IFC and Spain
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 with over 2,000 businesses worldwide, IFC’s long-term investments in developing countries exceeded $19 billion in fiscal year (FY) 2019. Spain is one of IFC’s top investment partners, with a long-term committed investment portfolio of $2.2 billion with Spanish investors. Sixty-eight percent of the portfolio is in the finance sector, followed by infrastructure at 20%, telecom, media and technology at 6%, and manufacturing, agribusiness and services at 6%. The largest regional exposure of IFC’s long-term investments is concentrated in two top regions: 50% in Latin America and the Caribbean and 32% in Europe and Central Asia.

IFC’s Long-Term Investment Portfolio with Spanish Sponsors
As of FY19 (ending June 2019), IFC’s long-term investment portfolio with Spanish sponsors amounted to $2.2 billion. Spanish private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

• Mobilization: IFC has a strong relationship with Spanish financial institutions (FIs) and an active engagement across multiple sectors. As of June 2019, Spanish FIs held over $830 million in IFC Syndicated Loans.

• Global Trade Finance Program (GTFP): As of June 2019, IFC issued close to 2000 guarantees amounting to $3.7 billion for Spanish banks since the GTFP began in 2005. The most active confirming banks have been CaixaBank, Banco Sabadell, and Banco Santander.

PARTNERSHIP WITH THE GOVERNMENT AND DEVELOPMENT FINANCE INSTITUTION
The Directorate for International Finance, under the Ministry of Economy and Competitiveness (MOE), is IFC’s main counterpart. IFC works closely with the MOE, the Ministry of Industry, Energy and Tourism, COFIDES (the Spanish Development Finance Institution), ICO (the State’s Financial Agency under the MOE), and ICEX (the Spanish Institute for Foreign Trade under the MOE).

As of June 2019, Spain provided cumulative funding of over $24 million to support IFC Advisory Services, primarily through the Spanish bilateral trust fund, for infrastructure, climate and green cities projects in Latin America, and in Central America in particular.
Examples of Successful Cooperation

Grupo Fierro, Ecuador
In February 2019, IFC committed a senior loan of $38.5 million to Banco Internacional, Ecuador’s fifth largest commercial bank with a focus on SMEs and commercial clients. Banco Internacional is a subsidiary of Grupo Fierro, a Spain-based conglomerate active in industrial and financial sectors in Latin America. IFC’s investment will help stimulate growth and employment in Ecuador by increasing access to finance for SMEs, particularly those owned by women.

CIE Automotive, Mexico
In July 2018, IFC committed an A loan of up to $75 million and mobilized an additional $75 million from Export Development of Canada (EDC) to CIE Automotive, a global supplier of automotive components based in Spain, to finance its expansion in Mexico. The loan will be used for the acquisition of machinery to increase the production capacity of parts for more efficient engines and electric vehicles. IFC’s investment will support the creation of 1,000 skilled jobs in CIE’s manufacturing plants in Mexico and improve the performance of the automotive sector in key areas such as reducing the energy consumption of manufacturing operations by 20% and developing a competitive local supplier base.

Santander, Brazil
In December 2017, IFC committed a $200 million trade line to Santander Brazil under IFC’s Global Trade Finance Program (GTFP). This project is the largest GTFP line in the LAC region and one of the largest globally. IFC’s investment will help Santander Brazil diversify and increase its sources of funding for import/export financing transactions. In addition, IFC committed a one-year senior loan of up to $150 million. The project will support Santander Brazil to finance its trade and working capital portfolios, with a special focus on SMEs. It will contribute to reducing the SME lending gap by lending through a financial intermediary with a broad reach in the country.

Mediterrania Capital Partners, North & West Africa
In November 2017, IFC committed an equity investment of €15 million in the Mediterrania Capital Partners III Fund, a 10-year closed-end fund, that will invest in mid-market companies in North and West Africa. Mediterrania Capital Partners (MCP) is an independent fund manager based in Barcelona. IFC’s investment will help to improve access to finance to long-term equity capital for SMEs and mid-market companies in North and West Africa. In addition, MCP has a proven record of supporting corporate governance and environmental, social and governance practices in their investee companies.

Acciona, Egypt
In October 2017, IFC committed an investment package of up to $47 million and mobilized up to $113 million in syndications to three projects with Acciona, a world leader in the field of renewable energy, with headquarters in Spain, as part of the Feed-in Tariff (FIT) scheme for domestic solar photovoltaic (PV) projects in Egypt. With a total capacity of 192 MW, the three PV plants will be located in the Benban complex in the Aswan region of Egypt. The projects are a joint venture between Acciona and Swicrop, a private equity firm in the Middle East. IFC’s investment will contribute to Egypt’s energy security and generate employment and economic growth in the region. In addition, these projects will help to mitigate the impacts of climate change by providing clean electricity.

GB Foods SA, Sub-Saharan Africa
In May 2017, IFC committed an equity co-investment of up to $15 million to Helios Investment Partners, a private investment firm based in London, Lagos and Nairobi. The investment supports the formation of one of Africa’s largest Fast Moving Consumer Goods (FMCG) businesses through a joint venture with GB Foods S.A, a leading Spanish international group in the food industry. The project will result in a leading pan-African culinary products business with a presence in over 30 African countries. IFC’s investment will contribute to developments across the value chain by modernizing manufacturing and logistics services through increased processing activities. The project will also help to increase employment across the region and promote south-south investment as the proposed integration of brands and assets will form a unique business, encouraging other local and multinational FMCG players to pursue investment opportunities across Sub-Saharan Africa.