IFC and Spain
Partners in Private Sector Development

OVERVIEW

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working in more than 100 countries, IFC committed a record $43.7 billion in own-account investments and mobilization from third parties to private companies and financial institutions in developing countries in fiscal year 2023 (FY23).* IFC partners with multinationals and mid-sized firms that are interested in investing in emerging markets. As of June 2023, IFC had a long-term committed investment portfolio of close to $2.9 billion with Spanish partners spread across several sectors and regions.

IFC’s Long-Term Investment Portfolio with Spanish Sponsors

As of FY23 (ending June 2023), IFC’s long-term investment portfolio with Spanish sponsors amounted to $2.9 billion. Spanish private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

**Mobilization**: IFC has a strong relationship with Spanish financial institutions (FIs) and an active engagement across multiple sectors. As of June 2023, Spanish FIs held $366 million in IFC Syndicated Loans.

**Global Trade Finance Program (GTFP)**: As of June 2023, IFC issued over 2780 guarantees amounting to a cumulative total of over $11 billion for Spanish banks since the GTFP began in 2005. The most active confirming banks have been CaixaBank, Banco Santander and BBVA.

PARTNERSHIP WITH THE GOVERNMENT AND THE DEVELOPMENT FINANCE INSTITUTION

The Ministry of Economy, Trade, and Business (MINECO), is IFC’s main counterpart. IFC also works closely with a range of other counterparts including the Ministry of Industry, Energy and Tourism, COFIDES (the Spanish Development Finance Institution), ICO (the State’s Financial Agency under the MINECO), ICEX (the Spanish Institute for Foreign Trade under the MINECO), and AECID (the Spanish Agency for International Development Cooperation).

In FY19-23, Spain provided cumulative funding of over $7 million to support IFC Advisory Services, including around $3.9 million in FY23, for the replenishment of the Spain-IFC Technical Assistance Trust Fund (TATF). To date, the Spain TATF has funded a portfolio of 38 projects for $13 million. The projects supported by the Trust Fund span all IFC regions with the largest allocations to Latin America and the Caribbean (24%), Middle East and North Africa (19%), and Europe and Central Asia (17%).

*The World Bank Group fiscal year runs from July 1 to June 30 of the following calendar year.
Examples of Successful Cooperation

Iberdrola, Brazil

In May 2023, IFC committed a green and sustainability-linked loan of BRL 800 million, equivalent to $155 million, to Neoenergia Elektro, a Brazilian integrated energy company which is majority owned by the Spanish electric utility group Iberdrola. The loan will finance network improvements and new connections in the states of Sao Paulo and Mato Grosso do Sul in Brazil, improving network efficiency and enabling more renewable power to be distributed to consumers, as well as reducing downtime caused by extreme climatic events. IFC’s investment will promote the transition to clean and more efficient energy in Brazil. In addition, it will help Neoenergia achieve increased network digitalization, so reducing energy losses and related GHG emissions. It will also increase the number of female electricians in its workforce.

In June 2022, IFC committed a BRL 550 million ($115 million) green and sustainability-linked loan to Neoenergia Coelba, a power distribution company operating in the state of Bahia. Neoenergia Coelba is part of Neoenergia, which is majority owned by Iberdrola. The loan will help Neoenergia Coelba upgrade, expand, and digitalize its distribution network. This was the first loan combining “green” use-of-proceeds with sustainability-linked financing features linked to environmental and gender targets for a power distribution company in Latin America and the first sustainability-linked loan in the Brazilian power sector. This investment will improve the quality and reliability of the power supply in Brazil, boosting the resilience of the country’s energy sector.

Hallotex Group / Textil Santanderina, Morocco

In April 2023, IFC formally commenced project development support to Reciclados Tanger on a greenfield textile plant to manufacture recycled-based yarn, fabric and clothing in Tangier, Morocco. Reciclados Tanger is the Moroccan joint venture of Hallotex Group and Textil Santanderina, two Spanish companies that design and manufacture environmentally-friendly garments and fabrics. The project will support the company in growing its operations with a strong focus on circularity and waste management. IFC’s co-development project will contribute to the development of the Moroccan textile industry, help introduce new technologies and create 500 direct and 1,500 indirect jobs, of which 70% will be for women. It will also contribute to reducing textile waste in Morocco and provide proof for the concept that the recycled and environmentally-friendly textile and apparel industries are sustainable in the country.

Santander, Chile

In December 2022, IFC invested up to US$300 million in the form of two unfunded risk participations in two risk-sharing facilities with Santander totaling US$600 million. Santander is the second largest bank in Chile and a subsidiary of Spain’s Santander Group, one of the largest European multinational banks. The first risk-participation investment will allow the Bank to preserve capital for a portion of its trade-related assets, while the second is anticipated to support Santander in preserving capital for its medium-sized corporate clients. IFC’s investment will allow the conserved capital to be redeployed to finance climate-related loans and small and medium enterprises (SMEs) with a portion of those SMEs exclusively related to women-owned SMEs. The project will contribute to the resilience of the country’s financial sector and the sustainable economic growth of the Chilean economy.

BBVA, Romania

In November 2022, IFC committed a €40 million senior loan to GBRO, a commercial bank in Romania owned by Türkiye Garanti BBVA (TGB), which is in turn owned by Banco Bilbao Vizcaya Argentia (BBVA), a multinational banking group headquartered in Spain. The loan will help ramp up the share of green housing in its overall portfolio and support more green housing projects. IFC’s investment will increase access to green housing finance in Romania, supporting the country’s climate goals and promoting the adoption of best practices in green mortgage finance.

Grupo Fierro, Peru

In September 2022, IFC committed a subordinate loan of up to US$40 million, including US$25 million from IFC’s own account and up to US$15 million on the account of other participants, to BanBif, the fifth-largest commercial bank in Peru. Grupo Fierro is a Spain-based conglomerate active in industrial and financial sectors in Latin America and a parent company of BanBif. The loan will help BanBif develop a green building business line to finance home-buyers and builders of certified green buildings. IFC’s investment will increase access to climate finance in Peru, including energy efficiency and green building projects. IFC’s engagement will help build capacity and set environmental standards in Peru.