

IFC IN AFRICA

Six Decades of Experience

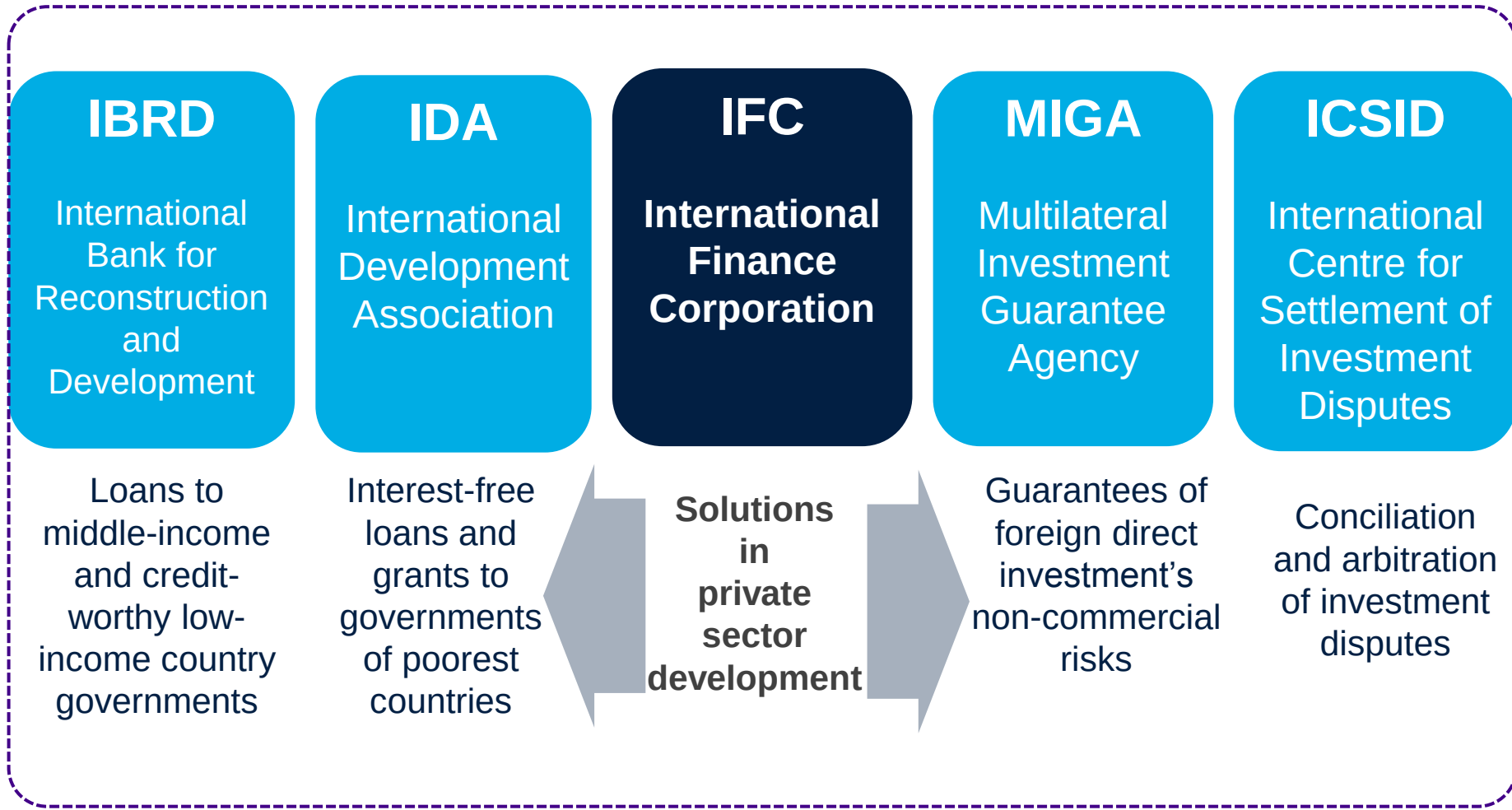
Pursuing SDGs even before they were known as SDGs ...



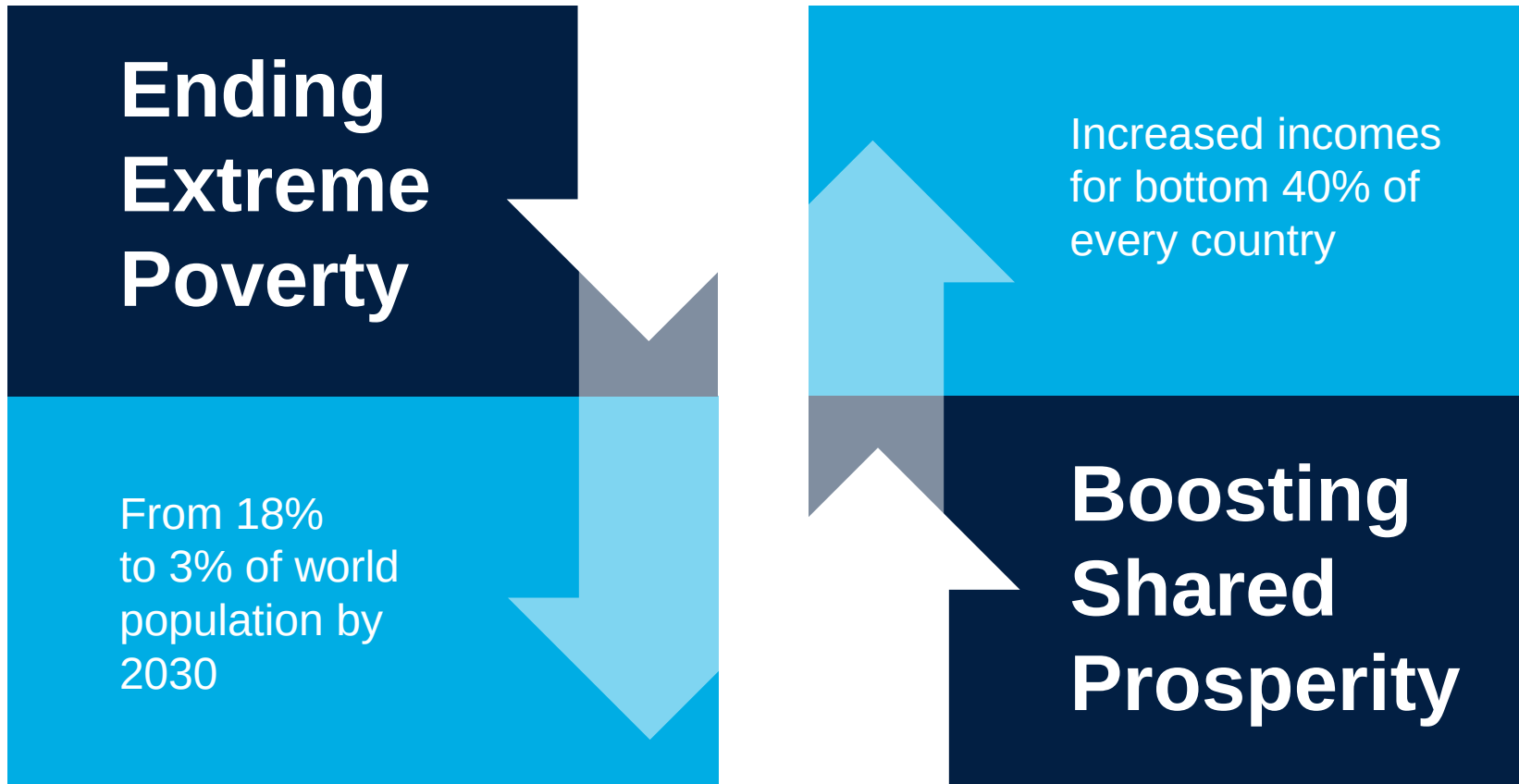


WORLD BANK GROUP

IFC: A MEMBER OF THE WORLD BANK GROUP



THE WORLD BANK GROUP'S TWIN GOALS



Private sector investment is **ESSENTIAL**

IFC'S FOCUS IS IN PROVIDING DEVELOPMENT SOLUTIONS ...

Customized To Meet Client Needs Globally



- IFC is the largest global development institution focused exclusively on the private sector in developing countries.
- A member of the World Bank Group that is present in nearly 100 countries
- Provides investment, advice, resource mobilization
- AAA credit rating; owned by 184 countries

IFC'S HISTORY

Six Decades of Experience

The First Institution of Its Kind

1956: Founded on a bold idea – that the private sector is essential to development

The Largest Institution of Its Kind

2016: More than \$245 billion in cumulative financing delivered to businesses in emerging markets

Experience Matters

Shaping the agenda, providing solutions, sharing knowledge

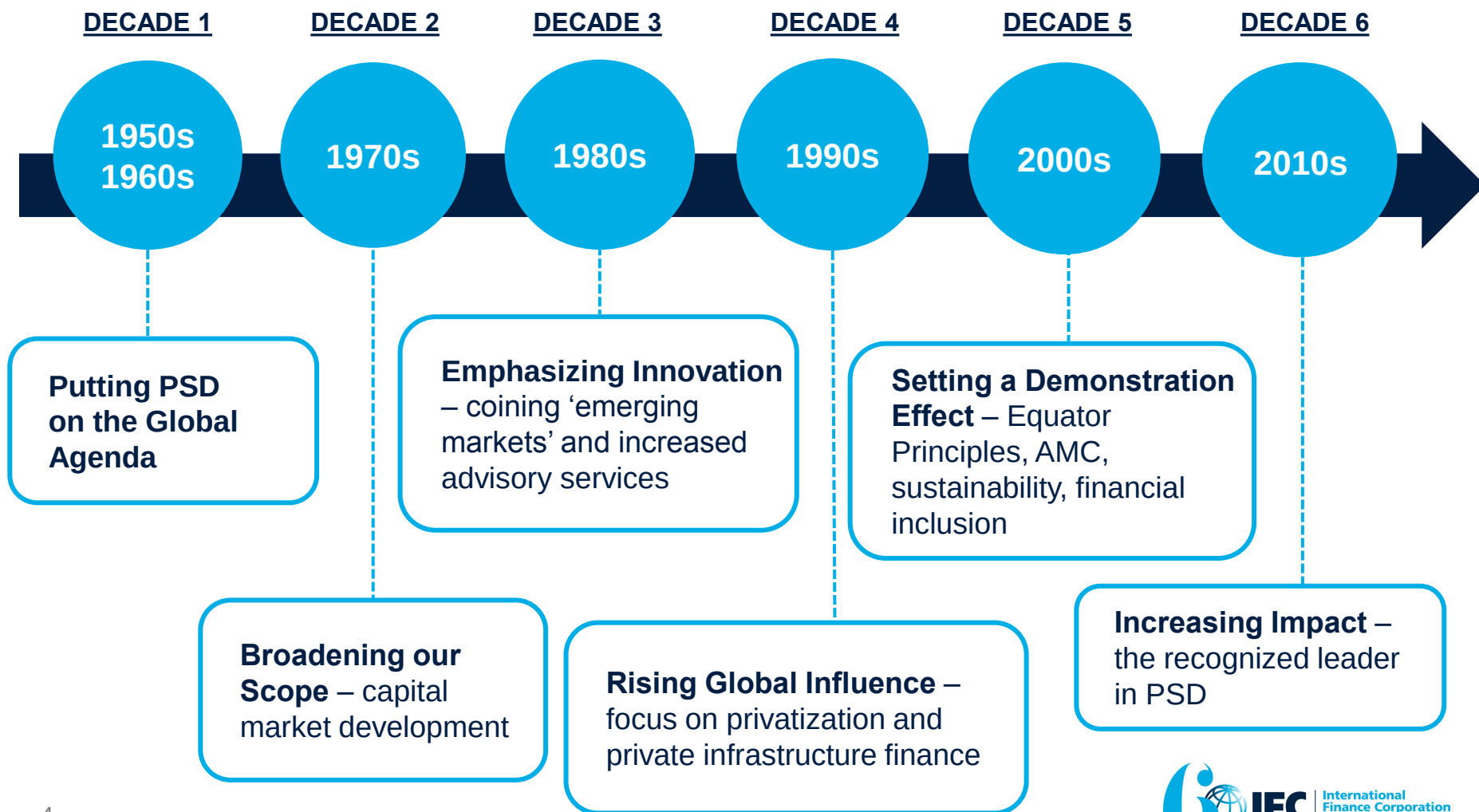
THE GLOBAL GOALS

For Sustainable Development



IFC'S HISTORY

Leading the Way in Private Sector Development



IFC'S STRATEGY

Maximizing Development Impact, Maintaining Financial Sustainability

FOCUS INDUSTRIES

Infrastructure

Agribusiness

Financial Inclusion

Health and Education

FOCUS REGIONS

Global Engagement

Emphasizing Highest-Impact Opportunities in Each Region

Particular Focus:
Africa, MENA,
South Asia

FOCUS CHALLENGES

Fragility and Conflict

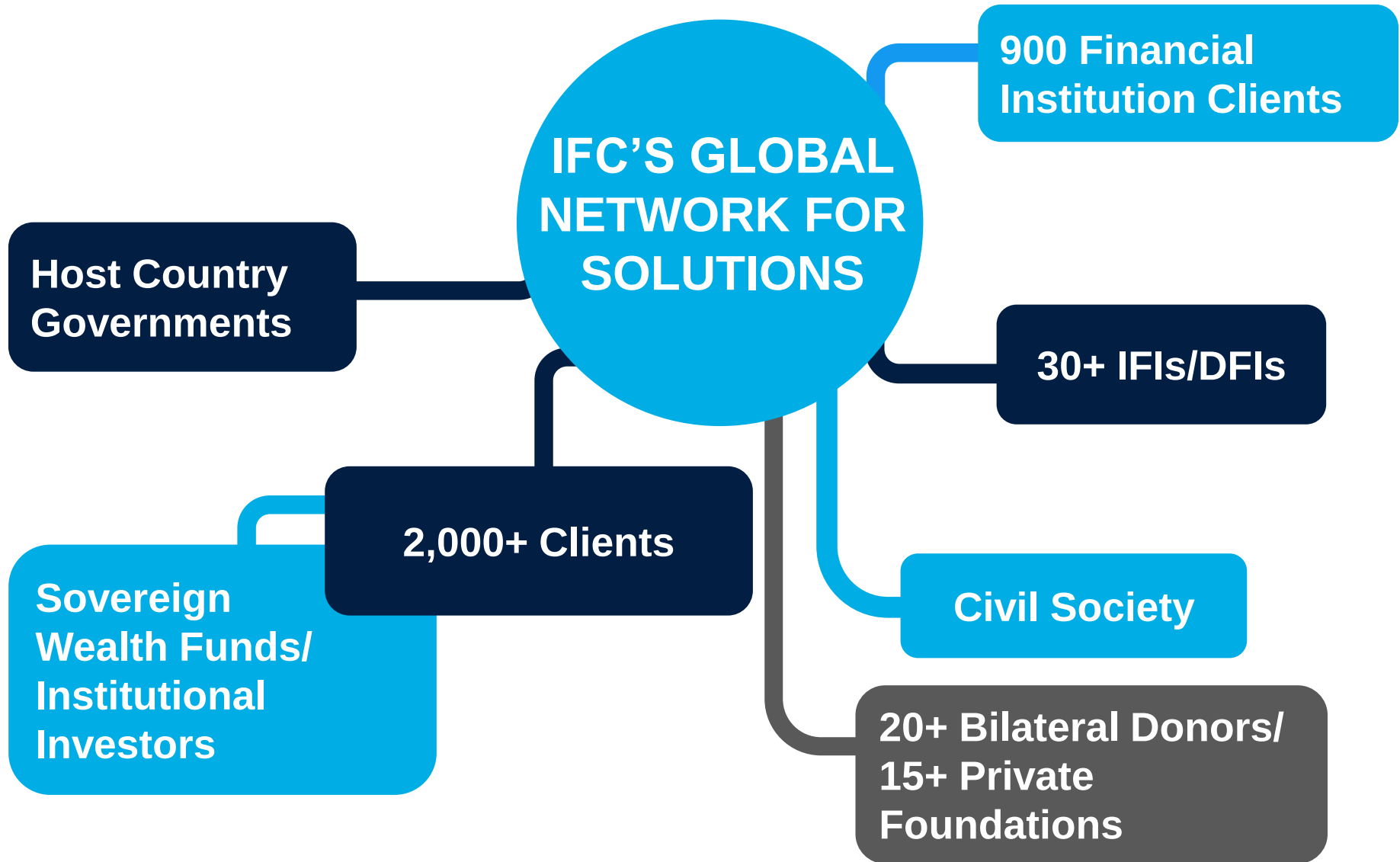
Climate Change

Responding to Global
Downturn

CROSS-CUTTING

Disruptive Technology

THE POWER OF PARTNERSHIPS



WHAT CLIENTS VALUE ABOUT IFC

Results of IFC Client Survey



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

IFC ASSET MANAGEMENT COMPANY

- Mobilizing and Managing Capital for Investment

INVESTMENT

Loans

- Project and corporate financing
- On-lending through intermediary institutions

Equity

- Direct equity investments
- Private equity funds

Trade and 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

Derivative and Structured Finance

Derivative products to hedge interest rate, currency, or commodity-price exposures of IFC clients

Blended Finance

Augmenting IFC resources with donor funds

ADVICE

To Companies

- Improving productivity and standards
- Strengthening the performance of SMEs in their networks
- Advancing gender equality
- Addressing energy, environmental, social, governance challenges
- Entering or build new markets and improve competitiveness

To Financial Institutions and Funds

- Strengthening risk management, diversifying product offerings
- Promoting universal access to finance
- Developing the private equity industry

To Governments

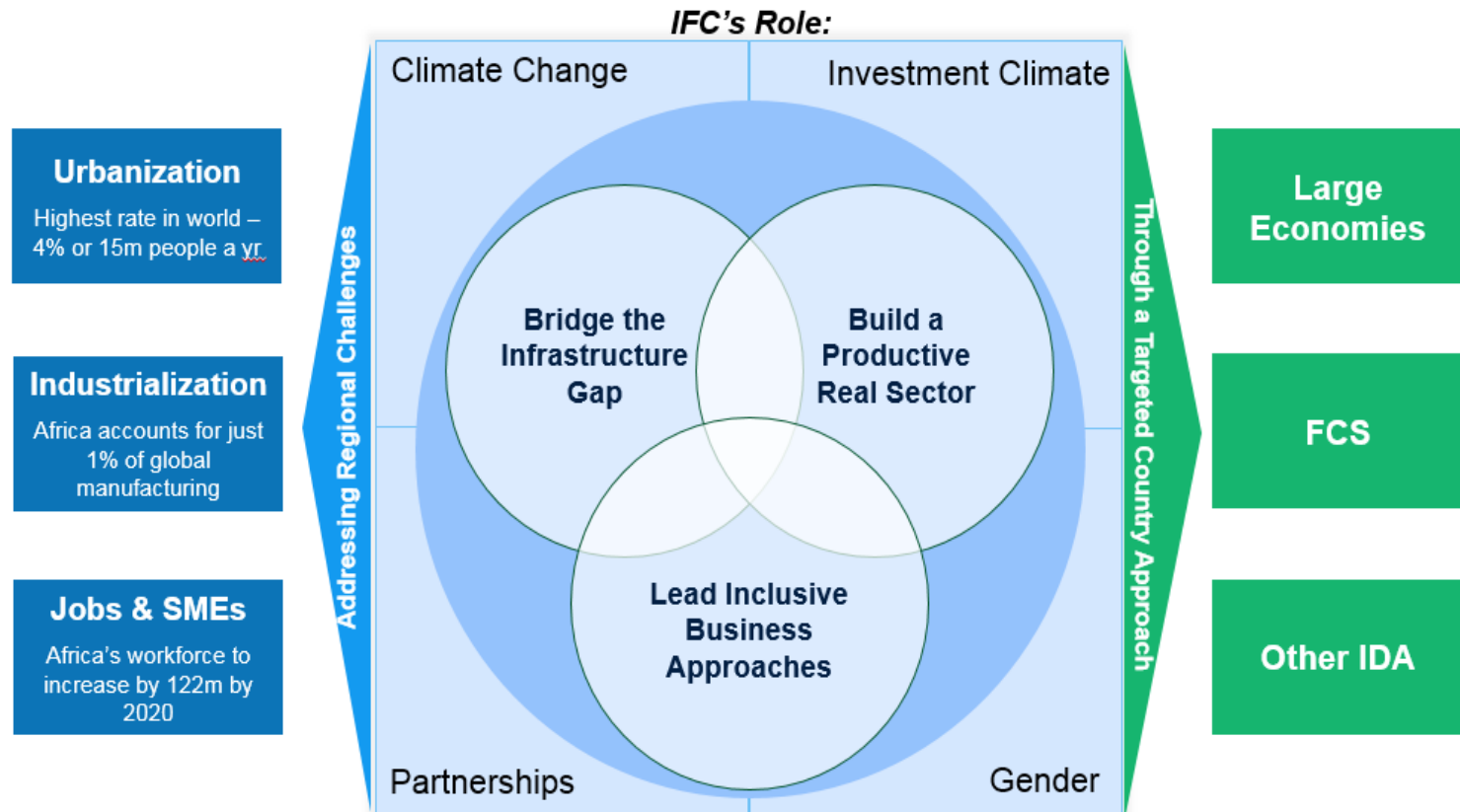
- Designing and implementing public-private partnerships in infrastructure and basic public services
- Improving the business environment via reforms that promote investment, spur growth, and create jobs
- Addressing water scarcity by convening multi-stakeholder platforms (2030 Water Resources Group)

IFC IN SUB-SAHARAN AFRICA



IFC Strategic Approach in Africa

Focus on reducing extreme poverty and promoting shared prosperity (WBG Twin Goals)



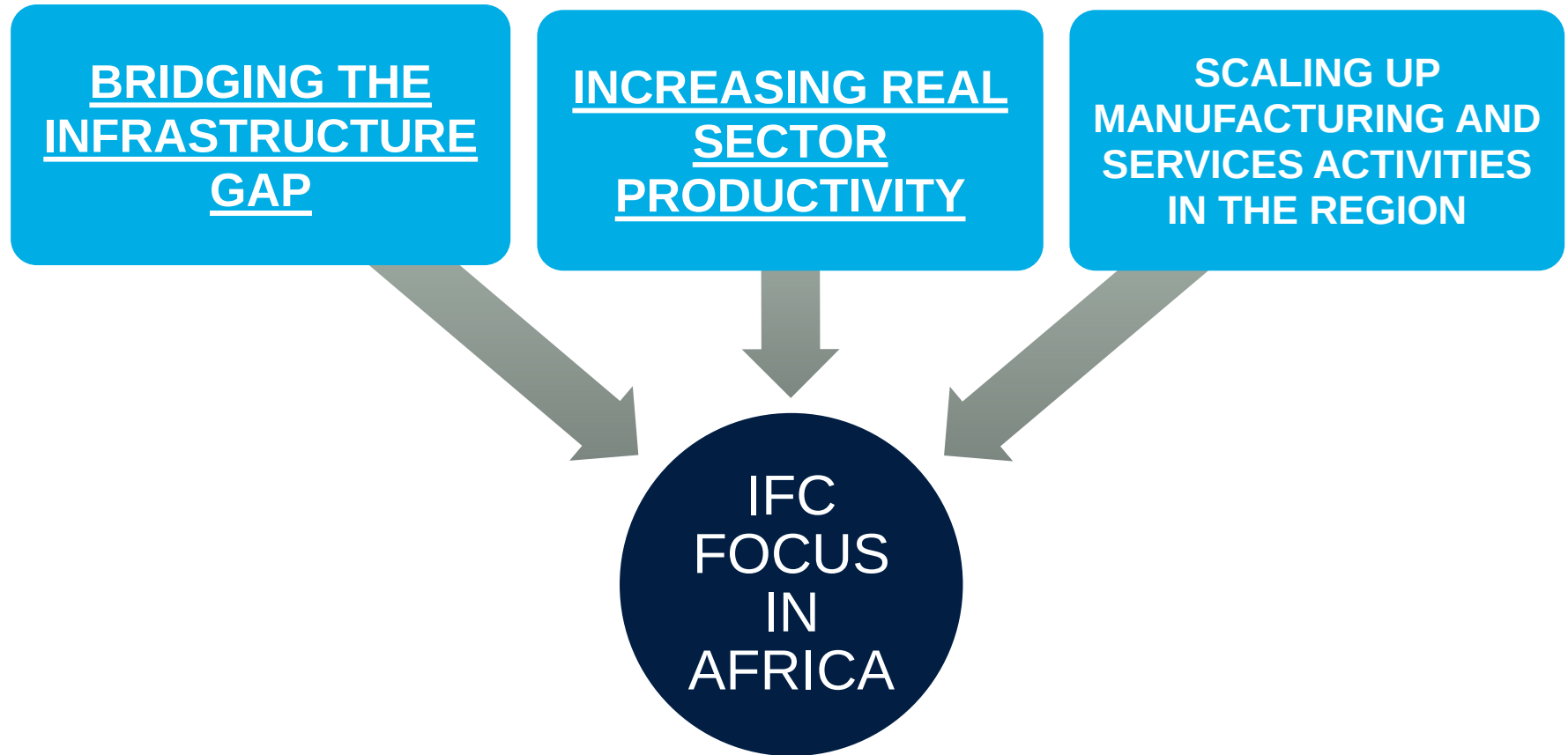
IFC Strategy is Informed by Africa's Significant Challenges ...

Slowest economic growth in 15 years

- ❑ External headwinds and adverse domestic developments are weighing down the region's economic growth
 - The end of the commodity super-cycle
 - The slowdown of growth in China
- ❑ Real GDP growth is down from 4.8 in 2013 to 2.5 in 2016
- ❑ Weaker terms of trade have worsened external imbalances of commodity exporters
- ❑ Current account deficits remain large in other countries
- ❑ Fiscal positions have deteriorated significantly for many countries
- ❑ Lack of diversification exposes countries to commodity price volatility
- ❑ Demographic trends portend very significant risks
 - Young people aged between 15 & 25 represent more than 60% of Africa's total population and account for only 45% of the total labour force;
 - Over the past decade, Africa's labour force has expanded by 91 million but only 37 million have found wage paying jobs;
 - 10 - 12 million young people enter the African labour market each year;
 - Less than 20% of Africa's young workers find waged employment;
 - It is increasingly clear that at current levels of job creation, Africa's increasing GDP will be unable to make a significant dent in levels of unemployment/underemployment across the continent; and,
 - Africa's population is expected to increase dramatically by 50% by 2030 with a commensurate demand on resources.

IFC STRATEGIC PILLARS IN AFRICA

Maximizing Development Impact, Maintaining Financial Sustainability



PILLAR ONE: BRIDGING THE INFRASTRUCTURE GAP

INVESTMENT IN INFRASTRUCTURE IS ESSENTIAL FOR AFRICA'S DEVELOPMENT

IFC FOCAL AREAS

ENERGY

\$40-\$50 Billion annually
needed to ensure
universal access by 2030

TRANSPORT

TELECOMMS

To
deliver

IFC Results

Transformational
infrastructure projects

Help the private sector
reduce poverty and foster
inclusive growth

PILLAR II: BOOSTING AGRICULTURAL PRODUCTIVITY

Opportunity

Financing gap: big opportunity for private sector to increase Africa agri investments and impact

Estimated Requirement of \$20-40 B/year

Private Sector: Banks, Funds, DFIs

- Average bank lending to agriculture only 5% of portfolio
- Funds recently increasing presence

Multilaterals & Foreign Governments

- Agri <10% of of total ODA
- Agri <10% of total multilaterals
- China/India investments

Host Country Governments

- African governments allocate <10% of budgets for agriculture expenditures

\$10-20 B

\$10-20 B

BUILDING A PRODUCTIVE AGRIBUSINESS SECTOR

REGIONAL OPPORTUNITY

Africa has 60% of arable land available globally, plenty of water, but generates only 10% of global agribusiness output .

65-70% of labor in Sub Saharan Africa is in the agricultural sector, with 80% of food coming from small holder farmers.

IFC PROGRAM

Promotes modern retailing and export crops to link small farmers to agribusiness supply chains,

Provides inputs to improve yields

Creates commodity exchanges & specialized agricultural banks to improve agribusiness infrastructure & financing to the sector

WBG COLLABORATION

IFC and the World Bank have joint implementation plans for agribusiness in several countries

Collaboration on an agri-finance strategy drawing in IFC (FIG, MAS) and IDA

ADVISORY SOLUTIONS

Investment efforts supplemented by strategic and innovative advisory solutions enabling clients to strengthen their performance in a sustainable way, especially in fragile and conflict-affected areas

PILLAR III: LEADING INCLUSIVE BUSINESS APPROACHES

Opportunities

- Less than 15% of Africans are depositors with commercial banks (68% in Latin America)
- Rise of **mobile banking** has increased access to finance, (pioneers such as M-Pesa in E. Africa)
- Urbanization and emergence of middle class is increasing demand for **private sector credit**
- **Regional expansion** of financial institutions
- Greater use of **risk management and wealth protection products**

IFC Strategy

- Regional roll-out of **large national players** to reach individual, micro and SME clients
- Support **South-South transfer of inclusive business models** (esp. in health & edu)
- **Open Up Large Markets** with World Bank support, including Angola, Ethiopia, DRC
- **Local Currency Finance**: local currency finance offerings to clients
- **Innovative Approaches to Inclusive Business**, particularly in agriculture

Examples of IFC support



- Coffee yields tripled by investing in training and certification of farmers. Incomes grew by 70%. \$156m in AS/IS multi-regional support since 2006



- Technology infrastructure, products & services for financial institutions to serve low-income customers. IFC cmd \$10m to date



- Buys from small chicken farmers, sells to small-scale bakers. Supplies both with high-quality inputs & support. IFC cmd \$10m to date.

MAXIMIZING JOB CREATION

OPPORTUNITY

SMEs are a major engine of growth and development
SMEs account for 50% of jobs in Africa
Africa to add 122 million new jobs by 2020, most from SMEs

CHALLENGE

Difficult SME business environment hinders access to finance
Regulatory reforms
SMEs and financial institutions lack capacity

IFC SOLUTIONS

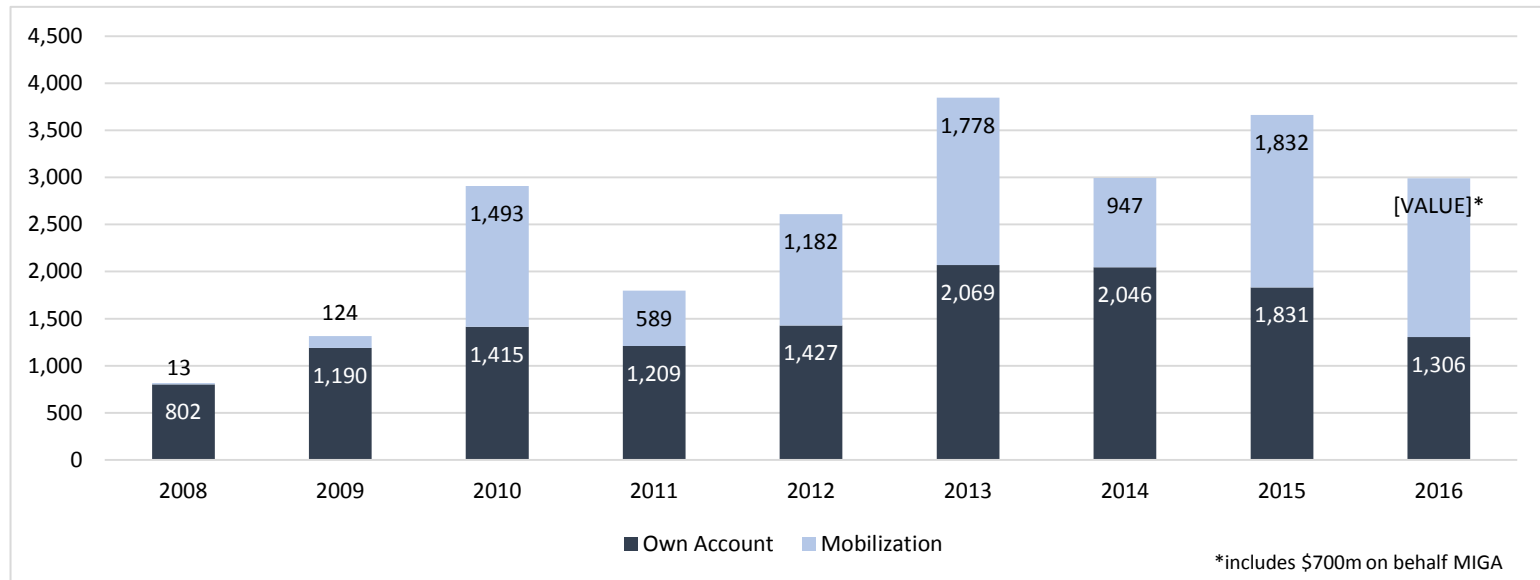
IFC improves Access to Finance combining Investments and Advisory Services
Access to Capital and Support Services through SME Ventures, Financial Infrastructure, Leasing and Investment Climate programs

Key Results

SME Banking, Africa MSME Program, SME Finance Facility have distributed \$1.9 billion to MSMEs through 64 financial institutions in 21 countries
Africa Leasing Program 14,500 businesses trained & \$57 million in investments mobilized in 15 countries

WITH PROVEN RESULTS THROUGH PARTNERSHIPS

Sub-Saharan Africa Commitments, Long Term Finance, FY08 - FY16 (US\$ millions)



IFC is committed to continue fostering private investment to support governments' priority agendas (Infrastructure , Agriculture and Capital Markets Development)

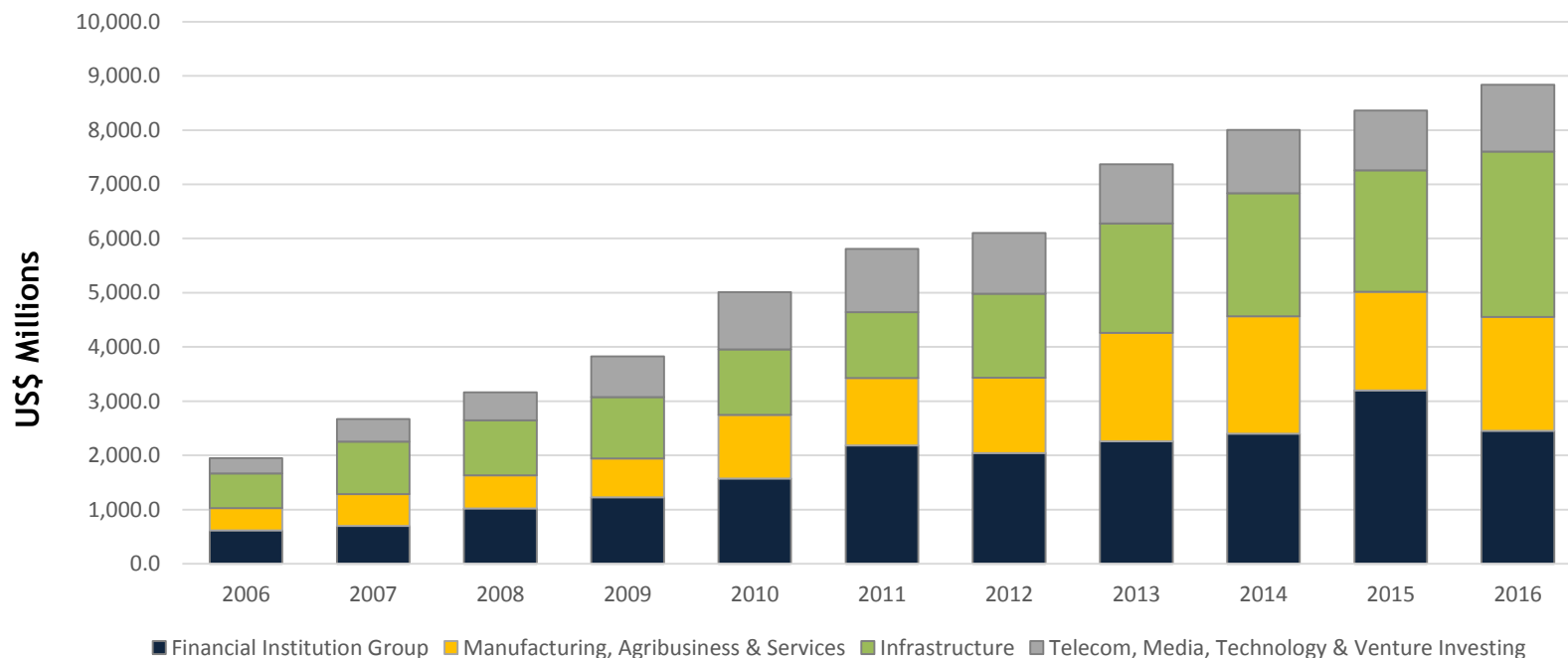
IFC freeing more resources to help private investment support public investment and services

- Health
- Education
- Security

Across Strategic Sectors ...

Nearly \$9.0 billion portfolio in Sub-Saharan Africa across all key sectors...

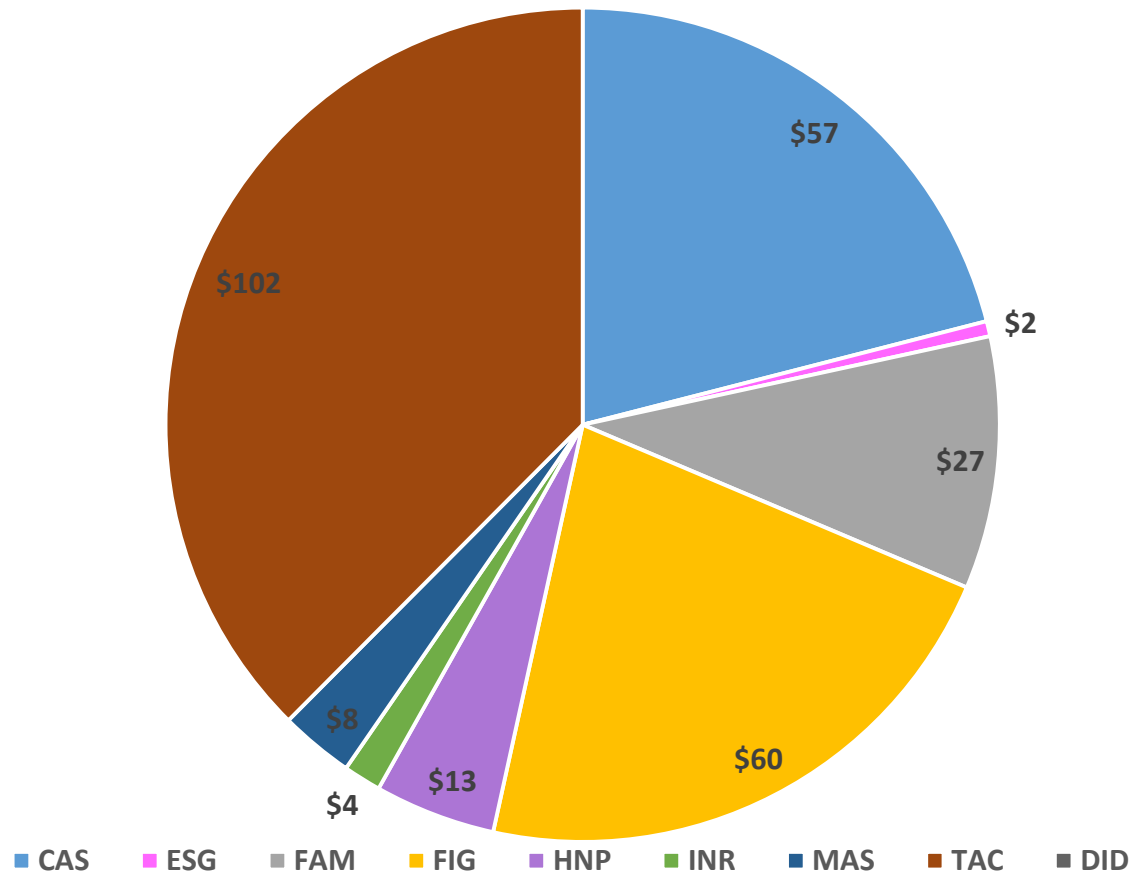
IFC SSA Committed Investment Portfolio FY06-FY16



- Over \$3.0 billion in long term finance commitments made in Financial Year 2016 in 101 projects
- \$1.6 billion in short term finance commitments
- \$216 million in climate change related investments

With Strong Advisory Program to unlock investment opportunities

Total Active Advisory Projects Managed by IFC as of June 30, 2016 (US\$ million)



- Over \$300 million in Active Advisory Projects managed by IFC
- Focus on IFC clients, especially financial institutions
- Work with Governments on Trade and Competitiveness and Financial Markets