

IFC in Western Europe

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, in fiscal year 2022 (FY22)*, IFC committed a record \$32.8 billion — in own-account investments and mobilization from third parties — to private companies and financial institutions in developing countries. IFC's Western Europe operations cover relations with 27 countries, including Austria, Belgium, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, the United Kingdom, as well as the European Union.

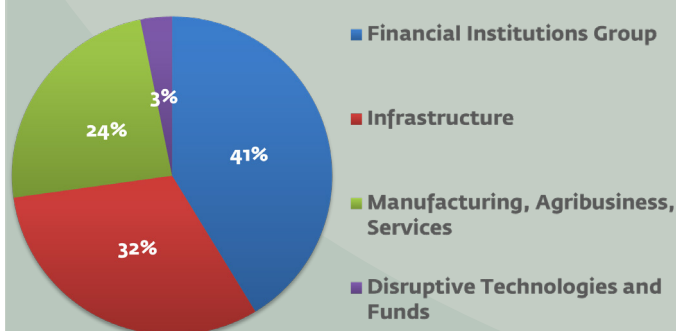
IFC'S INVESTMENT PORTFOLIO AND COMMITMENTS WITH WESTERN EUROPEAN SPONSORS IN FY22

- IFC's total long-term committed investment portfolio with Western European sponsors amounted to \$17.2 billion as of June 2022, with 41% in the financial sector, followed by infrastructure (32%), manufacturing, agribusiness and services (24%), and disruptive technologies and funds (3%). These investments are spread globally, with the largest exposures in Africa, Europe, and Latin America and the Caribbean.
- In FY22, IFC's long-term own account commitments with Western European sponsors totaled \$2,6 billion, allocated to 60 projects.
- Twenty-two percent of IFC's new long-term commitments with Western European sponsors in FY22 were in the poorest countries, while 10% were in fragile and conflict-affected markets.
- Fifty-six percent of IFC's long-term commitments with Western European sponsors had a climate component.

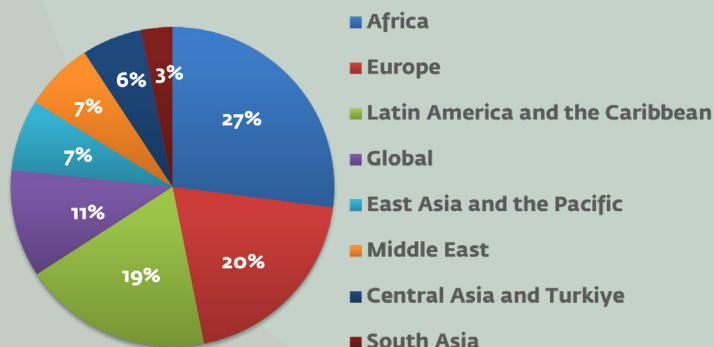
IFC's Long-Term Investment Portfolio with Western European Sponsors

As of FY22 (ending June 2022), IFC's portfolio amounted to \$17.2 billion. Western European private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

IFC Portfolio by Industry with Western European Sponsors (\$17.2 billion)



IFC Portfolio by Region with Western European Sponsors (\$17.2 billion)



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

EXAMPLES OF SUCCESSFUL COOPERATION

FINANCIAL INSTITUTIONS



Santander, Poland: In March 2022, IFC committed an up to \$96 million-equivalent second-loss guarantee on potential credit losses to Santander Bank Polska (SPL), the largest private bank in Poland by total assets. The majority shareholder of SPL is Banco Santander, one of the largest European multinational banks based in Spain. SPL will deploy the capital freed up as a result of the IFC loss protection to support additional climate finance investments such as renewable energy, energy and water efficiency, as well as green building projects. This guarantee is the first synthetic risk transfer (SRT) in emerging markets with a climate risk mitigation objective. IFC's investment will help increase access to climate finance in Poland, while boosting market resilience and stimulating the country's recovery from the COVID-19 pandemic and helping alleviate the impact of the war in Ukraine. The project will enable SPL to provide more than \$600 million-equivalent of new green loans.



BBVA, Peru: In January 2022, IFC committed a \$60 million loan to support BBVA Perú's efforts to develop its green building business line by financing homebuyers' green mortgages. BBVA Perú is owned by Banco Bilbao Vizcaya Argentina (BBVA), a multinational banking group headquartered in Spain. This investment is IFC's first green project in Peru supported by the Market Accelerator for Green Construction (MAGC) program, sponsored by the United Kingdom, acting through the Department for Business, Energy and Industrial Strategy. IFC's investment will help jump-start Peru's underdeveloped green building finance market, strengthening BBVA's ability to structure green building financing following international best practices while helping mitigate climate change.



COFIBRED and Triodos, Laos: In November 2021, IFC committed a three-year senior loan of \$10 million in local currency to ACLEDA Bank Lao, a wholly-owned subsidiary of Cambodia-based ACLEDA Bank Plc. The latter is partially owned by COFIBRED (a French financial services company) and Triodos Bank (a Netherlands-based ethical bank). The loan will be used for on-lending to small and medium enterprises that have been adversely impacted by the COVID-19 pandemic in Laos, improving their access to finance. The project is expected to enhance the resilience of private sector banks in the country.

INFRASTRUCTURE

Iberdrola, Brazil: In June 2022, IFC committed a \$115 million green and sustainability-linked loan in local currency to Neoenergia Coelba to help upgrade, expand, and digitalize its distribution network. Neoenergia Coelba is a power distribution company operating in the state of Bahia, Brazil, and a part of Neoenergia, an integrated energy company, which is majority owned by the Spanish electric utility group Iberdrola. This is the first "super green" loan—combining traditional "green" use-of-proceeds with sustainability-linked financing features linked to environmental and gender targets—for a power distribution company in Latin America as well as the first sustainability-linked loan in the Brazilian power sector. IFC's investment will improve the quality and reliability of power supply in Brazil, boosting the resilience of the country's energy sector. It is expected to support up to 140,000 new connections per year, including 18,000 new rural connections over the next five years in the state of Bahia.



Anglo American, South Africa: In June 2022, IFC committed a \$100 million sustainability-linked loan to Anglo American, a global mining company headquartered in the United Kingdom. The aim is to support community development programs in education and livelihoods in rural areas close to Anglo American's mining operations across South Africa. The loan's interest rate is linked to the company's sustainability performance in those areas. IFC's investment, the first in the mining sector to focus exclusively on social development indicators, will help improve the quality of education for more than 73,000 students by training educators, practitioners, and school management teams and upgrading school infrastructure and equipment. The funding will also promote jobs by providing mentorship, capacity building, skills development, and access to finance for small businesses in the mining value chain and in other sectors, with a focus on women and young people.



Enel Green Power, India: In December 2021, IFC committed a \$50 million loan — and mobilized \$92 million through parallel lenders — to Enel Green Power, an Italian multinational renewable energy corporation and one of the largest renewable energy developers in the world, to finance the construction of a 300 MWac Thar Surya solar power project in Rajasthan, India. IFC's investment will help meet India's increasing electricity demand while reducing greenhouse-gas emissions and contributing to the integration of renewable energy in the country.





Nespresso, Africa: In May 2022, IFC committed a CHF 4 million loan through the not-for-profit Nespresso Sustainability Innovation Fund to help Nespresso finance climate-smart agriculture practices such as coffee seedlings, planting of shade trees, composting, use of organic fertilizers, manual weeding, etc. and better supply chain traceability in coffee-producing countries in Africa. Nespresso is an autonomous subsidiary of the Nestlé Group, a Swiss multinational food and beverage company. IFC's investment will support coffee farmers as they transition to regenerative agriculture, which reduces carbon emissions, promotes nature-based solutions, and improves livelihoods of smallholders, and promote sustainable coffee production practices in Africa. IFC will also provide training to around 3,100 African coffee farmers on sustainable crop production, improving business skills, and supporting women farmers. The program will start in Uganda and Zimbabwe, with the opportunity to expand to other countries in Africa.



Netafim, India: In August 2021, IFC committed a \$20 million long-term loan in local currency to Netafim Irrigation India, part of Netafim — a global leader in irrigation technology based in Israel — to support the company's working capital needs, given the impacts of the COVID-19 pandemic. In addition, IFC will mobilize another \$55 million with commercial banks and DFIs to meet Netafim India's working capital requirements and help maintain its local production capacity, as well as cover the financing of new community irrigation projects and capital expenditure investments to maintain its production facilities. IFC's investment will help the wider adoption of micro irrigation systems in India, generating better yields for local farmers and strengthening their resilience to climate shocks. It will further help reduce water and fertilizer usage, contributing to more sustainable and water-efficient agriculture in the region. Netafim is IFC's key technical partner in the Better Life Farming Alliance, a commercial partnership that aims to help smallholder farmers in India increase yields, income, and access to markets by providing access to a combined package of technology and training.

DISRUPTIVE TECHNOLOGY AND FUNDS

Blablacar, Brazil: In June 2022, IFC committed a \$15 million convertible loan to Blablacar, the world's leading community-based travel network based in France, to support the expansion of its carpooling and bus marketplace in the country, where the company already has 12 million members. IFC's investment will help boost access to affordable, convenient, and environmentally friendly transportation in Brazil. The project is expected to increase people's access to quality services, especially among women, young people, and rural communities.



Seedstars, Global: In June 2022, IFC committed a \$4.5 million equity investment in Seedstars International Ventures II, a global seed fund focused on the most nascent venture capital markets and part of Seedstars Group headquartered in Switzerland, to help support scalable innovative technology companies in emerging markets. The Fund, which aims to invest in 100 pre-seed and seed-stage companies across Asia, Africa, Latin America, and the Middle East and North Africa regions over the next three years, will be supported by the Blended Finance Facility of the IDA19 IFC-MIGA Private Sector Window (IDA PSW). IFC's investment in Seedstars II provides an opportunity for IFC to reach the most underserved start-up ecosystems in markets including Cameroon, Uzbekistan, Bangladesh, and Cambodia. IFC's investment will also increase access to finance for tech start-ups in emerging markets and help develop local start-up ecosystems, while improving gender equality in its investee companies.



HIGHLIGHTS OF IFC'S STRATEGIC PARTNERSHIPS WITH WESTERN EUROPEAN STAKEHOLDERS IN FY22

- In FY22, Western European donors committed \$122 million to IFC Advisory Services and supported IFC Blended Finance activities with over \$13 million, representing close to 80% of IFC's total donor commitments. IFC Advisory Services help unlock private sector investment, which is essential for expanding businesses, creating jobs, and achieving economic growth in emerging countries. The use of blended concessional finance allows IFC to catalyze limited public funds to help de-risk and unlock private investment in pioneering projects and challenging environments.
- The EU and IFC established a [new partnership to accelerate climate-smart, inclusive infrastructure investments in South Asia](#). The five-year program will help spur investments in energy, water, waste management, transport, logistics, and green buildings in Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka. It will leverage \$850 million of private sector investments in the region.
- IFC and Viva Technology, Europe's number one start-up and tech event, launched the [AfricaTech Awards](#), a pan-African initiative developed to recognize and support the most innovative and impactful tech start-ups across the continent. The Awards recognize African start-ups that are driving innovation and development impact in three main sectors — climate tech, health tech, and fintech.
- To support a stronger private sector, entrepreneurship, and the growth of small and medium-sized businesses across Africa, African, European, multilateral and bilateral partners launched the [Alliance for Entrepreneurship in Africa](#). Current members include African Development Bank (AfDB); the European Bank for Reconstruction and Development (EBRD); the European Investment Bank (EIB); the European Development Finance Institutions (EDFI); the French Treasury, the International Finance Corporation (IFC); and Proparco, in coordination with the African Union.
- IFC partnered with two institutional investors, Allianz through Allianz Global Investors, and the Hong Kong Monetary Authority, to create a new \$3 billion global platform, [MCPP One Planet](#), for climate-smart investment aligned with the Paris Agreement.
- IFC and Amundi, Europe's largest asset manager, established a [new SEED bond fund](#) to mobilize up to \$2 billion in private investment into emerging market sustainable bonds that support COVID-19 relief efforts and promote a green, resilient, and inclusive recovery from the pandemic.



Country-specific factsheets for the following countries are available [here](#).

Austria
Belgium
Czechia
Denmark
Estonia, Latvia, Lithuania
Finland
France
Germany
Greece
Hungary
Ireland
Israel
Italy
Luxembourg
The Netherlands
Norway
Portugal
Slovak Republic
Spain
Sweden
Switzerland
United Kingdom

European Union

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