



Climate Summit for Local and Regional Leaders

Marrakech - 14 November 2016

LTIIA Objectives

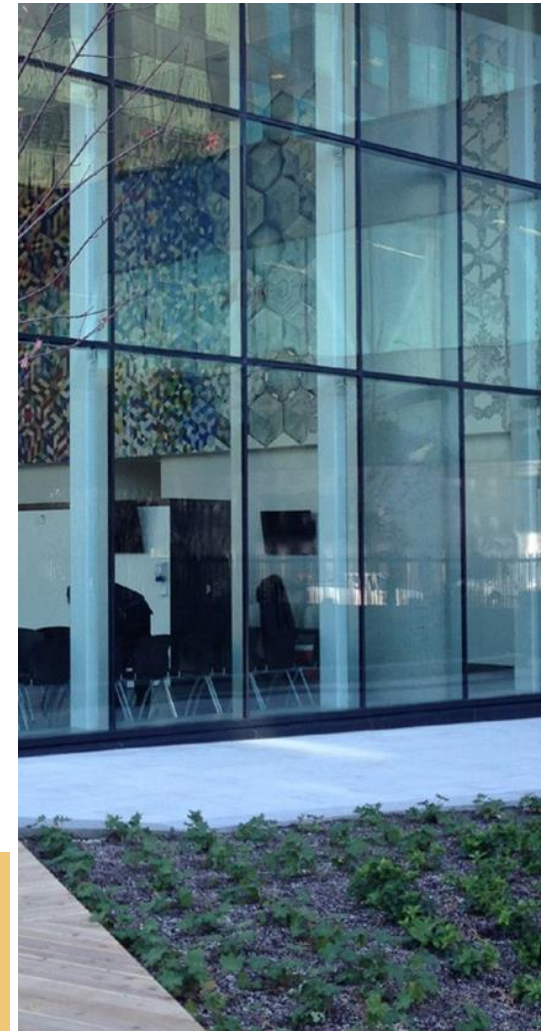
Sharing and promoting best practices within the industry

- Promote and support the creation of a benchmark for the infrastructure asset class for asset allocation, regulatory and risk management purposes
- Support research and analysis of infrastructure investment related topics (e.g. direct or indirect access to the asset class, risk management tools, sector and financial regulations changes, long-term trends of the sector)
- Enable better integration of Environment, Social and Governance (ESG) aspects

Providing policy-makers an infrastructure investment industry entry point

- Linking financial regulations and infrastructure policies funding
- Contributing actively to market consultations at national and/or regional levels
- Ensuring industry representation in relevant fora (G20/B20, MDBs meetings/workshops, etc.)

To facilitate and promote private investment in infrastructure that enables long-term, sustainable development of communities, countries and regions.





LTIIA Climate initiative: Objectives

Concrete contribution to COP 22 (and following summits)

- Bring the expertise and vast experience as private long-term investors in infrastructure
- Provide volunteering governments and/or local authorities (limited number) with assistance on the preparation and execution of their climate change policies or programs
- Dedicate experts, time and other necessary resources to facilitate the financing of the investment component of the climate change policies or programs of participating countries and other authorities
- Contribute in a tangible manner to the COP 22 and following summits

Climate Task Force (CTF)

- LTIIA Climate Task Force (CTF) is formed to support LTIIA Climate initiative when considering the financing feasibility of the investment component of the participating countries and other authorities' climate change policies and programs
- Long-term infrastructure projects are selected among the list of projects presented by the participating countries and other authorities in the context of their climate change policies
- The above selected projects will be looked at and reviewed or assessed in the light of private investors' criteria by the CTF members
- The ultimate goal is to facilitate or enable the financing of a number of infrastructure projects that are key in the implementation of climate change programs and policies



The primary objective of LTIIA Climate initiative is to facilitate the financing of the investment component of climate change policies while bringing the vast experience and the expertise of LTIIA members in a concrete manner to some countries and local authorities to reach COP 22 and following summits



LTIIA Climate initiative: Organization

Climate Task Force (CTF)

- Representatives & Experts forming the CTF are seconded by 5 LTIIA members:



- Allianz Global Investors: a leading global provider of infrastructure debt



- California State Teachers Retirement System (CalSTRS): one of the largest U.S. institutional investors in infrastructure



- Development Bank of Japan (DBJ): a leading Japanese institution involved in infrastructure investments globally



- Meridiam: a leading fund manager investing in public-private partnerships and other long-term infrastructure projects



- SWEN Capital Partners: a French institutional investor in infrastructure with significant experience in ESG reporting

Modus operandi with CTF

- Other experts, members or partners of LTIIA, may join CTF, depending upon the expertise needed

- Support of the Public-Private Infrastructure Advisory Facility (PPIAF, World Bank Group):



- ✓ Contribution to the CTF - on a case by case basis, considering:
 - Expertise in transports and energy sectors,
 - Specific knowledge and entry points for many countries
- ✓ Benefice from the “in house” experience of PPP financings
- ✓ Opportunity to enlarge the scope of the CTF review to the participating countries NDCs programs’ re-assessment and follow-up

LTIIA Climate initiative: Participating public authorities

Participating countries and other public authorities

- Focus on a limited number of public authorities
- Four public authorities have started formal discussions

- Senegal
- Republic of Turkey
- Hashemite Royal Kingdom of Jordan
- Ministry of transport of Royal Kingdom of Morocco



- Specific contacts for LTIIA:
 - The President Office, as the main contact and coordinator of the different necessary contacts for Senegal
 - The Ministry of Environment for the Kingdom of Jordan
 - The Ministry of Energy for the Republic of Turkey
 - The Ministry of Transports and Infrastructure for The Royal Kingdom of Morocco



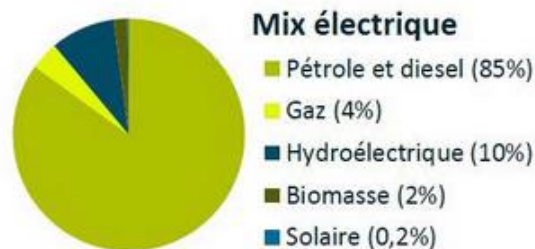


A pilot project - Senenergy

A pilot project: Senergy (1/3)

Senegal is looking for solution to solve its core issue of energy

- Insufficient production capacities
- Current production capacities can not meet demand and lead to blackouts
- Increasing needs
- Very high production cost (one of the highest electricity production costs in Africa)
- 80% of Senegal electricity is provided by oil



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Senergy offers

- 30MW solar PV project
- Cost-effective and competitive solution to increase production capacities
- Support to the modernization and competitiveness of Senelec, the state owned utility
- 35% Reduction in production costs: FCFA 65 /kWh, vs FCFA 100 /kWh
- First utility scale solar power plant in West Africa
- Strong ESG rationale
- Reduction of carbon emissions: 34,252 tons/year
- Decentralized project in the area of Thiès (3rd biggest city in Senegal)





A pilot project: Senergy (2/3)

A perfect example of what can be done on the road of carbon reduction

- Renewable project: clean energy bringing new and cost-effective production capacities
- With a significant contribution to the reduction in carbon emissions in the medium and long-term
- While solving of major and critical issues production capacities lacking and very high production costs

Senergy has reached financial close and will be delivered in February 2017

A pilot project



- Decentralized project
- Build with local industrial partners to serve local population and needs
- Strong ESG rationale
 - Compliant with international standards, incl. IFC Performance standards, Carbon credits certification process
 - Eligible for the Clean Development Mechanism (CDM) of the UNFCCC (United Nations Framework Convention on Climate Change) which allows emission-reduction projects in developing countries to earn certified emission reduction credits
- Issues production capacities lacking and very high production costs

A pilot project: Senergy (3/3)

Senergy ESG Impacts Assessment

Shareholders Engagement Plan

Systematic and comprehensive stakeholder engagement ensure all stakeholders are provided relevant, timely and accessible information and have the opportunity to express their views and concerns.

- Proactively identify and involve all potentially affected stakeholders;
- Generate an understanding of the project amongst those affected;
- Identify issues early in the project cycle
- Identify opportunities to deliver “shared benefits”
- Ensure mitigation measures are implementable, effective and efficient;
- Establish a system for long-term communication between the project and communities that is of benefit to all parties.

Environment & Social Impacts Assessment

Identification of potential impacts and risks of the project to anticipate and develop appropriate mitigation measures. Process similar the performance standards of the IFC, including:

- Consultation with stakeholders and governmental authorities, NGOs at national, regional and district level and local communities;
- Assessment of alternative proposals;
- The impact of the project on the local traffic, geology, water, air, ecology, economy, community and labour force were considered; and
- The impact of the construction and operational works.

The ESIA study showed that impacts were minor except for Land acquisition as the project will be located on farming lands that constitutes the only income source for their owners



Environment & Social Action Plan

- ESAP responds to points raised in the previous assessments and consultations and lays out the appropriate actions, the responsible party, timetable and on-going monitoring and evaluation criteria with specific KPIs.

Agreement signed with local villages committed to:

- Compensate financially the villagers for the land acquisitions
- Prioritise local employment
- Drill a borehole in the village
- Upgrade the existing school
- Build premises for a maternity unit
- Provide schools furniture, solar equipment and medicines
- Fund a micro credit association



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