

# IFC and Italy

## Partners in Private Sector Development

### OVERVIEW

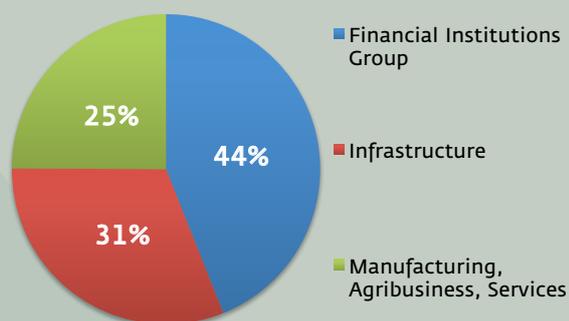
IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working in more than 100 countries, IFC committed a record \$31.5 billion in own-account investments and mobilization from third parties to private companies and financial institutions in developing countries in fiscal year 2021 (FY21). IFC is an active partner of established Italian multinationals and mid-sized firms interested in investing in emerging markets. As of June 2021, IFC had a long-term committed investment portfolio of \$909 million with Italian partners spread across several sectors and regions.



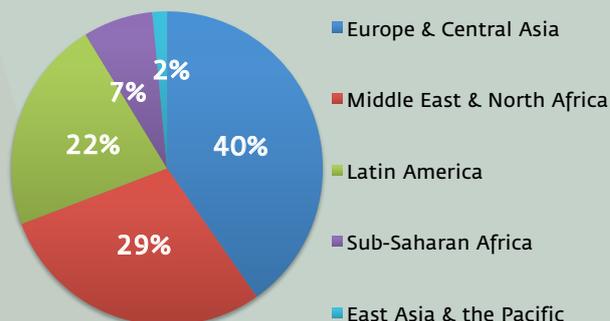
### IFC's Long-term Investment Portfolio with Italian Sponsors

As of FY21 (ending June 2021), IFC's long-term investment portfolio with Italian sponsors amounted to \$909 million. 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 2021 by Industry with Italian Sponsors (\$909 million)



IFC Long-term Investment Portfolio as of June 2021 by Region with Italian Sponsors (\$909 million)



IFC Committed Exposure by Sector as of June 2021 (Dollar Amounts in Millions)

Banking	317
Energy	286
Health, Education & Life Sciences	156
Leasing	81
Manufacturing	69
<b>Total</b>	<b>909</b>

- **Mobilization:** IFC has a strong relationship with Italian financial institutions (FIs) and an active engagement across multiple sectors. As of June 2021, Italian FIs held \$385 million in IFC Syndicated Loans.
- **Global Trade Finance Program (GTFP):** As of June 2021, IFC issued close to 1,950 guarantees amounting to \$2.3 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.

### 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 institutions, including the Bank of Italy, the Ministry of Foreign Affairs and the Ministry for Ecological Transition, as well as Cassa Depositi e Prestiti (CDP), the Italian National Promotion Institution. In addition, IFC collaborates with SIMEST, the Italian Development Finance Institution that supports the internationalization of Italian companies. In FY16-21, Italy provided cumulative donor funding of close to \$30 million to support IFC Advisory Services. In 2019, the Italian government renewed its commitment to expand energy access in developing countries through the Italy-IFC Clean Energy Access Partnership.

## Examples of Successful Cooperation



### UniCredit, Romania

In November 2020, IFC committed a senior loan of €27.5 million to UniCredit Leasing Corporation (UCLC) to help scale up the company's small and medium enterprises portfolio, with 40% of the proceeds dedicated to funding sustainable energy finance projects. UCLC is a subsidiary of UniCredit Romania, which is owned by UniCredit Group, one of Europe's leading commercial banking organizations headquartered in Italy. IFC's investment will increase access to finance for the most underserved population segments in Romania, while cultivating climate-smart practices through energy efficiency and renewable energy projects. The project is expected to have a demonstration effect, helping create a market for sustainable energy finance projects in the country.



### Renco, Armenia

In February 2019, IFC committed an A loan of \$42 million to ArmPower, an Armenian special purpose company owned by Renco, Siemens Project Ventures and SIMEST, the Italian development finance institution. Renco is an Italian company with core activities encompassing engineering and construction services in the energy, oil & gas and infrastructure sectors. The financing package also includes \$121 million mobilized by IFC from the Managed Co-Lending Portfolio Program, the Asian Development Bank, DEG and OFID, and a guarantee of up to \$39 million provided by MIGA to help Renco manage non-commercial risks. IFC's investment is financing the construction of a 250 MW greenfield combined-cycle gas turbine power plant in Yerevan, Armenia. The project aims to help increase the efficiency of Armenia's power generation sector, reducing the cost of natural gas and ensuring reliable power supply in the country, and will serve as a model for future IPP projects.



### CLN, South Africa

In November 2018, IFC arranged a €134 million loan for CLN Group, a leading Italian manufacturer of automotive components, to expand and modernize the local production of advanced automotive parts in South Africa. The financing package consists of €48 million from IFC's own account, €36 million through the IFC Managed Co-Lending Portfolio Program and €50 million from Italy's National Promotional Institution CDP. CDP's investment is the first transaction signed under the Master Cooperation Agreement with Italy, which aims to streamline lending procedures for joint investments to ease financing to private companies in emerging markets. The project is expected to boost South Africa's automotive industry, generate economic value and support job creation by increasing localization, introducing new production processes, and providing training to local workers.



### 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 \$9 million and a senior loan of \$12 million from the IFC-Canada Climate Change Program. The European Investment Bank also provided 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 included the construction and operation of a 34 MWp solar photovoltaic plant that provides clean and affordable power to ease the country's energy shortages. The project provides 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 helps address a significant electricity supply deficit in Zambia. In addition, competitively priced solar electricity generated from the project is reducing Zambia's dependence on hydropower and improving 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., one of the largest global construction specialty chemicals producer, headquartered in Milan, Italy. The financing is part of an effort by IFC 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. In addition, the project company will focus its research and development efforts on sustainable products, thereby helping to reduce environmental impacts.

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