

IFC and Australia

Partners in Private Sector Development

OVERVIEW

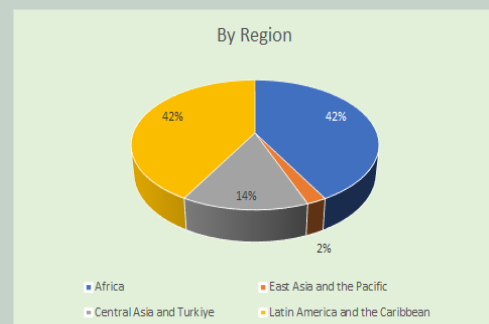
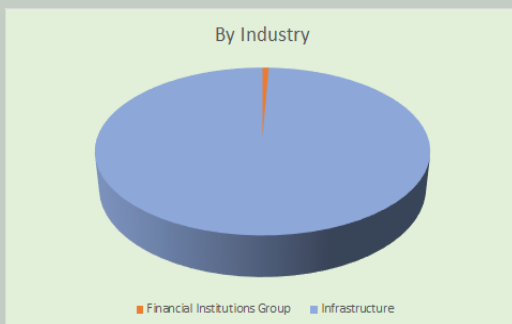
IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working in more than 100 countries, IFC committed a record US\$43 billion in own-account investments and mobilization from third parties to private companies and financial institutions in developing countries in FY23. Over the last 10 years, IFC had a long-term committed investment portfolio of US\$2.1 billion with Australian partners spread across several sectors and regions.



IFC is actively exploring business opportunities with Australian companies in co-investments in emerging markets in partnership with the Department of Foreign Affairs and Trade (DFAT). The current committed portfolio in IFC projects with Australian partners stands at US\$341 million, including US\$151 million in B-Loans.

IFC's Long-Term Investment Portfolio as of June 2023 with Australian Sponsors

IFC's long-term investment portfolio with Australian sponsors amounted to US\$2.1 billion. Australian private sector companies have benefited from co-investments with IFC, mainly in Africa, Latin America, and the Caribbean, while making notable contributions to development.



IFC Long-Term Investment Portfolio as of June 2023, by Sector (US Dollar in millions)

Electric Power	\$870
Finance and Insurance	\$15
Oil, Gas, and Mining	\$886
Transportation and Warehousing	\$288
Utilities	\$12
Total	\$2,071

Mobilization: IFC has active engagement across multiple sectors, and has a strong relationship with Australian financial institutions (FIs). Over the last 10 years, Australian FIs held close to US\$1.3 billion in IFC Syndicated Loans.

*The World Bank Group fiscal year runs from July 1 to June 30 of the following calendar year.

PARTNERSHIP WITH THE GOVERNMENT

IFC maintains strong relations with DFAT. Australia ranks 7th among IFC's development partners in terms of contributions to IFC's Advisory and Upstream Services globally with cumulative signed contributions totaling (as of June 30, 2023) US\$250.7 million. Australia has also contributed US\$5.8M to IFC's Blended Finance Initiatives to support the Global Agriculture and Food Security Program (GAFSP).



Australia is one of IFC's largest development partner for programs targeting the Asia-Pacific region, supporting 11 regional and country-level private sector partnerships – including – recently agreed collaborations in Bangladesh, Fiji, Timor Leste, and Vietnam. These partnerships place a strong focus on climate, gender, and inclusion.

In November 2022, IFC issued its first green bond in the Australian dollar market, raising AU\$900 million for climate-friendly projects. The proceeds of the five-year green bond - the largest Australian dollar-denominated deal issued by multilateral development banks in 2022 - will finance IFC investments in climate-smart projects, including clean energy, energy-efficient buildings, transport, green banking, agriculture, and climate adaptation in developing economies.

Examples of Successful Cooperation Programs

South Asia Regional Connectivity (SARIC) Program SARIC is an Australian Government funded AU\$32 million initiative managed by IFC and The World Bank. IFC leads the Private Sector Component of SARIC which accounts for AU\$10.5 million. The SARIC Program seeks to deepen economic linkages and support regional prosperity and inclusive growth by enabling more and higher quality connectivity infrastructure in South Asia (Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka) with a focus on the energy and transportation sectors. IFC's work under the Private Sector Component of SARIC is geared towards identifying opportunities for private investment in energy and transport projects across the region, thereby fostering stronger regional integration and growth.

Since its launch in January 2020, the program has supported five projects, including Port Environmental and Social Analysis in Bangladesh, South Asia Power Pool, Patenga Container Terminal PPP in Bangladesh, INFRALEAP (Industrial Infrastructure and Logistics Enabling to Advance Private sector growth), and Dhaka Airport PPP.

Women in Work (WiW) Sri Lanka Program IFC's largest standalone country-based gender program women's economic empowerment in Sri Lanka through three key channels: 1) Enhancing women's participation in the private labor force; 2) Increasing access to finance and financial services; and 3) Strengthening linkages with women-owned businesses in selected private sector supply chains through partnerships with large companies. The AU\$15 million (US\$11 million) program has demonstrated that attracting and retaining women as employees and leaders makes good business sense. It also established the economic value of supporting women's access to financial and non-financial services, and in enhancing women's capacity as business owners and managers.

Vietnam Private Sector Development Partnership (V-PSDP) DFAT supports multiple, broad-based country-level Private Sector Development Partnerships (PSDPs) across the Asia and Pacific region. In March 2022, IFC signed a new partnership of AU\$15 million (US\$11 million) with DFAT to create inclusive and sustainable private investment opportunities by enabling a transparent, predictable, convenient, and cheaper way to do business in Vietnam, for women and men. Regulatory and policy reform, stronger sustainable and inclusive business practices, and banking that serves women-led businesses and climate-friendly solutions will be priority areas of the partnership.

At least US\$300 million in private investments in Vietnam is expected to be unlocked by this new partnership between IFC and the Australian Government. The partnership will help Vietnam continue on its path to green and inclusive growth, while addressing needs emerging from the COVID-19 pandemic.

Fiji Private Sector Development Partnership (F-PSDP) The IFC Fiji Private Sector Development Partnership (FPSDP) was signed between the Government of Australia and IFC in December 2021. This agreement, which initially covers the period between January 2022 and December 2025, is supported by a contribution from the Government of Australia of AUD\$8 million. The FPSDP builds on the successes of the long-term collaboration with DFAT in Fiji, whilst pivoting to address new needs emerging from the COVID-19 pandemic and addressing climate change and inclusion challenges.

Since its launch in January 2021, the FPSDP has supported nine projects, achieving significant milestones. These include Fiji's Payment System through the implementation of the Central Securities Depository (CSD) and the FIJICLEAR Real Time Gross Settlement (RTGS), which significantly advanced digital payment services, leading to a substantial increase in electronic transactions. While the Advance2Equal project established the groundwork for Fiji's inaugural early childhood care services policies, Fiji's government approved to proceed with the bidding process of the Affordable Housing PPP project in March 2023, where IFC provided advisory services for the design and financing of housing units, aiming for US\$180-200 million in private investment.

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