

# IFC Overview: WBG Risk Mitigation Solutions for Myanmar Infrastructure Projects

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WORLD BANK GROUP

# 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

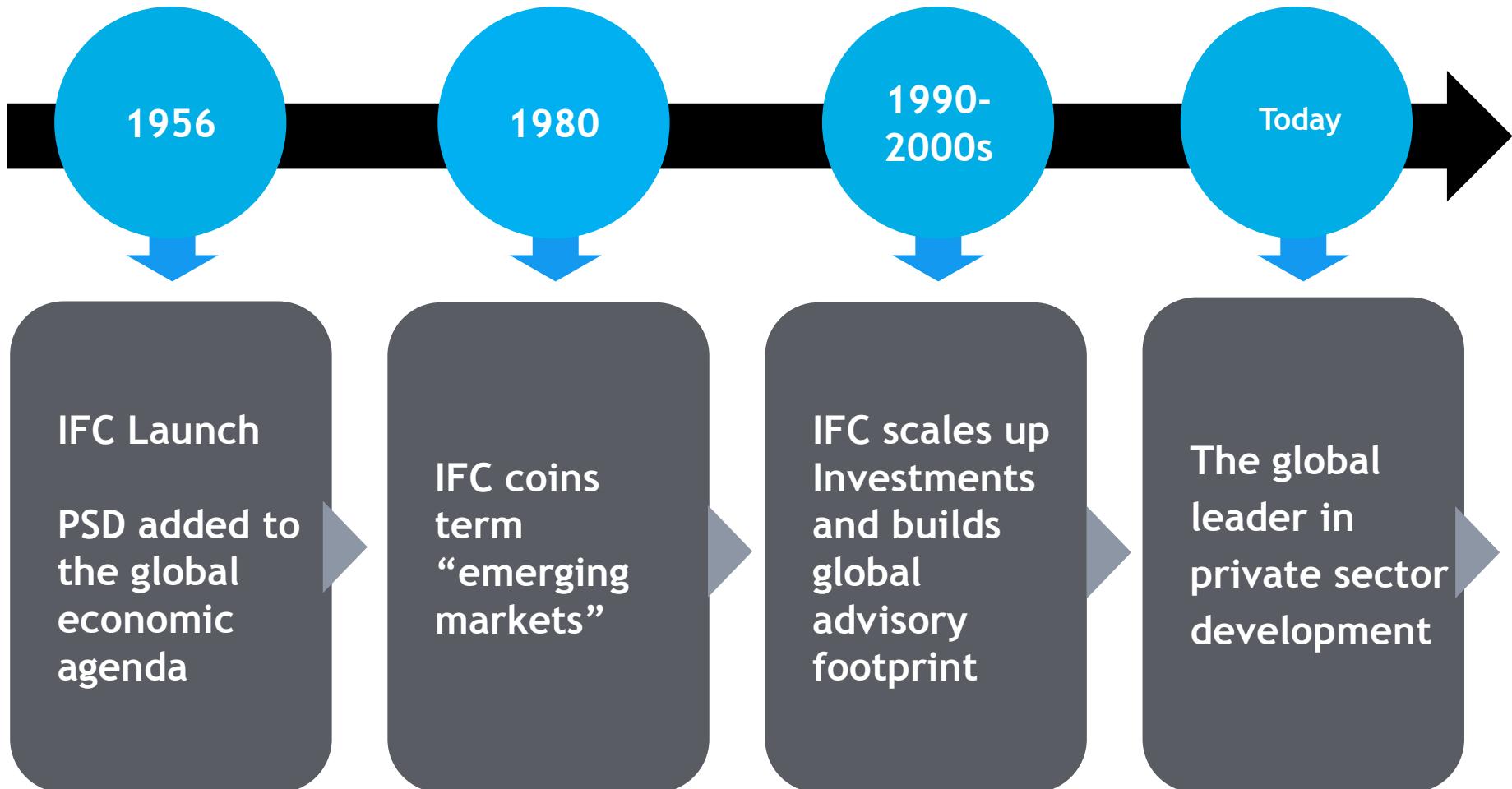
## ICSID

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

<b>Loans</b>	<ul style="list-style-type: none"><li>- Project and corporate financing</li><li>- On-lending through intermediary institutions</li></ul>
<b>Equity</b>	<ul style="list-style-type: none"><li>- Direct equity investments (up to 20% of company's equity)</li><li>- Private equity funds</li></ul>
<b>Trade Finance</b>	<ul style="list-style-type: none"><li>- Guarantee of trade-related payment obligations of approved financial institutions</li></ul>
<b>Syndications</b>	<ul style="list-style-type: none"><li>- Capital mobilization to serve developmental needs</li><li>- Over 60 co-financiers: commercial banks, fund, and DFIs</li></ul>
<b>Structured Finance</b>	<ul style="list-style-type: none"><li>- Products including credit guarantees, liquidity facilities, portfolio risk transfer, securitizations, and Islamic finance</li></ul>
<b>Risk Management</b>	<ul style="list-style-type: none"><li>- Derivative products to hedge interest rate, currency, or commodity-price exposures of IFC clients</li></ul>
<b>Blended Finance</b>	<ul style="list-style-type: none"><li>- Combination of concessional funds with IFC resources to finance initiatives &amp; achieve impact that would otherwise be unattainable</li></ul>

# 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

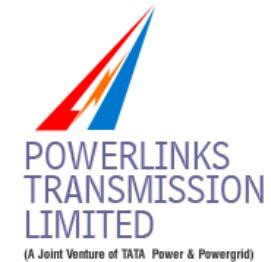
Power	Utilities	Transport Infrastructure	Transport Services	Natural Resources
<ul style="list-style-type: none"><li>• Generation, thermal and renewable</li><li>• Transmission</li><li>• Distribution</li><li>• Integrated Utilities</li></ul>	<ul style="list-style-type: none"><li>• Water, Waste</li><li>• Privatized Public Services</li></ul>	<ul style="list-style-type: none"><li>• Airports</li><li>• Ports</li><li>• Roads</li><li>• Railroads</li></ul>	<ul style="list-style-type: none"><li>• Logistics</li><li>• Shipping</li><li>• Airlines</li><li>• Rolling Stock</li></ul>	<ul style="list-style-type: none"><li>• Oil &amp; Gas</li><li>• Gas Distribution</li><li>• Mining</li><li>• Pipelines</li><li>• LNG</li></ul>

# 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 (PNOE-EDC)



# Current Areas of Focus

## NEW FOCUS

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*
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3

Large Equity/Debt



- *Rapid growth and scale of regional markets stretches local liquidity*
  - *Mobilize funds from multiple asset platforms (AMC, MCPP, Syndications)*
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4

Integrated Utilities and Distribution Companies



- *Increased IFC comfort in role with SOEs*
  - *DisCo health enables increased access*
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5

Renewables



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