

PARTNERING WITH IFC FOR RESILIENCE AND RECONSTRUCTION IN UKRAINE

October 2024





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IFC: A MEMBER OF THE WORLD BANK GROUP



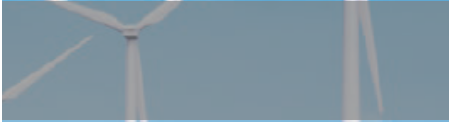
IBRD

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

Loans to middle-income
and creditworthy low-income
country governments

Interest-free loans and
grants to governments
of the poorest countries

World Bank

◀ SOLUTIONS IN
PRIVATE SECTOR
DEVELOPMENT ▶

Guarantees of foreign
direct investment's
non-commercial risks

Conciliation and
arbitration of investment
disputes

MISSION: END EXTREME POVERTY AND BOOST SHARED PROSPERITY ON A LIVEABLE PLANET

IFC HAS OVER SIX DECADES OF EXPERIENCE MOBILIZING THE PRIVATE SECTOR AND CREATING MARKETS

Leveraging the full range of
World Bank Group (WBG)
capabilities



More than **\$350 billion** invested since our founding in 1956



AAA credit rating; owned by **186** countries



Provides **investment, advice, resource mobilization**



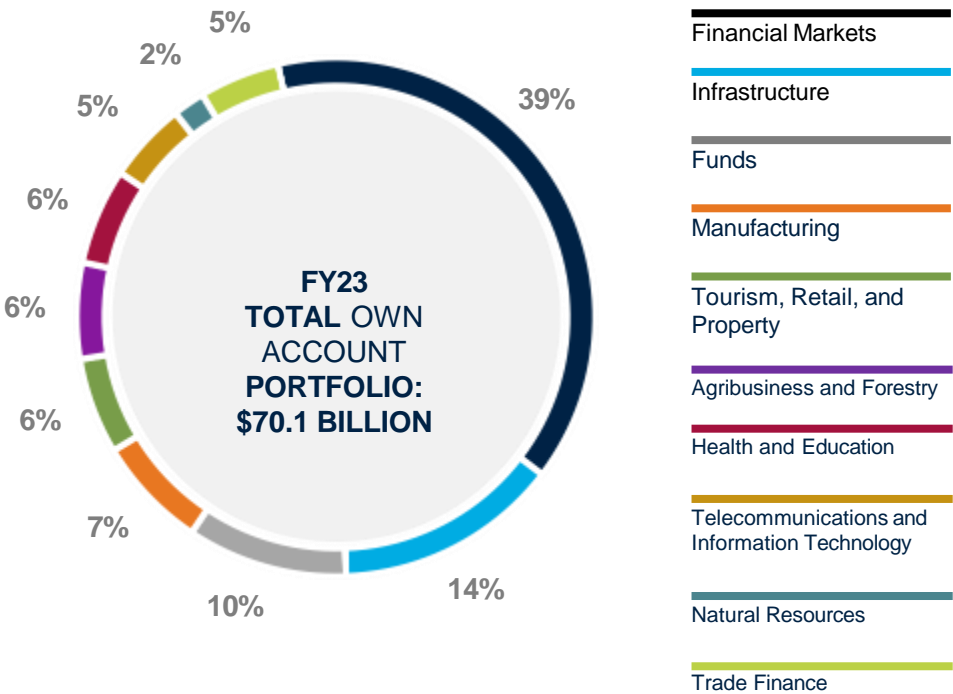
Present in nearly **100** countries



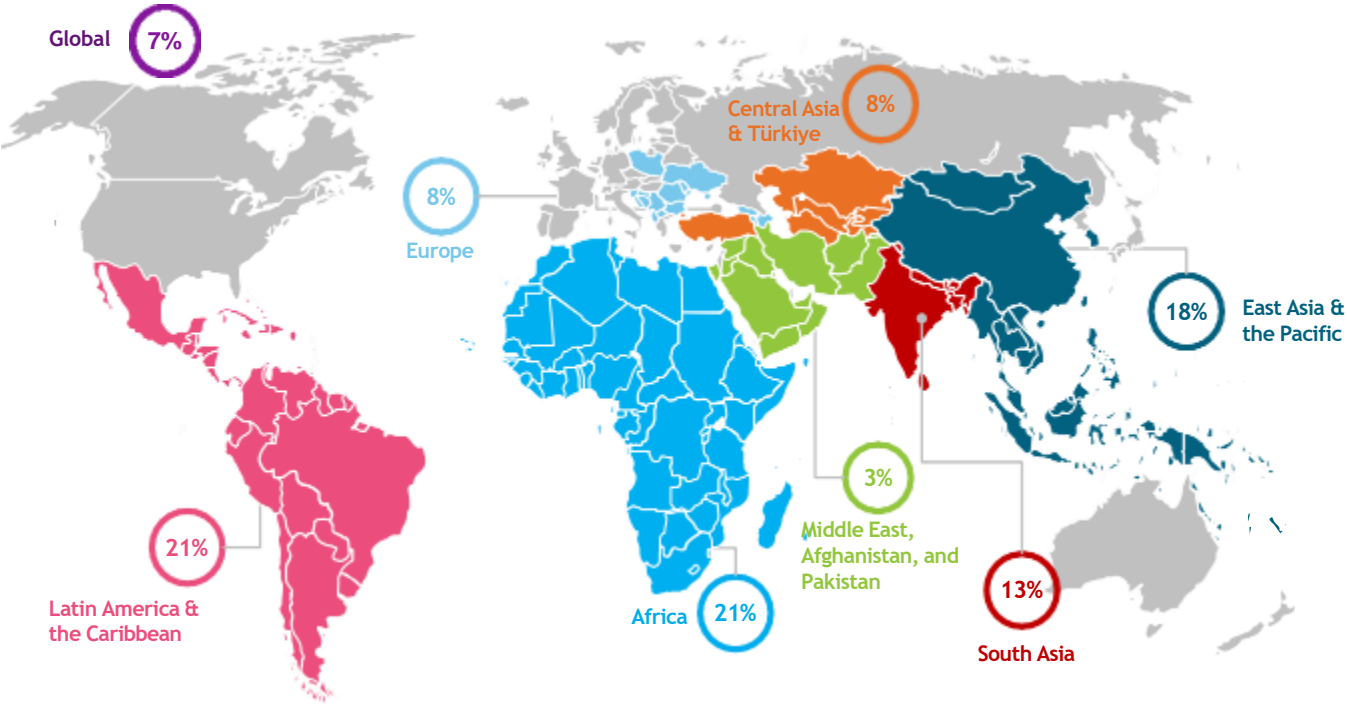
IFC is the largest global development institution focused on the private sector in emerging markets.

IFC - A DEVELOPMENT FINANCE INSTITUTION ON A GLOBAL SCALE

GLOBAL PORTFOLIO BY INDUSTRY



GLOBAL PORTFOLIO BY REGION



Over the last 10 years, IFC committed US\$200+ billion globally in 4,000+ projects across a wide range of sectors

Portfolio exposure is defined as the sum of the (i) committed exposure for IFC's debt investments, (ii) fair market value of IFC's equity investments, and (iii) total undisbursed equity commitments.

As of June 30, 2023

IFC'S UNIQUE VALUE PROPOSITION

1 Reduced Political Risk & IFC Privileges



- **Government relations** Enhanced profile vis-à-vis **local authorities and partners**
- **Honest broker role:** IFC is viewed as a neutral broker building credibility for the transactions it assists
- **Preferred creditor status:** preferential access to foreign currency in the event of a country foreign exchange crisis
- **No withholding tax on IFC loans**

2 Global Industry Expertise



- Global IFC **investment team dedicated** to the agribusiness and forestry sector in emerging markets
- **Senior industry specialists** focused on various subsectors with deep technical expertise
- **Senior economists** dedicated to agribusiness and forestry

3 Value-Added Advisory



- Best practices advice on **operations, environment, social, corporate governance, gender, HR, climate, and market entrance**
- **IFC's Environmental & Social (E&S) Equator Principles** have been adopted by over 90 financial institutions
- Identifying and implementing **climate-friendly investments** that improve bottom-line performance

4 Global Presence & Regional Assets



- **Global base of 2,000+ clients** spread across the five continents
- **100+ offices in 90+ countries** with focus on **local presence** and global expertise
- Investment professionals in regional hubs and country offices, with over half of IFC's staff based in emerging markets

5 Long-Term Funding & Local Currency



- **One-stop shop for financing:** equity, debt, structured finance, derivatives etc. based on client needs
- **Longer investment horizon and less cyclical than most financial investors:** up to 10-12 years
- **Local currency financing** in over 50 currencies with potential to structure **multi-currency facilities**

6 Working Upstream



- Proactively helping **stimulate and create conditions** that result in the movement of capital into **investment projects**
- Early-stage project development engagement to **unlock bankable** investment opportunities

IFC'S SOLUTIONS

What is IFC's value add?

Upstream / Early-Stage Projects

IFC can co-finance and design / implement early-stage projects with its clients, seeking a Lead Arranger role in the future financing and an option to invest in the projects.

- Engagement on conceptualizing and/or co-developing projects: IFC supports early-stage pipeline generation by leading or supporting funding for pre-feasibility studies, market scoping, diagnostics, market / company surveys, etc.
- IFC may support with de-risking the project and attracting other strategic investors.
- Joint investment and implementation (via JDA/CA) with a sponsor for a pilot project to establish "proof of concept" of a novel business model, followed by scale-up of the business if proven viable.

\$33.7 billion five-year pipeline in FY2023

IFC's Core Business: Investment

IFC's core business is to finance companies and projects in emerging markets, using:

Debt (loans, bonds & other instruments)

- Direct corporate and project financing
- On-lending through intermediary institutions
- Sustainable / green financing products

Equity

- Direct equity investments
- Private equity funds

Derivative and Structured Finance

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

Blended Finance

- Using donor funds to crowd in private financing

\$44 billion of new investments in FY2023
\$85 billion portfolio in FY2023

Advisory Services

Innovative solutions to increase sustainability and reduce risk / costs:

- In-house expertise to reduce risks and costs through increased sustainability and risk management
- Help create new markets / unlock opportunities
- Decarbonization strategies & implementation
- Increase clients' performance and impact by augmenting ESG standards and performance

>\$260 million program in FY2023

Mobilizing Financing

Syndications







- Capital mobilization to serve developmental needs
- Over 80 co-financiers: banks, funds, DFIs

Equity mobilization

\$16 billion of funding raised in FY2023

IFC'S CORE BUSINESS: EXAMPLES OF GREEN & SUSTAINABILITY-LINKED FINANCINGS

IFC has extensive experience structuring green financing solutions across geographies and sectors

Instrument	Description	Example
1 Green Loans	<ul style="list-style-type: none"> For projects that are Climate – related as per IFC's climate definitions plus biodiversity & pollution abatement 	SK Hi-Tech Battery Materials Poland sp. z o.o. (SK Poland) <ul style="list-style-type: none"> \$300 million green financing package to SK Poland in 2023 to fund the Company's \$1.7 billion investment program and support the construction and expansion of SK Poland's LiBS production facility. Contributes to green transition in transportation, a more diversified & resilient EV value chain, and the EU's climate neutrality objectives. 
2 Sustainability - Linked Loans	<ul style="list-style-type: none"> For companies with ambitious SDG targets General purpose loan linked to defined KPI targets during tenor of IFC loan Borrower reports annually on progress using agreed KPIs 	Suzano S.A. <ul style="list-style-type: none"> US\$1.4 billion SL-linked loan in 2022 to finance the construction of a greenfield pulp mill and the development of eucalyptus plantations in Ribas do Rio Pardo, Brazil. Financial incentives connected to climate and gender targets. Supports climate change mitigation by investing in plantations that will sequester carbon and by increasing the use of renewable energy sources through the export of 180MW to the power grid. 
3 Blue Loans	<ul style="list-style-type: none"> For projects consistent with Green Bond Principles & Green Loan Principles & contribute to Sustainable Development Goals 6 & 14 (activities that address sustainable water management and ocean protection) 	Indorama Ventures Public Company Limited (IVL) <ul style="list-style-type: none"> The first-ever blue loan of US\$300 million to a global plastic resin manufacturer will lead to the recycling of 50 billion PET (polyethylene terephthalate) bottles globally a year by 2025 including four countries in Asia and one in Latin America, diverting plastic waste from landfills and oceans. 
4 Green Bonds	<ul style="list-style-type: none"> A bond that exclusively finances "Eligible Green Projects" Issuers must report annually on use of proceeds and the impact achieved IFC typically acts as anchor investor for first time issuers, preparing them for future repeat issuances 	Voestalpine AG <ul style="list-style-type: none"> Anchor investment of EUR75 million to the first green bond issuance by a global leader in steel processing and production. Decarbonization of hard-to-abate steel value chains, with proceeds used to fund voestalpine's investments aimed at enhancing energy efficiency in Brazil, as well as contributing to decarbonizing the steel supply chain in Poland and Romania.    <p>ONE STEP AHEAD. Creating Markets, Creating Opportunities</p>

SPOTLIGHT ON UKRAINE: THE ECONOMIC RESILIENCE PROGRAM

IFC's Board has endorsed the \$2 billion ERA program to support Ukraine's private sector during and after Russia's invasion

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

- IFC has committed **approximately US\$3bn** of financing to Ukraine since 1993, including deploying US\$76mn (50 engagements) in advisory since 2009
- Introduced **crop receipts** as pre-season working capital finance, resulting in \$2bn of finance facilitated to agricultural producers
- Since December 2022, IFC is a **strategic advisor to the Government** to help create conditions to boost private sector investment in reconstruction

ERA Phase I: Resilience During Russia's Invasion of Ukraine, with a focus on:

- The **preservation of businesses**: access to risk and working capital; trade finance for critical goods; food security and agribusiness; construction materials
- Supporting **displaced people and municipalities**: access to finance for refugees; and municipal infrastructure and housing
- Supporting **essential infrastructure**: transport and logistics, 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 critical infrastructure repairs / expansion
 - **Advisory and Upstream support**: adjusting agribusiness models and finding alternative routes for agri-exports, farmer recovery and financing programs; PPPs and project development facilities for infrastructure; access to finance for refugees, NPL resolution and upstream work on banking and corporate sector restructuring

ERA Phase II: Reconstruction and Recovery, with a focus on

- **Revival of critical sectors**, including 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

BOLSTERING THE RESILIENCE OF THE AGRIBUSINESS SECTOR

The **Project goal** is to facilitate private sector investments in Ukraine and in the Central and Eastern European countries in the areas critical to addressing global food security challenges.



Component 1: Knowledge creation and sharing to accelerate investments in sustainable food systems

Generate and disseminate knowledge about attractive investment opportunities, encourage partnership and networking opportunities, and ultimately bolster the capacity of agribusinesses to develop and finance projects to improve global food security.

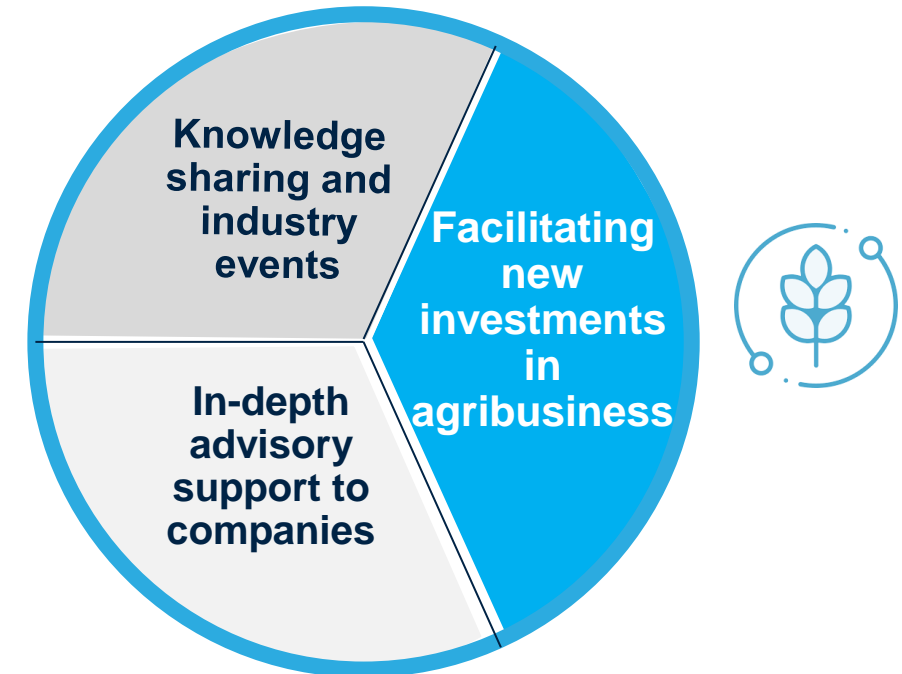


Component 2: Firm-level support to develop bankable projects in agribusiness value chains

Identify and support new investment opportunities in farming, value-added processing and export trade.

Expected to lead to significant new investments along the agri food supply chains in Ukraine and in neighboring countries.

Project timeline: 2024-2026.



The Project is being implemented by IFC in partnership with the Ministry of Finance of the Czech Republic

Project countries include Ukraine, Poland, Romania, Moldova, Serbia, Bulgaria, Bosnia, N. Macedonia, and Georgia.



Ministry of Finance
of the Czech Republic



International
Finance Corporation
WORLD BANK GROUP

Creating Markets, Creating Opportunities

AGRIBUSINESS AND MANUFACTURING: SELECT IFC TRANSACTIONS

IFC supports a diverse range of private companies across the world

Poland

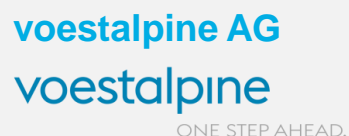


Loan of \$200M

Expanding production of lithium-ion-battery separators for use in electric vehicles.

2023

Global



Green bond \$75M

Decarbonizing hard-to-abate steel industry in Poland, Brazil, and Romania

2024

Thailand

Indorama Ventures



Loan of \$150M
Syndication of US\$150M
Recycled PET capacity expansion

2021

Global

Martur



A Loan of \$50M
Equity of \$33M

Expansion for interior automotive parts in Turkey, Romania, Morocco, and Algeria

2016, 2019

Brazil

Cibrafertil



A Loan of up to US\$40M
Expansion and modernization of fertilizer production

2018

Ukraine



MHP

Loan of \$130M

Expansion of the MHP's waste-to-energy plant to reduce GHG footprint and refinancing of client's Eurobond

2023

Ukraine



Loan of \$60M
Mobilization of \$40M
Modernization and expansion of grain terminals and agri-related transportation network

2017

Brazil



A Loan: \$100M
B-Loan: \$100M
Support for purchasing soy and corn crops from pre-financed eligible farmers committed to zero deforestation or conversion of natural habitat

2022

THANK YOU



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