IFC and Ireland
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 established Irish multinationals and mid-sized firms interested in investing in emerging markets. Of IFC’s long-term committed portfolio of $71 million with Irish partners, 51% is in infrastructure, 30% in disruptive technologies and funds and 19% in manufacturing, agribusiness and services. Sixty-two percent of investments is in Sub-Saharan Africa, followed by the Middle East and North Africa and Latin America and the Caribbean at 19% each.

IFC’s Long-Term Investment Portfolio with Irish Sponsors

As of FY20 (ending June 2020), IFC’s long-term investment portfolio with Irish sponsors amounted to $71 million. Irish private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

Global Trade Finance Program (GTFP): As of June 2020, IFC issued 8 guarantees amounting to $2 million for Irish banks since the GTFP began in 2005.
IFC’s main government counterparts are the Ministry of Finance, Irish Aid, and Enterprise Ireland. As of June 2020, Ireland provided cumulative funding of over $33 million in support of IFC Advisory Services, of which close to $1 million was committed in FY20. To date, Irish funding supported several strategic IFC initiatives aimed at promoting private sector development in emerging markets, including in conflict-affected states in Africa.

In September 2019, IFC listed its first Canadian dollar green bond on the Euronext Dublin, the first time IFC has listed a green bond on Dublin’s stock exchange. The proceeds of the five-year green bond - the largest Canadian dollar-denominated deal ever issued by IFC - will finance IFC investments in green projects, including renewable energy, green buildings, sustainable forestry, and energy efficiency.

In October 2018, IFC and the Ireland Strategic Investment Fund (ISIF) signed a Memorandum of Understanding to work together to generate growth opportunities for Irish companies in emerging markets, with an initial focus on food and agriculture sector. Since then, IFC and ISIF co-organized a business development event and explored potential co-investments with Irish agribusiness and fintech companies in emerging markets.

Examples of Successful Cooperation

### Mainstream Renewable Power, Egypt

In July 2019, IFC committed an A loan of $26 million and mobilized $58 million through the Managed Co-Lending Portfolio Program (MCPP) to Lekela Egypt Wind Power, the independent power producer owned by Lekela, a pan-African renewable energy platform. Lekela is partly owned by a consortium led by Mainstream Renewable Power Africa Holdings, an Irish international renewable energy company, which also includes IFC. The investment will finance the development of a 252 MW wind farm by Lekela in Egypt’s Red Sea governorate. In addition, MIGA provided $122 million in financial guarantees. The West Bakr wind farm is expected to produce over 1,000 GWh per year, at a tariff well below the average cost of generation in Egypt, powering more than 350,000 homes and avoiding more than 550,000 tons of carbon dioxide emissions annually. The project will help boost the production of clean, wind-generated electricity in Egypt, while promoting private sector participation in this key sector and helping the government meet its renewable energy targets.

### Mainstream Renewable Power, Sub-Saharan Africa

In June 2016, IFC contributed to a $118 million equity investment from a group of investors that included IFC, the IFC African, Latin American and Caribbean Fund (ALAC) and the IFC Catalyst Fund, two funds managed by IFC Asset Management Company; Ascension Investment Management; and Sanlam. The project provided equity funding for the Lekela Power platform, a joint venture between Mainstream Renewable Power Limited, an international renewable energy firm based in Dublin, and the global pan-emerging market private equity firm Actis. Since 2016, the project has supported the acceleration of the build-out of wind and solar plants across Africa. Lekela expects to deliver one GW of utility-scale wind and solar projects in Africa through 2021. IFC’s investment will increase access to electricity in Africa and demonstrate the viability of renewable energy independent power projects on the continent. Moreover, it will reduce carbon emissions and reliance on fossil fuel-fired plants.