the Group. Where necessary, the Company's communications team prepares appropriate responses.

#### *Health, safety, environmental and social risk*

Effective management of health, safety and environment (HSES) risks forms a key focus for PIDG.

The Company has developed a HSES Management System for PIDG, which requires compliance with the IFC's Environmental and Social Performance Standards and other appropriate best practice guidelines. This system allows all key HSES risks to be identified and managed by PIDG's project companies to a level that can be considered 'as low as reasonably practicable'. The Company also requires PIDG companies to report any incident to its Executive team within 24 hours of a PIDG company becoming aware of it.

The HSES Committee reviews and advises on safe-guarding practices and sustainability, thereby ensuring relevant issues are discussed, understood, owned and promoted at Board level. This includes advising on areas as broad

as human rights through to workplace safety initiatives and campaigns.

#### *Legal risk*

PIDG faces a risk of loss arising from a failure to act, or to document its agreements, in a legally effective manner. This could arise from lack of awareness or misunderstanding of ambiguity in or reckless indifference to, the way law and regulation apply to PIDG, including its relationships, processes, products and services.

It would primarily be caused by factors such as defective legal agreements or failing to take appropriate measures in law to protect assets.

The Company mitigates these risks by requiring PIDG companies to employ trained executives supported by appropriate internal policies and a suitably qualified legal team that seeks specialist external advice when necessary.

#### *Other operational risks*

Operational risk includes risks associated with people, processes, systems and external events, both within PIDG and across its stakeholders. PIDG is committed to ensuring that its people adopt the highest standard of ethical behaviour as this is critical to the way it undertakes its business.

The OPPs enshrine our principles and standards that guide PIDG's culture and set out the key controls that employees of PIDG and our stakeholders need to follow. These are underpinned by internal procedures and associated controls. Compliance with the OPPs is on a 'comply or explain' basis; any breaches of the OPPs by the Company are recorded and an annual OPP compliance exercise is undertaken. This is presented to both the Audit and Risk Committees with key findings also being submitted to the Board.

#### *Financial risk management*

Key financial risks are set out below and in further detail in note 18 of the financial statements.

#### *Financial risk management continued*

##### Credit risk

Counterparties include the banks which hold the cash reserves. Credit risk arising from cash balances is managed by depositing cash reserves with institutions that have a credit rating of at least investment grade. Limits are set and monitored by PIDG's Asset and Liability Committee.

##### Currency risk

A significant percentage of the Company's income is denominated in US Dollars, while many of its expenses are denominated in Pounds Sterling. A small proportion of the Company's assets and liabilities is also denominated in foreign currencies. To mitigate this risk, the Company converts foreign currency income to Pounds Sterling when it is practical to do so.

##### Liquidity risk

Liquidity risk arises on timing differences between the receipt of funds from the Trust and PIDG companies and the Company's financial obligations to its creditors. The Company's approach to managing this risk is to produce both short and long-term cash flow forecasts in order to ensure that it has access to sufficient liquidity at all times. In addition, the Company has a loan facility agreement for US\$5 million from GuarantCo to provide sufficient cash reserves to meet liabilities when due, should PIDG members' contributions to the running costs of the Company be delayed.

#### *Macro emerging risks managed by the PIDG Ltd Board on behalf of PIDG*

The geographies in which PIDG operates continue to face considerable challenges, as governments, businesses and individuals contend with an increasingly volatile economic and operating environment. Monetary policy tightening in key developed economies may result in credit and market risks to PIDG and its projects.

Rising conflict and geopolitical instability across the globe remain an area of concern and present financial, operational and security risks to PIDG's projects.

The ongoing conflict in Ukraine continues to drive stresses in the macroeconomic environment that are adversely impacting our projects.

All of these factors may impact the Board's ability to manage PIDG's delivery of performance targets agreed with its members.

The Directors will continue to work with senior management to monitor these emerging risks closely and assess the impact on operations, PIDG projects and its performance targets in the short and long-term.

## Governance Report



### Chair's Introduction

I am pleased to introduce the governance report for the year ended 31 December 2023. The report describes the roles, responsibilities and activities of the Board and its Committees.

The Board's main focus in the first half of the year was the finalisation of the 2023-2030 PIDG Strategy, which was launched in June 2023. The Board, and management, are excited about our new strategy and the climate and sustainability focus which is at the core of what we do. In the latter half of the year, the Board's focus shifted to the delivery of the strategic enablers that we have identified are essential to meet the ambitions of our new strategy and this focus will continue throughout 2024 and beyond.

The Board continued to focus on overseeing the key strategic risks to PIDG arising out of the challenging external environment. The Board expects this environment to persist in the coming years and will continue to provide the necessary stewardship to PIDG to manage these risks appropriately.

We have spent much of the year focused on Succession Planning activities and there have been several changes made to the compositions of the Board and its Committees. In line with our Succession Plan,

John Walker and Tania Songini resigned from the Board on 30 June 2023. Uche Orji joined as a Non-Executive Director and Risk Committee Chair and Liengseng Wee as a Non-Executive Director on 1 March 2023. Chrispin Chikwashi joined as a Non-Executive Director and Audit Committee Chair on 1 May 2023. These changes are the start of the planned rotation of our Directors to move towards a fully independent Board by 2027. We offer our deepest thanks to John and Tania for their dedicated service and stewardship of PIDG and are pleased to welcome the new Directors on board.

The Succession Plan activity has meant that 2023 has been another year of development in terms of PIDG's governance. We have now fully embedded our composition model whereby Board Directors act as the Chairs of the Committees and there is a greater representation of Directors on each Committee. This means each Committee now has a clearer view of the strategic direction of the Board, is able to direct the activities of the Committee to align to this and there is better cross-fertilisation of information and improved information flows across all governing bodies.

I would like to finish this report to you by thanking all of my colleagues across PIDG. They work to achieve quite exceptional results in some very difficult environments, making development a reality and changing people's lives for the better. I am very grateful to them for all that they do and very proud to be associated with them.

**Andrew Bainbridge**

## Board of Directors



### Andrew Bainbridge

Non-Executive Chair of the Board  
Chair of the Nomination, Governance  
and Remuneration Committee  
Interim Risk Committee Chair  
(resigned 1 April 2023)  
Member of the Credit Committee

Appointed: 20 March 2018



### Dr Johan Bastin

Independent Non-Executive Director  
Member of the Audit, Credit and  
Investment Committees

Appointed: 20 March 2018

### Relevant experience

Andy has extensive experience with PIDG, having previously been Chair of GuarantCo and a Director of EAIF. He is also the Chair of ICF Debt Pool LLP. Until 2019, he was the Group Chief Executive Officer of the SBM banking group and previously held senior positions in business and risk management with Standard Chartered Bank and Barclays Bank. He has covered emerging markets for much of his career, holding a number of non-executive roles over the last 15 years in addition to his executive roles. He is a Fellow of the London Institute of Banking and Finance and a Fellow of the Institute of Directors South Africa.

### Key positions

Partner at Gateway Partners.  
Chair of Cable & Wireless Seychelles Ltd.  
Director of Seychelles International Mercantile Banking Corporation (Nouvobanq).

### Relevant experience

Johan previously served as a Director of EAIF. Johan has extensive experience in infrastructure development and has previously held senior executive positions with CapAsia, Darby Private Equity, Franklin Templeton Investment Austria, the Harvard Institute for International Development and the Dutch Ministry of Foreign Affairs. Johan also held senior management positions with the European Bank for Reconstruction and Development in London including a role as Head of the Infrastructure and Energy Utilities Group. Johan has held a number of non-executive positions with DTEK, having recently retired as the Chair of the Supervisory Board of DTEK Renewables International B.V. and D. Trading B.V.





#### **Patrick Crawford CB**

Non-Executive Director  
Credit Committee Chair  
Member of the Nomination,  
Governance and Remuneration and  
Risk Committees

Appointed: 20 March 2018



#### **Chrispin Chikwashi**

Independent Non-Executive Director  
Audit Committee Chair (1 July 2023)  
Member of the Risk Committee  
(appointed 1 May 2023)

Appointed: 1 May 2023

#### **Relevant experience**

Patrick has had a long involvement with PIDG, being a Director of EAIF from 2015 and its Chair from 2018 to 2022. He previously held positions with Morgan Grenfell, Deutsche Bank, The Charity Bank Limited and Standard Bank. He was Chief Executive and Accounting Officer of UK Export Finance, the government department that functions as the UK's official export credit agency. Patrick was the head of EAIF's fund manager for two years when it was established in 2002. His career has brought him extensive involvement with credit risk and liability management and with international infrastructure and project financing.

#### **Key positions**

Senior Independent Non-Executive Director of FBN Bank (UK) Limited.

Director on the Alternative Investments Board of Pearson Pension Property Fund Limited.

Chair and Non-Executive Director of Gridworks Development Partners LLP.

Trustee, Honorary Treasurer and Council Member of the Artists General Benevolent Institution, a UK charity.

#### **Relevant experience**

Chrispin is a senior finance professional and brings over 25 years of international experience in financial services having held finance and internal audit leadership roles in the Asia Pacific and Europe, Middle East and Africa (EMEA). He previously served as Managing Director, Audit – Finance, Strategic Ventures and Corporate Functions, International, at GE Capital. Prior to that, he was the Internal Audit Director, Finance for Europe, Middle East and Africa at Citi and held a Finance Senior Reviewer role leading on the Audit and Risk Review Asia-Pacific team and was previously the Executive Director, Finance for BancABC Zambia and Chief Financial Officer of Citibank Zambia Limited. Chrispin is a Fellow of the Chartered Institute of Management Accountants (FCMA), UK, and a Chartered Global Management Accountant.

#### **Key positions**

Independent Non-Executive Director and Chair of the Audit Committee of African Banking Corporation Zambia Limited.

Governor of the Bath Spa University, as a co-opted member of the Audit Committee.



#### **Rachel Kyte**

Independent Non-Executive Director  
HSES Committee Chair (1 April 2018)  
Member of the Risk Committee

Appointed: 1 January 2022

#### **Relevant experience**

Rachel advises governments, the private sector and philanthropy on climate, energy and finance for sustainable development. She is Professor of Practice at the Blavatnik School of Government at Oxford University and Dean Emerita of The Fletcher School at Tufts University. She is co-chair of Voluntary Carbon Markets Integrity Initiative (VCMI), a trustee of ODI and board member of Climate Policy Initiative. She is the High-Level Champion for finance for the UN Climate and Clean Air Coalition. She co-chairs the Advisory Board of the Quadrature Climate Foundation and is a Senior Fellow at ClimateWorks. She was previously Special Representative of the UN Secretary-General and CEO of Sustainable Energy for All and World Bank VP for Sustainable Development and Climate Envoy as well as VP for Business Advisory Services VP at the IFC. She received the CMG for services to climate and energy in 2020 and is the recipient of numerous awards for women's leadership, climate action and sustainable development.

#### **Key positions**

Member of the Advisory Board of Beyond Net Zero.

Member of the G20 Independent Expert Group on Strengthening MDBs.

Board Director of Climate Policy Initiative.

Trustee, ODI.



#### **Yukiko Omura**

Non-Executive and Senior Director  
Chair of the Investment  
Committee (appointed 1 July  
2023)  
Member of the Nomination,  
Governance Remuneration and,  
Risk Committees

Appointed: 20 March 2018

#### **Relevant experience**

Yukiko was the Chair of the Board of Directors of GuarantCo until 30 April 2022. She has more than 40 years of international professional experience in both the public and private financial sector. Yukiko was formerly the Under-Secretary General and COO and vice president at the International Fund for Agricultural Development. Prior to that, she was executive vice president / CEO of the Multilateral Investment Guarantee Agency of the World Bank Group. She started her career with the Inter-American Development Bank in Washington DC in the infrastructure department. She then went to work at various investment banks such as J.P. Morgan, Lehman Brothers, UBS Japan and Dresdner Bank in Tokyo, London and New York. She has strong experience in restructuring organisations and bringing change to meet the needs of changing market or other conditions. She has keen interest in ensuring sustainable development and Climate change issues.

#### **Key positions**

Non-Executive Director of HSBC Bank PLC.

Non-Executive Director of Assured Guaranty Ltd.

Non-Executive Director of Nishimoto HD Co. Ltd.

Advisory Board member of The Critical Mineral Fund.



#### Uche Orji

Independent Non-Executive Director  
Risk Committee Chair (appointed 1 April 2023)  
Member of the Audit and Investment Committees (appointed 1 March 2023)

Appointed: 1 March 2023

#### Relevant experience

Uche brings over 35 years of international experience in financial services. He was previously the CEO of the Nigeria Sovereign Investment Authority. Prior to which he gained extensive experience on both the sell and buy sides of the capital markets in Europe, USA, and Asia. He was a Managing Director at UBS Securities and worked at Goldman Sachs Asset Management. Earlier in Uche's career, he was Acting Financial Controller at Diamond Bank Plc. and was an auditor at the firm of Arthur Andersen & Co. Uche has previously held a number of Board roles including the Infrastructure Credit Guarantee Company, the Bank of Nigeria, the Family Homes Funds Limited the Nigeria Mortgage Refinance Company and, NG Clearing Limited.

Uche also served as an advisory member of the G-7 taskforce on Impact Investing under the Presidency of the UK and currently serves as an expert on the EU Commission's High-level Expert Group for the Scaling up of capital for lower- and middle-income countries.

#### Key positions

Titangate Capital Management, Partner/Co-founder and Director.  
Executive Board Member, QXLabAi.



#### Lienseng Wee

Independent Non-Executive Director  
Member of the HSES and Investment Committees (appointed 1 March 2023)

Appointed: 1 March 2023

#### Relevant experience

Lienseng has 40 years of experience in banking, strategy, and risk management. Lienseng has extensive experience in investment evaluation in many sectors including energy, infrastructure, and transportation. He is CEO of Dragonfly LLC, a New York-based firm which provides quantitative risk management capabilities and solutions to companies in all sectors in the US and Asia. Prior to that he was a partner at Capco, and at Capital Market Risk Advisors in New York. Lienseng was a Managing Director in Global Risk Management at Bankers Trust New York where he helped develop much of the global banking risk capital methodology used today. Prior to that, he was a senior associate in strategy consulting at Booz Allen, based in New York. He started his career as a banker with Banque Paribas in Singapore. Lienseng has been an adjunct Professor of Risk Management at the Singapore Management University, Columbia University and Peking University.

#### Key positions

Independent Non-Executive Director, Chair of the Nominating and Remuneration Committees, Audit & Risk Committee Member of GuocoLand Ltd.

Independent Non-Executive Director and Member of Investor Committee of Mapletree US Logistics Pte Trust.

Advisory Board Member of NUS Business School Management.

## Governance

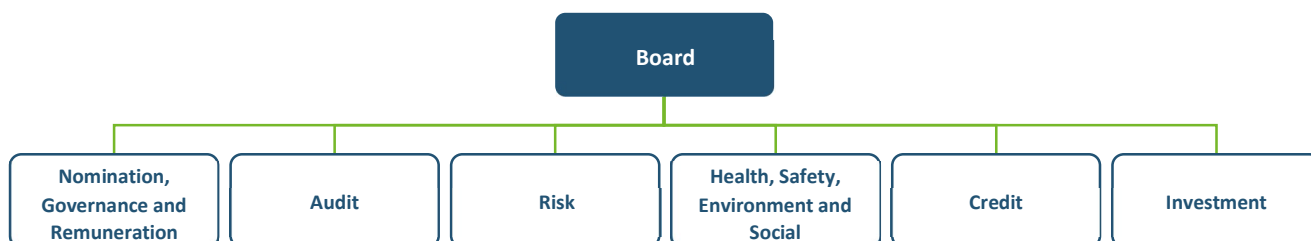
The Company and all PIDG companies are committed to complying with all applicable laws and regulations in the jurisdictions in which they operate and while the Company does not fully apply the UK Corporate Governance Code (the Code), we apply it on a voluntary basis as is appropriate to our business' size and complexity. With a core value of integrity, the Company and PIDG companies seeks to apply the high ethical standards to everything they do. The Company expects everyone at PIDG to comply with both the letter and spirit of the law.

Whilst the Company is a private company limited by shares, and not bound by the Code, this report outlines how the Company has applied the Code and what the Company has assessed as its relevant principles and provisions, and best practice. This aligns to PIDG's objective to be transparent given the public nature of the funding we receive. The Company fully endorses the principles on which the Code is based – namely that the Company should be a long-term partner of its various stakeholders.

The Company has adopted PIDG's Code of Conduct and OPPs, which are available at [www.pidg.org](http://www.pidg.org). These policies and procedures ensure that the Company's commitment to integrity and legal compliance is followed. Both the Company and PIDG have zero tolerance for incidences of fraud, corruption and other unethical conduct (such as tax evasion and sexual exploitation). The Company seeks to adhere to the highest standard of anti-fraud, anti-corruption, anti-money laundering and health and safety practices in its activities.

The PIDG Board has established a number of Committees to help it discharge its duties, as set out in the governance framework below. Further information on the roles and responsibilities of the Committees is set out later in this report.

## Governance Framework



## The Board

The Directors collectively bring a broad range of business and development experience to the Board, which is essential for the effective running of both the Company and PIDG. The Board is responsible for and accountable to the members of PIDG and the Trust, for its own activities and the activities of PIDG as a whole.

### Board size, composition and independence

At 31 December 2023, the Board was comprised of eight Non-Executive Directors. PIDG deems five of the Directors to be fully independent under the Code. Tania Songini and John Walker resigned on 30 June 2023. Uche Orji and Liengseng Wee were appointed as independent Non-Executive Directors on 1 March 2023 and Chrispin Chikwashi was appointed as an independent Non-Executive Director on 1 May 2023. There are no Executive Directors on the Board. All Directors are also members of Board Committees.

### Board Skills and experience and Succession Plan

PIDG has Board and Board Committee Succession Plans (the Plans) in place through to 2028. The Plans take account of the skills and experience of our Directors. The Plans are designed to ensure the orderly succession of our Directors and Committee members to take us to a fully independent Board by 2027 and to assist with the identification of our recruitment needs. The Plans are reviewed on an annual basis as part of the Governance Effective Review activities. In line with the Plans, PIDG finalised the recruitment process for three new Directors during 2023. Further detail on this activity is provided in the *Nomination, Governance and Remuneration Committee Report*.

### Board diversity

The Board understands the importance of diversity and the benefits a diverse Board can bring. PIDG is committed to ensuring diversity and all aspects of diversity remain front of mind when looking at succession planning. When

selecting candidates, consideration is given to the benefits of diversity of gender and social and ethnic backgrounds.

### Board induction

PIDG provides a comprehensive and tailored induction process for new Board and Committee members, which is co-ordinated by the Company Secretary and supported by the Executive team.

### Service contracts

Each Director and Committee member has entered into a standard service contract which are available to view at the Company's registered office.

### Appointment, rotation and removal of Directors

The Company's articles of association do not require retirement by rotation. Directors are subject to an annual internal performance evaluation and an independent performance evaluation at least every three years, carried out in line with the Appointment and Evaluation of Directors Policy and Procedures as approved by PIDG members, which is available at [www.pidg.org](http://www.pidg.org). Directors are appointed for a three-year term up to a maximum term of nine years, with the possibility of a further one-year extension on an exceptional basis.

PIDG engages with external search consultants for the Board's recruitment process. The details of the recruitment activities undertaken during the year are set out in the *Nomination, Governance and Remuneration Committee Report*.

### Directors' time commitments

As part of the Director recruitment process, the Board takes into account the other demands on a prospective Director's time to ensure they have sufficient time to perform the role. Additional external appointments are only undertaken with the approval of the Board.

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## Role of the Chair and Chief Executive Officer (CEO)

The roles of the Chair and CEO are separate and there is a clear division of responsibilities between the two roles (as set out in the table below).

The Chair is responsible for leading the Board, ensuring its effectiveness, steering its agenda and ensuring that there is a healthy culture of challenge and debate. The Chair also evaluates the performance of the CEO and is responsible for succession planning with the support of the Nomination, Governance and Remuneration Committee.

The CEO is responsible for the management of the Company and PIDG on a day-to-day basis. This includes making recommendations to the Board on strategy and other matters.

## Stakeholder engagement

The Board understands the importance of effective engagement and participation from its stakeholders. Both the Chair and the CEO provide regular updates to PIDG members through informal and formal meetings, including quarterly progress meetings and at an Annual Owners Meeting. Regular meetings have also been held between the Chair, Company Secretary and the PIDG members on adopting a new Principles-based Governance Model to replace the existing matters reserved and on other aspects of PIDG's governance arrangements. There have also been dedicated sessions with the members on developing PIDG's 2023-2030 Strategy and changes to PIDG's Membership Model and Constitution. The Executive team provides the Trust with a monthly update on activities and ensures matters requiring escalation to the Trustees are promptly actioned and managed.

## Separation of Responsibilities

The Non-Executive Chair	Chief Executive Officer	Non-Executive Directors
Leads the Board and ensures that its principles and processes are maintained	Leads the Executive team in the day-to-day running of the Company	Constructively challenge and contribute to strategy development
Promotes high standards of corporate governance	Develops appropriate frameworks to support PIDG's objectives	Contribute to the determination of risk appetite and identification of risks
Sets agendas and the Board programme with the Company Secretary and CEO	Makes operational decisions	Scrutinise and hold to account the performance of management
Ensures the Directors receive accurate, timely and clear information	Leads development of strategy for Board approval	Provide a broader perspective to key business matters
Encourages open debate and constructive discussion and decision making	Oversees internal and external communication	Review, prior to publication, the financial statements and proposals to the PIDG members
Leads Board performance and facilitates training needs	Represents PIDG to its members, shareholders and external stakeholders	Oversee succession planning and talent management and executive remuneration

#### Role of the Board

The Board is responsible for and accountable to the PIDG members and the Trust for its own activities and the activities of PIDG as a whole. Certain Company and PIDG matters are reserved for Board approval and there is a clear delegation of authority to the CEO and other senior Executives within the Company for other specific matters. Certain matters also require the approval of PIDG members.

The Board is responsible for overseeing the management of the business and for ensuring high standards of corporate governance, health and safety, that PIDG is adequately resourced, and that high levels of environment and social standards are maintained.

In addition to its statutory obligations, the role of the Board is to:

- Exercise independent judgement and contribute to strategy and policy formation.
- Determine the direction and strategy of PIDG in accordance with the strategy and Investment Policy approved by PIDG members.
- Monitor the achievement of the PIDG's business objectives and the SDI objectives set by the members.
- Ensure that the Company's responsibilities to the Trust and PIDG members are met.
- Monitor PIDG's financial and managerial performance.
- Ensure that risks are identified, and appropriate controls are in place.
- Ensure that everybody at PIDG applies appropriate ethical standards in the performance of their duties in accordance with the PIDG Code of Conduct.

#### Leadership of the Board

The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. The Chair, with the assistance of the Company Secretary and CEO, ensures that the

Board programme focuses on matters of strategic importance. This enables the Board to ensure the activities of PIDG are managed, risks monitored and that the Directors receive accurate, timely and clear information. The Chair ensures that the Board is properly briefed on all issues arising at its meetings and on the views of the PIDG members.

#### Company Secretary and independent advice

All Directors have access to the advice and services of the Company Secretary. The Company Secretary is responsible for advising the Board on all corporate governance, company law and secretarial matters. The appointment and removal of the Company Secretary is a matter for the whole Board.

In addition, all Directors have access to independent professional advice at PIDG's expense, where they consider it necessary for the discharge of their duties.

#### Executive engagement

There was regular communication between the CEO, members of the Executive team and the Board and its Committees throughout the year. The Executive team provides the Board with good and timely information that enables it to carry out its duties. No one individual has unfettered powers of decision making.

#### Governance effectiveness review (GER)

The Board undertakes an annual evaluation of its effectiveness, and an external evaluation is undertaken every three years. The performance of the Chair, Directors and Committee members is evaluated as part of the process. The details of the 2023 internal GER are set out in the *Nomination, Governance and Remuneration Committee Report*.

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## Meetings of the Board

The Board met for four scheduled meetings during the year.

## Main activities of the Board during the year

<b>Performance, finance and funding</b>	<ul style="list-style-type: none"><li>• Received regular updates and detailed monthly and quarterly reports on the performance of the Company and PIDG companies</li><li>• Reviewed proposals on the development of a new PIDG Membership Model and PIDG Constitution</li><li>• Received the three year-business plans for PIDG and the PIDG companies and quarterly updates on the performance against the plans</li><li>• Reviewed and approved the Annual Report and Accounts</li><li>• Reviewed and approved the Annual Budget for approval by the PIDG members and sought member delegation of its future approval to the Board</li><li>• Received regular updates on new funding activities</li><li>• Reviewed and approved new funding commitments from existing members, new funders and the renewal of parts of a PIDG company debt facility</li></ul>
<b>Risk</b>	<ul style="list-style-type: none"><li>• Received quarterly portfolio and risk register reports and periodic key and emerging risks</li><li>• Received regular updates on Health, Safety, Environmental and Social matters</li><li>• Reviewed and approved changes to the Whistleblowing and Complaints OPPs for approval by the PIDG members</li><li>• Reviewed and approved the Risk Appetite Framework and Risk Management Framework</li><li>• Considered the development of the Enterprise Risk Management (ERM) approach, the Risk Operating Model and the Group Policies, Standards and Procedures Review</li><li>• Reviewed, and approved as necessary, PIDG's exposure to the Sahel, a Digital Telecoms Limits Framework</li><li>• Considered the CRO Outlook and Stress testing performed on the three year-business plans for PIDG and the PIDG companies</li></ul>
<b>Strategy</b>	<ul style="list-style-type: none"><li>• Reviewed and approved the PIDG 2023-2030 Strategy</li><li>• Reviewed and approved changes to the Investment Policy to align to the new strategy for approval by the members</li><li>• Reviewed and approved as necessary several key projects and Group company initiatives, including a proposal on the strategy and development of the Credit Enhancement Facility, the expansion of the geographical reach of a PIDG company, and potential new strategic funding partners</li></ul>
<b>Sustainable Development Impact</b>	<ul style="list-style-type: none"><li>• Received regular updates on SDI activities across PIDG</li><li>• Reviewed the progress of PIDG's 2023 SDI KPI performance</li><li>• Reviewed and approved a revised KPI Framework, linked to PIDG's new Strategy, for approval by the PIDG members</li><li>• Received updates on PIDG's COP28 participation</li><li>• Reviewed and approved a proposal to enhance SDI governance arrangements at a Board-level</li><li>• Received updates on the developments in the SDI function</li></ul>
<b>Governance</b>	<ul style="list-style-type: none"><li>• Reviewed the findings of the internal Governance Effectiveness Review and agreed the Board's response to the findings</li><li>• Reviewed and approved changes to PIDG's Board-level Succession Plans</li><li>• Reviewed and approved a proposal on the adoption of a new Governance Model for approval by the members</li><li>• Reviewed and approved changes to the Policy Review Framework</li><li>• Received quarterly updates on the activities of the Board Committees</li><li>• Reviewed and approved proposals on new Non-Executive Director appointments to the Board, the appointment of an Investment Committee Chair, the appointment of an SDI specialist to the HSES Committee and the extension of Committee Members terms</li><li>• Reviewed and approved an extension to the CEO's contract</li><li>• Received regular updates on the planned restructuring of the PIDG Group (OnePIDG)</li></ul>



## Attendance at Board and Board Committee meetings

The table below indicates the attendance of all Directors at Board and Committee meetings, and the non-executive Committee members (who are not Directors of the Company) at the Committee meetings held during the year ended 31 December 2023:

	Board	Nomination Governance and Rem Committee	Audit Committee	Risk Committee	Credit Committee	HSES Committee	Investment Committee
No. of meetings held	4	6	6	4	8	4	5
<b>PIDG Directors</b>							
Andrew Bainbridge	C – 4	C - 6		IC - 4 <sup>1</sup>	8		
Johan Bastin	4		6		8		5
Chrispin Chikwashi <sup>2</sup>	3		C-5	3			
Patrick Crawford	4	6		4	C - 8		
Rachel Kyte	4			1		4	
Yukiko Omura	4	6		3			C-5 <sup>3</sup>
Uche Orji <sup>4</sup>	4		6	C-4 <sup>5</sup>			4
Tania Songini <sup>6</sup>	1		3			1	
John Walker <sup>7</sup>	2	2				0	C-2 <sup>8</sup>
Liengseng Wee <sup>9</sup>	4						4
<b>PIDG Committee Members</b>							
Cyril Wong			C-5 <sup>10</sup>				
Kathie Painter			5				5
Amanda Feldman			6				
Ana Corvalan					6		
Anthony Marsh					7		
Peter Hutchison						4	

C - Chair

IC – Interim Chair

<sup>1</sup> Andy Bainbridge acted as interim Chair of the Committee for one meeting.

<sup>2</sup> Chrispin Chikwashi was appointed to the Board and the Audit and Risk Committees on 1 May 2023. He became Audit Committee Chair on 1 July 2023 and Chaired three meetings.

<sup>3</sup> Yukiko Omura became Investment Committee Chair on 1 July 2023 and Chaired three meetings.

<sup>4</sup> Uche Orji was appointed to the Board and Risk, Audit and Investment Committees on 1 March 2023. He became Risk Committee Chair on 1 April 2023.

<sup>5</sup> Uche Orji was a member for one meeting and was Chair for three meetings.

<sup>6</sup> Tania Songini resigned from the Board and all Board Committee positions on 30 June 2023.

<sup>7</sup> John Walker resigned from the Board and all Board Committee positions on 30 June 2023.

<sup>8</sup> Johan Walker was Chair of the Committee until 30 June 2023 and Chaired two meetings.

<sup>9</sup> Liengseng Wee was appointed to the Board and the HSES and Investment Committees on 1 March 2023.

<sup>10</sup> Cyril acted as Chair of Audit Committee until 30 June 2023 and Chaired three meetings.

## Board Committees

The Board has established six Committees to assist it in fulfilling its responsibilities. The Terms of Reference of all Committees are available at [www.pidg.org](http://www.pidg.org). All Committees comply with PIDG's objectives to deliver SDI and achieve value for money in all its activities.

### Committee membership

The new Committee composition adopted in 2021 is bedding in well. Having the Committees chaired by a PIDG Non-Executive Director and having increased representation of the PIDG Directors on the Committees has improved the Committees' effectiveness and the information flows across the governing bodies.

The membership of each Committee and the attendance of each of the members is set out in the table on the previous page. The details of the responsibilities and activities of each of the Committees during the year are set out in the Committee reports that follow.

### Committee meeting frequency

The Nomination, Audit, Risk and HSES Committees are scheduled to meet quarterly and meet at other times as is necessary to discharge their duties. The Credit and Investment Committees hold regular portfolio review meetings and meet as and when required to respond to the needs of the business.

### Changes to the Committees

The Nomination Committee has become the Nomination, Governance and Remuneration Committee and its areas of responsibilities now includes people and remuneration matters. This change ensures there is oversight of people policy matters at a Board level.

### Annual review of Terms of Reference

All Committees undertake an annual review of their Terms of Reference (ToR), which includes a review against best practice and a review of how the Committee has discharged its duties during the year. New template ToR, aligned to industry best practice, were adopted at year end.

### Committee effectiveness

As part of the annual GER a review of the effectiveness of each Committee is undertaken to assess whether it is working effectively and efficiently to fulfil its responsibilities and to identify and rectify any shortfalls in practices. Each governing body also meets in private session after each meeting to discuss the effectiveness of the meeting and to agree any changes that need to be made.

### Supporting committees

The Board has established a Technical Assistance (TA) Committee with independent members that is operated by the Executive to approve TA and VGF grants above financial thresholds set by the Board.

### Executive Committees

In addition to the Board Committees, the Company has an Executive Committee made up of the CEO, CRO, CFO, Head of SDI and the heads of the business areas. There is also an executive level Assets and Liabilities Oversight Committee made up of members of the Executive and management teams and two independent members that bring external expertise.

## Nomination, Governance and Remuneration Committee Report



**Andrew Bainbridge**

Chair of the Nomination, Governance and Remuneration Committee

I am pleased to report on how the Nomination, Governance and Remuneration Committee has discharged its duties during 2023 and its planned activities in 2024.

Overall, the Committee made good progress in in 2023 achieving its objectives, including the ongoing refreshing of the Board's membership. The Committee continues to review and oversee the Board and Committee succession plans that have been put in place to move the Board towards becoming fully independent by the end of the plan period in 2027. It also reviewed the Executive Succession Plan under development.

The Committee continues to oversee the pay and bonus review process to confirm the decisions made were fair, consistent and in line with the PIDG Remuneration Framework. The discussions with the PIDG members on proposed revisions to the framework are ongoing and the Committee received regular updates on the progress of these.

### Membership



**Patrick Crawford** **Yukiko Omura**

The members of the Committee are set out above. John Walker resigned as a member of the Committee on 30 June 2023.

### Committee governance

The CEO and Group Head of HR attend all meetings in full, except when it is not appropriate to do so.

The Committee's effectiveness and its composition are reviewed on an annual basis as part of the Governance Effectiveness Review. The Committee agrees the necessary actions it needs to take to respond to the findings and implements these accordingly. Further detail of the findings is set out later in the report.

### Main responsibilities

- make plans for the orderly succession for appointments to all PIDG company Boards and Committees that maintains an appropriate balance of skills, experience, independence and knowledge (taking account of diversity)
- manage the recruitment and evaluation of Directors and Committee members
- assist the PIDG Chair to keep PIDG's governance arrangements under review and make recommendations to ensure that each governance body's arrangements are consistent with best practice.

#### Activities during the year

The Committee's main areas of focus during the year were the progress of NED recruitment and Board-level Succession Plan activity, the revisions to the Remuneration Framework, the renewal of the CEO's contract, the 2023 Governance Effectiveness Review (GER) and the development of the Executive Succession Plan.

The Committee continued to focus on the ongoing Non-Executive Director recruitment and Board level Succession Plan activities throughout the year. PIDG has now started its rotation of our Directors to enable us to have a fully independent Board by 2027. As a result, two Directors retired from the Board and three Directors were appointed to the Board. This led to numerous changes to the composition of our Board Committees. The Committee will continue to oversee these activities for the coming years, as ensuring the orderly succession for our Board is critical for the strengthening of the overall effectiveness of our governance arrangements.

The Committee worked closely with management on the renewal of the CEO's contract and made a proposal to the Board for onward approval by the PIDG Members that he be appointed for a further three year term.

The Committee also oversaw the internal GER undertaken by the Company Secretary. The detailed findings of the review are set out in the following pages.

The Committee continues to oversee remuneration policy matters and their application to ensure they are fair and appropriate. In discharging this duty, it considered proposed changes to the Remuneration Framework and recommended these to the PIDG members for approval. It also considered and supported management's approach to the 2022 pay increases and bonus awards.

The Committee also considered the timing of its next voluntary Gender and Equal Pay reviews and agreed that it would undertake the next review in 2024, once the revised Remuneration Framework is in place. This will enable the Committee to understand the impact of the changes to the framework on equal pay practices within PIDG and the progress being made.

In line with the expansion of the Committee's remit in 2022, the Committee received a quarterly People dashboard which enables it to monitor key people metrics, trends and activities and which provides Board-level oversight of People matters and inform the Committee's view on PIDG's culture and People practices.

In terms of the Committee's oversight of Executive performance, it provided input into the annual performance review of the CEO and the broader Executive team. The Committee also oversaw the development of the first Executive Succession Plan.

#### Areas of focus for 2024

The key areas of focus for 2024 will be overseeing the ongoing evolution of the Board-level governance arrangements, keeping Board level succession plans under review and increased oversight of remuneration and People matters.

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## Governance Effectiveness Review Key Findings

<b>Overall findings</b>	<p>The Board level governance arrangements remain at a high standard and go beyond what would be typically expected of an organisation of PIDG's size. All governing bodies will need to continue to evolve for the years to come and they will need to evolve as PIDG matures.</p> <p>The changes made to the compositions and operations of the governing bodies activities continue to drive improved effectiveness, and with the new Board-level composition model now in place, the Board is now set up well for the future.</p> <p>The ongoing changes to the governing bodies' compositions must be managed effectively to ensure the current good dynamics and balance of skills, experience and knowledge are maintained. The transfer of corporate knowledge to recently appointed, and incoming Directors will remain a key area of focus.</p>
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<i>Theme</i>	<i>Key findings and future areas of focus</i>
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### *Governing Body Compositions*

Board and Committee Succession Plans and Committee compositions	<p>The Board and Committee Succession Plan is reviewed on an annual basis. Individual Board Committee Succession Plans are now in place to 20 March 2028 to provide a clearer view of our future composition needs and to inform the skills and experience required for future NED recruitment.</p> <p>Following the appointment of Uche Orji (as Risk Committee Chair) and Chrispin Chikwashi (as Audit Committee Chair), PIDG has now fully embedded its new composition model whereby Board Directors act as the Chairs of the Committees and there is a greater representation of Directors on each Committee. This ensures that each Committee understands the strategic direction of the Board, is able to direct the activities of the Committee to align to this and provides for better cross-fertilisation of information and improved information flows across all governing bodies.</p>
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### *Board Effectiveness*

Effectiveness and areas of focus	<p>The Board operates effectively but is committed to being even more effective. PIDG continues to operate in a challenging environment. The implementation of PIDG's 2023-30 Strategy and its supporting strategic enablers are essential for its future success. The Board's effective oversight of the delivery of key projects will be essential in the coming year, and in particular, the One PIDG project and securing of agreement to the new constitution. The Board will remain focused on the delivery of these and the strategic risks PIDG is facing and must guide the organisation accordingly.</p>
Composition and dynamics	<p>The Board is made up of strong, professional Directors who have a good balance and mix of skills, experience, knowledge and perspectives. The good Board dynamics and collegiate discussions have been maintained following the changes in Directors during the year. The changes made to the Board's composition have bedded in well and have improved the Board's overall effectiveness. The different perspectives of the new Directors bring a new dimension to the discussions, which improves the overall debate.</p>
Relationships with management	<p>The Board has a good and constructive relationship with management and the clearer division of responsibilities between the Board and Executive built into the governance in 2022 have bedded in well. The Board should continue to strengthen its relationship with management outside meetings.</p>
Relationships with Committees	<p>The Board's oversight of the activities of the Committees continues to improve and there is now an ongoing, open dialogue on the effectiveness of the Committees and any changes that need to be made. The improved linkages between the Board and Committees continue to improve the overall effectiveness of PIDG's governance arrangements.</p>

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## Committee Effectiveness Key Findings

<p>Overall Findings</p>	<p>Overall, the Committees have become increasingly effective. The changes made to their compositions and activities during the year are bedding in well and have contributed to the improvements to the Committees' overall effectiveness. Each of the Committees will evolve over the years to come to adapt to the needs of PIDG as it matures. It will be important to continue to ensure that each Committee has the right balance of skills and experience to enable each to discharge its duties effectively and ensure readiness for any further evolution in terms of overall responsibilities and activities.</p> <p>The key evolution in 2024 will be the expansion of the HSES Committee's responsibilities to include oversight of SDI matters.</p>
<p><b>Committee</b></p>	<p><b>Key findings and future areas of focus</b></p>
<p>Nomination, Governance and Remuneration Committee (NGRC)</p>	<p>The expansion of NGRC's remit to include strategic and policy People matters has bedded in well and a regular programme is now place. The Committee's short-term challenge will be to manage its fall in membership pending a new Senior Independent Director being recruited to join the Committee. To address this, NGRC will need to seek views of other Directors when matters require this to ensure a broader set of views are taken into account. NomCo will continue to focus on Board Succession in 2024.</p>
<p>Audit Committee (AC)</p>	<p>AC continues to provide strong oversight on financial reporting matters and has made good progress building its oversight of internal control matters. AC's oversight of the assurance over the external SDI reporting has greatly improved. In November, as part of its review of the TFCD report, it saw the operation of the three lines of defence for the first time. This is a big step forward in terms of PIDG's assurance activities. Developing AC's oversight of the assurance over SDI reporting will continue to be an area of focus during 2024.</p> <p>The appointment of an SDI specialist to AC has been a good addition and has assisted with the expansion of AC's focus. The proposed cross-membership with HSES, along with the AC Chair, will be of benefit to the planned evolution of HSES's remit. There will be further changes to AC's composition in 2024, which will be managed with care to ensure the transfer of knowledge.</p>
<p>Risk Committee (RC)</p>	<p>RC's effectiveness has improved greatly over the past 18 months as it shifted its focus towards strategic risk matters. The focus on strategic risk matters has made the discussions more structured and has also provided capacity for it to oversee a broader set of risk types as PIDG's risk operating model evolves.</p> <p>Good enhancements have been made to the reporting. There is a clear pathway for the development of an Enterprise Risk Management Framework and its implementation will be a key area of focus in 2024. The broadened scope of the risk reporting is providing a clearer view of the Group's overall risk profile and key risks.</p>
<p>HSES Committee (HSESC)</p>	<p>HSESC has become increasingly effective over the year and is providing more strategic oversight of HSES matters. The increased focus on environmental and social aspects continues as PIDG develops its strategy and policies in these areas. There have been strong improvements to the reporting over the course of the year and the MI now provides an understanding of key HSES risk and trends. This will continue to be an area of focus over the coming year.</p> <p>The remit of the HSESC will evolve in 2024. It has been agreed that, in the light PIDG's strategy being aligned to sustainability, there should be increased oversight of SDI matters at a Board level, to provide strategic direction to SDI activities and the HSESC will take on these responsibilities in 2024.</p>

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<i>Committee</i>	<i>Key findings and future areas of focus</i>
Credit Committee (CC)	<p>CC continues to operate effectively. Portfolio reviews are now well embedded into its programme of work and are adding to its overall effectiveness as these enable CC to make investment decisions with a better understanding of the context of the overall portfolio risks. Reviews of investment proposals have become increasingly focused on strategic matters. The overlap of the work of the RC has been addressed and the detailed review of portfolio risks now sits with CC (or IC for the Development Arm).</p> <p>CC's main area of focus in 2024 will be to continue to provide guidance to the business on further enhancing their credit governance arrangements.</p>
Investment Committee (IC)	<p>IC's effectiveness has increased during the year and a number of changes have been able to enable the Committee to increase its focus on strategic matters. Its programme of work has been reset and now regular shorter meetings are held which ensures meetings are focussed and the business becomes more disciplined. A new two-stage investment approval process has been adopted to enable the Committee to input into investment decisions earlier in the process. The delegations of authority to management have also been increased so that the Committee only considers strategic investment decisions. The main area of focus in 2024 will be embedded these changes into the businesses and Committee's operation.</p>

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## Audit Committee Report



**Chrispin Chikwashi**

Chair of the Audit Committee

I am pleased to report on how the Audit Committee has discharged its duties during 2023 and its planned activities in 2024.

The Committee continued to focus on issues relating to PIDG's management and financial reporting, including ensuring the integrity of financial reporting and the consideration of key accounting estimates and judgements.

The Committee reviewed the work of the Internal Audit function and its delivery against its agreed workplan. It also assessed the internal assurance and integrity of the externally published SDI data included in the PIDG Annual Review<sup>1</sup> and TCFD report. It also assessed the external audit plans for all the PIDG companies and ensured the independence and objectivity of the external Auditor.

### Membership



**Johan Bastin**



**Amanda Feldman**



**Kathie Painter**



**Cyril Wong**



**Uche Orji**

As Chair of the Audit Committee, I am a qualified accountant and an experienced Audit Committee chair with recent and relevant financial experience. I became a member of the Committee on 1 May 2023 and was appointed as Chair on 1 July 2023. Uche Orji was appointed to the Committee on 1 March 2023. Tania Songini resigned from the Committee on 30 June 2023.

The Committee has a deep knowledge in financial and SDI reporting, internal control and risk management in infrastructure financing.

### Committee governance

The CFO, CRO and other executives of the Company and the PIDG companies are invited to attend meetings as appropriate. The Board Chair is also a standing invitee.

### Main responsibilities

- review the financial statements and the findings of the external Auditors of the Company and the other PIDG companies
- ensure the external Auditors' independence
- review and monitor as a whole the integrity of the financial, social and environmental information and SDI metrics provided to the PIDG members and the Trust
- oversee the Internal Audit function and delivery of its plan
- in consultation with the Risk Committee, review and monitor the Company's and PIDG's system of internal controls and risk management and the process for compliance with PIDG's Code of Conduct and OPPs.

<sup>1</sup> PIDG's Annual Review is separate to this Annual Report and is a review of PIDG's performance against its SDI targets and a summary of the main SDI activities in the year.



#### **Committee governance continued**

The Committee's effectiveness and its composition are reviewed on an annual basis as part of the Governance Effectiveness Review. The Committee agrees the necessary actions it needs to take to respond to the findings and implements these accordingly. Further detail of the findings is set out on page 27 in the *Nomination, Governance and Remuneration Committee Report*.

#### **Activities during the year**

The Committee has reported to the Board on how it has discharged its responsibilities during the period. The Committee considered the following significant issues in relation to the financial statements for the Company for the year:

- Monitoring adherence to the 2023 Company budget, focusing on any variances and the drivers for these.
- Monitoring the application of the transfer pricing margin in place between the Company, the PIDG companies and the Trust for the provision of services.

#### *Risk management, compliance and internal controls*

The Board is responsible for the overall adequacy of the Company's and PIDG's system of internal controls and risk management. The Board has delegated responsibility to its Committees for reviewing and monitoring the effectiveness of the Company's and PIDG's systems for risk management and internal control. The systems of internal control are designed to manage, rather than eliminate, risk. Consequently, these controls provide reasonable, but not absolute, assurance against material misstatement or loss.

The Committee reviews the system for internal control and risk management on an ongoing basis. The review covers all material controls, including financial, operational and compliance controls and compliance with the OPPs. Throughout the year the Company has operated a system of internal controls that provides reasonable assurance of effective

operations covering all controls, including financial and operational controls and compliance with laws and regulations.

The Committee oversaw the development of the Internal Audit function during the year. It approved changes to the Internal Audit Charter, progress on the 2023 internal Audit Plan and the refinement of related processes, including enhancing the Internal Audit risk methodology.

The principal risks and uncertainties that the Company is exposed to are reported in the *Business Review* section on pages 10 – 12 of this report.

The Committee is responsible for examining the Company and PIDG's financial reports and disclosures to ensure that they have been subject to adequate verification and comply with applicable standards and legislation. The Committee and Board scrutinise and approve the Annual Report and financial statements and ensures that appropriate disclosures have been made. This governance process ensures that both the Company's Executive team and Board are given sufficient opportunity to debate and challenge the Company's financial statements and other significant disclosures before they are made public.

The Executive team is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS) as adopted by the United Kingdom and issued by the International Accounting Standards Board (IASB).

The Committee has assessed the internal controls over financial reporting in the year and as at 31 December 2023 and it has concluded that, based on its assessment, the internal control over financial reporting was effective.

#### *External auditor independence*

The Committee and the external Auditor, BDO LLP, have safeguards in place to avoid the possibility that objectivity and independence could be compromised. These safeguards include the external Auditor's report to the Committee on the actions it takes to comply with professional, ethical and regulatory requirements and best practice, designed to ensure its independence.

There is a policy in place on the provision of non-audit services and the Committee monitors and controls non-audit work provided by the external Auditor. The policy sets out those activities the external Auditors are able to undertake and the approvals required depending on certain fee thresholds. The policy also sets out those areas of work that are prohibited from being undertaken by the external Auditor, including where:

- The provision of the services would contravene any relevant regulation or ethical standard.
- The external Auditor is not considered to be an expert provider of the non-audit service.
- The provision of such services by the external Auditor creates a conflict of interest for the Board.
- The potential services provided are likely to inhibit the external Auditor's independence or objectivity.

The Committee evaluates the performance of the external Auditors annually taking into account the objectivity and effectiveness of the audit, the quality of formal and informal communications with the Committee, and the views of management. The external Auditors' performance in 2023 was deemed to be satisfactory. PIDG will enhance this process further in 2024 by introducing a written assessment process.

#### *SDI reporting assurance*

The Committee considers and approves PIDG's Annual Review prior to publication. The Annual Review sets out PIDG's key activities and how these have delivered impact. The Committee's consideration of the reporting is supported by a review undertaken by the Compliance team to provide assurance that the key facts and statements in the document have been validated and can be evidenced to a reasonable standard. The external Auditor is also engaged to review the procedures in place for the preparation of the financial reporting set out in the report.

The Committee also reviewed the first, second and third line assurance over the Company's voluntary TCFD disclosures and progress in respect of the evolution of this work under the new IFRS S1 and S2 sustainability disclosure standards.

#### **Areas of focus for 2024**

In 2024, the Committee will continue to focus on issues relating to PIDG's management and financial reporting and ensuring the integrity of the financial reporting and the consideration of key accounting judgements.

The Committee will continue to oversee the PIDG Internal Audit function and Internal Audit programme. The Committee will also continue to work with management on the broader development and enhancement of the internal control framework.

There will continue to be an evolution of the Committee's role in 2024 in respect of assuring SDI reporting matters, especially in relation to the Company's voluntary climate disclosures under TCFD (now superseded by IFRS S1 and S2) and its examination and piloting of the related Task Force on Nature-related Financial Disclosures (TNFD) framework. This is intended to ensure that PIDG is at the forefront of the governance of SDI as well as at the forefront of its approach to SDI.

## Risk Committee Report



**Uche Orji**  
Chair of the Risk Committee

I am pleased to report on how the Risk Committee has discharged its duties during 2023 and its planned activities in 2024.

The Committee continued to refocus its agenda towards looking at a more holistic enterprise-wide view of the risks facing the Group and are pleased with the progress being made on the Enterprise Risk Management (ERM) approach being implemented.

To support the launch of the 2023-30 PIDG Strategy, the Committee considered several matters to understand the risks to its delivery including a detailed review of the risk outlook, the principal risks and uncertainties to the Group's three-year Business Plan, the findings of the stress-testing performed on the Credit Solutions businesses and a number of deep dives and Risk Appetite changes.

The Committee is pleased with the progress being made on the evolution of the activities of the Risk function and believes PIDG moves into 2024 with a clearer view of the material risks facing the Group as a result.

### Membership



**Patrick Crawford** **Rachel Kyte**



**Chrispin Chikwashi** **Yukiko Omura**

I was appointed to the Committee on 1 March 2023 and became Chair of the Committee on 1 April 2023 at which point Andrew Bainbridge resigned from the Committee as interim Chair on 1 April 2023. Chrispin Chikwashi was appointed to the Committee on 1 May 2023.

### Committee governance

The CRO and CFO attend all meetings in full. The CEO has a standing invitation and attends periodically. The Risk team also attended all meetings during the year. The Board Chair is also a standing invitee.

The Committee's effectiveness and its composition are reviewed on an annual basis as part of the Governance Effectiveness Review. The Committee agrees the necessary actions it needs to take to respond to the findings and implements these accordingly. Further detail of the findings is set out on page 27 in the *Nomination, Governance and Remuneration Committee Report*.

### Main responsibilities

- making recommendations to the Board on setting risk appetite
- review and monitor risk management systems, policies and procedures for the Company and PIDG, including the oversight of operational risks (e.g. people, process, systems and external events) as well as credit risk, market risk, strategic risk and reputational risk
- review of new products proposed by the PIDG Credit Solutions companies
- portfolio reviews and monitoring.

#### Activities during the year

As part of the Committee's on-going evolution, it continues to elevate its focus from operational to strategic risks matters, which supports reducing the duplication of work undertaken by other Board Committees.

Aligned to this elevated focus, the Committee oversaw the evolution of the newly introduced strategic risk map intended to provide a snapshot of the key risks that could materially impact the achievement of PIDG's strategic objectives over the next three years. The strategic risk map acts as an important tool to deepen the Committee's and Board's understanding of the pressures PIDG is likely to face.

In line with its annual programme, the Committee reviewed PIDG's Risk Appetite and made recommendations to the Board on appropriate changes. The key changes related to the enhancements made to recognise PIDG's ambition as set out in the 2023-30 PIDG Strategy and three-year Business Plan.

The Committee also oversaw the development of the different components of the Group-wide ERM approach. In addition to new, streamlined risk reports, it received reports on the development of the Risk Operating Model, Risk Management Framework and the Group Policy, Standards and Procedures review being performed – all intended to support a clearer and more strategic approach to PIDG risk management and internal control framework.

To ensure the risk framework remains fit for purpose, the Committee oversees the development of the OPPs and related risk frameworks and makes any necessary recommendations to the Board and PIDG members on changes for these. As part of this work, the Committee approved changes to the Investment Policy, the Whistleblowing OPP and Treasury Policy. It also oversaw the progress of the Group, Policy and Standards review that is being undertaken to simplify the Group's internal control framework and reduce operational risk exposures.

The Committee oversaw the development of the 2023 Compliance Programme, which is now fully integrated with the ERM, marking the first material risk-based compliance assurance programme at PIDG. The programme had been developed in conjunction with the Internal Audit function to ensure a connected assurance programme was in place that covered all of PIDG's material risks. The connected assurance approach signifies another major step-forward towards a fully integrated ERM approach across the Group.

The Committee also received reports on OPP compliance and the annual AML and Data Protection reports and the findings of compliance monitoring activities, intended to provide a clear view of the Group's internal control framework.

Further details on all these activities as set out on the following pages.

#### Areas of focus for 2024

The key areas of focus for 2024, will be the ongoing development and implementation of an enterprise risk management approach across PIDG, improvements in the automation and systemisation of risk and compliance data, developing a deep understanding of the management of the risks to PIDG's 2023-2030 strategy, and ensuring the alignment of risk appetite to the strategy, and the consolidation of risk management practices across the PIDG's equity and debt portfolios.

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<b>Key Matters considered during the year</b>	
<b>Matter Considered</b>	<b>How the Committee addressed the matter</b>
<b>Risk Framework</b>	
Enterprise Risk Management (ERM)	The Committee monitored the development of the different components of the Group-wide ERM approach, and details on the Committee's consideration of the development of the ROM, RMF and PSP review are set out below.
Risk Management Framework (RMF)	The Committee is responsible for overseeing the annual review of the RMF. It considered the enhancements that had been made to conform to leading practices across both financial services and corporate entities, and to align to the new 2023-30 PIDG Strategy and operating model. The updated RMF was recommended to the Board for approval.
Risk Appetite (RA) Framework	<p>The Committee is responsible for recommending changes to PIDG's overall risk appetite and tolerance to the Board for approval.</p> <p>The Committee considers proposed changes to the RA as part of the annual Business Planning process and throughout the year. The main changes to RA included updates to the underlying estimates for loss given default (LGD) and the probability of default (PD), an amendment to the approval of exceptions to RA it was expected to persist for fewer than five days and the changes to the RA limits arising from the 2023-30 PIDG Strategy and three-year Business Plan. The changes were proposed to the Board for approval.</p>
Risk Operating Model (ROM)	<p>The Committee reviewed the development of the ROM as one of the key pillars to the ERM approach. The ROM defines the role of the Risk function and provide clarity over the ownership of key risks-related decisions and activities, the engagement of the CRO Function with the first and second lines of the business and how the function supports key commercial, strategic and operational initiatives.</p> <p>The Committee endorsed the principles of the ROM and noted the need for the plans on the ERM programme to be communicated to employees at all levels of the business.</p>
Group Policy, Standards and Procedures (PSP) Review	The Committee received updates on the PSP review being undertaken to ensure that Group level controls remain relevant, appropriate, efficient and effective. The review aimed to right-size PIDG's Group internal controls framework, reduce the level of duplication and tighten the content of policies. The Committee supported the end-to-end review of all controls to ensure they remained fit for purpose and the ambition to halve the controls in place.
Operating Policies and Procedures (OPPs) and Investment Policy (IP)	<p>The Committee is responsible for recommending changes to the OPPs and the IP to the Board for onward recommendation for approval by the members. The OPPs and IP set out the policies and procedures that manage key risks as identified by the members, which are reviewed on a regular cycle.</p> <p>The Committee approved the changes to the Whistleblowing OPP for onward recommendation for approval by the Board and PIDG members. The Committee supported the proposed separation of the Whistleblowing OPP into a Concerns and Complaints Policy and Whistleblowing OPP to make clear the distinction in approach to Protected Disclosures of employees compared to other concerns raised.</p> <p>A full review of the IP was undertaken to align it to the newly approved 2023-30 PIDG Strategy. The Committee supported the proposed changes and recommended the revised IP to the Board for approval.</p>
Compliance Monitoring Plan (CMP)	The Committee reviewed and approved the annual CMP which had been fully integrated with the development of the ERM. The focus of the CMP in 2023 included, due diligence reviews of KYC/IDD, travel and expenses, IT Infrastructure (Data protection and access controls) and SDI disclosures in the Annual Review and TCFD reports.

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<i>Matter Considered</i>	<i>How the Committee addressed the matter</i>
<b>Risk Reporting</b>	
2024 CRO Risk Outlook	The Committee considered the 2024 CRO Risk Outlook report and discussed in detail the strategic risks and uncertainties that may materially impact the Group's objectives in 2024 and the principal risks and uncertainties to the Group Business Plan. The Committee supported management's view that 2024 would be a volatile year, and that PIDG was well-positioned to respond to the every-changing environment.
Stress Testing Framework	The Committee considered the stress testing framework and stress testing performed on the Credit Solutions businesses. The key enhancements requested by the Committee included performing reverse stress-testing, considering the impact of the cessation of member funding and simplifying how liquidity was measured.
Deep Dives and Thematic Reviews	<p>The Committee considered the outputs from a deep dive on the Sahel, undertaken in response to rising tensions in the region, which included an internal review of PIDG's exposures and a review by Gatehouse (a geostrategy consultancy) on the risk of coup contagion. It also considered a deep dive (performed by Gatehouse) on China's ambitions in the markets in which PIDG operated. The outputs from both will be used to assess the Group's strategic capabilities and provide a better understanding of its risk profile to identify any mitigating actions that can be taken. The Committee noted the convergence of the two deep dives.</p> <p>The Committee also reviewed the outputs of a thematic review of the risks arising from hard currency shortages in emerging markets and an assessment of risks from rising interest rates. The Committee was comforted by the results.</p>
Emerging Risks and Challenges	The Committee is responsible for monitoring emerging risks on behalf of the Board and receives periodic reports to enable it to perform its responsibilities. The Committee considered a detailed review on sovereign risk indicators during the year.
Annual OPP Compliance Exercise	<p>Alongside the AC, the Committee reviewed the results of the annual OPP compliance exercise to assess PIDG companies' compliance with the OPPs. The process provides an understanding of the adequacy of the internal control framework.</p> <p>There had been a net improvement in the compliance with the OPPs across the Group. Those areas that had been identified for improvement had been included in the 2023 CMP, formed part of a wider project or had additional compliance oversight in place.</p>
Anti-Money Laundering (AML) Report	The Committee reviews the results of the AML exercise, which helps inform its view on the adequacy of the internal control framework. The review concluded that the overall control environment was deemed adequate, and the main finding was the need to ensure the harmonisation of risk assessments across the Group. The Committee asked management to consider the inherent risk scores arising out of the review.
Portfolio reporting and Project and Corporate Risk Registers	The responsibility for the in-depth monitoring of changes to the risk profile of the PIDG-wide portfolio now sits with the IC and CC to enable the committees to deepen their understanding of the risk profiles of the portfolios they oversee and to support more informed investment decision making. The Committee continues to review the portfolio report from a strategic risk perspective to understand the key risks to PIDG.
<b>Models, Frameworks and Systems</b>	
Digital Telecoms Limits Framework (DTLF)	The Committee considered and approved enhancements to the digital telecoms sector limit framework for inclusion in the RA. The key changes were the introduction of two risk categories under the broader digital telecoms sector differentiation by sub-sector, and company financial and business characteristics, and an increase in the sector limit to recognise PIDG's ambition under the 2023-30 PIDG Strategy.
Credit Conversion factors for Liquidity Extension Guarantees	The Committee considered and approved proposed changes to the credit conversion factors for liquidity extension guarantees in light of the expected increase in activity.

## Health, Safety, Environment and Social Committee Report



**Rachel Kyte**

Chair of the HSES Committee

I am pleased to report on how the Health, Safety, Environmental and Social Committee has discharged its duties during 2023 and its planned activities in 2024.

The work of the HSES team has advanced significantly over recent years and PIDG continues to be at the forefront of HSES practices. An independent verification of PIDG's impact management systems undertaken during the year (covering SDI and HSES) rated PIDG's systems as advanced in seven out of eight categories. The Committee took great comfort from the external validation of the strength of the systems we have in place.

The quality of the reporting continues to be enhanced and the Committee continues to consider a broader set of climate and nature-related topics, both of which help strengthen its understanding and assist with ensuring informed and robust debates. 2024, will see of further evolution of the Committee's activities and I am excited by the changes yet to come.

### Membership



**Peter Hutchinson**



**Liengseng Wee**

Liengseng Wee was appointed to the Committee on 1 March 2023. Tania Songini and John Walker resigned from the Committee on 30 June 2023.

### Committee governance

The Group CEO, Group CRO and Group Head of Health and Safety, Environment and Social attend all meetings in full. Members of the HSES team attend the meetings for their development. The Board Chair is also a standing invitee.

The Committee's effectiveness and its composition are reviewed on an annual basis as part of the Governance Effectiveness Review. The Committee agrees the necessary actions it needs to take to respond to the findings and implements these accordingly. Further detail of the findings is set out on page 27 in the *Nomination, Governance and Remuneration Committee Report*.

### Main responsibilities

- monitor performance and the key risks PIDG faces in relation to HSES management and governance;
- oversee the development and effectiveness of HSES policies, standards and procedures and the processes and systems put in place to meet PIDG's objectives (protecting employees, the communities in which we operate, and the natural environment)
- monitor the effectiveness of operations across PIDG in delivering continuous improvements in HSES on projects; and to provide assurance to the Board, the Trust and PIDG members of high HSES governance standards.

#### Activities during the year

The Committee received at each meeting a comprehensive report from the Group HSES Director. The report provides updates on an extensive area of matters including the PIDG HSES plan, objectives and targets, the monitoring and assurance plan, the status of serious incidents and accidents on PIDG projects, the HSES project watchlist and risk register and PIDG institute and HSES events.

The HSES Director reported on a wealth of other topics, including security risk, the findings from the modern slavery audit, waste management and the circular economy in India, the performance of sustainable hydropower opportunities, solar PV supply chain due diligence, the TNFD pilot, a nature update and crisis management continuity.

The Committee undertook focussed reviews of the Development Arm and Credit Solutions businesses. As part of this work they met with local HSES representatives and Executives to discuss their portfolio HSES risk assessments, objectives and targets and HSES performance. As part of the review of the Development Arm, the Committee also considered the roadmap for the harmonisation of practices across InfraCo Africa and InfraCo Asia and provided guidance to management on the need to continue to recognise the different risk profiles of the two businesses in the reporting.

The Committee oversaw the work being undertaken on TNFD. PIDG had been invited to join a pilot to co-create a framework to guide reporting on nature-related impacts, which was in response to the growing expectation of nature-related reporting that would become standard reporting for all public development finance organisations. The Committee was pleased with PIDG's involvement and being a first participator and leader in this area.

The Committee also considered the expansion of the work undertaken in 2023, on lithium battery reuse to include the EV and solar sector, and the outcomes of the pilot of the Hydropower risk assessment tool on a project

in Gabon. The Committee fully supported the expansion of the work on lithium battery reuse and how this had been reframed to look at the topic through a broader circular economy lens. It also supported the PIDG Institute event undertaken on the topic as these events were great opportunities to share PIDG's expertise and build out knowledge in this area. The Committee also fully supported the expansion of the work on Hydropower and the planned work to build out data sets to build a deeper understanding of the sector and the risk and reward trade-offs, as these would strengthen PIDG's impact management systems further.

#### Committee evolution

A key topic of discussion at the end of the year was the Committee's ongoing evolution and expansion of its duties to include the oversight of SDI matters. The changes are being made to build on the current Board-level oversight of SDI matters and to be additive to the oversight provided by the Audit Committee which monitors the integrity and assurance of external SDI reporting.

As part of these discussions, the Committee agreed the change in duties will need to be considered alongside the integration of the HSES and SDI teams into an Impact function. The Committee will play a key role in guiding management on this transition and its programme will be influenced by these changes. The change in responsibilities will also provide a single point of Board-level oversight on the development of PIDG's impact management systems and strategy as a whole.

It will be important that as part of this work, the division of responsibilities with the Audit Committee are clear and well documented and that each Committee understands where their role begins and end, as an overarching principle the Committee will focus on the development of the management systems and SDI and HSES strategies and Audit Committee will focus on the integrity and assurance of external SDI reporting and the control environment of the management systems in place.



#### **Areas of focus for 2024**

The Committee's main area of focus in 2024 will be the expansion of its duties to include the oversight of SDI matters as detailed on the previous page. As part of this work, the Committee will work closely with management on the integration of the HSES and SDI teams into an Impact function. The outcomes of this transition will inform the Committee's future programme and areas of focus.

The Committee will continue to undertake the ongoing monitoring of the development of the HSES management systems, policies, standards, guidelines and tools but through a broader lens of PIDG's overall Impact management systems, including SDI matters.

The Committee will also continue to oversee the development of PIDG's nature and climate-based practices as PIDG management systems continue to become more sophisticated and sector-leading in these areas.

## Credit Committee Report



**Patrick Crawford**

Chair of the Credit Committee

I am pleased to report on how the Credit Committee has discharged its duties during 2023 and on its planned activities in 2024.

The Committee had a busy year and meeting nine times, predominantly to consider investment proposals. The increased number of proposals reflected the greater size and complexity of the projects being pursued by EAIF and GuarantCo. In terms of its investment approval activities, it considered transactions in Cambodia, and Cote d'Ivoire, Senegal and Tanzania, and two transactions in India. It also provided guidance to GuarantCo on entering into securitisation transactions.

The Committee also embedded its quarterly portfolio reviews to assess the credit risks and related challenges within the EAIF and GuarantCo portfolios. The reviews were supplemented by credit outlook and capital and optimisation framework reports from the Risk function.

### Membership



**Andrew Bainbridge**



**Johan Bastin**



**Ana Corvalan**



**Anthony Marsh**

### Committee governance

The Group CEO and CRO attend all meetings in full. Representatives from the management teams attend as is appropriate.

The Committee's effectiveness and its composition are reviewed on an annual basis as part of the Governance Effectiveness Review. The Committee has agreed on the actions it should take to respond to the findings and will implement these accordingly. Further detail of the findings is set out on page 27 in the *Nomination, Governance and Remuneration Committee Report*.

### Main responsibilities

- make decisions in relation to the commitment of guarantee and loan products outside the authority delegated to the fund managers of EAIF and GuarantCo, being the two main Credit Solutions businesses within PIDG
- review and provide advice and oversight on the governance arrangements of, and strategy for, EAIF and GuarantCo in providing credit products so that they achieve both transformational development impact and sound value for money
- monitor the credit policies and credit risks within the PIDG portfolio
- work with the other Committees of the Board and PIDG to achieve an effectively integrated organisation.

#### Activities during the year

As indicated on the previous page, the Committee embedded its portfolio review of the two Credit solutions companies during the year. The reviews focused on their portfolios and strategies, asset quality and risk exposures, credit concentration risks, sovereign risk indicators and exposure against risk appetite limits. These reviews deepened the Committee's understanding of the portfolios and the risks they were facing.

To support the portfolio reviews and to strengthen the Committee's understanding of the emerging risks and challenges arising out of the volatile macroeconomic environment, the Committee received reports on the credit outlook, which looked at those countries facing debt pressures, a thematic review of the potential effect of hard currency shortages, and the risks arising from interest rate rises. The Committee was comforted by the analysis undertaken, but agreed with management that these aspects should be kept under close watch. The Committee also considered a report on how the Capital Optimisation Framework was being used to inform investment decisions and the allocation of capital across the businesses.

In response to the challenging macroeconomic environment, the Committee considered a proposal on the country concentration risk appetite limit for Gabon and an increase in exposure for a project in the country that would otherwise exceed the single obligor limit. The Committee supported an increase in the country and single obligor limits but cautioned against undertaking a third project in the country while sovereign risks persisted.

The Committee considered a potential exit strategy from a project that had previously been fully impaired by GuarantCo. The Committee had detailed discussions on the proposed exit, including any potential reputational risk issues arising. The Committee supported the exit and management's view that the funds provided by the project should be redirected for HSES and SDI activities.

The Committee provided guidance to GuarantCo on how it could support securitisation structures (as a new asset class), including the terms and features it would expect to see. The Committee supported the expansion of GuarantCo's activities in this area and noted the importance of building out internal capabilities to manage each transaction across its life cycle. Following this, the Committee approved GuarantCo entering into its first securitisation transaction to test the potential scope to build secondary market liquidity.

The Committee considered and approved several proposals for new transactions during the year. The first approval related to EAIF's participation in an asset-backed securitisation transaction in Cote d'Ivoire (being the launch of West Africa's first social asset-backed security). As part of its review, the Committee considered the SDI assessment, capital market implications and underlying credit risks, and provided guidance to the business on credit risk matters.

The Committee supported EAIF exploring a potential transport project in Senegal and provided guidance on the regulatory and political risks it should consider, in addition to, the identified key risks of the project.

The Committee also supported, in principle, GuarantCo investigating a Tanzanian water utility project with a state-owned enterprise and provided guidance on the features it would expect to see. The Committee asked to receive regular updates on the project's progress and that its formal approval be sought before proceeding to full due diligence.

The Committee approved an increase to the commitment, and resulting increase to the single obligor limit, for an existing project in Nigeria. As part of its deliberations, the Committee asked management to review how single obligor limits were set as part of the annual Risk Appetite review.

#### ***Activities during the year continued***

The Committee also considered a telecoms transaction supporting a mobile network expansion in Cambodia. The key risks reviewed by the Committee, included foreign exchange risks and the tenor of the guarantee. The Committee approved the transaction subject to certain conditions being met.

The Committee considered and approved two transactions for GuarantCo to support debt issuances in India, being pursued under the framework agreement previously entered into by GuarantCo with Axis Bank, to support the growth of the EV sector in India. The key risk that was considered related to the security position and the effect of an explicit approval for this from the Reserve Bank of India. The Committee supported both transactions and was pleased to see the development of the pipeline under the framework agreement. The Committee agreed it would no longer need to consider future framework transactions unless they met the normal criteria for the Committee's approval.

#### **Areas of focus for 2024**

The Committee will continue to exercise oversight of the activities of EAIF and GuarantCo in providing loan or guarantee products. It's key area of focus in 2024, will be supporting the businesses on the implementation of their plans to achieve the objectives and targets set by PIDG's 2023-2030 Strategy. This includes EAIF's potential expansion into other jurisdictions.

The Committee expects to give guidance to EAIF and GuarantCo when entering new markets or sectors and to exercise appropriate oversight.

The Committee will continue to monitor and assess the performance of the PIDG credit portfolios, to set appropriate limits and to contribute to the Risk Appetite Framework, seeking input from the PIDG Risk Committee where appropriate.

## Investment Committee Report



**Yukiko Omura**

Chair of the Investment Committee

I am pleased to report on how the Investment Committee has discharged its duties during 2023 and its planned activities in 2024.

2023 has been a year of change for the Committee. Since my appointment as Chair in July, I have worked with management to enhance the internal investment approval process. The Committee has also made several changes to strengthen its governance arrangements to enable it to increase its focus on strategic investment decision matters.

The Committee reviewed the Development Arm's portfolios, including the progress of projects, the portfolio composition and risk-return profile (in line with the group's work on financial sustainability), and the impact of macroeconomic and geo-political factors on individual projects.

The Committee provided guidance to the Development Arm on project proposals, especially for those in new sectors and geographies, and financing structures. The Committee will continue to focus on embedding these changes throughout 2024.

### Membership



**Johan Bastin**



**Kathie Painter**



**Uche Orji**



**Liengseng Wee**

Liengseng Wee and Uche Orji were appointed to the Committee on 1 March 2023. John Walker resigned as Chair of the Committee on 30 June 2023.

### Committee governance

The Group CEO and Heads of the Development Arm attend all meetings in full. Representatives from the Executive and management attend on invitation. The Board Chair is also a standing invitee.

The Committee's effectiveness and its composition are reviewed on an annual basis as part of the Governance Effectiveness Review. The Committee agrees the necessary actions it needs to take to respond to the findings and implements these accordingly. Further detail of the findings is set out on page 27 in the *Nomination, Governance and Remuneration Committee Report*.

### Main responsibilities

- develop the non-credit investment and divestment strategy for PIDG in Africa and Asia
- oversee and monitor the investment and divestment performance of the investment portfolios
- approve investment and divestment proposals
- work with other Board Committees, PIDG Executive Committees and Executives to achieve a fully integrated organisation and provide monitoring and oversight of investment and development risk
- take account of the need to create financial, economic and SDI value (within risk appetite) in the short, medium and long term when overseeing investment activities.

#### Activities during the year

A key area of focus for the Committee during the year was to strengthen its governance arrangements to enable it to increase its focus on strategic investment-decisions.

As part of this change, a new two-stage investment approval process has been implemented to enable the Committee to input into investment decisions earlier in the process. The Committee and management have introduced standardised investment decision reports (for both stages of the new process) to ensure the Committee receives the appropriate information to make informed decisions.

The Committee has increased the delegation to management but it retains the right to bring any proposal to the Committee for a formal discussion if there are issues raised by Committee members.

The Committee's programme has been reset with regular shorter meetings to ensure that meetings are focussed, and the business becomes more disciplined. It holds longer meetings twice a year for portfolio reviews.

The Committee's continued to review project proposals taking into account the need to balance risk-adjusted returns, additionality and development impact. It considered investment proposals in multiple sectors and geographies throughout the year.

The first investment considered, related to an equity investment in a cold storage project in Cambodia. The Committee requested further information on the market demand and pricing assumptions, the cashflow projections, and the correlation of the IRR and SDI score, amongst other matters, and subsequently approved the additional funding.

The Committee approved the establishment of a joint venture to develop and own a pipeline of renewable energy projects in India. The Committee's main areas of discussion related to the project's additionality, breadth of coverage across India, timing of the planned project exit, service agreement terms and FX risk.

The Committee considered and provided guidance to management on the structure of a renewable energy project covering Nigeria, DRC, Sierra Leone and Kenya. The guidance focused on pricing and the applied discount, the business model and economics, project risks, and balance sheet position.

The Committee considered and approved an investment in a cold chain project with anchor markets in Kenya, Zimbabwe, Ghana and Zambia. The key area of discussion related to the credit risk profile and further assurance was requested from management on this point.

The Committee considered a solar irrigation project covering Kenya, Uganda, and Côte d'Ivoire. The Committee requested additional information on several areas and subsequently approved the transaction.

The Committee also considered and approved an increase in an investment in an existing hydro project in Zambia.

The Committee received regular progress updates on the CLEAR (Climate Energy Access Resilience) Fund, set up as part of FCDO's MOBILIST programme.

The Committee undertook regular portfolio reviews and considered progress of projects, portfolio risks, and the impact of macroeconomic and geopolitical factors.

The Committee also received the PIDG Portfolio Risk Report which was supported by reports on the project risk register, serious incidents and sovereign risk indicators. The risk reporting enables the Committee to consider exposures across the PIDG Group, project risks, concentration risks and risks arising from the macroeconomic environment.

#### **Areas of focus for 2024**

During 2024, the Committee will focus on embedding the governance changes made during 2023 to strengthen the investment decision-making process and will provide guidance to management on further enhancements that could be made as needed.

In line with the Credit Committee, the Investment Committee will focus on supporting the businesses on the implementation of their plans to achieve the objectives and targets set out in the PIDG 2023-2030 Strategy.

The Committee will continue to assist the Board to set, guide and oversee the implementation of the Development Arm investment and divestment strategy for PIDG, and advise the Board on appropriate levels of investment and divestment risk.

The Committee will also continue to undertake its regular activities and will also undertake regular portfolio reviews and consider investment and divestment proposals as required.

## Remuneration

The Company's Nomination, Governance and Remuneration Committee oversees employee remuneration governance and policy matters, in addition to making recommendations on the fees levels of the Non-Executive Directors and Committee members to the PIDG members.

### Board and Committee members

The remuneration of Directors and Committee members is fixed by the PIDG members in consultation with the Board. As Non-Executives, neither the Directors nor Committee members participate in bonus schemes with the Company, nor are their appointments pensionable.

Travel and other reimbursable expenses incurred by Directors and Committee members are reimbursed in line with PIDG's Travel and Expense Reimbursement Policy and Procedures, which are available at [www.pidg.org](http://www.pidg.org).

The CEO and other members of the Executive team do not receive remuneration for being a Director of a PIDG company.

The last review of the Directors and Committee members remuneration was undertaken in 2022 and a simplified fee structure was put in place. The fees paid to the Directors of the Company are set out below. The maximum annual fees payable to the individual Company Directors and Committee members are provided in a separate table below.

### Remuneration policy for Directors and Committee members

Primary role	Annual fee
Chair of the Board	£35,000
Non-Executive Director	£22,000 plus £6,000 for a Committee Chair/SID role to a maximum of £28,000
Chair of Committee	£18,000 for one Chair role, plus £6,000 for another position to a maximum of £24,000
Committee member	£12,000 plus £6,000 for two or more positions

### Individual Company Director fees received in the year

Director	Company fee (maximum total fee per annum)
Andrew Bainbridge	£35,000 (£35,000) excluding ICF Debt Pool LLP
Johan Bastin	£22,000 (£22,000)
Chrispin Chikwashi	£18,666.67 (£28,000)
Patrick Crawford	£28,000 (£28,000)
Rachel Kyte	£28,000 (£28,000)
Yukiko Omura	£28,000 (£28,000)
Uche Orji	£23,333.33 (£28,000)
Tania Songini	£11,000 (£22,000)
John Walker	£14,000 (£28,000)
Liengseng Wee	£18,333.33 (£22,000)



#### Employees

The Company's policy on employment is one of equal opportunity in the recruitment, training, career development and promotion of employees. Formal employee appraisals and informal discussions are held throughout the year. To seek the views and opinions of employees, we undertake employee engagement surveys and the results and actions taken to respond to these are reviewed by the Nomination, Governance and Remuneration Committee.

The Executive team is responsible for keeping employees up to date with developments and the performance of the business, which is achieved through regular scheduled meetings. We also hold fortnightly Townhalls which help ensure employees are kept up to date and feel engaged. The CEO and the Executive team lead the day-to-day management of the Company.

The remuneration of the Company's employees is determined by the PIDG Remuneration Framework which is agreed with the PIDG members. The levels of remuneration in the framework are set following a benchmarking exercise carried out by independent benchmark providers (including Willis Towers Watson and McLagan) every three years. PIDG is undertaking its latest review of the framework and are agreeing proposed changes with the PIDG members.

There are nine permanent members of staff who are part of the Executive team and all are remunerated up to £190,000<sup>1</sup> per annum. In addition, each permanent Executive team member is eligible for a discretionary bonus of up to 10% of their base pay, an 8.5% defined contribution pension<sup>2</sup> (with the employee paying in at least a further 1.5%), business travel insurance, private health insurance, life insurance and income protection.

The Executive pay bands exclude the CEO whose services are provided under a service

contract between the PIDG Trust and InfraLinx Suisse Sàrl. Fees payable under this service contract are up to £300,000 per annum with an operational allowance of up to £30,000. The contract also allows for a discretionary element payable of up to 10% of this fee, subject to a performance evaluation by the Board. Neither the CEO nor InfraLinx Suisse Sàrl receive any additional fees or benefits from either the Trust or the Company in relation to these services, aside from reimbursement of sundry business expenses.

#### Gender Pay Gap and Equal Pay

The first independent Gender Pay Gap and Equal Pay reviews were undertaken during 2022, when PIDG appointed an external consultant (Innecto) to undertake the reviews for the PIDG companies captured by the Remuneration Framework.

The Gender Pay Gap report confirmed that even though there are greater number of females in PIDG they are not evenly represented at all levels, with senior management positions being predominantly occupied by males which is reflected in the gender pay gap. PIDG continues to actively address this challenge and is focusing on the gender diversity of candidates for the most senior roles.

The Equal Pay report found that there are differences in pay between females and males but frequently in favour of females. Some differences in pay are to be expected subject to experience, performance as well as market conditions, therefore the report findings were satisfactory and no further action was required.

The Nomination, Governance and Remuneration Committee agreed to undertake the next review once the revised Remuneration Framework being discussed with the PIDG members is agreed and implemented to understand the progress made.

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<sup>1</sup> Actual salary

<sup>2</sup> Two Executive team members have opted-out of the pension scheme and receive 8.5% of their base pay less the employers' National Insurance contribution charge. This amount does not form part of their base salary and is therefore not subject to bonus.

## Directors' Report

The Directors present the Directors' Report and the audited financial statements for the year ended 31 December 2023.

### Directors

Details of the Directors for the year ended 31 December 2023 are set out on pages 14 to 17 of this report. Tania Songini and John Walker resigned on 30 June 2023. Uche Orji and Liengseng Wee were appointed as independent Non-Executive Directors on 1 March 2023.

Chrispin Chikwashi was appointed as an independent Non-Executive Director on 1 May 2023.

### Company Secretary

The Company Secretary is Michelle Hill (appointed on 15 July 2019).

### Business review and future developments

A review of the Company's operations and performance during the financial year, significant changes during the year and the principal risks to which the Company is exposed is provided within the *Business Review* section of this report. The Directors have considered s.172 of the Companies Act 2006 and are aware of their wider responsibilities not only to the Company and its shareholders but also to a wider group of stakeholders.

### Risk management

PIDG has procedures in place to identify, monitor and evaluate the significant risks it faces. The Company's risk management processes are outlined in more detail in the *Risk Management* section of this report.

### Share capital

At 31 December 2023, the issued share capital of the Company was £1.00. This comprised one ordinary share held by the PIDG Trustees which was issued in 2018.

### Results and dividends

The results for the year are set out in the Income statement on page 57. The Company did not declare any dividends for the year ended 31 December 2023 (2022: £nil).

### Political donations

The Company did not make any political donations in the year ended 31 December 2023 (2022: £nil).

### Directors' indemnities

The Directors have the benefit of a qualifying third-party indemnity provision (as defined in section 234 of the Companies Act 2006). The Company also maintains Directors' and Officers' liability insurance in respect of itself, its Directors and Committee members.

### Directors' conflicts

The Board has a well-established process to authorise conflicts or potential conflicts in line with the Articles of Association. On appointment, a Director is required to declare their interests and these are approved by the Board as appropriate. At each meeting, the Directors are required to declare any potential new interests for the Board's consideration. A periodic review of conflict authorisations is performed to determine whether the authorisation given should continue, be added to, or be revoked.

### Employment

The Company aims to attract and develop staff with a performance management process that includes an annual appraisal. Outputs from this appraisal process are used to inform decisions on remuneration, career development and progression.

# The Private Infrastructure Development Group Limited

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Directors' Report

## Code of Conduct

PIDG is committed to maintaining high ethical standards – adhering to laws and regulations, conducting business in a responsible way, and treating all stakeholders with honesty and integrity. These principles are further reflected in PIDG's Code of Conduct, which sets out the standards expected of all employees. Under their terms and conditions of employment, staff are required to act at all times with the highest standards of business conduct in order to protect PIDG's reputation and ensure a culture which is free from any risk of fraud, corruption, or conflicts of interest.

Staff are also required to comply with all Company policies, which require employees to:

- Abide by all relevant laws and regulations.
- Act with integrity in all their business actions on behalf of PIDG.
- Not use their authority or office for personal gain.
- Conduct business relationships in a transparent manner.
- Reject all improper practices or dealings to which they may be exposed.

## Greenhouse gas emissions

PIDG is a signatory to the recommendations of the Task Force for Climate Related Disclosure (TCFD) since 2020 and – since 2021 – PIDG has published a full Disclosure Report in line with the TCFD recommendations.

The report covers the four TCFD pillars of governance, strategy, risk and metrics and its remit includes operations and investments of PIDG. The latest report, published in November 2023, covers 2019-2022 and discloses GHG emissions from operations and portfolio investments of PIDG companies, as well as climate risks of the investment portfolio. The report is available online on the PIDG [website](#).

The table below sets out GHG emissions from operations of the Company up to 2023. This includes our scope 1&2 emissions (from our offices) and our scope 3 emissions from business travel<sup>1</sup>. The figures do not currently include emissions from homeworking, procurement or commuting, although this is something we will consider in future years.

After declining in 2020 and 2021 due to COVID-19, emissions from business travel increased in 2022 and further still in 2023<sup>2</sup>.

In 2023 we developed a plan to target emission reduction across our operations. This will be rolled out across the business through 2024.

GHG Emissions from Operations (tCO <sub>2</sub> e)	2019	2020	2021	2022	2023
Scope 1 & 2 – Offices <sup>3</sup>	17	14	13	12	11
Scope 3 – Business travel	486	47	89	430	690
<b>Total (actual)</b>	<b>503</b>	<b>61</b>	<b>102</b>	<b>442</b>	<b>701</b>

<sup>1</sup> GHG emissions include PIDG TA but exclude InfraCo Africa and Asia, EAIF and GuarantCo; exclusions are reported within TCFD disclosure.

<sup>2</sup> The increase in business travel emissions from 2022 to 2023 is partly due to an increase in the UK Gov. emission factors for business travel.

<sup>3</sup> In 2023 we updated our accounting methodology for scope 1 & 2 emissions to improve the accuracy of reporting and better monitor any reduction initiatives. This adjustment has been backdated to the baseline to eliminate any discrepancies.

#### Post balance sheet events

In 2023, many of the countries in which the company works continued to face considerable challenges which have continued into 2024. On a macroeconomic level, our markets and active and potential clients continue to be impacted by ongoing high interest rates and inflation, rises in commodity and food prices and the disruption of global supply chains on the back of ongoing conflicts in Russia-Ukraine and the Middle East.

None of these factors have led to any post balance sheet events that would need to be disclosed or reflected in these results. We continue to closely monitor global and regional events and actively consider the impact of these on the Company and its investments.

Another government is in the process of joining PIDG as an Owner with a number of conditions subsequent that still need to be met.

The Group has not identified any further post balance sheets following the year ended 31 December 2023.

#### Going concern

The Directors have reviewed the Group's forecasts and projections which have been prepared to 28 March 2024. The Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing these financial statements. Further detail on the basis on which it has formed this view is set out in note 3.

#### Small company exemption

In preparing this report, the Directors have taken advantage of the small company exemptions provided by s.415A of the Companies Act 2006. In line with the small company exemptions available, PIDG does not prepare a Strategy Report.

The Company has prepared consolidated accounts for the Group but not for PIDG. The Company has been delegated the authority to manage and control the PIDG companies by its Parent entity, the PIDG Trust. However, any variable returns such as dividends payable by PIDG companies accrue to the PIDG Trust and not to the Company, hence the Company is not eligible under IFRS to prepare PIDG consolidated accounts.

#### Directors' disclosure of information to the external Auditor

All Directors have taken all the appropriate steps to ensure that as far as they are aware, there is no relevant audit information of which the Group's Auditor is unaware and the Directors have taken all the steps that he or she ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

BDO LLP has expressed its willingness to continue in office as Auditor.

This report was approved by the Board of Directors and signed on its behalf by:



**Andrew Bainbridge**  
**Chair of the Board**  
11 April 2024

## Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group's financial statements in accordance with the Companies Act. Under company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events or conditions on the entity's financial position and financial performance; and
- Assess the Group's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### *Responsibility statement*

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- The *Business Review* on pages 1-12 includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks that it faces.

This statement was approved by the Board of Directors and signed on its behalf by:



**Andrew Bainbridge**

**Chair of the Board**

11 April 2024

## Independent Auditor's Report to the members of The Private Infrastructure Development Group Limited

### Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards, and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Private Infrastructure Development Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2023 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Cash Flow Statement and notes to the financial statements, including a summary of material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law UK adopted international accounting standards, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Independent Auditor's Report

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Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Independent Auditor's Report

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## Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Companies Act.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.



#### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be the management override of controls.

Our procedures in respect of the above included:

- We obtained an understanding of the Group's controls over journal entries and other adjustments, determined whether such controls are suitably designed and have been implemented;
- Tested a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Tested a sample of journal entries throughout the year, which did not meet the defined risk criteria, by agreeing to support documentation;
- We obtained and examined the Board minutes throughout the year and up to the date of this report.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Independent Auditor's Report

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## Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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**Peter Smith (Senior Statutory Auditor)**

**For and on behalf of BDO LLP, Statutory Auditor**

**London, UK**

11 April 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Consolidated income statement for the year ended 31 December 2023

	Notes	2023 Group £	2022 Group £
Revenue	4	9,444,006	8,287,148
Other income	5	102,311	109,628
Operating costs	6	(8,329,421)	(7,110,285)
Finance income	8	70,405	6,214
Finance expense	8	(41,596)	(24,964)
<b>Profit before tax</b>		<b>1,245,705</b>	<b>1,267,741</b>
Taxation	9	(312,863)	(228,232)
<b>Profit on ordinary activities after taxation</b>		<b>932,842</b>	<b>1,039,509</b>

## Consolidated statement of comprehensive income for the year ended 31 December 2023

	Notes	2023 Group £	2022 Group £
Profit on ordinary activities after taxation		932,842	1,039,509
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>932,842</b>	<b>1,039,509</b>

The Company has taken advantage of section 408 of Companies Act 2006 and has not included its own statement of comprehensive income in these financial statements. The Company's total comprehensive income for the year was £898,018 (2022: £941,849).

The amounts above all relate to continuing operations.

The notes on pages 62 to 84 form part of these financial statements.

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Consolidated and company statement of financial position as at 31 December 2023

Company number: 11265124

## Consolidated and company statement of financial position as at December 2023

	Notes	2023 Group £	2023 Company £	2022 Group £	2022 Company £
<b>Assets</b>					
Property, plant and equipment	10	243,217	243,217	274,648	274,648
Trade and other receivables	13	158,099	158,099	158,099	158,099
Right of use (ROU) assets	20	533,868	533,868	669,444	669,444
Investment in subsidiary	1	-	6	-	6
<b>Total non-current assets</b>		<b>935,184</b>	<b>935,190</b>	<b>1,102,191</b>	<b>1,102,197</b>
Cash and cash equivalents	11	4,806,285	4,806,285	3,451,437	3,451,437
Restricted cash	12	263,001	263,001	654,488	654,488
Trade and other receivables	13	1,666,944	1,666,944	1,541,271	1,541,271
<b>Total current assets</b>		<b>6,736,230</b>	<b>6,736,230</b>	<b>5,647,196</b>	<b>5,647,196</b>
<b>Total assets</b>		<b>7,671,414</b>	<b>7,671,420</b>	<b>6,749,387</b>	<b>6,749,393</b>
<b>Equity and liabilities</b>					
Share capital	15	1	1	1	1
Retained earnings		4,066,877	4,002,141	3,134,035	3,104,123
<b>Total equity</b>		<b>4,066,878</b>	<b>4,002,142</b>	<b>3,134,036</b>	<b>3,104,124</b>
Trade and other payables	14	2,793,243	2,857,985	2,870,083	2,900,001
<b>Total current liabilities</b>		<b>2,793,243</b>	<b>2,857,985</b>	<b>2,870,083</b>	<b>2,900,001</b>
Trade and other payables	14	41,830	41,830	46,074	46,074
Lease liabilities	14	769,463	769,463	699,194	699,194
<b>Total non-current liabilities</b>		<b>811,293</b>	<b>811,293</b>	<b>745,268</b>	<b>745,268</b>
<b>Total equity and liabilities</b>		<b>7,671,414</b>	<b>7,671,420</b>	<b>6,749,387</b>	<b>6,749,393</b>

Approved by the Board on 11 April 2024.



**Andrew Bainbridge**  
Chair

The notes on pages 62 to 84 form part of these financial statements.

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Consolidated and company statement of changes in equity for the year ended 31 December 2023

Company number: 11265124

## Consolidated statement of changes in equity for the year ended 31 December 2023

Notes	Share capital Group	Retained earnings Group	Total Group
	£	£	£
<b>Balance as at 31 December 2021</b>	<b>1</b>	<b>2,094,526</b>	<b>2,094,527</b>
Total comprehensive income for the period	-	1,039,509	1,039,509
<b>Balance as at 31 December 2022</b>	<b>1</b>	<b>3,134,035</b>	<b>3,134,036</b>
Total comprehensive income for the period	-	932,842	932,842
<b>Balance as at 31 December 2023</b>	<b>1</b>	<b>4,066,877</b>	<b>4,066,878</b>

## Company statement of changes in equity for the year ended 31 December 2023

Notes	Share capital Company	Retained earnings Company	Total Company
	£	£	£
<b>Balance as at 31 December 2021</b>	<b>1</b>	<b>2,162,274</b>	<b>2,162,275</b>
Total comprehensive income for the period	-	941,849	941,849
<b>Balance as at 31 December 2022</b>	<b>1</b>	<b>3,104,123</b>	<b>3,104,124</b>
Total comprehensive income for the period	-	898,018	898,018
<b>Balance as at 31 December 2023</b>	<b>1</b>	<b>4,002,141</b>	<b>4,002,142</b>

The notes on pages 62 to 84 form part of these financial statements.

## Consolidated cash flow statement for the year ended 31 December 2023

	Notes	2023 Group £	2022 Group £
<b>Operating activities</b>			
Profit before taxation		1,245,705	1,267,741
<i>Adjustments for:</i>			
Depreciation	10	109,364	112,854
Finance income	8	(70,405)	(6,214)
Finance expense	8	5,800	5,264
Interest on ROU liability	8	35,796	19,700
Depreciation of ROU assets recognised	20	135,576	179,126
<b>Operating cash flows before movement in working capital</b>		<b>1,461,836</b>	<b>1,578,471</b>
(Increase) in trade and other receivables	13	(125,673)	(128,619)
Increase in trade and other payables		(105,214)	1,007,756
<b>Cash generated from operations</b>		<b>1,230,949</b>	<b>2,457,608</b>
Tax Paid		(218,241)	(181,365)
<b>Net cash generated from operating activities</b>		<b>1,012,708</b>	<b>2,276,243</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment	10	(77,933)	(81,501)
Finance Income	8	70,405	6,214
<b>Net cash generated from investing activities</b>		<b>(7,528)</b>	<b>(75,287)</b>
<b>Financing activities</b>			
Finance expense	8	(5,800)	(5,264)
Principal paid on lease liabilities	20	(36,019)	(200,824)
<b>Net cash generated from financing activities</b>		<b>(41,819)</b>	<b>(206,088)</b>
<b>Net increase in cash and cash equivalents including restricted cash</b>		<b>963,361</b>	<b>1,994,868</b>
Cash and cash equivalents including restricted cash at the beginning of the period		4,105,925	2,111,057
<b>Cash and cash equivalents including restricted cash at end of the period</b>	<b>11</b>	<b>5,069,286</b>	<b>4,105,925</b>

The notes on pages 62 to 84 form part of these financial statements.

## Company cash flow statement for the year ended 31 December 2023

	Notes	2023 Company £	2022 Company £
<b>Operating activities</b>			
Profit before taxation		1,192,344	1,152,412
<i>Adjustments for:</i>			
Depreciation	10	109,364	112,854
Finance income	8	(70,405)	(6,214)
Finance expense	8	5,306	5,007
Interest on ROU liability	8	35,796	19,700
Depreciation of ROU assets recognised	20	135,576	179,126
<b>Operating cash flows before movement in working capital</b>		<b>1,407,981</b>	<b>1,462,885</b>
(Increase) in trade and other receivables	13	(125,673)	(128,619)
Increase in trade and other payables		(51,853)	1,123,085
<b>Cash generated from operations</b>		<b>1,230,455</b>	<b>2,457,351</b>
Tax Paid		(218,241)	(181,365)
<b>Net cash generated from operating activities</b>		<b>1,012,214</b>	<b>2,275,986</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment	10	(77,933)	(81,501)
Finance Income	8	70,405	6,214
<b>Net cash generated from investing activities</b>		<b>(7,528)</b>	<b>(75,287)</b>
<b>Financing activities</b>			
Finance expense	8	(5,306)	(5,007)
Principal paid on lease liabilities	20	(36,019)	(200,824)
<b>Net cash generated from financing activities</b>		<b>(41,325)</b>	<b>(205,831)</b>
<b>Net increase in cash and cash equivalents including restricted cash</b>		<b>963,361</b>	<b>1,994,868</b>
Cash and cash equivalents including restricted cash at the beginning of the period		4,105,925	2,111,057
<b>Cash and cash equivalents including restricted cash at end of the period</b>	<b>11</b>	<b>5,069,286</b>	<b>4,105,925</b>

The notes on pages 62 to 84 form part of these financial statements.

## 1. General information

'The Private Infrastructure Development Group Limited' (the Company) is incorporated and domiciled in the UK. The registered office is 6 Bevis Marks, London, EC3A 7BA, United Kingdom.

The financial results of the Company include the overseas branch, 'The Private Infrastructure Development Group Limited (Singapore Branch)', which was established on 07 January 2020 and has a registered office at Cross Street, #23-04/05, Manulife Tower, Singapore.

The financial results of the Group also include the overseas subsidiary, 'The Private Infrastructure Development Group (Kenya) Limited' (the Kenyan Subsidiary) which was established on 28 January 2021 and has a registered office at 4<sup>th</sup> Floor, 9 Riverside, Westlands District, Nairobi, P.O. Box 736, Sarit Centre – 00606.

The Kenyan Subsidiary is 100% owned and controlled by the Company via a share issue of £6 (KES1,000) and invested in for operational rather than investment purposes. It is therefore consolidated into the Group accounts. Transactions between the Company and its subsidiary are eliminated in the Group accounts and investments are held on a historical cost basis.

The purposes of the branch and the subsidiary are to provide local staff to oversee PIDG's projects based in Asia and Africa respectively. As required by local law, each entity will submit their own local statutory accounts. The nature of the PIDG's operations and principal activities is detailed in the *Business Review* section of this report.

## 2. Standards issued but not yet effective

For the year ended 31 December 2023, the Group adopted the changes resulting from *Narrow-scope amendments to IAS 1 "Presentation of Financial Statements", Practice statement 2 and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"*. This change requires organisations to only disclose their material accounting policy information rather than their significant accounting policies which has resulted in a small reduction of the policy disclosures for these accounts, which were deemed non-material by management.

All new and amended standards and interpretations issued by the IASB that apply for the first time in the financial statements for the year ended 31 December 2023 are not expected to impact the Group. This is because they are either not relevant to the Group's activities or require accounting which is inconsistent with the Group's current accounting policies. These are listed below.

<b>New Accounting Standards, Auditing Standards and Other Financial Reporting Developments</b>	<b>Effective for periods beginning on or after</b>
Amendments to IAS 12, "Income Taxes" – deferred tax related to assets and liabilities arising from a single transaction.	01 January 2023
Amendments to IFRS 17, "Insurance contracts" – replaces IFRS 4, which currently permits variety of practices in accounting for insurance contracts.	01 January 2023

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The following are either not relevant to the Group's operations or are currently under assessment for their applicability to the Group's operations:



# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 2. Standards issued but not yet effective *continued*

<b>New Accounting Standards, Auditing Standards and Other Financial Reporting Developments</b>	<b>Effective for periods beginning on or after</b>
Amendments to IAS 1 on classification of liabilities classified depending on the rights that exist at the end of the reporting period.	01 January 2024
Amendment to IFRS 16, "Leases" - Liability in a sale and leaseback.	01 January 2024
Amendment to IAS 1, "Presentation of Financial Statements" - Classification of Liabilities as Current or Non-current.	01 January 2024
Amendment to IAS 1, "Presentation of Financial Statements" - Non-current Liabilities with Covenants.	01 January 2024
Amendment to IAS 7, "Statement of Cash Flows and IFRS 7, "Financial Instruments: Disclosures" - Supplier Finance Arrangements.	01 January 2024
Amendment to IAS 21, "The Effects of Changes in Foreign Exchange Rates" - Lack of Exchangeability.	01 January 2025

## 3. Accounting policies

### *Basis of preparation*

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with International Financial Reporting Standards, International Accounting Standards and interpretations (collectively IFRS).

The functional and presentational currency of the Group is Great British Pounds Sterling (GBP, £).

The accounting policies set out below have been applied consistently throughout the year presented in these financial statements.

### *Revenue*

The Group's primary revenue source is a recharge of all of its services, in addition to a transfer pricing margin on top of these services, in line with the terms of the Service Level Agreements (SLA) that are in place between the Group and the PIDG Trust and other PIDG companies. Invoices are raised quarterly based on agreed budgets, with a true-up for the year's actual costs incurred at year end. Revenue is recognised at the point at which services are provided by the Group.

### *Going concern*

The financial statements have been prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future. The Directors have prepared high level financial projections for three years to 31 December 2026 and detailed cashflows to 31 March 2025. These projections have been prepared using assumptions which the Directors consider to be appropriate to the current financial position of the Group with reference to current expected revenues and its cost base. They have also considered the availability of funding for future years through funding 'letters of arrangement' with the PIDG members, administrative cash balances available to the PIDG Trust that the Group can access, and the SLAs with the PIDG companies (who have sufficient funding in place) that allow for recovery of the Group's costs in future periods.

### 3. Accounting policies *continued*

#### *Going concern continued*

PIDG Ltd also entered an intra-group loan agreement to provide the Company with a Revolving Credit Facility Agreement for up to US\$5 million in 2019 which remains undrawn. See note 22 for further information.

The Directors therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

#### *Property, plant and equipment*

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property plant and equipment is provided on a straight-line basis over the estimated useful lives shown below:

- Leasehold improvements – life of the lease (maximum 10 years);
- Fixtures, fittings and equipment – 5 years; and
- Information technology (IT) equipment – 3 years.

#### *Intangible assets*

Intangible assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on intangible assets is provided on a straight-line basis over the estimated useful lives shown below:

- Information technology (IT) software – 3 years.

This has been disclosed within the property plant and equipment table shown in note 10.

#### *Impairment of non-financial assets*

The Group's non-financial assets have a finite useful life and are subject to depreciation. They are also subject to impairment testing when events or changes in circumstances indicate that their carrying amount may not be recoverable. When the carrying value of an asset exceeds its recoverable amount, an impairment loss is recognised for the difference.

Impairment charges are included in the income statement except to the extent they reverse gains previously recognised in other comprehensive income.

#### *Financial instruments*

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled, transferred or expired. Financial instruments include:

### 3. Accounting policies *continued*

#### *Financial instruments continued*

##### Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for expected credit losses. These are assets with fixed or determinable payments.

The majority of trade receivables represent amounts charged to PIDG Trust and PIDG companies for the Group's services delivered under SLAs.

The Group applies the *IFRS 9 Simplified Approach* to assess expected credit losses on these assets using a lifetime expected credit loss provision for trade and other receivables. To measure expected credit losses on a collective basis, trade and other receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on the Group's historical experience, adjusted for current and forward-looking information on factors that may affect these balances.

##### *Key accounting judgements and estimates*

The preparation of financial statements in compliance with IFRS requires the Group's Directors to make certain critical accounting estimates and exercise judgements, as well as making assumptions regarding the future. The estimates and assumptions exercised in preparing these financial statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### Bonus provision

The 2023 bonus provision for the Group's staff has been estimated based on the Group's and individuals' performance, but is subject to the review of the Remuneration Committee. The bonus provision for 2023 will be further refined as part of the Group's performance review process that is due to complete in April 2024.

##### Lease incentives

The Company holds a lease for office space. The lease allowed for an initial 6-month rent-free period followed by a further 12 months at 50% reduced rent. On 05 August 2022, the company opted to not exercise the lease break clause and entered into an agreement for the period 08 February 2023 to 07 February 2028. This resulted in a second rent-free period of 10 months followed by a further 4 months at 50% reduced rent. The present value of the office lease, has been revised to include the extended lease period.

### 3. Accounting policies *continued*

#### *Key accounting judgements and estimates continued*

##### Impairment of financial assets: expected credit loss

The Group applies the IFRS 9 Simplified Approach to measuring expected credit losses for cash balances and trade receivables. The Group's cash balances are held with Barclays Bank plc, which has an investment grade rating of A1 (Moody's) / A+ (Fitch) and Fidelity Institutional Liquidity Fund plc, which has an investment grade rating of AAAm (S&P). The Group has considered the expected credit loss on trade receivables with related parties on a collective basis as they have a similar credit risk and ageing. The expected loss rates for trade receivables are based on the financial strength of the ultimate Parent entity (the PIDG Trust) and its members, the levels of current and forecast liquidity of the other PIDG companies and their payment history.

Other financial assets include recharges due from other PIDG companies and a rental deposit paid with respect to 10<sup>th</sup> Floor, 6 Bevis Marks, London, EC3A 7BA. The expected credit loss on these balances has been assessed as £nil (2022: £nil).

##### Service level agreements (SLAs)

For the year ended 31 December 2023, the Group recharged out its costs to the PIDG Trust and the other PIDG companies.

##### Transfer pricing (TP) margin

An arms-length transfer pricing (TP) margin is added to charges stemming from SLAs with group companies. During the financial year under review, the average TP Margin was 15% (2022: 16%).

##### *Leases (IFRS 16)*

IFRS 16 was adopted 1 January 2019 without restatement of comparative figures by exercising the modified retrospective approach.

When identifying a lease, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time, in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. Under IFRS 16 all identified leases are brought onto the balance sheet and this is accounted for by recognising a right of use (ROU) asset and a lease liability except for leases of low value assets and leases with a duration of 12 months or less.

Lease liabilities and right of use (ROU) assets are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate, other variable lease payments are expensed in the period to which they relate.

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 3. Accounting policies *continued*

### *Leases (IFRS 16) continued*

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. ROU assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

For the year ended 31 December 2023, the Group did not identify any new contracts that should be classified as ROU assets.

The discount factor used for IFRS 16 purposes has been set at 3% above the 1-month USD LIBOR interest rate, as varied from time to time based on the intra-group Revolving Credit Facility Agreement PIDG Ltd has with GuarantCo Ltd, as detailed in note 22.

The breakdown of amounts recognised are shown in further detail in note 20.

## 4. Revenue

Analysis of revenue of type of service:

	2023 Group £	2023 Company £	2022 Group £	2022 Company £
Recharges to PIDG Trust and PIDG companies	7,973,066	7,764,654	6,947,878	6,739,156
Transfer pricing margin	1,470,940	1,417,579	1,339,270	1,301,842
	<b>9,444,006</b>	<b>9,182,233</b>	<b>8,287,148</b>	<b>8,040,998</b>

Analysis of revenue by location of customers:

	2023 Group £	2023 Company £	2022 Group £	2022 Company £
UK	2,327,508	2,095,071	2,030,908	1,799,022
Mauritius	4,939,390	4,910,054	4,352,982	4,338,718
Singapore	2,177,108	2,177,108	1,903,258	1,903,258
	<b>9,444,006</b>	<b>9,182,233</b>	<b>8,287,148</b>	<b>8,040,998</b>

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 5. Other income

Other income of £102,311 (2022: £109,628) relates to rental income for the shared office space at 10<sup>th</sup> floor, 6 Bevis Marks, London, EC3A 7BA charged to other PIDG companies.

	2023 Group £	2022 Group £
Emerging Africa Infrastructure Fund Limited	4,330	3,605
InfraCo Africa Limited	97,981	106,023
	<b>102,311</b>	<b>109,628</b>

## 6. Operating costs

	2023 Group £	2022 Group £
Staff costs (note 7)	5,910,429	5,468,555
Premises costs	239,886	210,691
Professional fees and contractors	687,920	455,919
Travel and subsistence costs	469,779	330,210
Information technology	473,048	206,157
Marketing and communications	78,279	69,419
Development impact studies	110,579	106,612
Depreciation (note 10)	109,364	112,854
ROU depreciation (note 20)	135,576	179,126
Foreign currency exchange (gains) / losses	(14,537)	(28,154)
Reimbursement for charges incurred on behalf of PIDG Trust	(43,311)	(115,017)
Other	172,409	113,913
	<b>8,329,421</b>	<b>7,110,285</b>

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 6. Operating costs *continued*

The operating costs in the year for the Company was £8,121,503 (2022: £6,979,721). Included within professional fees for the Group is the external Auditor's remuneration and their affiliates, an analysis of which is below:

	2023	2022
	£	£
Audit of the PIDG Ltd accounts	30,510	28,250
Audit of the PIDG Ltd (Singapore Branch) accounts	8,928	7,801
Audit of the PIDG (Kenya) Ltd accounts	3,888	3,596
Co-ordination of the group audit	17,820	16,500
Review of PIDG's Annual Review	6,652	6,160
	<b>67,799</b>	<b>62,307</b>

## 7. Staff costs

Staff costs (including temporary staff, Board and Committee members) comprise:

	2023	2022
	£	£
Salaries (including bonuses)	4,562,592	4,226,202
National insurance	537,620	519,632
Other employee benefits	133,610	112,035
Pension costs	313,048	258,809
Other personnel costs	363,559	351,877
	<b>5,910,429</b>	<b>5,468,555</b>

Other personnel costs include recruitment fees and staff training.

### *Pensions*

The Group contributes 8.5% to defined contribution schemes and the assets of these schemes are held separately from those of the Group in independently administered schemes. The pension costs represent contributions payable by the Group to these schemes. Outstanding contributions totalling £2,149 (2022: £2,351) that were payable to the funds at the year-end are included in trade and other payables.

### *Directors and key management personnel*

Key management personnel are defined as members of the Board, PIDG Committees and the Executive team. The total remuneration package of key management personnel during the period was £2,042,554 (2022: £1,801,307).

Remuneration of the Board and PIDG Committee members is analysed in the Governance Report section of this report.

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 7. Staff costs *continued*

### *Employees*

The average number of people (including temporary staff, Board and Committee members (but excluding contractors employed during the year) was 63 (2022: 61).

	2023 Group No.	2022 Group No.
PIDG Board and Committee members	17	21
Support – Finance, Human Resources, Operations, Legal	26	22
Sustainable Development Impact	6	6
Investor Relations and Communications	5	5
Risk, Health and Safety	9	7
	<b>63</b>	<b>61</b>

The table above is based on using headcount rather than full time equivalent values and includes four staff members who are employed by PIDG (Kenya) Limited and three staff members employed by PIDG Ltd (Singapore) branch. As the Group's operations include providing shared services to other PIDG companies, an average of 9 staff (2022: 8) are fully recharged to other PIDG companies under SLA's and these are also included in the above table.

## 8. Finance income and expense

	2023 Group £	2022 Group £
<i>Finance income:</i>		
Interest received from banks and MMF	<b>70,405</b>	<b>6,214</b>
<i>Finance expense:</i>		
Bank charges	5,704	5,200
Credit card fees	96	64
Interest on ROU liability (note 20)	35,796	19,700
	<b>41,596</b>	<b>24,964</b>



# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 9. Taxation

	2023 Company £	2022 Company £
<i>Current tax</i>		
Current period (note 14)	298,568	218,241
<i>Deferred tax</i>		
Current period	(6,166)	(18,292)
Adjustment to prior period	(553)	(442)
Adjustment due to change in tax rate	2,477	11,056
<b>Taxation</b>	<b>294,326</b>	<b>210,563</b>

	2023 Company £	2022 Company £
Profit on activities before corporation tax	1,245,705	1,267,741
Tax at the blended rate of corporation tax (23.52%, 19%)	292,997	240,871
<i>Effects of:</i>		
Expenses not deductible for tax	1,882	(29,866)
Adjustment to prior year	(553)	(442)
	<b>294,326</b>	<b>210,563</b>

The profit before tax in the year for the Kenyan Subsidiary is £53,361 (2022: £115,329), and the corporation tax charge for the year in this subsidiary is £18,537 (2022: £17,669).

### Deferred tax

	Temporary differences Company £
<b>Opening</b>	
Charge through the income statement	46,072
<b>As at 31 December 2022</b>	<b>46,072</b>
Current period	(6,166)
Adjustment to prior period	(553)
Adjustment due to change in tax rate	2,477
<b>As at 31 December 2023 (note 14)</b>	<b>41,830</b>

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 10. Property, plant and equipment

	Leasehold improvement Group £	IT equipment & software Group £	Fixtures, fittings & equipment Group £	Total Group £
<b>Cost</b>				
As at 1 January 2023	258,431	428,528	106,443	793,402
Additions	-	70,614	7,319	77,933
<b>As at 31 December 2023</b>	<b>258,431</b>	<b>499,142</b>	<b>113,762</b>	<b>871,335</b>
<b>Accumulated depreciation</b>				
As at 1 January 2023	(120,601)	(302,229)	(95,924)	(518,754)
Depreciation charge for the year	(25,844)	(74,082)	(9,438)	(109,364)
<b>As at 31 December 2023</b>	<b>(146,445)</b>	<b>(376,311)</b>	<b>(105,362)</b>	<b>(628,118)</b>
<b>Net book value</b>				
As at 31 December 2022	137,830	126,299	10,519	274,648
<b>As at 31 December 2023</b>	<b>111,986</b>	<b>122,831</b>	<b>8,400</b>	<b>243,217</b>

There are no assets held by the Singapore Branch or the Kenyan Subsidiary.

## 11. Cash and cash equivalents

	2023 Group £	2022 Group £
<b>Cash at bank and MMF</b>		
Pounds Sterling (GBP £)	4,688,567	3,292,501
Euros (EUR €)	26	330
United States Dollars (USD \$)	117,692	158,606
	<b>4,806,285</b>	<b>3,451,437</b>

The Singapore Branch and Kenyan Subsidiary do not have their own bank accounts.

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 12. Restricted Cash

	2023 Group £	2022 Group £
<i>Cash at bank</i>		
United States Dollars (USD \$)	1,925	198,374
Pakistani Rupee (PKR)	261,076	456,114
	<b>263,001</b>	<b>654,488</b>

The Group holds funds on behalf of PIDG's technical assistance (TA) arm which provides grants that support PIDG companies' activities. The purpose of the funds passing through the Group is to facilitate streamlined contract agreements with TA's 3<sup>rd</sup> parties. The funds being held by the Group are managed through grant agreements between PIDG Ltd and the PIDG Trust and are treated as an intercompany balance with the PIDG Trust, and so have no net impact on the Group's statement of financial position.

## 13. Trade and other receivables

	2023 Group £	2023 Company £	2022 Group £	2022 Company £
<i>Due within one year</i>				
Trade receivables	1,396,795	1,396,796	1,425,414	1,425,414
Prepayments and accrued income	176,620	176,619	114,363	114,363
Lease asset	93,529	93,529	1,494	1,494
	<b>1,666,944</b>	<b>1,666,944</b>	<b>1,541,271</b>	<b>1,541,271</b>
<i>Due after more than one year</i>				
Rental deposit	158,099	158,099	158,099	158,099
Other receivables	-	-	-	-
	<b>158,099</b>	<b>158,099</b>	<b>158,099</b>	<b>158,099</b>
	<b>1,825,043</b>	<b>1,825,043</b>	<b>1,699,370</b>	<b>1,699,370</b>

The rental deposit was paid to GuarantCo Management Company Limited (GMC) – the fund manager of GuarantCo Ltd – for office space at 10<sup>th</sup> Floor, 6 Bevis Marks, London, EC3A 7BA. See note 17 for further information.

The lifetime expected loss provision for trade receivables is £nil as noted below. The majority of trade receivables arise from SLA fees due from other PIDG companies.

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 13. Trade and other receivables *continued*

	Past due				Total
	0 – 30 days	31 – 60 days	61 – 90 days	Over 91 days	
Expected loss rate	0%	0%	0%	0%	
Gross carrying amount	1,031,981	363,945	-	869	1,396,795
Loss provision	-	-	-	-	-

Regarding receivables relating to intercompany balances, given the surplus cash in these entities and PIDG Limited's control over these entities, the balances are not impaired.

## 14. Trade and other payables

	2023 Group £	2023 Company £	2022 Group £	2022 Company £
<i>Due within one year</i>				
Trade payables	1,074,717	1,074,717	671,963	671,963
Other payables	17,139	99,158	535,573	578,350
Accruals and deferred income	1,000,770	988,898	1,047,121	1,034,262
VAT and social security	396,644	396,644	397,185	397,185
Corporation tax (note 9)	303,973	298,568	218,241	218,241
	<b>2,793,243</b>	<b>2,857,985</b>	<b>2,870,083</b>	<b>2,900,001</b>
<i>Due after more than one year</i>				
Lease liability	769,463	769,463	699,195	699,195
Deferred tax (note 9)	41,830	41,830	46,073	46,073
	<b>811,293</b>	<b>811,293</b>	<b>745,268</b>	<b>745,268</b>
	<b>3,604,536</b>	<b>3,669,278</b>	<b>3,615,351</b>	<b>3,645,269</b>

The average trade creditors days for the year ended 31 December 2023 was 50 (2022: 47).

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 15. Share capital

	2023 Group No.	2023 Group £	2022 Group No.	2022 Group £
<i>Authorised, issued and fully paid</i>				
1 ordinary share at £1	1	1	1	1
	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

The Kenyan Subsidiary is 100% owned and controlled by the Company via a share issue of £6 (KES1,000).

## 16. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Retained earnings	Net gains and losses and transactions with shareholders not recognised elsewhere.

## 17. Operating leases

As at the end of the reporting period the Group had future minimum payments under non-cancellable operating leases as set out below:

	2023 Group £	2022 Group £
Within one year	257,586	40,705
Between two and five years	920,534	1,149,608
	<b>1,178,120</b>	<b>1,190,313</b>

Operating lease payments are for PIDG Ltd's material sub-lease agreement with GMC for the office space at 10<sup>th</sup> Floor, 6 Bevis Marks, London, EC3A 7BA. The lease end date is 07 February 2028 as the option to break the lease in February 2023 was not exercised. The terms of the lease included a rent-free period of six months followed by a further twelve months at reduced rent. At the renewal date, an additional rent-free period of 10 months, followed by a further 4 months at reduced rent was received. Rental payments for the period ended 31 December 2023 were £40,705 (2021: £297,341).

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 17. Operating leases *continued*

A portion of the lease costs are recharged to two PIDG companies who share the PIDG Ltd's office, The Emerging Africa Infrastructure Fund Limited and InfraCo Africa Ltd. The Group expects the following receipts:

	EAIF £	InfraCo Africa Ltd £	Total £
Within one year	4,770	104,934	109,704
Between two and five years	14,726	323,976	338,702
	<b>19,496</b>	<b>428,910</b>	<b>448,406</b>

The Group has extended the same lease incentives it enjoys through its sub-lease agreement with InfraCo Africa Ltd and its recharge to The Emerging Africa Infrastructure Fund Limited.

## 18. Financial risk management

Management continually monitors the Group's risk exposure and ensures that there are appropriate systems of controls in place to create an acceptable balance between the potential cost to the Group should a risk occur and the cost of managing those risks. This section provides details of the Group's exposure to financial risks and describes the methods used by management to control such a risk.

### *Credit risk*

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle its financial and contractual obligations to the Group as and when they fall due. The Group's maximum exposure to credit risk is represented by the carrying value of its financial assets.

The Group's primary exposure to credit risk relates to its cash and cash equivalents with Barclays Bank and Fidelity Institutional Liquidity Fund plc, both of which are regulated financial entities. The Group is also exposed to credit risk on trade receivables, representing SLA fees due from other PIDG companies. An analysis of the ageing of these is provided in note 13. These relate to intercompany balances and there has been no significant credit risk increase over the period.

### *Foreign exchange risk*

Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. A significant amount of the Group's income is denominated in US Dollars and the Group also holds cash in both US Dollars and Euros, as well as Pounds Sterling. The Group's principal foreign exchange risk arises from the income received in these currencies, whilst most of its operating costs are incurred in Pounds Sterling.

The approach to managing this risk adopted by the Group for the year ended 31 December 2023 has been to convert any foreign currency receipts to Pound Sterling as and when it is practical to do so, else to hold them in the foreign currency received where there are known matching obligations in that currency.

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 18. Financial risk management *continued*

The Group's exposure to foreign currency risk as at 31 December 2023 was:

	2023		2022	
	EUR/GBP Group £	USD/GBP Group £	EUR/GBP Group £	USD/GBP Group £
<i>Assets</i>				
Cash and cash equivalents	26	117,692	330	158,606
Trade and other receivables	-	(225,510)	-	(479,542)
	<b>26</b>	<b>(107,818)</b>	<b>330</b>	<b>(320,936)</b>
<i>Liabilities</i>				
Trade and other payables	-	(310,171)	(11,078)	(155,294)
	-	<b>(310,171)</b>	<b>(11,078)</b>	<b>(155,294)</b>
<b>Net exposure</b>	<b>26</b>	<b>(417,989)</b>	<b>(10,748)</b>	<b>(476,230)</b>

### *Foreign exchange risk continued*

The estimated impact on the Group's post-tax profit and net assets caused by a 5% variance in the exchange rate used to measure assets and liabilities held in foreign currencies is not deemed to be material, assuming all other variables are held constant.

### *Liquidity risk*

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations when they fall due or will have to do so at cost. The Group monitors its liquidity risk regularly using cash flow forecasts.

The Group considers its share capital and retained earnings to be its total capital. This is shown in the statement of changes in equity. The Group currently has no borrowings.

As at 31 December 2023 the Group had cash and cash equivalents of £4,806,285 (2022: £3,451,437) with a further £1,666,944 (2022: £,1541,271) in current assets. This is £3,679,986 (2022: £2,122,625) in excess of current liabilities.

### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group is exposed to minimal interest rate risk on its cash balances.

### *Fair value of financial instruments*

Financial instruments are defined in note 3. The Group considers the following to be its principal financial instruments, from which financial instrument risk arises:

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 18. Financial risk management *continued*

- Cash and cash equivalents;
- Trade and other receivables, excluding prepayments; and
- Trade and other payables, excluding corporation tax.

The Directors consider there to be no difference between the carrying value of the Group's financial assets and liabilities and their fair value due to their short-term nature.

At the reporting date, the Group held the following financial assets and liabilities, itemised by category:

	2023		2022	
	Financial assets held at amortised cost Group £	Financial liabilities at amortised cost Group £	Financial assets held at amortised cost Group £	Financial liabilities at amortised cost Group £

### *Financial assets*

Cash and cash equivalents	4,806,285	-	3,451,437	-
Trade and other receivables	1,655,926	-	1,585,009	-
<b>Total financial assets</b>	<b>6,462,211</b>	<b>-</b>	<b>5,036,446</b>	<b>-</b>

### *Financial liabilities*

Trade and other payables	-	3,258,733	-	3,351,037
<b>Total financial liabilities</b>	<b>-</b>	<b>3,258,733</b>	<b>-</b>	<b>3,351,037</b>

	2023		2022	
	Financial assets held at amortised cost Company £	Financial liabilities at amortised cost Company £	Financial assets held at amortised cost Company £	Financial liabilities at amortised cost Company £

### *Financial assets*

Cash and cash equivalents	4,806,285	-	3,451,437	-
Trade and other receivables	1,655,926	-	1,585,009	-
<b>Total financial assets</b>	<b>6,462,211</b>	<b>-</b>	<b>5,036,446</b>	<b>-</b>

### *Financial liabilities*

Trade and other payables	-	3,328,880	-	3,380,955
<b>Total financial liabilities</b>	<b>-</b>	<b>3,328,880</b>	<b>-</b>	<b>3,380,955</b>



# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 19. Related party transactions

The Board considers the following to be related party transactions:

- Transactions and balances between the Group, the Trust and other PIDG companies.
- Transactions and balances with entities controlled by the Group's key management personnel.

Notes 24 and 25 provide further details of these related parties.

During the year, the Group provided services of £9,546,317 to related parties (2022: £8,396,776).

The amounts relating to this within revenue and other income were:

	<b>2023</b>	<b>2022</b>
	<b>Group</b>	<b>Group</b>
	<b>£</b>	<b>£</b>
The Emerging Africa Infrastructure Fund Limited	2,086,519	1,963,836
GuarantCo Limited	2,092,421	1,873,728
InfraCo Africa Limited*	2,397,701	2,099,318
InfraCo Asia Investments Pte Ltd	217,360	201,383
InfraCo Asia Development Pte Ltd	1,959,748	1,719,205
ICF Debt Pool LLP	35,882	32,369
PIDG Trust	756,686	506,937
	<b>9,546,317</b>	<b>8,396,776</b>

During the year, the Group paid operating expenses of £443,366 to related parties (2022: £37,678).

The amounts relating to this within operating costs were:

	<b>2023</b>	<b>2022</b>
	<b>Group</b>	<b>Group</b>
	<b>£</b>	<b>£</b>
InfraCo Africa Limited*	347,274	22,235
InfraCo Asia Development Pte Ltd	96,092	15,443
	<b>443,366</b>	<b>37,678</b>

\* Includes the figures for InfraCo Africa (East Africa) Limited and InfraCo Africa (West Africa) S.A.R.L.A.U, both 100% subsidiaries of InfraCo Africa Limited.

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 19. Related party transactions *continued*

The following balances were owed by / (owed to) related parties as at 31 December and were included in the Group's statement of financial position:

	2023	2022
	£	£
The Emerging Africa Infrastructure Fund Limited	58,941	(18,614)
GuarantCo Limited	54,107	(42,242)
InfraCo Africa Limited*	359,401	848,247
InfraCo Africa Investment Ltd	1,095	15,721
InfraCo Asia Investments Pte Ltd	117,839	60,131
InfraCo Asia Development Pte Ltd	42,999	383
ICF Debt Pool LLP	16,269	16,149
PIDG Trust	290,682	419,454
	<b>941,334</b>	<b>1,299,229</b>

\*Includes the figures for InfraCo Africa (East Africa) Limited and InfraCo Africa (West Africa) S.A.R.L.A.U, both 100% subsidiaries of InfraCo Africa Limited.

The balances between both PIDG Ltd (Singapore Branch) and PIDG (Kenya) Ltd with PIDG Ltd, have been assessed as 0% for expected credit loss and the balances are £nil (2022: £nil) when consolidated for group reporting.

## 20. Leases (IFRS 16)

The Group had two leases which it recognised initially in 2019 and 2020 under IFRS 16 on its statement of financial position. These relate to the rental lease on its principal office at 6 Bevis Marks, London, EC3A 7BA and to office equipment in use at that office.

A discount factor of 5.5% was used for the rental lease and 4.7% was used for the office equipment lease, based on the 1-month USD LIBOR interest rate as at 01 January 2019 and 01 February 2020 of 2.5% and 1.7% respectively, plus a margin of 3%, as per PIDG Limited's inter-group Revolving Facility Agreement (note 22).

The rental lease had an end date of February 2028 with an option to break the lease in February 2023. On 05 August 2022, the company opted to not exercise the lease break clause and entered into an agreement for the period 08 February 2023 to 07 February 2028. This resulted in a second rent-free period of 10 months followed by a further 4 months at 50% reduced rent. Therefore, the calculation was revised to include the extended lease period as initially it had only considered the period to the break clause date. A revised discount factor of 5.4% was used, based on the 1-month USD LIBOR interest rate as at 05 August 2022 of 2.4%, plus a margin of 3%. The office equipment lease is effective until May 2025 and has been recognised to this date.

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

## 20. Leases (IFRS 16) *continued*

This extension to the lease was included in 2022 and the Group continues to unwind the rental and office equipment leases on the Statement of Financial Position.

ROU Assets	Rental Lease Group £	Office Equipment Group £	Total Group £
At 1 Jan 2023	648,181	21,263	669,444
Additions	-	-	-
	<b>648,181</b>	<b>21,263</b>	<b>669,444</b>
Depreciation	(126,720)	(8,856)	(135,576)
<b>As at 31 Dec 2023</b>	<b>521,461</b>	<b>12,407</b>	<b>533,868</b>

Lease Liabilities	Rental Lease Group £	Office Equipment Group £	Total Group £
At 1 Jan 2023	673,968	22,637	696,605
Additions	-	-	-
	<b>673,968</b>	<b>22,637</b>	<b>696,605</b>
Interest	35,026	770	35,796
Lease Payments	(26,139)	(9,880)	(36,019)
<b>As at 31 Dec 2023</b>	<b>682,855</b>	<b>13,527</b>	<b>696,382</b>

Note that the lease liability amount reflected in the Statement of Financial Position also includes £72,756 (2022: £2,264) in relation to the shared office space that was not subject to change due to IFRS 16.

# The Private Infrastructure Development Group Limited

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Notes to the financial statements for the year ended 31 December 2023 *continued*

## 20. Leases (IFRS 16) *continued*

As at the end of the reporting period the Group had future expected balances for operating leases recognised by IFRS 16 as follows:

ROU Assets	Rental Lease £	Office Equipment £	Total £
Within one year	394,394	3,527	397,921
Between two and five years	-	-	-

Lease Liabilities	Rental Lease £	Office Equipment £	Total £
Within one year	549,197	3,993	553,190
Between two to five years	-	-	-

The net impact on the Statement of Financial Position of the leases is:

	2023 £	2022 £
ROU Assets	533,868	669,444
Retained earnings (ROU) Adjustment	(63,349)	(63,349)
ROU Liability	(696,382)	(696,605)
<b>Net effect</b>	<b>(225,863)</b>	<b>(90,510)</b>

The sensitivity of the present value of equipment due to the discount factor is:

Change to discount factor	% change to present value
2% increase	-10%
2% decrease	11%

## 21. Contingent liabilities

As at the date of signing of these financial statements the Group did not have any contingent liabilities.

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

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## 22. Intra-Group Loan Agreement

On 19<sup>th</sup> March 2019, PIDG Ltd entered into a Revolving Credit Facility Agreement with another PIDG Company, GuarantCo. This agreement allows the Group to borrow up to US\$5 million if there is any risk that it will not have sufficient funds to meet its financial obligations as they fall due. Funds borrowed can only be used to cover the Group's operating costs.

Interest on any loan amount is set at 3% above the 1-month USD LIBOR interest rate, as varied from time to time. Interest accrues daily and is paid monthly in arrears.

Full or partial repayment of the loan is to be made subject to the Group receiving sufficient funds from the PIDG Trust or other PIDG companies to cover the loan and accrued interest. This Revolving Credit Facility remains undrawn.

## 23. Post balance sheet events

In 2023 many of the countries in which the company works continued to face considerable challenges which have continued into 2024. On a macroeconomic level, our markets and active and potential clients continue to be impacted by ongoing high interest rates and inflation, rises in commodity and food prices and the disruption of global supply chains on the back of ongoing conflicts in Russia-Ukraine and the Middle East.

None of these factors have led to any post balance sheet events that would need to be disclosed or reflected in these results. We continue to closely monitor global and regional events and actively consider the impact of these on the Company and its investments.

The Group has not identified any further post balance sheets to disclose following the year ended 31 December 2023.

## 24. Related undertakings

The PIDG companies (in addition to the Group) and their countries of registration are:

- (1) The Emerging Africa Infrastructure Fund Limited (Mauritius) (EAIF);
- (2) GuarantCo Limited (Mauritius) (GuarantCo);
- (3) InfraCo Africa Limited (England) (InfraCo Africa);
- (4) InfraCo Asia Development Pte. Ltd. (Singapore) (InfraCo Asia);
- (5) InfraCo Africa Investment Ltd (England) (InfraCo Africa);
- (6) InfraCo Asia Investments Pte. Ltd. (Singapore) (InfraCo Asia);
- (7) ICF Debt Pool LLP (England) – a limited liability partnership that is closed to new business, which is outside the scope of the oversight and governance provided by PIDG Ltd;
- (8) The Private Infrastructure Development Group (Kenya) Limited (100% owned by the Company);
- (9) The Private Infrastructure Development Group Limited (Singapore Branch);
- (10) The Private Infrastructure Development Group Trust (Mauritius) (PIDG Trust);
- (11) InfraCo Africa (East Africa) Limited (Kenya) (InfraCo Africa) and
- (12) InfraCo Africa (West Africa) S.A.R.L.U. (Morocco) (InfraCo Africa).

# The Private Infrastructure Development Group Limited

Annual report and financial statements 2023

Notes to the financial statements for the year ended 31 December 2023 *continued*

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## 25. Shareholders and members

The Group is 100% owned by the Private Infrastructure Development Group Trust (the PIDG Trust), a Trust incorporated in Mauritius. The Group's immediate and existing joint shareholders are SG Kleinwort Hambros Trust Company (UK) Limited, IQ EQ Trustees (Mauritius) Ltd\* and Minimax Ltd as trustees of the Private Infrastructure Development Group Trust (PIDG Trust), a trust established under the laws of Mauritius.

\*Effective 30 November 2021, IQ EQ Trustees (Mauritius) Ltd replaced Multiconsult Trustees Ltd, as a trustee of the PIDG Trust following an amalgamation pursuant to section 247 (2) of the Mauritius Companies Act 2001.

The current members of PIDG are:

- (1) The Secretary of State for Foreign, Commonwealth and Development Affairs of the United Kingdom of Great Britain and Northern Ireland acting through the Foreign, Commonwealth and Development Office (FCDO);
- (2) The Government of the Netherlands represented by the Directorate-General for International Cooperation – the Netherlands Minister for Foreign Trade and Development Co-operation (DGIS);
- (3) The Swiss State Secretariat for Economic Affairs (SECO);
- (4) The Commonwealth of Australia as represented by the Department of Foreign Affairs and Trade (DFAT);
- (5) The Swedish International Development Co-operation Agency (Sida);
- (6) KfW Group, a German development bank; and
- (7) The International Finance Corporation, a member of the World Bank Group.

# The Private Infrastructure Development Group Limited

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Notes to the financial statements for the year ended 31 December 2023 *continued*

## Definitions

<b>AC</b>	PIDG Ltd, Audit Committee
<b>AML</b>	Anti-Money Laundering
<b>the Board</b>	The Board of Directors of The Private Infrastructure Development Group Limited
<b>CC</b>	PIDG Ltd, Credit Committee
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CMP</b>	Compliance Monitoring Plan
<b>the Code</b>	The UK Corporate Governance Code 2018
<b>Companies Act</b>	The UK Companies Act 2006
<b>COO</b>	Chief Operating Officer
<b>COP28</b>	Conference of the Parties 28 <sup>th</sup> Annual Summit
<b>COVID-19</b>	Coronavirus disease
<b>Credit Solutions businesses</b>	EAIF and GuarantCo
<b>CRO</b>	Chief Risk Officer
<b>DAC I/II</b>	Development Assistance Committee Least Developed Countries (LDCs) / Low Income Countries which are not LDCs
<b>DevCo</b>	The Infrastructure Development Collaboration Partnership Fund, which is a trust fund within the IFC
<b>Development Arm</b>	InfraCo Africa Limited; InfraCo Africa Investment Ltd; InfraCo Asia Development Pte Ltd; InfraCo Asia Investments Pte Ltd
<b>DTLF</b>	Digital Telecoms Limits Framework
<b>EAIF</b>	The Emerging Africa Infrastructure Fund Limited
<b>ERM</b>	Enterprise Risk Management
<b>EU</b>	European Union
<b>EUR</b>	Euro
<b>FCAS</b>	Fragile and Conflict-Affected States
<b>FRC</b>	Financial Reporting Council
<b>FX</b>	Foreign Exchange
<b>GBP</b>	British Pound Sterling
<b>GER</b>	Governance Effectiveness Review
<b>GHG</b>	Greenhouse Gas
<b>GMC</b>	GuarantCo Management Company Limited
<b>the Group</b>	The Private Infrastructure Development Limited, its Singapore Branch and subsidiary The Private Infrastructure Development Group (Kenya) Limited
<b>GuarantCo Management Company Limited</b>	Outsourced fund manager of GuarantCo
<b>GuarantCo</b>	GuarantCo Limited
<b>HSES</b>	Health, Safety, Environment and Social
<b>HSESC</b>	PIDG Ltd, Health, Safety, Environment and Social Committee
<b>IAS</b>	International Accounting Standards
<b>IASB</b>	International Accounting Standards Board
<b>IC</b>	PIDG Ltd, Investment Committee
<b>IFC</b>	International Finance Corporation

# The Private Infrastructure Development Group Limited

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Notes to the financial statements for the year ended 31 December 2023 *continued*

<b>IFRS</b>	International Financial Reporting Standards
<b>IP</b>	Investment Policy
<b>KPI</b>	Key Performance Indicator
<b>LDC</b>	Least Developed Country
<b>LGD</b>	Loss Given Default
<b>LIBOR</b>	London Inter-Bank Offered Rate
<b>Members</b>	The governments of the UK, Netherlands, Switzerland, Australia, Sweden, Germany and the IFC
<b>Ninety One</b>	Outsourced fund managers of EAIF
<b>NGRC</b>	PIDG Ltd, Nomination, Governance and Remuneration Committee
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OLIC</b>	Other Low Income Countries
<b>OPPs</b>	Operating Policies and Procedures
<b>Owners</b>	The governments of the UK, Netherlands, Switzerland, Australia, Sweden, Germany and the IFC
<b>Parent</b>	The PIDG Trust
<b>PD</b>	Probability of Default
<b>PIDG</b>	All the companies in the Private Infrastructure Development Group including PIDG Limited and the companies set out in note 24
<b>PIDG Executive</b>	Members of The Private Infrastructure Development Group Limited Executive Committee
<b>PIDG TA</b>	PIDG's technical assistance arm that provided grants that support PIDG companies' activities
<b>PSI</b>	Private Sector Investment
<b>PSP</b>	Group Policy, Standards and Procedures Review
<b>RC</b>	PIDG Ltd, Risk Committee
<b>RMF</b>	Risk Management Framework
<b>ROM</b>	Risk Operating Model
<b>s172</b>	Section 172 of the UK Companies Act 2006
<b>SDG</b>	Sustainable Development Goals of the United Nations
<b>SDI</b>	Sustainable Development Impact
<b>SECO</b>	Staatssekretariat for Airshaft / Swiss State Secretariat for Economic Affairs
<b>SLA</b>	Service Level Agreement
<b>TA</b>	Technical Assistance
<b>tCo2</b>	Total Carbon Dioxide
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>TNFD</b>	Task Force on Nature-related Financial Disclosures
<b>ToR</b>	Terms of Reference
<b>the Trust</b>	The Private Infrastructure Development Group Trust
<b>TP</b>	Transfer Pricing
<b>Trustees</b>	SG Kleinwort Hambros Trust Company (UK) Limited, Minimax Limited, IQ EQ Trustees (Mauritius) Ltd
<b>UK</b>	United Kingdom
<b>US</b>	United States
<b>USD</b>	United States Dollar
<b>VAT</b>	Value Added Tax
<b>VGF</b>	Viability Gap Funding in respect of Technical Assistance