

IFC and Korea

Partners in Private Sector Development

OVERVIEW

IFC, a member of the World Bank, 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 cumulative committed investments of US\$7.3 billion with Korean sponsors spread across several sectors and regions.



IFC AND KOREA

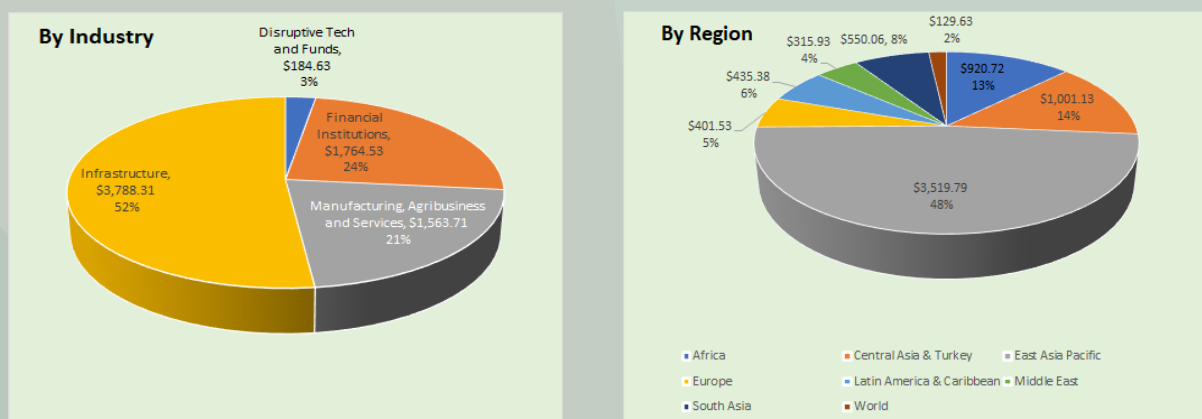
The Republic of Korea's relationship with IFC has grown over the last 50 years from a recipient country to a key partner in outbound transactions and a significant source of mobilization and grants.

Korea provides IFC with important donor funding through trust funds which enable IFC to provide technical assistance to clients in developing countries, especially in industries and regions that are aligned with Korea's international development priorities.

IFC and Korean private sector partners have also been working closely to develop projects and investment opportunities in emerging markets. These engagements cut across various sectors including renewable energy, manufacturing, and financial institutions.

IFC's Long-Term Investment Portfolio with Korean Sponsors

As of June 2023, IFC's long-term investment portfolio with Korean sponsors amounted to US\$7.3 billion (data over ten years). Korean private sector companies have benefited from co-investments with IFC, while making notable contributions to development.



IFC Committed Exposure by Sub-Sectors with Korean Sponsors

Electric Power	\$2,372
Finance & Insurance	\$1,939
Chemicals	\$538
Transportation & Warehousing	\$743
Others	\$1,682

Total in US\$ millions **\$7,274**

KOREA - IFC TRUST FUNDS

The Korea - IFC Partnership Program (KIPP) was established in 2018, representing the first dedicated Korea - IFC trust fund in support of IFC's Advisory and Upstream programs.

Contributions of US\$18 million from the Ministry of Economy and Finance supports 16 projects to date across a diverse range of IFC industry groups and regions with a thematic focus on Climate, Infrastructure, Public Private Partnerships, and Information Communication and Technology.

K-GRID Program: In April 2023, IFC and Korea signed two Agreements to support Green Resilient and Innovative Development. The program includes US\$20 million for Advisory /Upstream and US\$10 million for Blended Finance.



Examples of Successful Cooperation

Creating Jobs in Haiti's Apparel Sector



In 2015, IFC invested US\$4 million to help Willbes Haitian S.A., expand its apparel manufacturing capacity and create 1,000 new jobs in Port au Prince. In addition, IFC mobilized a US\$4 million parallel loan from the Inter-American Development Bank.

The financing supported the development of Haiti's apparel industry, a key component of the country's economy and an important source of foreign investment and jobs.

IFC also provided a US\$2 million loan to support Hansae Haiti S.A., a Korean garment manufacturer, in setting up its first manufacturing operation in Haiti in 2017. The project is expected to create up to 2,600 jobs, most of them for women.

Piloting Social Bonds in Indonesia



In 2022, IFC committed to invest in a US\$300 million Social Bond, out of which (i) US\$60 million will be issued by PT. Bank KB Bukopin Tbk (Bukopin), and (ii) US\$240 million issued by KB Kookmin Bank Co Ltd. (KBB), a parent bank of Bukopin for social loan growth.

The bond proceeds will be solely dedicated to financing social initiatives, focusing on addressing the socioeconomic consequences of COVID 19 and financing gaps in segments such as micro, small, and medium size enterprises, affordable housing, healthcare, education, and basic infrastructure.

This project is the first social bond instrument by a private bank in Indonesia and will help deepen capital markets in the country.

Investing in Wind Power in Jordan



In 2018, IFC partnered with Korea Southern Power Co., Ltd. (KOSPO) and DL Energy on a US\$103 million project to build and operate the new Daehan Wind Power Plant in Jordan. IFC provided a \$10 million loan from its own account and also acted as lead arranger, mobilizing parallel loans of \$26 million from IFC's Managed Co-Lending Portfolio Program (MCPP), \$27.7 million from the Standard Chartered Bank, and \$8 million from Korea's Shinhan Bank.

The plant is currently set up and generating clean energy to homes and businesses across Jordan, where IFC has facilitated the renewable energy program with financing and investment solutions.

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Creating Markets, Creating Opportunities