

IFC and Norway

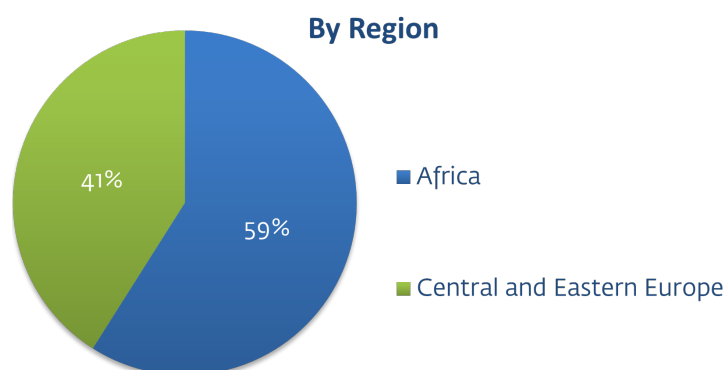
Partners in Private Sector Development



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 \$56 billion in investments from its own account and in mobilization from third parties to private companies and financial institutions in developing countries in its fiscal year 2024. IFC has an active relationship with Norway, including business development with Norwegian companies interested in investing in emerging markets, as well as donor-funded initiatives. As of June 2024, IFC had a long-term committed investment portfolio of \$259 million with Norwegian partners spread across regions.

IFC'S LONG-TERM INVESTMENT PORTFOLIO WITH NORWEGIAN SPONSORS



MOBILIZATION

As of June 2024, Norwegian financial institutions held \$29 million in IFC Syndicated Loans.

Partnership with the Norwegian Government

Between fiscal years 2019-24, Norway committed over \$45 million to support IFC's advisory services.

Norwegian funding contributes to, in particular:

- Improvements in the legislative business enabling environment through the Foreign Investment Advisory Services Facility,
- Promotion of private sector development in fragile countries through the Africa Fragility Initiative,
- Improvement of local health care services and the facilitation of locally manufactured vaccines through the Global Health Platform.

Norway has also partnered with IFC to advance gender equality and to foster investments in clean energy. IFC also collaborates with Norfund, Norway's development finance institution, which seeks to develop and establish sustainable and profitable businesses in emerging markets.

GLOBAL TRADE FINANCE PROGRAM (GTFP)

As of June 2024, IFC issued 42 guarantees amounting to over \$39 million for Norwegian banks since the Global Trade Finance Program began in 2005. The most active confirming bank has been DNB.

EXAMPLES OF SUCCESSFUL COOPERATION

Launching IFC–Norway's First Blended Finance Facility

In 2024, IFC and Norway joined forces to launch their first bilateral blended finance facility, with the Norwegian Agency for Development Cooperation (NORAD) contributing close to \$23 million (NOK 250 million) to IFC's Economic Resilience Action (ERA) Program for Ukraine. A portion of the contribution is expected to support renewable energy alongside other priority sectors.

Scaling Up Solar Energy in Botswana

In December 2023, IFC committed \$16.4 million on its own account and mobilized up to the equivalent of \$15 million in local currency as part of an innovative dual-currency \$31.4 million debt package to finance a 60 megawatt solar photovoltaic project developed by Scatec. Scatec is a leading global renewable energy developer headquartered in Norway, exclusively focused on emerging markets. This is Botswana's first utility-scale renewable independent power producer, and it marks IFC's first infrastructure investment in Botswana. IFC's investment will help the country meet its target of generating at least half its power from renewable sources by 2036, supporting its efforts to transition to a more sustainable and affordable energy mix.



Leveraging Bond Markets to Boost Climate Finance

In February 2023, IFC acted as anchor investor in Scatec's 1 billion Norwegian kroner senior unsecured green bond issuance by taking a participation of 222 million Norwegian kroner (\$20 million). The bond was issued at a time when global financial market conditions were challenging. The green bond's proceeds will provide Scatec with liquidity to be deployed for the development of new renewable energy assets in emerging markets through the refinancing of a corporate facility. IFC's investment in the green bond enables Scatec to access international climate finance markets, and channel that financing to emerging markets for renewable energy growth.

Enhancing Energy Access in Malawi and Uganda

In September 2022, the Government of Malawi, IFC, Scatec and EDF, a French electric utility company, signed a binding commercial agreement to undertake the co-development of the Mpatamanga hydropower project. IFC worked closely with the government of Malawi to support the early-stage project development and provided funding for activities that allowed the government to launch a competitive tender process. Located on the Shire River, the 350 megawatt facility will be a first-of-its-kind in Malawi. The project is expected to contribute to reducing energy shortages and to enhancing energy security in Malawi, providing much needed energy during peak hours of the day and supporting overall grid stability. Mpatamanga will deliver electricity to approximately two million people and save 520,000 tons of CO₂ emissions per year.

In June 2018, IFC also collaborated with SN Power (now fully owned by Scatec) on the refinancing of the 250 MW hydropower plant in Uganda. The plant is owned and operated by Bujagali Energy Limited, which produced close to 32 percent of the country's annual electricity generation in 2020. The investment reduced the company's annual debt servicing payments, lowering the electricity tariff produced by the hydropower plant.

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