**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 reached $22 billion in fiscal year (FY) 2020. IFC is an active partner of Spanish companies interested in investing in emerging markets. Of IFC’s long-term committed investment portfolio of over $2.2 billion with Spanish partners, 74% is in the finance sector, followed by infrastructure at 21%, manufacturing, agribusiness and services at 3%, and disruptive technologies and funds at 2%. The largest regional exposure of IFC’s long-term investments is concentrated in two regions: 50% in Latin America and the Caribbean and 33% in Europe and Central Asia.

**IFC’s Long-Term Investment Portfolio with Spanish Sponsors**

As of FY20 (ending June 2020), 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.

**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 2020, Spain provided cumulative funding of about $28 million to support IFC Advisory Services, including around $3.5 million in FY20, for the replenishment of the Spain-IFC Technical Assistance Trust Fund (TAFT). As of FY20, the TAFT has supported 58 projects globally, and in Latin and Central America in particular.
Examples of Successful Cooperation

**FRV, Armenia**

In June 2020, IFC committed a financing package to FRV, a Spain-based utility-scale solar power developer, for the development of the 55-megawatt Masrik power plant facility, the first utility-scale solar power plant in Armenia and in the Caucasus. IFC’s package, which consists of an $9 million loan from IFC’s own account and an $9 million loan from the Finland-IFC Blended Finance for Climate Program, is part of a $35 million debt financing package which also includes a $18 million long-term loan from EBRD. The project will also receive a $3 million investment grant from the European Union, mobilized by EBRD. IFC’s investment will boost Armenia’s supply of renewable energy and help reduce the country’s reliance on imported fuels, thus improving energy security and lowering generation costs. The project is expected to displace the release of 40,000 tons of carbon emissions annually. In addition, as the first competitively-tendered solar-photovoltaic project in Armenia, the project will set an example for subsequent solar generation projects.

**BBVA, Turkey**

In December 2019, IFC committed an A loan of $50 million as part of the financing package of $133 million to Garanti BBVA, Turkey’s second largest private bank and a subsidiary of Banco Bilbao Vizcaya Argentina (BBVA), a multinational banking group headquartered in Spain. IFC’s investment will support small enterprises located in 22 less-developed Turkish provinces, which are most affected by refugee influx. In addition, the financing package includes mobilized funds that are partly earmarked for women-owned enterprises and for activities in the energy efficiency and renewable energy sectors. The project will significantly increase access to finance for Turkish small enterprises with a particular focus on underserved regions, and will boost economic activity and employment in communities that host a large number of refugees in Turkey.

**Sabadell, Mexico**

In July 2019, IFC committed a senior loan of $100 million to SabCapital SA, a Mexico-based wholly-owned subsidiary of Sabadell, the fourth largest Spanish financial institution. The investment will fund projects in the tourism and green buildings sectors, in line with IFC’s strategic objectives of promoting competition in the financial sector and encouraging the development of green finance in Mexico. IFC’s project will help foster competition in the corporate banking and project finance space in Mexico, which is expected to encourage growth in areas such as services, energy, and telecommunications. In addition, SabCapital’s investments in hotel projects and green buildings will help promote energy efficiency, rational water management, waste removal and reduction of harmful emissions in the environment, building the country’s resilience against climate change.

**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.