

## A NEW FRONTIER FOR CLIMATE CHANGE

The role of the private sector in combatting climate change has been at the forefront of global discussion recently including the 21st Session of the Conference of the Parties on Climate Change (COP21) held in December 2015 in Paris and the World Economic Forum Annual Meeting in Davos last month. In Paris, world leaders debated on an agreement to prevent global warming, while in Davos the requirements to mobilize investment and reduce emissions were tabled and the common thread was clear – the private sector must play a role in paving the path to a sustainable future. As the largest global development institution focused exclusively on the private sector, IFC is also a leading mobilizer of third-party resources for projects, crowding-in private finance to extend our footprint and have a development impact well beyond our direct resources. As of FY15, IFC's portfolio of climate-smart investments has now reached US\$13 billion supporting US\$115 billion worth of projects, with over US\$2 billion of new projects invested in the fiscal year ended in June 2015.

Thematic bonds which support socially responsible projects have been a part of IFC's core funding program since 2010. IFC has since issued around US\$5 billion dollars under three thematic bond programs – Green, Banking on Women and Inclusive Business.



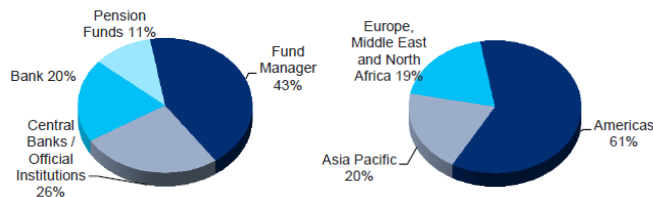
## IFC DEBUTS GREEN ON THE JSE

IFC issued the first green bond to be issued on the Johannesburg Stock Exchange (JSE) by a multilateral institution – a nine-year ZAR 1 billion (approximately US\$71 million) at a yield of 8.72%. This transaction, executed in November 2015 was also the debut issuance of IFC notes on the JSE and exemplifies IFC's strategy to develop the green bond asset class in emerging markets.



## A GREEN BENCHMARK

In November 2015, IFC issued a US\$500 million three-year green bond. The bond priced at mid swaps + 10bps equating to a spread of +13.75bps over the 1.250% November 2018 US Treasury. The bond was over 1.5x oversubscribed and received strong support from a range of investors as shown in the charts below.



## REAL IMPACT

IFC uses the proceeds from its Green Bond Program to support investments in renewable energy, energy efficiency, and other areas that reduce greenhouse emissions. In FY15, 38 projects received US\$956 million from green bond financing and these are expected to reduce greenhouse emissions by the equivalent of 2.5 million metric tons of carbon dioxide per year—a result similar to taking 500,000 cars off the road. Read more: [IFC's Green Bond Impact Report](#)

## INCLUSIVE BUSINESS FOR SHARED PROSPERITY

IFC is the leading investor in businesses that offer goods, services, and job opportunities to low-income communities. IFC calls these "inclusive business models", which are commercially viable and replicable business models that include low-income consumers, retailers, suppliers, or distributors in core operations. During FY15, disbursements to projects which met IFC's Inclusive business criteria amounted to over US\$1 billion. IFC's Inclusive Business Bond Program raised US\$220 million in FY15 from retail and institutional investors.



**Inclusive Business Feature Project:** IFC is working with partners to address the issue of chronic malnutrition and its negative impact on human capital development. A recent investment in Africa Improved Foods Limited (AIFL) will establish a nutritious food processing plant in Rwanda that eventually will feed an estimated one million malnourished children, pregnant and breast-feeding women each year. [CONTINUE READING >>](#)

## SUSTAINABLE AND INCLUSIVE SUPPLY CHAINS ARE A KEY BUSINESS DRIVER FOR FOOD INDUSTRY

The global population continues to grow and is expected to surpass nine billion by 2050. That's an additional two billion people that must be fed and clothed every day amid a growing scarcity and conflict over land, water and energy resources. In today's complex environment of volatile commodity prices, changing customer preferences and emergence of developing markets, sustainability in supply chains is emerging as a key risk mitigation strategy for global food and beverages companies.

IFC works with its global clients to illustrate the benefits of investing resources and attention to create sustainable shared ownership across food supply chains.

[>>Full Article and Case Studies](#)

## FEATURE PROJECT CORNER



ENTREPRENEUR OMAR BARCAT'S STORY, AS WITH MANY IN THE DEMOCRATIC REPUBLIC OF CONGO, BEGINS AT THE RIVER.

Once the bloody route for trading slaves, minerals and weapons, the Congo River is a symbol of both the country's prosperity and its plunder. The 4,700 kilometer waterway wanders through the entire country, serving as an aquatic highway. Yet large-scale river commerce has dwindled over the years, with few willing to risk their cargo on treacherous waters. Barcat's company Sogetra aims to turn this around. In 2012, Sogetra sought financing from the IFC-backed Central Africa Small and Medium Enterprise Fund. The fund invested US\$250,000 in Sogetra, with which it bought three tugboats and a barge, and hired 40 new staff. Sogetra's client list now also includes a major brewery, soap factory and palm oil producer. [CONTINUE READING>](#)



SUPPORTING FEMALE ENTREPRENEURS AND FINANCIAL INCLUSION IN KENYA.

Over nearly six decades, IFC has invested more than \$25 billion in African businesses and financial institutions, and our current portfolio exceeds \$5 billion. IFC's new investment of US\$105 million loan was mobilized in partnership with IFC's Managed Co-Lending Portfolio Program, a new syndications platform that allows investors to passively participate in IFC's future loan portfolio. Co-op bank will use IFC's financing to extend a wider range of financial services to entrepreneurs, with \$30 million earmarked for women-owned businesses. The investment marks IFC's first syndication under the program in Kenya. [CONTINUE READING>](#)

## H1, FY16 FUNDING HIGHLIGHTS and AWARDS

IFC's FY16 began July 1<sup>st</sup> 2015. Year to date, IFC has issued around US\$10 billion including the following highlighted trades

- **August 2020, INR3.15bn (US\$49.3m), 6.45% Green Masala Bond** : The world's first green Masala (offshore rupee) bond. Listed on the London Stock Exchange, it was issued under IFC's US\$3 billion Masala bond program. The proceeds were used to invest in a green bond issued by India's Yes Bank.

- **Dec 2020, US\$500 million long 5-Year Floating Rate Note**: This transaction represented the longest syndicated USD SSA FRN of the year, and was strategically launched ahead of a potential September rate hike and an upcoming redemption on IFC's August 2015 US\$750 million FRN. The deal was subsequently tapped twice for US\$300m and US\$400 million within two weeks, taking the outstanding to US\$1.2bn.

## ON THE GENDER DIVERSITY FRONT, THERE IS PROGRESS IN THE CORPORATE BOARDROOM.

More companies are recognizing the value of boards that feature a mix of well-qualified male and female directors representing a range of perspectives, experience, and background, writes Darrin Harzler, manager of IFC's Corporate Governance Group, in a commentary for Ethical Boardroom. At IFC, we know first-hand the difficulties in moving beyond the status quo, he says. A few years ago, IFC took a hard look at the boards of our investee companies and realized that we were not acting as quickly as we could on the same principles that we advocate as part of our corporate governance advice. So, we began a more active outreach process to identify qualified women to fill board positions in the companies in which we invest. Today, we have almost reached our 2015 goal of 30 per cent female representation, even as we aim for full parity in the future. [Download the full commentary](#), first published in the Editorial Boardroom Winter edition 2015.



**September 2020, US\$100 million Sukuk**: A US\$100m 5-year amortizing structure, this transaction was perceived as a rarity in the Islamic bond market. It achieved the tightest pricing ever attained for a USD Sukuk. This issuance was also the first amortising Sukuk by a supranational.



IFC received two issuer awards from [CMD](#) for "continued commitment to providing innovative solutions in local currency financing even in an environment of high volatility. In 2015 IFC provided pioneering issuance in various currencies and supported deals for new issuers in emerging markets, allowing further debt capital market development". [READ MORE >>](#)