

# IFC and Japan

## 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 close to \$56 billion in own-account investments and mobilization from third parties to private companies and financial institutions in developing countries in FY24.



### IFC AND JAPAN

Japan is the second largest shareholder of IFC, the largest contributor to the most recent IFC Capital Increase in 2018, and a critical development partner for IFC Investment, Advisory, and Upstream projects. As of June 30, 2024, Japan's cumulative contribution to IFC's Advisory, Upstream, and Blended Finance initiatives globally amounts to \$332 million.

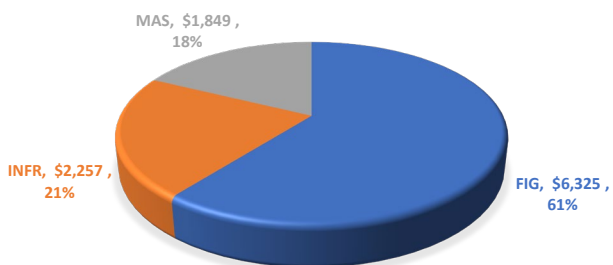
Comprehensive Japan Trust Fund (CJTF) is IFC's oldest trust fund. Through this trust fund, Japan has consistently provided critical support to IFC's private sector development activities across all regions and industries. CJTF has notably supported projects related to Quality Infrastructure Investment, Climate Risk, Global Health, Food Security, Water, and African development. In February 2024, Japan expanded its partnership with IFC to support the recovery

### IFC'S LONG-TERM INVESTMENT PORTFOLIO WITH JAPANESE SPONSORS

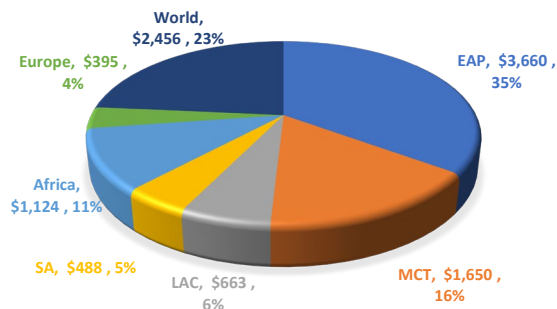
IFC's long-term investment portfolio with Japanese sponsors amounted to \$ 10.4 billion (FY97-FY24).

**IFC Own Account By Sector**

(USD in Million)



**IFC Own Account By Region**



**Sector:** A less even distribution for sectors, with FIG (Financial Institutions Group) and INFR (Infrastructure) prominent. With the recent introduction of GTLP/risk sharing facilities, FIG business has taken over INFR, the historically most important sector for Japanese investment, followed by MAS (Manufacturing, Agribusiness & Services).

**Region:** Relatively evenly-scattered across the globe, but with the lion's share taken by EAP (East Asia & Pacific). This reflects Japanese companies' business focus historically geared towards the East Asia, which exhibits a similar cultural and business background for Japanese.

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

## EXAMPLES OF SUCCESSFUL COOPERATION PROGRAMS

**ENERGUATE (GUATEMALA)** In June 2024, IFC and JICA co-financed Energuate, Guatemala's largest electricity distributor, to help the company expand investments within the country. The long-term financing package, consisting of \$100 million from IFC in the form of Guatemala's first Sustainability Linked Loan, and \$75 million in cofinancing from JICA, will be used to improve services in the low and medium-voltage electricity network, build new connections, reduce power losses, and support the electrification process.

**BAY GREEN & BLUE BOND (THAILAND)** In June 2023, to advance Thailand's blue economy and scale up financing for green projects, IFC subscribed to a \$400 million green and blue bond issued by Bank of Ayudhya Public Company Limited (known as Krungsri), which is a subsidiary of MUFG Bank. IFC's finance helps Krungsri to extend \$50 million loans for eligible blue assets, such as water supply, fisheries, aquaculture, and others, as well as to deploy the remaining amount toward financing eligible green assets, such as retail electric vehicles.

**SAFARICOM ETHIOPIA (ETHIOPIA)** In June 2023, IFC made \$157.4 million equity investment in Global Partnership for Ethiopia BV (GPE) and \$100 million A-loan to its wholly owned subsidiary, Safaricom Telecommunications Ethiopia Private Limited Company (Safaricom Ethiopia) to support the construction and operation of Safaricom Ethiopia's greenfield telecommunication network across Ethiopia. Sumitomo Corporation, Vodafone, Vodacom, Safaricom, and British International Investment participated in this project as sponsors.

**SYRDARYA CCGT PLANT (UZBEKISTAN)** In March 2023, IFC and JBIC/NEXI co-financed the Uzbekistan combined cycle gas turbine (CCGT) power project (1,600MW), a centerpiece of the first phase of Uzbekistan's energy transition – the first competitively-tendered thermal independent power producer (IPP) being developed with private sector participation in Uzbekistan.

**AMUNET WIND (EGYPT)** In November 2022, IFC and JBIC/NEXI co-financed the development and implementation of the Amunet wind power project (500MW), which is an Egypt's largest wind farm, located 9km northwest of Ras Ghareb in the wind-rich Gulf of Suez region.

For More Information, Contact:

### TOKYO

Tadashi Yokoyama

Director

[tyokoyama@ifc.org](mailto:tyokoyama@ifc.org)

### WASHINGTON DC

Sumeet Kaur

Relationship Lead

[skaur3@ifc.org](mailto:skaur3@ifc.org)

### SINGAPORE

Daniel James Crabtree

Partnerships Lead

[dcrabtree@ifc.org](mailto:dcrabtree@ifc.org)

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