IFC and Belgium
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 partners with Belgian companies interested in investing in emerging markets. Of IFC’s long-term committed portfolio of $161 million with Belgian partners, 84% is in manufacturing, agribusiness and services and 16% in the infrastructure sector. Eighty-four percent of investments is in Europe and Central Asia, 6% in Sub-Saharan Africa and in Latin America and the Caribbean each, and the remaining 4% in South Asia.

IFC’s Long-Term Investment Portfolio with Belgian Sponsors
As of FY20 (ending June 2020), IFC’s long-term investment portfolio with Belgian sponsors amounted to $161 million. Belgian private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

- **Mobilization**: IFC has a strong relationship with Belgian financial institutions (FIs) and an active engagement across multiple sectors. As of June 2020, Belgian FIs held close to $74 million in IFC Syndicated Loans.

- **Global Trade Finance Program (GTFP)**: As of June 2020, IFC issued close to 1400 guarantees amounting to over $1 billion for Belgian banks since the GTFP began in 2005. The most active confirming bank has been KBC.

### IFC Long-Term Investment Portfolio as of June 2020 by Industry with Belgian Sponsors ($161 million)

- Manufacturing, Agribusiness, Services: 16%
- Infrastructure: 84%

### IFC Long-Term Investment Portfolio as of June 2020 by Region with Belgian Sponsors ($161 million)

- Europe & Central Asia: 64%
- Sub-Saharan Africa: 6%
- Latin America & the Caribbean: 6%
- South Asia: 4%
PARTNERSHIP WITH THE GOVERNMENT AND DEVELOPMENT FINANCE INSTITUTION

As of June 2020, Belgium provided cumulative funding of over $9 million in support to IFC Advisory Services. IFC maintains strong relations with BIO, the Belgian development finance institution (DFI). The two institutions have common development goals and objectives and play a complementary role in emerging economies. Since August 2010, BIO has been a signatory of IFC’s Master Cooperation Agreement, which streamlines lending procedures for joint investments to ease financing to private companies in emerging markets. IFC is also strengthening its collaboration with ENABEL, the Belgian development agency, in particular on upstream initiatives in the agribusiness supply-chains and forestry sectors, with a focus on Sub-Saharan Africa.

Examples of Successful Cooperation

WDP, Romania
In March 2020, IFC committed a green financing package of approximately €205 million to WDP (Warehouses De Pauw NV), a Belgian real-estate investment trust that develops, owns, acquires and manages high quality logistics, warehouses and semi-industrial property, to support the construction of around one million square meters of resource-efficient semi-industrial and logistics properties across Romania. This is IFC’s first green loan in the property sector in Europe and Central Asia. IFC's investment will facilitate growth of the e-commerce, warehousing, and distribution sectors, the business process outsourcing market, as well as the automotive and retail industries in Romania. The investment will increase competitiveness and productivity, and support the country’s construction industry. In addition, under the loan conditions, WDP will implement IFC’s EDGE green-buildings certification across its portfolio in the country, which is expected to result in at least 20% energy and water savings in the buildings and in the production of building materials, as well as reduction in utility costs.

Incofin, Kazakhstan
In November 2019, IFC committed a straight senior loan of up to $4 million in local currency to Arnur Credit, Kazakhstan’s third-largest microfinance institution and a leading player on the Kazakh microfinance market, which is partially owned by Incofin, a Belgian investment manager working in emerging countries. The loan is intended for on-lending to micro, small and medium enterprises (MSMEs) in Kazakhstan with a focus on agriculture and women borrowers. IFC’s investment will contribute to the MSME sector competitiveness by increasing access to microfinance for local MSMEs, specifically in underserved rural areas of Kazakhstan. In addition, the project is expected to create a demonstration effect, encouraging private investment in these areas and promoting inclusiveness in the microfinance market.

Elicio, Serbia
In June 2017, IFC committed loans totaling €19 million and mobilized €41 million to Electrawinds Serbia, a special purpose entity established for the project, part of the Belgian independent power producer Elicio. The project involves the development of a 42 MW greenfield wind farm project near the town of Alibunar in Serbia. The project complements IFC’s support to the Serbian government to put together a renewable energy framework and a bankable power purchase agreement. IFC’s investment will help to support the renewable energy sector in Serbia and create a demonstration effect as this will be IFC’s first infrastructure project in the country. In addition, the project is expected to diversify Serbia’s energy generation mix, displace carbon from the country’s thermal generation plants, and reduce pollution.

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