

Creating Creating Opportu

In an era of scarce public resources, a strong and engaged private sector is indispensable to ending poverty and boosting shared prosperity. That is where IFC comes in—we know how to unlock private investment, creating markets and opportunities where they're needed most.

Markets, nities

Unlocking Private Investment

For six decades, IFC has been at the leading edge of mobilizing private capital for development—which will be essential to achieve the Sustainable Development Goals. Our innovative platforms make it easier for investors—ranging from commercial banks to insurance companies and sovereign wealth funds—to join us in accelerating development in challenging markets.

Ending poverty is an expensive undertaking: the gap between what is needed and what is available amounts to trillions of dollars each year.

That is why the private sector must be involved. IFC plays a critical role in building the platforms and creating the opportunities for the private sector to accelerate development. We mobilize capital from banks, sovereign funds, and international financial institutions. By putting private capital to work, we achieve far greater development impact than we could on our own.

IFC mobilizes funds through two major platforms. The first, IFC Asset Management Company, manages \$9.8 billion in assets through 13 investment funds, including \$2.3 billion from IFC. The second, our loan-syndications program, has mobilized more than \$62 billion from more than 500 financing partners for projects in emerging markets since its inception in 1959. At the end of FY17, our syndications portfolio totaled \$16 billion.

In FY17, IFC mobilized nearly \$7.5 billion for investment in developing countries—including more than \$1.2 billion through public-private partnerships. We also created several multibillion-dollar platforms for private investors to join us to address the most urgent development challenges of our time.

This year, we launched the world's biggest green-bond fund dedicated to emerging markets. The \$2 billion Green Cornerstone Bond Fund is aimed at unlocking private funding for climate-related projects. IFC partnered with Amundi, Europe's largest listed asset manager, to create the fund. IFC intends to invest up to \$325 million, which the fund will use to buy green bonds issued by banks in developing countries. Amundi will raise the rest of the \$2 billion from institutional investors worldwide.

We also introduced MCPP Infrastructure, a pioneering initiative to mobilize up to \$5 billion from insurance companies and other institutional investors for investment in infrastructure projects in emerging markets. The effort builds on the success of IFC's \$3 billion Managed Co-Lending Portfolio Program, a loan-syndications initiative that enabled third-party investors to participate passively in IFC's senior loan portfolio.

In another significant step forward, we launched the IFC Emerging Asia Fund, whose partners include a number of high-quality institutional investors. The fund, which is managed by IFC Asset Management Company, will make equity and equity-like investments across all sectors in emerging markets in Asia.

IFC is increasingly using a promising tool—blended finance—to unlock private capital. Private investors often avoid projects that involve untested approaches—or are in markets perceived as too risky. Blended finance entails using small amounts of concessional donor funds to mitigate specific investment risks, opening the door to far greater sums of private investment. In FY17, we used \$188 million of donor funds to catalyze \$726 million in private investment.

IFC client CIPREL hires many students from this vocational school in Côte d'Ivoire.



MOBILIZATION

Creating Platforms to Accelerate Development

**CREATING MARKETS,
CREATING OPPORTUNITIES**

**Green Cornerstone
Bond Fund**

We launched the world's first green-bond fund dedicated to emerging markets.



LOCAL CAPITAL MARKETS

Driving Sustainable Economic Growth

**CREATING MARKETS,
CREATING OPPORTUNITIES**

IFC Social Bond Program

Our \$500 million benchmark bond is helping expand financing for women-owned enterprises.



Strong local capital markets are essential for a thriving private sector.

They help people and businesses obtain long-term financing. They encourage the kind of entrepreneurial risk-taking that fosters innovation and accelerates job creation and economic growth. They can shield entire economies against potentially destabilizing fluctuations in international financial markets.

IFC plays a vital role in strengthening local capital markets, introducing innovative tools to unlock private sector funds for an array of important development goals. We are often the first international nongovernment issuer of local-currency bonds in developing countries, helping to establish the conditions that enable local markets to grow and thrive. We help developing countries draft policies and regulations that build stronger capital markets.

This year, we launched the Joint Capital Markets Program, which leverages the collective expertise of World Bank Group institutions to accelerate capital-markets development wherever it's needed most—beginning with Bangladesh, Egypt, Kenya, Morocco, Peru, Vietnam, and the countries of the West African Economic and Monetary Union.

In October 2016, we issued a first-of-its-kind bond to protect forests and expand capital markets for carbon credits. The five-year IFC Forests Bond, listed on the London Stock Exchange, was sold to major global institutional investors—who were given the option of getting repaid either in carbon credits or cash. It raised \$152 million to prevent deforestation and promote development in emerging markets.

In March 2017, we launched a new Social Bond Program—by issuing a \$500 million global benchmark bond to expand financing for women-owned enterprises and low-income communities. The size of the issuance is expected to help deepen the market for a new but rapidly growing category of sustainability bonds, which expand financing for environmental, social, and governance objectives. Our new program merged two existing IFC bond products—the *Banking on Women* Bond Program and the Inclusive Business Bond Program—that have raised \$268 million and \$296 million, respectively, since 2013.

We continued to deepen markets for local-currency bonds. In the Dominican Republic, we issued the equivalent of \$4 million in bonds denominated in Dominican pesos—our second “Taino” bond in less than five years. Proceeds of the six-and-a-half-year bond will be invested in Banco de Ahorro y Crédito Adopem, a leading local microfinance institution, to expand long-term lending to micro-entrepreneurs.


In Colombia, we helped Bancolombia issue the first-ever green bond by a private financial institution in Latin America. The proceeds—equivalent to \$115 million—will be used to finance climate-smart projects in the country, setting an example that could encourage other financial institutions in the region to undertake similar bond issuances.

In all, IFC has issued bonds in 20 local currencies. We have also provided nearly \$23 billion in local-currency financing across 73 currencies—through loans, swaps, guarantees, risk-sharing facilities, and securitized products.

IFC's “Taino” bond program enabled Josefina Arnaud Jimenez to obtain financing for her farm.

Driving Growth

IFC focuses on sectors that have the potential to create the most jobs and distribute wealth most widely and evenly. We help the underserved gain access to finance. We help build human capital by improving the quality and availability of health care and education. We finance technology companies that are changing the world.



Across the world, about 1 billion people live without electricity. More than 800 million people wake up every morning in slums, and an equal number lack access to clean water.

These numbers tell us that infrastructure in developing countries hasn't kept up with population growth and the desire for better living standards. Inadequate infrastructure also constrains business productivity and economic growth—in Africa, for example, better infrastructure could boost productivity by 40 percent.

Modern infrastructure is indispensable in the fight to end poverty and boost shared prosperity. Since 2007, IFC has invested nearly \$29 billion in infrastructure, mobilizing an additional \$21 billion from other investors. In fiscal year 2017 alone, IFC invested \$3.1 billion, including funds mobilized from other investors. Our clients helped generate power for more than 79 million people in countries where such improvements are desperately needed.

Myanmar, for instance, has one of the lowest electrification rates in the world: only a third of the country's 50 million people have access to electricity. In Myingyan, in the Mandalay region, IFC is supporting the development of the country's largest gas-fired power plant. The \$300 million, 225-megawatt project is expected to supply electricity to more than 5 million people.

At the start of FY17, IFC completed a \$150 million financing package for the construction and operation of Panama's first natural-gas-fired power plant—AES Colon. The 380-megawatt plant is expected to generate power that would otherwise be produced using heavy fuel and diesel. That would represent a reduction of about 1 million tons of carbon dioxide emissions each year—equal to taking more than 200,000 cars off the road.

In India, we played a critical role in the 750-megawatt REWA Ultra Mega Solar Limited, one of the largest single-site solar plants. IFC helped the Indian government and the state of Madhya Pradesh design a robust project structure and a transparent global auction to select a private developer. Solar tariffs are as cheap as coal tariffs, and the energy generated will power metropolitan rail transportation in New Delhi.

In many countries, the absence of modern airports and other transportation infrastructure can pose an obstacle to growth. To help overcome this in Greece, IFC provided €154 million to an international consortium that is modernizing and operating 14 airports. In a nation that has suffered a protracted recession, this work reenergizes the entire sector, boosting passenger capacity by 20 percent and allowing the airports to serve 27.5 million travelers in the next four years.

To meet similar needs in Croatia, IFC supported the public-private partnership that undertook a \$450 million upgrade of the country's Zagreb International Airport, more than doubling the airport's passenger-handling capacity to 5 million a year.

INFRASTRUCTURE

Building a Strong Foundation for Prosperity

**CREATING MARKETS,
CREATING OPPORTUNITIES**

Myanmar Power

IFC is supporting the development of the country's largest natural-gas-fired power plant.

Croatia's \$450 million terminal at Zagreb International Airport was built by an IFC-supported consortium.


TECHNOLOGY

Connecting Communities to Modern Solutions

CREATING MARKETS,
CREATING OPPORTUNITIES

BlackBuck

Our investment in an online truck-booking company is helping lower costs for shippers while raising drivers' incomes.



**A text to a midwife.
An Internet job search.
A mobile money transaction. An e-mailed application for a small-business loan.**

Technology's impact echoes around the world in the sounds of millions of mobile-phone keystrokes. But despite innovations that have enabled many communities to leapfrog into the 21st century, developing countries still trail developed nations in Internet and broadband penetration: as of 2016, more than half the global population remained cut off from the Internet's digital economy.

Without technology, people in remote, poverty-stricken regions have no access to bank accounts, health-care services, educational opportunities, or small-business loans—no way to participate in the global marketplace. That's why IFC promotes progress through investments in the telecommunications and information-technology sector, in projects tailor-made for each area's most pressing development challenge. In FY17, we invested \$910 million in these initiatives, including funds mobilized from other investors—expanding our portfolio in this sector to more than \$2.4 billion.

India's BlackBuck—an online truck-booking company—shows how technology drives development. Most Indian goods are shipped by road, but the \$80 billion trucking industry is highly fragmented, with most trucks owned by drivers or entrepreneurs who run less than five trucks each. Shippers, as a result, have difficulty finding trucks. BlackBuck, backed by a \$10 million investment from IFC, is helping change that. BlackBuck's online platform connects drivers of as many as 100,000 trucks with shippers throughout the country, increasing productivity, cutting logistics costs, reducing greenhouse emissions, and raising drivers' incomes.

In Mexico, we are helping reshape the telecommunications infrastructure to bring technology to people in need. IFC provided advice on structuring a project designed to reach remote areas that are underserved by the three main mobile players today. Subsequently, the China-Mexico Fund, managed by IFC Asset Management Company, participated in the creation of the new network, Red Compartida. The new initiative will ultimately offer 4G LTE services to at least 92 percent of the country.

We're also eyeing Egyptian technology start-ups as a significant source of jobs and innovation. This year we invested \$10 million in Algebra Ventures, the country's largest venture-capital fund, to help channel financing to technology start-ups. IFC's equity investment will help Algebra provide funds for up to 25 up-and-coming businesses in e-commerce, financial services, and consumer Internet services.

For more than a decade, Damegul Abikhanova ran a tailoring shop specializing in traditional Kazakh clothes—first in rural Kazakhstan, then in the city of Almaty.

Business was good. But Abikhanova saw the potential for more. She applied for a loan from an IFC client—KazMicroFinance, or KMF, one of the few local lenders focused on supporting female entrepreneurs. KMF gave her the \$1,300 she needed to ramp up production and introduce new designs. "KMF helped me grow my venture," says Abikhanova.

Access to basic financial services—a bank account, a mortgage, or an insurance policy—is essential for economic growth. It enables people and businesses to build assets, increase income, and reduce financial risks. Yet more than 2 billion adults lack a basic bank account. More than 200 million small and medium enterprises can't obtain the financing they need.

IFC provides investment and advice to expand access to finance for millions of individuals and micro, small, and medium enterprises—or SMEs. We work with a variety of partners—financial institutions as well as governments—to achieve wider impact than we could on our own. In FY17, our clients provided more than \$351 billion in SME loans.

We focus our efforts where the needs are greatest. IFC is also a leading investor in inclusive businesses—those that offer goods, services, and job opportunities to low-income people. Since 2005, we have invested over \$16 billion and worked with over 530 inclusive businesses in more than 90 countries.

To unlock opportunities for rural entrepreneurs in China, we teamed up with Ant Financial—an affiliate of the e-commerce company Alibaba—to invest \$23 million in one of the country's largest micro-finance companies focused on rural borrowers. With our support, CFPA Microfinance aims to provide credit to 1 million borrowers over the next three years.

In Brazil, we arranged a \$275 million financing package for Banco Daycoval to help the bank expand financing for SMEs—with 25 percent of the funds to be allocated specifically to businesses headed by women.

Housing finance is an important area of our work. In the countries of the West African Economic and Monetary Union—Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo—banks issue few mortgages relative to the estimated annual need of 800,000 a year. This year, we invested \$2 million in the mortgage company Caisse Régionale de Refinancement Hypothécaire to help close the gap.



Damegul Abikhanova obtained financing from an IFC client to run a tailoring business.

ACCESS TO FINANCE

Helping Entrepreneurs Reshape Economies



**CREATING MARKETS,
CREATING OPPORTUNITIES**

Housing Finance

Our investment in Caisse Régionale de Refinancement Hypothécaire is helping expand mortgages.

More than three-quarters of the world's poor live in rural areas, toiling on tiny plots of land that yield barely enough to support their family's basic needs.

Agriculture has the greatest potential to lift them out of poverty—it is much more effective than other sectors in raising incomes among the very poor. But formidable obstacles stand in the way of many small farmers: their technology is outdated, their seeds are low-yielding, and their access to finance is limited.

IFC helps open new markets for farmers. We help agribusinesses adopt sustainable methods, reduce waste, and boost productivity. We provide training and develop products that protect farmers against a variety of financial risks. In FY17, our investments in agribusiness and forestry totaled more than \$1.7 billion, including funds mobilized from other investors. Our investments in climate-smart agriculture totaled more than \$800 million. Our clients created opportunities for more than 3 million farmers.

Our approach is comprehensive. For the past seven years, for example, IFC has worked to help Cambodia regain its position as a major exporter of high-quality fragrant rice. Working with the World Bank, we advised the government on how to improve the investment climate for agribusinesses and small farmers. We helped boost industry standards, streamline export procedures, and improve the efficiency of rice millers and re-processors. We invested in local banks and microfinance institutions to increase financing options for rural enterprises and farmers.

The result: Cambodia's rice exports have grown tenfold since 2010, reaching more than half a million metric tons last year and helping to lift millions out of poverty.

This year, we provided a \$145 million financing package to FrieslandCampina, one of the world's largest dairy producers, to help spur the development of Pakistan's dairy industry. Our investment enabled the company to acquire a majority stake in Pakistan's top dairy producer, Engro Foods, with the goal of expanding production. Our investment is expected to create opportunities for up to 200,000 farmers by 2020.

We invested \$35 million in Belagrícola, a Brazilian grain originator and supplier of agricultural inputs such as fertilizers, pesticides, and seeds. The financing will help the company expand its operations in southern Brazil, enabling it to provide inputs, pre-harvest finance, and technical assistance to around 15,000 small and medium farmers.

In Kenya, our advice is helping introduce new approaches to boost production and incomes. We agreed recently to finance the construction of a series of small hydropower plants close to the tea-growing areas of the Kenya Tea Development Agency, a co-operative consisting of more than 500,000 small farmers. The run-of-river plants are cutting power costs and helping boost incomes for the co-op's members.

Rice harvest operations in progress in Cambodia's Battambang Province.



Opening New Markets for Farmers and Agribusinesses



**CREATING MARKETS,
CREATING OPPORTUNITIES**

Cambodia Rice

IFC helped Cambodia achieve a tenfold increase in rice exports and regain its position as a major exporter.

HUMAN CAPITAL

Expanding Access to Health Care and Education

**CREATING MARKETS,
CREATING OPPORTUNITIES**

TechEmerge

This innovative IFC program helped introduce a cutting-edge app to improve diabetes care in India.



At 33, Tatiana Megrelishvili was told she needed a liver transplant. Without it, her life expectancy was 12 months. But she faced a daunting challenge: the procedure had never been performed in her country, Georgia.

"I accepted my fate and assumed I would die," says Megrelishvili, a librarian.

Her life was saved by a chain of hospitals backed by IFC—EVEX Medical Corporation, Georgia's largest private health-care company. Over the past decade, EVEX has systematically introduced sophisticated medical services that previously were unavailable in the country.

But this problem extends far beyond Georgia. Access to affordable health care and education are crucial to the global effort to end poverty and boost shared prosperity. Each year, the steep costs of health care drive 100 million people into poverty. Education offers a reliable path out of poverty—yet 57 million children in developing countries remain out of school.

IFC works to close these gaps. In FY17, we provided \$929 million in financing to businesses in the health and education sectors, including funds mobilized from other investors. Our clients helped provide education for 4.9 million students and delivered health care for 34 million patients.

In India, we invested in two providers that are expanding health care to the remotest corners of the country. IFC and IFC Asset Management Company provided \$67 million to a subsidiary of Apollo Hospital Enterprise Limited to help the company open nearly 1,000 medical facilities, laboratories, and specimen-collection centers across India. We also invested \$9.1 million in Regency Hospital Limited to help the company open four new hospitals and install 15 new dialysis centers in the state of Uttar Pradesh.

In South Africa, we invested \$22 million in ADvTECH, which runs Rosebank College and other institutions that provide education to underprivileged students. Our investment will allow ADvTECH to provide better education to 30,000 additional students in South Africa while expanding into new markets in sub-Saharan Africa, starting with Botswana, Ghana, and Kenya.

Through TechEmerge—an innovative IFC program that brings new technologies to emerging markets—we focused on improving health care in India. We linked 17 technology companies with 15 Indian health-care providers—together, these companies are now implementing a variety of technologies.

For instance, IFC helped link WellDoc, a U.S. technology company, with Max Healthcare, a local health-care company, to provide diabetes patients with an app that monitors glucose levels and allows them to interact instantly with doctors. By 2040, diabetes is expected to affect 123 million people in India.



Sustainability is at the heart of everything we do—because the world's future depends on it. Poverty cannot be eliminated—and climate change cannot be contained—by pursuing profitability and growth at the expense of people and the environment. For decades, IFC has helped our clients conduct business in ways that protect the environment and benefit *all* segments of society.

Promoting Sustainability

Only a few decades ago, environmentalism was less buzzword than bad word—particularly in the boardroom. Profits took priority when it came to financing projects. The impact on the local community and the environment? That was for others to manage.

As emerging markets began to flourish in the 1990s, IFC and several international banks—Credit Suisse, Citigroup, and Barclays among them—recognized that development would become unsustainable if it came at the expense of social and environmental needs. IFC was among the first to forge a path toward responsible growth—using the power of finance to do so.

In 2006, we introduced the IFC Performance Standards (see page 94)—which spell out how IFC and our clients can devise solutions that are good for business, good for investors, and good for the environment and local communities. Since then, an estimated \$4.5 trillion in emerging-markets investments have adhered to IFC’s standards, or principles inspired by them.

Today, our standards are a global benchmark for sustainability practices. Ninety-one financial institutions in 37 countries adopted the Equator Principles, which are based on these standards. Other leading development institutions—including the European Bank for Reconstruction and Development and the Asian Development Bank—adopted practices rooted in our standards. IFC’s framework for managing corporate-governance risks has been adopted by 34 development finance institutions for use in their investment processes. We also work to strengthen the capacity

of our financial clients—banks and private-equity funds—to integrate IFC’s standards into their operations.

Stock exchanges increasingly rely on these standards to construct sustainability indexes—a trend that could influence how institutional investors allocate \$120 trillion in assets. Our advice is helping exchanges in Mexico, Colombia, Peru, and Chile to build sustainability indexes based on the IFC environmental, social, and governance framework. We advise policymakers on best practices in governance, and environmental and social sustainability. We established—and led—the Sustainable Banking Network, which brings together banking associations and regulators in 32 developing countries to formulate policies to boost green finance. Collectively, these countries account for more than \$42 trillion in bank assets.

“If you were an investment analyst 10 years ago and pulled up a Bloomberg or Reuters terminal looking for information on key environmental, social, and governance factors for major companies, you would get a blank screen,” said Graham Sinclair, a principal at Sustainable Investment Consulting in Boston.

“Today, you can find data points for environmental, social, and governance criteria for companies all around the world,” he said. “This is a real mark of how far we have come collectively—thanks in part to the work of IFC and its partners. We can now invest using these data points and make decisions as if the future matters—considering all factors, including the people and the planet.”



Workers at an organic farm in Lebanon. Sustainable farming is a focus area for IFC.

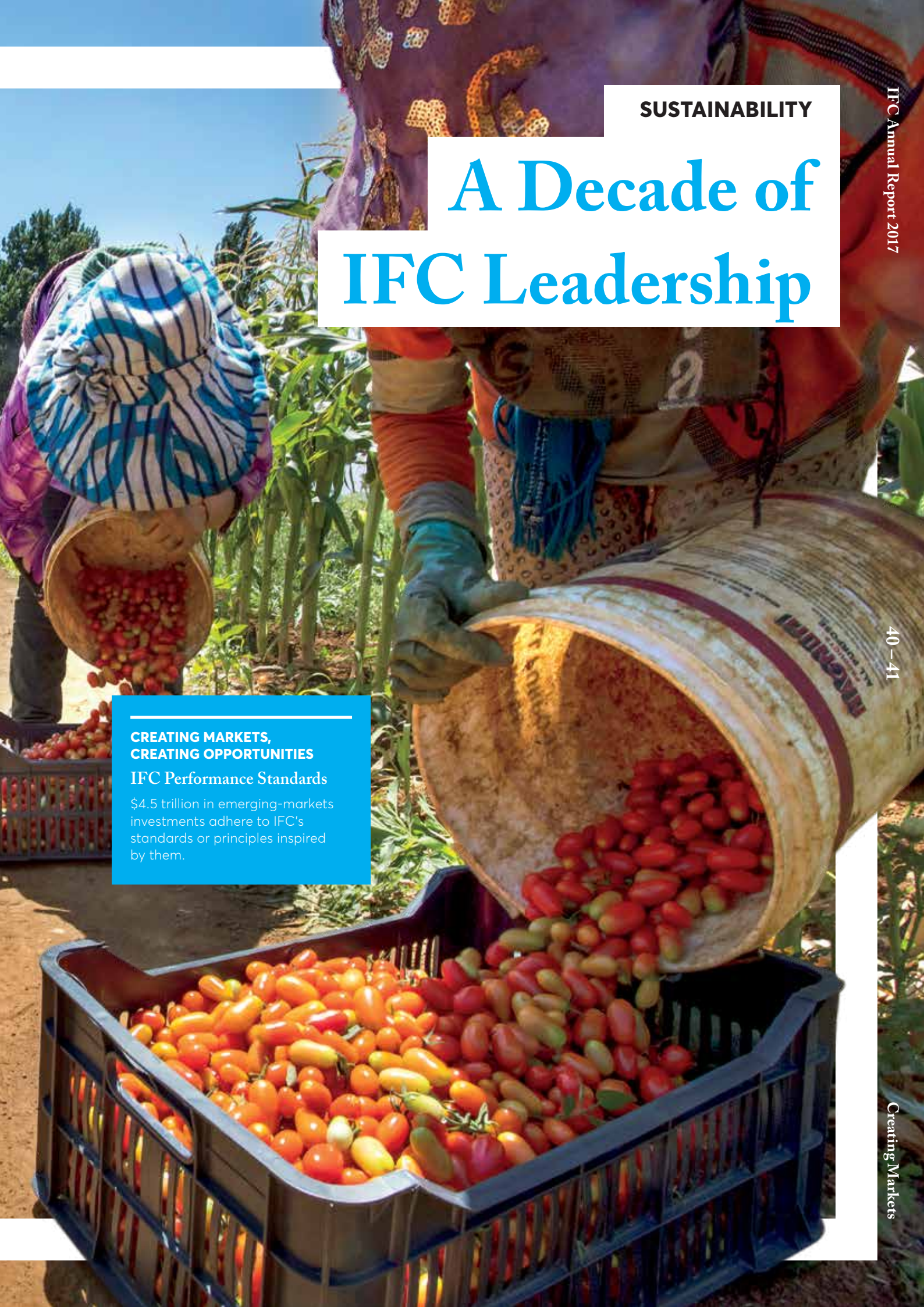
SUSTAINABILITY

A Decade of IFC Leadership

CREATING MARKETS, CREATING OPPORTUNITIES

IFC Performance Standards

\$4.5 trillion in emerging-markets investments adhere to IFC's standards or principles inspired by them.



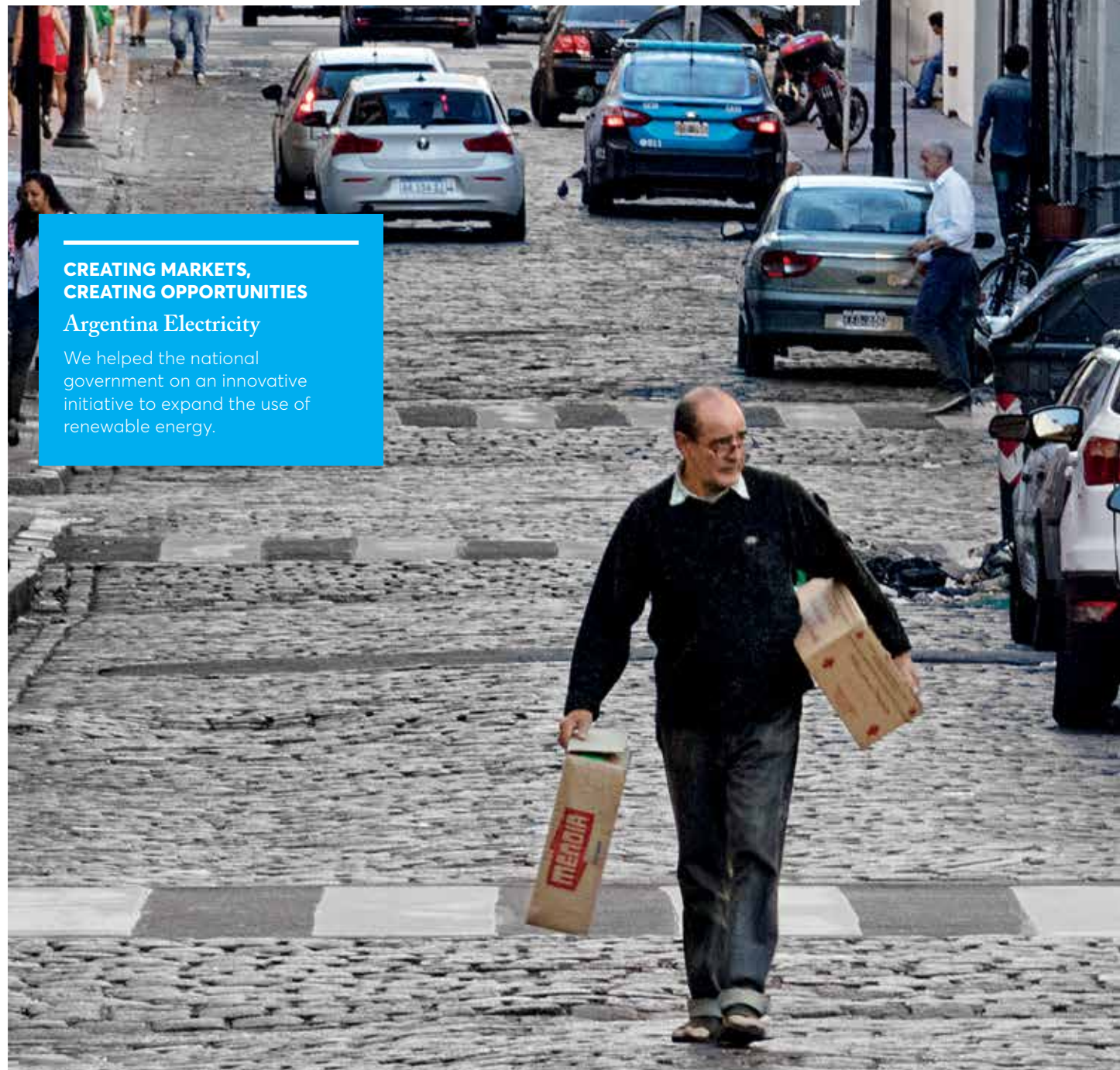
CLIMATE BUSINESS

A \$23 Trillion Opportunity for Sustainable Growth

**CREATING MARKETS,
CREATING OPPORTUNITIES**

Argentina Electricity

We helped the national government on an innovative initiative to expand the use of renewable energy.



IFC is helping Argentina generate 20 percent of its electricity through renewable energy by 2025.

Climate change is a global threat. But as temperatures rise, and cycles of flood and drought intensify, developing countries will be the worst hit.

The Paris Agreement and the commitment of nations across the world to contain rising temperatures to 2 degrees Celsius has opened up an enormous market for technologies that mitigate climate change. IFC's *Climate Investment Opportunities Report*, released in November 2016, identified \$23 trillion in investment opportunities in emerging markets by 2030.

IFC plays a key role in advancing climate solutions led by the private sector. Since 2005, we have provided advice and invested more than \$18 billion in long-term financing for renewable power, energy efficiency, sustainable agriculture, green buildings, and private sector adaptation to climate change. In FY17 alone, we provided more than \$4.7 billion in climate-smart financing, including more than \$1.7 billion mobilized from other investors.

We are not stopping there. IFC has pledged to step up our climate investments to a goal of 28 percent of annual commitments for our own account, while moving to mobilize an additional \$13 billion of financing from the private sector by 2020.

Over the past year, we played a key role in several landmark climate-smart projects.

In Argentina, we supported a government initiative called RenovAR—which aims to generate 20 percent of the national electricity supply from renewable energy by 2025. Our involvement helped RenovAR projects meet international standards and attract financing. The World Bank provided \$480 million in guarantees to reduce risks for investors. The first renewable-energy auction, which aimed to attract 1,000 megawatts worth of new projects, closed with bids for more than six times that amount—a signal of confidence from local and international developers.

In Turkey, we purchased the equivalent of \$150 million of covered mortgage bonds issued by Garanti Bank. Proceeds of the bonds—the first of their kind in the country—are being used to support the development of energy-efficient buildings in the residential sector.

In China, we agreed to advise Agricultural Bank of China—the world's third-largest bank by asset size—on its effort to expand its green-finance portfolio by at least \$23 billion by 2019. The program is expected to reduce greenhouse emissions by 50 million metric tons a year over the next three years—equivalent to taking more than 10 million cars off the road.

In the Balkans, where banks, regulators, and local entrepreneurs once lacked the experience to expand production of renewable energy, we completed a seven-year advisory project that has facilitated more than \$1 billion in financing and developed 500 megawatts of sustainable power.



Women have the power to transform the global economy. Yet, globally, only 55 percent of women participate in the paid labor force. If they participated at the same rate as men, economic output could be boosted by as much as a third.

Such participation would yield benefits stretching across generations. Women tend to allocate more of their income to food, health care, and education—with outcomes that benefit their children and whole communities.

That is why IFC works to promote gender inclusion. We provide investment and advice to our clients across the world, helping them by creating opportunities for women—as consumers, as entrepreneurs, as employees, and as business leaders. In FY17, our clients provided 747,000 jobs for women and educated about 1.6 million female students.

Expanding access to finance for women is key. Our *Banking on Women* program—which provides financing and expertise to financial institutions—has invested more than \$1.5 billion to support women-led small and medium enterprises in 26 emerging markets. The program has been strengthened in recent years through partnerships we have formed with global financial institutions—including the \$600 million Women Entrepreneurs Opportunity Facility, which we established in partnership with the Goldman Sachs 10,000 Women initiative.

We help businesses identify potentially transformative market opportunities. By 2030, insurance companies could earn up to \$1.7 trillion—half of it in 10 emerging economies—by focusing their efforts on women, according to a study we conducted with AXA and Accenture. Following the study, we developed projects in India and Nigeria that are helping insurance companies address the needs of women at different stages of their lives. The projects are expected to lead to a 30 percent increase in female clients by 2019.

We help expand jobs for women in nontraditional sectors. Our *Powered by Women* initiative in Myanmar is helping increase opportunities for women in sectors such as hydropower—including by opening up jobs for women in leadership positions. IFC also strives to appoint women as directors of companies in which we invest.

We helped build a market for off-grid solar products by focusing on women as distributors in our Lighting Asia/India program. Working with Frontier Markets, a clean-energy distribution company, we established an initial network of 250 women distributors. Frontier Markets now plans to expand the network to 20,000 women by 2020.



A food vendor in Myanmar. Economic growth increases when more women enter the workforce.

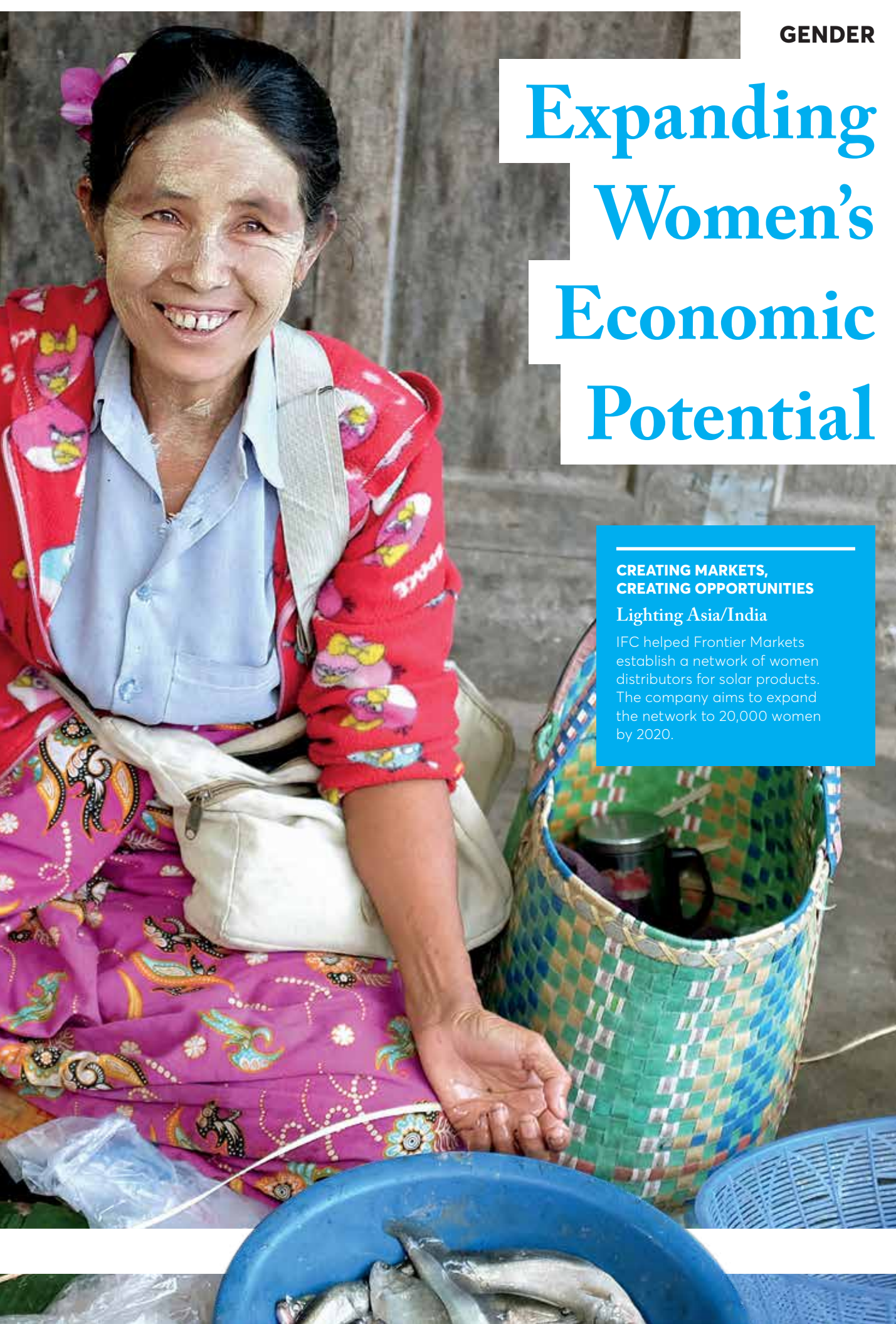
GENDER

Expanding Women's Economic Potential

**CREATING MARKETS,
CREATING OPPORTUNITIES**

Lighting Asia/India

IFC helped Frontier Markets establish a network of women distributors for solar products. The company aims to expand the network to 20,000 women by 2020.



Creating Opportunities

We are concentrating our efforts wherever poverty is most entrenched, and wherever our support can do the most good: in the poorest and most conflict-prone areas of the world, and in Africa, South Asia, and the Middle East. We create opportunities for people to improve their lives—by gaining access to good jobs, affordable credit, reliable power, and clean water.

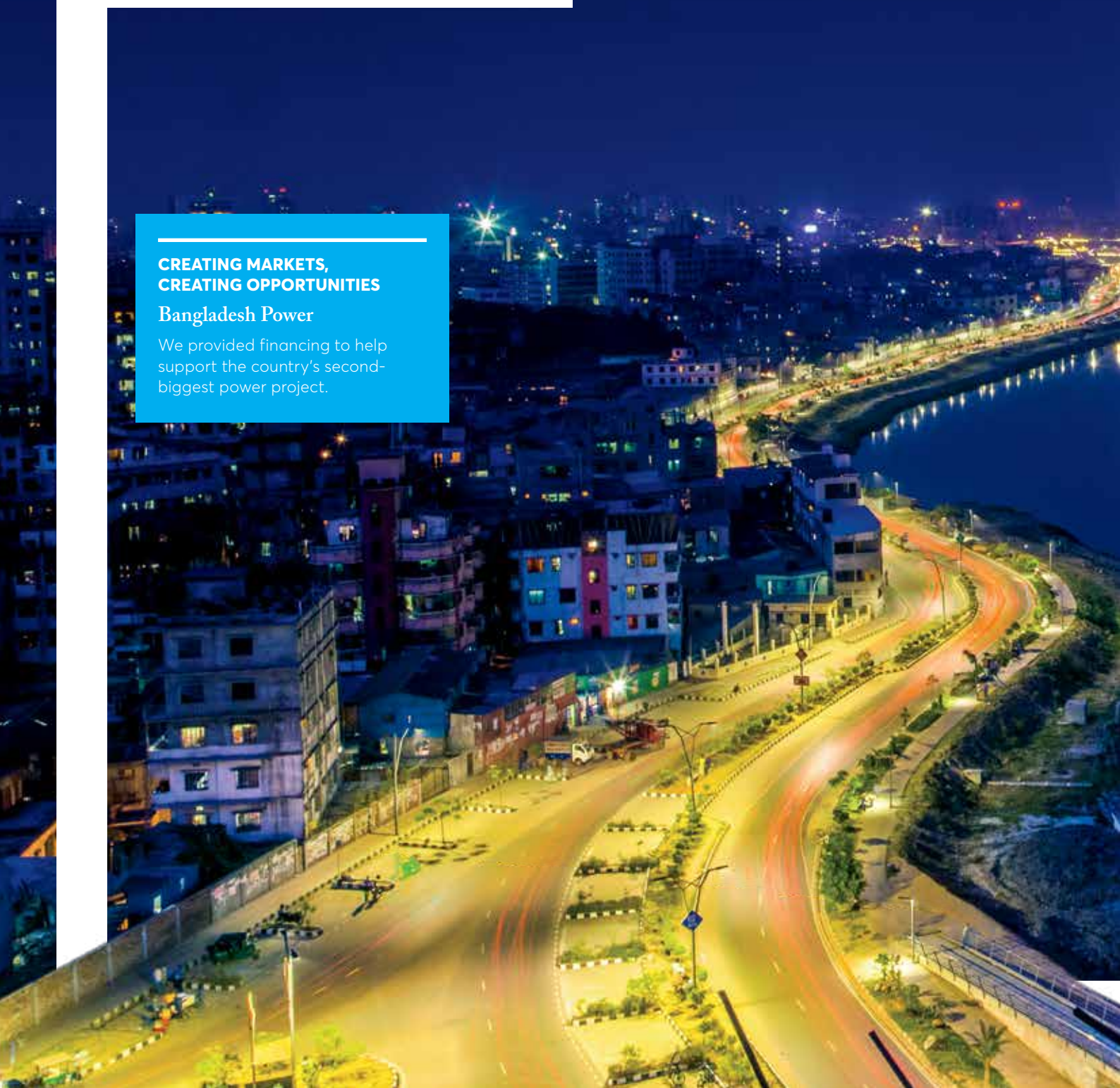
IDA AND CONFLICT-AFFECTED AREAS

Ending Poverty in Challenging Conditions

**CREATING MARKETS,
CREATING OPPORTUNITIES**

Bangladesh Power

We provided financing to help support the country's second-biggest power project.





Around 1.3 billion people—nearly a fifth of the world’s population—live in the poorest countries, those eligible to borrow from the World Bank’s International Development Association. By 2030, nearly half the world’s extremely poor people will be in areas torn by conflict and violence—a threefold increase over today.

These are places where poverty is hardest to eradicate. Public institutions are often ill-equipped to deal with the challenge, and recurring cycles of conflict or instability leave little opportunity for private enterprises to grow and create jobs.

It will take a systematic approach to end poverty there. IFC is at the forefront of the effort to implement the most promising strategies—those that help governments strengthen institutions, put in place the conditions for markets and private entrepreneurship to thrive, and mobilize every available dollar of capital to accelerate sustainable development.

In FY17, IFC’s long-term investment commitments in IDA countries totaled nearly \$4.6 billion, including funds mobilized from other investors. More than 60 percent of our advisory program is in these countries. In addition, IFC has contributed more than \$3.6 billion since 2007 to support IDA’s work. Our investments in fragile and conflict-affected areas totaled \$886 million in FY17, including funds mobilized from other investors. About 20 percent of IFC advisory programs was in such areas.

We helped create the *IDA Private Sector Window* to expand private investment in IDA countries—with an emphasis on conflict-affected areas. The \$2.5 billion facility includes risk-mitigation tools to stimulate private capital flows. It is expected to attract an additional \$6 billion to \$8 billion in private investment in IDA and conflict-affected countries. We also launched the *Creating Markets Advisory Window* to support implementation of the *IDA Private Sector Window* over the next three years and respond to the growing need for advisory solutions in these countries.

In Afghanistan, we helped broker an agreement to build the country’s first privately financed power plant. The 50-megawatt plant, near the city of Mazar-e-Sharif, will supply electricity to 1 million Afghans and boost domestic power generation by 20 to 30 percent. It will mark a major achievement for Afghanistan, which imported an estimated 80 percent of its electricity last year.

In Papua New Guinea, where about 80 percent of the population has no access to electricity, IFC’s *Lighting PNG* program is helping global solar manufacturers enter the local market—by providing business connections, market information, and education for consumers. Since 2014, more than 1.3 million people have gained access to energy services.

In Bangladesh, where 40 percent of the population has no access to electricity, we arranged a \$165 million financing package for Sembcorp Utilities, a subsidiary of the Singapore-based Sembcorp Industries. The financing will help Sembcorp set up a 414-megawatt plant—the second-biggest power project in Bangladesh.

SUB-SAHARAN AFRICA

Bringing Progress to Half the World's Poor



IFC client CIPREL operates the largest thermal power station in Côte d'Ivoire.



Janet Nangobi Suda has a small chicken farm in Busembatia in eastern Uganda. Until recently, contaminated water—drawn from swamps and boreholes—was killing or sickening the chickens. Even worse, children in the town were falling sick, and people were forced to walk great distances to fetch clean water.

The situation improved when a small-scale public-private partnership structured by IFC helped bring clean piped water into the community. Today, the town's residents no longer depend on remote and unreliable water sources. About 700 distribution stations provide an uninterrupted water supply to thousands of people.

Sub-Saharan Africa is home to half of all people in extreme poverty. It also has the largest number of countries torn by conflict and instability, adding layers of complication to the fight against poverty. IFC helps address these challenges by working with the private sector to modernize infrastructure, strengthen local capital markets, and promote sustainable development.

In FY17, our long-term investments in sub-Saharan Africa totaled about \$3.5 billion, including nearly \$1.2 billion mobilized from other investors. Our clients supported

more than 250,000 jobs, created opportunities for more than 800,000 farmers, and treated more than 560,000 patients. One-third of our global advisory program was in the region.

Amid one of the region's worst famines since 1945, we provided an \$11 million financing package to help Insta Products expand production of a high-protein paste used to feed people suffering from acute malnutrition. Close to 70 percent of Insta's products are being used to treat drought-related malnutrition in Kenya, Somalia, South Sudan, and Uganda. IFC's investment will help Insta serve an additional 350,000 people annually.

We made an equity investment of €5.42 million in Mobisol, a leading vendor of distributed off-grid solar systems. The money will help the company's growth in Kenya, Rwanda, and Tanzania. Our investment and advice have enabled Mobisol to install more than 67,000 solar lighting systems throughout East Africa, delivering clean and affordable energy to 330,000 people.

In Zambia, IFC and the OPEC Fund for International Development invested \$10 million each in Metalco Industries Company Limited, which recycles scrap metal to manufacture copper cables, aluminum sheets, and utensils. We also helped Metalco become investment-ready and advised it on environmental and social issues, energy efficiency, quality control, and corporate governance. In addition to Metalco, IFC has invested over \$80 million in Zambia's private sector, in projects that support agribusiness, financial services, infrastructure, and social services.

In Ghana, we provided a \$300 million financing package for the Sankofa natural-gas project, which will fuel up to 1,000 megawatts of power—about 40 percent of the country's generation capacity. The project is expected to make energy more affordable while creating 1,500 construction jobs, increasing government revenues, and lowering greenhouse emissions.

**CREATING MARKETS,
CREATING OPPORTUNITIES**

Sankofa Natural Gas

In Ghana, we supported a project that will account for 40 percent of the country's power-generation capacity.



For 15 years, Ravi Saini sold fruits from the small pushcart he parks every day on the same stretch of road in Jaipur, the capital city of India's Rajasthan state.

Until recently, he wound up business at sundown. Now he stays open until 11 p.m.—and the extra income is changing his life. "There is so much bright light on the streets," Saini says. "I didn't expect it would make a difference to my business but it has. It is easier for people to spot me now and they stop their vehicles to buy my fruits."

This improvement was made possible by an IFC-facilitated project to modernize Jaipur's streetlights. We helped the government of Rajasthan structure a competitively bid public-private partnership that converted the city's dim and failure-prone streetlights to modern energy-efficient LED lighting. The result? Energy consumed by Jaipur's streetlights declined by 70 percent, and lighting levels improved.

South Asia, where a third of the world's poor live, is an area of great contrasts. Its economic growth rate of 7 percent is among the fastest in the world. Yet across national boundaries power is erratic, road and transport infrastructure is poor, and health care is inadequate.

That's why we are especially focused on the region. In FY17, we provided about \$2.8 billion in financing for businesses in South Asia, including \$817 million mobilized from other investors, expanding our portfolio in the region to more than \$7.5 billion for our own account. Our clients distributed gas to 1.5 million people,

provided nearly 500,000 jobs, treated 22.5 million patients, and created opportunities for more than 615,000 farmers.

This year, we invested \$125 million in equity in Hero Future Energies, alongside the IFC Global Infrastructure Fund, which is managed by IFC Asset Management Company. Hero will set up 1 gigawatt of solar and wind plants across India in the next 12 months and aim for 2.7 GW of renewable-energy capacity by 2020.

In Bangladesh, we helped organize a \$175.5 million financing package for Summit Group, a local independent power producer. The investment will enable the Summit Group to install several electricity-generation plants, including a 500-megawatt dual-fuel combined-cycle gas turbine power plant.

In Nepal, which is vulnerable to earthquakes, we helped the government achieve reforms that are strengthening entrepreneurship and bolstering resilience to natural disasters. We helped set up an online business-registration system that made it easier to start a new business. We also helped the government move critical data online—to the cloud—so that key information remains accessible in a crisis. Our efforts also helped cut the time needed to issue construction permits to an average of 41 days—down from 240 days in 2010.



IFC's *Lighting Asia/India* initiative is bringing solar-powered lighting to some of India's most energy-poor states.

SOUTH ASIA

Bridging the Economic Divide



**CREATING MARKETS,
CREATING OPPORTUNITIES**

Jaipur Street Lighting

An IFC-supported public-private partnership helped make this Indian city brighter by night—and more energy-efficient.

IFC client Hassan Allam is building one of the Middle East's largest water-treatment plants.

MIDDLE EAST AND NORTH AFRICA

Ramping Up Growth and Job Creation



When her husband died in 2014, Rana Mansour worried about how to support herself and her six children in the Shatila refugee camp in northern Lebanon.

"I needed to find a job," says Mansour, who is 37. She decided to start a small embroidery business, which she expanded quickly—with help from Al Majmoua, an IFC client that was one of the few micro-finance institutions willing to lend to women in the camp. The \$500 loan Mansour received from Al Majmoua helped her expand into selling clothes and scarves. Her increased income is now helping her take care of her children's education.

IFC is committed to pursuing private-sector-led job creation and economic diversification throughout the Middle East and North Africa, where conflict and instability have forced 15 million people to flee their homes and given rise to the biggest refugee crisis since World War II. We invested more than \$1.4 billion in the region in FY17, including \$490 million mobilized from other investors. Our clients provided jobs for nearly 119,000 people, health care for more than 2.3 million, and education for nearly 12,000 students.

We invested \$1 million in the Ibtikar Fund, a Palestinian venture capital fund that focuses on technology start-ups—which play a key role in boosting productivity and driving long-term economic growth. The investment will help Ibtikar attract an additional \$12 million from other funds to finance 25 start-ups in the West Bank and Gaza over the next five years.

In Jordan, we agreed to invest up to \$75 million in a 485-megawatt gas-fired power plant in the Zarqa Industrial Zone. It is expected to serve 620,000 residential customers a year, delivering power at about a third of the current average cost. Working alongside the Multilateral Investment Guarantee Agency, we also mobilized \$200 million in financing from a consortium of lenders.

In Egypt, our \$20 million investment in Hassan Allam Holding is allowing one of the country's largest private construction companies to modernize infrastructure and create jobs. Hassan Allam, which employs more than 16,000 people, specializes in large-scale infrastructure projects such as power plants, roads, and water-treatment plants. Our support will help build key infrastructure facilities and will be an important source of construction jobs.

To help address Pakistan's severe power shortages and spur growth, we provided \$100 million for the 720-megawatt Karot run-of-river hydropower facility. The plant is expected to provide affordable and clean power to about 3 million residential customers. IFC's support for the \$1.7 billion project marks our first project-finance engagement with China Three Gorges Corporation, one of the world's largest renewable-power companies, which is developing projects that aim to provide electricity to more than 11 million Pakistanis.

CREATING MARKETS, CREATING OPPORTUNITIES

Egypt Construction

Our investment in Hassan Allam will help build key infrastructure and support thousands of jobs.