

IFC Overview: WBG Risk Mitigation Solutions for Myanmar Infrastructure Projects

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IFC

**International
Finance Corporation**

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IFC: A MEMBER OF THE WORLD BANK GROUP

IBRD

International Bank for Reconstruction and Development

Loans to middle-income and credit-worthy low-income country governments

IDA

International Development Association

Interest-free loans and grants to governments of poorest countries

IFC

International Finance Corporation

Solutions in private sector development

MIGA

Multilateral Investment and Guarantee Agency

Guarantees of foreign direct investment's non-commercial risks

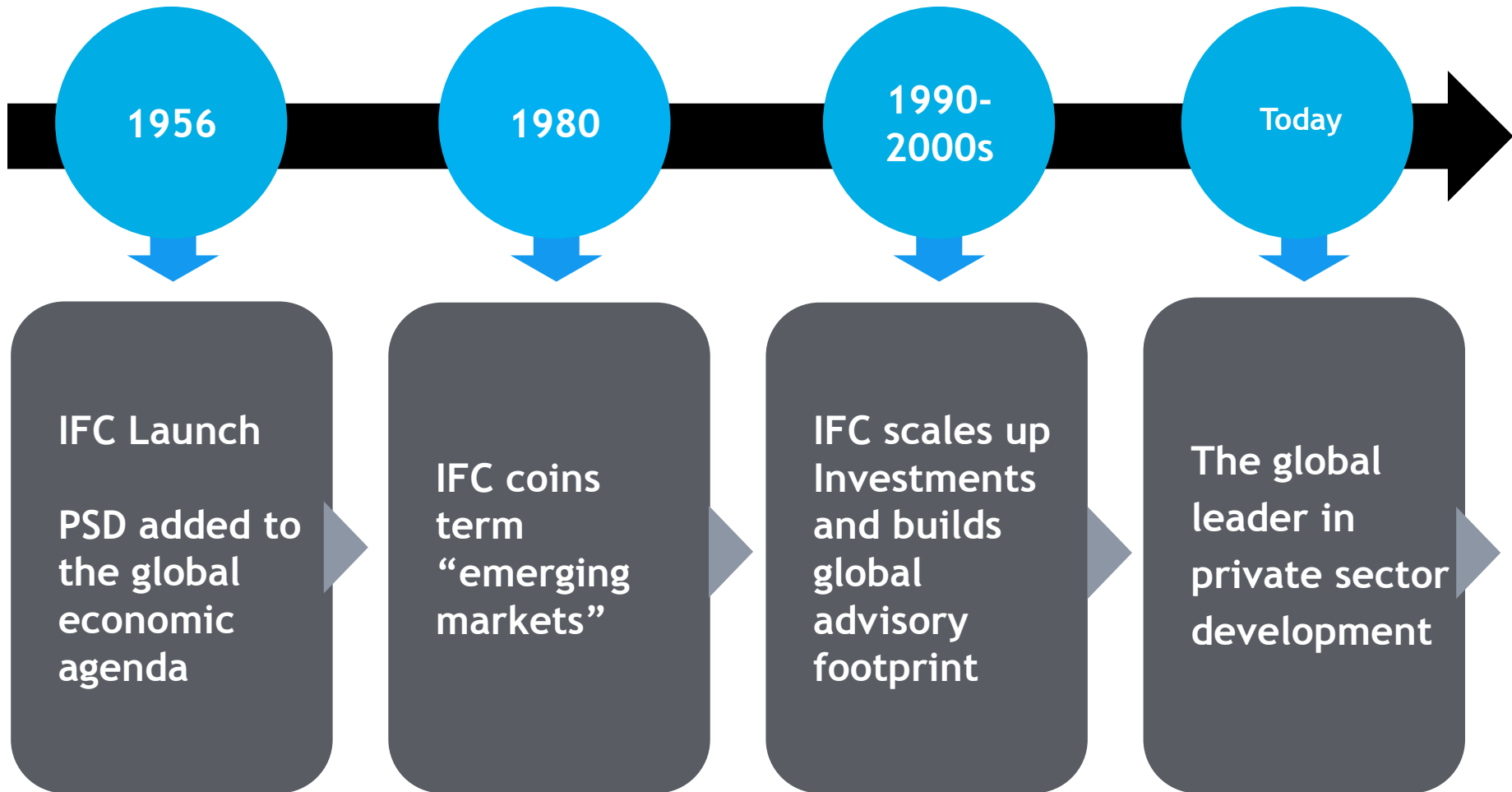
ICSID

International Centre for Settlement of Investment Disputes

Conciliation and arbitration of investment disputes

IFC'S HISTORY

- A global institution, now owned by 184 member countries



IFC's Purpose

- To promote open and competitive markets in developing countries
- To help generate productive jobs and deliver essential services to the underserved
- To support companies and other private sector partners where there is a gap
- To catalyze and mobilize other sources of finance for private sector development



Our Client Solutions

Integrated Solutions, Increased Impact

Investment

- Debt
- Equity
- Trade Finance
- Syndications
- Securitized Finance
- Risk Management
- Blended finance

Advice

- Integrated with IFC Investment:
 - Advice to Businesses
 - Public-Private Partnerships
 - Investment Climate

IFC Asset Management Company

- Wholly Owned Subsidiary of IFC
- Private Equity Fund Manager
- Invests Third-Party Capital alongside IFC



Fiscal Year 2014 Highlights

Investments: 599 new projects in 98 countries

Advice: two-thirds of program in IDA countries, including 20% in fragile and conflict-affected areas

\$22.4 billion in financing: \$17.3 billion for IFC's own account, \$5.1 billion mobilized

\$51.7 billion committed portfolio

\$8.5 billion invested in IDA Countries

Investment Services

Loans

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

Equity

- Direct equity investments (up to 20% of company's equity)
- Private equity funds

Trade Finance

- Guarantee of trade-related payment obligations of approved financial institutions

Syndications

- Capital mobilization to serve developmental needs
- Over 60 co-financiers: commercial banks, fund, and DFIs

Structured Finance

- Products including credit guarantees, liquidity facilities, portfolio risk transfer, securitizations, and Islamic finance

Risk Management

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

Blended Finance

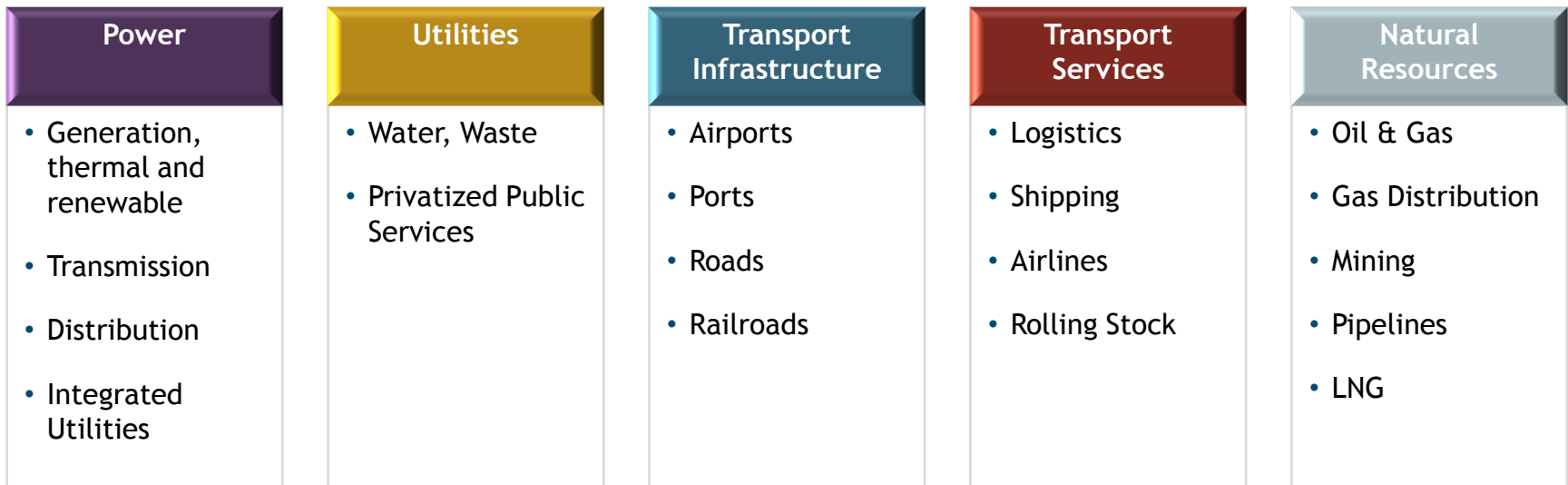
- Combination of concessional funds with IFC resources to finance initiatives & achieve impact that would otherwise be unattainable

IFC as Project Co-Developer: IFC InfraVentures

- IFC InfraVentures is a US\$150 million fund to provide *development capital* to infrastructure projects in IDA (low-income) countries (*) and selectively in Middle Income countries, complementing IFC's efforts to increase the pipeline of bankable infrastructure projects in those countries
- IFC InfraVentures can bring *up to US\$8 million in cash and "sweat" for projects in early stages of development*, in return for an equity option at financial close and the right to arrange the project debt
- IFC InfraVentures will act as co-developer for such projects, adding value by:
 - experienced staff working proactively alongside the sponsor to bring the project to financial close
 - giving the sponsors access to the World Bank's convening power and all its instruments
 - supporting the project via its global presence and knowledge of local environments
 - helping structure the project so that its risks are reduced and it is made bankable, increasing the likelihood that banks and equity investors will invest in the project
- Examples in the power sector include:
 - Development of up to 400 MW of hydropower projects in Georgia, with export of power to Turkey
 - Development of a 600 MW hydropower project on the Marsyangdi River in Nepal, with export of power to India

Investing Across Infrastructure & Natural Resources

- Current portfolio: \$14.8bn
- FY14 investments: \$5.7bn, including \$2.4bn in mobilizations
- Local presence in key markets
- Extended team covering both global giants and local leaders

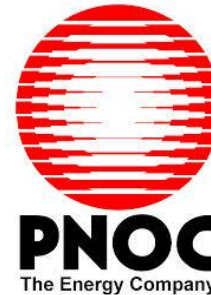


IFC is a Leading Investor in Emerging Markets Power

- > 347 power investments in over 65 countries since 1967
- We invest in:
 - **Generation** - 35,000+ MWs to date
 - **Transmission** - on a select basis
 - **Distribution** - reaching > 160 million customers
 - **Early stage start ups** in the renewable energy space
 - **Financial intermediaries** (banks, PE funds) who reach smaller assets/companies
 - **Platforms, HoldCos and sub-sovereign entities** with regional or global footprint.
- We are comfortable in **markets under reform**, with **first-in-kind projects**.

Pioneer Investments - Asia

- First platform company investment with a Chinese SOE going outside its market (CSAIL, Pakistan)
- First smart grid investment (India)
- First merchant/quasi-merchant hydros in India (Allain Duhangan)
- First grid tied solar PV installation and first smart grid investment (India)
- Series of early stage equity solar investments in India and Thailand
- First power project local currency financing by a multilateral in the region (India, China)
- India's first private transmission company (Powerlinks, India)
- First IPPs in country (Philippines)
- First private small hydro in China (Zhongda)
- First international commercial bank project financing for wind in China (CWP)
- Pre-IPO equity investment in partially privatized vertically integrated geothermal company, with subsequent corporate loans in the Philippines (PNOC-EDC)



Current Areas of Focus

NEW FOCUS

IFC ROLE

1

Government Integrated Support



- *WBG Integration enables integrated advice & support to clients*
- *Clients seek advice from private sector lens*

2

Private Client Relationships



- *Only global private sector DFI with strong technical and sector knowledge*
- *Ability to deliver cross-border, South-South deals*

3

Large Equity/Debt



- *Rapid growth and scale of regional markets stretches local liquidity*
- *Mobilize funds from multiple asset platforms (AMC, MCPP, Syndications)*

4

Integrated Utilities and Distribution Companies



- *Increased IFC comfort in role with SOEs*
- *DisCo health enables increased access*

5

Renewables



- *Cost declines reduce tension between least cost and carbon intensity*
- *Nascent solar/wind markets and distributed solar going to scale*