



IFC

International
Finance Corporation
WORLD BANK GROUP

Creating Markets, Creating Opportunities

INVESTMENT OPPORTUNITIES IN EASTERN EUROPE

AN IFC PERSPECTIVE

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INTERNATIONAL FINANCE CORPORATION

A Member of the World Bank Group



IBRD International Bank for Reconstruction and Development	IDA International Development Association	IFC International Finance Corporation	MIGA Multilateral Investment Guarantee Agency	ICSID International Centre for Settlement of Investment Disputes
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Loans to middle-income
and low-income country
governments

Interest-free loans and
grants to governments
of poorest countries

**Solutions
in private-sector
development**

Guarantees for foreign
direct investment's
non-commercial risks

Conciliation and
arbitration of
investment disputes



IFC - A DEVELOPMENT FINANCE INSTITUTION ON A GLOBAL SCALE

FY 2024 Portfolio*: US\$80 billion

FY 2024 Commitments*: US\$22 billion

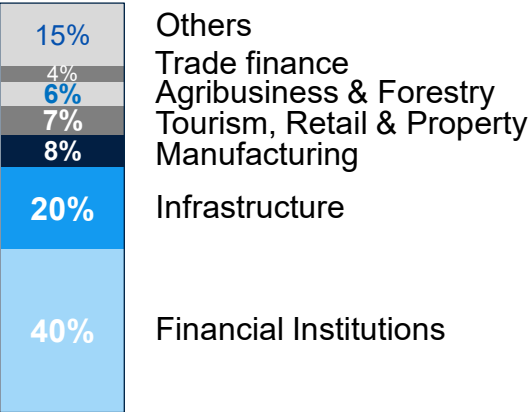
▪ Triple-A credit rating

▪ Founded 1956

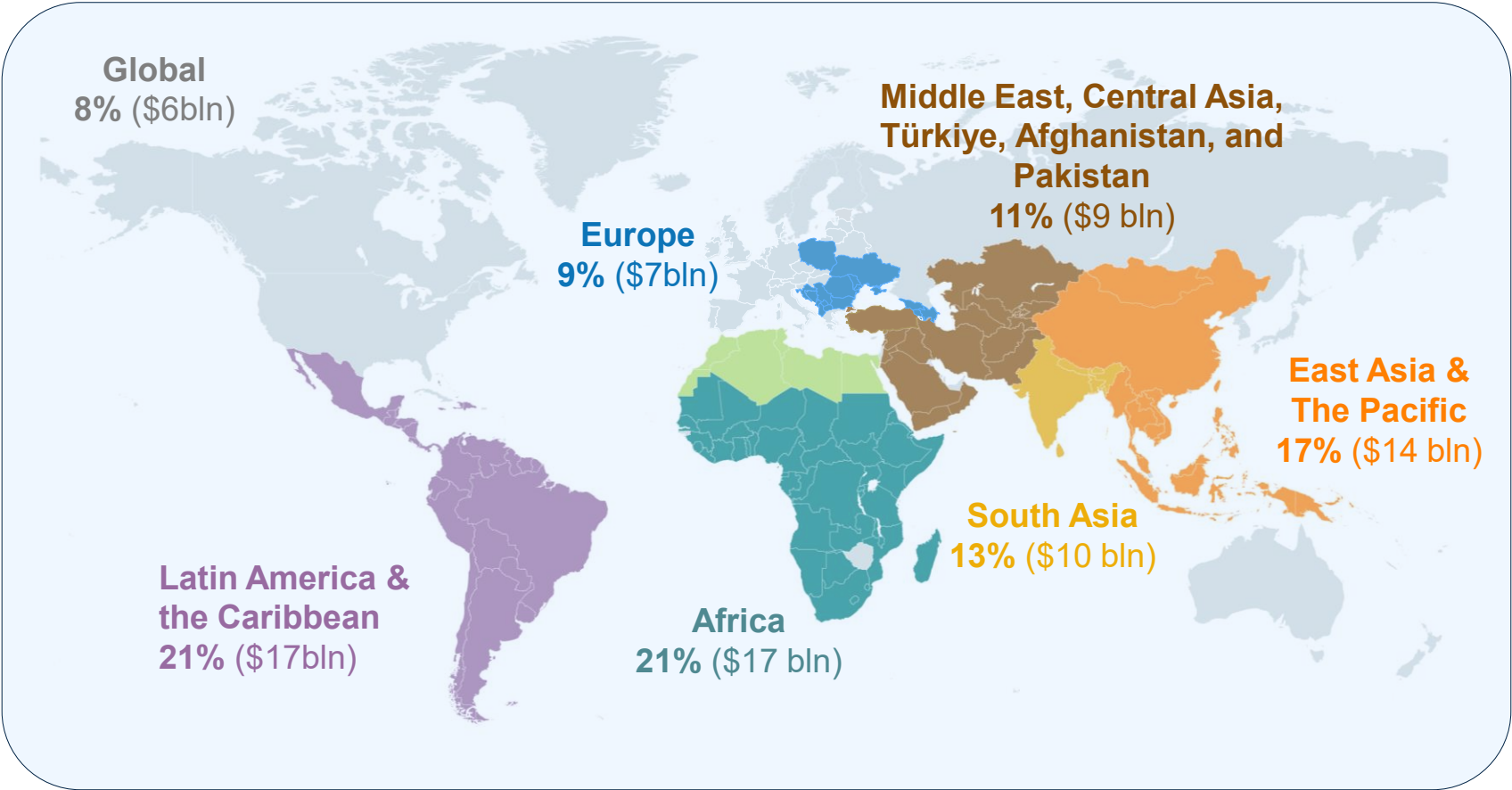
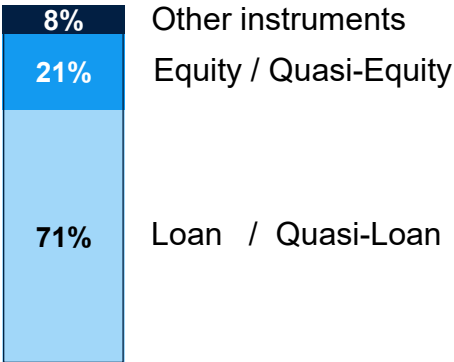
▪ Owned by 186 countries

▪ Investments in +100 countries

OWN ACCOUNT BY SECTOR



OWN ACCOUNT BY PRODUCT



* IFC own account only

IFC'S PRODUCTS AND SERVICES

Integrated Solutions for increased impact and value add

Upstream / Early-Stage Projects

IFC can co-finance and design / implement early-stage projects with its clients, thereby creating markets / eliminating bottlenecks:

- **Early-Stage Project Development** covering project-specific engagements with sponsors (e.g. pilot projects, feasibility studies, FEED activities, regulatory reviews, market assessments, **sustainability strategies**).
- **Create new markets and opportunities** via sector-wide initiatives and country-specific interventions.
- **Global-Delivery Platforms** - design / development of scalable solutions applicable to multiple projects in a sector

\$43 billion five-year upstream pipeline in 2024

IFC's Core Business: Investment

IFC's core business is to finance businesses in emerging markets, using:

Loans

- Project and **corporate** financing
- **Sustainable financing products**

Equity

- Direct equity investments
- Private equity funds

Trade and Commodity Finance

- Guarantee of trade-related payment obligations

Derivative and Structured Finance

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

Blended Finance

- Donor funds to crowd in private financing

\$22 billion new commitments in 2024

Advisory Services

Innovation via:

- In-house expertise to reduce risks and costs, and increase social license to operate, by augmenting ESG standards, and increasing sustainability and risk management
- Advisory support for **sustainability strategies and sustainable finance frameworks**

\$270 million program in 2024

Mobilizing Financing

Syndications

- Capital mobilization for large projects
- Over 80 co-financiers: banks, funds, DFIs

Equity mobilization

\$23 billion mobilized in 2024

IFC'S SUPPORT TO STRENGTHEN CORPORATE BALANCE SHEETS

Four key value-adds:

Same as house banks

1 Lending with aligned terms and conditions

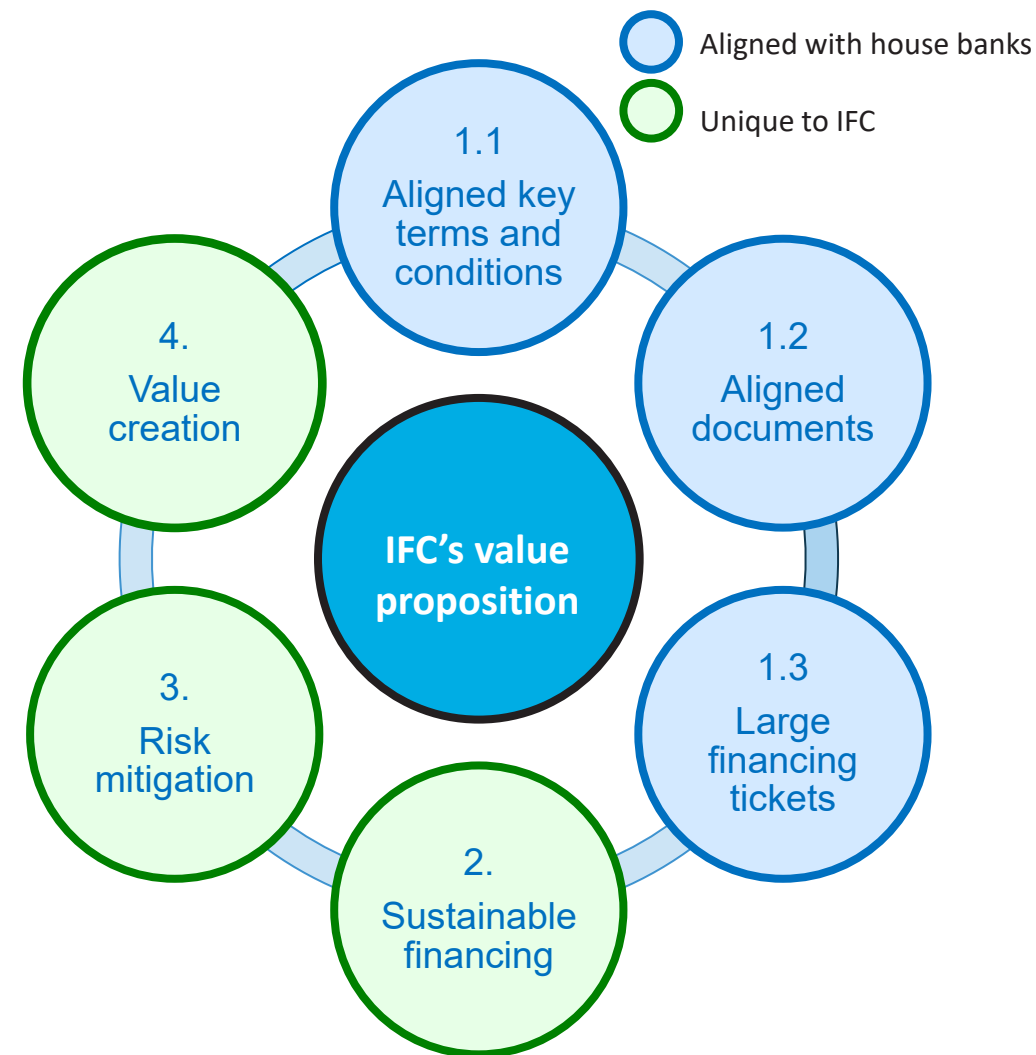
- Aligned key terms and conditions: IFC can largely follow the key terms and conditions agreed with commercial banks
- Aligned documentation: IFC can generally follow existing standard documentation to be efficient and fast
- Material amounts: Large-ticket IFC own-account financing, with high likelihood of repeat transactions

Unique to IFC

2 Sustainable finance: IFC provides and helps structure sustainable financing, reducing risk of "green washing", ensuring positive market reception, and diversifying liquidity sources

3 Risk mitigation: IFC reduces risks, especially ESG and political risks, and increases credibility vis a vis institutional investors, Governments, NGOs and other stakeholders

4 Value creation: tailored solutions for sustainable business growth, through partnerships, global and local networks, enhancing confidence of internal and external stakeholders



EASTERN EUROPE STRATEGIC PRIORITIES – EUROPE'S INNOVATION HUB

Climate

- 1 **Decarbonizing industries** – manufacturing, with a focus on hard-to-abate industries, tourism, food retail, industrial property and agribusiness. (Low Carbon Industrial Hubs - CCS)
- 2 **Low carbon mobility** – supporting investments in developing e-mobility ecosystems.
- 3 **Circular economy** – supporting investments in materials recycling and minimizing waste.

Productivity

- 1 **Sustainable food systems**, including food retail
- 2 **Connectivity**
- 3 **Innovation** and skill enhancement
- 4 **Competitiveness**

Regional Integration

- 1 **Ukraine Reconstruction and EU Integration**
- 2 **Small states** - Western Balkans, Caucasus and Moldova

Cross-cutting, enabling themes

- Mobilization
- Digitalization
- Gender



Notes: ¹ Bosnia and Herzegovina ² Montenegro ³ Kosovo ⁴ North Macedonia

UKRAINE FOCUS

The Ukraine Economic Resilience Program (ERA) builds upon decades of IFC experience operating in Ukraine:

- IFC has committed **c. \$ 3 bln** of financing to Ukraine since 1993, including deploying US\$76mln (50 engagements) in advisory since 2009.
- Since December 2022, IFC is a **strategic advisor to the Government** to help create conditions for private sector investment in reconstruction.

Phase I: Resilience During Russia's Invasion of Ukraine

- The **preservation of businesses** via access to risk and working capital; **trade finance for critical goods; and food security and agribusiness;**
- **Access to finance** for refugees; and municipal infrastructure and housing;
- **Transport and logistics** at the EU border, emergency energy security, and critical telecom infrastructure;
- Instruments include:
 - **Investment support:** guarantees, working capital across sectors, risk-sharing facilities with financial intermediaries; CAPEX support for business relocation and repairs / expansion of critical infrastructure;
 - **Advisory and Upstream support:** adjusting supply chain design and logistics routs; PPPs and project development facilities for infrastructure; access to finance for refugees, NPL resolution and Upstream work on restructuring the banking and corporate sector



Phase II: Reconstruction and Recovery

- **Revival of critical sectors**, including the recapitalization of banks, agribusiness, tech/IT, distressed asset resolution
- **Rebuilding infrastructure** such as cities and housing, transport and logistics, energy transition and security, and digital infrastructure.

CASE STUDY: VOESTALPINE GREEN BOND (BRAZIL, POLAND AND ROMANIA)

- IFC anchored a EUR 500 million investment in voestalpine AG (“voestalpine”), a publicly-listed global producer of technologically advanced steel and metal-based products headquartered in Austria.
- The proceeds of IFC’s participation will support voestalpine’s investments in boosting energy efficiency in Brazil, while also helping to decarbonize the steel supply chain in Poland and Romania.

IFC's role:











- IFC’s primary role as an anchor investor was to facilitate a successful issuance by mobilizing a wide range of institutional and retail investors, resulting in **oversubscription by 1.8 times**.
- This is amongst the Europe’s first climate bonds in the steel industry to fund decarbonization in this hard-to-abate sector. Voestalpine’s group level emission targets include Scope 1&2 and Scope 3 emission reduction by 30% and 25%, respectively.
- Proceeds of the bond will be used to accelerate the decarbonization of key value chains in the steel sectors of Brazil, Poland, and Romania.

Bond Highlights

Amount	EUR 500 million
IFC amount	EUR 75 million
Currency	USD
Tenor	5 years, issued in September 2024
Listing	Vienna Stock Exchange



IFC'S SUPPORT FOR GERMAN CORPORATES: SELECTED EXAMPLES

<p>Türkiye</p>  <p>A Loan of \$163M</p> <p>Upgrade and expansion of Antalya Airport in Türkiye</p> <p>2023</p>	<p>Asia</p>  <p>A Loan of \$60M Mezzanine of \$40M</p> <p>Support treatment of hazardous waste and biowaste projects in Asia</p> <p>2022, 2020</p>	<p>Southeast Europe</p>  <p>A Loan of \$70M Mobilized \$75M</p> <p>Help Resolve Non-Performing Loans, Boost New Lending in Southeast Europe</p> <p>2022</p>	<p>Vietnam</p>  <p>Equity of \$25M Mobilized \$12M</p> <p>Increase access to non-life insurance in Vietnam</p> <p>2021</p>	<p>Egypt</p>  <p>A Loan of \$18M Mobilized \$42M</p> <p>Financing of a greenfield 50MW photovoltaic (PV) plant</p> <p>2017</p>
<p>South Africa</p>  <p>A Loan of \$150M</p> <p>Upgrading the existing automotive assembly plant to produce a new BMW model in South Africa</p> <p>2017</p>	<p>Global</p>  <p>Trade Finance</p> <p>Provide financing to Puma's suppliers under the Global Trade Supplier Finance (GTSF) program</p> <p>2016</p>	<p>Indonesia</p>  <p>A Loan of IDR 450B (ca. EUR 31M)</p> <p>Establishment of high-quality pharmaceutical production of large-volume parenteral</p> <p>2016</p>	<p>Romania</p>  <p>A Loan of US\$63M</p> <p>Help Resolve Non-Performing Loans in Romania</p> <p>2016</p>	<p>Brazil</p>  <p>Equity of \$12M Mobilized \$10M</p> <p>Support the expansion of Affero Lab, a leading provider of corporate training</p> <p>2015</p>



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