

# IFC and Italy

## Partners in Private Sector Development

### OVERVIEW

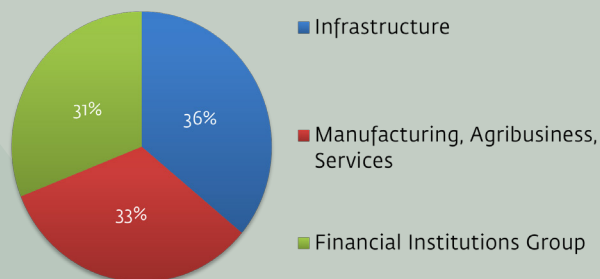
IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working in more than 100 countries, IFC committed a record \$43.7 billion in own-account investments and mobilization from third parties to private companies and financial institutions in developing countries in fiscal year 2023 (FY23).<sup>\*</sup> IFC is an active partner of established Italian multinationals and mid-sized firms interested in investing in emerging markets. As of June 2023, IFC had a long-term committed investment portfolio of \$584 million with Italian partners spread across several sectors and regions.



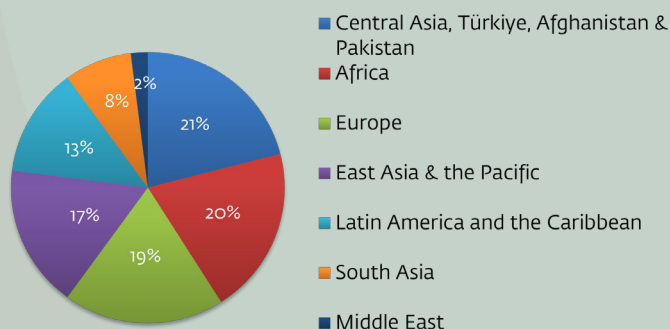
### IFC's Long-term Investment Portfolio with Italian Sponsors

As of FY23 (ending June 2023), IFC's long-term investment portfolio with Italian sponsors amounted to \$584 million. Italian private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

IFC Long-term Investment Portfolio as of June 2023 by Industry with Italian Sponsors (\$584 million)



IFC Long-term Investment Portfolio as of June 2023 by Region with Italian Sponsors (\$584 million)



IFC Committed Exposure by Sector as of June 2023 (Dollar Amounts in Millions)

Power	133
Health, Education & Life Sciences	122
Banking	103
Transport	77
Manufacturing	69
Housing Finance	48
Non-Banking Finance Institutions	32
Total	584

- Mobilization:** IFC has a strong relationship with Italian financial institutions (FIs) and an active engagement across multiple sectors. As of June 2023, Italian FIs held \$213 million in IFC Syndicated Loans.
- Global Trade Finance Program (GTFP):** As of June 2023, IIFC had issued 2,019 guarantees cumulatively amounting to \$2.46 billion for Italian banks since the GTFP began in 2005. The most active confirming banks have been Banca Popolare di Sondrio, Intesa Sanpaolo and UniCredit.

### PARTNERSHIP WITH THE GOVERNMENT AND THE DEVELOPMENT FINANCE INSTITUTION

IFC's main counterpart and shareholder is the Ministry of Economy and Finance. IFC also works closely with other ministries and government institutions, including the Bank of Italy, the Ministry of Foreign Affairs and the Ministry for Ecological Transition, as well as Cassa Depositi e Prestiti (CDP), the Italian National Promotion Institution. In addition, IFC collaborates with SIMEST, the Italian Development Finance Institution that supports the internationalization of Italian companies. Italy's cumulative contribution to IFC advisory services amounted to \$71 million as of FY23. Climate and Africa are the key shared priorities, with the majority of funding to IFC's Clean Energy Access Program (\$34.5 million) coming from the Ministry of Environment and Energy Security. In 2023, the Italian government renewed its support to IFC's Ethiopia Private Sector Development Program.

<sup>\*</sup>The World Bank Group fiscal year runs from July 1 to June 30 of the following calendar year.

## Examples of Successful Cooperation



### Gruppo Gavio, Brazil

In March 2023, IFC committed a senior loan of \$77 million equivalent in local currency to Concessionaria de Rodovias Noroeste Paulista to operate, improve, and maintain 600 km of toll-road segments in the State of Sao Paulo, Brazil, under a 30-year concession awarded in 2022. The company is part of the Group Ecorodovias, a leading Brazilian toll roads operator, which is majority owned by ASTM, an Italian company controlled by the industrial group Gruppo Gavio, with the participation of a French asset manager, Ardian. The proceeds will partially finance the upfront concession fee and the initial investments for the concession agreement's execution.



### UniCredit, Romania

In December 2022, IFC committed a senior loan of \$47.5mn in local currency equivalent to Unicredit Bank S.A (UCB). UCB is owned by the Italian company UniCredit SPA Italy which is Italy's second-largest bank. Its 13 bank subsidiaries are market leaders in their respective countries across Europe. The proceeds of IFC's investment would be entirely used to finance UCB's green housing portfolio.



### Intesa Sanpaolo, China

In June 2022, IFC committed a senior loan of \$40 million from IFC own-account to Bank of Qingdao (BQD), a city commercial bank in China, and mobilized \$110 mn Parallel Loans from ADB, DEG and Proparco for BQD through IFC syndication. One of BQD's key shareholders is Intesa Sanpaolo S.p.A. The project is IFC's first mobilization program globally dedicated to supporting blue finance by a commercial bank. The project helps China demonstrate its commitment to addressing the challenges of marine litter in other Asian countries, where the product may be replicated.



### Enel Green Power, India

In December 2021, IFC committed a \$50 million loan and mobilized \$92 million through parallel lenders to Enel Green Power to finance the construction of a 300 MWac Thar Surya solar power project in Rajasthan in India. Enel Green Power is an Italian multinational renewable energy corporation and one of the largest renewable energy developers in the world. IFC's investment will help meet India's increasing electricity demand while reducing greenhouse gas emissions and promoting renewable energy in the country.



### Renco, Armenia

In February 2019, IFC committed an A loan of \$42 million to ArmPower, an Armenian company owned by Renco, Siemens Project Ventures and SIMEST, the Italian development finance institution. Renco is an Italian company providing engineering and construction services in the energy, oil & gas and infrastructure sectors. The financing package includes \$121 million mobilized by IFC from the Managed Co-Lending Portfolio Program, the ADB, DEG and OFID, and a guarantee of up to \$39 million provided by MIGA. IFC's investment is financing the construction of a 250 MW greenfield combined-cycle gas turbine power plant in Armenia. The project will help increase the efficiency of Armenia's power generation sector.



### CLN, South Africa

In November 2018, IFC arranged a €134 million loan for CLN Group, a leading Italian manufacturer of automotive components, to expand and modernize the local production of advanced automotive parts in South Africa. The financing package consists of €48 million from IFC's own account, €36 million through the IFC Managed Co-Lending Portfolio Program and €50 million from Italy's National Promotional Institution, CDP. CDP's investment is the first transaction signed under the Master Cooperation Agreement with Italy, which aims to streamline lending procedures for joint investments in private companies in emerging markets. The project is expected to boost South Africa's automotive industry, generate economic value and support job creation by increasing localization.

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