



IFC'S EXPERIENCE:

# Financing Private Rail Businesses



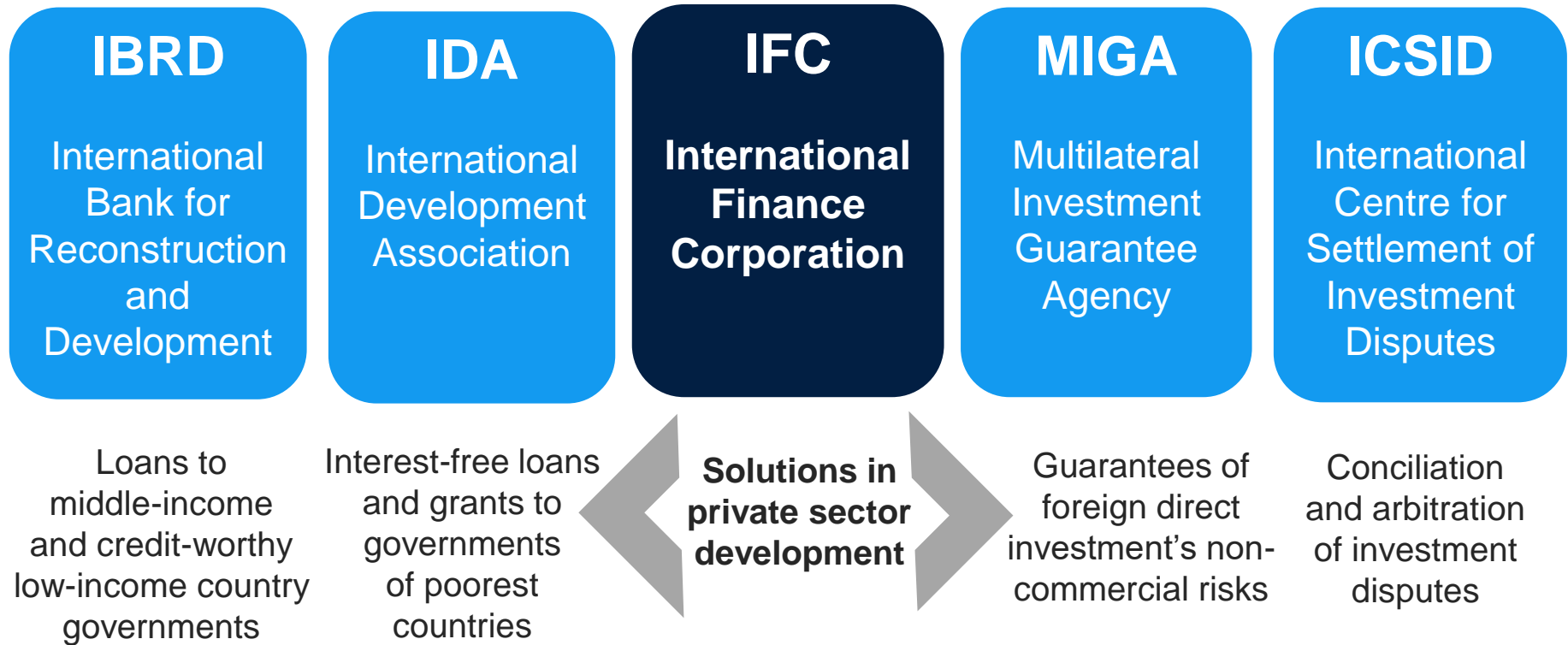
*Creating Markets, Creating Opportunities*

March 2022

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# IFC: A MEMBER OF THE WORLD BANK GROUP



# IFC: WHAT WE CAN DO AND OFFER

## INVESTMENT

*Financial products tailored to client needs*

- Loans
- Equity
- Trade and Commodity Finance
- Derivatives and Structured Finance
- Blended Finance

\$31.5 billion committed in FY21  
\$64.1 billion committed portfolio

## UPSTREAM

*Create proprietary projects and investment opportunities by developing a sustainable pipeline of bankable transactions*

- Early-stage, project level intervention in return for proprietary rights for equity and debt arranger role
- Promoting the design and implementation of platforms and programmatic approaches
- Working closely across the World Bank Group to help develop policies, regulations and frameworks for private sector investments

## ADVICE

*Innovative solutions combining IFC's expertise and tools*

- Help Create New Markets
- Unlock Investment Opportunities
- Strengthen Clients' Performance and Impact
- Improve ESG Standards

\$244 million program in FY21

## MOBILIZATION

*Mobilizing and managing capital for investment*

- Syndications
- IFC Asset Management Company

\$10.1 billion under AMC management  
(end FY21)

# IFC OFFERS A WIDE RANGE OF FINANCIAL PRODUCTS

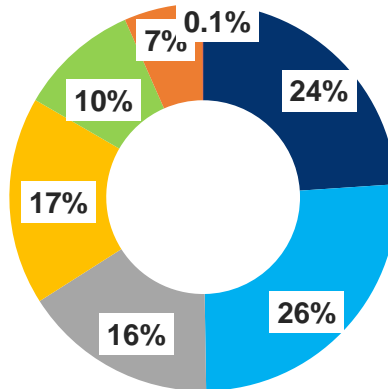
<b>EQUITY</b>	<ul style="list-style-type: none"><li>▪ Direct equity investments</li><li>▪ Private equity funds</li></ul>
<b>LOANS</b>	<ul style="list-style-type: none"><li>▪ Project and corporate financing</li><li>▪ On-lending through intermediary institutions</li></ul>
<b>DERIVATIVES AND STRUCTURED FINANCE</b>	<ul style="list-style-type: none"><li>▪ Derivative products to hedge interest rate, currency, or commodity-price exposures of IFC clients</li></ul>
<b>TRADE AND COMMODITY FINANCE</b>	<ul style="list-style-type: none"><li>▪ Guarantee of trade-related payment obligations of approved financial institutions</li></ul>
<b>SYNDICATIONS</b>	<ul style="list-style-type: none"><li>▪ Capital mobilization to serve developmental needs</li><li>▪ Over 60 co-financiers: banks, funds, DFIs</li></ul>
<b>BLENDED FINANCE</b>	<ul style="list-style-type: none"><li>▪ Using donor funds to crowd in private financing</li></ul>

# IFC COMMITMENTS FY21

- Over **\$285 billion** invested since its establishment in 1956.
- **AAA**-rated by S&P and Moody's; owned by **184** member countries.
- Equity, quasi-equity, loans, risk management and local currency products.
- Takes market risk with no sovereign guarantees.
- Promoter of environmental, social, and corporate governance standards.
- Resources and know-how of a global development bank with the flexibility of a merchant bank.
- Infrastructure and Natural Resources accounted for **19%** of FY21's commitments.

## IFC FY21 Commitments by Region

- Latin America and the Caribbean
- Sub-Saharan Africa
- East Asia and the Pacific
- Europe and Central Asia
- South Asia
- Middle East and North Africa
- World



## IFC FY21 Highlights

Portfolio (own account)	<b>US\$64.1 billion</b>
New Commitments (own account)	<b>US\$12.5 billion</b>
New Core Mobilization	<b>US\$10.9 billion</b>
Number of Countries	<b>125</b>
Number of Clients	<b>1,800</b>

**IFC is the largest global development institution focused on the private sector in emerging markets.**





## **IFC'S GLOBAL REACH**

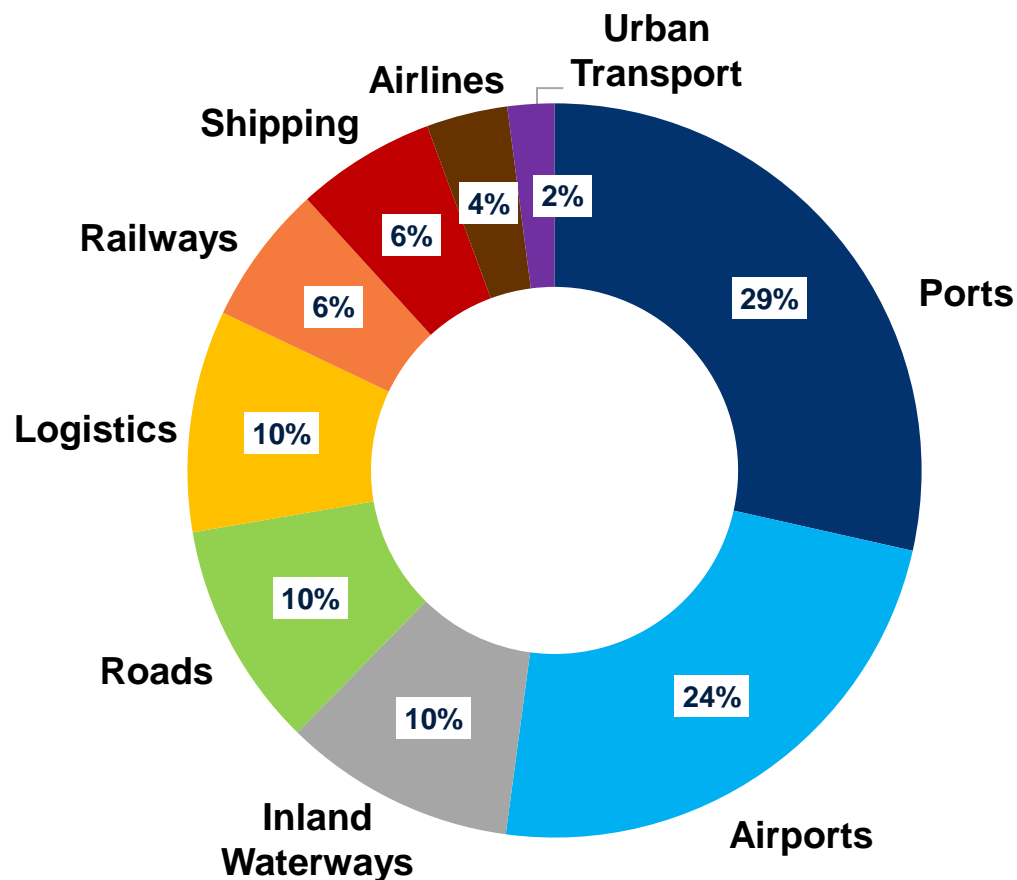
**102** offices in **95 countries** worldwide

**3,940** staff (55% based outside  
Washington, D.C.)

# IFC – GLOBAL TRANSPORT PRACTICE

## OVERVIEW

- IFC's transport practice commitment volumes average around **US\$800 million-1.0 billion** per year.
- IFC transport's committed portfolio is approximately **US\$2.3 billion** at the end of FY21.
- We are active in all transport subsectors. Ports and airports account for **29%** and **24%**, respectively, of the committed portfolio.



**US\$15.1 billion for IFC's own account and mobilized since 2005.**





# RAILWAYS

# IFC RAILWAY\* FINANCING WITH PRIVATE SECTOR

IFC's experience in railway financing: US\$4 bn in investment since 1993

## Rail Lines and Networks

- IFC has financed the rehabilitation and development of rail networks (track, signaling, locos, rolling stock, freight terminals, warehouses, etc.). These have included both general freight/passenger systems and lines dedicated/focused on particular commodities (iron ore, grains, etc.).
- 21 such investments totaling US\$3,145m, mostly long-term debt.

## Rolling Stock

- Primarily general purpose freight rolling stock, e.g., gondolas, flat and tank cars.
- Financing for both railcar leasing companies and rolling stock operators/logistics services providers.
- 14 investments totaling US\$840m, again mostly long-term debt.

## Cargo Handling Facilities

- IFC has also financed rail-based cargo handling facilities (e.g., freight terminals, inland container depots, warehouses).
- Two investments totaling \$179m.

9 \* IFC has also financed subways and tramways for some municipalities (e.g. Istanbul metro, Izmir Tramway) including track, signaling and carriages. Municipal transport, however, is outside of the scope of this presentation.

# IFC RAILWAY INVESTMENTS WORLDWIDE



**Railways: US\$4 billion for IFC's own account and mobilized since 1993**

# WHAT WORKED WELL



## Financing Strong Private Network Operators / Concessions

IFC supported the expansion of **strong international and local private network and dedicated line operators** in the new markets with **solid track record of operations** based on **strong contractual framework** and **reliable cargo flows**.



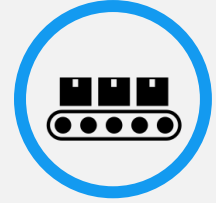
## Providing Alternative Ways of Rolling Stock Availability

IFC supports **leasing** (long-term and spot; operating and financial) as an **alternative method** of making rolling stock available to the rail market in addition to outright purchase. This provides **flexibility** for local operators in terms of **managing market risks and growth**.



## IFC Value Add

IFC provided **added value through guidance** on improvements in concessions, contractual framework, risk management systems, E&S, corporate governance.



## Programmatic and Scalable Approach

IFC has successfully **teamed up with several leading local rolling stock operators** in order to contribute to the development of a large and growing market (Russia and CIS). **Repeat transactions** helped them achieve a critical mass and maintain market position.



# SUCCESS FACTORS: NETWORK OPERATORS

## Legal / Regulatory

Favorable regulatory and contractual framework

- Favorable regulatory and tariff regime allowing access to infrastructure and adequate ROI;
- Balanced PPP laws protecting the rights of private operators and their lenders;
- Politically motivated regulatory actions (incl. those of neighbor states) can influence economics.

## Quality on Entry

Quality of the existing assets that have been awarded in a concession

- In the case of PPPs, adequate assessment and good quality of the state's assets (rolling stock, tracks and other infrastructure) to be transferred to the private operator.

## Operator Quality

Operational and commercial quality of the operator

- Ability of the private operator / SOE to ensure operational (e.g., cycle times) and commercial (e.g., access to cargo, client service) performance.

## Project Management

Experience with large capex management

- Ability of the operator / SOE to implement and properly manage large and complex construction and maintenance programs.

# MRS LOGISTICA

- MRS Logística operates and maintains Brazil's southeastern federal rail network under a 30-year concession awarded in 1996
- The 1,643-kilometer railway connects the states of Minas Gerais, Rio de Janeiro and São Paulo
- In **FY06**, IFC provided a **US\$50 million** loan and mobilized **US\$50 million** to support MRS Logística's US\$905 million investment plan, which aimed to increase its freight handling capacity by 50-70 million tons to 180 million tons/year by 2009



## PROJECT OVERVIEW



## PROJECT HIGHLIGHTS

- IFC facilitated the **long-term financing** for Brazil's infrastructure sector at a time when the industry was experiencing a shortage of such funding
- IFC supported the railway, which links Brazil's principal iron ore mines and steel mills, its largest consumer markets and key sea ports, during a period of high demand for Brazilian iron ore
- MRS Logística's expansion program included the acquisition of new locomotives, which were 10% more fuel efficient than the locomotives it was using at the time, resulting in **environmental benefits**



# SUCCESS FACTORS: SINGLE USER LINE OPERATORS

## COI

Alignment of interests among stakeholders and COI management

- Strong alignment of diverging interests (e.g., mining co. vs. rail operator vs. grantor(s)) is needed to ensure long term sustainability of the project;
- Common ownership of the line and the main offtaker is a source of COI. This can be mitigated with an adequate tariff setting mechanism and strong lenders' rights, incl. on review of budgets, tariff setting, operational KPI reporting, replacement of access coordinator, maintenance manager and contractor;
- Multinational, multiple concessions and concessionaires require careful integration of corridor operations as cash flows depend on the single cargo to be transported.

## Revenue and Operational Risks

Reliance on single line, commodity and source of revenue

- A minimum level of revenue (e.g., covering opex and debt service) may need to be guaranteed by the main offtaker of the line's services;
- The operational risk of the rail line and rolling stock to be taken by the main offtaker.

# GAC

- The Guinea Aluminum Corporation (GAC), is wholly owned by Emirates Global Aluminum.
- In **FY19**, IFC committed a debt package of **US\$761 million**, including **US\$150 million** from IFC's own account to support GAC's bauxite project and associated rail and port infrastructure. The **\$1.4 billion** project entails the development of a 12-million-ton-per-annum bauxite mine, the expansion of multi-user rail infrastructure along the Sangarédi-Kamsar corridor and a new export port terminal.



## PROJECT OVERVIEW



## IFC ROLE AND PROJECT IMPACT

- IFC used a blend of IFC B-Loans and MIGA-covered parallel loans to maximize mobilization from commercial banks to crowd in Guinea's largest foreign direct investment to date.
- The project incorporated an **innovative shared-use rail infrastructure agreement** between the governments and private sector to unlock other projects constrained by the lack of transport.
- IFC's leadership around sustainability led to collaboration on a **joint "aggregate offset" to protect endangered chimpanzees** in West Africa.

# SUCCESS FACTORS: ROLLING STOCK FINANCING

## Legal and Regulatory

### Favorable regulatory and legal framework

- Access to infrastructure / tariffs should be balanced, neutral and economic;
- Administrative actions may affect the supply and price of rolling stock (e.g., through age restriction or life extension of old fleet, bans on imported rail cars, asset certification etc.).

## Assets

### Type and quality of rolling stock

- Specialized (vs. general purpose) rolling stock generally presents higher market risk;
- Age and remaining life of the fleet are key to competitiveness; available and affordable repair;
- Technical obsolescence risk: modern designs outcompete older types of rolling stock.

## Market and Operations

### Market and operational implications

- Underlying markets for the client and the cargo transported are key;
- FX risk: natural hedges collapse after dramatic devaluation of the local currency;
- Client contract duration (long-term vs. short-term vs. spot) is very important;
- Empty run minimization is key to the success of the logistics services provider.

## Structuring

### Structure, terms and conditions of financing

- Asset-based vs. contract-based structures as determined by the local asset market;
- Duration and renewal of client contracts to be covenanted and monitored (leasing);
- Repair and maintenance reserve may be covenanted and used as security;
- Client credit checks and rating procedures to be prescribed (leasing).

# EASTCOMTRANS

- Eastcomtrans is the largest private railcar leasing and operating company in Kazakhstan, with a fleet of more than 12,000 wagons.
- Caters to oil & gas, mining, construction, chemical and other industrial sectors.
- In **FY13**, IFC committed a **US\$30 million** convertible loan for its own account, and **US\$20 million** of equity to support an expansion project of US\$164.9 million.



## PROJECT OVERVIEW



## IFC ROLE AND PROJECT IMPACT

- Increased competitiveness through the fleet expansion from 8,800 to more than 12,000 wagons.
- In a sparsely-populated and resource-rich country like Kazakhstan, the rail sector is crucial to allow for cost efficient movement of industrial commodities.
- IFC provided **long-term financing** and **corporate governance advice**.

# SUCCESS FACTORS: CARGO HANDLING FACILITIES

## Network Access

Good access of the facility to rail network

- Unimpeded access of the cargo handling/storage facility (such as inland container depot, warehouse, cargo yard, etc.) to the relevant rail line needs to be ensured.

## Location on Network

Optimal location vis-à-vis cargo origin and destination

- The location of the facility has to be optimal with respect to the clients as well as the rail network;
- Network synergies: multiple locations on critical nodes of the rail network can provide synergies of cargo flows.

## Logistics

Lessons learned from logistics investments apply

- All the factors specific to logistics facilities and logistics service providers.



- The Continental Warehousing Corporation (CWC) is an integrated logistics player with multi-modal terminal facilities and an express logistics business.
- It also has 4 Container Freight Stations around major ports in India and 3 rail-linked inland terminals for bulk and container traffic.
- In **FY16**, IFC invested **US\$25 million** in equity and provided a **US\$35 million** loan to finance the expansion of 2 new inland terminals and refinance existing debt.



## PROJECT OVERVIEW



## IFC ROLE AND PROJECT IMPACT

- IFC's investment has helped increase the availability of rail transportation in India, which is **cheaper, safer and more efficient** over long distances.
- This represents an alternative to existing dilapidated government-run freight terminals and complements public investment in new railway lines to encourage freight movement on the rail network.



# SAMPLE INVESTMENTS IN RAILWAYS

## Gabon



### SETRAG I & II

€69mn Senior Loan  
€43mn MCPP  
€77.2mn Syndication

Arranger and Lender  
FY 2021, 2016

## Guinea



### Sangarédi – GAC

US\$150mn Senior Loan  
US\$611mn Syndication

Arranger and Lender  
FY 2019

## Mozambique



### Nacala Corridor

US\$2.7bn Syndication

Arranger  
FY 2018

## India



### Continental Warehousing Corporation (CWC)

US\$35mn Senior Loan  
US\$25mn Equity

Lender and Investor  
FY 2016

## Russia



### Brunswick Rail

US\$167.5mn Senior Loan  
US\$120mn Subordin. Loan  
US\$260mn Syndication  
US\$52.5mn Equity

Arranger, Lender, Investor  
FY 2013, 2012, 2011, 2010, 2008, 2006

## Kenya



### Kenya Uganda Railway

US\$22mn Senior Loan  
US\$10mn Subordin. Loan  
US\$20mn Equity

Arranger, Lender, Investor  
FY 2014, 2013, 2012, 2007

## Kazakhstan



### Eastcomtrans

US\$30mn Senior Loan  
US\$20mn Equity

Lender and Investor  
FY 2013

## Russia



### Globaltrans

US\$30mn Senior Loan

Lender  
FY 2011

## Russia



### Eurosib Terminal

€132.5mn Senior Loan  
€257.5mn Syndication

Arranger and Lender  
FY 2010

## Tanzania



### Tanzania Railways Limited (TRL)

US\$44mn Senior Loan

Lender  
FY 2008

## Peru



### Peru Rail II

US\$7.5mn Senior Loan  
US\$1.5mn Quasi-Equity

Lender and Investor  
FY 2007

## Brazil



### MRS Logistica

US\$50mn Senior Loan  
US\$50mn Syndication

Arranger and Lender  
FY 2006

# AWARD-WINNING RECOGNITION FROM THE MARKET



## Project Finance International

- **2020** Award: Multilateral Deal of the Year – GAC
- **2017** Award: Transport Deal of the Year – Middle East and Africa: Madagascar Airport and Logistics Deal of the Year – Middle East and Africa: Nacala Logistics Corridor



## Infrastructure Journal Global Awards

- **2018** DFI of the Year – MENA: IFC; Airport Deal of the Year – Europe: Belgrade Nikola Tesla Airport
- **2017** DFI of the Year – MENA: IFC; Transport Deal of the Year – Sub-Saharan Africa: Nacala Logistics Corridor; Airport Deal of the Year – Europe: 14 Greek Airports; Airport Deal of the Year – Africa: Madagascar Airport
- **2016** Award: African Ports – Tema Port New Container Terminal PPP



## Trade Finance

- **2016** Company Award: Best DFI Americas
- **2015** Deal of the Year – Americas: CMSA Container Terminal Manzanillo



## Latin Finance

- **2017** Best Development Bank: IFC
- **2016** Best Port Financing: CMSA Container Terminal Manzanillo



## EMEA Project Finance Magazine

- **2018** Best Transport Infrastructure Deal – VINCI Airport Serbia's Belgrade airport concession
- **2017** Best Transport Infrastructure Deal: Fraport Greece 40-year concession for 14 regional airports
- **2015** Best Transport Infrastructure Deal – Africa: Sonker Bunkering Bulk Liquid Terminal
- **2013** Best Project finance Deal in Central and Eastern Europe: Zagreb Airport; Best PPP deal in Central and Eastern Europe: Zagreb Airport



## Global Transport Finance

- **2014** Airport Finance Deal of the Year – Middle East: Queen Alia International Airport



## Project Finance Magazine

- **2013** European Airport Deal of the Year: Zagreb Airport



## Euromoney Project Finance

- **2013** Deal of the Year: Mersin Port
- **2012** Deal of the Year – Central and Eastern Europe: Brunswick Rail



# ANNEX

# **IFC: A VALUABLE PARTNER**

We help clients in good times and bad by offering:

**Strong capital base, commitment to sustainability**

**A long-term partnership perspective, providing clients important countercyclical financing when commercial banks cut back**

**Strategic and innovative advisory solutions that enable clients to strengthen their performance in a sustainable way, especially in fragile and conflict-affected areas**

# IFC'S VALUE ADD

## COMMERCIALY 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 AND 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, i.e. land acquisition, carbon footprint, community buy-in
- Facilitates debt raising (Equator Principles)

## CORPORATE GOVERNANCE

- Detailed corporate governance assessment carried out with 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

## PART OF THE WORLD BANK GROUP (WBG)

- Unlike other purely commercial institutions, IFC has the capacity to leverage the WBG's resources and networks to engage with governments to develop infrastructure solutions
- Participate in upstream discussions with governments and granting authorities to advance infrastructure projects

# IFC INVESTMENT GUIDELINES

## Project Finance

- **Greenfield, total cost less than U\$100 million:** 35%-40% of project cost for IFC's own account.
- **Greenfield, total cost more than U\$100 million:** 25-35% of project cost for IFC's own account.

## Corporate Finance

- **Corporate Finance:** IFC's total financing for its own account can be up to 35% of the client company's total capitalization.

## Mobilization

- **Mobilization:** IFC can mobilize additional financing through **B-loans** from international commercial banks; **parallel loans** from Development Finance Institutions (DFIs) and **portfolio co-lending**.



# IFC'S INVESTMENT CYCLE

Early Review	Due Diligence	Disclosure	Commitment and Disbursement	Monitoring
<ul style="list-style-type: none"> <li>▪ Client needs determined</li> <li>▪ Assessment of project's impacts and development contributions</li> <li>▪ Management committee approval</li> <li>▪ Mandate letter</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assessment of business opportunities and risks</li> <li>▪ Analysis of environmental and social opportunities and risks</li> <li>▪ Appraisal</li> <li>▪ Credit committee approval</li> </ul>	<ul style="list-style-type: none"> <li>▪ Disclosure of environmental and social information</li> <li>▪ Opportunity for public comment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Negotiation and agreement of principal terms</li> <li>▪ Board approval</li> <li>▪ Signing of legal documents</li> <li>▪ Disbursement</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annual review of project performance</li> </ul>

**We agree on a specific timeline to meet our clients' needs**

# WHAT CLIENTS VALUE ABOUT IFC

Results of IFC Client Survey

**Long-Term  
Partner Role**

**Worldwide  
Presence**

**Advice based on Global  
Expertise and Knowledge**

**Ability to Mobilize  
Additional Funds**

**Financing  
Not Readily Available  
Elsewhere**

**Affiliation with the  
World Bank Group**

**Stamp of  
Approval**

**Environmental,  
Social, and Corporate  
Governance Expertise**

# IFC STRATEGY: IFC 3.0

IFC's new strategy unlocks private investment in emerging markets through:

## CREATING MARKETS

- Systematically develop markets
- Work more effectively through Upstream engagement and deeper World Bank Group collaboration
- Focus on the poorest countries and fragile and conflict situations

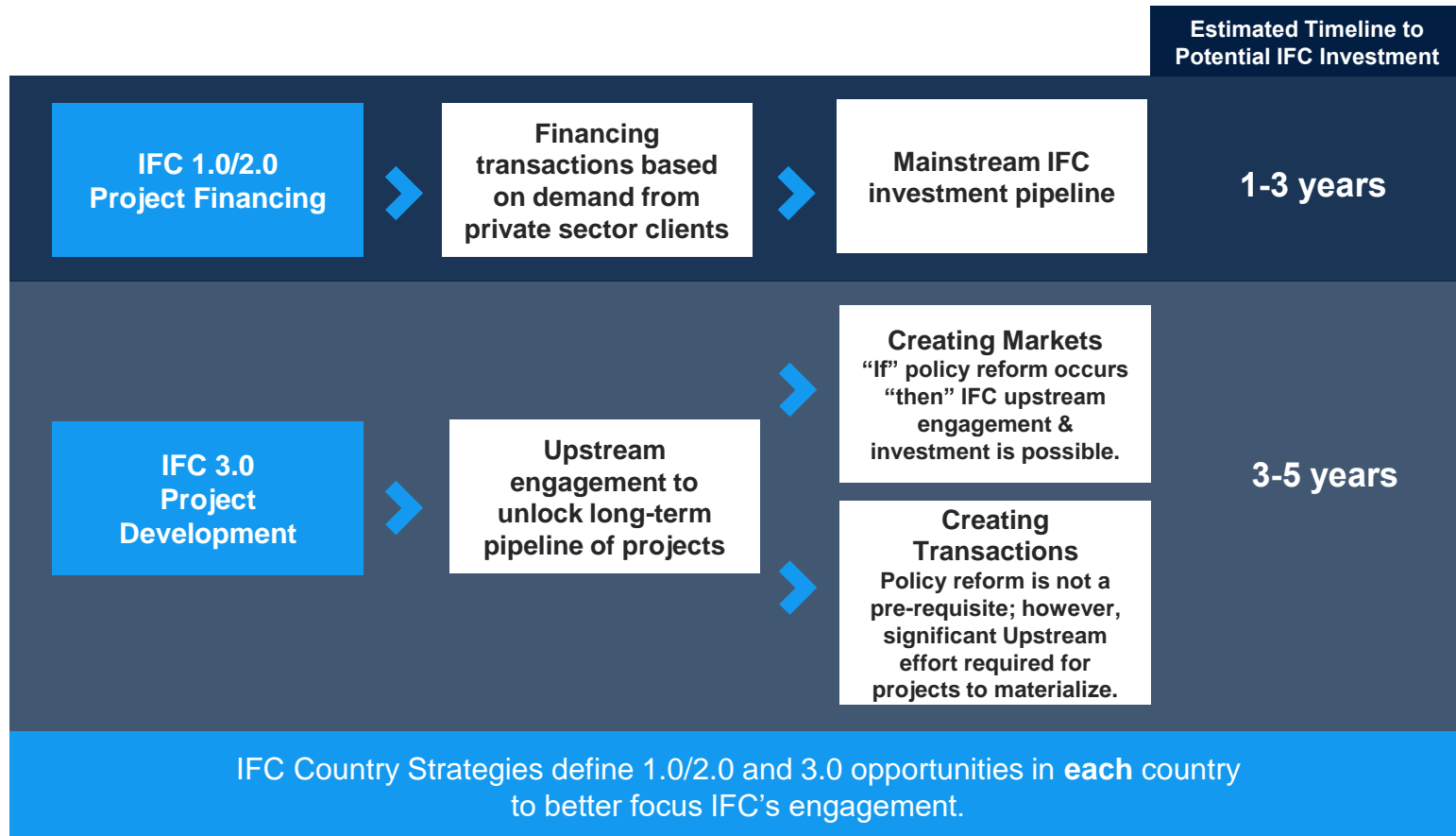
## MOBILIZING THE PRIVATE SECTOR

- Crowd in much more patient private capital than before
- Expand use of private sector solutions
- Leverage mobilization platforms

Combined with IFC's traditional approach to financing development projects through

- IFC 1.0: Attracting foreign private investments to developing countries
- IFC 2.0: Investing in local companies and banks with local private investors

# IFC 3.0: UPSTREAM APPROACH



# WHAT IS WORKING UPSTREAM?



**PROBLEM:** Not enough bankable projects addressing countries' development priorities.

**SOLUTION:** Working Upstream.

## Upstream Definition

Working Upstream means proactively helping to **stimulate and to create conditions** that result in the movement of capital — private, domestic, and foreign — into **productive investment** in member countries.

The work can be accomplished as quickly as in a few months or take several years.

## Upstream Activities Must

- Have a **clear line of sight to sized potential investment** (or series of investments) **within 5 years**
- **Identify relevant market/investment gaps** to be addressed by developing specific investment projects and/or conducting regulatory/sectoral reforms, including by working with the World Bank
- Be **consistent** with the priorities of relevant World Bank Group/IFC Country Strategies
- Have a defined measurable **development impact**

# IFC'S SYNDICATION PROGRAM

Established in 1957, IFC has the oldest and largest syndications program amongst MDBs

## Overview

- **US\$97 billion** mobilized from more than **500** financial institutions for over 1,600 projects in 115 countries
- Co-financiers from developed and emerging markets, include commercial banks, funds, insurance companies, development finance institutions (DFIs), and emerging market central banks
- As of June 30, 2021, IFC's syndicated loan portfolio under management totaled **US\$15.6 billion**

## Benefits to Borrower

- Enables loans with longer tenors
- No withholding tax
- Completes financial package
- Introduces new banking relationships
- IFC's "**stamp of approval**"
- IFC's environmental and social leadership
- IFC is the **Lender of Record**: may allow lenders to reduce their provisioning requirements

# SYNDICATION PRODUCTS

## Types of IFC Syndicated Lending Target Different Investors

	B Loans	Parallel Loans	Unfunded Risk Participation(s)	MCPP Loans
<b>Type of Investor</b>	Commercial Banks	Development Finance Institutions & Sovereign Entities	Insurance Companies	Institutional Investors (public and private)
<b>Investment Approach</b>	Active Deal-by-Deal Selection	Active Deal-by-Deal Selection	Active Deal-by-Deal Selection	Passive Portfolio Participation in Eligible Projects
<b>Investor's Strategy</b>	Follow their own client strategy	Developmental Mandate (DFIs)	Follow their own credit strategy	Follow IFC's Strategy
<b>Investment Process</b>	Investor makes credit approval	Investor makes credit approval	Investor makes credit approval	Full delegation to IFC-post mandate
<b>Tenor</b>	Generally shorter than A Loan	Generally matching A Loan	Matching IFC A Loan Tenors	Matching IFC's A Loan Tenors
<b>Portfolio Rights</b>	Voting	Voting	Limited voting and consultation	Follow IFC's Decisions
<b>Documentation</b>	B Loan Participation Agreement	Parallel Loan with a Common Terms Agreement	Unfunded Risk Participation Agreement or Credit Insurance Policy	Administration Agreement/Common Service Agreement

# IFC'S STRATEGY

Maximizing Development Impact, Maintaining Financial Sustainability





# THE POWER OF PARTNERSHIPS



# SUSTAINABILITY

Critical to Client Success and Development Impact

IFC's commitment to **environmental and social sustainability** and **good corporate governance** helps clients:

Improve business performance

Protect the environment

Engage with affected  
communities

Enhance transparency

Increase impact

# IFC PERFORMANCE STANDARDS

## A Global Benchmark

### 1 RISK MANAGEMENT

Anticipate risks, avoid, minimize and compensate for any impacts.



### 2 LABOR

Treat workers fairly and provide safe and healthy working conditions.



### 3 RESOURCE EFFICIENCY

Promote energy efficiency, use resources sustainably, and cut greenhouse emissions.



### 4 COMMUNITY

Protect local communities from worksite accidents and other project-related dangers.



### 5 LAND RESETTLEMENT

Avoid involuntary resettlement and minimize the impact on those displaced.



### 6 BIODIVERSITY

Protect biodiversity and ecosystems.



### 7 INDIGENOUS PEOPLES

Protect the rights, dignity, and culture of indigenous populations.



### 8 CULTURAL HERITAGE

Protect cultural heritage and promote equitable sharing of related benefits.



# IFC CORPORATE GOVERNANCE (CG) METHODOLOGY

## Sharing Best Practice

**35 development finance institutions** now follow IFC's approach, covering **five key areas of risk assessment**:

- 1** **Commitment to CG:** Awareness and formalization of sound practices
- 2** **Structure/Functioning of Boards of Directors:** Board roles, composition, committee structure, procedures, director duties, and overall functioning
- 3** **Control Environment and Processes:** Effectiveness of internal controls, risk management, internal/external audit, and compliance functions
- 4** **Transparency and Disclosure:** Information disclosure to shareholders and markets; transparency of information and financial standards used
- 5** **Rights of Minority Shareholders:** Treatment of investors, shareholders rights and protections, annual meeting procedures, conflict/related-party transaction policies

# IFC TRANSPORT CONTACTS

## GLOBAL TRANSPORT

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