IFC - INTERNATIONAL FINANCE CORPORATION

PRIVATWIRTSCHAFTLICHE FINANZIERUNG IHRES AFRIKAGESCHÄFTS DURCH ENTWICKLUNGSBANKEN

International Finance Corporation
WORLD BANK GROUP

Jonas Knapp

March 2024

IFC: A MEMBER OF THE WORLD BANK GROUP

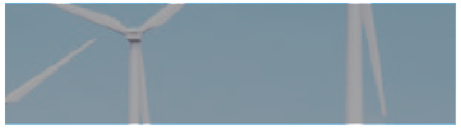
WORLD BANK GROUP

IBRD
International Bank for Reconstruction and Development

Loans to middle-income and creditworthy low-income country governments

IDA
International Development Association

Interest-free loans and grants to governments of the poorest countries



IFC
International Finance Corporation

SOLUTIONS IN PRIVATE SECTOR DEVELOPMENT

MIGA
Multilateral Investment Guarantee Agency

Guarantees of foreign direct investment’s non-commercial risks

ICSID
International Centre for Settlement of Investment Disputes

Conciliation and arbitration of investment disputes

IFC

ANTICIPATED IMPACT FROM FY23 PROJECTS

2.2 MILLION

Additional outstanding micro, small and medium enterprise (MSME) loans

2.2 – 3.1 MILLION

Estimated number of direct and indirect jobs created

$24.6 BILLION

Additional outstanding MSME loans

496,000

Additional farmers reached

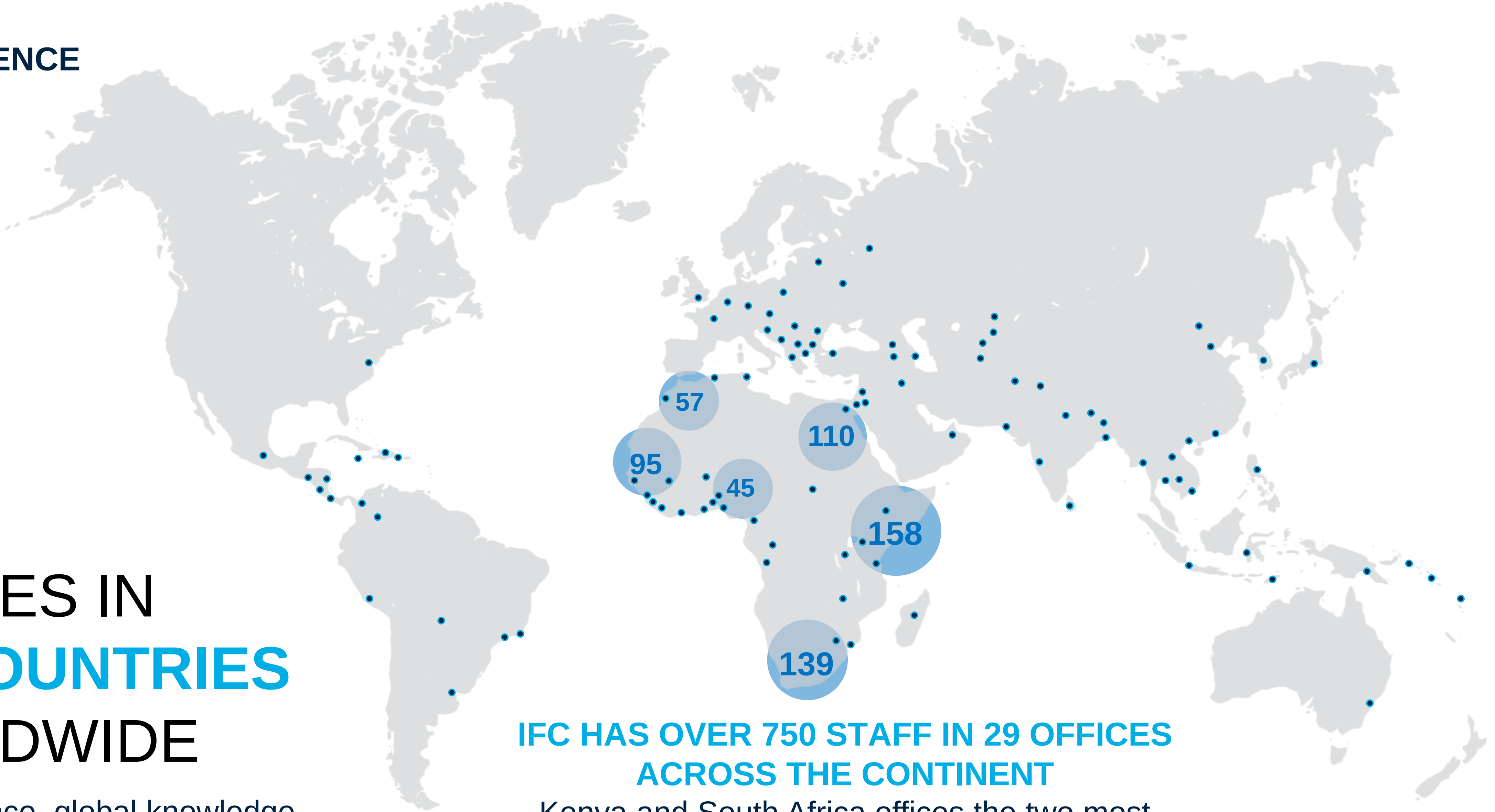
11.5 MILLION

Tons of annual C02 greenhouse gas emissions reduction

34.5 MILLION

Number of additional direct fixed/mobile internet connections

OUR PRESENCE



OFFICES IN

100 COUNTRIES

WORLDWIDE

Local presence, global knowledge

IFC HAS OVER 750 STAFF IN 29 OFFICES ACROSS THE CONTINENT

Kenya and South Africa offices the two most populated offices

IFC: WHAT WE OFFER

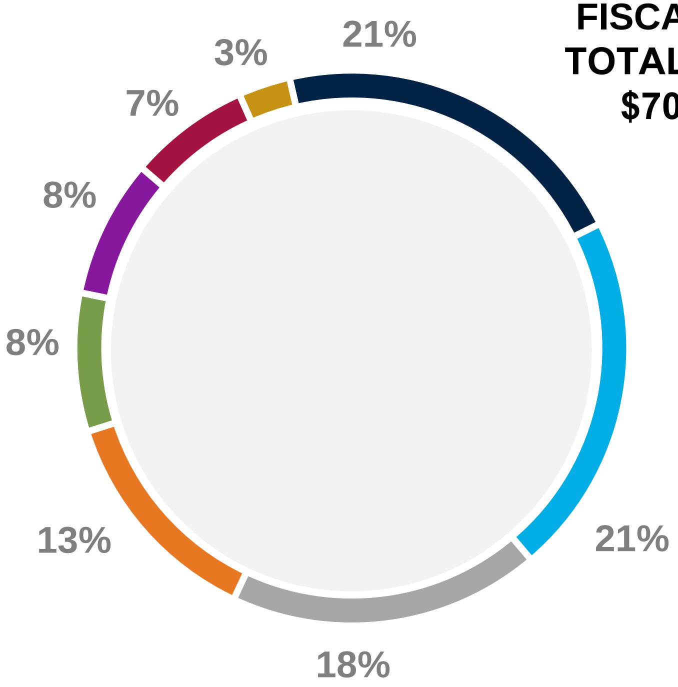
Sustainable finance

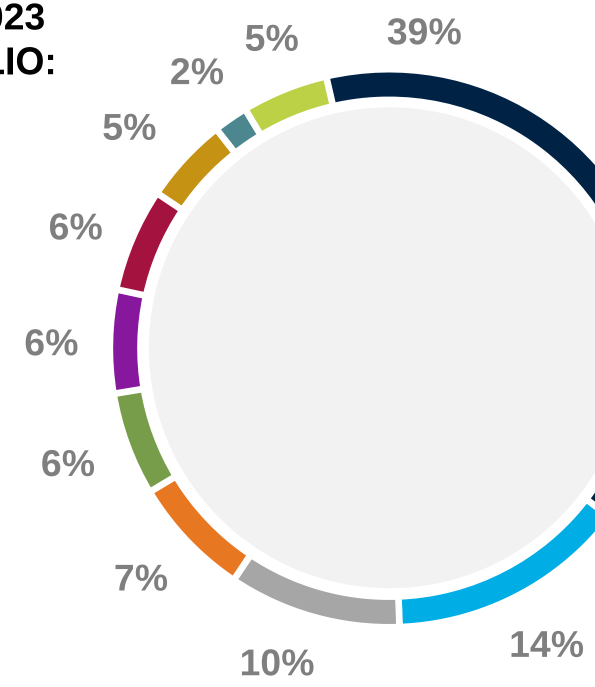
LOANS	▪ Project and corporate financing ▪ On-lending through intermediary institutions
EQUITY	▪ Direct equity investments ▪ Private equity funds
DERIVATIVES & STRUCTURED FINANCE	▪ Derivative products to hedge interest rate, currency, or commodity-price exposures of IFC clients
TRADE & COMMODITY FINANCE	▪ Guarantee of trade-related payment obligations of approved financial institutions
SYNDICATIONS	▪ Capital mobilization to serve developmental needs ▪ Over 60 co-financiers: banks, funds, DFIs
BLENDED FINANCE	▪ Using donor funds to crowd in private financing

PORTFOLIO EXPOSURE BY REGION AND INDUSTRY

FISCAL YEAR 2023
TOTAL PORTFOLIO: $70.1 BILLION

- Africa
- Latin America and the Caribbean
- East Asia and the Pacific
- South Asia
- Europe
- Central Asia and Türkiye
- Global
- Middle East





- Financial Markets
- Infrastructure
- Funds
- Manufacturing
- Tourism, Retail, and Property
- Agribusiness and Forestry
- Health and Education
- Telecommunications and Information Technology
- Natural Resources
- Trade Finance

Portfolio exposure is defined as the sum of the (i) committed exposure for IFC's debt investments, (ii) fair market value of IFC's equity investments, and (iii) total undisbursed equity commitments.

DEG - Deutsche Investitions- und Entwicklungsgesellschaft

We shape transformation

As a subsidiary of KfW, DEG is part of a strong banking group

KFW

Domestic promotion			International financing		
We promote Germany			We ensure internationalisation	We promote development	
Mittelstandsbank & Private Clients	**Individual-financing & Public clients**	**Participation financing**	**KfW IPEX Bank**	**KfW Development Bank**	**DEG**
Digital Retail business	Individual financing solutions & Municipal Financing	Venture Capital Investments	International Project & Export financing	Developing and Emerging markets: Financial cooperation	Developing and Emerging markets: Private sector promotion
KFW			KFW IPEX-Bank	KFW	KFW DEG

Federal Ministry for Economic Cooperation and Development

Partners in Transformation
ImpactConnect

More than 60 years of experience in developing and emerging markets

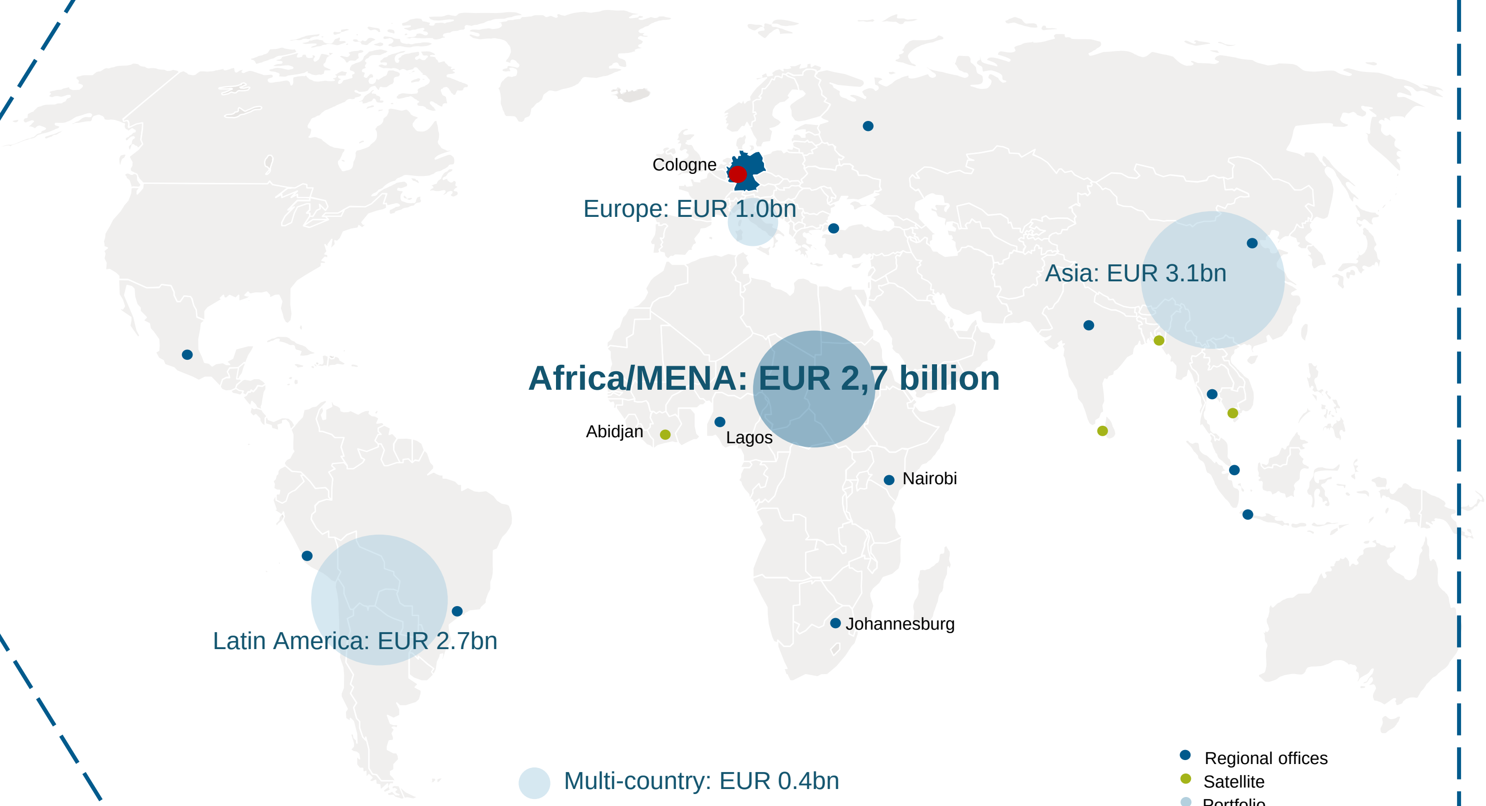
1962
Founding date

638
Employees*

EUR 9.9bn
Global portfolio

EUR 1.6 bn
Annual commitments*

EUR 2.5bn
Equity capital*



KFW DEG

* FY 2022

Federal Ministry for Economic Cooperation and Development

Partners in Transformation ImpactConnect

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IFC'S AREAS OF FOCUS IN AFRICA

IFC has established a leading position promoting **private sector investment in Africa**.

Over nearly **six decades**, IFC has invested more than **$60 billion in African businesses** and financial institutions, and our current portfolio exceeds $15 billion.

Agribusiness

Recognizing that 60 percent of Africans derive their livelihoods from farming, IFC supports an improvement in agricultural yields and exports, and the modernization of the food sector.

Financial Inclusion

IFC helps our financial intermediary clients address their financing needs and offer know-how and tools to use capital to their best advantage.

Fragile and Conflict-Affected Situations

Fragile does not mean futile — and though doing business and supporting development in FCS is more complex, the ultimate impact is often that much greater.

Infrastructure

IFC aims to help Africa build a modern economy with ports, railways, telecoms, and power by attracting private expertise, management and finance while maintaining the right balance between private and public interests.

Gender

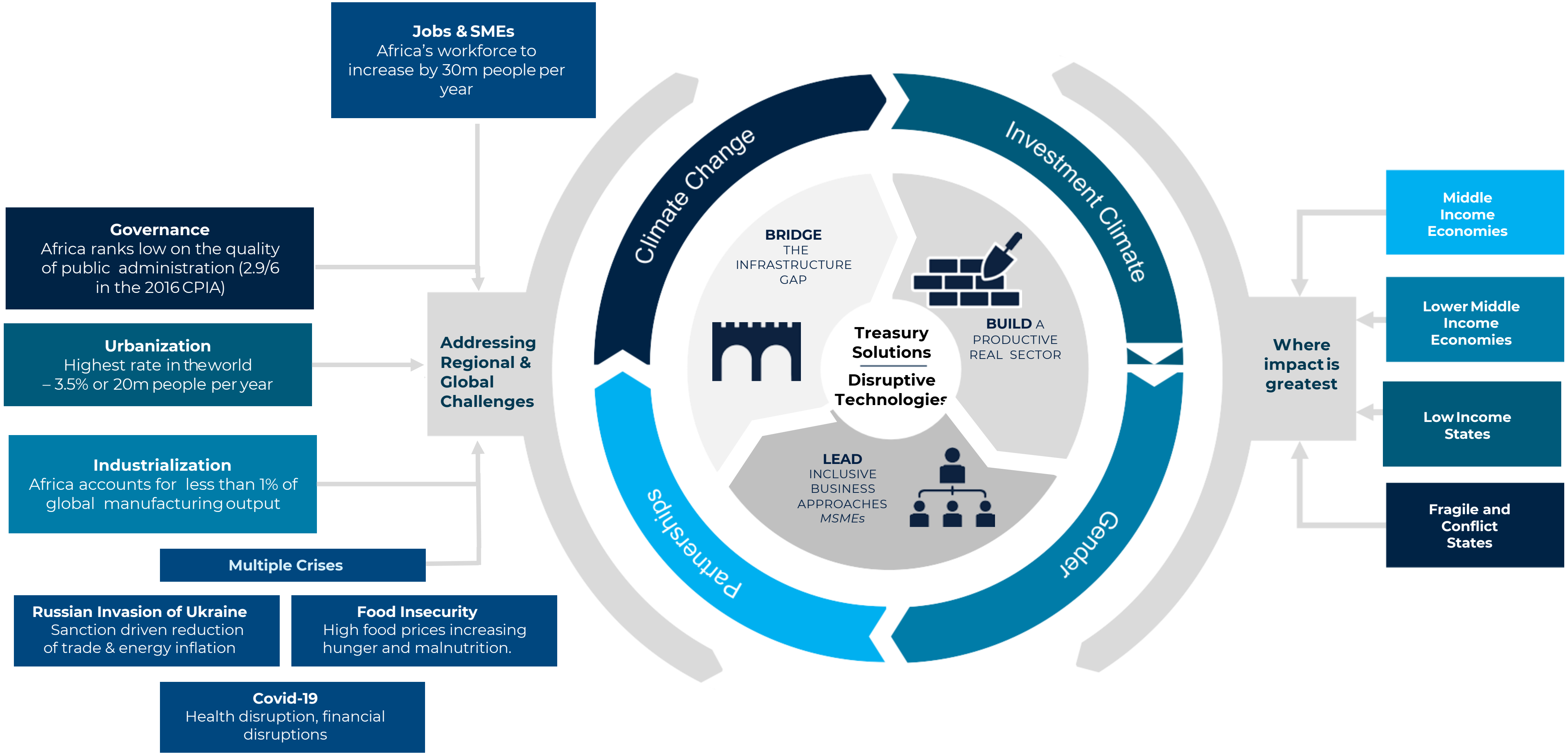
IFC works with private sector partners to create economic opportunities — and remove barriers — for women and women-run businesses across Africa.

Tourism, Retail, and Property

IFC focuses on key industries that form the foundation of sustainable growth and that provide affordable goods and services to consumers, create jobs, contribute to government revenue, and stimulate the growth of local small and medium enterprises.

IFC'S STRATEGIC FRAMEWORK IN AFRICA

Leveraging Localized Global Expertise to Systematically Create Opportunities and Markets



IFC VALUE-ADD: HOW WE SUPPORT BUSINESSES IN AFRICA

1 Reduced Political Risk & IFC Privileges

- Preferred creditor status: preferential access to foreign currency in the event of a country foreign exchange crisis
- No withholding tax on IFC loans
- Government relations
- Enhanced profile vis-à-vis local authorities and partners

2 Global Industry Expertise

- Global IFC investment team dedicated to different sectors in emerging markets
- Senior Sector and Industry specialists focused on various subsectors with deep technical expertise
- Senior economists dedicated to infrastructure, financial markets, agribusiness, manufacturing, and services

3 EH&S Standards and Advisory Programs

- IFC's Environmental, Health & Social (EH&S) Equator Principles were adopted by over 90 financial institutions
- Best practices advice in Sustainability, Decarbonization and Climate, Gender amongst others
- Identifying and implementing climate-friendly investments that improve bottom-line performance

4 Global Presence & Regional Assets

- Global base of 2,000+ clients spread across the five continents
- Investment professionals in regional hubs and large-country offices, with over half of IFC's staff based in emerging markets

5 Long-term Funding & Local Currency

- Longer investment horizon that many commercial banks and less cyclical than most financial investors: up to 10–12 years
- Local currency financing in 59 currencies
- One-stop shop for financing: equity, debt, structured finance, etc.

6 Working Upstream

- Proactively helping to stimulate and create conditions that result in the movement of capital into productive investment
- Early-stage engagement to unlock long-term pipeline of projects

SCALING SOLAR

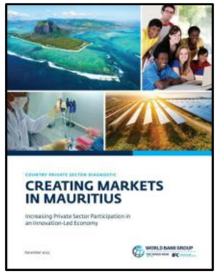
- World Bank Group program developed to make it faster, easier, and cheaper to procure utility-sized private solar power.
- Based on a pre-negotiated set of template documents, increasing transparency and reducing risk and cost.
- More than 245 MW of solar power in production in Zambia Senegal and Uzbekistan, and over 600 MW under development in Cote d'Ivoire, Madagascar, Niger, Togo, and Uzbekistan.
- **Scaling Wind:** Jointly-managed ESMAP-IFC program to accelerate the adoption of offshore wind in emerging markets. It targets to engage with over 10 countries to integrate 20 GW of offshore wind in their plans.

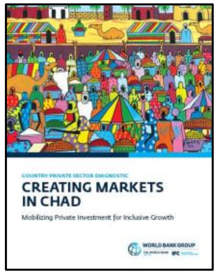
Scaling Solar AN INNOVATION OF WORLD BANK GROUP

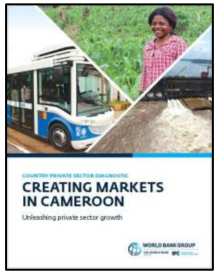
IFC COUNTRY PRIVATE SECTOR DIAGNOSTICS

Assesses opportunities for and constraints to private-sector led growth. Each CPSD includes an assessment of the state of the private sector, identification of near-term opportunities for private sector engagement, and recommendations of reforms and policy actions to mobilize private investment and drive solutions to key development challenges.

- COUNTRY PRIVATE SECTOR DIAGNOSTIC: CREATING MARKETS IN **MAURITIUS**
  - *The Mauritius Country Private Sector Diagnostic (RPSD) provides IFC & World Bank analysis of growth and investment opportunities, constraints, & policy recommendations to increase private investments into more knowledge-intensive economic sectors.*
  - *December 6, 2023*
- COUNTRY PRIVATE SECTOR DIAGNOSTIC: **EGYPT** HEALTH SECTOR DEEP DIVE
  - *This Deep Dive assesses private sector investment opportunities in Egypt's health system and reform recommendations to unlock them.*
  - *November 15, 2023*
- CREATING MARKETS IN **TOGO**: COUNTRY PRIVATE SECTOR DIAGNOSTIC
  - *This report takes an in-depth look at private sector challenges and opportunities in Togo. It identifies areas for reform and sectors with the greatest potential to advance Togo's private sector–led development, in alignment with the country's National Development Plan (NDP 2018–2022.)*
  - *April 25, 2023*
- CREATING MARKETS IN **CHAD**: COUNTRY PRIVATE SECTOR DIAGNOSTIC
  - *The Chad Country Private Sector Diagnostic (CPSD) provides IFC & World Bank analysis of growth and investment opportunities, constraints & policy recommendations.*
  - *March 22, 2023*
- CREATING MARKETS IN **CAMEROON**: COUNTRY PRIVATE SECTOR DIAGNOSTIC
  - *The Cameroon Country Private Sector Diagnostic (CPSD) provides IFC and World Bank analysis of growth and investment opportunities, constraints, and policy recommendations.*
  - *December 6, 2022*







IFC

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WORLD BANK GROUP

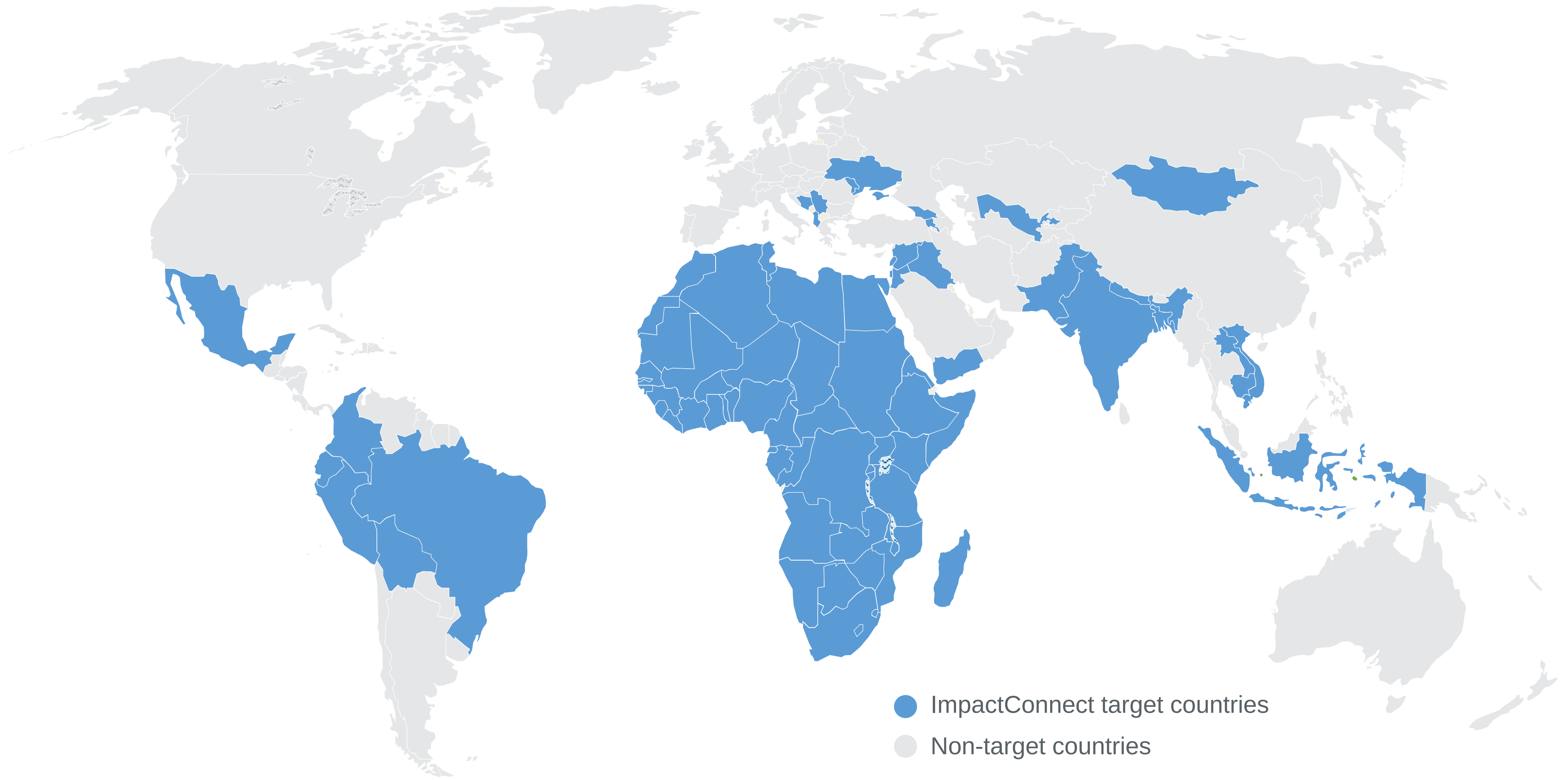
DEG - Deutsche Investitions- und Entwicklungsgesellschaft

We shape transformation

ImpactConnect

We finance progress

AfricaConnect becomes ImpactConnect | Global expansion of the successful financing program since 2024



ImpactConnect target countries

Non-target countries

AfricaConnect becomes ImpactConnect

Global expansion of the successful financing program in 2024

CONDITIONS

- Loans of up to 5,000,000 EUR (or USD & local currency equivalent)
- Direct disbursement to local entity
- Up to 7 years (optional grace period)
- **Risk-sharing** approach – usually without parent guarantee
- Attractive conditions, with **interest rate reductions** for projects that have a particularly strong impact
- Support for implementing international environmental and social standards incl. risk-based **E&S assessment**

Lean financing for European companies in Africa and BMZ Partner countries* (e.g. Brazil, Ukraine, Vietnam) at attractive terms

* Besides China

KFW DEG

Federal Ministry for Economic Cooperation and Development

Partners in Transformation ImpactConnect

ImpactConnect | We provide lean financing for EU-companies in developing and emerging countries worldwide

The programme

- Promotional programme since 2019
- Funded by the German Government (BMZ), operationally implemented by DEG
- Programme goals
  - **Financing and accompanying** European companies in Africa
  - Create and maintain **good jobs** in Africa
  - Promote **sustainability** in all dimensions: ecological, social, economic

Target clients

- From 2024, the target countries of our program are all **African countries** and the **BMZ partner countries*** worldwide
- Target clients
  - Pending **investment** or working capital needs with use of funds in an ImpactConnect target country
  - **EU-Link**: Subsidiaries of EU-companies
  - Significant equity share in the investment or a resilient balance sheet
  - **Profitable business model** with sufficient creditworthiness to service the loan from operating activities (no start-up financing)
  - Relevant, significant **sector and industry expertise** ("proof of concept")

* Besides China

ImpactConnect | Overview interest reductions

E&S Minimum Requirements

- Must be achieved for general funding through the ImpactConnect programme
- Depending on the risk profile of the projects, incl. IFC Performance Standards

Additional Impact

- Interest reduction up to -200 basis points (bp) by overachieving the minimum requirements
- Max. 100 bp reduction for each Impact category*

* max. 50 bp for the economic empowerment of women

Better jobs
- Living wage
- Certified working conditions

Female empowerment
- Female founders/owners
- Female managers
- Fair conditions for female employees

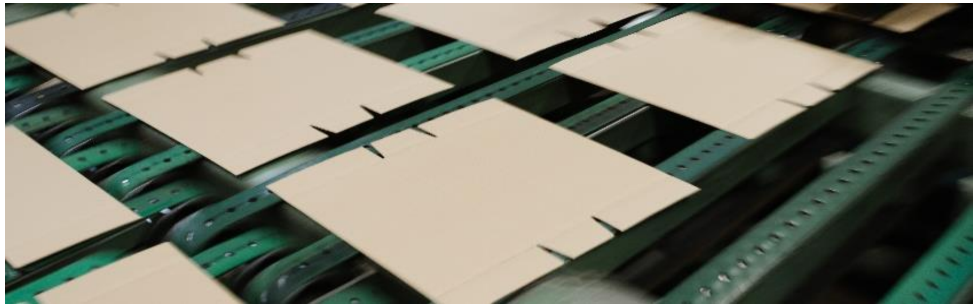
Fair and sustainable supply chain
- Quality label
- Supply chain initiatives

Reduction of the carbon footprint
- CO_2 reduction targets
- Renewable energies
- Construction measures

Success Story: Klingele Emballage Senegal S.A.

Sustainable packaging for African agriculture & fishing industry

- **The customer**
  - The family-owned German Klingele Paper & Packaging Group is an international provider of paper and packaging solutions, established in 1920
  - New subsidiary in Senegal to serve African agriculture and fishing industry
- **The investment**
  - Purchase of land, factory construction, purchase of machinery and operational equipment
  - Installation of a rooftop solar power plant
- **Developmental impact**
  - Creation of approximately 35 jobs
  - Introduction of new cardboard processing production process to Senegalese market
  - Know-how transfer through training of local workforce



KFW DEG

Federal Ministry for Economic Cooperation and Development

Partners in Transformation ImpactConnect

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