

IFC and the United Kingdom

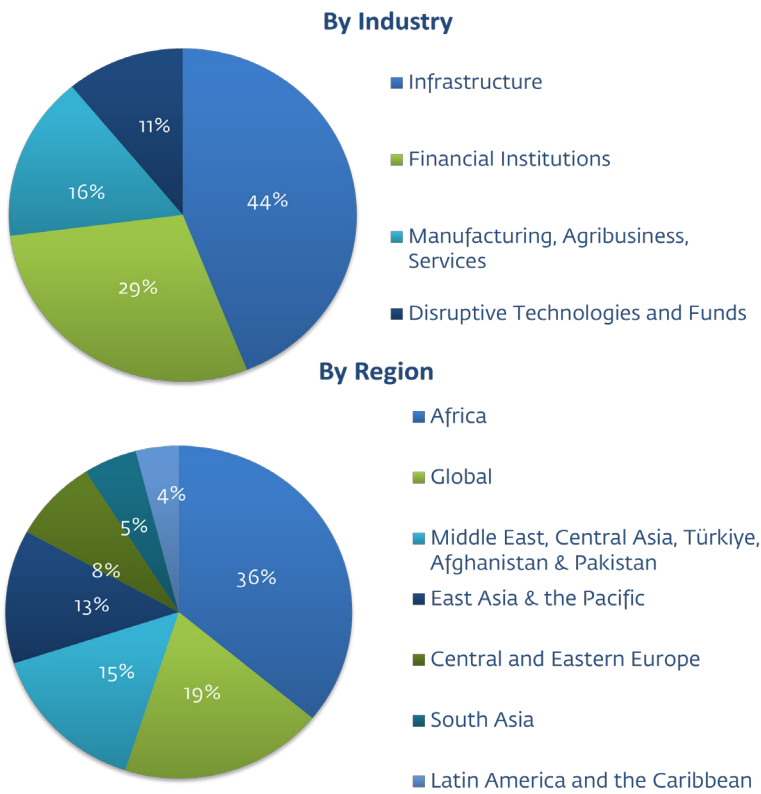
Partners in Private Sector Development



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 emerging markets in its fiscal year 2024. IFC partners with British multinationals and mid-sized firms that are interested in investing in emerging markets. As of June 2024, IFC had a long-term committed investment portfolio of over \$3.9 billion with UK partners spread across several sectors and regions.

IFC'S LONG-TERM INVESTMENT PORTFOLIO WITH UK SPONSORS



MOBILIZATION

IFC has a strong relationship with UK financial institutions and an active engagement across multiple sectors. As of June 2024, UK financial institutions held \$1.3 billion in IFC Syndicated Loans.

Partnership with the UK Government

The UK is IFC's largest development partner with a cumulative committed contribution of \$548 million to IFC Advisory Services and \$456 million for blended finance since FY11. IFC has a longstanding relationship with the UK's Foreign, Commonwealth & Development Office (FCDO). IFC also collaborates with the Department for Energy Security and Net Zero (DESNZ) and British International Investment. Initiatives supported by the UK include:

- **Pakistan Climate Accelerator:** A £89.9 million agreement for the UK-IFC Climate Adaptation and Innovation Investment Facility for Pakistan leverages blended concessional finance and advisory services to support Pakistan's growth and resilience, rebuild green infrastructure, and deepen capital markets.
- Supported by FCDO and other partners, the five-year **Kakuma Kalobeyi Challenge Fund** promotes investment and economic opportunities for refugees and the host community in Kenya's Kakuma refugee hosting area.
- **The Market Accelerator for Green Construction Program**, funded by the UK's DESNZ, promotes green construction in 24 emerging countries. It partners with banks and the construction industry to advance certified green buildings, lower costs, and expand financing for sustainable construction.

GLOBAL TRADE FINANCE PROGRAM (GTFP)

As of June 2024, IFC issued close to 3,100 guarantees amounting to over \$5.1 billion for UK banks since the Program began in 2005. The most active confirming banks have been Standard Chartered and HSBC.

EXAMPLES OF SUCCESSFUL COOPERATION

Supporting Decarbonization of the Power Sector in Romania

In June 2024, IFC committed €21.4 million from IFC's own account as part of a larger €291 million financing package alongside commercial banks and other lenders to First Look Solutions S.A for the construction, operation, and maintenance of the 461-megawatt Vifor Wind Power Plant located in Buzau County, Romania. First Look Solutions S.A, a special purpose company incorporated in Romania, is owned by Rezolv Energy S.A. and Low Carbon, a UK-based global investment and asset management company. Rezolv Energy is in turn a subsidiary of Actis, a UK-based emerging markets investment firm. This is one of country's first large-scale privately contracted renewable energy projects. IFC's investment will help reduce the carbon footprint of Romania's energy sector by an estimated 500,000 tons of carbon dioxide equivalent emissions per year, supporting the country's goal of reducing its greenhouse gas emissions and bolstering its climate commitments and energy transition goals.



Boosting Digital Payments Sector in Africa

In March 2024, IFC arranged a \$75 million financing package for TerraPay Holdings, a UK-based, Africa/Asia-focused digital payments provider. IFC has been an equity investor in TerraPay since 2020. The financing package includes a \$30 million loan from IFC's own account, \$15 million provided by asset manager ILX under IFC's B Loan Program, and a combined parallel loan of \$30 million from development finance institutions OP Finnfund Global Impact Fund I and BIO, the Belgian development finance institution. The financing will help TerraPay expand its operations by partnering with more global money transfer operators and by increasing the volume of transfers it processes across Africa. IFC's investment will help TerraPay expand its operations to reduce the costs, enhance speed, and simplify international remittance transfers, supporting a robust digital payment infrastructure in Africa that empowers individuals and small businesses.

Connecting Ethiopians to Better Phone and Internet Services

In June 2023, IFC committed a \$157 million equity investment in Global Partnership for Ethiopia and a \$100 million debt funding in Safaricom, the Ethiopian telecommunications company, to help fund its capital expenditure requirement for a countrywide mobile network roll out in Ethiopia. The Multilateral Investment Guarantee Agency, the insurance arm of the World Bank Group, provided 10-year guarantees of \$1 billion to cover the investment. Vodafone Group, one of the largest communications technology companies in the world based in the UK, and British International Investment, the UK's development finance institution, are among the shareholders of the Global Partnership for Ethiopia, which in turn owns Safaricom. IFC's investment will increase access to quality connectivity for individuals and businesses in Ethiopia and create a competitive market for telecommunication services in the country.

Facilitating Trade Finance for Businesses in Pakistan

In December 2022, IFC and Standard Chartered Pakistan (SCBPL), a wholly-owned subsidiary of the UK-based multinational bank Standard Chartered, signed a risk participation facility on a portfolio of up to \$200 million equivalent in local currency. The investment supports SCBPL's trade and short-term working capital finance and supply chain finance to clients in Pakistan. IFC's investment helps facilitate trade volumes and domestic production in Pakistan via an increase in the supply of trade finance. The project also provides better access to finance for small and medium-sized enterprises in the country.

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