

IFC in Western Europe

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 \$23 billion in fiscal year (FY) 2018. IFC's Western Europe operations cover relations with 23 countries, including Austria, Belgium, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Hungary, Iceland, Ireland, Israel, Italy, Luxembourg, Malta, the Netherlands, Norway, Portugal, Slovakia, Spain, Sweden, Switzerland, the United Kingdom and the European Union.

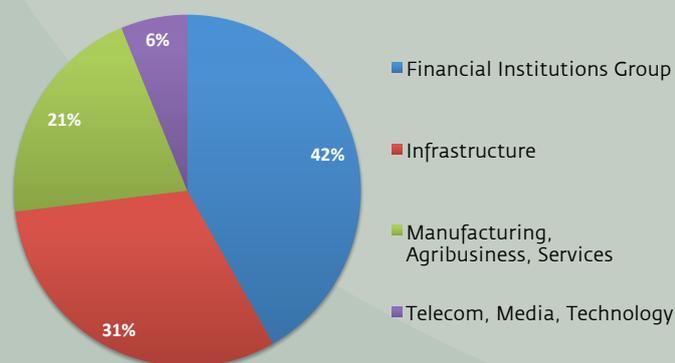
IFC'S INVESTMENT PORTFOLIO AND COMMITMENTS WITH WESTERN EUROPEAN SPONSORS IN FY18

- Of IFC's total long-term committed investment portfolio of about \$17 billion with Western European sponsors, 42% is in banking, followed by infrastructure at 31%, manufacturing, agribusiness and services at 21% and telecommunications, media and technology at 6%. These investments are spread globally with the largest exposures in Europe & Central Asia, Sub-Saharan Africa and Latin America & the Caribbean.
- IFC recorded the highest level of commitments with Western Europe sponsors in climate and in the poorest as well as fragile and conflict-affected (FCS) countries to date. Forty-nine percent of IFC's long-term commitments with Europe sponsors had a climate component, while 42% were in the poorest and FCS markets.

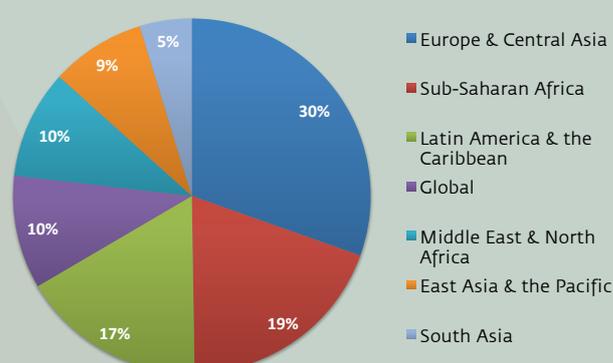
IFC's Long-Term Investment Portfolio with Western European Sponsors

As of FY18 (ending June 2018), IFC's long-term investment portfolio with Western European sponsors amounted to \$16.8 billion. Western European private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

IFC Long-Term Investment Portfolio as of June 2018 by Industry with Western European Sponsors (\$16.8 billion)



IFC Long-Term Investment Portfolio as of June 2018 by Region with Western European Sponsors (\$16.8 billion)



EXAMPLES OF SUCCESSFUL COLLABORATION

FINANCIAL INSTITUTIONS



CACIB, Global: In March 2018, IFC committed an \$85 million unfunded guarantee on the second loss tranche of a \$2 billion revolving portfolio of predominantly emerging markets trade finance credit assets on Crédit Agricole CIB's (CACIB) balance sheet. CACIB is the corporate and investment banking arm of Crédit Agricole S.A. The transaction will enable capital relief for CACIB and support the supply of trade finance in emerging markets, as IFC will share the credit risk on emerging markets trade finance exposures with CACIB. In addition, CACIB will use some of the freed-up capital to back \$510 million in new funding for health, education, infrastructure and other "social" sectors in emerging markets that are intended to comply with the Social Bond Principles.

Amundi, Global: In March 2018, IFC committed up to \$256 million to the world's largest targeted green bond fund focused on emerging markets, the Amundi Planet Emerging Green One fund. Amundi is Europe's largest asset manager with headquarters in Paris. The fund is the first of its kind to take a holistic approach by investing in emerging markets green bonds, while also supporting the creation of a robust green bond market. IFC's investment in the fund, which will actively invest in green bonds issued by financial institutions in emerging markets through 2025, is expected to significantly increase the scale and pace of climate finance by crowding in capital from investors and creating new markets. In addition, an IFC-managed technical assistance program will support the creation of new markets for climate finance by developing green bond policies, providing training programs for bankers, and facilitating the adoption of the Green Bond Principles in emerging markets.



INFRASTRUCTURE

SECI Energia, Egypt: In October 2017, IFC committed to financing three projects with Enerray and SECI Energia, as part of IFC's Nubian Suns Feed-in-Tariff Financing Program. Enerray is an Italian energy company specializing in the development, construction and management of power generation projects from solar energy, and is a subsidiary of SECI Energia. Part of the Maccaferri Industrial Group, Enerray and SECI Energia are sponsors and developers of the projects. Enerray is also the Engineering, Procurement and Construction and Operations & Maintenance contractor. The financing program includes: i) the 50 MW SECI ARC project, with senior debt financing of \$55.5 million, an A Loan of \$12 million, and a C Loan of \$4 million; ii) the 20 MW SECI Arinna project with senior debt financing of \$22 million, an A Loan of \$6 million, and a C Loan of \$1 million; and iii) 20 MW SECI Winnergy project, with IFC senior debt financing of \$22 million, an A Loan of \$6 million, and a C Loan of \$1 million. The Nubian Suns Feed-in-Tariff financing program involves the construction of 13 solar photovoltaic projects in Egypt with a total capacity of up to 752MW, representing the largest private sector financing package for a solar facility in the MENA region. The plants will be part of the larger Benban Solar Park, which, once complete, will be the largest solar installation in the world. IFC's investment is expected to provide cost-effective and eco-friendly power to over 300,000 residential customers and generate up to 5,000 jobs during construction. In addition, the project will contribute to transforming Egypt's energy sector by helping the country meet its growing energy demand through renewable sources.



Neoen, Zambia: In October 2017, financing agreements were signed between Bangweulu Power Corporation Limited, a special purpose vehicle incorporated in Zambia, owned by Neoen, a leading French independent power producer specializing in the development of renewable energy projects; First Solar Inc., and the Industrial Development Corporation of Zambia (IDC); IFC, and the Overseas Private Investment Corporation (OPIC). The equity for the project is provided by Neoen/First Solar and IDC. The financing package includes senior loans from IFC, the IFC-Canada Climate Change Program, and OPIC, up to \$13 million each, along with an interest rate swap from IFC and a partial risk guarantee from the International Development Association (IDA). The project includes the development, financing, construction, operation and maintenance of a new 47.5 MWac solar photovoltaic facility located in the Lusaka South Multi-Facility Economic Zone in Zambia. IFC's investment will provide up to 97 GWh per annum to the Zambian grid, helping to address a significant electricity supply deficit in the country. In addition, competitively priced solar electricity generated from the project will reduce Zambia's dependence on hydropower and ultimately improve the long-term sustainability of Zambia's electricity sector. The project is part of Scaling Solar, a World Bank Group solution that makes it easier for governments to quickly procure and develop large-scale solar projects with private financing.



MANUFACTURING, AGRIBUSINESS AND SERVICES

Global Tea & Commodities Ltd

Global Tea, Malawi: In June 2018, IFC and the Global Agriculture and Food Security Program (GAFSP) committed a \$4 million loan to support the expansion of Global Tea, an agribusiness group founded in the United Kingdom that operates macadamia and coffee plantations in Malawi and tea packing factories in Kenya, and its subsidiaries. Global Tea will use IFC's financing to expand its operations in Malawi by planting more macadamia trees, replanting existing coffee plantations and developing a program to support smallholder farmers. IFC's investment will contribute to the development of agribusiness industries in Kenya and Malawi, and create up to 900 jobs for farmers that supply to the group. In addition, the project will support climate-smart agricultural practices, thereby boosting the sustainable production of commodities in Malawi.



IFHA-II, Sub-Saharan Africa: In May 2018, IFC committed a loan of \$3 million to support the creation of Trivitron Healthcare Africa B.V (THA). IFHA-II Cooperatief U.A, a leading private equity fund based in the Netherlands is a joint shareholder of THA. THA will provide high-quality medical devices and instruments with reliable after-sales service support across Africa, improving the access and affordability of medical equipment across the continent. IFC's investment will support the South-South transfer of skills, jobs, technology and capital between emerging markets. In addition, the increased supply of high-quality, affordable medical equipment will help to make healthcare more affordable for a wider segment of the population.



Schwarz Group, Europe and Central Asia: In September 2017, IFC committed an A loan of up to €180 million to partially finance Kaufland's investments in Romania, Bulgaria and Moldova over the following two years. Kaufland is a subsidiary of the Schwarz Group, a German privately-held company. The group, a repeat IFC client, is involved in food retail through two brands: Kaufland and Lidl. IFC's investment will help promote access to affordable and high-quality food products for low to middle income households. In addition, the project is expected to generate significant direct and indirect employment throughout the supply chain and temporary employment during the construction phase of the project.

TELECOMMUNICATIONS, MEDIA & TECHNOLOGY

Investisseurs & Partenaires, Sub-Saharan Africa: In December 2017, IFC committed up to \$7.5 million equivalent in Euros in equity to the Investisseurs & Partenaires (I&P) Afrique Entrepreneurs II Fund, a 10-year closed-end generalist impact fund that will invest in small and medium enterprises (SMEs) in the Sub-Saharan Africa region. I&P is an impact investing group dedicated to the economic development of Sub-Saharan Africa, with headquarters in Paris. The project will also be supported by the Blended Finance Facility of the IDA18 IFC-MIGA Private Sector Window, which was created by the World Bank Group to catalyze private sector investment in the poorest countries, with a focus on fragile and conflict-affected states. IFC's investment will help to provide SMEs in these countries with access to finance. The project will also result in job creation and economic growth, as well as the adoption of environmental, social and governance standards among local SMEs.



Mediterrania Capital Partners, North & West Africa: In November 2017, IFC committed an equity investment of up to €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 scarce 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.



HIGHLIGHTS OF IFC'S STRATEGIC PARTNERSHIPS WITH WESTERN EUROPEAN STAKEHOLDERS IN FY18

- IFC signed three \$500 million agreements with insurers **Axa**, **Munich Re** and **Swiss Re** as part of its **Managed Co-Lending Portfolio Program (MCP)**, a pioneering investment platform that uses a portfolio approach - similar to an index fund - to mobilize institutional investors alongside IFC to promote private sector development and fight poverty in emerging markets.
- **Western European donors** committed over \$350 million to IFC Advisory Services, representing 48% of IFC's total donor commitments. IFC Advisory Services help unlock private sector investment, which is essential for expanding businesses, creating jobs, and achieving economic growth in emerging countries.
- With a contribution from **Finland** of €114 million, IFC launched the **Finland-IFC Climate Change Program** to spur private sector financing for climate change solutions.
- The **European Union** and **Germany** signed **agreements to support the Ukrainian government's work in reducing energy waste and greenhouse gas emissions in the residential sector**. Under the agreement, IFC will initially manage €43 million from the EU and €10 million from Germany. IFC and **Switzerland** also **signed an agreement that complements the Ukrainian Energy Efficiency Fund**, with the Swiss State Secretariat for Economic Affairs (SECO) providing up to \$1.8 million to support legal reforms to facilitate energy efficiency refurbishments. The initiative represents the third and the final phase of IFC's Residential Energy Efficiency Advisory project in Ukraine, which started in partnership with SECO in 2010.
- The **Grand Duchy of Luxembourg** and IFC announced a new partnership program to support economic growth and development in emerging markets. The **Grand Duchy of Luxembourg** will provide \$8.65 million to IFC Advisory Services to support several initiatives, including the development and the strengthening of capital markets, investment climate reforms, corporate governance and capacity building of small and medium enterprises.
- An IFC managed technical assistance program, which was initially funded by a \$7.5 million grant from SECO and a \$1 million grant from the **Ministry of Finance of Luxembourg**, was launched to support the creation of new markets for climate finance in developing countries. The program will develop green bond policies, provide training programs for bankers and facilitate the adoption of the green bond principles in emerging markets.
- IFC played a strategic role in the organization of the **One Planet Summit**, convened by France, the United Nations and the World Bank Group in Paris. The event was successful in resetting a new level of ambition for climate action globally, mobilizing resources and sourcing innovative solutions from both the public and private sectors.



Country-specific fact sheets for the following countries are available [here](#).

Austria
Belgium
Cyprus
Czech Republic
Denmark
Finland
France
Germany
Hungary
Iceland
Ireland
Israel
Italy
Luxembourg
The Netherlands
Norway
Portugal
Slovakia
Spain
Sweden
Switzerland
United Kingdom

European Union

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