IFC and Norway
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 $19 billion in fiscal year (FY) 2019. IFC maintains an active relationship with Norway, covering business development with Norwegian companies interested in investing in emerging markets, cooperation with Norwegian banks and donor-funded initiatives. Of IFC’s total long-term committed portfolio of $758 million with Norwegian partners, 60% is in infrastructure, and 20% in telecom, media and technology, and manufacturing, agribusiness and services respectively. Thirty-one percent of investments are in the South Asia region, followed by 20% at the global level, 14% in East Asia and the Pacific and in Europe and Central Asia respectively, 11% in Latin America and the Caribbean, and 10% in Sub-Saharan Africa.

IFC’s Long-Term Investment Portfolio with Norwegian Sponsors

As of FY19 (ending in June 2019), IFC’s long-term investment portfolio with Norwegian sponsors amounted to $758 million. Norwegian private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

- **Mobilization**: IFC has a strong relationship with Norwegian financial institutions (FIs) and an active engagement across multiple sectors. As of June 2019, Norwegian FIs held over $120 million in IFC Syndicated Loans.
- **Global Trade Finance Program (GTFP)**: As of June 2019, IFC issued close to 40 guarantees amounting to close to $39 million for the Norwegian bank DNB since the GTFP began in 2005.

IFC Long-Term Investment Portfolio as of June 2019

- **Infrastructure**: 60%
- **Manufacturing, Agribusiness, Services**: 20%
- **Telecom, Media, Technology**: 20%

**IFC Long-Term Investment Portfolio as of June 2019 (Dollar Amounts in Millions)**

- **Power**: 458
- **Chemicals & Fertilizers**: 150
- **Telecom**: 150
- **Total**: 758

**IFC Long-Term Investment Portfolio as of June 2019 by Region with Norwegian Sponsors ($758 million)**

- **South Asia**: 31%
- **East Asia & the Pacific**: 14%
- **Europe & Central Asia**: 14%
- **Latin America & the Caribbean**: 10%
- **Sub-Saharan Africa**: 11%

- **Global**: 10%
As of June 2019, Norway committed over $155 million to support IFC Advisory Services, including over $15 million in FY19. Norwegian funding has focused on regional programs in South Asia, the Mekong region, Africa, and Eastern Europe, such as the Conflict Affected States in Africa Initiative or the Support Program for the Compact with Africa Initiative. Norway also supports global programs like the Foreign Investment Advisory Services or the Trade Facilitation Program. IFC also collaborates with Norfund, Norway’s Development Finance Institution, which seeks to develop and establish sustainable and profitable businesses in poor countries.

Examples of Successful Cooperation

SN Power, Malawi and Uganda

In April 2019, IFC committed funding of up to $3.5 million through InfraVentures and up to $4 million in its capacity as implementing partner of the Global Infrastructure Facility for the joint development of the 258-309 MW Mpatamanga hydroelectric power project in Malawi, supported by Norway-based renewable energy company SN Power and Power Africa. The project comes at the time of critical need as peak electricity demand in Malawi far exceeds the country’s generation capacity, which largely comes from hydropower and is often affected by droughts and low water levels. IFC’s investment will contribute to expanding access to secure, clean and affordable electricity, thus removing one of the major impediments to Malawi’s economic development and helping create a market for significant private sector investment in the country’s power sector.

In June 2018, IFC collaborated with SN Power on the refinancing of the 250 MW hydropower plant in Uganda owned and operated by Bujagali Energy Limited (BEL), which produces close to 45% of the country’s annual electricity generation. The investment will reduce BEL’s annual debt-servicing payments, lowering the tariff of electricity produced by the hydropower plant.

Scatec Solar, Mozambique

In June 2017, IFC - as the sole lead arranger - committed a $55 million debt package to Central Solar de Mocuba S.A., a special purpose vehicle owned by Scatec, Norfund and EDM. Scatec is a Norwegian company that specializes in developing and constructing large-scale photovoltaic (PV) systems. Norfund is a leading renewable energy investor in Africa. EDM is Mozambique’s state-owned public power utility. The package, which includes a $19 million A loan, $19 million from the IFC-Climate Investment Fund, and a $17 million B loan, supported the development, construction, operation and maintenance of a 40.5 MW solar PV project in Mocuba, Mozambique which reached commercial operations date in August 2019. In addition, IFC’s investment will help to increase energy security in a rural region of the country and diversify the energy mix to help adapt to long-term climate change impacts.

Grameen Phone, Bangladesh

In May 2013, IFC committed $150 million in A loans, $40 million in B-loans and $155 million in parallel Development Finance Institutions loans to GrameenPhone Limited (GP), the largest mobile phone operator in Bangladesh. GP’s main shareholders are Grameen Telecom and Telenor AS, the Norwegian state-owned carrier. This project has further developed the telecom networks in Bangladesh, which has one of the lowest tele-densities in the world. IFC’s investment helped improved connectivity and productivity, particularly in rural areas. Additionally, it increased competition in the sector, resulting in enhanced network availability, lower tariffs, and improved quality of cellular services.

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