



**International
Finance Corporation**
World Bank Group

Enhancing Infrastructure and Interconnectivity Investments

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Security
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IFC: Part of the World Bank Group

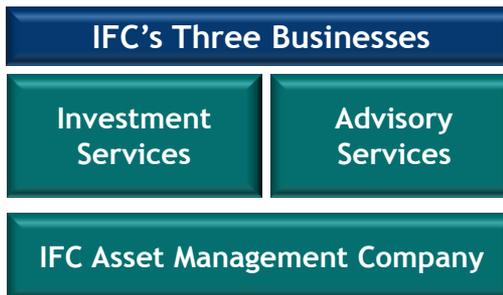
	IBRD International Bank for Reconstruction and Development Est. 1945	IDA International Development Association Est. 1960	IFC International Finance Corporation Est. 1956	MIGA Multilateral Investment and Guarantee Agency Est. 1998
Role	To promote institutional, legal and regulatory reform	To promote institutional, legal and regulatory reform	To promote private sector development	To reduce political investment risk
Clients	Governments of member countries with per capita income between \$1,025 and \$6,055	Governments of poorest countries with per capita income of less than \$1,025	Private companies in member countries	Foreign investors in member countries
Products	<ul style="list-style-type: none"> • Technical Assistance • Loans • Policy Advice 	<ul style="list-style-type: none"> • Technical Assistance • Interest Free Loans • Policy Advice 	<ul style="list-style-type: none"> • Equity/Loans • Risk Management • Advisory Services 	<ul style="list-style-type: none"> • Political Risk Insurance

IFC at a Glance



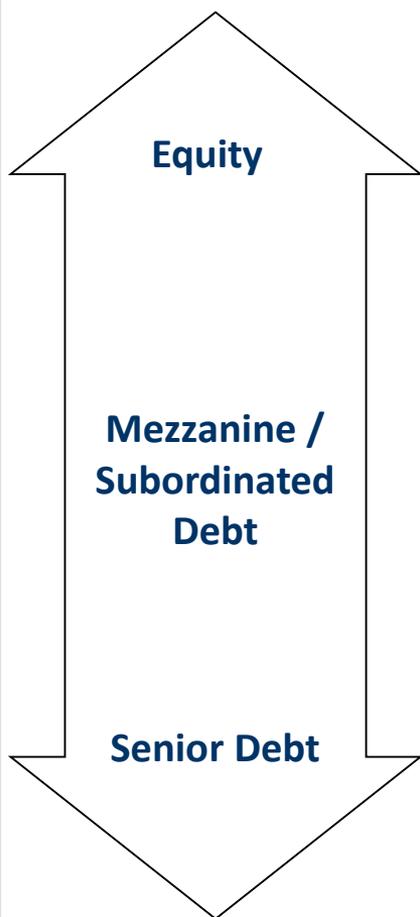
IFC FY13 Highlights*	
IFC Commitments (FY13)	\$24.8 bn
IFC's Own Account	\$18.3 bn
Mobilization	\$6.5 bn
Number of Projects	612
IFC Total Portfolio	49.6 bn

* FY end June 30.



- Member of the World Bank Group
- Largest multilateral source of financing for Emerging Markets' private sector
- Founded in 1956, currently with 184 member countries
- AAA rated by S&P and Moody's
- 3 Main Businesses: Investment Services, Advisory Services and Asset Management Company (AMC)
- Takes market risk with no sovereign guarantees
- Promoter of environmental, social, and corporate governance standards
- Resources and know-how of a global development bank + flexibility of investment bank
- Holds equity in over 800+ companies worldwide
- More than 104 offices worldwide in 95 countries

IFC invests Equity, Senior Debt, and everything in between



Corporate
JV (early equity investments, Infraventures)
Typically up to 20% shareholding
Long-term investor, typically 6-8 year holding period

Any number of structures/flavors of subordination
Subordinated loans, income participating loans, convertible loans

Senior Debt (corporate finance, project finance)
Fixed/floating rates, USD, EUR and local currencies available
Long maturities: 8-20 years, appropriate grace periods
Range of security packages suited to project/country
Mobilization of funds from other lenders and investors

How do we work with different clients?

Government clients & products

- Public Private Partnerships
Transaction Advisory
- Advisory services in T&D sector*
 - Loss reduction
 - Corporate diagnostic

*Applies to private sector, as well

Private sector clients & products

- Infra Ventures
 - Early project development
 - Financing up to 50% of the project development costs
 - Transforming of IFC financing into equity
- Equity & Debt in power sector
 - RE generation-2/3 of power portfolio (merchant power plants, captive power)
 - Distribution System Operators

Identified Obstacles in Electricity Generation

Political Obstacles

- Incomplete legal framework
- Lack of institutional capacity
- Political risk



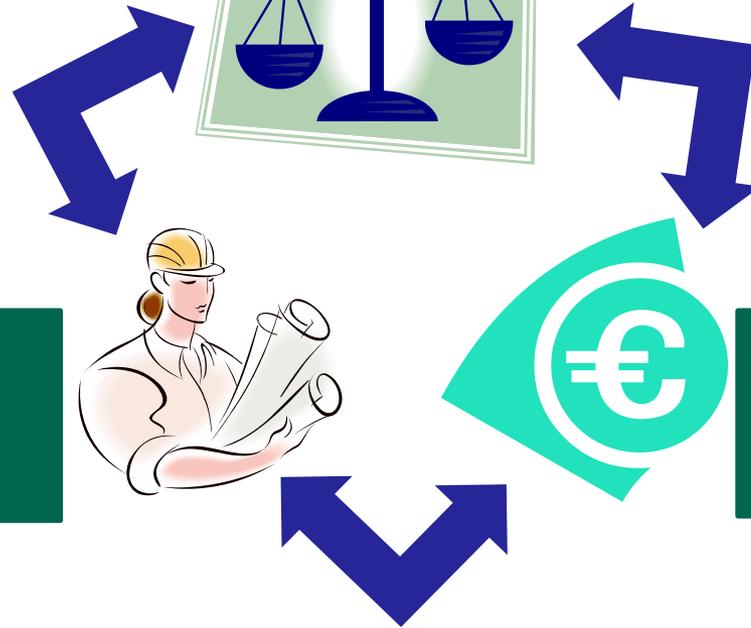
Developers/Sponsors

- Technical capacity ?
- Financial capacity ?
- Market assessment ?



Local Banks

- High collateral
- Poor Project Finance experience
- Need of long-term funding



Sound conditions for Investments in Power

- Assessment of **stability and predictability** of a country's regulatory framework is a key aspect of project appraisal
- **Incentives** (feed-in tariffs, tax credits, priority offtake, etc.) are crucial
- But...**stable electricity markets and wholesale prices** (merchant IPPs) and
- ...**Balanced PPA** (take-or-pay, step-in rights) improve project bankability
- **Transmission charges and balancing responsibility** charges, as well as **grid connection** principles and charges are also crucial
- IFC supports **competition and fair market access**; however, in RE sector, governments play a key role in influencing the market

Thank You!

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