



**International
Finance Corporation**
World Bank Group

IFC's Climate Business

Financing Energy Efficiency

CIF Partnership Forum

June 2014



Agenda

Introducing IFC



IFC's Blended Finance



Financing Resource Efficiency



EE Leasing Program in Turkey

IFC is the largest development bank focused solely on the private sector



Main driver of private sector development in the World Bank Group

- Profitable since 1956
- More than half of IFC's ~4,000 staff work in field offices
- More than 100 offices in 95 countries

We create opportunity for people
- to escape poverty and improve their lives

IFC has three main businesses lines

Investment Services

- Loans
- Equity
- Trade finance
- Syndications
- Securitized finance
- Blended finance

Advisory Services

- Access to finance
- Sustainable Business
- Investment Climate
- Public-Private Partnerships

IFC Asset Management Company

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

\$18.3 B new commitments in FY13

>\$200 m per year

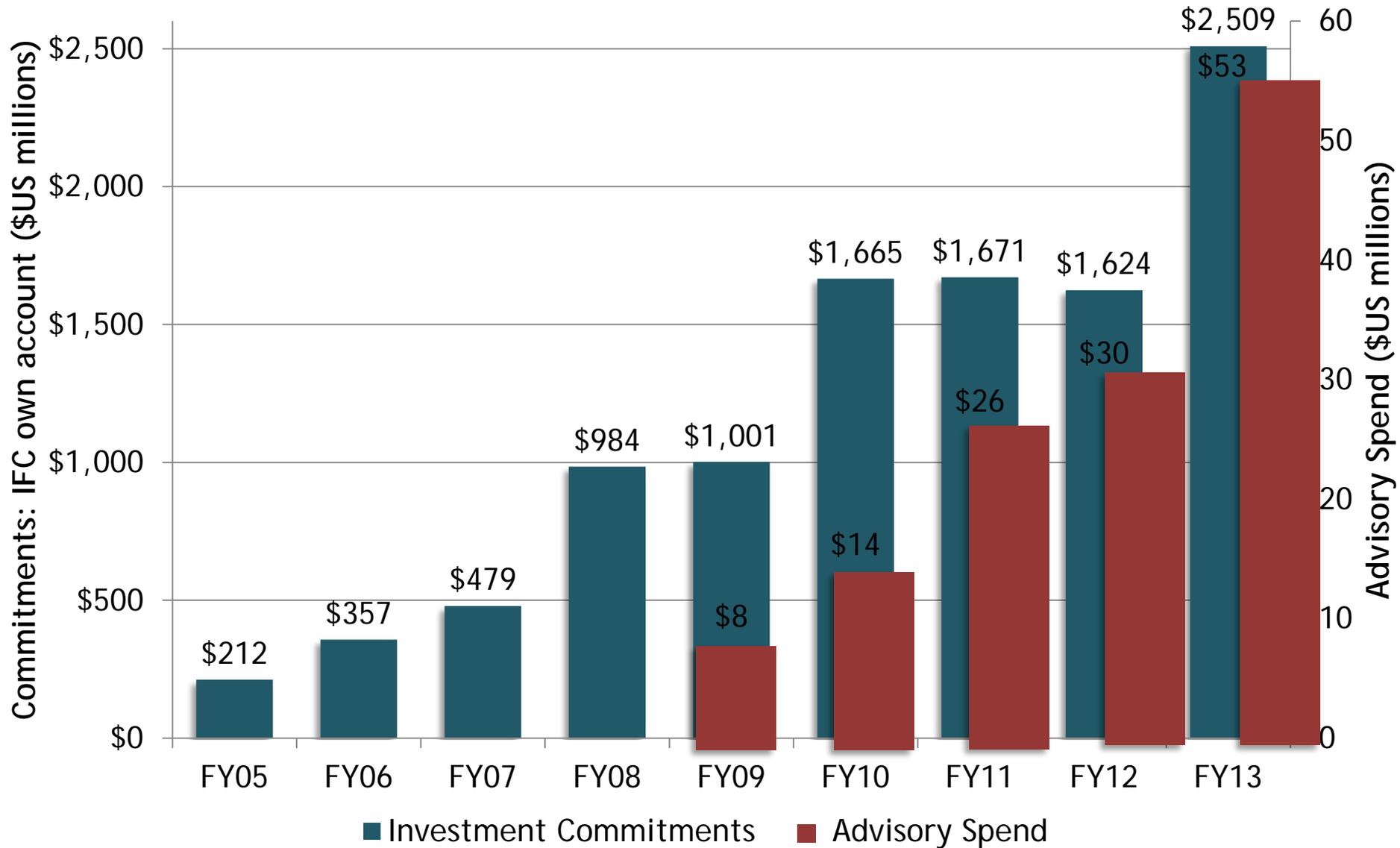
\$4.5 B under mgmt

14% in climate in FY13

23% in climate in FY12

Catalyst Fund

IFC Climate Business - Historic Volumes



IFC has committed to three bold targets by FY15

Investment

20% of LTF and
10% of STF

Advisory

23% of advisory
spend

Impact

GHG reductions

~\$3 billion

Climate commitments in FY15



IFC is engaged in 3 key areas of climate business

Clean Energy & Energy Access



- Enabling environment
- PPP advice
- RE through FIs
- RE Component Manufacturing
- On-grid and off-grid generation
- Clean energy access

Resource Efficiency



- Macro environment and sector studies
- Utilities & demand-side management
- EE equipment
- Industrial processes
- Green Buildings
- EE through FIs and new business models

Climate Adaptation

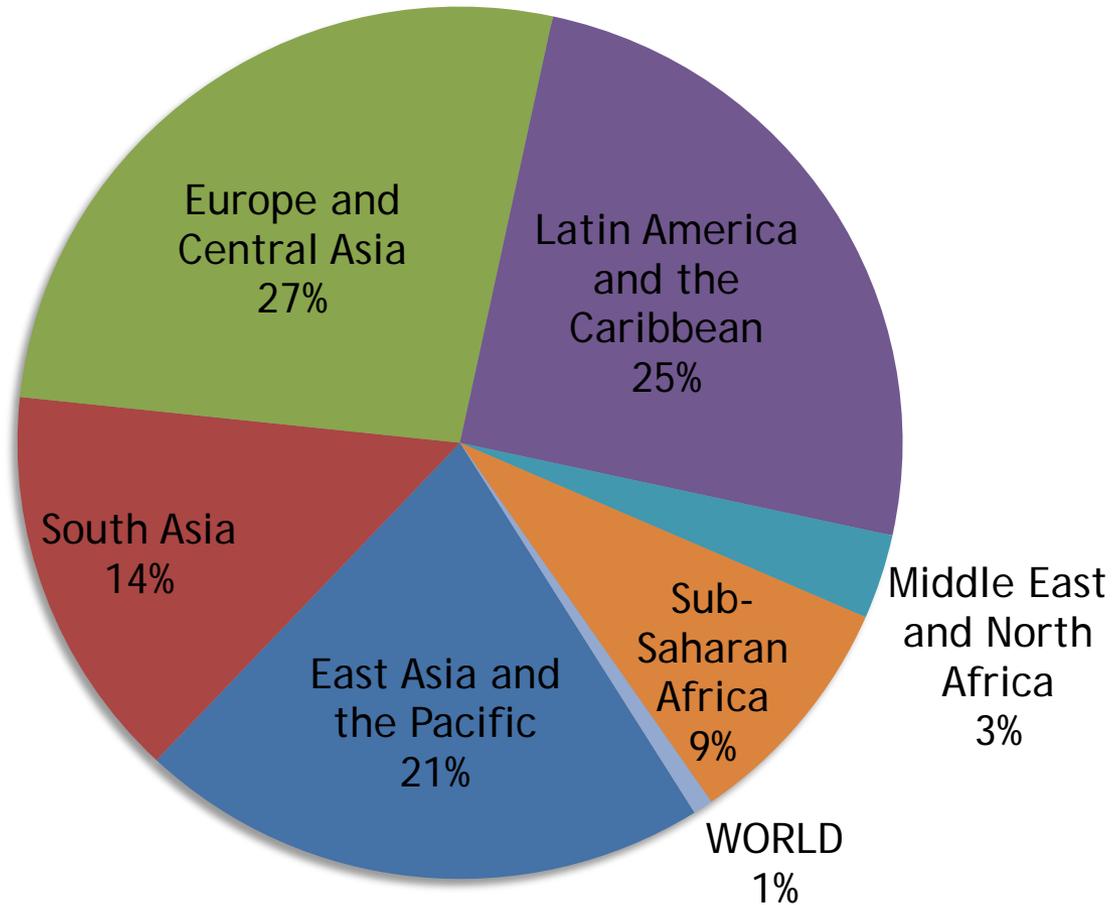


- Risk assessment practices and sector studies
- Operationalizing risk assessment
- Pilot Program for Climate Resilience
- Adaptation investments

Innovation & Mobilizing Climate Finance

Climate business spans all 6 IFC regions

IFC Climate Business Commitments FY05-13: \$10.5 B



IFC's approach to moving climate markets

Improving the Enabling Environment

Demo Investments

Setting New Standards

Charting New Territory

Deploying Blended Finance

Helping Innovators as They Grow

Financial Innovation

Channeling New Sources of Capital



Case Study



Case Study



Case Study:



Case Study



Case Study



Case Study



Case Study: G



Case Study: Green Bonds

IFC utilizes blended finance to catalyze investments

Blended Finance = Concessional Finance + IFC Investment

Objectives

Catalyze investments

Address market barriers

Demonstration effect

Process

Blend donor funds with IFC investments

Disciplined, targeted, & strategic

Examples:

- Lower interest / longer tenor debt
- First loss guarantees

Results

Total project size of \$3.7 B

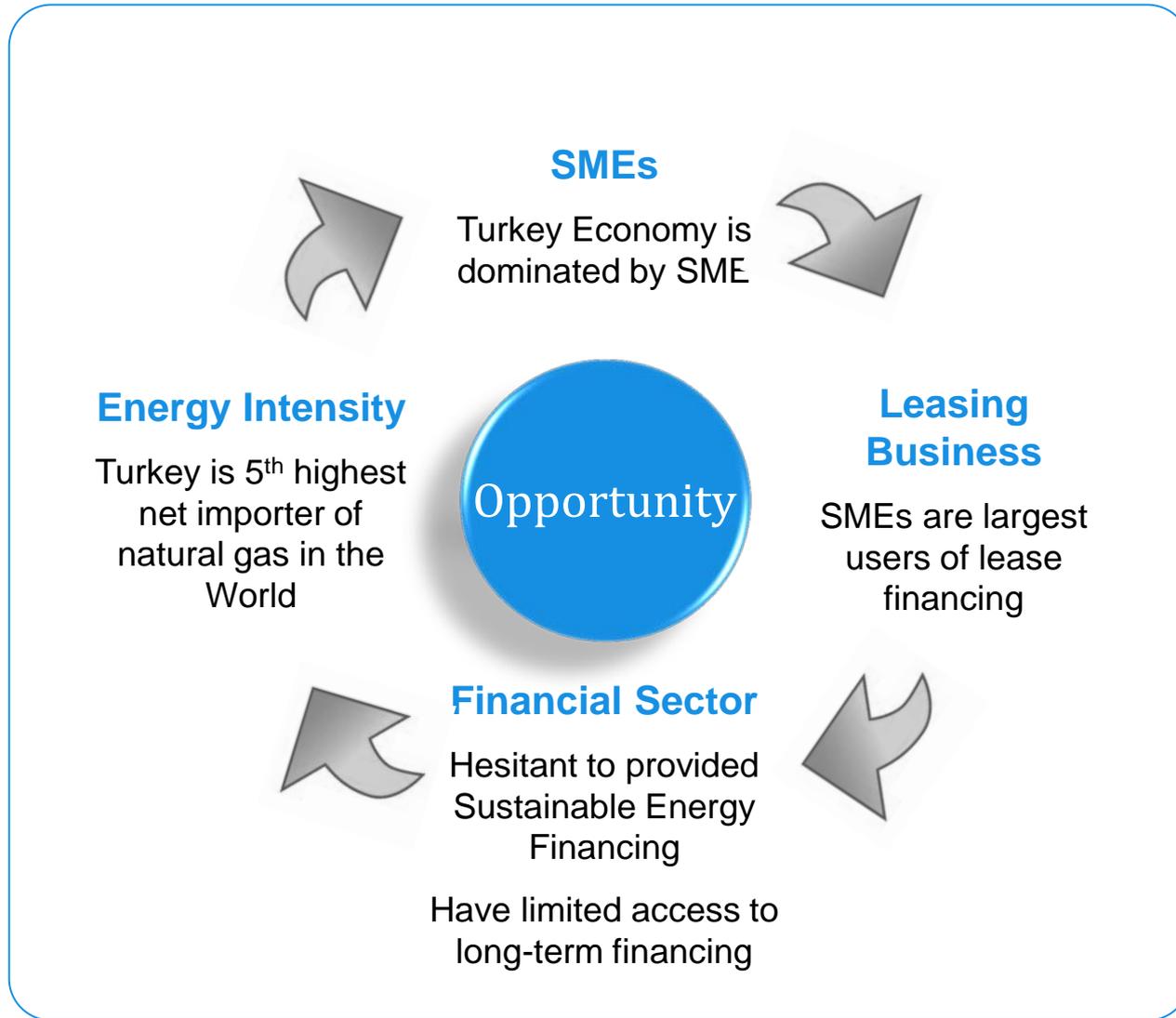
Blended with \$1,040 M in IFC financing

\$240 M in concessional funds

Notable Resource Efficiency Projects



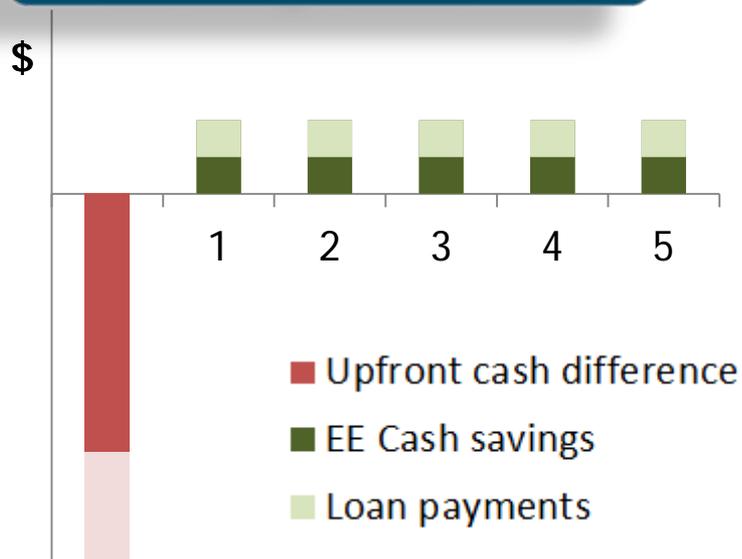
Turkey Energy Efficiency Landscape



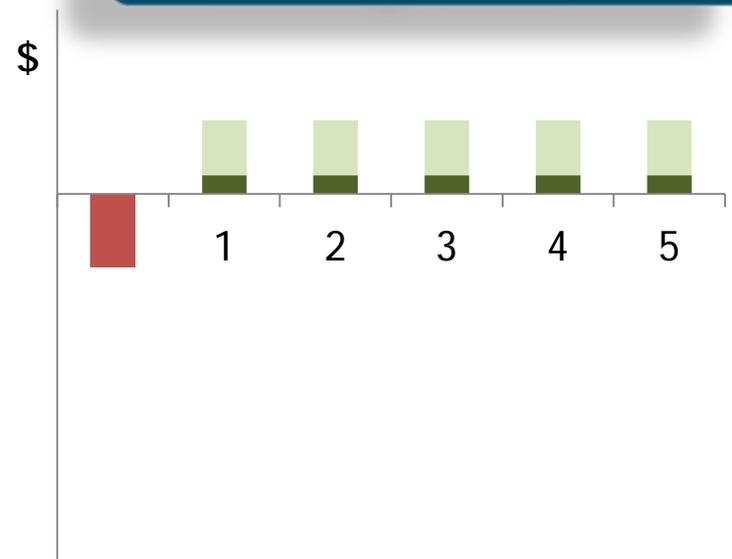
How does the leasing model work?

Leasing model may reduce the upfront cash burden

Lending Model



Leasing Model



Leasing model may simplify decision making process

IFC and the CTF Energy Efficiency Program in Turkey

Commercializing Sustainable Energy Finance CSEF

Investments



\$40 M IFC Funds
\$10 M CTF Funds



\$20 M IFC Funds
\$5 M CTF Funds



\$35 M IFC Funds
\$5 M CTF Funds

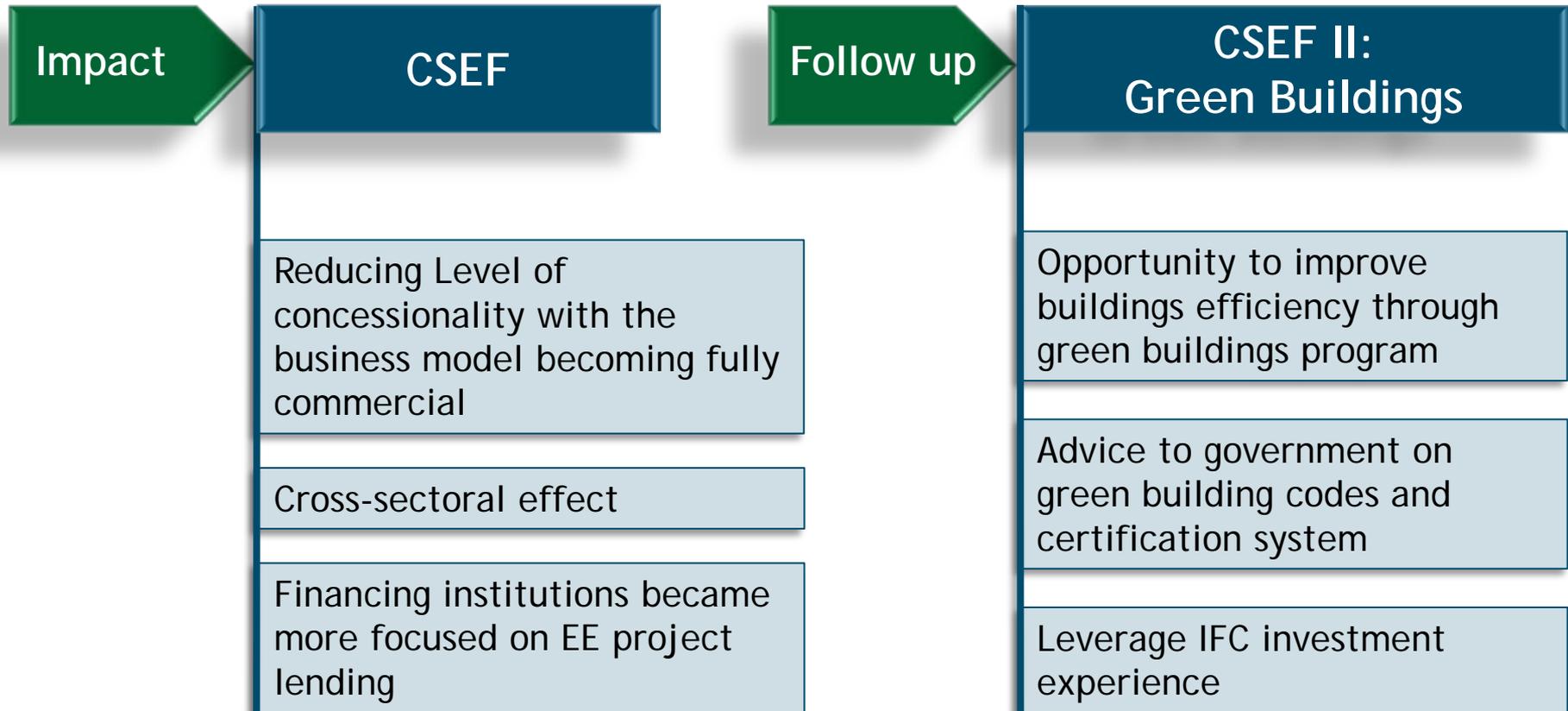
Outcomes

Over \$100 M
In loans for Sustainable
Energy Projects

56
Sustainable Energy
Loans distributed

203,000
MtCO2e mitigated

Outcomes





Thank You!

Web: www.ifc.org/climatebusiness

Twitter: @IFCClimate