

# IFC and Spain

## Partners in Private Sector Development

### OVERVIEW

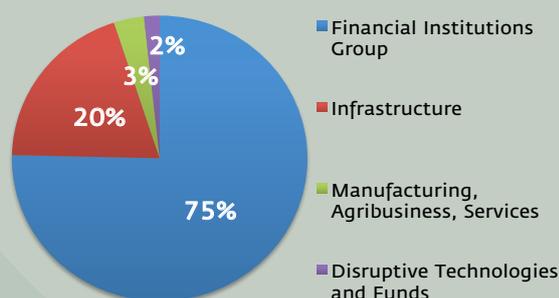
IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working in more than 100 countries, IFC committed a record \$31.5 billion in own-account investments and mobilization from third parties to private companies and financial institutions in developing countries in fiscal year 2021 (FY21). IFC partners with multinationals and mid-sized firms that are interested in investing in emerging markets. As of June 2021, IFC had a long-term committed investment portfolio of close to \$2.3 billion with Spanish partners spread across several sectors and regions.



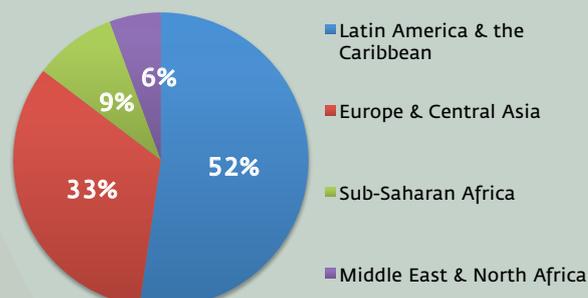
### IFC's Long-Term Investment Portfolio with Spanish Sponsors

As of FY21 (ending June 2021), IFC's long-term investment portfolio with Spanish sponsors amounted to \$2.3 billion. Spanish private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

IFC Long-term Investment Portfolio as of June 2021 by Industry with Spanish Sponsors (\$2.3 billion)



IFC Long-term Investment Portfolio as of June 2021 by Region with Spanish Sponsors (\$2.3 billion)



IFC Long-Term Investment Portfolio as of June 2021 (Dollar Amounts in Millions)

Banking	1 416
Energy	436
Leasing	227
Manufacturing	75
Distressed Assets	42
Funds	39
Microfinance	20
Telecom, Media and Technology (TMT)	8
<b>Total</b>	<b>2 262</b>

- **Mobilization:** IFC has a strong relationship with Spanish financial institutions (FIs) and an active engagement across multiple sectors. As of June 2021, Spanish FIs held close to \$710 million in IFC Syndicated Loans.
- **Global Trade Finance Program (GTFP):** As of June 2021, IFC issued over 2370 guarantees amounting to \$6 billion for Spanish banks since the GTFP began in 2005. The most active confirming banks have been CaixaBank, Banco Santander and BBVA.

### 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).

In FY16-21, Spain provided cumulative funding of over \$3 million to support IFC Advisory Services, including around \$3.5 million in FY20, for the replenishment of the Spain-IFC Technical Assistance Trust Fund (TATF). To date, the Spain TATF has funded a portfolio of 58 projects since inception, with a total funding of \$13 million. The projects under Spain TATF span across all IFC regions with the largest allocations to Latin America and the Caribbean (24% of total), Middle East and North Africa (19%), Europe and Central Asia (17%), and the rest with a global scope (21%).

## Examples of Successful Cooperation

### BBVA Microfinance Foundation, Chile



In December 2020, IFC committed \$10 million in local currency in an up to \$20 million total debt issuance to Fondo Esperanza, a Chilean non-banking financial institution focusing on social development, to expand its microfinance portfolio to low-income microentrepreneurs, with a particular focus on women. A majority shareholder of Fondo Esperanza is BBVA Microfinance Foundation (BBVAMF), a non-profit organization created in 2007 by Banco Bilbao Vizcaya Argentaria S.A in Spain to promote economic development in emerging markets through sustainable microfinance business models. BBVAMF is an autonomous entity which offers financial services to vulnerable entrepreneurs through seven social development institutions in Latin America. With IFC as an anchor investor, Fondo Esperanza will become the first Chilean microfinance institution to issue debt in the capital market. IFC's investment will help support vulnerable sectors of Chile's economy that have suffered the most from the COVID-19 pandemic, promoting greater inclusion and paving the way for issuance of more social instruments in the Chilean market.

### Santander, Brazil



In September 2020, IFC committed a senior loan of up to \$100 million to Santander Brazil under IFC's COVID-19 Working Capital Solutions Program. Banco Santander, the largest Spanish multinational bank and financial services company, is the majority shareholder of Santander Brazil, the third largest private bank in Brazil in terms of assets and the largest foreign bank in the country. Half of IFC's financing will be devoted to Santander Brazil's climate-related SME lending program, while another half will support the Bank's working capital lending program to SMEs, of which at least 20% will be earmarked for women-owned and women-led enterprises. IFC's investment will help Santander Brazil sustain its operations during the COVID-19 pandemic, positioning the private sector to support the economic recovery process with the focus on SMEs and climate finance.

In June 2020, IFC committed a senior loan of up to \$150 million to Santander Brazil to support its lending to climate-smart projects with a focus on renewable energy. This project will help promote international green lending principles and contribute to the greening of the banking sector in Brazil, supporting its goal to reduce greenhouse gas emissions by 37% below 2005 levels by 2025, and by 43% by 2030.

### 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.

### 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.

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