

MAXIMIZING FINANCE FOR DEVELOPMENT

*The role of private finance and investment in
sustainable development*

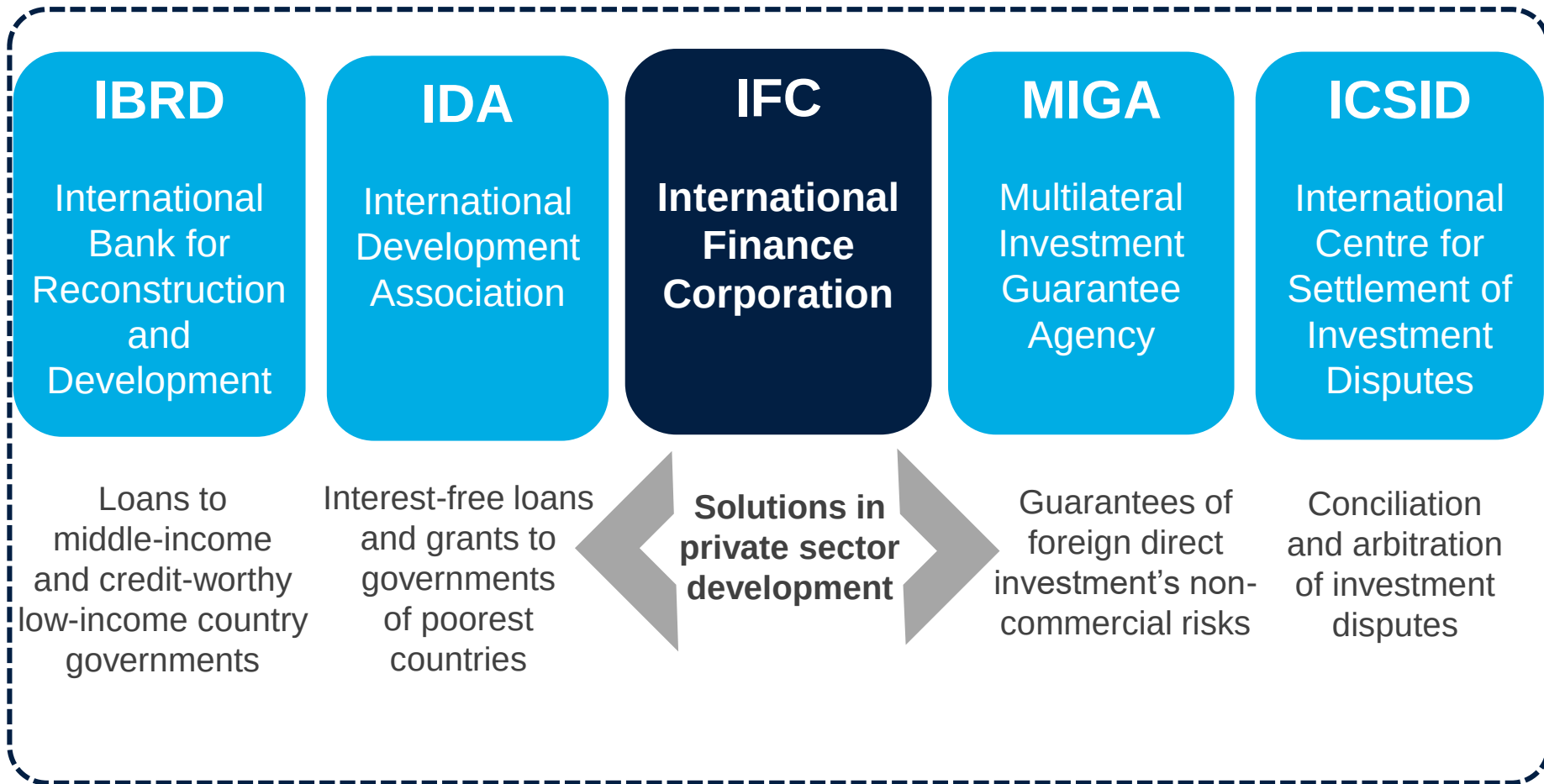


Creating Markets, Creating Opportunities

IFC: A MEMBER OF THE WORLD BANK GROUP



WORLD BANK GROUP



DEVELOPMENT FINANCE **TODAY**

Major opportunities for mobilizing private capital to:



End Poverty



Boost Shared Prosperity



Tackle Climate Change



Advance Gender Equality

WHAT WE DO

Integrated Solutions, Increased Impact

INVESTMENT

- Loans
- Equity
- Trade and Commodity Finance
- Syndications
- Derivative and Structured Finance
- Blended Finance

ADVICE

- Innovative Solutions Combining IFC's Expertise and Tools to:
 - Help Create New Markets
 - Unlock Investment Opportunities
 - Strengthen Clients' Performance and Impact
 - Improve Environmental, Social, and Corporate Governance Standards

IFC ASSET MANAGEMENT COMPANY

- Mobilizing and Managing Capital for Investment

IFC PERFORMANCE STANDARDS

A Global Benchmark

1 RISK MANAGEMENT

Anticipate risks, avoid, minimize and compensate for any impacts.



2 LABOR

Treat workers fairly and provide safe and healthy working conditions.



3 RESOURCE EFFICIENCY

Promote energy efficiency, use resources sustainably, and cut greenhouse emissions.



4 COMMUNITY

Protect local communities from worksite accidents and other project-related dangers.



5 LAND RESETTLEMENT

Avoid involuntary resettlement and minimize the impact on those displaced.



6 BIODIVERSITY

Protect biodiversity and ecosystems.



7 INDIGENOUS PEOPLES

Protect the rights, dignity, and culture of indigenous populations.



8 CULTURAL HERITAGE

Protect cultural heritage and promote equitable sharing of related benefits.



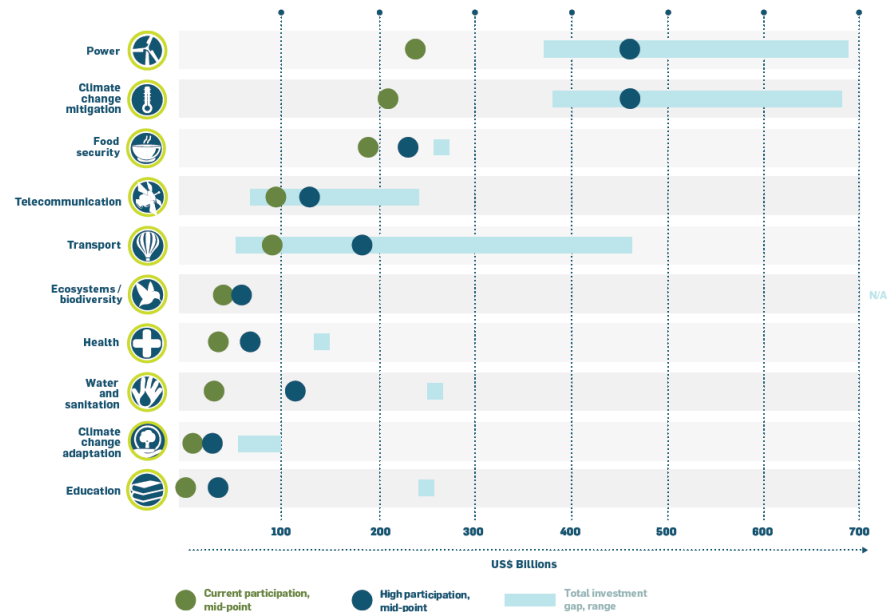
SDGs: A TRANSFORMATIONAL AGENDA FOR A CHANGED GLOBAL CONTEXT



SIGNIFICANT **NEEDS** ACROSS SECTORS TO ACHIEVE SDGS

- **\$4 trillion annual investments needed to meet SDG goals by 2030** - current spending just \$1.4 trillion. Private sector provides only \$900 billion.
- Only a fraction of the world wide invested assets of banks, pension funds, insurers, foundations and endowments and multinational corporations are in SDG sectors.

Investment needs are enormous



Participation from the private sector is essential to achieve SDGs by increasing capital flows from billions to trillions

MAXIMIZING FINANCE FOR DEVELOPMENT

The Cascade

1

Is there a sustainable private sector solution that limits public debt and contingent liabilities?

2

If the answer is **YES**, we promote private solutions

3

If the answer is **NO**, we ask:
Is it because of:

- **Policy or regulatory gaps or weaknesses?** If so, we provide support for policy and regulatory reforms.
- **Risks?** If so, we assess whether World Bank Group instruments can mitigate them.

4

If the project requires public funding, we pursue that option



JORDAN

A privately managed airport has doubled passenger capacity, attracting \$1 bn in government revenues.

ACHIEVING THE BEST OUTCOMES



COLOMBIA

Policy reform sparks a new \$25 bn roads program, drawing on private capital



BANGLADESH

27 mn people gain access to financial services through their mobiles phones



ZAMBIA

Policy reforms lead to low-cost, privately financed solar power

IFC & THE RELATION WITH EACH SDGs: IMPACTS



IFC clients integrated more than 250 million people into their core business operations.



Globally, IFC clients reached more than 3 million farmers in 2016.



IFC clients delivered health care for 34 million patients.



IFC clients helped provide education for 4.9 million students, including 1.6 million female students.



IFC's Banking on Women program has invested more than \$1.5 billion to support women-led small and medium enterprises in 26 emerging markets.

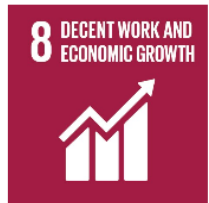
IFC & THE RELATION WITH EACH SDGs: IMPACTS



In 2016, IFC clients have distributed water to 14.27 million people.



In 2016, IFC clients supplied 24.76 million people with power and 59.91 million people with gas.



Since 2005, IFC has committed more than \$16 billion and worked with over 530 inclusive businesses in over 90 countries.



In 2016, IFC clients provided 345.3 million customers provided with phone connections.



IFC's investments in fragile and conflict-affected areas totaled \$886 million in FY17.

IFC & THE RELATION WITH EACH SDGs: IMPACTS



‘Cities initiative’ to target private sector development that promotes sustainable and livable cities. Some of our more important engagements in urbanization are in transport, water and housing.



The infrastructure and energy advisory programs target sustainable production and consumption. Also parts of MAS, such as energy efficient machinery, promote efficient consumption. FIG has special initiatives targeting finance for sustainable development.



The Climate Cross Cutting Solutions area focused on catalyzing climate-smart investments in the renewables, energy efficiency and sustainable finance spaces.



Performance Standards applied to all investments, including Resource Efficiency and Pollution Prevention and Biodiversity Conservation and Sustainable Management of Living Natural Resources.

IFC & THE RELATION WITH EACH SDGs: IMPACTS



All IFC investments apply the Performance Standards, including Resource Efficiency and Pollution Prevention and Biodiversity Conservation and Sustainable Management of Living Natural Resources.



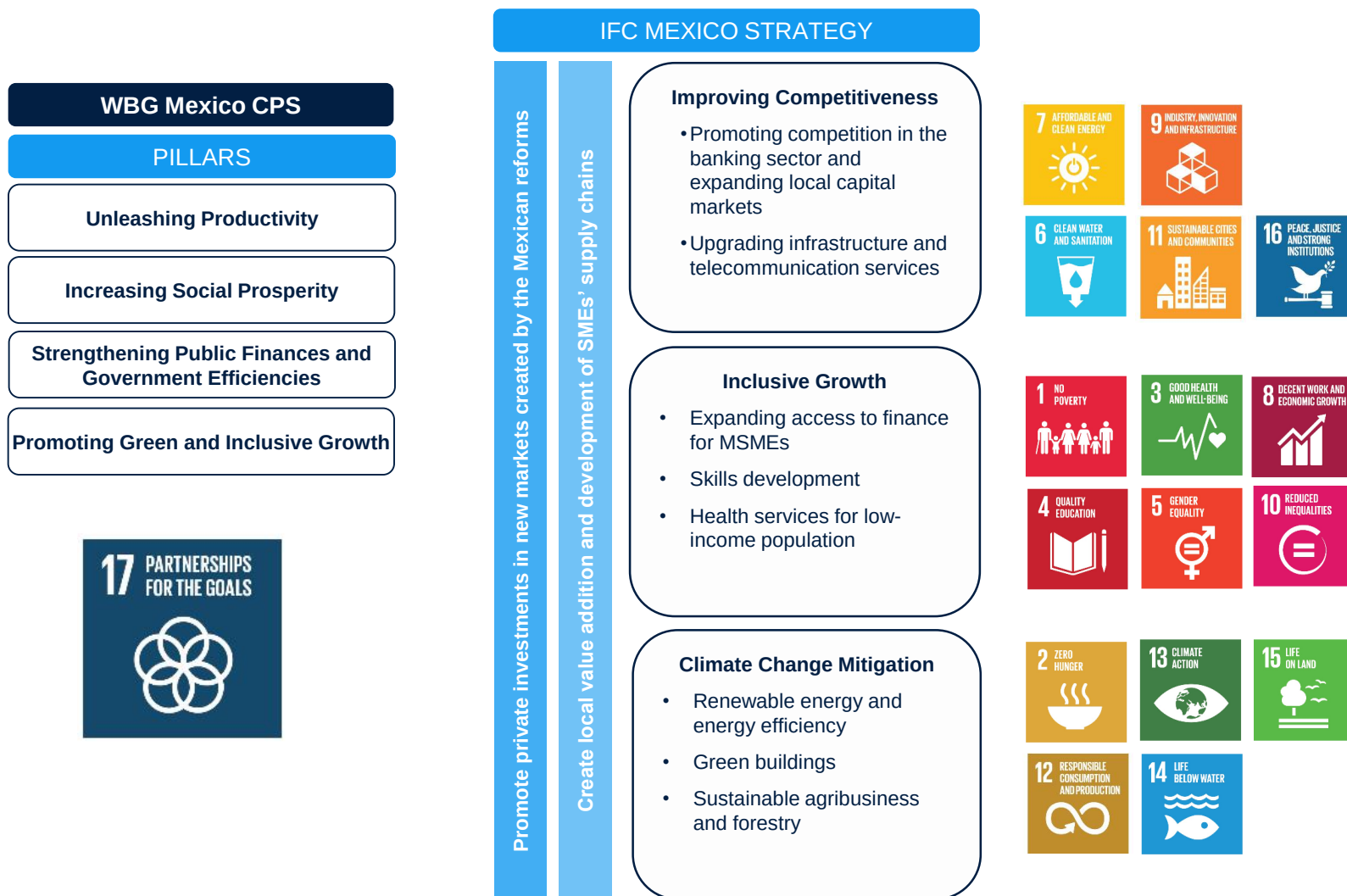
IFC's application of the Performance Standards are central to meeting sustainable development and include standards for community consultation and accountability of private sector investments in environmental and social areas.



Engagements in multilateral fora, like the UN Summit on the Sustainable Development Goals, the Financing for Development Conference, the post-Busan initiative Partnerships for Prosperity, and the G-20.

IFC's way of working as an "honest broker" between public and private actors and bringing business solutions to the table, is key to further strengthening the implementation of the Financing for Development Conference goals.

IFC STRATEGY AND THE SDGs: THE CASE OF MEXICO



IFC IN MEXICO: SELECTED TRANSACTIONS



VINTE Housing

\$13mn loan
\$10mn equity
\$8mn guarantee
\$18mn loan

2008/2011/2016



Alta Ventures Mexico Fund Venture Fund

\$15mn equity

2010



MIFEL Commercial Bank

\$25mn equity

2011



ETILENO XXI Petrochemicals

\$285mn loan
\$350mn syndicated

2013



NORSON Animal Protein

\$40mn loan

2013



PROTEAK Forestry

\$10mn loan

2013



CALIDRA Lime Processor

\$40mn syndication
\$50mn loan

2013



VIRGIN MOBILE Telecom

\$22mn quasi-equity

2014



SALA UNO Vision Centers

\$2mn equity

2014



CAMESA Niche Bank

\$14mn loan

2014



PUERTAS FINAS Wood Products

\$13mn loan

2015



CEMEX Cement

\$120mn loan

2016



CITLA ENERGY O&G

\$60mn equity
\$140mn mobilization

2016



ALTAN Telecom

\$40mn equity
\$160mn mobilization

2016



SOLEM I & II Solar PV Generation

\$45mn loan

2017



THANK YOU!



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