

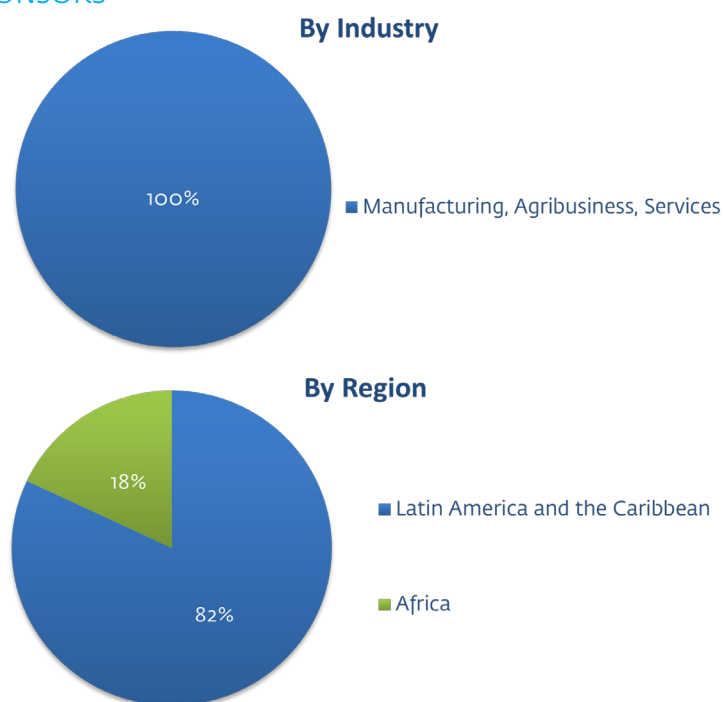
IFC and Portugal

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 partners with Portuguese multinationals and mid-sized firms interested in investing in emerging markets. As of June 2024, IFC had a long-term committed investment portfolio of \$229 million with Portuguese partners in the Manufacturing, Agribusiness and Services sectors, spread across Latin America, the Caribbean, and Africa.

IFC'S LONG-TERM INVESTMENT PORTFOLIO WITH PORTUGUESE SPONSORS



MOBILIZATION

IFC has an active relationship with Portuguese financial institutions and an active engagement across multiple sectors. As of June 2024, Portuguese financial institutions held close to \$16 million in IFC Syndicated Loans.



Partnership with the Portuguese Government

In 2021, IFC became the first institutional partner to the Lusophone Compact, a partnership between the African Development Bank, Portugal and six African countries where Portuguese is spoken: Angola, Cabo Verde, Equatorial Guinea, Guinea-Bissau, Mozambique, and São Tomé and Príncipe. The Lusophone Compact promotes private sector development by providing risk mitigation, financing instruments, and technical assistance to encourage businesses in member countries. Its goals are closely aligned with IFC's strategy of unlocking opportunities for private sector investment through diagnostic analyses, risk mitigation instruments, and the financing of viable projects.

In 2019, IFC and SOFID, the Portuguese development finance institution, signed a Memorandum of Understanding to support sustainable tourism investments in emerging markets as an engine for growth and job creation in Lusophone African countries, with an initial focus on São Tomé e Príncipe.

GLOBAL TRADE FINANCE PROGRAM (GTFP)

As of June 2024, IFC had issued over 1300 guarantees amounting to \$380 million for Portuguese banks since the Program began in 2005. The most active confirming bank has been BANCO BPI SA.

EXAMPLES OF SUCCESSFUL COOPERATION

Supporting the Tourism Sector in Cabo Verde

In December 2023, IFC committed a financing package of up to €35.5 million to provide liquidity to three hotel companies owned by Oásis Atlântico in Cabo Verde. Oásis Atlântico is a Portuguese economic group with more than 25 years of growth in the tourism sector, and which currently operates across eight hotels in Brazil, Cabo Verde, and Morocco. The IFC package includes up to €10.5 million from IFC's own account; a concessional loan of up to €10.5 million from IFC in its capacity as the implementing entity of the Blended Finance Facility of the International Development Association's Private Sector Window, a World Bank Group facility, and loans of up to €14.5 million that will be mobilized from four commercial lenders. IFC's investment will support employment and supply chains as Cabo Verde's tourism industry rebounds from the impact of the COVID-19 pandemic. The project is expected to support more than 700 direct jobs and 20,000 indirect jobs and to sustain access to a reliable source of income for more than 700 small and medium-size suppliers and farmers who provide services and goods to the company's hotels.



Jerónimo Martins, Colombia

IFC committed a \$95 million loan in 2020 and a \$93 million loan in 2019 in Colombian Pesos to Ara Tiendas, a Colombian food store chain, to finance the expansion of its retail stores and to provide working capital. Ara Tiendas is a subsidiary of Jerónimo Martins, one of the largest European food retailers based in Portugal. IFC's investment in Ara Tiendas, a soft discount retailer, increases access to good quality food and staple goods in a modern retail environment at affordable prices, including in underserved areas in intermediate cities. With over 1200 stores in operation in Colombia, of which 27 percent were established in the last 12 months, Ara Tiendas' growth has also created significant employment (12,500 employees in 2022) and has led to the development of a local supply network.

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