



IFC

**International
Finance Corporation**
World Bank Group



Infrastructure and Natural Resources Department

Sourcing FDI for Port Projects

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Regional Manager EU8+Moldova, IFC

The World Bank Group

IBRD
International Bank
for Reconstruction
and Development

Est. 1945

Role: To promote institutional, legal and regulatory reform

Client: Governments of member countries with per capita income between \$1,025 and \$6,055.

Product:

- Technical assistance
- Loans
- Policy Advice

IDA
International
Development
Association

Est. 1960

To promote institutional, legal and regulatory reform

Governments of poorest countries with per capita income of less than \$1,025

- Technical assistance
- Interest Free Loans
- Policy Advice

IFC
International
Finance Corporation

Est. 1956

To promote private sector development

Private companies in member countries

- Equity/Quasi-Equity
- Long-term Loans
- Risk Management
- Advisory Services

MIGA
Multilateral
Investment and
Guarantee Agency

Est. 1988

To reduce political investment risk

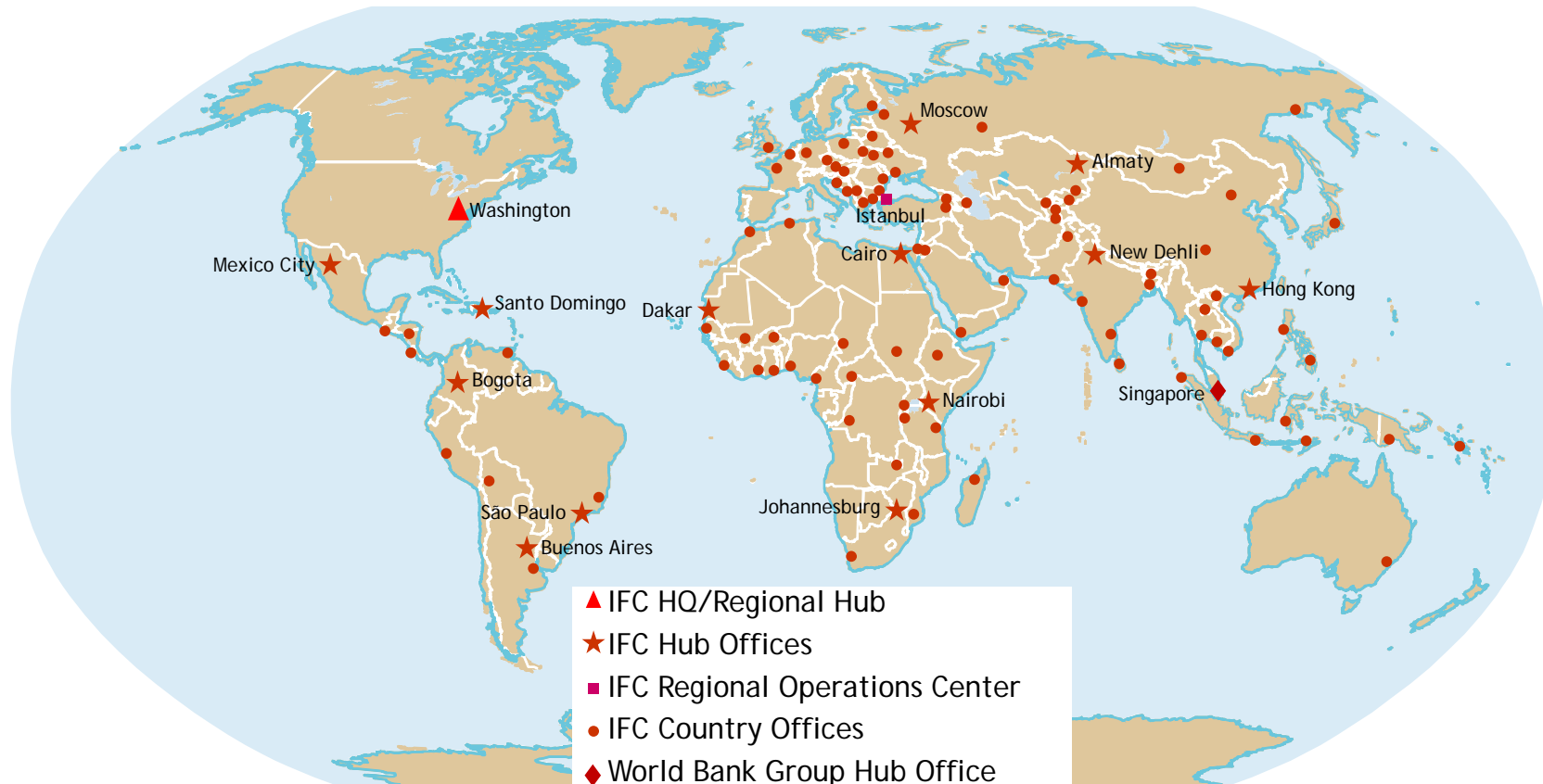
Foreign investors in member countries

- Political Risk Insurance

← **Mission: Ending Extreme Poverty and Boosting Shared Prosperity** →

IFC's Global Reach to 109 country and regional offices worldwide

4,015 staff of which 57% are outside of Washington



IFC has gone through a structural change in 2010, moving its EMENA management team to Istanbul from Washington DC. Istanbul is the Operating Center for EMENA region.

IFC in Europe Middle East and North Africa



IFC's Three Businesses

IFC Investment Services

- ❑ *Loans*
- ❑ *Equity and quasi-equity*
- ❑ *Trade finance*
- ❑ *Syndication*
- ❑ *Securitized Finance*
- ❑ *Risk management*

\$49.6 b
portfolio

IFC Advisory Services

- ❑ *Access to Finance*
- ❑ *Investment Climate*
- ❑ *Sustainable Business*
- ❑ *PPP*

\$232 m
per year

IFC Asset Management Company

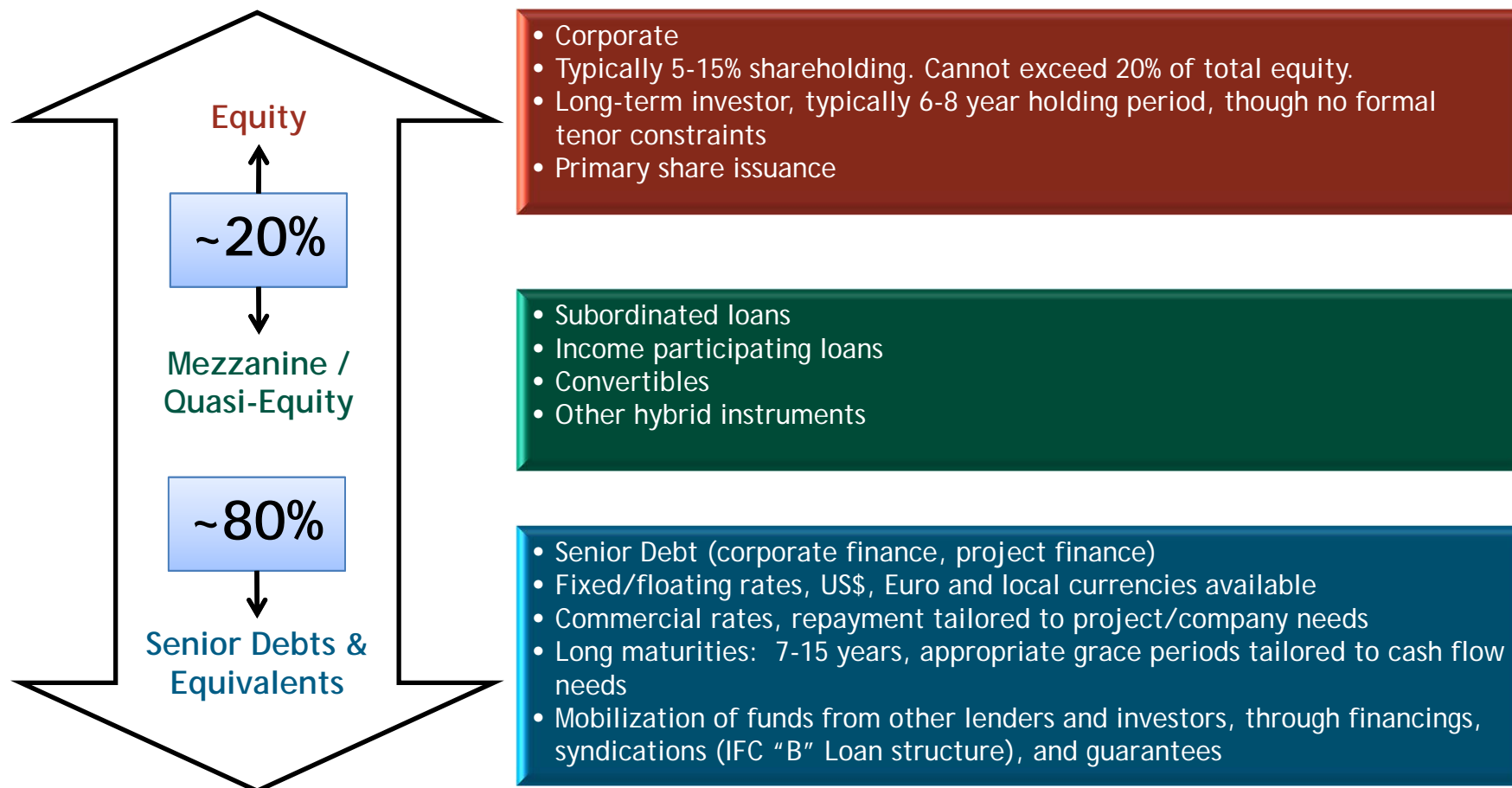
- ❑ *Wholly owned subsidiary of IFC*
- ❑ *Private equity fund manager*
- ❑ *Invests third-party capital alongside IFC*

\$5.5 b
under mngt

IFC Investment Services: Infrastructure & Natural Resources

Power	Utilities	Transport Infrastructure	Transport Services	Natural Resources	Telecom, Media, Tech
<ul style="list-style-type: none">• Generation, thermal and renewable• Transmission• Distribution• Integrated Utilities	<ul style="list-style-type: none">• Water, Waste• Privatized Public Services	<ul style="list-style-type: none">• Airports• Ports• Roads• Railroads	<ul style="list-style-type: none">• Logistics• Shipping• Airlines• Rolling Stock	<ul style="list-style-type: none">• Oil & Gas• Gas Distribution• Mining• Pipelines• LNG	<ul style="list-style-type: none">• Broadband• Mobile• Data Centers• E-banking

IFC Offers a Wide Range of Financial Products

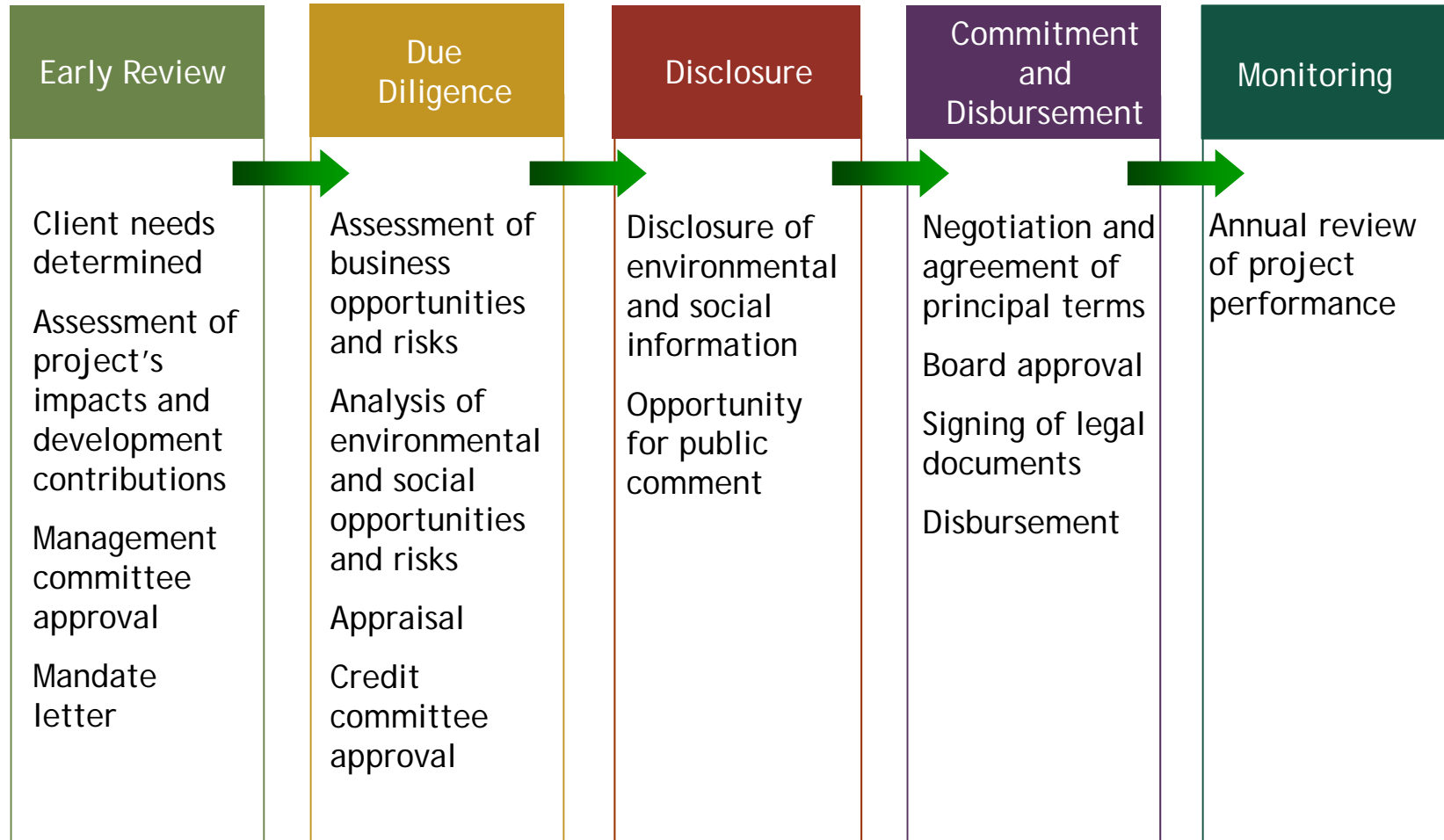


How We Finance Projects

•Project Type		•IFC Investment
•Greenfield, total cost less than \$50 million	➔	•Up to 35% of project cost for IFC's account
•Greenfield, total cost more than \$50 million	➔	•Up to 25% of project cost for IFC's account
•Expansion or rehabilitation	➔	•Up to 50% of project cost

- Umbrella for participants in IFC's syndication program: IFC lender of record, immunity from taxation and provisioning requirements.
- IFC's total financing (for its own account) must be less than 25% of total company capitalization

IFC's Project Cycle



We agree on a specific timeline to meet client's needs

IFC's Investment Parameters

Commercially Sound

- IFC invests exclusively in for-profit projects and charges market rates for its products and services

Market Catalyst

- IFC generally finances no more than 25-50% of total project cost
- Never the largest shareholder, typical stake up to 20%
- Typical ticket size \$20-50m, but can go to \$100m +
- Able to mobilize additional debt (B loan program) and equity funds (AMC)

Long-term Horizon

- IFC invests for the medium-to-long term

Environmentally & Socially Responsible

- Each investment assessed for E&S risks by in-house team of experts, and action plan put in place to mitigate risks
- Increasingly relevant for clients, namely land acquisition, carbon footprint, community buy-in
- Facilitates debt raising (Equator Principles)

Corporate Governance

- Detailed corporate governance assessment carried out (dedicated internal resources)
- Work on governance issues with companies pre-IPO and those already listed
- Roster of quality independent directors
- Facilitates exit, especially in public markets

Key Characteristics of a Bankable Concession

- **Lenders' step-in-rights and cure periods:**
 - in case of default by concessionaire under the concession contract
 - enabling Lenders to nominate a substitute operator (subject to the granting authority's acceptance)

- **Provisions enabling an appropriate security package for Lenders' debt financing, including, in favour of Lenders:**
 - Mortgage on concessionaire's assets
 - Pledge of shareholders' shares in concessionaire
 - Assignment of termination compensation under concession
 - Assignment of insurance proceeds

Annex: Case Studies



IFC Ports Sample Projects

Brazil



APM TERMINALS

\$97,000,000
Senior Loan

\$582,000,000
Syndicated Loan

BTP Santos- Project Finance

Arranger & Lender
March 2011

Togo




\$122,421,000
Senior Loan -Project Finance

Lome Container Terminal

Lender
June 2011

Pakistan



\$40,000,000
Senior Loan -Project Finance

Quasim International Container Terminal I & II

Lender
May 2010 & June 2011

Indonesia



\$30,000,000
Senior Loan Project Finance

\$40,000,000
Syndicated Loan

Jakarta Int. Container Terminal

Arranger & Lender
December 2009

Vietnam



\$38,750,000
Senior Loan -Project Finance

Cai Lan Port

Lender
October 2010

Panama




\$90,000,000
Senior Loan- Project Finance

\$35,000,000
Syndicated Loan

MIT I, II & III

Lender & Arranger
1994, 2000 & 2005

Colombia



\$34,000,000
Senior & Subordinated Loan

\$117,000,000
Syndicated Loan

Terminal de Contenedores de Buenaventura

Arranger & Lender
August 2010

Turkey




\$20,000,000
Senior Loan -Project Finance

TCE Ege Terminal

Lender
June 2010

India




\$8,000,000
Senior Loan -Project Finance

Visakha Terminal

Lender
June 2011

Ukraine



\$32,000,000
Senior Loan- Project Finance

HPC Odessa

Lender
September 2011

Amounts and dates shown as of original commitment for IFC's own account & syndication (B Loans).



Annex:

PPP Transaction Advisory Services



PPP Transaction Advisory Services

- Long, successful global track record
 - Over 165 projects in more than 60 countries since 1989
 - Mobilized more than \$8 billion in capital since 1995
- Specializes in infrastructure sectors
 - Water & sewerage, transport, telecoms, electricity and health
- Adds considerable value to the PPP transaction
 - Identifies and markets projects to qualified investors
 - Brings transparency and credibility to the bidding process
 - Signals country's commitment to improve its economy through private sector participation (PSP)
 - Focus on creating balanced deals through financially, economically, politically sustainable structures

Approach

- **IFC's approach:**
 - Work closely with the Government to ensure the transaction is designed to meet the Government's objectives;
 - Design transaction process to maximize transparency and ensure investor confidence and public support;
 - Market the transaction widely to all potential strategic investors;
 - Ensure that:
 - Social and labor benefits are maximized;
 - Environmental issues have been addressed;
 - The transaction is structured to provide sustainable benefits to consumers

Offering

- **Objectivity and transparency**
 - Independent advice, no links to potential investors
 - Separation between advisors and investors within IFC (“Chinese Wall”)
 - Precise procedure and rules, based on best practices and experience
- **Orientation towards development and results**
 - Importance attached to social and developmental objectives of client country
 - Transactions structured to be sustainable and bankable for all parties
 - Staying the course with our clients
- **Knowledge of investors’ market**
 - Broad expertise covering private sector transactions
 - Regular contacts with leading companies
 - Essential marketing role on behalf of our clients, lends confidence to investors
- **Integrated approach and synergies within the World Bank Group**
 - Access to experts; coordination of institutional reforms and resources
 - Search for public financing and guarantees, when needed

PPP Transaction Advisory Services

- Lead advisor, mostly to governments
 - Strategy definition for private sector participation / PPPs
 - Coordination with World Bank and other multilaterals, on sector policy, institutional reforms and needed resources
 - Transaction due diligence: legal, technical, other
 - Preparation of tender documentation
 - Marketing of business opportunities to selected investors
 - Transparent international competitive bidding
 - Post-transaction assistance, as needed
- Fee based services
 - Modest retainer paid by Clients (according to milestones)
 - Largest portion of remuneration to be paid as success fee at closing of transactions (by winning bidder)

Thank you!

