

IFC and Germany

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 \$1.7 billion with German partners spread across several sectors and regions.



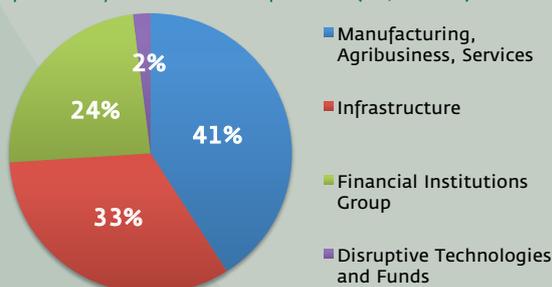
PARTNERSHIP WITH THE GOVERNMENT AND DEVELOPMENT FINANCE INSTITUTION

Germany's development institutions are important partners to IFC. KfW Bankengruppe (KfW), which includes DEG, acts as a long-term co-lender in a variety of industry sectors, including agri-finance, microfinance and sustainable energy. In May 2020, IFC and DEG signed a Joint Collaboration Framework Agreement (JCFA) to create markets, mobilize private sector investment, and support economic recovery in developing countries in the wake of the COVID-19 global crisis. In FY16-21, Germany provided cumulative funding of close to \$131 million to support IFC Advisory Services, including a record \$64 million in FY21. This included funding for the Food Systems Development Program in Africa for the Federal Ministry for Economic Cooperation and Development (BMZ) and for the 30 by 30 Zero Program for Green Finance from Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU).

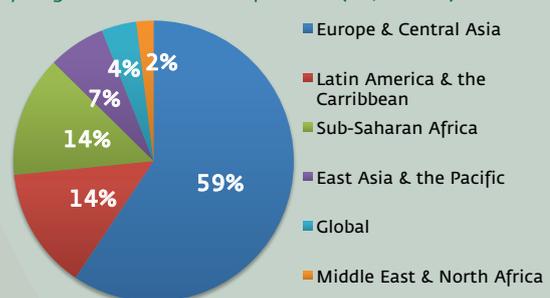
IFC's Long-Term Investment Portfolio with German Sponsors

As of FY21 (ending in June 2021), IFC's long-term investment portfolio with German sponsors amounted to close to \$1.7 billion. German 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 German Sponsors (\$1.7 billion)



IFC Long-Term Investment Portfolio as of June 2021 by Region with German Sponsors (\$1.7 billion)



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

Tourism, Retail, Construction & Real Estates	470
Energy	265
Transport	234
Banking	203
Manufacturing	178
Microfinance	108
Insurance & Pensions	97
Municipal and Environmental Infrastructure	50
Health, Education & Life Sciences	34
Funds	22
Agribusiness & Forestry	13
Telecom, Media and Technology (TMT)	12
Total	1687

- Mobilization:** IFC has a strong relationship with German financial institutions (FIs) and an active engagement with companies across multiple industry sectors. As of June 2021, German FIs held close to \$1.4 billion in IFC Syndicated Loans.
- Global Trade Finance Program (GTFP):** As of June 2021, IFC issued close to 5200 guarantees amounting to over \$10 billion for German banks since the GTFP began in 2005. The most active confirming banks have been Commerzbank, Deutsche Bank, BHF and LBBW.

Examples of Successful Cooperation



Alba Group, Asia

In August 2020, IFC committed a loan of up to \$60 million to support Alba Group Asia's development, investment and management of hazardous waste and biowaste treatment projects in emerging economies in Asia. Alba Group Asia is a regional platform dedicated to hazardous waste, bio waste, plastic recycling, and smart city solutions in Asia, and part of Alba Group, one of the leading recycling and environmental services companies based in Germany. This is IFC's first investment in the hazardous waste sector and one of its first investments in plastics recycling companies globally. It will benefit local populations and industries by enhancing treatment capacity of hazardous waste and bio-waste and promoting plastic recycling and smart urban waste management solutions in the region, reducing safety and health risks and improving environmental conditions. The project is expected to boost sustainable waste management and recycling, creating a circular economy in developing Asia, and increase local employment.



ProCredit, Southern Europe

In July 2020, IFC committed a senior loan of up to \$100 million under its Working Capital Solutions program to ProCredit, a Germany-based banking group and the parent company of a network of SME-focused commercial banks mainly in Eastern and Southeastern Europe. The financing will be channeled to ProCredit banks in nine countries to extend new trade-related or working-capital loans to SMEs in vulnerable economies that have been hard hit by the COVID-19 crisis. IFC's investment will support SMEs in Eastern Europe whose cashflows have been impacted by the pandemic, helping them sustain their operations and employment levels and laying the groundwork for the post-pandemic economic recovery.



K+S, Uganda

In September 2019, IFC committed an A loan of \$11 million to Grainpulse Limited, a Ugandan company specialized in coffee and grain supply chain management, human and animal nutrition and local fertilizer blending. Grainpulse started as a joint venture with Germany-based K+S AG, one of the world's leading suppliers of fertilizers and salt products. IFC's investment will support the company's ongoing \$18 million investment program, which includes the expansion and completion of a maize mill, animal feed mill and a grain storage facility. The project will help improve access to markets for local smallholder farmers and increase the supply and delivery of quality crop-specific fertilizer in Uganda, improving competitiveness in the country's fertilizer sector by changing the market structure through demonstration and replication effects, capacity building and skill development. The associated IFC advisory services program will help strengthen the upstream agricultural supply chain in Uganda by expanding capacity building programs for local SME and farmer suppliers.



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. Kaufland is part of the Schwarz Group, a German privately-held company. The group, a repeat IFC client, is involved in food retail through two brands: Lidl and Kaufland. IFC's investment will help promote access to affordable and high-quality food products for low to middle-income households and support Kaufland to become a green building EDGE certified supermarket chain in Romania and other countries. The project is also expected to generate significant direct and indirect employment throughout the supply chain and temporary employment during the construction phases of the project. In addition to this project, IFC has two outstanding investments with the Schwarz Group.



BMW, South Africa

In June 2017, IFC announced an agreement to support BMW South Africa, a wholly-owned subsidiary of Germany's BMW Group, to build local capacity through a \$150 million rand-equivalent loan. IFC's financing is part of a ZAR 6 billion investment in BMW's plant in Rosslyn. The partnership between IFC and BMW will support the transfer of technology and workforce skills from global auto manufacturers to local suppliers, while further investment will help to make domestic companies more productive and capable of paying higher wages and contributing more through taxes.

CONTACTS

Jan van Bilsen
Country Manager
For Germany
T: +49 69 74 34 82 50
E-mail: jvanbilsen@ifc.org

FRANKFURT

Bockenheimer
Landstrasse 43
60325 Frankfurt am Main,
Germany
Tel: +49 69 743 48230