IFC and France
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 is a key partner for French companies in emerging markets and, in particular, in Sub-Saharan Africa and in the Middle East and North Africa. Of IFC’s long-term committed portfolio of over $2 billion with French sponsors, 37% is in finance and insurance, 35% in infrastructure, 21% in manufacturing, agribusiness and services, and the remaining 7% in telecom, media and technology.

IFC’s Long-Term Investment Portfolio with French Sponsors

As of FY19 (ending in June 2019), IFC’s long-term investment portfolio with French sponsors amounted to over $2 billion. French private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

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

- Banking: 446
- Transport: 374
- Power: 323
- Insurance: 201
- Agribusiness & Forestry: 134
- Health, Education & Life Sciences: 110
- Trade Finance: 103
- Tourism, Retail & Property: 85
- Telecom: 72
- Construction Materials: 71
- Funds (Collective Investment Vehicles): 62
- Chemicals & Fertilizers: 30
- Media & Technology: 7
- **Total:** 2019

- **Mobilization:** As of June 2019, French financial institutions held over $1.4 billion in IFC Syndicated Loans, led by Crédit Agricole, BPCE, Société Générale, and Proparco.

- **Global Trade Finance Program (GTFP):** As of June 2019, IFC issued close to 2,500 guarantees amounting to $3.6 billion for French banks since the GTFP began in 2005. The most active confirming banks have been BNP Paribas, the largest user of funds, Union de Banques Arabes et Françaises (UBAF), Natixis, Société Générale, and Crédit Agricole.

**PARTNERSHIP WITH THE GOVERNMENT AND DEVELOPMENT FINANCE INSTITUTION**

IFC maintains a strategic relationship with France through the Direction Générale du Trésor, Proparco and the Agence Française de Développement (AFD). In April 2019, IFC and Proparco signed a Memorandum of Understanding to strengthen the partnership between the two development institutions, with a particular focus on fragile and low-income countries. Areas of reinforced collaboration will include information sharing, and the identification and co-financing of development projects in select fragile and low-income countries in Africa.
Examples of Successful Collaboration

**Soufflet, Ethiopia**

In June 2019, IFC committed an equity investment of €20 million in Soufflet Malt Ethiopia, the wholly-owned subsidiary of the French family-owned agribusiness group Soufflet. The investment will help Soufflet Malt Ethiopia build and operate a malting plant in Addis Ababa’s Bole Lemi Industrial Park. The malting plant is expected to produce 110,000 metric tons of malt per year from locally sourced barley, 80% of which will come from small-hold farmers. Currently, about 70% of the malt used by Ethiopian brewers is imported. IFC’s investment will contribute to the modernization of the country’s malt supply chain and help boost local production of malt, increasing market access for about 40,000 barley farmers.

**NJJ, Comoros**

In January 2019, IFC committed a senior loan of €13 million to Telco SA, a Comorian telecommunications operator providing mobile network services across the country. Telco SA, the subsidiary of France-based investment firm NJJ Indian Ocean S.A.S, has the potential to transform the mobile sector in one of the least developed telecom markets in Africa and globally. IFC’s investment will support the introduction of competition in a previously monopolized sector and help address the significant gap in connectivity and affordability. Through the enhancement of Comoros’ mobile network infrastructure and the introduction of the first 4G network, it will help increase access to mobile broadband, which is expected to contribute to greater financial inclusion, boost entrepreneurship in a variety of sectors and create numerous employment and education opportunities.

**EDF, Cameroon**

In November 2018, IFC committed to invest €60 million in equity and lend up to €110 million for its own account for the Cameroon Nachtigal Hydropower Project, a 420 MW run-of-the-river hydropower plant, making it IFC’s largest power investment in Africa to date. IFC and EDF, a France-based integrated energy company, are co-developers and shareholders in the project, along with the government of Cameroon. As global coordinator and lead arranger, IFC also mobilized an additional €806 million from 11 development finance institutions and four commercial banks for a total project cost of €1.2 billion. The project is facilitated by an interest rate swap from IFC with a notional amount of €300 million, as well as a set of guarantees provided by the World Bank and MIGA. The Nachtigal hydropower plant will increase Cameroon’s power generation capacity by 30% and improve the country’s power sector sustainability by ensuring access to clean, reliable and affordable energy. In addition, it is expected to create up to 1,500 direct jobs during peak construction.

**Amundi, Global**

In March 2018, IFC committed up to $256 million to the world’s largest targeted green bond fund focused on emerging markets, the Amundi Planet Emerging Green One fund. Amundi is Europe’s largest asset manager, with headquarters in Paris. The fund is the first of its kind to take a holistic approach by investing in emerging market green bonds while also supporting the creation of a robust green bond market. IFC’s investment in the fund, which will actively invest in emerging market green bonds issued by financial institutions through 2025, is expected to significantly increase the scale and pace of climate finance in emerging markets.

**Investisseurs & Partenaires, Sub-Saharan Africa**

In December 2017, IFC committed $15 million in equity to the Investisseurs & Partenaires (I&P) Afrique Entrepreneurs II Fund, a 10-year closed-end generalist impact fund that will invest in SMEs in the Sub-Saharan Africa region. I&P is an impact investing group dedicated to the economic development of Sub-Saharan Africa, with headquarters in Paris. IFC’s investment will help provide SMEs in IDA and FCS countries with access to finance. The project will also result in job creation and economic growth, as well as the adoption of Environmental, Social & Governance standards among local SMEs. In addition, IFC’s SME Ventures program includes a targeted Advisory Services component which provides capacity building for the Fund Manager and its team, as well as the investee SMEs.

**Neoen, Zambia**

In October 2017, financing agreements were signed between Bangweulu Power Corporation Limited, a special purpose vehicle incorporated in Zambia, owned by Neoen, a leading French independent power producer specializing in the development of renewable energy projects; First Solar Inc., and the Industrial Development Corporation of Zambia (IDC); IFC, and the Overseas Private Investment Corporation (OPIC). The equity for the project, which is part of the World Bank Group’s Scaling Solar Program, is provided by Neoen/First Solar and IDC. The financing package includes senior loans from IFC, the IFC-Canada Climate Change Program, and OPIC, up to $13 million each, along with an interest rate swap from IFC and a partial risk guarantee from IDA. The project includes the development, financing, construction, operation and maintenance of a new 47.5 MWac solar photovoltaic facility located in the Lusaka South Multi-Facility Economic Zone in Zambia. IFC’s investment will provide up to 97 GWh per annum to the Zambian grid, helping to address a significant electricity supply deficit in the country. 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.

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