

IFC and the United Kingdom

Partners in Private Sector Development



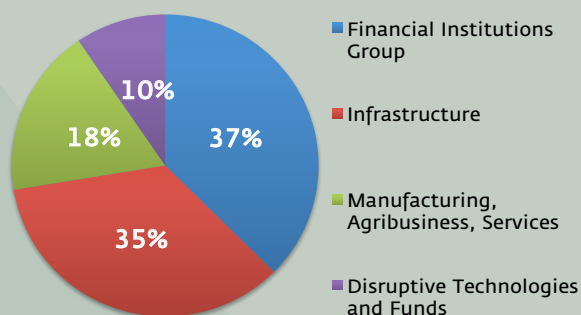
OVERVIEW

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 British 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 over \$3.6 billion with British partners spread across several sectors and regions.

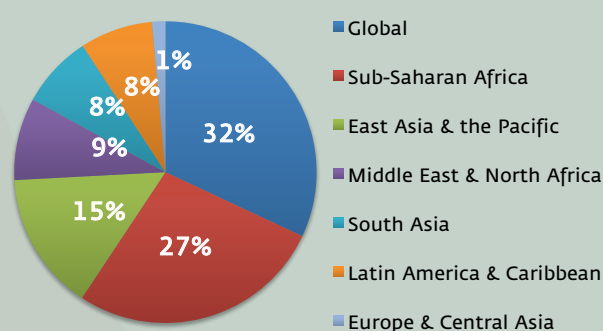
IFC's Long-Term Investment Portfolio with British Sponsors

As of FY21 (ending in June 2021), IFC's long-term investment portfolio with British sponsors amounted to over \$3.6 billion. British 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 British Sponsors (\$3.6 billion)



IFC Long-term Investment Portfolio as of June 2021 by Region with British Sponsors (\$3.6 billion)



- Mobilization:** IFC has a strong relationship with British financial institutions (FIs) and an active engagement across multiple sectors. As of June 2021, British FIs held over \$652 million in IFC Syndicated Loans.
- Global Trade Finance Program (GTFP):** As of June 2021, IFC issued over 2,900 guarantees amounting to close to \$4.4 billion for British banks since the GTFP began in 2005. The most active confirming banks have been Standard Chartered and HSBC.

PARTNERSHIP WITH THE GOVERNMENT AND DEVELOPMENT FINANCE INSTITUTION

The UK is currently the largest donor to IFC Advisory Services and Blended Finance activities combined, contributing over \$324 in FY16-21, including \$10 million in FY21. IFC has a long-standing relationship with the UK's Foreign, Commonwealth & Development Office (FCDO) who supports business enabling initiatives in fragile and low income countries in Africa, the Middle East and South Asia, as well as thematic focus areas such as migration and food security among others. IFC has also partnered with the Department of Business, Energy and Industrial Strategy (BEIS) on climate mitigation work and the Department on International Trade (DIT). From its founding in 1956, IFC also has a close relationship with CDC Group, the UK's development finance institution. Examples of initiatives supported by the UK include:



- The £15 million umbrella TechEmerge Sustainable Cooling Innovation program, funded by the UK Government's International Climate Finance, is supporting sustainable cooling technologies in Africa, Asia and Latin America. TechEmerge currently includes 46 projects for field testing over 30 innovative technologies that can reduce energy consumption and GHG emissions by 30%.
- The IFC-UK Market Accelerator for Green Construction (MAGC) Program is a partnership between IFC and the UK's BEIS that seeks to promote greener construction practices in developing countries. As of June 2021, close to \$191 million of IFC and private sector financing has been leveraged by over \$7 million in MAGC blended concessional investment funds to support the construction and certification of green buildings in Indonesia, South Africa and Egypt.

Examples of Successful Cooperation



CVC Capital, Thailand

In June 2021, IFC committed a \$100 million loan to Ngern Tid Lor Company Limited (NTL), a leading non-bank financial institution in Thailand, partially owned by a fund managed by CVC Capital Partners, a UK-based private equity and investment advisory firm. The loan will support NTL's financing program for micro and small enterprises in Thailand. IFC's investment will increase access to finance for micro and small enterprises in underserved areas of Thailand, helping the economic recovery following the COVID-19 pandemic and contributing to financial inclusion.



HSBC, Bangladesh

In May 2021, IFC committed \$100 million as part of an unfunded risk sharing facility with HSBC Bangladesh, a wholly owned subsidiary of HSBC, a British multinational investment bank and financial services holding company. IFC's share in the facility will allow HSBC Bangladesh to extend additional finance to its existing clients in agribusiness, power, clean energy, ready-made garment and pharmaceutical sectors, which are critical for the country's economic growth. IFC's investment will increase access to finance for companies in the key sectors of Bangladesh's economy, supporting growth and increasing employment.



Barclays, South Africa

In April 2021, IFC committed a \$150 million senior loan to Absa Bank, the third largest bank in South Africa in terms of assets, owned by Absa Group, one of Africa's largest financial services groups. The largest shareholder of Absa Group is Barclays, a multinational bank headquartered in the UK. The loan will support the bank's strategy to expand its climate finance business and help South Africa meet its greenhouse gas reduction targets. This is the first certified loan in Africa that complies with the Green Loan Principles. IFC's investment will help increase climate finance in South Africa, particularly for biomass and other renewable energy projects, supporting the country's power sector and economic recovery from COVID-19. IFC will also provide technical assistance related to Absa Bank's climate strategy and green loan/green bond framework.

Global Tea & Commodities Ltd

Global Tea, Malawi

In June 2018, IFC and the Global Agriculture and Food Security Program (GAFSP) committed a \$4 million loan to support the expansion of Global Tea and its subsidiaries. Global Tea is an agribusiness group founded in the UK in 1992, that operates macadamia and coffee plantations in Malawi and tea packing factories in Kenya. Global Tea will use IFC's financing to expand its operations in Malawi, both for macadamia and coffee, and developing a program to support smallholder farmers. IFC's investment will contribute to the development of agribusiness industries in Kenya and Malawi, and create up to 900 jobs for farmers who supply the group. In addition, the project will support climate-smart agricultural practices, thereby boosting the sustainable production of commodities.

CONTACTS

Sadia Sajjad
Senior Investment Officer
& Country Manager for
United Kingdom
Tel: +44 20 7592 8417
E-mail: ssajjad@ifc.org

LONDON

6th Floor
1 Tudor Street
EC4Y 0AH London, UK
Tel: +44 207 592 8400

September 2021



Creating Markets, Creating Opportunities