



Managed Co-Lending Portfolio Program: MCPP One Planet

THE PARIS AGREEMENT-ALIGNED PRIVATE DEBT OPPORTUNITY FOR
INSTITUTIONAL INVESTORS IN EMERGING MARKETS

ABOUT IFC SYNDICATIONS

IFC—a sister organization of the World Bank and member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work with more than 2,000 businesses worldwide, using our capital, expertise, and influence to create markets and opportunities in the toughest areas of the world.

IFC Syndications enables our partners—commercial banks, institutional investors, insurance companies, sovereigns and other development institutions—to participate alongside us as we make debt investments in emerging markets. By mobilizing these partners' capital, we forge new connections that increase foreign investment and chart a path for other growing enterprises to follow.

BY THE NUMBERS

\$10bn

Total MCPP funds raised

11

MCPP investors

8

MCPP facilities

2013

Year launched

An Innovative Approach

Connecting Investors with Emerging Market Opportunities

The MCPP, or Managed Co-Lending Portfolio Program, is IFC's pioneering Syndications lending platform launched in 2013 to co-invest in a portfolio of loans with institutional investors, such as central banks, sovereign wealth funds, pension and insurance companies. The facility has raised over \$10.1 billion in eight years, has attracted 11 MCPP investors to date with 8 MCPP facilities, and has been recognized for its groundbreaking partnership approach to attracting institutional capital and supporting the achievement of the UN Sustainable Development Goals (SDGs).

At COP26 in Glasgow, IFC announced the launch of its newest MCPP facility, MCPP One Planet. MCPP One Planet will build for institutional investors the world's first cross-sectoral portfolio of emerging-market senior loans aligned with the Paris Agreement. IFC will provide investors with enhanced reporting, allowing them to tangibly demonstrate their contributions to global climate efforts and SDGs, while also assisting in meeting their latest disclosure regulations.

BENEFITS TO INVESTORS

- **Priority access to IFC pipeline:** MCPP follows a passive "tracker" process receiving an allocation into every eligible new loan, giving investors priority access to IFC's proprietary pipeline of emerging market loans.
- **Connection to IFC's global origination capacity:** MCPP connects investors with IFC experts in 95 countries and unique investment opportunities in IFC's global and cross-sectoral loan book.
- **Alignment of interests:** MCPP aligns incentives through a co-investment approach where IFC retains as much exposure for its own account as the investor in any individual loan.
- **Long-term partnership and ease of administration:** IFC manages the supervision process (ongoing waivers and amendments) for its own account and applies the same decisions to the MCPP tranches.
- **Risk-return diversification:** IFC's floating-rate senior loans have limited correlation with other asset classes. Limited volatility creates a stable return profile. Investors receive annual flow of principal and interest back as loans amortize.
- **Enhanced sustainability and impact reporting:** All loans are assessed and managed against both ESG and impact criteria using IFC's world-class standards to ensure alignment with the Paris Agreement. IFC will share enhanced impact reporting with MCPP One Planet investors.

How Does the MCPP Process Work?

MCPP provides an efficient way to make one large allocation of capital, and then receive priority access to IFC's pipeline, passively co-lending alongside IFC in every eligible project. Over time, investors receive a globally diversified pool of new senior loans across all sectors on the same terms as IFC.

MCPP uses a "blind pool" approach, with investors committing to take exposure for a set of future IFC loans.

IFC and investor pre-agree to eligibility criteria and concentration limits in an upfront governing agreement

MCPP financing is offered to borrowers in every eligible transaction

IFC deploys investor funds into eligible loans alongside IFC's own funds and on the same terms

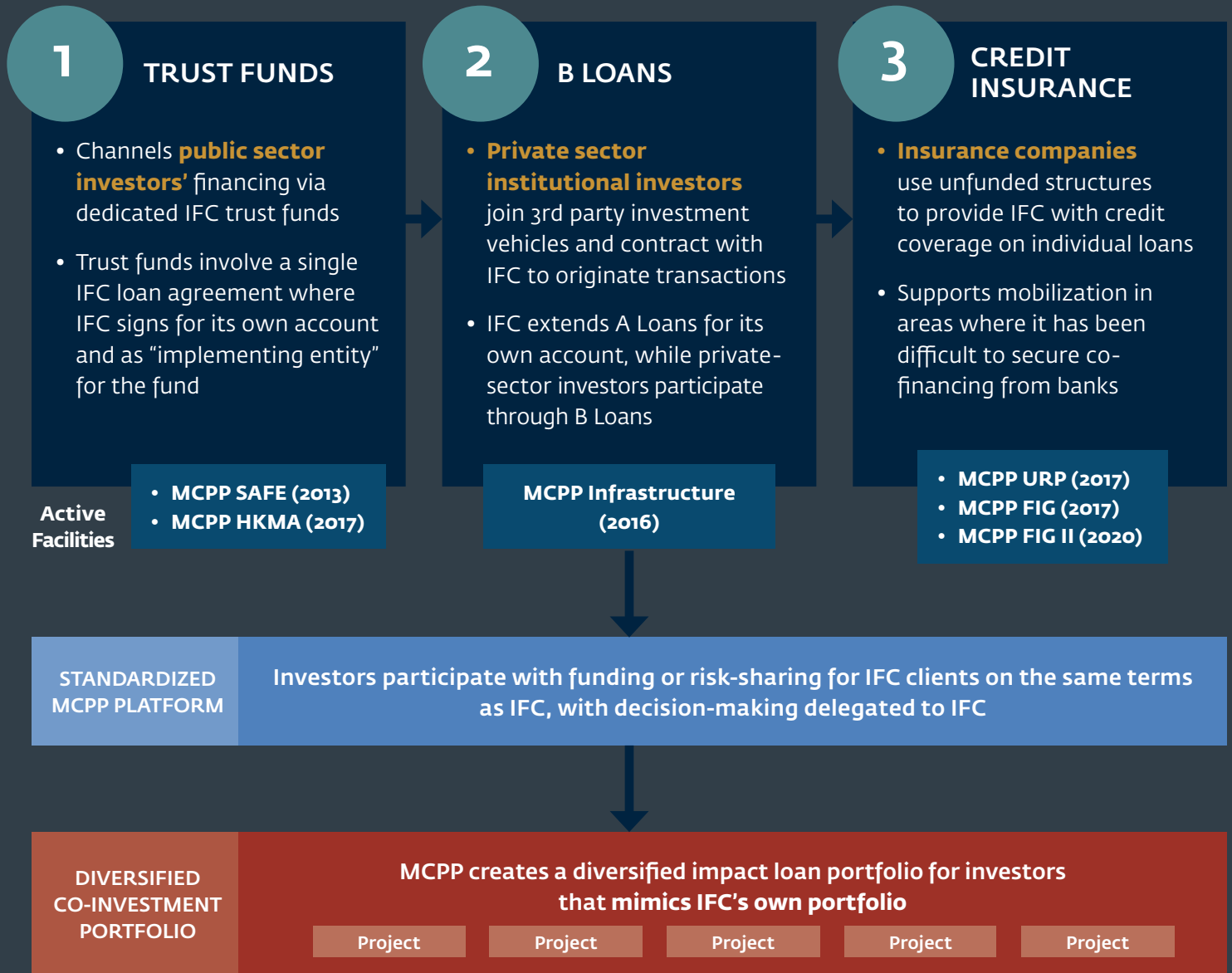
In portfolio, IFC applies the same decisions for MCPP loans as for its own account loans

OUTCOME

MCPP efficiently builds over time a diversified portfolio of emerging market impact loans

Flexible Approach

To meet the varying business and regulatory requirements of different investor classes, IFC has adapted the MCPP platform to offer distinct structures:



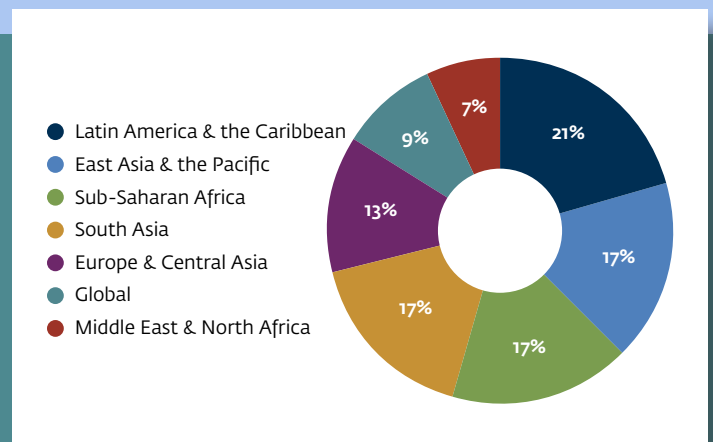
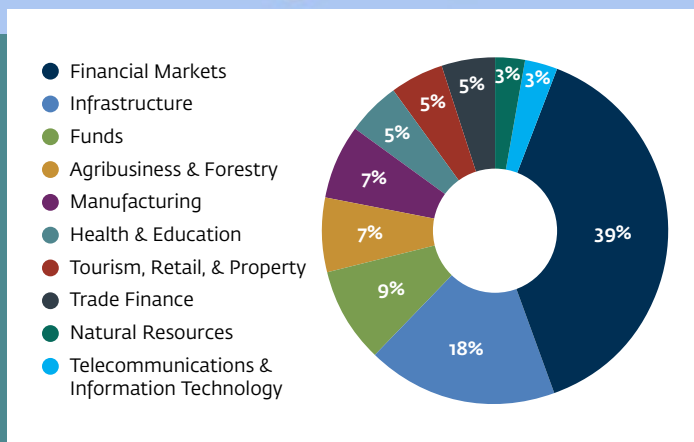
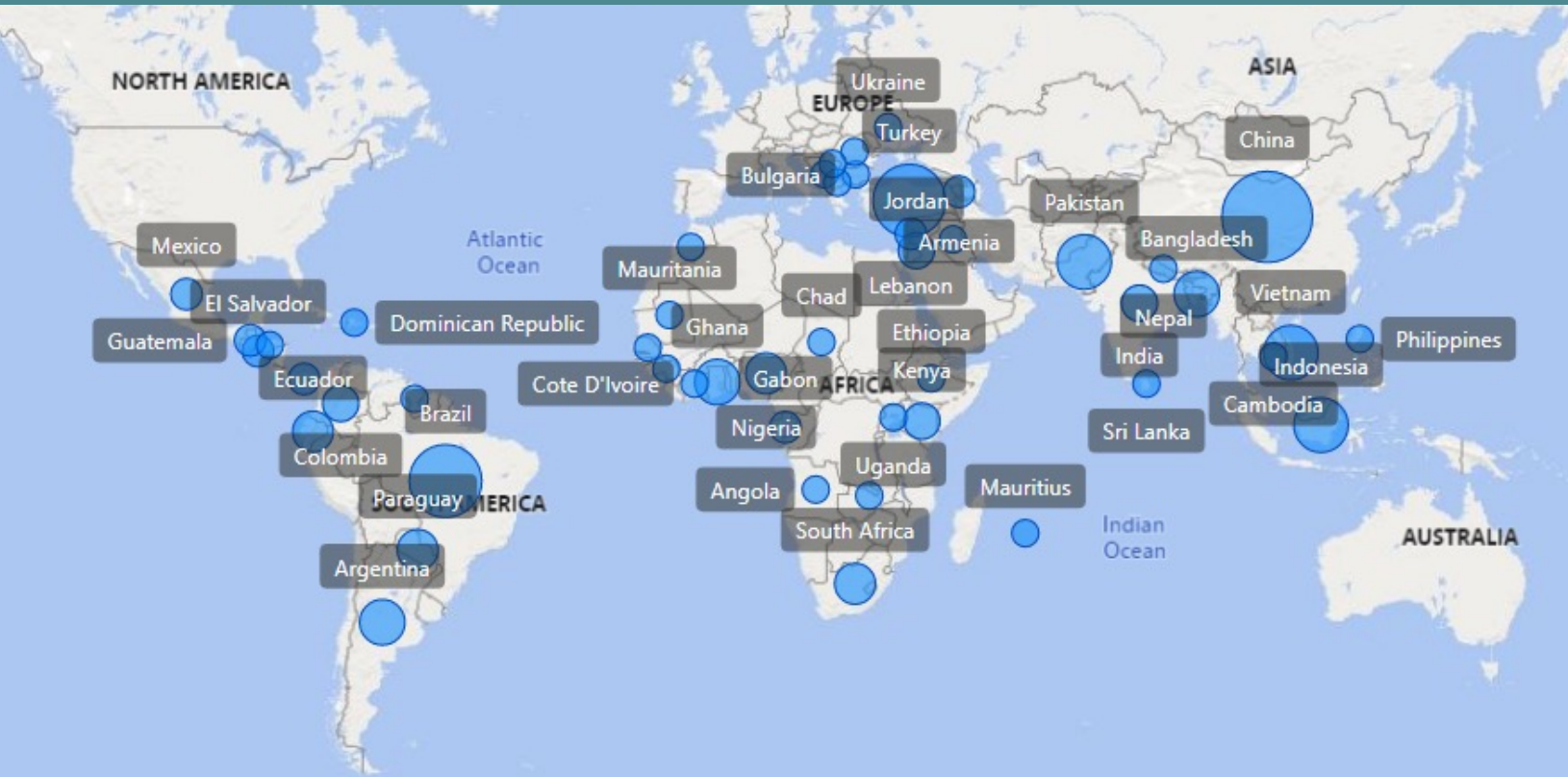
MCPP One Planet Approach: Combining Vehicles

MCPP One Planet will seek to aggregate contributions from both public sector investors and private sector institutional investors using a combination of trust funds and B Loan funds. All investors will follow the established MCPP syndications process, and their funds will be deployed over time into new loans that are originated by IFC and fully aligned with the Paris Agreement. The new facility will combine investor contributions with IFC's own funds to substantially scale up climate-responsible financing for private companies in emerging markets.

Global Reach

A Unique, Diversified Loan Portfolio

Deployment of investors' capital enables investors to follow IFC's operational footprint wherever IFC goes. IFC's current portfolio of \$60 billion is well-diversified across all regions and industries:



IFC investments support private enterprises in emerging markets, targeting positive economic and environmental impact alongside financial returns. As part of the World Bank Group's Climate Change Action Plan 2021-25, IFC will align 100% of new investments with the Paris Agreement by 2025. MCPP One Planet leverages this new strategy, creating the first vehicle to enable institutional investors to directly provide capital for 100% Paris Agreement-aligned lending in emerging markets.

Supporting Development Goals

Investing for One Planet

Impact is a key criterion in IFC asset selection. IFC makes a broad-based contribution across the SDGs and in projects in the poorest countries. In MCPP One Planet, IFC will share enhanced impact reporting, based on indicators tracked in the IFC Anticipated Impact Monitoring and Management system, as well as project SDG mappings. This will allow investors to tangibly demonstrate their contributions to the climate agenda and the UN SDGs, as well as assist in meeting their latest disclosure regulations. MCPP portfolio projects currently support 15 of the 17 SDGs including:

UN SUSTAINABLE DEVELOPMENT GOALS



Egypt: Investing in Renewables

MCPP investors are funding the construction of the new Lekela Wind Power Plant in Egypt – bringing vital foreign direct investment into the country and providing long-term support for the government’s renewable energy program.



Vietnam: OCB Green Loan

This green loan project aims to support Orient Commercial Joint Stock Bank’s growth strategy with a focus on SMEs and climate financing. The MCPP funds from this project will be used to finance climate-related projects that will result in a reduction of 35,000 tons per year of carbon-dioxide emissions.



Panama: Sourcing Clean Energy

MCPP’s contribution to Penonome financed the construction of the largest wind power plant in Central America. The plant is helping Panama meet its growing energy needs from renewable sources—equivalent to taking 84,000 cars off the road a year.



Africa: A Boost for Local Manufacturing

MCPP is enabling new manufacturing capacity for Ceramic Tile in Cameroon, DR Congo, Ghana, Mozambique, Senegal and Zambia. Five new plants – and the expansion of one existing plant – will lower prices for consumers and create jobs for 3,500 people.



South Africa Climate-Smart Bank Lending

An MCPP investment to Nedbank in South Africa is supporting the expansion of the bank’s green portfolio through the extension of funding for renewable energy and energy efficiency projects to corporates and smaller businesses. It will strengthen the bank’s climate portfolio from a mitigation focus to climate resilience financing in infrastructure, agriculture, and manufacturing.



Worldwide Recognition

An Award-Winning Solution

The MCPP is one of the first global initiatives to forge a direct link between institutional investors and emerging market firms that are on the front lines of impact delivery.

IFC Managed Co-Lending Portfolio Program



WINNER

Innovative Lawyers North America 2017

Innovation in legal expertise: New markets and capital

MCPP's Global Recognition



World Bank arm aims to tempt institutions into EM projects

The Global Investors arm of Allianz has made a commitment to join [the MCPP] with an investment of \$500mn, while Axa and the Asian arm of Prudential plc are expected to sign on shortly.



Insurers join WB to help small businesses in poorer nations

[A new MCPP facility] will allow IFC to enlarge its own lending capacity by farming out part of the risk to Munich Re, Liberty Mutual, Aspen, AXA XL, Everest and Tokio Marine HCC.



South China Morning Post

HKMA invests \$1bn in World Bank program for infra projects

“Our strong partnership with IFC and engaged investors enable us to shape programs like MCPP One Planet and contribute to climate-smart economic growth in markets of scale. Huge sums need to be invested to bring emerging markets along a Paris-aligned trajectory, and we are keen to help structure these public-private collaborations and mobilize the required capital.”

—Oliver Bate, Chief Executive Officer,
Allianz SE

“Opportunity to contribute to IFC’s objective of stimulating private sector development and economic growth in low- & middle-income countries, while developing future markets for our business”

—Doris Höpke, Management Board Member,
Munich Re

“Allows long-term institutional investors ... to ride on the considerable expertise, experience and network of IFC in sourcing investable opportunities with proper risk management and governance”

—Norman Chan, Former CEO, HKMA

“Create a blended finance fund for the SDGs, modelled after IFC’s MCPP”

—2020 report from Global Investors for Sustainable Development Alliance, a group of 30 private-sector CEOs, established by the UN Secretary General

“There are trillions of dollars sitting unused for non-productive investment ... if we managed to mobilize 0.1% of all pension funds’ money into productive projects in development, we would make a huge difference.”

–Makhtar Diop, MD and EVP, IFC


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IFC

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 ifc.org/syndications

 [linkedin.com/showcase/ifc-treasury](https://www.linkedin.com/showcase/ifc-treasury)

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 Join the conversation: #IFCmobilizes



Creating Markets, Creating Opportunities

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