

IFC and Italy

Partners in Private Sector Development

OVERVIEW

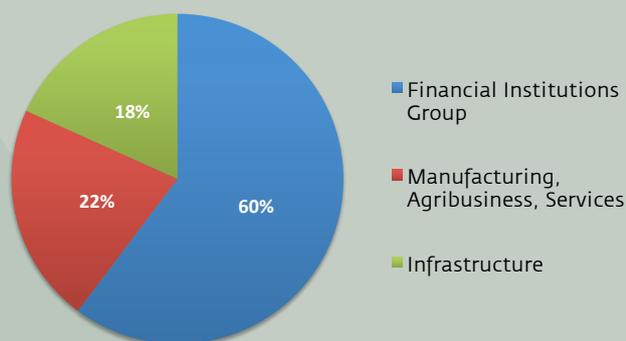
IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with over 2,000 businesses worldwide, IFC's long-term investments in developing countries exceeded \$23 billion in fiscal year (FY) 2018. IFC is an active partner of established Italian multinationals and mid-sized firms interested in investing in emerging markets. Of IFC's long-term committed portfolio of \$1.4 billion with Italian partners, 60% is in the financial sector, followed by 22% in manufacturing, agribusiness and services, and 18% in infrastructure. IFC's investments with Italian sponsors are concentrated in three main regions, namely Europe and Central Asia representing 39%, the Middle East and North Africa at 25%, and Latin America and the Caribbean at 14%.



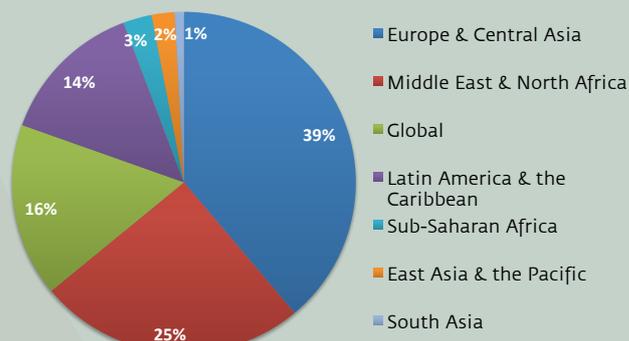
IFC's Long-term Investment Portfolio with Italian Sponsors

As of FY18 (ending June 2018), IFC's long-term investment portfolio with Italian sponsors amounted to \$1.4 billion. Italian 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 Italian Sponsors (\$1.4 billion)



IFC Long-term Investment Portfolio as of June 2018 by Region with Italian Sponsors (\$1.4 billion)



IFC Committed Exposure by Sector as of June 2018 (Dollar Amounts in Millions)

Banking	600
Power	264
Trade Finance	168
Health, Education & Life sciences	156
Leasing	103
Chemicals & Fertilizers	84
Electrical Equipment, Automotive & Machinery	71
Total	1446

- **Mobilization:** IFC has a strong relationship with Italian financial institutions (FIs) and an active engagement across multiple sectors. As of June 2018, Italian FIs held over \$580 million in IFC Syndicated Loans.
- **Global Trade Finance Program (GTFP):** As of June 2018, IFC issued close to 1700 guarantees amounting to over \$2.1 billion for Italian banks since the GTFP began in 2005. The most active confirming banks have been Banca Popolare di Sondrio, Intesa Sanpaolo, and UniCredit Group.

PARTNERSHIP WITH THE GOVERNMENT AND DEVELOPMENT FINANCE INSTITUTION

IFC's main counterpart and shareholder is the Ministry of Economy and Finance. IFC also works closely with other ministries and government agencies. In April 2015, Cassa Depositi e Prestiti (CDP), the Italian National Promotion Institution, became the 25th signatory of IFC's Master Cooperation Agreement. The Agreement streamlines lending procedures for joint investments that provide much-needed financing to private companies and boost growth and jobs in emerging markets. IFC also actively works with SIMEST, the Italian Development Finance Institution that supports the internationalization of Italian companies. As of June 2018, Italy provided cumulative funding of over \$61 million to support IFC Advisory Services.

Examples of Successful Cooperation

Enel Green Power, Zambia



In June 2018, IFC committed a financing package to Ngonye Power Company Limited, a special purpose vehicle incorporated in Zambia. The package includes a senior loan of up to \$10 million and a senior loan of \$12 million from the IFC-Canada Climate Change Program. The European Investment Bank will also provide a loan of up to \$12 million. Enel Green Power, the renewable energy division of the Italian multinational energy corporation Enel, is the main sponsor of the project. This project is the second Scaling Solar project under development in Zambia, which includes the construction and operation of a 34MWp solar photovoltaic plant that will provide clean and affordable power to ease the country's energy shortages. The project will provide power to the Zambian grid at the equivalent of 7.8 cents per kilowatt hour, one of the lowest prices for electricity in the region. IFC's investment will help to address a significant electricity supply deficit in Zambia. 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.

Mapei, Egypt



In March 2018, IFC committed a senior loan of \$15 million, of which \$10 million is in local currency equivalent, to Vinavil Egypt, a leading manufacturer of construction-related materials, to help the company boost production and create jobs. Vinavil Egypt is owned by Mapei S.p.A, the fourth largest global construction specialty chemicals producer, headquartered in Milan, Italy. The financing is part of an IFC effort to support the development of Egypt's construction industry, an important source of employment and one of the country's fastest-growing sectors. IFC's investment will help Vinavil Egypt double its annual production of chemical binders and emulsions, which are used in paints for industrial and commercial projects. Through the project, IFC is addressing the need for local currency financing by providing the loan largely in Egyptian pounds, which is a first for the organization. In addition, the project company will focus its research and development efforts on sustainable products, thereby helping to reduce environmental impacts.

SECI Energia & Enerray, 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. Both companies are part of the Maccaferri Industrial Group. Enerray and SECI Energia are sponsors and developers of the projects. In addition, Enerray is also EPC and O&M 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.

UniCredit Bank, Turkey



In September 2017, IFC committed the equivalent of \$150 million in Turkish lira in the first issuance of Yapi Kredi (YKB)'s mortgage-backed covered bond program to support YKB's on-lending activities to residential mortgage projects in Turkey. YKB is a subsidiary of UniCredit and the fourth largest private bank in Turkey, operating in retail, private, and commercial banking. The proceeds of IFC's investment will provide YKB with long-term financing to support the mortgage segment of its lending operations, with a portion to be allocated to green mortgages. IFC's investment will support growth in the mortgage sector, and improve access to housing finance in Turkey. In addition, the project will strengthen IFC's long-term partnership with YKB by supporting it in areas of strategic interest such as climate change and the development of the housing market in Turkey.

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