

# IFC and the United Kingdom

Partners in Private Sector Development



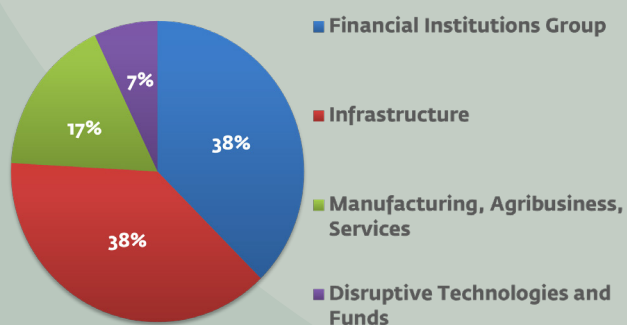
## OVERVIEW

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 \$32.8 billion in own-account investments and mobilization from third parties to private companies and financial institutions in developing countries in fiscal year 2022 (FY22).\* IFC partners with British multinationals and mid-sized firms that are interested in investing in emerging markets. As of June 2022, IFC had a long-term committed investment portfolio of close to \$3.7 billion with British partners spread across several sectors and regions.

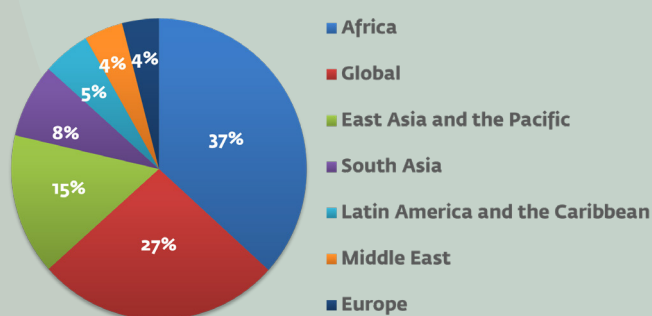
## IFC's Long-Term Investment Portfolio with British Sponsors

As of FY22, IFC's long-term investment portfolio with British sponsors amounted to \$3.7 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 2022  
by Industry with British Sponsors (\$3.7 billion)



IFC Long-term Investment Portfolio as of June 2022  
by Region with British Sponsors (\$3.7 billion)



- **Mobilization:** IFC has a strong relationship with British financial institutions (FIs) and an active engagement across multiple sectors. As of June 2022, British FIs held close to \$458 million in IFC Syndicated Loans.
- **Global Trade Finance Program (GTFP):** As of June 2022, IFC issued over 3,000 guarantees amounting to \$4.7 billion for British banks since the GTFP began in 2005. The most active confirming banks have been Standard Chartered and HSBC.

\*The World Bank Group fiscal year runs from July 1 to June 30 of the following calendar year.

## 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 close to \$248 million in FY18-22. 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 British International Investment, the UK's development finance institution. Examples of initiatives supported by the UK include:



- In November 2019, IFC launched a global competition for private sector and social enterprise projects in the Kakuma refugee hosting area in Kenya's Turkana County. The initiative supports investment and unlocks the economic potential of refugees and the host community with a focus on youth and women. The competition is implemented through the five-year, \$25 million Kakuma Kalobeyei Challenge Fund (KKCF) supported by the FCDO and other partners.
- 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 2022, close to \$379 million of IFC and private sector financing has been leveraged by over \$15 million MAGC blended concessional investment funds to support the construction (and/or retrofit) and certification of green buildings in Indonesia, South Africa, Egypt, India Colombia and Peru.

## Examples of Successful Cooperation



### Anglo American, South Africa

In June 2022, IFC committed a \$100 million sustainability-linked loan to Anglo American, a global mining company headquartered in the UK, to support community development programs in education and livelihoods in rural areas close to the company's mining operations across South Africa. The interest rate of the loan is linked to Anglo American's sustainability performance in those areas. The sustainability linked loan is the first in the mining sector to focus exclusively on social development indicators. IFC's investment will improve the quality of education for more than 73,000 students by providing training to educators, practitioners, and school management teams and upgrading school infrastructure and equipment. The investment will also promote jobs by providing mentorship, capacity building, skills development, and access to finance to small businesses in the mining value chain and in other sectors, with a focus on women and young people.



### 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.

### HSBC, Global

IFC and HSBC Global Asset Management launched the Real Economy Green Investment Opportunity Fund, or REGIO, in May 2020 with the goal of increasing access to climate finance for companies and municipalities and promoting the development of the green bond market in emerging markets. REGIO mobilized \$538 million in private sector capital to finance largely non-financial companies. IFC and HSBC each provided a \$75 million anchor investment in the fund, and nine private sector investors invested \$388 million. REGIO has a Technical Assistance Facility, managed by IFC, which provides support to real sector issuers of green bonds. To date, IFC has virtually delivered 19 workshops and 1 seminar, benefiting 613 participants (259 from real sector companies, 38 from financial institutions, 39 from government agencies and regulators, and 69 from development institutions).

## CONTACTS

Sadia Sajjad  
Country Manager  
for the 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



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