

# Catalyzing Sustainable Infrastructure: **InfraZamin's Mandate, Framework, and Portfolio Impact**



# InfraZamin's Mandate and Development Role



Pakistan has a long-standing shortage of long-term, local-currency finance for infrastructure. As a country we spend about 2.1 percent of Gross Domestic Product (GDP) on infrastructure, one of the lowest rates in the region and well below the 8-10 percent of GDP required to bridge the gap. Banks and capital-market investors may be willing to lend to established companies, but infrastructure projects typically require larger amounts and longer repayment periods, and may present risks that individual lenders are not able to take on alone. As a result, otherwise viable projects can struggle to secure financing on terms that work for both the project and the lender.

There are few sources of long-term, local-currency finance for infrastructure in Pakistan. InfraZamin addresses this gap by providing guarantees that improve the credit quality of infrastructure transactions and mobilise financing in Pakistani rupees from domestic banks and capital-market investors. This enables risk mitigation for such investors and project owners receive financing on more appropriate terms, including longer tenors for greater viability. InfraZamin does not replace commercial finance; We help mobilise commercial finance for projects that might otherwise struggle to secure suitable funding.



InfraZamin's approach is based on the principle that sustainable infrastructure is fundamental to Pakistan's economic and social development. Each supported transaction must contribute to one or more of InfraZamin's development-impact priorities, including environmental sustainability, poverty reduction, financial inclusion, gender equality and job creation. Projects are also required to meet applicable health, safety, environmental and social standards.

InfraZamin was set up by the Private Infrastructure Development Group (PIDG) and Karandaaz Pakistan.

PIDG is an innovative infrastructure development and finance organization funded by six governments (UK, Netherlands, Switzerland, Australia, Sweden and Canada). To date, PIDG has mobilized approximately US\$47bn in private capital towards underserved frontier markets and enabled access to improved infrastructure to over 200m people across 22 markets. Karandaaz is a section 42 company, designed and established in Pakistan to enable access to finance to underserved sectors especially SME's. Karandaaz provides wholesale credit and equity growth capital, drives innovative investments, enables digital access and supports its work via strong research and understanding of the local environment.

Five years on, this mandate is becoming apparent as reflected in InfraZamin's portfolio: by August 2026, we have completed 10 transactions and approved approximately **PKR 17 billion** in guarantees, helping to mobilise **PKR 21 billion** in private capital for projects supporting job creation, women's access to finance, cleaner energy, digital connectivity and agricultural storage.

# How InfraZamin Creates Development Impact Outcomes

Development impact is an approval criterion, not simply an outcome measured after a transaction is completed. Every proposed transaction is assessed and scored against InfraZamin's development impact framework, and only transactions that meet the required minimum score can proceed.

Each guarantee extended is designed to address a specific financing constraint which demonstrate the additionality that credit enhancement brings to the project. A bank may be unable to lend for the required period, a project may need more financing than a single lender can provide, or local-currency finance may not be available on flexible terms. Investors may also be unwilling to enter a project / sector that they consider unfamiliar or untested. If these constraints cannot be addressed, the financing may not proceed, or may only be available on terms that make the project unviable.

InfraZamin's guarantee helps overcome these constraints by taking on part of the credit risk. This allows banks and investors

to offer longer tenors, a larger facility, more appropriate pricing or local-currency financing that would not otherwise be available. In some cases, the guarantee also brings new investors into transactions or sectors in which they would not previously have participated.

Once suitable financing is secured, the underlying project or investment can proceed. For the InfraZamin portfolio this involves projects that span fibre optics infrastructure, increasing agricultural storage capacity, renewable energy and extending finance to underserved businesses and households. These activities have generated development benefits such as employment, improved access to essential services and infrastructure and reduced greenhouse-gas emissions.

InfraZamin's contribution lies in reducing the financing constraint via risk mitigation credit. The resulting development benefits are generated through the project that the guarantee helped make possible.

## Our Development Impact Framework

Development impact is built into InfraZamin's transaction approval process. Each proposed transaction is assessed and scored against a development impact framework, and only transactions that meet a threshold score can proceed.

This development impact assessment and HSES approach are aligned with PIDG requirements and relevant international good practice. For HSES, this includes the IFC Performance Standards on Environmental and Social Sustainability and the UN Guiding Principles on Business and Human Rights.

Every supported transaction is expected to contribute to one or more sustainable development goals with a focused priority on environmental sustainability, poverty reduction, financial inclusion, gender-balanced employment and job creation. These benefits must be delivered alongside good practice in health, safety, environmental and social matters. The expected effects of each transaction are assessed under three headings.

**Capital and lending-market development** considers whether the transaction mobilises private-sector investment, strengthens the credit profile of a bank or capital-market financing, helps secure more appropriate pricing or a longer tenor, and reduces the amount of capital a bank would otherwise need to allocate against its exposure.

**Project-level development** considers whether the financing enables tangible economic activity. This may include the development or expansion of infrastructure, greenfield or brownfield investment, increased productive capacity and the creation of jobs, particularly where the benefits reach lower-income groups.

**People and planet** considers the expected effects on end-users, workers and communities. This includes employment opportunities for women, benefits for lower-income groups and improved access to infrastructure or services. It also considers environmental outcomes, such as avoided greenhouse-gas emissions and more efficient use of energy and other resources.

Each transaction is also mapped to the relevant UN Sustainable Development Goals, based on the nature of the expected outcomes and the beneficiaries likely to be reached. InfraZamin's contribution is assessed separately by considering the financing constraint addressed by its guarantee and whether the expected financing and development outcomes would have occurred without its involvement.

# How impact is embedded in transactions

Before providing a guarantee, InfraZamin assesses each proposed transaction against three criteria as part of its overall appraisal, alongside the standard credit and risk review.

**Commercial viability.** The project must be commercially viable and capable of attracting private capital with the support of InfraZamin's guarantee.

**Additionality.** InfraZamin assesses whether its participation addresses a specific financing constraint. This may include improving financing terms, extending the tenor, increasing the amount of finance available, making the transaction more bankable, or bringing in lenders and investors that would not otherwise have participated.

**Development impact.** The transaction must be expected to contribute to one or more of InfraZamin's development goals and achieve the required minimum development-impact score. It must also meet applicable health, safety, environmental and social requirements.

## What this looks like across our portfolio

Across its portfolio from 2021 to 2026, InfraZamin has completed 10 transactions. Our guarantees have helped mobilise **PKR 21 billion** in private-sector funds against **PKR 17 billion** in guarantee approvals to date until June 2026. In terms of monitoring and evaluation, we are moving toward consolidated, portfolio-level impact reporting from standalone, deal-by-deal basis reporting.

### Our portfolio results include:





**PKR 1,575 Million**

Maximum Guaranteed Amount.

**7 Year**

Tenor.

**50-65**

Direct Jobs.

**20% Direct Jobs**

Allocated for Women.

**100-200**

Indirect Jobs.

**PKR 40 Million**

Per annum, the federal government is expected to receive this in the form of additional taxes.

**Other Development Impacts**

include **internet access** to previously underserved second and third-tier cities of Pakistan, and **improved quality** of internet and data.



## PAKISTAN AND SOUTH ASIA'S FIRST **GENDER BOND**

**100%**  
guarantee cover.

**PKR 2,833 Million**  
guaranteed amount including principal  
and two interest instalments coverage.

**~30,000**  
women from low-income and rural  
households to pursue entrepreneurial  
aspirations, rehabilitate flood-affected  
homes, and expand schools and small  
businesses.

**33**  
institutional investors including  
development finance institutions, pension  
funds, asset management companies, and  
insurance companies.

**First AAA-rated**  
bond by a microfinance institution of  
Pakistan.





## Guaranteeing Green Infrastructure

**11.5 years**

distributed solar financing facility.

**PKR 1,037 Million**

guaranteed amount including principal and one interest instalment coverage for a PKR 1.2 billion financing facility.

**12 MW**

solar power projects across Pakistan.

**~8,500 tons**

annual savings of CO<sub>2</sub> emissions.

### UN SDGs Targeted

SDG 7 Affordable & Clean Energy

SDG 8 Decent Work & Economic Growth

SDG 13 Climate Action





## Guaranteed Trade Finance Facility

### PKR 600 Million

75% principal guarantee cover for a PKR 800 million financing facility.

### Innovative Structuring

first guaranteed short-term trade facility supporting tech-infrastructure

### Additional Employment

80 – 90 jobs with 20% reserved for women within 2 years.

### Tech-Infrastructure

including delivery and installation of IT equipment, servers, data centers and related services.

### UN SDGs Targeted

- SDG 5 Gender Equality
- SDG 8 Decent Work and Economic Growth
- SDG 9 Industry, Innovation and Infrastructure



## Sunridge Agri Infrastructure Sukuk

### **PKR 2,000 Million**

participation by a diverse pool of investors including banks, AMCs and DFI.

### **100%**

principal guarantee cover.

### **First AAA-rated**

fully guaranteed Agri-Infrastructure Sukuk of Pakistan.

### **Renewable Energy**

Installation of 1 MW wind turbine and 0.5 MW solar plant.

### **Storage & Silos for Agricultural Product**

Post-BMR Capacity: Wheat 35,000MT; Rice 6,000MT. Addition of 2 warehouses for increase storage capacity, size 39,6000 sq ft.

### **UN SDGs Targeted**

- SDG 2 Zero Hunger
- SDG 5 Gender Equality
- SDG 7 Affordable & Clean Energy
- SDG 9 Industry, Innovation & Infrastructure





# Pakistan's First Green Sukuk for the Telecom Sector

**PKR 3 Billion Green Sukuk Programme**  
100% Principal Guarantee Cover.

**AAA Rated**  
Green Sukuk.

**7.5 Year Tenor**  
Per tranche.

**Solarization of up to  
1,955 Telecom Towers**  
With lithium-ion battery energy storage and  
IoT-based monitoring gateways.

**AI-Enabled Energy Management**  
Smart battery charging, energy optimization and  
remote performance monitoring.

**Structuring Innovation**  
Multiple telecom service orders financed through  
one scalable Green Sukuk programme.

**Climate Impact**  
Reduced diesel usage and lower carbon  
emissions.

**UN SDGs Targeted**

|       |                                       |
|-------|---------------------------------------|
| SDG 7 | Affordable & Clean Energy             |
| SDG 8 | Decent Work & Economic Growth         |
| SDG 9 | Industry, Innovation & Infrastructure |





## Strengthening Pakistan's Manufacturing Capacity

### **PKR 1,464 Million**

Long-term financing facility.

### **PKR 1,098 Million Credit Guarantee**

75% guarantee coverage.

### **10 Year Tenor**

Long tenor to support infrastructure expansion.

### **375 kW Clean Energy**

Integrating solar power to support more sustainable operations.

### **~150 Jobs**

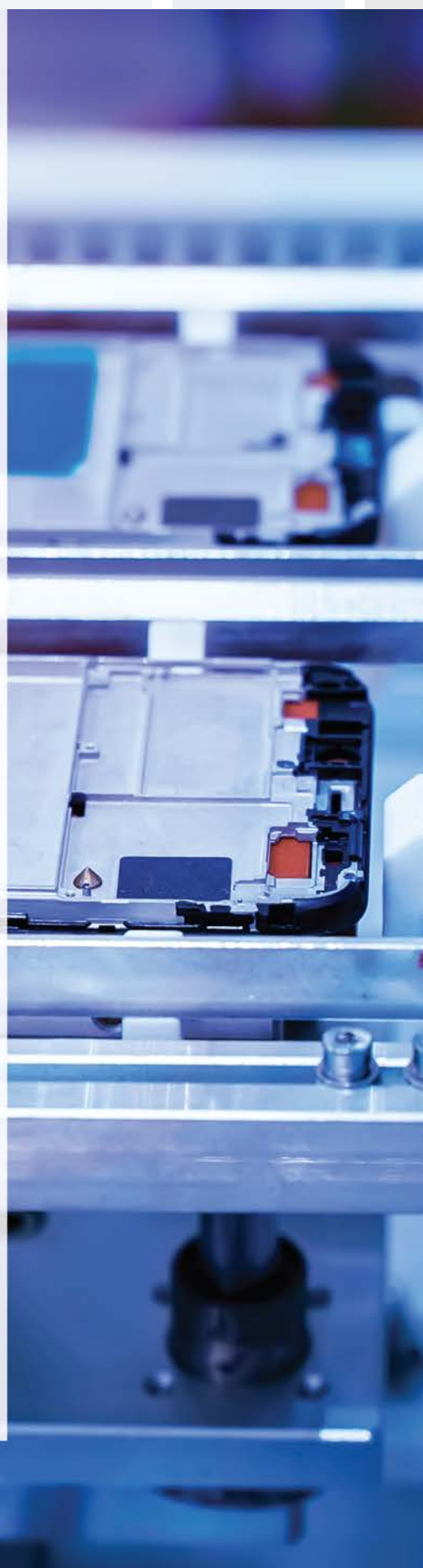
25% allocated to women.

### **Expanding Local Manufacturing**

Advanced facilities for smartphone and air purifier manufacturing. Supporting local production, technology transfer and employment opportunities.

### **UN SDGs Targeted**

- SDG 7 Affordable & Clean Energy
- SDG 8 Decent Work & Economic Growth
- SDG 9 Industry, Innovation & Infrastructure





## Expanding Pakistan's Technology Manufacturing Capacity

### **PKR 3,300 Million**

Long-term financing facility.

### **PKR 2,475 Million Credit Guarantee**

75% guarantee coverage.

### **10 Year Tenor**

Long tenor to support infrastructure expansion.

### **625 kW Solar Plant Integration**

Supporting more sustainable manufacturing operations.

### **~350 jobs**

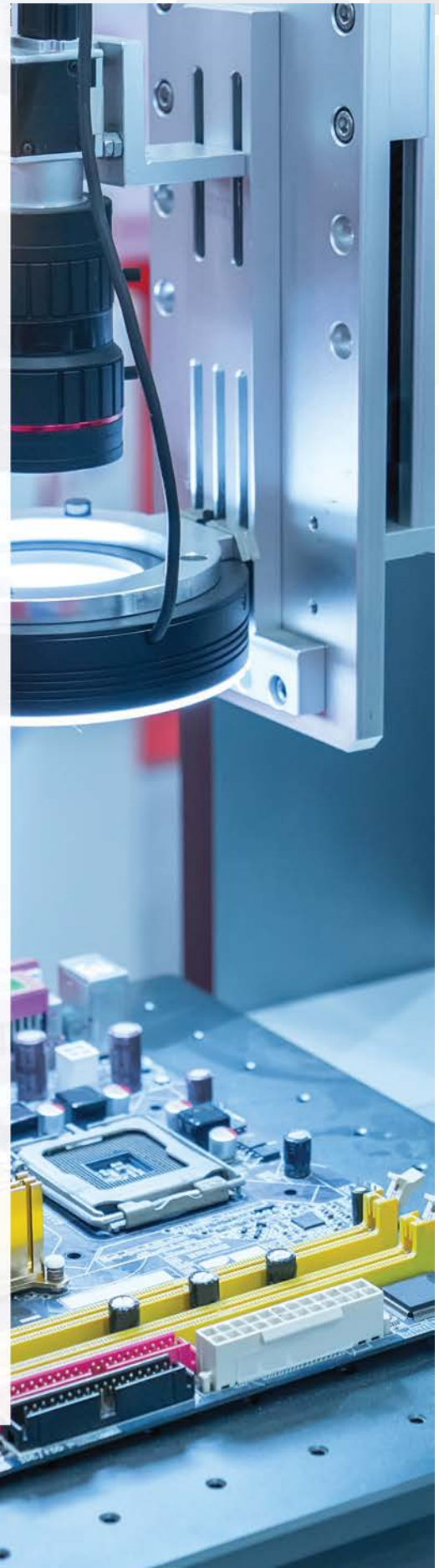
25% allocated to women.

### **Expanding Consumer Electronics Production**

Manufacturing smartphones, televisions and air conditioners.

### **UN SDGs Targeted**

- SDG 7 Affordable & Clean Energy
- SDG 8 Decent Work & Economic Growth
- SDG 9 Industry, Innovation & Infrastructure





## Pakistan's First Agri-Storage Portfolio Financing Facility

### **PKR 7.1 Billion Allocation**

Long-term financing facility.

### **PKR 2.5 Billion Credit Guarantee**

50% guarantee coverage from InfraZamin Pakistan.

### **300,000 MT Capacity**

Creating climate-resilient storage equal to roughly 5% of national silo capacity.

### **SBP EWR Scheme**

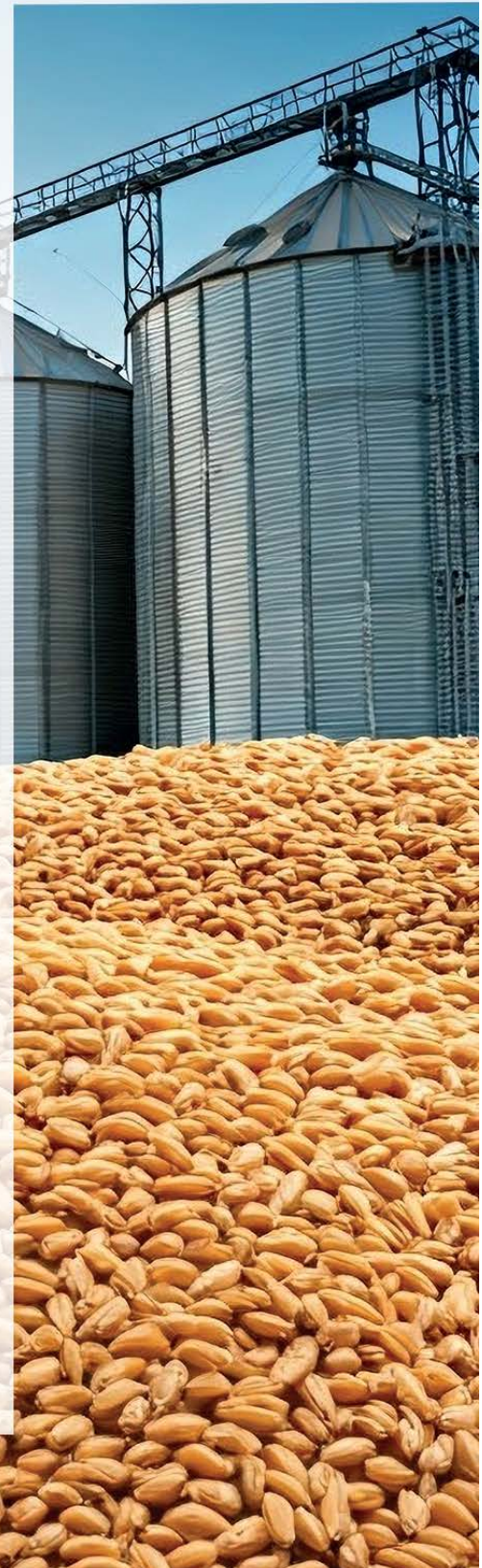
Qualifying facilities under the official scheme to improve outcomes for farmers and processors.

### **1,500 Jobs Supported**

Creating around 1,000 construction jobs and 500 operational roles.

### **UN SDGs Targeted**

- SDG 2 Zero Hunger
- SDG 7 Affordable & Clean Energy
- SDG 8 Decent Work & Economic Growth
- SDG 9 Industry, Innovation & Infrastructure



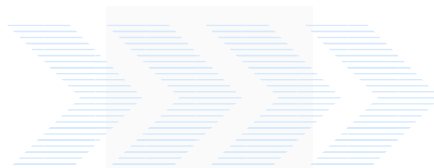


# The broader value of the model

InfraZamin operates in a local lending market that is often constrained by the crowding out of private sector borrowers, underdeveloped capital markets, and reliance on multilateral institutions to finance critical infrastructure. Its guarantees are designed to unlock financing within that market, rather than substitute for it, bringing in banks and investors on terms they would not otherwise offer.

IZP's mandate allows it to support renewable energy; water, sewage and sanitation; power generation, transmission and distribution; digital infrastructure; social infrastructure such as affordable housing, health, education, agriculture; and transportation.

Through the transactions completed to date, InfraZamin is demonstrating that infrastructure can be financed in local currency through Pakistan's banks and capital markets. This can build confidence in new sectors and financing structures, widen the domestic investor base and support similar transactions over time.





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