

IFC Advisory Services in Environmental and Social Sustainability

Annual Report 2009

In partnership with the Global Environment Facility, Australia, Austria, Bavaria, Canada, Denmark, Finland, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Saxony, South Africa, Spain, Sweden, Switzerland, the Trust Fund for Environmentally and Socially Sustainable Development, the United Kingdom, and the United States

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Business Solutions that Address Global Challenges

Sustainability advisory services are a small but growing part of IFC's portfolio of advisory activities. Dedicated to engaging the private sector in addressing global challenges, our projects address climate change, seek to slow the loss of biodiversity, and leverage social capital in emerging markets. IFC raises funds for the Sustainability Business Innovator and a number of similar funds to enable us to work with our partners and client companies to find and deliver business-driven solutions to these challenges. This report provides an overview on scale and ambition of our projects while also sharing intermediate and final results.

The financial and economic crisis ravaged emerging markets over the past year, and it did not spare IFC clients or our own programs. Against the backdrop of this crisis, IFC is helping clients and partners address other critical issues – issues that perhaps even more profoundly motivate our strategy and work program. The food crisis that threw millions into despair in 2008 is anything but over. Despite signs of recovery, slowed agricultural productivity, historically low stock, and weather-induced shortages have created imbalances that will continue to cause price volatility. At the same time, water use in agriculture is at an all-time high globally and is projected to continue to threaten freshwater availability. Over 70% of the world's freshwater is used for agricultural irrigation, and the world's changing food consumption patterns are forecast to make our nutrition ever more water-intensive. Water is also needed for most forms of energy generation, which is at the heart of economic growth. The world's energy needs are expected to double in the next 20 years, while oil and gas are expected to reach availability limits; associated price hikes will threaten progress in poverty reduction and reinforce inequities.

Adding the impacts of climate change to these issues makes clear why our work on promoting business solutions is an imperative. Further climate-induced crises can only be limited with the massive introduction and promotion of efficiencies, new technologies and innovative market models at all levels of the water-energy-food triangle. High labor productivity and engaging women entrepreneurs will have to play an important role.

Bringing in the private sector with its investment appetite and ingenuity to take solutions to scale is critical to addressing the challenges at hand. Facilitating the emergence of market mechanisms that will allow for this to happen is what our teams have learned to do over the past years. Tools include introducing learning opportunities for industry, creating quality assurance mechanisms for new technologies, lowering the cost and risk for first-time movers, facilitating information flows, and creating opportunities for the pricing of environmentally or socially relevant services.

This report provides high-level summaries as well as project-by-project accounts of our efforts to identify and scale up such business solutions. Not all initiatives delivered the expected results – transforming markets by building new institutional frameworks, setting incentives for and supporting first-time movers is not an enterprise with a 100% success rate. We are proud to say that 67% of our projects are on or above their targets in delivering development results, with 26% only slightly below targets, and all of them are providing critical lessons for our steps ahead as well as for partners interested to join in.



Monika Weber-Fahr
Global Business Line Leader
IFC Advisory Services in Environmental and Social Sustainability

Executive Summary

The strategy of IFC advisory services in environmental and social sustainability during fiscal year 2009 centered on three areas.

- **Focus:** We chose three themes where the private sector holds the most potential for development impact and that make the most of IFC's strengths: addressing climate change, slowing biodiversity loss, and leveraging social capital.
- **Growth:** Regional teams manage projects while global teams focus on strategy, quality assurance and knowledge management.
- **Mobilizing finance:** IFC mobilizes and allocates concessional funds that reduce the costs and perceived risks of early adopters of sustainable business models.

The pressure to **address climate change** is growing every year; doing so will require massive interventions involving private sector resources. IFC is scaling up solutions for mitigation, such as reducing greenhouse gas emissions, and for adaptation, by helping the private sector adapt to the inescapable impacts of climate change, such as sustainable access to water.

- We promote the **development of markets for sustainable energy** by creating the conditions for businesses to improve their energy efficiency and use renewable energy. IFC catalyzed a pipeline of renewable energy projects in India, Mexico, and Turkey, and made significant progress in developing an insurance model to support geothermal exploration.
- Implementing recommendations from **cleaner production assessments** is a quick win for the environment and for businesses that seek to reduce costs, particularly in a time of economic and financial crisis. IFC's cleaner production lending pilot was successful by disbursing \$20 million in two years.
- Working with financial institutions to promote **sustainable energy finance** allows IFC to reach more clients and multiply our impact. Our portfolio concentrated in Europe and Central Asia, and East Asia and the Pacific. This type of intervention has reached a level of maturity sufficient for IFC staff promoting access to finance to take it up.
- **Investments in cleaner technologies** hold the promise of supporting companies at an early stage of development, where large environmental impacts are possible. IFC has integrated this sector as part of its mainstream investments, based on the success of the donor-funded portfolio.

As part of IFC's commitment to **reducing biodiversity loss**, we focus our efforts on agriculture where we can

have the largest impact across supply chains. The objective is to extend our approach to forestry.

- IFC supports the development of **eco-standards and sustainable supply chains** to reduce the impact of agricultural commodities and forestry on biodiversity. IFC's support of commodity roundtables reached a landmark when the first certified sustainable palm oil arrived on the market.

Our efforts to **leverage labor and social assets** are part of IFC's response to the crisis that affects the most vulnerable, making it more crucial than ever to integrate social concerns into our work.

- IFC promotes **competitiveness through labor standards** by developing tools for the private sector to seize opportunities accruing from progressive approaches to labor practices. We do this in partnership with the International Labour Organization through the Better Work Program, which is now operational in Jordan, Vietnam and Haiti.
- **Community investment** is about voluntary contributions companies make to help local communities take advantage of socioeconomic opportunities created by private investment in ways that are sustainable and support strategic business objectives. IFC has collected global good practice and restructured its advisory service offering to focus more at the strategic level.
- IFC supports the participation of men and **women in business**. Since 2004, IFC directly contributed over \$50 million through financial institutions in loans and advisory services to women entrepreneurs through women-targeted interventions. IFC also finished *Gender Dimensions of Investment Climate Reforms: A Guide for Policy makers and Practitioners*.

A series of **crosscutting initiatives** supports the three themes above.

- **Instruments for sustainable investing** help investors identify and invest in companies with environmentally and socially sustainable business models. IFC has published four reports providing in-depth research in this area.
- IFC supports companies developing a **sustainability strategy** that is relevant to their business. IFC and AccountAbility created a package of tools and methodologies to assist individual companies.

We also improved the **management of our performance and results measurement** by refining and introducing new standard indicators. The **portfolio** included 165 projects, and **donor partners** committed \$22.6 million to our activities.

Our Strategy: Focus, Growth, and Mobilizing Finance

Building on the Innovator's initial years of experience, and further mobilized by the urgencies from the economic and financial crisis, we revised our strategy for the delivery of sustainability advisory initiatives and the role of the Innovator in FY09.

- *Focus.* All sustainability-related programs are designed to achieve progress and scale in one or more of the following three areas: Addressing Climate Change, Slowing Biodiversity Loss, and Leveraging Social Capital; even within these thematic areas, we are focusing on initiatives with significant potential for scale and phasing out all others.
- *Growth.* To grow our programs' size and impact, we are moving to a regional delivery model: IFC country offices are taking on design, delivery and implementation while global teams focus on strategy development, quality assurance, and knowledge management as well as selected global initiatives. Innovator financing is available for both – but reserved for program elements that have global perspectives.
- *Mobilizing Finance:* Mechanisms for IFC to actively leverage the availability of concessional finance to reduce cost or perceived risks associated with first-time market movers are being set up. Such blended finance is emerging as a critical tool where investment projects address global public goods but require, for a limited time, that cost or risk premiums associated with early-mover situations can be lowered.

Ensuring high-quality implementation and continued learning from experience are critical for these initiatives to succeed. As a result, we directed our global teams to adjust their work programs to align with these important business needs.

FOCUS: CLIMATE CHANGE, BIODIVERSITY, SOCIAL CAPITAL

This year's strategic decision to focus on three thematic areas – and within these areas on initiatives that have potential for scale – has brought structure to our choices and helped align our efforts more tightly with IFC's corporate strategic goals.

In addressing climate change, we work in three areas: through our industry clients, encouraging *cleaner production* audits and involving IFC investment teams to offer related financial services; through our infrastructure and manufacturing clients, engaging them in initiatives that aim at *developing markets for sustainable energy*; and through our financial sector clients, promoting an expansion of their service offering to include loans to small and medium enterprises for *financing energy efficiency and renewable energy* improvements. While these efforts mainly aim at reducing greenhouse gas (GHG) emissions, we have also begun to explore possibilities for engaging the private sector in climate change adaptation, most notably with regard to *sustainable water* supply and water use efficiency. To grow our focus in these areas, we have also begun to phase out one-time engagements.

In working to slow down biodiversity loss, we work mainly in the area of *eco-standards and sustainable supply chains*. We engage with our agribusiness clients and their partners in government and civil society, encouraging the development and effective deployment of standards for sustainable management. At the same time, we have begun to pilot engagements that aim at establishing *sustainable forestry* as a broad and widely accepted business practice; here our clients are forestry sector firms as well as key government agencies. In the course of our new strategy, we have begun to phase out initiatives that do not carry the promise of immediate and significant scale, such as work to develop eco-lodges or nature-based services.

In leveraging social capital for development, the Innovator is funding and anchoring IFC's *Women in Business* program as well as strategic initiatives that promote the deployment of *labor standards*. In terms of strategic focus, we will concentrate our work on increasing access to finance for women entrepreneurs and on creating investment climates supportive of women's entrepreneurship. As we work to take these efforts to scale, the global team no longer originates other initiatives, in particular with regard to encouraging women entrepreneurship in value-chain projects.

Cross-thematic initiatives focus mainly on engaging investors in our three thematic focus areas. Our *sustainable investing* programs have ramped up their work with institutional investors as well as with listed and private equity markets to assist with decision-

making processes that would direct these investors' portfolios towards sustainably managed businesses. We have sharpened our strategy in this area by applying our thematic lens (climate change, biodiversity, social capital).

GROWTH: ENGAGING IFC IN THE SUSTAINABILITY AGENDA

Building on the Innovator experience, all of IFC's advisory services teams decided in FY09 to begin integrating the environmental and social business solutions agenda in their regular service offerings. *All regional teams* embarked on a set of sustainability initiatives, tailored to specific regional priorities; every region has deployed a regional sustainability business line leader to guide its strategy and work program; and a growing number of IFC clients is being introduced to the value of sustainability advisory services.

Beyond the sustainability advisory services teams in our regional offices, we also made progress in mainstreaming our work with other advisory business lines. In the *access to finance* area, advisory services focus on the financial sector and in particular on financial institutions that can infuse the local SME sector with investment and business support. Going forward, these teams have decided to fully take on two of our main products: *sustainable energy finance* (under the climate change agenda) and *women in business finance* (under the social capital agenda). In the *corporate advice* business line, IFC's services focus on the business performance of large corporate clients in emerging markets and on their value chains, aiming at enhancing viability and inclusiveness of supplier engagement. *Community investment* and *sustainability strategies*, two advisory initiatives that were developed and tested with Innovator funding, are now fully integrated in this business line's service offerings. The *investment climate* business line decided in FY09 to take our work on women entrepreneurship to scale. While the specialists working on quality assurance and knowledge management remain in the global Innovator team, investment climate staff across all IFC offices is now committed to implementation. All three business lines have large project portfolios as well as staff to deliver services to IFC clients. Mainstreaming our work into these areas will ensure further growth in delivery and impact, most likely at a faster pace and larger scale than the Innovator teams themselves would have been able to achieve.

Clean tech venture capital finance is the sixth and last area in which a mainstreaming decision taken in FY09 is likely to help achieve positive scale in delivery going forward. Originally relying on funding from Innovator resources, the venture capital work in clean tech has shown to be profitable on a portfolio basis.

Despite the financial crisis, and in light of the likely high financial and developmental impact of these projects, IFC has decided to take on the clean tech venture capital mandate and handle it through one of its mainstream investment services department, the Global Information and Communications Technologies department. Advisory teams are phasing out handling transactions in this area, with the exception of areas that are critical to ensure that the knowledge and contacts gained over the past years are actively leveraged for the work to go forward. For the supervision and engagement with donor-funded investments of the past years, arrangements have been put in place to ensure that investment departments can take on this task while managing potential or perceived conflict of interest.

MOBILIZING FINANCE: EXPLORING THE ROLE OF CONCESSIONAL FINANCE

Concessional finance – funds made available to private sector investors at less-than-commercial terms – are likely to play a more central role in the emerging international financial architecture for climate change. The Global Environment Facility has been a prominent promoter and vehicle of the deployment of such funds; in other areas, such as the Advanced Commitment for Vaccines, the use of concessional funds to stimulate private sector action in emerging markets has been successfully tested and tried.

IFC considers concessional finance key to unlocking many markets that are critical for addressing climate change, and sustainability advisory services has played a core role in negotiating appropriate terms with multilateral and bilateral agencies, while establishing internal mechanisms to allow smooth access and project processing. Built around the concept of lessening the cost and risk of first-time movers that deploy new technologies or practices in climate change relevant markets, our financial mechanisms team works with investment and advisory teams across IFC in structuring project funding packages.

As important as the concessional resources themselves is what we are beginning to learn about the use of particular financial instruments. Whether it includes risk-sharing, conditional or performance-based grants, equity, and/or loans with preferential or otherwise adjusted interest rates, packaging of project funding will depend on the specific issues faced by our clients as they move in markets that are so far new or underserved. The interest in learning about the best instruments is large and growing, and it will continue to shape our strategy going forward.

LOOKING AHEAD

The priority for the Sustainability Business Innovator and the activities it finances and inspires is delivering our growth agenda. Having spent time, energy and resources in FY09 to scope new opportunities, to separate what can be scaled up from what should be phased out, and to identify effective financial mechanisms, our teams will set their goals on delivering more and better projects that help our clients address sustainability challenges. Thematically, we will stay on course: climate change advisory will continue to play a major role, and we expect to deepen and broaden our engagement with our clients and target markets. Refining our advisory offering will be important, in particular as countries and companies gear up to

understand the emerging post-Copenhagen context. The biodiversity agenda will further evolve from protection to business opportunity as land management and biodiverse assets begin to play more important roles in the climate change context. Social capital will play an increasingly important role on the road to recovery from the financial and economic crisis, and we see major opportunities for our clients in this area.

We will set our eyes on assessing and refining the financial mechanisms that can take the sustainability agenda forward. This involves an active engagement with the Global Environment Facility and its private sector agenda, as well as with many of IFC's financial sector clients and partners to support their interest to direct private capital further into areas that they know and trust.

OUR TEAMS

To deliver sustainability advisory projects, we operate within a matrix of responsibilities, bringing together regional responsibilities with topic-related expertise. Our teams and their leadership are diverse, with a good balance of nationalities, professional background and gender.

Global Sustainability Business Line Leadership		Monika Weber-Fahr, Stephanie Miller	
Sustainability Business Innovator, General Manager		Monika Weber-Fahr	
By region		By global theme	
Sub-Saharan Africa	Khetsiwe Dlamini	Climate Change	Russell Sturm (energy and water)
East Asia and the Pacific	Matt Gamser		Jigar Shah (cleaner production)
Europe and Central Asia	Bryanne Tait	Biodiversity	Catherine Cassagne (eco-standards)
Latin America and the Caribbean	Juan Gonzalo Flores	Social Capital	Houria Sammari (labor)
Middle East and North Africa	Mary Porter Peschka		Zouera Youssoufou (women in business)
South Asia	Joyita Mukherjee	Sustainable Investing	Euan Marshall
Results Measurement	Baljit Wadhwa	Financial Mechanisms	Stacy Swann
Business Line Secretariat	Oleh Khalayim	Donor Coordination	Francis Gagnon

Performance and Results Measurement

What gets measured gets managed. This old management adage is especially accurate in supporting development. Measuring the results of our sustainability advisory services is critical to our understanding of how well our strategies are working to reach the clients, markets and people whose lives we want to improve.

In FY09, we further stepped up our efforts on results measurement and portfolio management. To deliver on the growing importance of the results agenda, we strengthened our team of specialists and ensured alignment with good practice across IFC.

We collect results and assess our work twice a year through supervision reports, which allows us to calibrate and adjust our activities to be more efficient and effective. Specifically in FY09, we refined definitions for the standard indicators introduced in FY08 and tested new indicators.

Careful attention to the reporting of our successes helps us ensure our projects advance development, promote learning about sustainability and improve transparency and accountability to our stakeholders. We engage in results measurement but also realize that these results are a joint achievement with our partners and clients.

PERFORMANCE RATING

Project supervision occurs every 6 months when IFC assigns performance ratings. The table below illustrates the ratings as of June 30, 2009. A large proportion of sustainability projects received top marks, while a small proportion fell under the lowest rating.

Table 1: Project Performance Ratings (%)

	A	B	C
Development Results	67	26	7
Overall Performance	49	45	6

Development Results are:

A: On or above current targets.

B: Slightly below current targets.

C: Significantly below current targets.

“Current Targets” refers to targets that should have been reached at that point in time.

Overall Performance Rating:

A: Project is on track with all performance categories.

B: Project has some areas of underperformance.

C: Project shows significant underperformance.

CLIENT SURVEY

IFC regularly commissions a survey of its advisory services clients as a way to assess our performance and results. In the most recent survey, conducted in FY09, 88% of those who received advice related to sustainability said they were “satisfied” or “very satisfied” with the work completed, on par with the average for all IFC advisory services. Clients also noted that sustainability projects met or exceeded their expectations in 72% of the cases.

A majority of our clients noted that the most important aspect of the sustainability advisory services is our ability to be flexible and adapt to an organization’s needs, as well as our ability to understand local conditions. This reinforces our commitment to business-driven solutions and constant adaptation to market needs. Our global knowledge and experience was not only the aspect that received the highest rating for performance, but also the second reason why clients chose to work with IFC, after our credibility and reputation.

Sustainability clients mentioned access to funding as our greatest strength, something that we owe to our strong partnership with donors and that reinforces the position of IFC as a focal point for sustainability advisory services in emerging markets.

MID-TERM REVIEW

Measuring performance, understanding results, and directing our activities based on what we learn is a way of working for IFC advisory teams. We are now taking this beyond the project level. The Innovator trust fund was set up in fiscal year 2007, for a five-year term, with the explicit objective to operate globally and to leverage IFC’s position in emerging markets while funding innovation and replication of market based mechanisms that would lead to environmental and social improvements. Now, with three years of experience we are beginning to look back as well as ahead: What have we achieved? Is our delivery model effective? Do we leverage IFC’s strategic context and capabilities? Should we do more or operate differently? What can we improve? And should we seek a second five-year term? Towards the end of this past year, we retained the services of an evaluator to review strategy and operations of our activities. The team will put together a mid-term review on which we will further shape our strategy and operations going forward.

IMPACT INDICATORS

Indicator and definition	FY09	Cumulative ¹
Number of jobs supported - number of individuals who earn a better livelihood as a direct result of the project, for instance through entry into the formal labor force, higher wages, access to new markets, as well as to new jobs (compatible with appropriate standards).	13,900	29,700
Number of jobs supported for women - sub-set of number of jobs. Currently, only 47% of the business line clients reported on gender-disaggregated employment figures, which does not include clients of our women-targeted activities.	1,800	2,000
Number of people receiving access to improved services (real/non-financial sectors) - number of individuals who received access to water, energy, health or education services as a direct result of the project.	2.2 million	2.3 million
Hectares of land sustainably managed - land used productively while maintaining or improving its environmental, social, and economic characteristics and qualities beyond IFC's performance standards.	173,000	5.7 million
Renewable energy produced (MWh) directly - renewable energy produced by IFC's clients and/or their sub-borrowers as a direct result of IFC's financial support or advisory services. Relevant technologies include: solar (PV and thermal), wind, geothermal, biomass, biogas, and hydro.	109,000	254,000
Energy use avoided directly (MWh) - annual energy savings that IFC's clients or their sub-borrowers expect to achieve due to IFC's intervention, as compared to the energy that they would have expected to consume under a business as usual scenario.	14.9 million	39 million
GHG emissions avoided (metric tons) - estimate of the annual emissions of greenhouse gases (or CO ₂ equivalents) that are expected to be avoided by IFC's clients or their sub-borrowers as a direct result of IFC's project.	17.9 million	29.9 million
Value of aggregate private sector savings from recommended changes (US\$) - estimated savings by IFC's clients or their sub-borrowers as a result of the project. For example, savings resulting from more efficient energy or water use as compared to a "business as usual" scenario.	9.2 million	9.2 million
Value of financing facilitated by advisory services (US\$) - amount of total funds from all sources (IFC and others) that the advisory services project catalyzed.	922 million	1.4 billion
Value of IFC financing facilitated by advisory services (US\$) - sub-set of the above and measures specifically the amount of funds (loan or equity) from IFC's investment side (i.e. non-donor funds) that the advisory services project catalyzed.	62 million	62 million
Sales revenue (US\$) achieved - increase in sales of sustainably-produced or sustainability-promoting goods and services that resulted from the project as compared to pre-project revenues. For example, revenues from biodiversity conserving agricultural products or the sale of clean energy.	282 million	291 million

Methodology and data quality

IFC arrives at its results for the year through a process of aggregating indicator information reported by project managers in semi-annual supervision reports. The results are then rolled up across projects to arrive at the total figures. This process is not without some difficulty. To eliminate the errors, the results measurement team undertakes a rigorous process of cleaning the data, conferring with project managers and comparing across years and projects to arrive at the most accurate numbers possible. In 2009, we introduced results frameworks that include the objectives, activities, and the standard indicators for each type of project. These standardized guidelines, and their refinement in the coming year, will continue to help improve data quality.

¹ Cumulative results are the aggregate results since project inception for IFC's active projects and projects that closed during FY09. Often, projects have results to report only when nearing closure, so the figures can be similar.

REPLICATION EXAMPLES

A main purpose of the sustainability business line is to replicate and scale-up successful models of environmental and social sustainability through our clients and partners. While it is sometimes difficult to track and attribute the actions of third parties or different parts of IFC to the influence of the sustainability business line, there is evidence that others are taking note and following suit.

As part of its Lighting Africa program, IFC develops and pilots tools to encourage off-grid lighting solutions, with the objective that other institutions will use them to implement across other regions. One such tool is a market research methodology that serves to quantify market potential and define characteristics of the off-grid lighting consumer. The methodology has gained traction in external institutions. For instance, GTZ, a German government-owned consulting company for international cooperation, used the market research tools to undertake related off-grid lighting work in Bolivia, Mozambique, and Nicaragua.

In partnership with the Global Environment Facility, IFC has launched the Sustainable Energy Facility, with the objective of helping small and medium sustainable energy enterprises improve their capacity and financial viability. The program facilitates market change by supporting the 5-year, \$84 million capital plan of E+Co, an investor in local energy businesses. Through this program, several instances of replication have occurred. For example, in Cambodia, the enterprise that E+Co helped to establish and whose first three projects were funded by the Facility has now replicated the experience to another 27 clean energy projects. Now, the SME has a total of 30 clients with biogasifiers, responsible for an annual saving of 3

million liters of diesel and generates 8 tons of carbon offsets annually.

IFC's Sustainable Investment Outreach project, working with the UN Global Compact, initiated a series of research and awareness-raising activities to increase the financial sector's understanding and ability to integrate environmental, social and governance factors into investment decisions. The World Federation of Exchanges (the association of 51 regulated exchanges globally) and several individual stock exchanges participated in these events. WFE subsequently took initiative to develop their capacity to be able to advise their members on environmental, social and governance factors. WFE has also conducted a review of all their members policies and initiatives in this field. The stock exchange of Malaysia introduced voluntary disclosure guidelines for these factors in 2007, and National Stock Exchange of India is hosting an event in September 2009.

IFC works with financial intermediaries to increase their extension of credit to women entrepreneurs. Our work includes training bank staff on providing services to women, developing specialized lending products, and addressing regulatory barriers for women's access to finance. Since 2004, IFC directly contributed over \$50 million through financial institutions in loans and advisory services to women entrepreneurs through women-targeted interventions. Further to these efforts, IFC is aware that Blue Financial Services in South Africa, Bank PHB, the Women's Investment Fund and Diamond Bank in Nigeria as well as Standard Chartered Bank in Uganda and the Women's Bank in Tanzania have replicated gender programs without IFC investment or advisory inputs.

MILLENNIUM DEVELOPMENT GOALS

Environmental and social interventions, provided through sustainability advisory services, have far-reaching effects. The project examples below are a few examples of the relationship between the range of our activities and the Millennium Development Goals, and how partnerships can contribute.

Goal 1: Eradicate extreme poverty and hunger

Terra Nova is a unique company in Brazil that specializes in land regularization and upgrade of informal settlements. Their activities generate significant social value for Brazil's low-income families: in 2007, **2,700 informal-settlers had agreed to have their land regularized. Property rights are elemental in escaping poverty.** In providing informal-settlers with financing schemes and mediation with the original landowners, Terra Nova facilitates regularization, which affords the settlers new opportunities. IFC's objective was to ensure the commercial viability of Terra Nova's operating model and provide it with a business plan. In FY09, we worked with the company to develop a growth strategy to reduce losses and ensure sustainability.

Goal 2: Achieve universal primary education

Around 500 million people in Africa lack access to electricity and use fuels for lighting, an expensive solution for these poor households. Children also need access to electricity for education. Through its Lighting Africa project, IFC addresses this challenge by leveraging the private sector to increase access to affordable modern off-grid products. It is expected that 10 manufacturers will improve their product offering and that **over 500,000 people, including school age children, will benefit from improved and more affordable access to electricity.**

Goal 3: Promote gender equality and empower women

IFC provided support to MI-BOSPO, a microfinance institution that offers services to **low-income women entrepreneurs** in Bosnia. IFC supported its transformation from a not-for-profit status to a commercial, regulated, non-deposit taking financial organization. Among other initiatives, the project supported **the development of a gender-sensitive customer-care program.** While the original target was to increase the number of active women borrowers by 5%, MI-BOSPO achieved **an increase of 40% in its female borrowers**, going from 18,000 to 30,000. On that note, IFC published an advocacy report profiling female entrepreneurs jointly with MI-BOSPO—*Voices of Women Entrepreneurs in Bosnia and Herzegovina.*

Goal 7: Ensure environmental sustainability

The cleaner production program supports the Corporation's climate change strategy and adds value to our clients by providing technical assistance and investment for reduction of energy and water use through efficient utilization measures. In 2009, cleaner production assessments resulted in over \$10 million in investments in energy-efficient technologies. Thanks to successes demonstrated through past interventions, the program was approved in 2009 for even greater scale-up. Regional teams will be more involved and receive more global support to build their local technical expertise. IFC will target its clients in manufacturing, agribusiness, health, extractive industries, and information technology to identify cleaner production investments for financing. In addition, scaling up will involve collaborating with financial institutions to create cleaner production lending products.

In partnership with the Global Environment Facility, IFC managed the Commercializing Energy Efficiency Finance Program (CEEFF). The program promotes entry of domestic financial institutions into the energy efficiency financing market helping them to build capacity in this area. Seven years after its inception, CEEFF provides partial and first loss guarantees that support **\$130 million dollars of energy-efficiency promoting loans** with eight financial institutions in Slovakia, Czech Republic, Latvia, Lithuania, and Hungary. IFC estimates that the program has resulted in the **avoidance of 2.1 million tons of green house gas emissions.**

Goal 8: Develop a Global Partnership for Development

In partnership with the Global Reporting Initiative (GRI), IFC launched a project to promote globally gender corporate social responsibility through reporting with the intended impact that **more companies understand the business case for gender inclusion.** Benefiting from research on best practice and multi-stakeholder consultations, IFC and GRI will produce a gender sustainability reporting resource document entitled *Embedding Gender in Sustainability Reporting - A Practitioner's Guide.*

IFC continues to strengthen and expand its Better Work partnership with the International Labour Organization (ILO). Better Work aims to improve labor standards and competitiveness in global supply chains. During 2009, factories began receiving services in Jordan and Vietnam and the program began implementation in Haiti. IFC and ILO renewed their commitment to Better Work in May 2009 through signing a cooperation agreement. The agreement

establishes a joint global management structure and an advisory committee to help guide the program, bringing together experts from within the program's stakeholders. This agreement is the first of its kind between the two organizations.

Uncontrolled expansion of agriculture and conventional cropping practices are the leading cause of global biodiversity loss in tropical countries. Through its Biodiversity and Agricultural Commodities Program (BACP), IFC supports global market transformation efforts and the adoption of biodiversity related better management practices for tropical commodities such as palm oil, soybeans, sugarcane and cocoa. The program

supports international-multi-stakeholder-industry led roundtables to define the most important environmental and social impacts of production and how to address them within the supply chain; for example, the Roundtable on Sustainable Palm Oil (RSPO), and the Roundtable on Responsible Soy (RTRS). BACP also works as a grant-making facility that supports technical assistance projects promoting market transformation. Through this program, IFC will contribute to development of global partnerships to increase biodiversity protection and thus **ensure the sustainability of agricultural commodities**.

Addressing Climate Change

PORTFOLIO | Ongoing projects: 61 | Completed projects: 6 | Pipeline projects: 7 | Total: 74

There is mounting evidence that climate change could have an impact on development that threatens the achievements of the past decades. This is why IFC is committed to mobilizing the private sector and its resources to mitigate and adapt to climate change. Through partnerships with donor partners, IFC has gained experience in the last decade in promoting efficiencies that reduce greenhouse gas emissions and developing markets for renewable energy. Those activities are increasingly part of IFC's way of doing business like systematically researching for opportunities to improve efficiencies and investing in early-stage cleaner technologies for instance. IFC will also continue to innovate and is working with civil society, government, and the private sector to develop new approaches to climate change adaptation – including addressing issues of water scarcity.

CLEANER PRODUCTION ASSESSMENTS

Given the growing commercial opportunities and global focus on climate change and energy efficiency, cleaner production assessments have received significant interest from clients and strong internal scrutiny on how to improve the effectiveness of assessments that result in related investments. In fiscal year 2009, the program transitioned from a globally administered program to a program endorsed by regional departments across IFC, with South Asia and the Russian Federation as two major operating centers. The Russia program has placed significant importance on building capacity and in developing a strategy that will result in scale. South Asia has demonstrated early success by identifying opportunities in various sectors and implementation by clients.

All \$20 million of the Cleaner Production Lending Pilot was successfully used over the fiscal years 2008 and 2009, for investments to implement projects identified by the assessments. A new \$150 million facility is being put together for fiscal years 2010-2012. In parallel, \$6.5 million in donor funding will be mobilized for the same period to cover related technical assistance activities. Latin America and the Caribbean and the Middle East and North Africa have already initiated their programs.

In fiscal year 2009, the program was improved by emphasizing 'programmatic' approaches. It is more productive for IFC to work across an entire sector or a specific country, rather than doing individual and unrelated interventions. This reduces the transaction cost for each intervention, allowing for more assessments with the same budget and within the same period. This will help to address the main challenge going forward: to scale up the program to avoid larger amounts of greenhouse gas emissions, and conserve more energy and water.

Lessons of Experience

IFC used to ask clients to pay 10% of the assessment costs and then reimburse the remaining 90% to IFC if they decided to implement the recommendations of the assessment. This structure was meant to encourage companies to conduct the assessment, but it created difficulties in holding an open discussion with the client regarding their plans for implementation. Going forward, IFC will require the clients to pay 50% of the assessment, without any further reimbursement. Taking a larger share of the cost should make the client feel a greater ownership of the assessments, and thus encourage a higher rate of implementation of the recommendations.

IFC also confirmed a lesson from previous programs: that strong regional capacity is a key to success. Proximity to the client facilitates follow up on issues and ensures client engagement. In South Asia for instance, IFC hired staff with the technical expertise, managed the project approval and purchasing locally, and used local consultants to carry out the assessments. As a result, four companies conducted the assessments and implemented the recommendations.

Strategic Orientations

The two key priorities for next year are to develop our own regional capacity for execution and to scale up the offering. In addition to the two regions that have already initiated their programs – Latin American and the Caribbean, and Middle East and North Africa – all other regional teams are to follow suit. The role for the global team will be to help craft an overall strategy, oversee quality assurance and develop a knowledge management platform.

To increase the number and impact of cleaner production assessments, IFC will consider various

"The study undertaken with IFC's advisory services helped us in developing our game plan."

Mads Asprem, CEO of Green Resources, Tanzania

innovations such as “wholesaling” to small and medium enterprises through financial intermediaries; financing a pipeline of projects developed by UNEP/UNIDO Centers; and focusing on high impact replications such

as biomass generation, cogeneration, biogas power generation, green buildings and waste heat recovery in energy intensive sectors such as cement, steel, chemicals, and glass.

PROJECT HIGHLIGHTS

In Russia, IFC conducted an energy audit to help the city of Petropavlovsk-Kamchatsky, an existing IFC client, identify cost-effective improvements at schools and kindergartens. The recommendations will provide adequate heating for as many as 30,000 children. With investments of about \$15.5 million, the city will reduce carbon dioxide emissions by 35,000 tons a year while lowering energy costs by \$3.3 million a year. *“IFC experts work in a timely and efficient manner. We appreciate a lot that IFC invests time and resources together with us. We would have spent much more time for the same work, if we ever were able to complete it on our own.”* said Vasily Nikiforov, Deputy Head of the Municipality of Petropavlovsk-Kamchatsky.

IFC facilitated a cleaner production assessment at JK Paper’s plants in the Indian states of Orissa and Gujarat. Annual savings of \$826,000 in fuel, electricity and water are expected, while the one-time investment required for the improvements is only \$320,000. Implementation of the recommendations by JK Paper will result in reducing annually greenhouse gas emissions by over 12,000 tons; saving about 10,000 cubic meters of water and 8 million kWh of electricity. A noteworthy aspect of this project is the identification of water usage reduction opportunities, including stopping water leakages at selected plant areas; replacing fresh water with recycled water; avoiding water usage altogether; containing cooling water overflow; and conserving domestic water consumption in the community. Following the IFC study, the company identified additional improvements and has secured a \$3.0 million loan from IFC for implementation of these projects.

SUSTAINABLE ENERGY MARKET DEVELOPMENT

IFC works to remove the barriers that slow down the adoption of sustainable energy technologies and business practices. These barriers can include the lack of technical or financial information on new technology, limited access to capital, or lack of experience in the market. We adapt our interventions to the specific barriers and use IFC’s position in the market to convene key market players, mobilize investments and serve as an honest broker of information.

In FY09, IFC increased its capacity to deliver this work program with an eye on effectiveness and development impact. Lighting Africa (see *Project Highlights*), for instance, is now implemented by a new team operating out of Nairobi and Accra. The global team increasingly focuses on supporting, with technical expertise and knowledge management, the scale up and replication of successful initiatives by regional teams. FY09 was also a year to consolidate the work program to deliver market development impact on grid-connected renewable energy projects and utility efficiency and loss-reduction projects. Both have been rapidly taken up across IFC’s infrastructure business thanks to a

pipeline of new projects identified through IFC’s global network.

The Innovator-funded efforts that made significant progress in advancing grid-connected renewable energy markets, catalyzing a pipeline of photovoltaic electricity projects in India, wind energy projects in Mexico, and geothermal power projects in Turkey, where IFC is working with the insurance industry to develop risk mitigation instruments to support exploration.

As for comprehensive market transformation programs, efforts were concentrated on the development and delivery of Lighting Africa. The program provides a model for scaling up access to other products (cook stoves, water purification devices, sanitation technologies) that provide basic services to the underserved.

Lessons of Experience

What are the long-term impacts of sustainable energy market transformation projects? And what are the benefits of long-term engagement in a sector? Some insights into these questions were gained from an IFC energy efficiency project, the Efficient Lighting Initiative (ELI) implemented

“But since this market, as many markets for low income people in developing countries is not very well known or explored, it is essential that governments and international organizations such as the World Bank, NGOs, and various companies get together in a network to work out the appropriate business models. That is exactly what we are doing at the moment under the leadership of IFC.”
Gerard Kleisterlee,
President and CEO of
Philips

from 1999 to 2003, and whose market transformation impacts were evaluated in FY09. With \$15 million in grant funding from the Global

Environment Facility, ELI operated in seven countries: Argentina, Czech Republic, Hungary, Latvia, Peru, the Philippines, and South Africa. Avoiding product subsidies, the program aimed to sustainably transform local markets for compact fluorescent lamps (CFL) by changing consumer perception, increasing their availability in the market, and improve quality while reducing price.

An evaluation carried out in FY09 shows compelling evidence of ELI's lasting influence on public policy and consumer acceptance in Argentina, the Philippines and South Africa. In retrospect, ELI's longer-term success is due mainly to three factors. First, ELI created or built capacity within institutions that continue to be effective advocates for energy-efficient lighting beyond the close of the program. Second, ELI developed and nurtured local staff who went on to become national champions for energy-efficient lighting. Third, ELI developed an internationally accepted quality standard that allowed demand to be aggregated effectively.

"This led us therefore to conclude that this wasn't a suitable project for our company to engage with in a standalone capacity. However the emergence of IFC and fellow Rotary members changes the playing field considerably."

Wayne O'Connell, CEO, Solas Technology

Strategic Orientations

Building on the development of the offering in FY09, the focus in FY10 and beyond is on demonstration of new models, building a knowledge management infrastructure to support scale-up and replication, with a focus on utility efficiency, energy access, and grid-connected renewable energy. The objective is to support ownership and uptake in delivery of these products at scale across the Corporation. No new market transformation programs are planned for the coming year, to focus on the successful development and delivery of Lighting Africa.

Water: an emerging opportunity

The work that we have done to catalyze market development for sustainable energy has great potential for the water sector as well. IFC will adapt the market transformation approach to the delivery of clean water and sanitation services to the estimated 3 billion underserved people in the world, and to supporting the efficient use of water. On top of IFC's commitment to climate change mitigation, it will add climate change adaptation as a focus, an area where water is particularly important. This will give IFC instruments to support climate change adaptation, complementing our commitment to climate change mitigation that is manifest in the sustainable energy market development work.

PROJECT HIGHLIGHTS

The **Geofund** program aims to promote geothermal energy use in Turkey by addressing the main market barrier to investment in this sector: the risk of developing new resources. Under the program, IFC will mitigate exploration risks by developing, with the insurance industry, Geological Risk Insurance (GRI) structures. The initiative uses a combination of concessional financing, insurance products, and technical assistance to support development of projects in Turkey, as well as a global insurance product. The program has identified four projects for implementation with the sponsors and the insurance companies. GRI has great potential to transform the industry, if the program proves it is a viable solution to geological risk mitigation.

Lighting Africa is a World Bank Group program to accelerate the development of markets for modern off-grid lighting products in Sub-Saharan Africa. Now in its third year, the focus is on growing an industry alliance that currently includes more than 300 companies. We expanded our support for companies in Kenya and Ghana to identify suppliers of quality products, growing distribution networks, and educating consumers. We also developed a quality assurance program to protect consumers and this nascent market from poor quality products. We launched an awards competition to support products in different market segments. The program's leadership and innovative nature was recognized through a Green Award from the World Bank.

SUSTAINABLE ENERGY FINANCE

In FY09, IFC increased its focus on sustainable energy finance, providing advisory services and investments to financial institutions to increase their lending portfolio for renewable energy and energy efficiency. After years during which specialized staff in the sustainability business line tested and grew this work, the body of knowledge reached a stage in FY09 at which our teams handed the delivery of these projects to IFC colleagues specialized in the banking sector. To scale up these advisory services, teams unified the approach and developed knowledge management tools.

In FY09, the portfolio was concentrated in Europe and Central Asia, and East Asia and the Pacific – areas of high impact for energy efficiency and fuel switching – in particular in Indonesia, the Philippines and across major Eastern European countries, to further deepen and broaden the reach of these programs. In light of the energy crises affecting many local markets, programs are also under consideration in selected Latin American and African countries. A key determinant of future success is whether there are financial institutions with sound track records and growth potential with which IFC can explore new market segments such as housing energy efficiency.

Lessons of Experience

Our Russia team has led the way in terms of packaging its advisory services and securing fees from clients, with \$270,000 in fees earned from six advisory clients. Notably, they have shown that clients are willing to pay for IFC advisory services - but also that client satisfaction increases when fees are charged. This

requires that we are upfront about our fees and prepared to demonstrate the value of the services. Financial institutions are used to paying fees for audits, advertising, and marketing. To them, a fee means advisory services that will add value and not waste their resources and attention.

IFC has had similar success in the Philippines by learning from the Russia and China experiences. All

IFC advisory programs will strive to increase client fees as a percentage of the direct cost of the services. Currently, the benchmark for sustainable energy finance is 50% cost recovery, but the goal is to develop the product and value proposition for which IFC can recover 100% of costs through client fees.

Strategic Orientations

Starting in FY10, IFC set the ground to expand sustainable energy finance globally. The program in Peru is nearly completed, and IFC is considering other opportunities in Latin America and the Caribbean. IFC is also expanding with new programs in South Asia (Nepal, Bangladesh and Sri Lanka), the Middle East and North Africa (Egypt, Lebanon, Jordan, and possibly Morocco and Pakistan), and Sub-Saharan Africa (Kenya, South Africa). The strategy is to establish compact core teams in each region that can be supplemented by consultants to scale up activities as needed.

Knowledge management is also a key aspect of the strategy. IFC plans to build on its existing knowledge base to create new advisory services in areas such as housing energy efficiency and small renewable energy projects, creating standardized tools and resource materials.

“During bad times, it is even more important for companies to find ways to cut operating costs, which means there are even more reasons for the efficiency improvement in the use of energy and other valuable resources.”

Mr. Chen Dekang, Vice President of Industrial Bank, China

PROJECT HIGHLIGHTS

The China Utility Energy Efficiency Program (CHUEE) is a donor-funded program designed to catalyze energy efficiency investments with financing from IFC partner financial institutions. CHUEE showed strong results through FY09 in spite of the global financial crisis, with partner banks financing 29 projects totaling \$200 million in the 12 months ending June 30, 2009. IFC expects these projects to generate annual GHG reductions of 8.36 million tons of CO₂ equivalent.

In Russia, IFC signed a \$35 million credit line with MDM Bank for sustainable energy projects. MDM also renewed its advisory agreement with IFC for one year for a fee of \$100,000. The bank is focused on expanding its energy efficiency lending in both its SME and corporate lending businesses, and IFC has trained over 300 loan officers and managers in MDM on how to finance sustainable energy projects with their clients.

CLEANER TECHNOLOGIES

IFC's Cleaner Technologies team supports the development of early stage cleantech companies whose access to finance is hampered by their developing country risk profile. A variety of interventions have been used, from grants for project preparation to equity investments to assist expansion. In March 2009, based among other things on the team's successful track record, IFC management decided to launch a mainstream investment program to upscale IFC's work in cleantech. This step, which we call "mainstreaming," was due in large part to the sound performance of the cleantech investments funded by donors. These investments have covered a broad spectrum of cleantech sectors. Out of four investments in cleantech innovation totaling \$3.9 million over the last five years, three companies are continuing to grow and only one investment has been written off. This performance is average for venture capital investment programs in general but extraordinary given the higher risks and market barriers faced by our portfolio in developing countries.

The active investments have demonstrated good financial performance and efficient development impact. In terms of financial performance, the internal rate of return of the portfolio is estimated to be 9% at the end of FY09, and the average 3-year compound annual growth rate for revenues has been 41.6%. In terms of efficiency, IFC has increased firms' access to private capital and this, coupled with the benefits of new technologies, has delivered excellent impacts per dollar of donor money invested. Together, MBA Polymers and WaterHealth International (WHI) have raised \$93 million in subsequent equity financing rounds, including from several institutional investors. There has also been a \$15 million loan from IFC's balance sheet in early 2009. With IFC's support to expand its manufacturing capacity significantly, Turbotech was able to access a \$6 million line of credit from a local bank in India. In terms of development impact, the work of Turbotech cost about \$4 of donor investment per ton of carbon dioxide reduced per annum and that of MBA Polymers, about \$43 per ton. The Turbotech turbine fleet has a carbon reduction capacity of over 137,000 tons per year and MBA Polymers has achieved over 70,000 tons in cumulative carbon emissions reduced since IFC's investment. The WHI

investment has led to delivery of clean water at a donor investment cost of approximately \$0.80 per person and an on-going cost to its approximately 1.5 million consumers of about \$9 per annum for minimum safe water requirements. As the companies continue to grow and encourage other firms to enter their sectors, these impacts will multiply.

In the first half of FY09 we were focused on investments. Only one follow-on investment was disbursed to MBA Polymers to support its continued growth. Several other transactions were appraised, including two seed funds, a concentrating solar company, and a fuel cell company. However, high valuation expectations led to IFC dropping the underwater logging company investment appraised in FY08, and the financial crisis has caused delays in closing the fuel cell investment. In the second half of the year, the team turned to more of a knowledge management role as the decision was made in January 2009 to transfer investment work to mainstream investment departments. Activities included strategy development, knowledge-sharing and ensuring a smooth transfer of the

"More than money, IFC has been instrumental in providing credibility to WHI's unique business model. IFC investment teams have been a great source of relationships for WHI and continue to be key to our international growth. A perfect example being our foray into Bangladesh and potentially Kenya"
Sanjay Bhatnagar, President and CEO, WaterHealth International

momentum created by the Cleaner Technologies work. In November 2008, we established a World Bank Group Cleantech practice group to help build a stronger community around the cleantech agenda. A major workshop brought together 40 internal and 12 external participants who jointly developed cleantech strategic opportunities and shared lessons of experience. Two sector studies – one on electronics waste recycling, one on safe water access technologies and business models – were also completed. The team also advised infoDev on the structuring of a new program called "Climate Technology Innovation Centers," which will leverage that group's experience in incubation services.

Lessons of Experience

Over the last five years, the CT team has made four equity investments, including: Turbotech (co-generation turbines), MBA Polymers (electrical good plastic recycling), WaterHealth International (micro-water utilities), and Conox (straw pulp mill wastewater treatment). The most important lesson learned was that such an investment program could be successful, as discussed above. This has contributed to

IFC's launch of a mainstream cleantech investment program. There are also a series of lessons learned that will inform the launch of the new program. Firstly, it is important for a venture finance team working within a bigger corporation to ring fence its activities if these are outside business-as-usual, while at the same time integrating with the wider corporation to realize synergies. Secondly, geographically, the greatest level of innovation and market interest lies in China and India. Thirdly, to achieve scale, speed, efficiency, and to serve clients better, staff have to be located in the main target markets. Finally, there is a big financing gap at seed stage, which is best answered by local institutions. These core lessons are being acted upon both within the new mainstream cleantech investment program and within the new infoDev program of IFC that incubates and supports local cleantech innovation and technology transfers.

Strategic Orientations

In FY10, the team will focus on maximizing the impact of the donor-funded investment program by

continuing to capture, analyze and disseminate lessons learned. This is expected to significantly influence IFC's evolving cleantech strategy. As the investment portfolio matures, impacts and lessons learned are expected to become far richer. The supervision of the donor-funded cleantech portfolio will be managed by IFC mainstream investment staff, regionally located to ensure the quality of monitoring. The transfer will also accelerate the awareness and understanding of cleantech across IFC. Notwithstanding the transfer of supervision duties, any capital reflows from dividends or sales will revert to the Sustainability Business Innovator, whose staff will continue to have oversight over the investments and related donor reporting. It is expected that investment departments will provide follow-on investment funds to these companies in the next few years. In the event any real or perceived conflict of interest arises, these will be resolved with reference to IFC's Conflict of Interest policy and the recently published policies on donor-funded investments.

PROJECT HIGHLIGHTS

China: Promoting Fuel Cell Technology Development and Growth

In FY09, IFC completed evaluation and negotiations for a \$2 million equity investment in Horizon Fuel Cell Technologies Pte. Ltd., a Singapore-based fuel cell technology company with primary operations in Shanghai, China. Horizon has developed small fuel cell applications (<10W) and is seeking to expand its product offerings and launch fuel cell power solutions for medium- and larger-scale applications. These solutions provide a cost-effective alternative to environmentally unsound lead acid batteries and fossil fuel engine-generator technologies currently used across the world. The investment would enable the company to tap low-cost research and development, and manufacturing in China to meet demand for fuel cell solutions in developed countries. Investment documentation is under negotiation.

East Africa, India, and China: Increasing Safe Water Access Awareness

In FY09, IFC completed and published *Safe Water for All: Harnessing the Private Sector to Reach the Underserved*, a report that analyzes barriers to scaling up of safe water technologies and business models as well as market-based approaches to address them. The report was based on in-country surveys conducted for Kenya, Uganda, India, and China by experts from three universities. IFC believes that creative mobilization of private sector resources can improve safe water access for the estimated 900 million underserved people globally. The report proposes several potential interventions for the private sector, which are categorized into improving market readiness, access to finance, and the investment climate. External dissemination began at a workshop in Nairobi, Kenya.

Reducing Biodiversity Loss

PORTFOLIO | Ongoing projects: 19 | Completed projects: 0 | Pipeline projects: 1 | Total: 20

In FY09, IFC made a strategic decision to focus its sustainability advisory services to prevent biodiversity loss on the main driver of habitat loss: agriculture. Agricultural commodity industries are increasingly recognizing the need to address sustainability issues in their supply chains. IFC's track record in biodiversity-based products and services makes the intersection of agriculture and conservation a natural fit. We focus on transforming these markets so that the risk to business and biodiversity is reduced, while proving the business opportunities that sustainable practices represent. Going forward, this approach will also be used for forestry and perhaps other sectors.

ECO-STANDARDS AND SUSTAINABLE SUPPLY CHAINS

Our objective of transforming agricultural commodity markets passed a significant milestone during the fiscal year 2009, with the availability of the first certified sustainable palm oil on the market in November 2008. There are currently 1.4 million tons of certified sustainable palm oil, or about 4% of global production, which meet the eco-standard that IFC helped develop with the Roundtable on Sustainable Palm Oil (RSPO). IFC supports the growth in production and trade of certified sustainable palm oil through the following types of interventions: support for the formulation, testing, and uptake of sustainability standards and related better practices; and support to improvements in the regulatory environment.

In the soy sector, the Roundtable for Responsible Soy (RTRS) agreed in May 2008 on a draft sustainability standard that now enters the testing phase to assess its costs and benefits. IFC is supporting the RTRS' testing phase in conjunction with key stakeholders to ensure a robust yet workable standard is agreed upon in FY10.

While progress has been made, there are still lingering challenges. The downturn in the global economy intensified in FY09, resulting in consumer companies being slow to purchase the certified volumes for their supply chains' needs, despite longstanding demand for more sustainable palm oil. With soy, the issue of compensation for legal set asides and payment for ecological services (PES) in Brazil were controversial issues that will need addressing if producers are going to adopt the new standards and a significant market transformation is to take place.

Lessons of Experience

On the basis of our experience, we have identified some of the key ingredients that ensure the success of initiatives with multiple stakeholders to set sustainability standards.

Industry leadership – Voluntary industry standards need a high degree of industry participation at the early stages of their development.

Patience – It is important for the process to give enough time to hear all stakeholder representative groups and take their views into account.

Professional facilitation – Independent and knowledgeable facilitators are valuable for their ability to consider multiple perspectives objectively and present an acceptable compromise, which can be critical in breaking deadlocks that can otherwise derail or delay

“We consider IFC to be a relevant participant in the roundtable process. It sends a signal to other banks that IFC believes in this process towards a sustainable sector.”
Daniela den Nijs Mariuzzo
CSR Manager, Rabobank
Brazil

progress.

Balanced representation – All constituencies need to be represented fairly, as any imbalance has the potential to affect the credibility and technical validity of the standard being developed.

Clear governance structures – A clear governance structure is key to the credibility of the process both internally and externally. It is also important to establish an independent secretariat early to implement the recommendations from any oversight board or executive.

Transparency – Sharing critical information benefits the development of a standard that will incorporate good practice based on the lessons of individual experiences, and increase uptake.

Testing and reporting – Field-testing and sharing results is an integral part of the process.

Market-based – The costs of certification and building the business case for players in the supply

chain is as important as the technical and social soundness of the standards.

Strategic Orientations

IFC will continue to focus on improving the biodiversity-related protocols within sustainability standards. IFC looks to further strengthen the eco-standards work with a more comprehensive global approach to eco-standard development and testing. In particular, the program will work closely with a targeted range of commodities (palm oil, soy, and

beef) and industries (including the forest sector). Throughout the globe, the development of eco-standards and sustainable forestry is becoming increasingly necessary. Nevertheless, there are geographic areas in which the biodiversity impact is more critical and the potential for scaling up is greater. For example, we will increase work on palm oil and sustainable forestry in Indonesia, soy and sustainable forestry in Brazil, and cocoa and palm oil in West Africa.

PROJECT HIGHLIGHTS

Biodiversity and Agricultural Commodities Program (BACP)

The BACP (www.bacp.net) Phase 1 approved four grant projects in Indonesia: three to NGO/company/research consortia to pilot and test the RSPO (www.rspo.org) standards that relate to biodiversity, and one project to support the RSPO in the establishment and operation of the Biodiversity Technical Committee (BTC). The BTC is charged with advising the RSPO and its members on issues related to biodiversity and palm oil development, and identifying ways to improve the RSPO standard with respect to the biodiversity criteria in the medium term. BACP also initiated a call for proposals for soy projects after the successful agreement of the draft standard in May 2009, and these projects will commence in FY10.

Business and Biodiversity Offsets Program (BBOP)

IFC's involvement in the Business and Biodiversity Offsets Program (BBOP) has helped to define 10 principles to establish standards for designing and implementing biodiversity offsets and verify their success. These principles have primarily been used for extractive industries, but are equally applicable to the agricultural commodity roundtables with which IFC is engaged. A toolkit with case studies from around the globe highlighting different approaches was finalized this year and is available for download via the BBOP website (www.bbop.forest-trends.org/guidelines). As BBOP moves into its second three-year phase, discussions are commencing in regard to the longer term governance structure that may develop. BBOP has established an Interim Steering Group (ISG) of members to provide advice on this. IFC has joined as a member of the ISG.

Leveraging Labor and Social Assets

PORTFOLIO | Ongoing projects: 32 | Completed projects: 12 | Pipeline projects: 2 | Total: 46

The global crisis is pressuring economic actors to address social concerns. Those most vulnerable to shocks - women, children and low-income workers - have been first hit by precarious employment, unhealthy working conditions, exploitation and discrimination. In the gender and labor advisory spaces, IFC has been developing innovative, market-based solutions aiming to enhance the competitiveness of private sector companies while improving the condition of targeted groups.

COMPETITIVENESS THROUGH LABOR STANDARDS

IFC is developing tools and processes for the private sector in emerging markets to seize opportunities accruing from progressive approaches to labor practices. Better compliance with labor standards benefits all involved: while workers' basic rights are protected and their conditions improved, enterprises become more competitive because of increased quality and productivity. It also helps them compete in global markets where many buyers demand compliance with labor standards from their suppliers.

We do this primarily through the Better Work partnership with the International Labour Organization, which is now operational in three countries - Jordan, Vietnam and Haiti - and expanding to additional countries. In FY09, IFC also began to look into the strategic relevance of its labor advisory services and consider new areas of intervention outside of Better Work initiatives that would be aligned with IFC's investments. Preliminary results show a shared sense across IFC that challenges faced by emerging markets require IFC to keep and build up expertise in labor-related advisory services.

Lessons of Experience

IFC has gained many valuable lessons through its involvement in the Better Work Program:

- The partnership between IFC and ILO is the first of its kind for IFC. For partnership projects between two large, international institutions to be efficient and effective, joint management structures are necessary from the outset. These structures need to include procedures for informed decision

making related to work plans, budgets and strategies. This empowers management and staff to contribute to the program's directions, levels the playing field between both institutions and creates a climate of collaboration.

- The influence of international buyers over their suppliers across multiple countries helps the program to increase reach, through replication from one firm to the next, and, at times from one country to the next. Impact increases through buyers encouraging and expanding local company participation and creating improvement incentives.
- Industry-wide interventions, as opposed to individual firm-level interventions, have a higher likelihood of long-term operational and financial sustainability. Economies of scale are achieved through the number of firms that pay fees for services and thus decrease reliance on donor funds.

"Better Work will boost the garment industry's performance by improving efficiencies. Laborers themselves will benefit from building good relations between employees and employers."

Nguyen Thi Kim Ngan
Vietnam Minister of Labor,
Invalids and Social Affairs

Strategic Orientations

In FY10, IFC will identify and test selected new labor initiatives to develop business models for companies, client suppliers, and sectors. Agribusiness and the construction industry have emerged as sectors in which IFC could leverage its investment presence to deploy advisory services to improve labor standards. In addition, IFC may add labor components to business

management tools and services for small and medium enterprises. IFC along with ILO will also continue to expand Better Work, as appropriate.

PROJECT HIGHLIGHTS

Better Work: Assisting companies implementing better labor practices

Better Work is a joint IFC program with the International Labour Organization to improve labor standards and competitiveness in global supply chains. The first phase of the program, to be active in over 800 factories, aims to directly improve the lives of up to 1.2 million people. In FY09, IFC and ILO renewed their commitment to the partnership by signing a Cooperation Agreement for the next phase of the program. The program currently has 15 large global brands participating. Better Work Vietnam and Jordan are now both delivering services in apparel factories and Better Work Haiti has begun adaptation of the tools to the local context.

Labor Opportunities Assessment: Leveraging IFC's strengths

In FY09, IFC began to develop a strategy and work plan for labor advisory services going forward, based on a review of opportunities to leverage IFC investment presence in certain sectors to foster broader adoption of labor standards. The analysis focused on comparative strengths and opportunities and identified IFC's existing labor expertise and internal demand and opportunities for labor advisory. Once completed in FY10, this assessment will inform the labor product's work plan going forward.

COMMUNITY INVESTMENT

Community investment is about voluntary contributions companies make to help local communities address their development priorities and take advantage of socioeconomic opportunities created by private investment, in ways that are sustainable and support strategic business objectives. Done well, community investment has the potential to create shared value for both the business and the communities in their area of operation, and help build positive long-term relationships.

At present, however, most companies and communities are not deriving the type of value or benefits they potentially could from company-supported community investment programs. Ad hoc approaches, donation programs and lack of attention to factors such as sustainability, local ownership, capacity building, and results measurement have often yielded disappointing outcomes. At worst, companies have seen their community programs turn into liabilities by generating discontent around the distribution of benefits. IFC seeks to address the existing gaps in this area and provide good practice guidance and tools to help its clients think strategically about how to engage local communities and support community investment programs that are successful, sustainable and consistent with their business objectives.

Over the last year, IFC has gone through broad internal and external consultations in an effort to collect global good practice on private sector approaches in community investment. IFC has also restructured and standardized its advisory service offering to focus more at the strategy level in keeping with the current global good practice. IFC's *Good Practice Handbook on Strategic Community*

Investment (forthcoming) represents significant progress in helping its clients and the wider private sector to move towards better development and business outcomes from their corporate community investment programs.

Lessons of Experience

IFC's experience with its client companies showed that it remains a challenge for company-supported initiatives to achieve lasting, positive community development impact. In many cases, the outcomes have been disappointing for both local stakeholders and the company, despite considerable time, goodwill and resources invested. While there are many different factors that have contributed to a poor collective track record, key lessons learned are:

- i. There is a perception that community investment is corporate "giving" rather than "investment" which creates a lack of expectation for "return" and therefore less incentive to systematically plan, track and account for the use of the resources;

"We are strongly supporting the type of projects that help us introduce best practice principles of social sustainability and community investment at the policy level. We will listen for ways in which we can actively promote growth of mining investments in Yemen while also ensuring that these investments meet the established principles and are sustainable in the long-term"

Dr. Ismail Al-Ganad,
Chairman of the Yemen
Geological Survey &
Mineral Resources Board

- ii. Community investment efforts are not typically linked to the company's bottom line which means they are not subjected to the same standards or level of corporate management as other business investments; and
- iii. There is a lack of necessary tools, standards, and good practice guidance available to help companies adopt a more strategic approach to community development activities.

In learning from these past experiences, IFC is putting forward a new business model for community investment that encompasses five elements:

- 1) Strategy that is well planned and focuses on a few key areas for greatest impact as well as efficient use of company's resources and core competencies.
- 2) Alignment of business and community investment objectives.
- 3) Multi-stakeholder partnerships that build capacity of local stakeholders and support local institutions/practices.
- 4) Long-term viability that is determined by a well-defined exit strategy to avoid dependency and build capacity and systems for the long-term.
- 5) Results measurement to achieve systematic tracking of outcomes and impact for both company and community.

Strategic Orientations

One of the key activities for FY10 will be the production and launch of the *Community Investment Good Practice Handbook*.

Going forward, IFC will be working with clients in Africa and Asia to assist with structuring their community investment programs. While work with the oil, gas, and mining sectors is likely to remain important, the future demand is expected to come from agribusiness, forestry, and general manufacturing industries. For example, in Indonesia the guidance from the Roundtable on Sustainable Palm Oil includes principles and criteria related to the responsible consideration of communities affected by growers and mills. Similarly, the roundtable on responsible soy in Brazil includes the principle on responsible community relations. IFC is well placed to assist companies to effectively translate and implement these principles in their operations.

Additional focus will be on building local consulting capacity in this area. We plan to deliver at least one regional capacity-building workshop in FY10. The objective will be to build the capacity of local consultants to provide strategic advice to companies on their community investment strategies in line with IFC's product methodology.

Finally, these activities will be carried by teams specialized in providing corporate advice, as IFC's experience is now sufficient to make this type of advisory part of its main offering to clients.

PROJECT HIGHLIGHTS

Good Practice Handbook on Community Investment - IFC has completed this year a draft *Good Practice Handbook on Community Investment*. The objective of the handbook is to provide a framework and practical guidance to help companies adopt a strategic approach to community investment and engagement. In May 2009, IFC organized internal and external consultations to review the draft and more than 40 people attended, twice as many as we expected. IFC has received valuable feedback and plans to publish the handbook by December 2009.

Yemen Mining Environmental and Social Sustainability Framework - This new project represents an important initiative to introduce community investment guidance at the policy level. The main objective is to help the government establish the policy framework that will guide the private sector in managing the environmental and social impacts of their operations and in delivering benefits to the local communities. The *Good Practice Handbook on Community Investment* will serve as a key building block for this framework. The project is expected to be completed by mid-2011.

WOMEN IN BUSINESS

IFC supports the participation of both women and men in business as an important part of its mission to foster sustainable private sector growth in developing countries. Recognizing that aspiring business women are often prevented from realizing their economic potential because of gender-related barriers, IFC is committed to creating opportunities for women in business. IFC management has reiterated their commitment to the integration of gender perspectives in IFC's investment and advisory services work.

In FY09, IFC received top marks for creating opportunities for women as part of an assessment of its commitment to gender equality conducted by the Canadian International Development Agency. CIDA gave IFC high marks for its catalytic approach to gender within the private sector discourse; and its leadership in implementing policies to systematically measure our development impact by gender.

Promoting Access to Finance for Women in Business

IFC's approach to date has been to expand access to credit for women-owned small and medium-sized enterprises (SMEs) through targeted initiatives that involve collaborating with financial institutions to enhance the delivery of financial services and business support to women entrepreneurs. Since 2004, IFC directly contributed over \$50 million through financial institutions in loans and advisory services to women entrepreneurs through women-targeted interventions. This experience shows that banking on women entrepreneurs is a profitable business: women have excellent repayment rates, are good savers, and contribute positively to the well-being of their community. More broadly, however, as a result of IFC's investments and advisory services, IFC's 121 SME banking clients provided \$75 billion in financing to an estimated 818,168 small and medium enterprise owners². Based on IFC's women targeted lending advisory services programs in four countries, it is estimated that the share of women entrepreneurs at the SME level benefiting from such programs is anywhere between 5 and 10 percent. Building on the experience of IFC's targeted program, the aim now is to mainstream gender in IFC's overall SME lending operations and increase IFC's outreach to the women's market.

Through four (4) targeted initiatives in four countries (Access Bank Nigeria, DFCU Uganda, Exim Bank Tanzania and NBS Malawi), women-owned small and medium enterprises received 701 new loans in FY09, a 116% increase from a year ago to a total of 1301 loans. With support from IFC advisory services, these IFC clients also trained 1,150 new women entrepreneurs over the same period, for a total of 1900, an increase of 153% from the previous year.

Moreover, with the goal of sharing best practice knowledge globally, IFC continued to support to the Global Banking Alliance for Women, a group of

financial institutions that strive to accelerate the growth of women in business. Their 8th Annual Summit took place in the United Kingdom in October 2008 and the membership increased from 18 to 22 members, with an increasing number of members coming from emerging markets.

Lessons of Experience

Last year, IFC decided that rather than taking the "client-by-client" approach, it can become more efficient in offering women-targeted advisory services as part of a standard menu for MSME clients at the regional level. This approach can be particularly effective when the client has branches in different countries and knowledge gained can easily be transferred. In March 2009, Africa's AMSME team received the IFC CEO Gender Award for having taken the regional approach towards expanding its reach to the women's market and for ensuring that program benefits are appropriately and adequately directed to women.

"Not only is the women's program in line with our growth strategy but it has also helped us to unlock significant value in women-owned businesses."
Gilford Kadzakuanja,
Deputy CEO, NBS Bank

Strategic Orientations

There is increased demand to promote the access to finance of women-owned small and medium enterprises, as also evidenced by the increased membership in the Global Banking Alliance for Women. By the end of FY09, IFC had started to work in six new countries (Democratic Republic of Congo, Niger, Côte d'Ivoire, Senegal, Rwanda and Burundi) and is supporting three new investments worth \$33 million. Moreover, IFC provided \$73 million in credit lines for on-lending to women entrepreneurs to seven commercial banks in Benin, Burundi, Côte d'Ivoire, Democratic Republic of Congo, Malawi, Niger, Nigeria, Senegal, Tanzania, and Uganda.

Having focused only on Africa so far, IFC will be expanding this work to East Asia and the Middle East and North Africa in the next year.

² Data as of December 2007.

IFC is also planning to add a gender perspective to its advisory services, starting with its work on leasing for small and medium enterprises and its support to credit bureaus and collateral registries. This

is in line with the general objective of including gender perspectives across all of IFC's financial market services: investments and advisory.

PROJECT HIGHLIGHTS

NBS Malawi: Eager to reach out to small and medium entrepreneurs and with a specific interest on women, NBS collaborated with IFC in 2008. IFC provided a \$3 million credit line to NBS Bank together with advisory services that include client relationship management training for NBS staff and the development of business training programs for women customers. Capturing the women's market through their women's program has resulted in a growing and improved loan and savings portfolio for NBS. The share of loans to women entrepreneurs has grown from 30% to 38% since the inception of the IFC-NBS collaboration, and it has become an important part of the bank's lending portfolio.

DFCU Uganda: IFC worked with a bank from Uganda, DFCU, to reach the market of women-owned small and medium enterprises and become a knowledge provider for women clients. Through the program, bank staff learned to offer better business advice to women entrepreneurs. DFCU taught business skills to its women clients to boost their confidence to approach the bank for credit services. The partnerships between IFC and DFCU also produced three new financial products designed for women that resulted in 173 new loans to women entrepreneurs during the past year.

Improving the Investment Climate for Women in Business

Improving the investment climate for women is one of the most critical driving forces behind economic growth and the fight against poverty. Women's participation in the economy as entrepreneurs, employees and community leaders is recognized as a measure of a country's dynamism and viability.

In line with its objective to support legal, regulatory and policy framework to foster women's entrepreneurship, IFC promotes gender-sensitive reforms to investment climates that equally benefit women and men. In this regard, IFC works closely with the World Bank to help governments and private sector understand the how business laws, regulations and institutions can affect women's ability to start and operate businesses. The approach is to provide the operational foundation for integrating gender into investment climate reforms and to include gender reform indicators in monitoring and evaluation frameworks.

Lessons of Experience

IFC has learnt that analytical research is not sufficient to have a large impact on the ground. Our *Gender Growth Assessments* would inform the stakeholders of the gender dimension of a country's investment

climate, but did not provide a clear path for change. This is why IFC has integrated a gender perspective in its general work to improve the investment climate of emerging markets. The *Practitioner's Guide* is a good example of this operational approach.

Having learned from past experience in gender results measurement, IFC has recently added indicators that will encourage and recognize its own staff for addressing the constraints of women entrepreneurs. The new indicators will also help IFC capture the impact of policy reforms on women entrepreneurs. For instance, we will know whether business women's voices were included in the policy dialogue and whether laws that hindered women's ability to start up or operate a business have been eliminated.

"It is refreshing to witness such an organization's shared enthusiasm with a country to overcome its economic challenges"

Mrs. Jeannette Kagame, the First Lady of the Republic of Rwanda, about IFC's work to transform Rwanda women's lives through economic empowerment in her opening remarks to Rwanda's First National Women Entrepreneurs Roundtable

Strategic Orientations

In FY10, IFC will focus on rolling out the *Practitioners' Guide* and building the capacity of the World Bank Group in investment climate reform. We will also start new projects in the areas of special economic zones, alternate dispute resolution, and business startup. For example, we will take a private sector perspective on gender and sustainability issues

in special economic zones to make these zones safe and attractive for female workers.

New investment climate gender indicators will also help IFC capture the impact of policy reforms on women entrepreneurs. For example, the indicators will allow a project team to report on the inclusion of

business women in the policy dialogue and whether laws that hindered women's ability to start up or operate a business, such as the requirement to get a male relative's permission to enter into a contract, have been eliminated.

PROJECT HIGHLIGHTS

Guide for Investment Climate Reforms: IFC finalized a new publication called *Gender Dimensions of Investment Climate Reforms: A Guide for Policy makers and Practitioners*. The guide highlights the economic rationale for reform and provides operational guidance. A step by step process gives the reader guidance on (i) business start-up and operation, (ii) business taxation, (iii) trade logistics, (iv) special economic zones, (v) alternative dispute resolution, (vi) investment policy and promotion, and (vii) secured lending. It also provides advice on how to monitor and evaluate the success of reforms, with an emphasis on identifying baselines to measure the changes in the business environment. The guide will officially be launched in FY10. To test the guide in an operational context, IFC undertook scoping missions for gender-focused investment climate work in Rwanda, the Democratic Republic of Congo, Kenya and Uganda. In the Pacific, legal and regulatory reviews were carried out in Timor-Leste, Tonga, Samoa, Solomon Islands and Papua New Guinea in collaboration with AusAID. Further, sex-disaggregated analysis of enterprise surveys in 6 countries in Eastern Europe and Central Asia was completed to identify the key barriers for women's entrepreneurship in the region.

Women as Exporters: Using Tunisia as a pilot country, IFC and the World Bank assessed the competitiveness of women as exporters and identified ways to provide export support that reach women entrepreneurs, including trade facilitation and market support services. The resulting Resource Guide for Export Promotion Agencies details what these agencies can do to promote women as exporters. It presents the business case, followed by concrete examples from around the world of training and education, finance, institutional considerations, and partnerships.

Crosscutting Initiatives

IFC engages investors and businesses in ways that support our three priority themes in sustainability. By working with investors, we seek to enable them to integrate sustainability into their investment process sending a market signal to companies that environmental sustainability and social responsibility are important considerations in an investment decision. In order to attract this capital, companies in turn need to respond to this signal and IFC supports the integration of sustainability into their business operations and the reporting on these activities to their investors.

INSTRUMENTS FOR SUSTAINABLE INVESTING

IFC made good progress in sustainable investing during FY09. Four long standing research and advocacy projects produced final reports:

- The Capturing Value project culminated with the release of *Carbon Counts*;
- The Who Cares Wins Initiative was concluded with *Future Proof*;
- *Gaining Ground*, an analysis of the state of Sustainable Investment in Emerging markets, was produced in conjunction with Mercer; and
- *Unscathed by the Financial Crisis*, a before and after (the financial crash) review of market attitudes to sustainable investing, was prepared together with the Economist Intelligence Unit.

These reports highlighted the fact that there is now a broad based understanding of the need to manage social and environmental risks and that market participants expect that this will become more important in the coming years. The reports further reveal that the question being asked by the market is not “why should they” but “how could they” grow their sustainable investment portfolios.

The findings from these reports helped IFC to shift its strategy during FY09. Consequently, IFC has started to wind down its traditional advocacy work and is now developing tools and services to directly support and enable investment professionals to increase their allocations to sustainable investment. On the listed equity side, IFC supports the development of investment indices such as a regional sustainability index in the Middle East and North Africa and the first global emerging market carbon efficiency index. During the last year, IFC also significantly increased its exposure to the private equity sector with the development of a tool kit for private equity managers to improve their investment process and an investment framework for asset owners to enable greater allocation to specific climate change funds.

Lessons of Experience

Over the last several years IFC has developed a number of sustainability indices to increase the flow of funds to more sustainable companies. However, in so doing we have discovered the need to recognize the potential trade-off between “sustainable” and “investable.” The traditional starting point for such work was the company: IFC would develop a methodology for an index to include the most sustainable companies. The problem with this approach is that in many cases larger institutional investors have fiduciary requirements that force them to be broadly diversified, which prevents them from using such narrowly drawn sustainability indices. Consequently, if the goal is to mobilize investment flows then it is crucial to identify client needs first through market analysis and segmentation to inform the index construction. The Brazilian Bovespa Corporate Sustainability Index took such a “sustainability first” approach and, while it has been able to stimulate \$200 million of retail investment, larger institutional funds have been unable to use it as a benchmark because over 40% of the market is not represented in the index. On the other hand, the Carbon Efficiency Index has been designed specifically for pension funds and is representative of the broader market. The difference here is that, while it is investable, less sustainable companies will be included and will still attract financing, albeit at a lower rate than a standard index.

Strategic Orientations

For FY10 the focus for the product will continue to be on supporting market players to grow their sustainable investment portfolios. In particular the objective will be to support, enable and influence large pension funds to increase their emerging market sustainable investment allocations. The Carbon Efficiency Index will be the flagship in this process and IFC plans to launch it in the run up to the Climate Convention in Copenhagen in December. Support for private equity

funds will also see a significant ramp up in activity, with three projects addressing different areas of the value chain. The first will support pension funds to increase their allocation to sustainable private equity. The second – the toolkit – will help managers to integrate sustainability into their investment process and the third will support existing IFC private equity fund clients to improve the environmental and social performance of their portfolio. The third project is a

pilot that will be done in Africa with IFC investment staff, and if successful could be replicated elsewhere. Increasing regional uptake of the product more generally will be a key aim for this fiscal year. In addition to the private equity work in Africa, work on the index for the Middle East and North Africa will continue and design for a China program will be undertaken.

PROJECT HIGHLIGHTS

Carbon Efficiency Index: The objective of this project is to provide an incentive for listed companies in emerging markets to disclose and improve their carbon efficiency by (a) stimulating investment flows from investors through the establishment of an investment index; and (b) engaging with companies directly on the basis of their relative weights in the index to fully exploit the impact of the index on corporate behavior. The index will enable investors who require broad market diversification to express a carbon preference. To date, IFC has supported an extensive research process to estimate the carbon exposure of 1000 emerging market companies over the last three years. IFC is working with Standard and Poor's, one of the leading global index providers, to establish the index. IFC has also been in discussion with some of the largest pension funds worldwide to gauge their appetite for such a product and have engaged with the Carbon Disclosure Project to help them extend their current emerging market coverage. IFC intends to see the index launched before the end of 2009, and will then launch an engagement program in early 2010 to promote adoption and use.

Private Equity Toolkit: The objective of this project is to provide private equity fund managers with an online resource to help them incorporate environmental and social analysis into their investment process. This tool to help managers recognize potential risks and identify investment opportunities has been developed. IFC has conducted beta testing of the product with sixteen private equity fund managers and final changes are being made. The feedback to date from the beta testers has been positive and soon this product will become a go-to place for managers look to answer the "how" question. IFC will launch the toolkit in September 2009 to a selected group of fund managers before going to a wider release in 2010.

SUSTAINABILITY STRATEGY

Companies in emerging markets that want to improve their sustainability performance face limited local capacity and a confusing array of methods, tools, and drivers for corporate social responsibility. Too often, they implement social and environmental projects that are disconnected from their business strategy and susceptible to changes in leadership and economic downturns. As a result, they have little to show to their shareholders and society for their efforts. IFC aims to change this by promoting a strategic approach to sustainability.

In FY09, IFC and AccountAbility created a package of tools and methodologies to assist individual IFC clients in designing an approach to sustainability that enhances

their business value (revenue, costs reduction, reputation improvement), while addressing the most relevant environmental and social issues. The package will also help create structure and process to improve sustainability management and reporting.

This package will enable the tailoring of advisory services to a company's level of maturity as a responsible enterprise. Clients derive more value from their efforts to be sustainable when they are able to focus on issues that matter most to them, taking into account their context such as industry, size and regional factors. The first applications of the package in FY09 has helped engage clients on key social and environmental issues, identify how specific advisory

"We are seeing tremendous value just from the process of evaluating our strategy. We have selected sustainability priority focus areas that are very much aligned with our business strategy."
Emilio Creto, HR Director,
Schahin – Brazil

services can address them further and – crucially - build sustainability solutions to business problems.

Lessons of Experience

Through pilot projects, it became clear that clients find value in IFC's role as an honest broker and provider of quality assurance in the development of a business strategy for sustainability. When such strategies are a new area for a company, it is difficult for them to make sense of the various services and levels of quality available in the market. IFC can assist with the strategy development process and the selection of local trainers and consulting firms.

Clients expect to build a long term relationship with IFC, not just receive a one-time solution. Working with them to develop their sustainability strategy is one way to deepen the relationship, which benefits both IFC and the client. IFC can bring its experience to the table to build trust and achieve success. By having a local presence and speaking the local language, IFC can provide regular support and establish a relationship with the company that will reinforce the impact of the process and reduce delays. This is why, in the last year, IFC has piloted the placement of staff with this expertise in one large country office in order to scale up the program from the ground up.

Once senior executives understand the link between sustainability and business results, they are

willing to pay to address issues and build on opportunities. The positive experience and the recognized value of the advisory services also encourage clients to continue the relationship with IFC.

Strategic Orientations

Going forward, IFC will be collecting lessons learned from implementing the sustainability strategy approach in various client projects. These will be integrated in standardized methodology and tools which will then be channeled to regions through local CSR partners, with a view to achieve greater scale. In terms of geographical expansion, from Latin American and the Caribbean where the product was primarily developed and implemented, we will seek to deploy into a second region (South or East Asia), where we see clients of a similar scope facing comparable internal and external sustainability challenges. Finally, in order to achieve internal product synergies, and to address market failures in key markets, we will explore working in the sustainable investing space, where sustainability reporting is a natural response to the need of the socially responsible investor for material, transparent and reliable reporting along internationally recognized guidelines.

PROJECT HIGHLIGHTS

Engineering group in Brazil – IFC, AccountAbility and Rever Consulting have assisted the Schahin Group to develop a sustainability policy and governance process. The company decided to enter the sustainable construction market and identified affordable green technologies and potential partners. The results were positive and convinced senior management to encourage further initiatives that would achieve tangible business benefits, such as access to the local sustainable construction market and engagement with strategic investors. In parallel, IFC has supported the development of Schahin's internal communications and the company decided to begin producing its first sustainability report by end of 2009.

Power company in China - IFC assisted GDIH in publishing its first sustainability report in line with international best practice. Through an innovative cross-departmental and international collaboration, IFC supported the design of the project and selected a local consulting firm, ensuring the quality of services provided. The environmental and social assessment was done using IFC's Performance Standards and the Global Reporting Initiative framework.

Mobilizing Finance for Sustainability

Engaging the private sector in transforming markets and delivering sustainability solutions is as much a function of the right value proposition as it is of well placed financial incentives. In some situations, all that is needed is the right advice; in other situations, a strategic change management engagement may be necessary; again, elsewhere, a financial structure that encourages certain behaviors and addresses specific risks could promote certain behaviors or business decisions. In order to transform markets, there always have to be companies that accept the cost and risks associated with being first or early movers. To accelerate such change in emerging markets, the targeted deployment of concessional finance can be key – to lessen the cost of new business processes or technology deployment or to reduce the perceived risks associated with new business models. In addition, it is important to support the delivery of advisory services to those clients where capacity building or technical assistance can help to accelerate such change.

IFC has begun in FY09 to more strategically pursue and set up funds that would be available to influence decision points for firms and their markets. Active management of these funds, placing specific amounts to address well defined risks or cost while structuring the concessional element of an engagement aligned with the risks incurring to a client firms, is critical for successfully deploying these resources. IFC manages such resources from three sources: (a) the Global Environment Facility, which includes the Environmental Business Finance Program (EBFP) and the IFC Earth Fund, as well as other portfolio programs, (b) the Climate Investment Funds (CIF), which includes the Clean Technology Fund (CTF) and the Special Climate Fund (SCF), and (c) the Sustainability Business Innovator, which is composed of several single and multi-donor trust funds. Handled all under the same organizational roof within IFC, these funds have governance structures which allow IFC to manage on behalf of these donors the allocation of funds. Much of this funding supports the advisory services work of the sustainability business line, although many of these funds are deployed – purposefully - in the context of IFC commercial investments where concessional financing (via non-grant instruments) can catalyze activities by clients, without overly distorting markets with subsidies. In this regard, such funding furthers the sustainability mission of IFC, allowing firms to support work while creating a path to commercial sustainability, as well as supporting environmental and social sustainability.

The Sustainability Business Line has established specific mechanisms to carefully manage these funds when deployed in non-grant financial mechanisms, and in particular to deal with what may be perceived or actual conflicts of interests within IFC. The close alignment with IFC investments helps in ensuring the entrepreneurial and commercial value of a private sector partner – beyond the jointly pursued sustainability solutions.

Transaction Structuring

IFC's Sustainability Business Line deploys a team of independent investment officers that structure the donor portion of financing packages offered to clients where the intervention is of a project finance nature. This team ensures fiduciary accountability to the respective donors (GEF, CIF, SBI donors) and the deployment of same-or-better skills and care. The governance structures for these funds includes a team structuring the donor portion of the funding separate from IFC mainstream investment, and a separate Investment Review Committee approving the use of funds.

LESSONS OF EXPERIENCE

IFC also mandated the team to identify the most effective financial mechanisms to catalyze and leverage private sector investment. We test new financial structures that can have a catalytic effect or that can more directly address market barriers that impede wide-scale deployment of projects, business models or financial structures that support environmental objectives. We also actively assess and share knowledge on the performance of such financial mechanisms.

With the creation of this team in FY09, IFC took the opportunity to formalize its policies and procedures related to donor-funded investments. These realizations together allows IFC to manage better the potential conflict of interests and to ensure its fiduciary responsibilities towards donors whose funds are used for investments purposes.

The Global Environment Facility (GEF) and The Climate Investment Funds (CIF)

The sustainability business line manages funding from the Global Environment Facility (GEF) and the Climate Investment Funds (CIF) (which includes the Clean Technology Funds (CTF) and the Strategic Climate Fund (SCF)). Generally, these funds seek to catalyze private sector investments specifically in climate change and biodiversity to benefit the environment. Both the GEF and CIF funds are intended to provide concessional financing to support IFC's sustainability work in investments and advisory services, and specifically look to support projects that can address market barriers that impede environmentally friendly practices, either for example because technology costs are too high or perceived risks by clients/financiers are higher than real ones. These funds are primarily meant to be used in non-grant instruments, and can be used to provide financial incentives in a financing package to promote these environmentally friendly investments. The sustainability business line's team of investment officers actively structure the donor portion of the financing package offered to the clients, and ensure fiduciary accountability to the GEF and CIF through a rigorous governance structure which includes a separate team structuring the donor portion of the funding (from IFCs mainstream investment team), and a separate investment review committee approving the use of funds. Funds from the GEF and CIF can be deployed through a variety of products, including loans (e.g.: concessional, subordinated, longer tenure, concessional interest rates), equity (e.g. early stage, subordinated), guarantees (e.g: risk sharing arrangements, first loss, partial guarantee), and grants/convertible grants.

As part of its mission and through its work, the sustainability business line also has staff dedicated to identify financing mechanisms that most effectively catalyze and leverage private sector investment. These investment officers test new financial structures that can have a catalytic effect or that can more directly address market barriers that impede wide scale deployment of projects, business models or financial structures that support environmental objectives. The sustainability business line also actively assesses and shares knowledge on the performance of such financial mechanisms as and when such conclusions are reached.

The Sustainability Business Innovator Trust Funds

Dedicated to supporting mostly advisory services in emerging markets, the Innovator trust funds have grown in relevance as they have begun to reach beyond the more narrow confines of a global program. SBI funds are used for all sustainability activities within the business line's agenda. The sustainability business line seeks to provide increasing leverage for these funds by placing money with IFC regional teams in country offices while accompanying implementation through strategy support, coaching, and quality assurance. Active engagement of donor partners is part of the SBI value proposition, including regular strategic consultations. Donor representatives also took part in a survey, providing feedback on our reporting, and the results were used in designing future reports, including the present one. The objective in FY10 is to keep this level of engagement while diversifying further the partnerships. More details can be found in the financial report, at the end of this report, under the section "Donor Funding Status".

Portfolio of Projects

This is the complete portfolio of IFC advisory services in environmental and social sustainability as of June 30, 2009. It includes ongoing projects, projects closed during FY09 and the pipeline of considered projects. The Sustainability Business Innovator and other sources, including donor funds, across IFC, funded these projects.

Definitions

Geographic Focus	The region or the countries in which the project is implemented.
Donor funding	The amount of donor funding committed to the project.
Donors	<p>The donors that have provided funds for this project or projects of this type.</p> <ul style="list-style-type: none">▪ Donors are mentioned under every project eligible to their funding even if the project did not charge their trust fund. This is why donors that provided flexible funding are often mentioned. They are not mentioned however under projects that received dedicated funding from a specific donor or set of donors.
Advisory Product	The category of sustainability advisory service. The color of the box refers to one of the three thematic priorities. The legend is at the bottom of each page.
Project cost	The total cost of a project when contributions from clients and partners are added to the donor funding.
Start date	The date at which the project has started spending donor funds.
Description	The description of the project and its objectives
Status update	The recent developments in a project.

Legend

Ongoing	Closed	Pipeline
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The projects are grouped by region, then by status, then by thematic priority.

- The ongoing projects were active and not closed during the fiscal year 2009.
- The closed projects were operationally and financially closed during the fiscal year 2009.
- The pipeline project had an early description approved internally as of the fiscal year 2009.

PORTFOLIO OVERVIEW

These tables report the distribution of the portfolio of ongoing, closed and designed projects of the environmental and social sustainability business line in FY09 and the total cumulative projects since the beginning of these activities.

IFC's fiscal year runs from July 1 to June 30th.

The ongoing projects were active and not closed during the fiscal year 2009.

The closed projects were operationally and financially closed during the fiscal year 2009.

The pipeline project had an early description approved internally as of the fiscal year 2009.

Table 2: Regional Portfolio by Status

Information on projects from the environmental and social sustainability business line of IFC for the fiscal year 2009 running from July 1, 2008 to June 30, 2009.

	Global and multi-regions	Europe and Central Asia	Sub-Saharan Africa	Latin America and the Caribbean	East Asia and the Pacific	South Asia	Middle East and North Africa	Total
Ongoing	41	12	23	21	15	15	4	131
Closed	2	8	3	4	0	3	2	22
Pipeline	6	3	1	0	2	0	0	12
Total	49	23	27	25	17	18	6	165

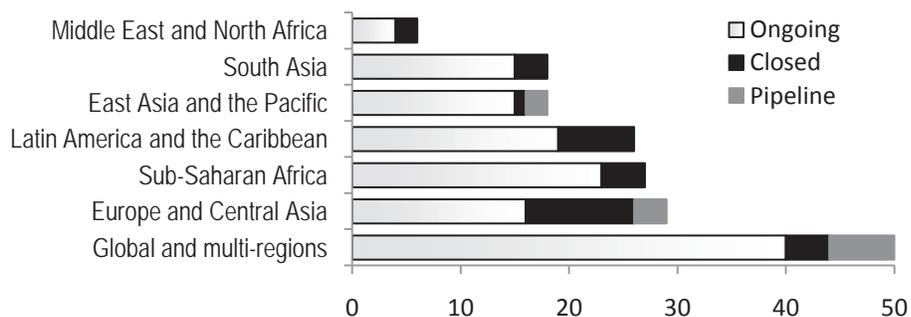


Table 3: Regional Portfolio by Advisory Product

Information on projects from the environmental and social sustainability business line of IFC for the fiscal year 2009 running from July 1, 2008 to June 30, 2009. Projects in the paler-colored rows of each theme will be transferred to another business line in FY10, except in the case of *Nature-based products and services* for which IFC will be phasing out its activities and *Gender in the value chain* for which the global team will support regional projects but will no longer originate projects.

	Global and Multi-Regions	Sub-Saharan Africa	Latin America and Caribbean	Europe and Central Asia	South Asia	East Asia and the Pacific	Middle East and North Africa	Total
Climate Change	15	14	8	11	14	9	3	74
Sustainable Energy Market Transformation	7	6	2	2	7	2	2	28
Cleaner Production Assessment	3	7	4	2	5		1	22
Sustainable Water	2				1			3
Sustainable Energy Finance	2		1	6		4		13
Clean Tech Investments	1	1	1	1	1	3		8
Biodiversity	5	3	3	2	1	5	1	20
Sustainable Forestry						1		1
Eco-Standards and Sust. Supply Chains	4	1	1	1				7
Nature-based Products and Services				1				1
Biodiversity -Other	1	2	2		1	4	1	11
Social Assets	12	10	12	6	3	2	1	46
Competitiveness through Labor Standards	6	1	1			2		10
Women in Business - Access to Finance		5		1				6
Women in Business - Investment Climate	1						1	2
Women in Business - Others	2							2
Community Investment	1	3	10	5	1			20
Sustainability Strategies	2							2
Gender in the Value Chain		1			1			2
Corporate and Social Responsibility			1		1			2
Sustainable Investing	9		2				1	12
Other	8			4		1		13
Total	49	27	25	23	18	17	6	165

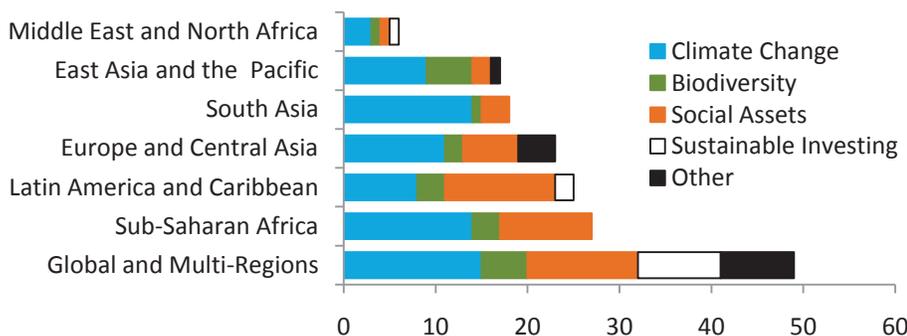
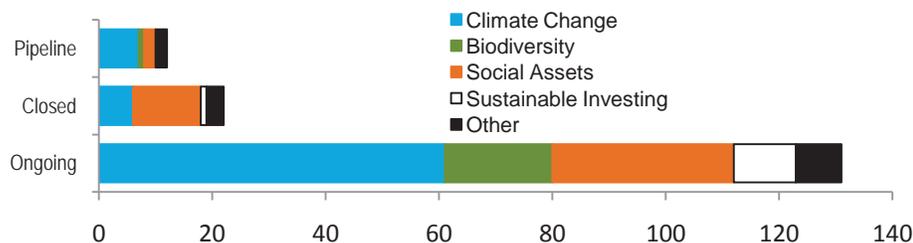
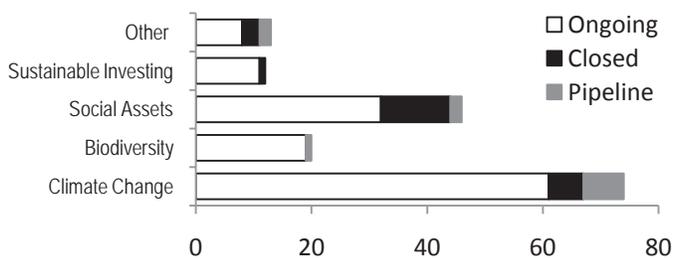


Table 4: Status of Portfolio by Product

Information on projects from the environmental and social sustainability business line of IFC for the fiscal year 2009 running from July 1, 2008 to June 30, 2009.

	Ongoing	Closed	Pipeline	Total
Climate Change	61	6	7	74
Sustainable Energy Market Transformation	23	1	4	28
Cleaner Production	15	4	3	22
Sustainable Water	3			3
Sustainable Energy Finance	13			13
Clean Tech Investments	7	1		8
Biodiversity	19	0	1	20
Eco-Standards and Sustainable Supply Chains	7			7
Sustainable Forestry			1	1
Nature-based Products and Services	1			1
Biodiversity -Other	11			11
Social Assets	32	12	2	46
Competitiveness through Labor Standards	9	1		10
Women in Business - Access to Finance	3	1	2	6
Women in Business - Investment Climate	2			2
Women in Business - Others	2			2
Community Investment	13	7		20
Gender in the Value Chain	1	1		2
Sustainability Strategies	2			2
Corporate and Social Responsibility		2		2
Sustainable Investing	11	1		12
Other	8	3	2	13
Total	131	22	12	165



GLOBAL AND MULTI-REGIONS

Photovoltaic Market Transformation Initiative (PVMTI)

Advisory Product	Sustainable Energy Market Development	Start Date	1998-07-01
Geographic focus	World	Project Cost	\$3,540,000
Donors	GEF	Donor Funding	\$3,540,000
		Project ID	502223
Description	<p>PVMTI's primary objective is to help PV businesses and projects in India, Kenya and Morocco to grow towards financial viability. PVMTI represents a strategic intervention to stimulate PV business activity in selected countries and to demonstrate that quasi-commercial financing can accelerate its sustainable commercialization and financial viability in the developing world. It is based on the premise that private sector project design and management will result in more sustainable ventures than government or donor financed PV procurements alone could provide.</p>		
Status update	<p>Two trends in solar PV show a significant change in the power industry. On the one hand, focus on climate protection, rising fossil fuel prices, conventional energy security concerns, and consumer green energy demand underlie rising demand. On the other hand, technological developments (e.g. improved cell conversion efficiencies, new production technologies, improved cell architecture, etc.) and rapid scaling of solar PV production capacity drive increased supply and lower costs. While the PVMTI program initially focused on small PV applications the current developments moved the focus towards larger grid connected solar projects.</p>		

Fuel Cell Financing for Distributed Generation Application - Phase 1

Advisory Product	Sustainable Energy Market Development	Start Date	2001-08-29
Geographic focus	World	Project Cost	\$350,000
Donors	GEF, IFC, Italy, Luxembourg, New Zealand	Donor Funding	\$350,000
		Project ID	507107
Description	<p>The goal is to catalyze the creation of sustainable markets for fuel cells in suitable stationary power applications. The objective of stage 1 is to help 3 selected companies increase their supply of fuel cells, reach a critical mass, reduce the fuel cell manufacturing and installation costs, and demonstrate the viability of the technology for certain applications. The objective of stage 2 is to achieve economies of scale so the fuel cell technologies can continue the commercialization process and effectively compete with other climate friendly technologies.</p>		
Status update	<p>The financial crisis impact has seriously affected the ability of the fuel cell supply chain. The product component costs have increased due to financial constraints of the manufacturers and reduction in demand. The system integrators and marketing companies focusing on fuel cells are struggling to prove fuel cell economics to the final customers because of significant reduction of oil prices, as the fuel cells for telecommunication towers are competing mainly with diesel generators. Telecommunication companies themselves are increasingly risk averse under current economic conditions. While one project is well underway we have not received other proposals that can be readily supported. We are working together with three system integrators to help them through the application process and to provide quality proposals for consideration</p>		

Sustainable Energy Facility (REEF II)

Advisory Product	Sustainable Energy Finance	Start Date	1997-12-02
Geographic focus	World	Project Cost	\$20,264,389
Donors	GEF	Donor Funding	\$20,264,389 including \$14,000,000 in investment
		Project ID	502222
Description	The objective of the project is to help small and medium sized enterprises that operate in the area of sustainable energy to improve their capacity and financial strength by increasing the flow of seed capital and acting as a catalyst for capacity building and technical assistance.		
Status update	The project is successful on many levels – financial, economic, environmental and social; the need remains in the developing world for this kind of support and facility. The next step is to improve on the basic design and replicate the model with multiple fund managers in targeted markets and with a well thought out market entry strategy to optimise the demonstration benefits in each sector and the leveraging of IFC resources to ensure replication to a much wider audience is supported.		

Sustainable Energy Finance Portal

Advisory Product	Sustainable Energy Finance	Start Date	2008-04-14
Geographic focus	World	Project Cost	\$180,000
Donors	GEF	Donor Funding	\$180,000
		Project ID	562607
Description	The objective is to provide an information sharing web-based platform to underpin the work of the IFC global sustainable energy practice group. This network includes investment and advisory staff working in the energy efficiency and renewable energy (sustainable energy or SE) sectors. One key part of the practice group's work is developing IFC's business to support the development of SE lending markets through financial institutions (FIs). The project will primarily focus, in its initial stage, on supporting the scale-up of this FI-focused SE finance business. Thus, the information platform will enable access to accurate and relevant information on IFC's previous experiences in this area in order to facilitate the network's project design and implementation work. This project seeks to catalyse and/or improve 3-5 SE transactions by June 30, 2010.		
Status update	Despite the downward trend in a number of sustainable energy finance projects, there were several that managed to move forward and while doing so benefited from the Sustainable Energy Finance portal, namely Vietnam EECF, Nepal Energy efficiency finance, Indonesia EE, and Philippines EE. The portal has been fully operational for 10 months. The website was handed over to Financial Markets Sustainability (FMS), which is now responsible for content update and general maintenance of the website with continued support from the sustainability team. The sustainability team remains engaged to catalyse the integration of the portal into IFC's efforts to scale up the business globally.		

Global Microeconomics of Water

Advisory Product	Sustainable Water	Start Date	2009-03-14
Geographic focus	World	Project Cost	\$5,500,000
Donors	IFC	Donor Funding	\$1,500,000
		Project ID	568687
Description	<p>The objective is to advance the understanding of water issues by producing a fact base for the water sector thus enabling informed economic development decision-making on initiatives that involve water/land/labor/energy tradeoffs. The effort is a three-way partnership between IFC, McKinsey and a group of private sector companies interested in playing a substantial role in the broader water sector. The fact base will constitute a global public good and serve as a tool to provide clear problem definition on what is the economically relevant "target" to reduce water scarcity and to identify the most cost-effective way to meet specific target.</p>		
Status update	<p>The McKinsey Study "The Economics of Water Resources 2030 developed a key new tool in the analysis of options for closing the water supply gap. This tool, referred to as the "cost curve" provides a comparative marginal cost analysis of a multitude of "levers" or potential solutions for narrowing the gap. The Advisory Committee for this report included key institutions in the water sector including (FAO, WWF, IWMI, OECD, The Pacific Institute, SIWI, the World Bank, World Economic Forum, World resources Institute, Harvard University, IFC as well as key industry partners e.g. Coca Cola, nestle, Barilla, New Holland Agriculture, SAB Miller, Standard Chartered Bank, and Syngenta). The World Bank has been included as part of the Steering Committee for this study and as a key reviewer of the study's reports. A key meeting of the Steering Committee was held on August 19, 2009 as part of the Stockholm World Water Week Conference. Overall The Economics of Water Resources 2030 Report received a favorable review from Steering Committee members. The results of the McKinsey Study are being used to inform the development of IFC Water Sector Strategy and Business Plan. Key areas of focus for the IFC Water Strategy have been selected based on the results of the cost curve to identify areas where the maximum impact is likely to result from IFC investment.</p>		

Sustainable Energy Knowledge Hub (formerly PADGO Hub)

Advisory Product	Sustainable Energy Market Development	Start Date	2008-11-01
Geographic focus	World	Project Cost	\$1,790,000
Donors	Austria, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$1,790,000
		Project ID	561389
Description	<p>This project aims at systematically collecting, analyzing, structuring, packaging and disseminating information on sustainable energy projects in developing countries. The objective is to increase the efficiency with which such projects can be conducted and thereby increase the total scale of the projects, both within IFC as well as by external project developers and investors.</p>		
Status update	<p>As a first step for the project, a concept was developed for capturing and disseminating sustainable energy related project information within IFC to increase the efficiency of project delivery within the institution and systematically capturing relevant information. It is envisioned, that based on the internal IFC work, training modules and knowledge products will be developed for an external audience of investors and project developers. Initial focus of the work will be on solar and geothermal energy where IFC projects currently under development can be leveraged and where an analysis and structuring of relevant information and data is currently under way.</p>		

Efficient Lighting Initiative (ELI) Tranche I & II

Advisory Product	Sustainable Energy Market Development	Start Date	1997-08-06
Geographic focus	World	Project Cost	\$17,115,000
Donors	GEF	Donor Funding	\$17,115,000
		Project ID	502238
Description	To accelerate the development of the efficient lighting market in 7 country markets by over 5 years during the 3 year life of the program thus reducing greenhouse gas emissions associated with providing electric lighting services in those markets. Market development indicators include product availability, price per product, number of products sold, and impact indicators include electricity savings and greenhouse gas emissions reductions. Project seeks to generate energy savings of 2,000 GWH and greenhouse gas savings of 2 million tonnes of CO2 over the life of the project, with at least three times those amounts of net impact on the market over ten years post program.		
Status update	ELI 's market interventions led to a decrease in prices, increased product availability, increased demand, and increased quality. These outputs led to an increase in CFL sales that generated 26,635,000 MWh of electricity savings and 22,711 T of avoided CO2 emissions, in the period 2000-2010. Across the board, ELI demonstrated substantial market impact with product prices falling (from \$23 to \$3 in Argentina), sales climbing (by a factor of 21 in Peru), and sales of traditional incandescent lamps tumbling (by 9 percent in South Africa, in a market undergoing widespread electrification). In response to groundswell demand from manufacturers, consumers, and national programs, IFC used ELI as a springboard to launch a self-sustaining, fee-based, quality certification service for efficient lighting products worldwide, with an emphasis on developing countries. IFC created the 'ELI Certification Institute', administered by the China Standard Certification Center, which was selected via a competitive bidding process. The Institute's mandate was to build on institutional partnerships established in the ELI countries to extend product certification to an expanding range of efficient lighting technologies worldwide. This included promoting the adoption of promising new technologies, such as light-emitting diodes (LEDs). 9 manufacturers have products certified by ELI; in total 113 models of lamps are ELI-certified. 4 of the same manufacturers plus 10 new manufacturers are under the process of certification. ELI presently lists 56 testing laboratories in 19 countries.		

WaterHealth International

Advisory Product	Clean Tech Venture Investments	Start Date	2004-07-16
Geographic focus	World	Project Cost	\$1,329,329
Donors	Denmark, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$1,329,329
		Project ID	521702
Description	Water Health International (WHI) provides clean drinking water to underserved rural and peri-urban populations in emerging markets. WHI has an innovative ultra-violet disinfection technology and innovative "water store" or "micro utility" business model. The objective of the project is to catalyze growth in WHI and to expand its business by increasing sales and marketing efforts in strategic emerging markets. The project also seeks to improve access to finance for decentralized water distribution and early-stage clean technology companies with significant emerging market risks. Developing country venture investors are not generally familiar with the cleantech sector and few cleantech venture investors are comfortable in developing countries. The demonstration effect of the project is expected to help WHI prove its commercial viability and by attracting additional third party investment into the Company and the decentralized water sector as a whole.		
Status update	In FY09, WHI achieved significant milestones in raising additional financing. The First Close of Series D equity was completed in December 2009 for \$10.3 million and the Second Close is in progress. In addition, IFC made a loan investment commitment of \$15 million to WHI in February 2009. The facility will help more than 600 communities in India fund the purchase of Water Health Centres over the next 2 years, with the capacity to serve more than three million people. This is IFC's first investment in distributed water services sector in India to provide access to affordable and clean drinking water to rural households. WHI has more than 600 installations of its water purification and disinfection systems in developing countries around the world, and is active in India, Ghana, the Philippines, and Sri Lanka.		

Global Water Access

Advisory Product	Sustainable Water	Start Date	2008-06-16
Geographic focus	World	Project Cost	\$239,000
Donors	IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$239,000
		Project ID	561569
Description	<p>The objective of this project is to complete a diagnostic report in order to identify an approach to IFC's deeper involvement and potential leadership in a growing segment of the water sector. Originally, the project's purpose was to inform IFC of investment and advisory engagements to accelerate scale-up in the sector through an internal report. However, as the project progressed, the Project team decided to leverage the work being done to publish an external document with the objectives of: 1) asserting IFC's thought leadership in the clean water space, and 2) catalyze broader water community thinking in the sector.</p>		
Status update	<p>Seven international water experts were retained to complete the project. Field research was conducted in summer 2008 in India, China, Uganda, and Kenya, that represent emerging markets with promising intervention opportunities for the private sector. In June 2009, IFC published <i>Safe Water for All: Harnessing the Private Sector to Reach the Underserved</i>. The report provides a summary of the various private sector enterprises currently active in those markets which -- through a variety of business models -- deliver water and sanitation services to the underserved. The publication looks at the success factors which characterize business models that hold the most promise for scale-up and offers an assessment of barriers to scaling up and the opportunities for IFC and other institutions to support sector growth through market-based approaches. This work is the foundation for conceptualizing a programmatic approach to support safe-water market development. Initial dissemination has taken place internally and through an external workshop in Nairobi, Kenya in June 2009.</p>		

Cleaner Production Technical Assistance Rapid Response Pilot

Advisory Product	Cleaner Production Assessment	Start Date	2007-06-01
Geographic focus	World	Project Cost	\$225,000
Donors	Denmark, Norway, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$200,000
		Project ID	556245
Description	<p>The project will provide rapid deployment of technical assistance to identify Cleaner Production (CP) improvement opportunities for 2-4 IFC clients or prospective pipeline client within the project period. The project's objective is to deliver a timely response to maximize the development impact of IFC's mainstream investments.</p>		
Status update	<p>The Indefinite Delivery Agreement (IDA) framework was set up and advertised globally to consulting firms working in Cleaner Production. We originally received bids from 11 firms, but due to time lapse we had to request for fresh bids from the firms and received bids from 5 firms. The technical committee evaluated the five firms with regards to their i) scope and coverage ii) experience in CP iii) regional coverage and iv) staff experience and recommended that we select all five firm for the project. Once the contracting process is finalized the project will use these firms for executing the project.</p>		

Conservation International 2 – Conservation Finance Program

Advisory Product	Biodiversity-Other	Start Date	2005-02-23
Geographic focus	World	Project Cost	\$990,000
Donors	GEF	Donor Funding	\$990,000 including \$750,000 in investment
		Project ID	532744
Description	The project promotes Conservation International's (CI) Verde Ventures (VV) conservation finance program with the objective to invest in at least 15 SMEs that will conserve and protect biodiversity and provide employment and social benefits to their communities. IFC had originally loaned \$1 million in 1998 to CI's Conservation Enterprise Fund to support investments in 5 ventures. That initiative proved to be successful and is now being scaled up and modified through the Verde Ventures initiative.		
Status update	Overall, the project is performing satisfactorily and according to schedule. To date, VV has on-lent funds to 6 sub-projects and provided grants for the monitoring of 8 projects (including the 6 loans) in sectors such as ecotourism, apparel manufacturing, coffee, and forest conservation. The funding has helped mobilize \$7,489,627 in loans and \$170,000 in TA. The main challenge for VV remains to identify appropriate local organizations, that can carry out the sub-project's monitoring and evaluation (M&E) plans. However, VV is taking the steps to build partnerships with local organizations and gradually learn from its lessons to standardize a more systematic M&E method.		

Biodiversity and Agricultural Commodities Program

Advisory Product	Eco-standards and Sustainable Supply Chains	Start Date	2004-07-01
Geographic focus	World	Project Cost	\$21,656,705
Donors	GEF, IFC, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$8,794,705
		Project ID	523359
Description	By supporting global market transformation efforts and the adoption of biodiversity related Better Management Practices (BMPs), BACP will increase biodiversity protection in the production landscapes. This is the initial 5 year first phase of a 10 year program. Over five years, and working with initially 2 target commodity sectors, (palm oil, and soy beans). BACP seeks to achieve the following outcomes: 1) A strong enabling environment that supports the integration of cost-effective biodiversity preservation opportunities at all levels of the value chain, 2) A significant increased mainstream demand from purchasers for commodities produced using biodiversity-friendly techniques, 3) The recognition by financial institutions of the economic benefits of biodiversity-friendly production methods and practices, and the subsequent integration of this factor in their investment procedures and 4) The availability of a simple methodology to link the use of a given commodity certification system to its actual impact on biodiversity.		
Status update	Three grant agreements were signed for projects in oil palm. • The Steering Committee approved the Market Transformation Strategy for Soy in April, this triggered the first request for proposals for soy. • The Roundtable for Responsible Soy met and approved including appropriate criteria related to biodiversity. IFC and partners such as Rabobank, WWF, Moore Foundation played an important role in ensuring that the biodiversity criteria remained in the draft standard. A one-year testing period has now commenced and BACP grantee projects (once approved) will support this. • In June, a pilot of the spatial component for BACP M&E has become available online, as well as accompanying user manuals in English and Spanish. A multistakeholder learning platform for M&E is in development that will enable interactive learning to be shared from the pilot projects across the commodities. • Further definition of baseline indicators and targets (where appropriate) for the overall program (first five years) is in progress. • The BACP project management unit drafted market transformation strategies for cocoa and sugar. Once finalized these strategies will be presented to the steering committee for approval. • The objectives of BACP were updated (including M&E) to incorporate the following the primary focus on two commodities (oil palm and soy) and the inclusion of a tool linking certification to biodiversity protection.		

Better Management Practices in Sugar Cane

Advisory Product	Eco-standards and Sustainable Supply Chains	Start Date	2008-02-15
Geographic focus	World	Project Cost	\$275,000
Donors	South Africa, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$275,000
		Project ID	549330
Description	<p>The overall goal of the project is to improve the sustainability of the sugar cane supply chain. The objective of this project is to develop and get to work the knowledge management tool of the sugarcane roundtable, the Better Sugarcane Initiative (BSI). IFC will organize and implement a specific knowledge gathering and sharing exercise: the elaboration within 18 months of a better management practices (BMP) manual to document and share state-of-the-art management practices being used around the world to manage and mitigate environmental and social risks. The manual will document the costs and benefits of BMPs to improve the business case and incentives for sugar market transformation and provide the basis for a new global standard. In addition, and in parallel to the manual this project will develop the system by which knowledge will be shared amongst BSI members and beyond.</p>		
Status update	<p>The consultants have not provided a revised proposal to IFC and have not become registered as World Bank vendors. IFC has assigned a new task leader to the project in late May to reactivate the project, and to support the BSI within the framework of IFC support to the roundtable processes, after thorough debrief with the present IFC delegate in BSI.</p>		

Business and Biodiversity Offsets Program

Advisory Product	Eco-standards and Sustainable Supply Chains	Start Date	2007-12-07
Geographic focus	World	Project Cost	\$493,062
Donors	IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$493,062
		Project ID	550585
Description	<p>The goal of the program is to strengthen the development of an international market-based mechanism for biodiversity conservation based on "caps and credits". The objective of this project is to define standards and create methodologies to be tested in 10 pilot sites. The project will contribute to the international dialogue on, and acceptance of, biodiversity offsets as a valid and legitimate action to compensate for residual and unavoidable damage to biodiversity that may occur as a result of an investment project.</p>		
Status update	<p>The project is on target and the performance is good. The completion date of the project was extended six months due to the slow progress in the development of the pre-feasibility analysis for a market-based mechanism to deliver aggregated biodiversity offsets. Highlights include the completion of the Phase I toolkit and the completion of the proposed Phase 2 governance model by the Interim Steering Group. The project developers completed all the case studies by the end of the quarter. All of the documents, that together constitute the Toolkit were posted on the website by May 2009 (bbop.forest-trends.org). At the program meeting in December 2008, the Advisory Committee members agreed to transition to a more formal governance model in Phase 2. To facilitate this process, the Advisory Committee appointed an Interim Steering Group, of which IFC is a member, that has been working to guide the Secretariat on work priorities and help to define a new governance model for Phase 2. In February 2009, members of the Secretariat participated in a workshop in Madagascar with 24 participants, including representatives from the government.</p>		

Bio-Trade Program

Advisory Product	Eco-standards and Sustainable Supply Chains	Start Date	2008-05-15
Geographic focus	World	Project Cost	\$3,918,450
Donors	Netherlands, Denmark, IFC, Italy, Luxembourg, New Zealand, Norway	Donor Funding	\$2,350,000
		Project ID	557585
Description	<p>The goal of the program is to contribute to the reduction of poverty and the conservation of biodiversity through the development and growth of the bio-trade market, including its enabling environment, and private sector entrepreneurs. The objective of this project is to support the institutional development and financial consolidation of the Union for Ethical Biotrade (UEBT) as the vehicle to develop and validate the principles and criteria that define bio-trade and a verification framework to differentiate sustainable biodiversity based products from the rest of the market. This project will provide the Union with start-up funding during its first three years of operation. At the end of the project, we expect the Union to have other donors and enough membership fees to continue operations and a clear plan to achieve financial sustainability no later than 2015. The Union will work on market development, promotion, and other efforts to increase market up-take of bio-trade products and purchases. This project will also support the coordination and collaboration of biotrade projects with other entities working on the policy, legislation, and enabling environment required for biotrade (UNCTAD, ITC, SIPPO, National Biotrade Programs, and others).</p>		
Status update	<p>In April 2009, the UEBT started to roll out its marketing strategy in the cosmetics sector. 20 organizations applied for UEBT membership and 1 NGO was approved, 14 companies were given approved membership status, and 5 companies are being considered by the membership committee. The UEBT has applied for ISEAL membership. The results of an external review contracted by IFC were discussed by the Board and relevant recommendations incorporated in the 2009 work-plan. The auditor training course was finalized and by the end of June 2009, 4 auditor training workshops will have been held (Peru, Colombia, South Africa and Europe). The on-line courses are available for test use as well. Five verification bodies were accredited and tests are underway with two additional verification bodies. The Union prepared a technical paper aimed at the cosmetics private sector on Access and Benefits Sharing (ABS), one of the important pillars of the UEBT protocols based on the UN Convention on Biological Diversity. A first company specific training workshop on ABS was also held; a model that will be replicated. 3 case studies were also developed as part of training courses for auditors and companies. The Ethical BioTrade Community Trading Programme was launched with funding of the Doen Foundation. The first call for proposals was announced and members and applicant members can apply. The UEBT co-organized the BioTrade contest with the Peruvian Ministry of Environment. Unilever and IUCN invited the UEBT to participate in the Novela partnership and provide the verification mechanism for the Alanblackia oil. The UEBT should receive funding to implement activities under this project through a SECO funded project of IUCN. Also, 4 verification grants were approved/distributed (1 in Peru, 2 in Colombia and 1 in Madagascar).</p>		

Human Rights Impact Assessment Road-testing and Voluntary Principles Scoping

Advisory Product	Competitiveness Through Labor Standards	Start Date	2008-04-01
Geographic focus	World	Project Cost	\$772,000
Donors	IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$425,000
		Project ID	558085
Description	<p>The objective of this project is to develop practical tools and processes for IFC clients and emerging market companies to identify human rights issues associated with their business, manage human rights impacts and seize opportunities to go beyond compliance requirements with a view to improve their economic and social performance. The intended impact is to encourage market transformation through greater capacity of and update by leading emerging market companies willing to engage pro-actively in this area. This will be undertaken through two main activities: (1) Road-testing of the draft Guide to Human Rights Impact Assessment and Management (HRIA), and (2) Scoping for a new business and human rights tool that would assist in the implementation of the Voluntary Principles on Security and Human Rights (VPs). The above activities would be carried out in partnership with the International Business Leaders Forum (IBLF), which acts as the secretariat for the VPs group and works in close cooperation with IFC on the HRIA.</p>		
Status update	<p>The final scoping study for the development of an implementation guidance tool was released in September 2008. The results of the scoping were presented to and well received by VP members. The partners are currently exploring options of the funding of the actual tool development, which is estimated at \$90k. The partners are the VP members, IPIECA, ICMM, ICRC. The Guide to HRIA is currently being road tested by Nokia in Romania. A confidentiality agreement was signed with Nokia on the road testing, and 3 other clients are being recruited for the road-testing process. The Guide to HRIA is freely downloadable on IFC's/IBLF's/UNGC's website. We have set up 2 complementary means to collect information on public downloads in order to gather feedback from companies / groups that are not undergoing formal road testing.</p>		

Business and Human Rights Institute

Advisory Product	Competitiveness Through Labor Standards	Start Date	2008-03-17
Geographic focus	World	Project Cost	\$290,000
Donors	IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$120,000
		Project ID	561630
Description	<p>The objective of this project is to make a clear and comprehensive assessment of what could be the role and functions of a potential Business and Human Rights Institute through extensive regional consultations with relevant local and international stakeholders.</p>		
Status update	<p>Three regional consultations (Delhi, February 4-7, 2008; Bangalore, April 2-4, 2008; and Nairobi, May 22-23, 2008) took place as scheduled and IFC has received a final report for each of these meetings. More than 130 representatives from business, NGOs, governments and international organizations participated in these consultations. Thematic roundtables were organized on the Right to Water (Washington, September 17-18, 2008) and the Right to a Living Wage (London, October 2-3, 2008). These workshops aimed to assess the proposed mandate and role of a Business and Human Rights Institute following the results of the three regional consultations. For each of these workshops, a draft report was submitted to the participants for comments and distributed as background information for two workshops of the International Seminar on Business and Human Rights, held in Paris from December 4-6, 2008. 45 internationally-recognized experts from business, NGOs and international organizations participated in these two workshops. The Business and Human Rights Institute was formally launched during the International Seminar on Business and Human Rights.</p>		

Sustainability Strategy

Advisory Product	Sustainability Strategy	Start Date	2008-02-01
Geographic focus	World	Project Cost	\$700,000
Donors	IFC, Italy, Luxembourg, New Zealand, Netherlands, Norway	Donor Funding	\$700,000
		Project ID	559446
Description	The objective of this project is to develop and implement an advisory product that will promote a performance-based approach to corporate social responsibility (CSR) among emerging market companies. The project will do this by building the capacity of companies to adopt strategies and practices to improve their social, environmental and economic performance, as well as accountability and transparency to stakeholders, in line with their business priorities. The product aims to show the business benefits of sustainability by helping companies be more strategic about the CSR activities that they choose to undertake and to achieve the greatest benefits of these through effective communication.		
Status update	The first module (Company Diagnostic), developed jointly with AccountAbility, has been finalized and is currently being tested through companies. The second and third modules (Strategy/Planning/Accountability and Communication/Reporting) were also delivered in July 2009. The first draft of a Sustainability Strategy Guide, which will serve as guidance for staff in approaching clients and implementing the advisory, was issued in June 2009 and will be finalized by October 2009. On the reporting side, a total of 15 training partners were certified in emerging market. The geographic distribution of trainers is as follows: India (4), South Africa (2), Hispanic Americas (4), Korea (2), Brazil (3). A total of 23 GRI Certified Training courses were given by Certified Training Partners from 1 January 2009 to 30 June 2009: Brazil (9), Korea (3), Hispanic Americas (7), India (1), South Africa (3).		

Better Work I (Global product development and pilot country scoping)

Advisory Product	Competitiveness Through Labor Standards	Start Date	2006-09-01
Geographic focus	World	Project Cost	\$4,759,514
Donors	Japan, Ireland, IFC, Italy, Luxembourg, New Zealand, Netherlands, Norway	Donor Funding	\$1,174,866
		Project ID	547829
Description	The objective of the Better Work Program is to improve, in partnership with the International Labor Organization (ILO), the working conditions in global supply chains in various industries including garment/footwear, plantations, electronic equipment and light manufacturing. The objective of this specific project is to develop a global labor monitoring system based on ILO's existing system, and tailoring it to suit global demand, and design three country pilot roll outs. These pilots will form part of a larger process combining discussions with labor authorities, capacity-building services for official labor inspectors and independent labor auditors, and training on best labor labor practices, including remediation support, for enterprises in the global supply chain of international buyers.		
Status update	Better Work completed the global program platform and tools and the implemented the program in Jordan, Vietnam and Haiti. These projects will eventually improve working conditions for over 800,000 workers. Now that the program has been established in apparel in three countries, the global team is currently seeking out new industries for expansion. In May 2009, IFC and ILO signed a cooperation agreement, which establishes a global management and oversight structure for Better Work. To respond to the financial crisis, Better Work developed a socially responsible restructuring toolkit for the apparel industry.		

Better Work I Global Training Product

Advisory Product	Competitiveness Through Labor Standards	Start Date	2008-07-01
Geographic focus	World	Project Cost	\$570,000
Donors	Ireland, Japan, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$570,000
		Project ID	565128
Description	The Project aims to develop a set of standardized training products within two years. The training will focus on increasing industrial competitiveness in labor intensive global supply chains by improving working conditions and labor/management relations. It will be used to support the implementation of Better Work country projects.		
Status update	<p>1. Supplier Factory Training Package: A) The supervisory training package (4 days) was finalized in April 2009. B) A training course (half day) on how to deal with labor retrenchment issues in a socially responsible way was completed. C) The script of the first two episodes on grievance handling and dispute resolution and legal strike procedures was translated and adapted to Vietnamese Labor Law, and is undergoing final editing. D) "Train the Trainer" package (3days) for Partners' trainers: the draft training delivery skills module was completed in May 2009.</p> <p>2. Better Work Factory Advisor Training Package: A) The desk book for "Training the Enterprise Advisor" was completed in February 2009. The first five-day training material on consultancy skills was completed and piloted in Jordan and Cambodia. Total number of EAs trained is 21 (6 in Jordan and 15 in Cambodia). The material was revised and completed. B) Factory improvement tools such as Risk Mapping, Mind-mapping Brainstorming, Drill Down, and SWOT have been developed/ translated to support the EAs in analyzing problems and in developing the improvement plans.</p>		

Community Investment Good Practice Guidance

Advisory Product	Community Investment	Start Date	2008-11-20
Geographic focus	World	Project Cost	\$606,206
Donors	IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$606,206
		Project ID	564207
Description	To enhance the capacity of IFC staff to offer and deliver the community investment product in a consistent and high-quality manner to clients by the end of FY09 through a standardization process that includes: 1) Development of a standardized product framework that combines multiple components into a single, integrated product offering with greater emphasis on strategy; 2) Development of a standard M&E framework for all projects mapped to this product; 3) Development of a web-based Good Practice Guide to provide how-to guidance, methodologies and tools for IFC staff and clients; 4) Delivery of peer review and workshop events in Africa + HQ; 5) Coaching and technical assistance for regional AS staff, and quality review of CI projects (Phase II); and 6) Creation and maintenance of an internal community of practice.		
Status update	A significant achievement this year has been the completion of the draft Good practice Handbook on Strategic Community Investment. The Handbook provides practical "how-to" guidance to help private sector companies adopt a more strategic and sustainable approach to community investment and engagement. In May 2009, consultation events were held with representatives from client companies and the development community. The Handbook will be published in November 2009. Since the start of the project, there has been increased demand for advisory on community investment. While work with oil, gas, and mining industry remains important, potential interest is also coming from the agribusiness sector in Indonesia and Brazil where the requirements of the Roundtable on Sustainable Palm Oil and the Roundtable on Responsible Soy encompass support for local sustainable development and responsible community relations, respectively.		

Gender and Sustainability Reporting Project

Advisory Product	Sustainability Strategy	Start Date	2008-05-01
Geographic focus	World	Project Cost	\$255,000
Donors	Iceland, IFC	Donor Funding	\$255,000
		Project ID	561827
Description	<p>The objective of this project is to promote gender and sustainability reporting at the global level with the intended impact that more companies understand the business case for gender inclusion and implement appropriate best practices to increase and optimize the contribution of women in their organizations. Fitting with IFC's Global Corporate Social Responsibility Strategy, this project partners with the Global Reporting Initiative (GRI) - the only global, multi-stakeholder framework for sustainability reporting - to promote gender in global sustainability reporting guidelines, protocols, supplements and resource guides globally.</p>		
Status update	<p>The Gender and Sustainability Reporting Resource document has been finalized and will be launched at the CSR Asia Conference in October 2009. The Resource Guide benefited from input from multi-stakeholder consultations held in Brazil, India, South Africa, the United Kingdom and United States attended by a total of 130 participants representing private sector companies including IFC clients, civil-society organizations, public sector companies, donor organizations, labor organizations as well as gender specialists. The diverse voices of those consulted have also been captured on video and are now available on the web (www.IFC.org/genderreporting).</p>		

Gender and Investment Climate

Advisory Product	Women in Business-Investment Climate	Start Date	09-05-2007
Geographic focus	World	Project Cost	\$620,000
Donors	IFC, United Kingdom	Donor Funding	\$620,000
		Project ID	557548
Description	<p>The objective of the project is to enable women's greater participation in private sector development by: a) analyzing gender-based barriers to private sector development, providing implementation assistance to ensure women as well as men benefit from legal and regulatory reforms, b) developing methodological guidelines (Practitioners' Guide) that encompass tools for replication, and providing implementation support for identified recommendations in partnership with the Investment Climate community and donors. The guide will provide cutting-edge thinking on the gender dimensions of private sector development with a view of providing implementation-oriented, practical, replicable, and scalable tools to mainstream a gender perspective in broader Investment Climate work.</p>		
Status update	<p>The project has already started showing results within IFC. The <i>Practitioners' Guide</i> has been tested in a practical context and gender issues related to the investment climate have been identified in 5 countries in the Pacific: Timor-Leste, Tonga, Samoa, Solomon Islands, and Papua New Guinea. The findings have been integrated into existing projects with recommendations and monitoring and evaluation targets. The Investment Climate business line has developed gender reform indicators for their products, which encourages project teams to report on gender results. This reflects the formal recognition of the importance of delivering on gender work by making staff accountable for gender results and proactively measuring gender progress throughout projects. In addition to the strong support from the Investment Climate leadership team, regions are taking active steps in designing programs with a gender focus. In the East Europe and Central Asia Region, the Investment Climate team sex-disaggregated and analyzed the data from a regional survey to better understand and inform the gender gap and opportunities in the region. The results of the survey helped identify areas for implementation in FY10. For instance, the analysis revealed that inspections is a major constraint for women entrepreneurs in Ukraine, while in Azerbaijan, the main constraint is the business start up procedures.</p>		

Gender and Knowledge Management Products

Advisory Product	Women in Business	Start Date	2006-12-01
Geographic focus	World	Project Cost	\$445,746
Donors	IFC	Donor Funding	\$445,746
		Project ID	552126
Description	The objective of this project is to produce, publish and disseminate a variety of research materials and tools on gender issues in private sector development, to inform policy makers, women entrepreneurs, donors, and IFC staff, and provide them with the tools to design appropriate interventions targeting women entrepreneurs. This was to enable the dissemination of new knowledge with the aim of replication (with appropriate modification) across regions.		
Status update	Activities under this project have helped increase external and internal stakeholder awareness on gender as it relates to the private sector. The project has helped advance gender work particularly in the area of promoting women's access to finance and through the integration of gender in investment climate reform. IFC's leadership on gender knowledge in the private sector is, among others, evidenced by the high number of visits to IFC's gender resource website. IFC recently received top marks for creating opportunities for women as part of an assessment of IFC's commitment to gender equality conducted by the Canadian International Development Agency.		

Better Work Impact Assessment Tool and Global Buyers Forum

Advisory Product	Competitiveness Through Labor Standards	Start Date	2007-06-01
Geographic focus	World	Project Cost	\$768,352
Donors	Japan, IFC, Ireland, Italy, Luxembourg, New Zealand, Netherlands, Norway	Donor Funding	\$393,000
		Project ID	547829
Description	This project supports the Better Work I project. The main objective is to develop an impact evaluation framework, knowledge management framework and international buyer engagement model that will be used for Better Work as a whole. The impact evaluation framework will constitute the main instrument to assess the impact of Better Work in country pilots, as well as of future program roll outs in new countries. The ultimate goal is to assess the impact of Better Work on (i) individual company performance, (ii) country/sector macro economic performance and (iii) general human indicators in the target countries.		
Status update	The project has been instrumental in developing the monitoring and evaluation, knowledge management and stakeholder engagement components of Better Work. This will be crucial to proving the program's success, capturing knowledge and maintaining legitimacy with international buyers. The global M&E framework, an impact evaluation framework, and three case studies for Better Work have been completed. This is the one of the first full impact evaluations and controlled experiments of this size developed for an IFC project and is the first in terms of evaluating social impacts at this level of detail and scientific accuracy. The Buyers Forum was established, held multiple meetings and has helped IFC develop financial sustainability mechanisms for the long-term success of Better Work.		

Labor Opportunities Assessment

Advisory Product	Competitiveness Through Labor Standards	Start Date	2009-05-26
Geographic focus	World	Project Cost	\$300,000
Donors	IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$300,000
		Project ID	570007
Description	The objective of this project is to assess the feasibility of developing business models that leverage broad sectoral interest (or potential interest) to use higher labor standards to access export markets. These business models may involve interventions at one or all of the following three levels: (a) global/regional sector-wide interventions; (b) country/sub-regional sector wide interventions; and (c) company based interventions (best practice testing, advisory on adoption of better standards, etc). By the end of the project, management will then take a decision if and how to proceed with labor related advisory services interventions.		
Status update	The team completed a report on the research stage of the assessment, which included sector sizing and FDI investment, sector analysis of labor issues, a review of the IFC advisory and investment portfolio and pipeline, and an analysis of other ongoing initiatives in labor. The team interviewed over 40 strategists, regional, advisory and investment staff to gauge needs and interests. Video conferences were held with regional offices to assess their level of interest in nine potential interventions that were developed through the research and staff interviews. Three interventions were selected following these videoconferences and IFC will shortly take a decision on whether or not to proceed with these options.		

Carbon Efficient Index

Advisory Product	Instruments for Sustainable Investing	Start Date	2009-01-05
Geographic focus	World	Project Cost	\$1,793,957
Donors	United Kingdom, Earth Fund, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$678,957
		Project ID	565930
Description	To incentivize listed companies in emerging markets to disclose and improve their carbon efficiency by (a) stimulating investment flows from passive investors through an index product allowing them to reduce their investment portfolio's total carbon footprint without compromising financial performance; and (b) engaging with companies to enhance the impact of the index on corporate behavior.		
Status update	FY09 saw the approval and funding of this project from the UK and the Earth Fund. IFC began the competitive consultant selection process for the index provider to deliver component 1 in February 2009. Three leading index providers were invited to bid, with the selection committee choosing Standard & Poor's due to their superior data (from Trucost) and experience with sustainability index products. Work has been completed on the emerging market database of carbon emissions information on approximately 1,000 listed companies over three years (2005-07). Data from 2008 is being added as company reports are published throughout this year. Work on the index construction and testing should be completed by early September. IFC met with a number of pension funds that have expressed interest in the project. On component 2, a proposal for the engagement program was received from the Carbon Disclosure Project.		

Sustainable Investing Asset Owner Outreach

Advisory Product	Instruments for Sustainable Investing	Start Date	2009-05-01
Geographic focus	World	Project Cost	\$778,556
Donors	IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$778,556
		Project ID	570768
Description	The objective of this project is to demonstrate within 18 months that intervention directed at asset owners can significantly increase sustainable investing flows to emerging markets by \$500 million; and in the process of engagement with asset owners to identify 3 opportunities for project intervention at both the global and regional level. The project will run till the end of 2010 and the aim is to test the hypothesis that the growth of sustainable investing in emerging markets is constrained by the asset owners, and demonstrate fund flow by direct interaction with the asset owners. At the same time the project will establish a model for how to best organize IFC's engagement and promotion of sustainable investment through global and regional programs. As a result of this project, the value of sustainable investment flows to emerging markets through IFC engagement will increase with a desired impact of a 1% increase in assets allocated to sustainable investment in emerging markets (\$500m).		
Status update	This project, approved in June 2009, is a continuation of the sustainable investing outreach project and focus on the challenges that asset owners face in order to invest sustainably in emerging markets. Thus this project will develop a coherent and consistent engagement program for major pension funds on how to improve their environmental and social investment capabilities in the emerging markets. To better understand the mechanism behind the pension funds' capital allocation, IFC is currently negotiating collaborating with a group of thought-leading pension funds in a collaborative research on strategic asset allocation and scenario analysis of the impacts of the climate change. Furthermore, to enable asset owners to grow their sustainable investments in emerging markets IFC will support development of Investable Products (e.g. investment indices) and regional efforts to reform capital market.		

Sustainable Investing Tools & Training

Advisory Product	Instruments for Sustainable Investing	Start Date	2007-05-01
Geographic focus	World	Project Cost	\$550,000
Donors	Switzerland, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$550,000
		Project ID	554486
Description	IFC is developing an environmental and social toolkit for private equity (PE) fund managers, to be supported by training in key regions. The toolkit and training will be designed to increase the capacity of emerging market PE fund managers to integrate sustainability value-drivers into their investment decisions, improve their funds' value and performance, and increase investment in environmentally and socially sustainable companies. The toolkit is web-based.		
Status update	The toolkit was designed with contributions from a consultation group of internal and external partners. It underwent a beta test in May 2009; eleven PE fund managers from various countries were on the test panel. These PE fund managers represented the target audience. The toolkit is in the process of being revised based on feedback from these participants.		

Sustainable Investing Equity Market Policy

Advisory Product	Instruments for Sustainable Investing	Start Date	2007-11-01
Geographic focus	World	Project Cost	\$885,000
Donors	Japan, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$655,000
		Project ID	564867
Description	The goal is to increase the volume of sustainable investments in Asia by providing comparable and quantitative key sustainable indicators for listed equity proving the materiality of environmental, social and governance factors for corporate valuation. IFC plans to address these market failures by 1) developing a set of comparable and quantitative key indicators that allow investors to properly analyze ESG drivers, which in turn will drive the disclosure of investor-relevant data, and 2) launching this sustainability metric through high-profile Sustainable Capital Market Events in Asia, co-hosted with the local stock exchanges and World Federation of Exchanges to enable a dialogue between market players on the validity of the indicators and stimulate local leadership around sustainable investments.		
Status update	The first two reports identifying emerging risk in six Asian countries ("Emerging Risk - Impacts of Key Environmental Trends in Emerging Asia") and evaluating disclosure practice ("Undisclosed Risk: Corporate Environmental and Social Reporting in Emerging Asia"), was launched at the Responsible Investors' conference "Integrating ESG into portfolios". The next step will be to illustrate materiality of environmental risks and opportunities in three sectors: Food & Beverage, Real Estate and Power Generation. The sectors have been selected based on their economic significance in the region, and/or the potential interesting environmental aspects or materiality. The second component of the project, the Capital Market Days, is an integrated part of the dissemination of this research, and will be rolled out in the next 12 months.		

Small and Medium Enterprises Sustainable Opportunities

Advisory Product	Instruments for Sustainable Investing	Start Date	2007-04-01
Geographic focus	World	Project Cost	\$1,389,490
Donors	IFC, Italy, Luxembourg, New Zealand, Netherlands, Norway, Switzerland	Donor Funding	\$904,490
		Project ID	537945
Description	This initiative has the objective to provide assistance to Aureos Capital Limited, a private equity fund management company, to implement health, safety, environmental and social improvement projects at its small and medium-sized portfolio companies. The intended impacts of the project are to:(i) strengthen the Recipient's capacity to evaluate E&S risks and opportunities in its portfolio companies in emerging markets; (ii) improve the overall operations of the SMEs through E&S improvements; (iii) demonstrate that financial performance is positively correlated to E&S performance; (iv) promote the replication of positive E&S practices by other private equity fund management companies, including those that manage funds in which IFC has invested.		
Status update	IFC and Aureos have actively engaged over the period to generate a pipeline of sub-projects. There has been closer collaboration between IFC and the E&S team at Aureos to develop the sub-projects. Projects selected for funding were: a) PPNL (Nigeria) for cleaner production improvements (water and waste savings) and effluent control and in the paint manufacturing process, b) Scaw (Zambia) for improved sorting of metal and air pollution control to allow for locally collected scrap metal to enter the smelting process. They were selected as they are believed to bring cleaner production and commercial advantages to the firms and are expected to be disseminated widely in the form of case studies.		

Sustainable Investment Country Reports

Advisory Product	Instruments for Sustainable Investing	Start Date	2008-07-21
Geographic focus	World	Project Cost	\$331,000
Donors	Canada, South Africa , IFC, Italy, Luxembourg, New Zealand, Netherlands, Norway, Switzerland	Donor Funding	\$331,000
		Project ID	564127
Description	To gather and publish data on the state of the sustainable investment industry in the top markets prioritized according to the criteria described above. The data gathered in these studies will serve two purposes: (a) to inform the public and relevant market players about the state of sustainable investments in the markets studied, including the opportunities those markets present; and (b) to inform IFC on the specific market failures to be addressed and the feasibility of potential interventions to address such failures and stimulate each of these markets.		
Status update	In FY09, TERI-Europe was selected to conduct the research covering the Indian and Brazilian markets. "Sustainable Investment in Brazil 2009" and "Sustainable Investment in India 2009" were published in June 2009 and August 2009 respectively. The findings of the Brazilian report were first publicly presented at an event on sustainable finance organized by the Brazilian Bank Association, Febraban. The event was attended by over 50 delegates from a mixture of Brazilian banks, academic institutions and NGOs. Furthermore, the report was the subject of a webinar organized by the UN Principles for Responsible Investment network in Brazil on July 1st, reaching an audience of 12 PRI signatories in the country. In March 2009, a competitive selection process was completed and Business for Social Responsibility Advisory Services, China, was selected to complete the Chinese research and report. The research is nearly complete, with a consultation meeting to invite discussions of the preliminary findings and recommendations among a panel of 10-15 experts in Beijing.		

Investor Outreach – Who Cares Wins

Advisory Product	Instruments for Sustainable Investing	Start Date	2007-03-19
Geographic focus	World	Project Cost	576,000
Donors	IFC, Italy, Luxembourg, New Zealand, Netherlands, Norway, Switzerland	Donor Funding	576,000
		Project ID	553005
Description	The objective of this project is to engage with mainstream institutional investors and fund managers to raise awareness about the investment case for integration of sustainability value-drivers into investment processes; and better understand the systemic barriers and what can be done about them. This will help IFC and other market actors to identify areas of intervention.		
Status update	The Who Cares Wins Initiative (WCW) has resulted in 5 reports that remain among the top scores of downloads from IFC's website. The final report "Future Proof? Embedding environmental, social and governance issues in investment markets" sums up and evaluates the strategic outcomes overall and broken down by the various actors in the investment supply chain, and make recommendations taking the Initiative forward. It concludes that the awareness and understanding of ESG issues by the industry have advanced since 2004, but the knowledge and methodology are still not widely applied by the industry, and the report points to the asset owners as the weak link in the investment supply chain as they are not seen to commit to evaluating ESG capabilities systematically when formulating mandates and selecting managers. Also, transparency and disclosure on ESG performance and integration both at company and portfolio management level and the development of investment strategies that focus on ESG as a tool for improving risk-adjusted return are lagging.		

Gender Investment Index

Advisory Product	Instruments for Sustainable Investing	Start Date	2008-04-14
Geographic focus	World	Project Cost	\$162,512
Donors	IFC	Donor Funding	\$162,512
		Project ID	561707
Description	<p>The objective of this pilot project is to explore the business case that companies that empower women have a superior stock performance, and thus deliver greater financial returns. This will be done by conducting a scoping exercise to prove this case in one or two developed markets. We will also establish indicators as well as an index prototype which will help construct a gender investment index. The expectation is that the results of this project will validate the feasibility of building a gender investment index in developed markets, potentially replicable in emerging markets at a later date.</p>		
Status update	<p>Achievements include: 1- The delivery of a literature review showing in theory a strong correlation between gender diversity and a company's business performance. The literature review covered over 30 studies mainly from North America and Europe, with a few from Asia. 2-The creation of a gender survey instrument which accompanies the literature review. The gender survey instrument seeks to gain information from potential constituents for the Global Women Investment Index, such as how they manage gender equity throughout several aspects of their business. 3-The construction of the Global Women Investment Index (GWI) prototype, which measures the performance of a theoretical portfolio constructed on the basis of companies' gender diversity policies, management systems and performance, as well as company size.</p>		

Knowledge Management, Quality Assurance and Capacity Building Work Program

Advisory Product	Other	Start Date	2009-02-02
Geographic focus	World	Project Cost	\$500,000
Donors	IFC	Donor Funding	\$500,000
		Project ID	566787
Description	<p>The objective of the program is knowledge transfer. The program supports: 1) capacity building efforts (via strategy sessions, trainings, individual immersions and joint missions) for region-based staff who would scale up sustainability products, 2) product-level tools and KM necessary for the move of ESS products towards maturing (i.e., each product with a portfolio of consistently replicated projects across several regions, with robust M&E framework and growing aggregated results of the product portfolio), and 3) the introduction of a structured quality assurance by global product leads to further encourage consistent product replication.</p>		
Status update	<p>This project signifies a strategic shift of the sustainability business line from funding individual projects to programmatic support for the sustainability two-pronged strategy: making ESS products mature and bolstering regional capacity to deliver. The program prioritized the support to products that are transferred for scale-up and mainstreaming, and supported the maturity of the scalable products. All IFC regions participated in and benefited from the program. The program supported the first meeting of the extended sustainability leadership group. The project implementation included: 1) product development 2) quality assurance 3) knowledge and management/skills transfer through development or regional strategies and work programs.</p>		

Carbon Productivity (IF-GHG-Impact Model)

Advisory Product	Other	Start Date	2008-04-10
Geographic focus	World	Project Cost	\$230,000
Donors	IFC	Donor Funding	\$230,000
		Project ID	561547
Description	The objectives of this project are to: i) develop statistical measures for carbon productivity applicable in the context of IFC investments and consistent with IFC metrics for economic development, ii) demonstrate the practical applicability and implications of using the Index as an investment criterion across and within IFC sectors, consistent with existing sectoral scenarios and, iii) analyze the factors driving Index results and the investment decisions most influential in promoting increased carbon productivity.		
Status update	IFC jointly prepared a study with external consultants (McKinsey) that explored the global challenges and IFC-specific opportunities for achieving low carbon development. The study shows that low carbon development is only possible if a country improves its "carbon productivity" (= a country's GDP divided by its tons of GHG emissions). A further objective was to define workable metrics for applying carbon productivity as an investment criterion. For IFC, a focus on carbon productivity provides a basis for integrating climate objectives with more conventional measures of economic growth critical for developing countries.		

Climate Risk and Adaptation Case Studies

Advisory Product	Other	Start Date	2009-02-02
Geographic focus	World	Project Cost	\$2,000,000
Donors	Norway, TFESSD	Donor Funding	\$2,000,000
		Project ID	562756, 562847
Description	The project aims to undertake an assessment of climate risks and adaptation options for specific private sector investment projects. IFC will select the projects according to their sectoral and regional representativeness, as well as climate and IFC related strategic characteristics and projects' availability. The intended objectives of the studies include i) increased private and, when applicable, public sector climate resilience due to better information about specific climate risks and adaptation to climate change; ii) increased projects' climate resilience, including uncertainty reduction, due to better information about climate risks and adaptation to climate change.		
Status update	Studies are currently ongoing in Nepal, Ghana, Pakistan, Zambia and East Africa. The duration of the studies is estimated at 4 to 6 months.		

Advisory Strategy for Climate Change Related Interventions

Advisory Product	Other	Start Date	2009-01-12
Geographic focus	World	Project Cost	\$200,000
Donors	IFC	Donor Funding	\$200,000
		Project ID	565613
Description	The objective is to develop and test in two countries an analytical framework for assessing and prioritizing advisory services that address climate change issues. The initial framework will be developed based on desk research using the most extensive portfolio of advisory work to date in Central and Eastern Europe. It will then be tested in two different regions based on an analysis of data available, interviews with regional facility staff as well as investment officers and AS product champions. The framework will look at opportunities to incorporate climate change elements into programs' work e.g. policy advice in investment climate, or access to energy services in Infrastructure. It is anticipated that the work will lead to greater interest in developing climate change projects and the tools will lead to new projects having more accurate GHG projections and overall be better quality		
Status update	The project focused on 4 key activities: development of an overall approach; pilot testing of the approach in Indonesia to validate estimation of impacts; pilot testing of the approach in India to develop a bottom-up methodology for developing strategy; desktop study of opportunities for introducing climate change related activities in investment climate. Indonesia was selected as a pilot country because its advisory services program was well defined. In India, the team worked with the investment and advisory teams to identify what mix of investment and advisory could bring the most significant impact. The work was extremely well received and South Asia is now looking to carry this work forward using their own funds. The final highlight was the production of a report on options for including climate change elements to investment climate advisory activities.		

Global Market Assessment of Electronic Waste Management

Advisory Product	Other	Start Date	2008-05-01
Geographic focus	World	Project Cost	\$266,973
Donors	IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$266,973
		Project ID	561502
Description	The project consists of undertaking a global market assessment of electronic waste generated from production and post consumer waste. The project will potentially contribute to formulating a proactive approach and a strategy vis-à-vis the sector, and identification of investment and advisory opportunities for IFC. This would ultimately lead to identification of means to reduction of ecosystem degradation and contamination of soil and underground water resulting from incineration and dumping activities of electronic waste in landfills.		
Status update	The consultants team has submitted a final report covering: (i) the global picture of the electronic waste (WEEE) recycling market in developed countries, (ii) WEEE in emerging markets including recent regulatory framework, feedstock movement and collection methods, the informal sector and current industry players, and (iii) market assessment and business opportunities and recommendations including business potential for IFC. The consultants made presentations to IFC staff which triggered a lot of interest and questions. Presentation and reports were circulated to all interested parties (investment and advisory).		

Equator Principles

Advisory Product	Other	Start Date	2007-12-03
Geographic focus	World	Project Cost	\$614,000
Donors	IFC	Donor Funding	\$0
		Project ID	561789
Description	The main objective of the project is to further promote IFC's Performance Standards and the Equator Principles among financial institutions in emerging markets, particularly in countries with presence of financial intermediaries with significant project finance portfolio.		
Status update	Eight new banks adopted the Equator Principles: Industrial Bank of China, Bancolumbia, Standard Bank Group (South Africa), BNP Paribas, EFIC, Arab-African International Bank, Access Bank from Nigeria and Santander. The Community of Learning event focused on enhancing consistency in implementation and over 100 participants attended the event. The first regional Community of Learning event was organized for financial institutions operating in Latin America with over 70 participants. IFC signed two memorandums of understanding with the Chinese Government to support its Green Credit Policy (to be modeled on IFC's Performance Standards, and Equator Principles). IFC initiated discussions on adoption with over 15 financial intermediaries in emerging markets.		

ESS Communication

Advisory Product	Other	Start Date	2008-04-08
Geographic focus	World	Project Cost	\$119,476
Donors	IFC	Donor Funding	\$0
		Project ID	561651
Description	This project aims to develop and pilot an E&S communications training for IFC clients, resulting in a new advisory service that IFC is able to offer its clients. The project will involve IFC communications officers offering two-day workshops to IFC clients to enhance their knowledge of communications and to build up their specific capacity to communicate effectively on sustainability issues. At the end of the two-day workshop, the client will be left with a communications action-plan, containing the first steps of a communications strategy and advice on how to create a communications function within the company.		
Status update	Three workshops (Aug. 08, May; April 09; May 09) were carried out, with another workshop scheduled to take place in July. A total of six companies and one government agency were trained. The development of a toolkit was initiated which will provide communications officers with the structure of the workshop and the tools (cases studies, crisis com presentation, reputational risk matrix etc) to deliver it. Part of the toolkit is an electronic presentation that is used as visual support during workshops and is filled as the discussion progresses. It is left to the clients at the end of the two days. The toolkit is currently being finalized.		

Capturing Value Grant Competition

Advisory Product	Sustainable Investing	Start Date	2006-03-29
Geographic focus	World	Completion Date	2009-01-31
Project ID	535724	Project Cost	\$791,600
Donors	IFC, Italy, Luxembourg, Netherlands, Norway, Switzerland	Donor Funding	\$620,220
Description	To support the development of sustainable investment research and service provider(s) to increase international and domestic portfolio investment in sustainable publicly listed emerging market companies		
Status update	FY09 saw the completion of this project, under which IFC conducted a grant competition for the first time. During the year, CLSA, member of one of the winning consortia, released its first report incorporating the data created by Trucost using its grant winnings. The report is titled "Panic Button - When Climate Change Gets Real" and presents a view of how climate change is likely to impact stock valuations in Asia (www.IFC.org/IFCext/sustainability.nsf/Content/SustainableInvesting_Highlights). FY09 also saw the approval of a follow up project that will use the Asian database to create the world's first Emerging Market Carbon Efficient stock index, in association with Standard & Poor's and Trucost.		

Carbon Finance Advisory Services

Advisory Product	Other	Start Date	2008-03-21
Geographic focus	World	Completion Date	2008-08-31
Project ID	562527	Project Cost	\$132,000
Donors	IFC	Donor Funding	\$132,000
Description	The objective of the project is to develop a work plan for advisory services that will create innovative approaches to broaden participation from sectors and by players in developing countries that are currently under-represented in the carbon markets. The rationale is twofold: 1) to enable businesses and carbon markets in Part II countries to capitalize on the evolving market for a public good (GHG emission reductions); and 2) to enable IFC to become even more responsive to client needs to take advantage of intermediate opportunities to bundle GHG reductions through innovative aggregation vehicles and to work more strategically with clients to enable them to take advantage of medium- and long-term investment and business opportunities.		
Status update	Requests for carbon finance advisory services are increasing as market activity grows and awareness increases. In response to this, IFC will have to build capacity in the regions to offer tailored carbon finance advisory services to IFC staff and clients. A work plan was developed capitalizing on the knowledge of the Carbon Finance investment officers as well as on consultation between the respective investment officers and the advisory staff in the regions. Many regions stressed that they need to do "needs assessments" to identify and evaluate the technical and financial viability of potential carbon advisory services opportunities as well as indicated that they will need additional resources to support these services. The work plan was sent out on July 20, 2008 to the ESS-BL. The work plan highlights potential areas for rolling out carbon advisory services for regional IFC offices.		

Green Initiative for Telecommunications

Advisory Product	Sustainable Energy Market Development	Expected Cost	\$370,000
Geographic focus	World	Project ID	567769
Description	The objective of the project is three-fold: 1) Define the particular opportunity to use renewable energy sources to power mobile infrastructure in places where reliable grid electricity is not available and propose a specific structure, for scaling up the use of green energy in telecommunication projects. 2) Facilitate the deployment of mobile infrastructure powered by renewable energy sources in developing regions. 3) Increase access to telecommunication services to underserved rural areas which have limited or no access to reliable energy sources.		

Cleaner Production Assessments			
Advisory Product	Cleaner Production Assessment	Expected Cost	2,450,000
Geographic focus	World	Project ID	545764
Description	This proposal aims at accelerating adoption of Cleaner Production techniques by IFC's clients, ultimately leading to: (i) implementation of projects and/or capital expenditure investments in this area, (ii) savings in consumption and cost of energy, water and raw material, and (iii) replication by other private sector players.		

Knowledge Management – Gender Entrepreneurship			
Advisory Product	Women in Business	Expected Cost	\$898,000
Geographic focus	World	Project ID	570627
Description	The objective of this project is to support IFC's Gender Program in deepening and expanding its product outreach with the goal to promote women in business globally. This will be accomplished via: (1) capacity building - including the training of IFC staff and gender team financial intermediary clients; (2) research - including the commissioning of case studies and the development of toolkits; and (3) communication - including dissemination of gender-know-how via the Gender Program's website and quarterly newsletter, among others. These activities will service the gender product reach under the access to finance, business enabling environment, and sustainability business lines. In addition, knowledge management activities will further gender mainstreaming in IFC's overall investment efforts and promote cross-institutional leadership on topics related to women in business. As a result of this project, the number of regional facilities including gender work in their strategy and operations (as well as the quality and pertinence of gender work in their region) will have increased.		

Global Cleaner Production Facility			
Advisory Product	Cleaner Production Assessment	Expected Cost	\$4,950,000
Geographic focus	World	Project ID	568587
Description	Encouraging IFC clients to undertake CP audits. It is proposed to standardize pricing for such CP audits, with upfront costs split to a target 50:50 between IFC (via donor support) and IFC clients. However, it is proposed that CP audits may be offered to selected new clients as an effective means of client engagement while promoting IFC's strategic climate change agenda. Identifying clearly bankable CP projects for IFC clients, recommending process and/or technology changes needed, including energy efficiency improvements, renewable energy solutions (biogas, biomass, wind, solar), and opportunities for recycling and reduced water use, together with assessment of economic viability, recommendation of appropriate technologies, quantification of associated cost savings, investment payback period, and positive environmental impacts. This objective includes helping to identify CP investments that IFC can then finance as explained above.		

Knowledge Management – Sustainable Energy			
Advisory Product	Sustainable Energy Market Development	Expected Cost	\$400,000
Geographic focus	World	Project ID	564408
Description	The objective of this project is to track knowledge management activities undertaken by sustainable energy team. As the hub of experience in developing sustainable energy business models within IFC, the team supports IFC's scale-up of sustainable energy investment and advisory services business through quality assurance, monitoring and strategic guidance, and by supporting capacity building across IFC to deliver more business in the regions.		

Geothermal World			
Advisory Product	Sustainable Energy Market Development	Project Cost	\$443,000
Geographic focus	World	Project ID	561498
Description	This project will gather, structure and disseminate information about barriers in the geothermal market and potential IFC interventions in four regions with significant geothermal potential. Geothermal power plants are characterized by high capital investment for exploration, drilling wells, and plant installation, but low cost for operation and maintenance. These upstream exploration & production risks and high capital investments in addition to regulatory constraints are the main reasons the geothermal industry has not yet reached its potential.		

SUB-SAHARAN AFRICA

Lighting Africa (IFC-World Bank Joint Venture)

Advisory Product	Sustainable Energy Market Development	Start Date	2007-05-01
Geographic focus	Regional	Project Cost	\$950,000
Donors	GEF, IFC, Italy, Luxembourg, New Zealand, Netherlands, Norway	Donor Funding	\$950,000
		Project ID	521198
Description	The program aims to accelerate the development of markets for modern low cost off-grid lighting products in Sub-Saharan Africa where an estimated \$17 billion is spent by the poor on expensive, hazardous and low quality fuel- based lighting products. The goal is to mobilize and provide support to the commercial sector to supply quality, affordable and safe lighting to 2.5 million people by selling 500,000 off-grid lighting units over a 5 year period, while at the same time, creating a sustainable commercial platform that will realize the vision of providing 250 million people with modern off-grid lighting products by 2030.		
Status update	An international industry alliance was formed comprised of more than 300 companies interested in entering African markets. The alliance is directly involved in the development of an international quality assurance program - the draft of which has been strongly endorsed by the industry. With the support of Lighting Africa, 8 initial companies have developed new business models and products for the African markets. Lighting Africa won a Green Award from the World Bank.		

Lighting Africa Web Portal

Advisory Product	Sustainable Energy Market Development	Start Date	2007-07-01
Geographic focus	Regional	Project Cost	\$500,000
Donors	GEF, IFC, Italy, Luxembourg, New Zealand, Netherlands, Norway	Donor Funding	\$500,000
		Project ID	557685
Description	The project objective is to accelerate the entry of companies in the African off-grid lighting market by reducing transaction costs for companies to access relevant business intelligence and to form business partnerships between local distributors, service providers and international manufacturers. In particular, the project aims at providing a web-based platform to facilitate participation, collaboration and information sharing on the market for off-grid lighting products amongst all parties in the modern lighting manufacturing and distribution chain that intends to pursue business opportunities in Sub-Sahara Africa.		
Status update	The Lighting Africa Business to Business webportal now has more than 2000 individual members and 741 registered member organizations, including technology suppliers, distributors, government agencies, academia and donors. The site has registered an increase in business opportunities with more than 500 opportunities being posted. The website upgrades launched in December 2008 brought new features and improved upon existing ones. This has lead to an increase in site traffic and enhanced the usefulness (availability) of site content and ease of navigation.		

Lighting Africa – Kenya

Advisory Product	Sustainable Energy Market Development	Start Date	2007-05-01
Geographic focus	Kenya	Project Cost	\$2,765,000
Donors	GEF, IFC, Italy, Luxembourg, New Zealand, Netherlands, Norway	Donor Funding	\$2,765,000
		Project ID	555905
Description	The program aims to accelerate the development of markets for modern low cost off-grid lighting products in Sub-Saharan Africa where an estimated \$17 billion is spent by the poor on expensive, hazardous and low quality fuel- based lighting products. The goal is to mobilize and provide support to the commercial sector to supply quality, affordable and safe lighting to 2.5 million people by selling 500,000 off-grid lighting units over a 5 year period, while at the same time, creating a sustainable commercial platform that will realize the vision of providing 250 million people with modern off-grid lighting products by 2030.		
Status update	Lighting Africa Kenya is now in the finalization stage of a partnership with a major corporation and key player in the tea industry to leverage bulk procurement opportunities by supporting the corporation to identify appropriate off-grid lighting products for their workforce and appropriate distribution models. Off-grid lighting market research reports for manufacturers and distributors providing insights into the market, consumer preferences, distribution chain models and price sensitivity are complete and are being used by a number of manufacturers.		

Lighting Africa – Ghana

Advisory Product	Sustainable Energy Market Development	Start Date	2007-05-01
Geographic focus	Ghana	Project Cost	\$2,765,000
Donors	GEF, IFC, Italy, Luxembourg, New Zealand, Netherlands, Norway	Donor Funding	\$2,765,000
		Project ID	555906
Description	The program aims to accelerate the development of markets for modern low cost off-grid lighting products in Sub-Saharan Africa where an estimated \$17 billion is spent by the poor on expensive, hazardous and low quality fuel- based lighting products. The goal is to mobilize and provide support to the commercial sector to supply quality, affordable and safe lighting to 2.5 million people by selling 500,000 off-grid lighting units over a 5 year period, while at the same time, creating a sustainable commercial platform that will realize the vision of providing 250 million people with modern off-grid lighting products by 2030.		
Status update	The Lighting Africa Ghana has completed the market research and distribution chain analysis reports that provide a complete overview of the off-grid lighting market in Ghana to manufacturers and distributors. The reports have addressed a key market entry barrier for new entrants into the market: lack of off-grid lighting market data.		

Sao Hill Industries – Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2008-07-10
Geographic focus	Tanzania	Project Cost	\$335,453
Donors	Japan, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$217,093
		Project ID	563729
Description	The proposed project will allow Sao Hill Industries to undertake a cleaner production assessment at its saw mill operation in Tanzania. This will result in: (i) implementation recommendations for design and installation of a waste-wood fired Combined Heat and Power plant (CHP), which would potentially lead to savings in energy consumption and cost, and (ii) an IFC investment of \$0.5 to \$2.0 million..		
Status update	The report identified the potential to set up a 24 MW CHP plant, and recommended three implementation options (i) 24 MW European system, (ii) 24 MW Chinese system and (iii) two 12 MW Chinese system. The company and consultant agreed that option 3 would be the best to pursue and accordingly Engineering, Procurement and Construction tender documents were prepared in accordance to the said option. The clients have advertised these documents and are in the process of evaluating the submitted bids. IFC's Global Manufacturing department has recently invested \$18 million to support the implementation of the CHP.		

Karsten Farm Ltd. – Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2008-11-01
Geographic focus	South Africa	Project Cost	\$50,000
Donors	Austria	Donor Funding	\$45,000
		Project ID	564048
Description	IFC is helping Karsten Farms Ltd, South Africa's largest table grape exporter, to introduce cleaner and more energy efficient production systems across its operations. The objective of the project is to support this client to undertake a cleaner production assessment of its farming operations. This assessment will result in the introduction of energy efficiency and other resource conservation measures in the following areas: housing for farm workers, water pumping, and refrigeration. These combined interventions would potentially lead to savings in cost and energy consumption, as well as a potential IFC investment for the implementation of the findings of the assessment (in the range of \$0.5 to \$2.0 million). If this project is successful it may encourage other farms in the Karsten Group, in South Africa, and in other countries, to adopt cleaner production practices in their operations.		
Status update	IFC is working with the client to identify and cost cleaner production opportunities that will improve operational efficiency. The agreement signed with the client is unique in terms of IFC's previous engagement with clients on cleaner production, as it incentivizes the client to seek additional finance for IFC to implement the audit recommendations. IFC will work with the client to develop a work plan that will prioritize and phase the application cleaner production recommendations. The client will refund the cost of the audit should they fail to implement the agreed cleaner production work plan.		

Fuel Cell Financing for Distributed Generation

Advisory Product	Sustainable Energy Market Development	Start Date	2005-12-14
Geographic focus	South Africa	Project Cost	\$3,275,000
Donors	GEF	Donor Funding	\$3,275,000
		Project ID	541666
Description	The objective is to promote the use of fuel cells in South Africa through the installation of over 2MW of fuel cell capacity by project's end. PowerTech IST/Plug Power have been chosen to be a recipient of funding under stage 1 of the fuel cell financing initiative for distributed generation applications (FCFI). The overall objective of FCFI is to help in the reduction of GHG emissions in GEF eligible countries, by supporting the creation of sustainable markets for fuel cells in suitable stationary power applications.		
Status update	Powertech IST/Plug Power has currently spent and been reimbursed for a quarter of the \$3 million grant funds. As of May 2009, the project has sold, installed and commissioned 79 GenCore systems providing stationary backup power to telecommunication towers for a total capacity of 395 KW.		

Kenya PV Capacity Project – Photovoltaic Market Transformation Initiative

Advisory Product	Sustainable Energy Market Development	Start Date	2005-06-08
Geographic focus	Kenya	Project Cost	\$994,797
Donors	GEF	Donor Funding	\$856,000
		Project ID	537003
Description	The objectives of this project are: (i) develop a standard technical training curriculum for technicians and entrepreneurs for adoption by the PV industry as the base-line training requirement, (ii) provide a range of courses to boost technical skills at all levels of the PV delivery chain (iii) encourage good solar system performance in quality assurance, and (iv) disseminate awareness information on PV technology and assist in the enforcement of quality standards.		
Status update	Activities for testing and certifying trained technician advanced: 72 freelance technicians were trained out of which 29 were tested, and 25 qualified for certification. KEREAA, the industry association that was developed with the support from KPVCPC, is making arrangements to issue certificates and tool kits to those who qualified. To further popularize those who qualified, KEREAA placed a newspaper advert listing technicians who have been certified by KEREAA.		

Magadi Soda Ltd. – Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2007-03-01
Geographic focus	Kenya	Project Cost	\$64,275
Donors	Japan, IFC, Italy, Luxembourg, Netherlands New Zealand, Norway	Donor Funding	\$61,775
		Project ID	561206
Description	The objective of the project is to allow the company to undertake a pre-feasibility study for a potential of geothermal energy power generation. If the study confirms the potential, this would substitute a primary fuel source of heavy fuel oil with a clean energy source of geothermal waters of Lake Magadi.		
Status update	Previous studies conducted in the Lake Magadi area sited there was a potential of generating 14-19 MW of electricity by using a Binary Fluid Electric Generation Cycle. The geochemical study concluded that with the temperature available (maximum 100oC) and the flow rate (maximum 250 kg/s), the maximum possible size of the binary plant would be 8 MW and the specific cost implementation would be \$4.9 million per MW, which is very high and not economically sound. Therefore the geochemical study has been able to provide the client with concrete evidence that geothermal power plant is not feasible and probably saved the client \$1.5 to \$3 million in exploration drilling.		

Tourism Promotion Services Ltd. – Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2007-03-30
Geographic focus	Kenya	Project Cost	\$47,623
Donors	Denmark, Bavaria, IFC, Italy, Luxembourg, New Zealand, Netherlands, Norway	Donor Funding	\$45,179
		Project ID	550186
Description	The project will allow the company to undertake a cleaner production audit of three hotel operations in Kenya. This will potentially result in introduction of energy efficiencies and water use saving measures at the company's operations and if successful, may encourage other hotel owners and management companies in East Africa to adopt cleaner production practices in their operations.		
Status update	The consulting firm submitted final CP audit reports for the three TPS hotels in Nairobi, Mombasa, and Mara, which were well received by the client and IFC. The audit identified saving opportunities of 90.1 million Liters of water (or an average of 40% of current consumption) and 5.0 million kWh of energy (or an average of 38% of current consumption) p.a., corresponding to \$467,000 in operating cost savings p.a. The total investment in capex required to implement the audit's recommendations is estimated at \$0.97 million for a payback period of about 2 years.		

Industrial Promotion Services Ltd. – Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2007-02-01
Geographic focus	Kenya	Project Cost	\$52,700
Donors	Denmark, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$49,500
		Project ID	550266
Description	The project will allow the company to undertake a cleaner production audit of five of its subsidiaries involved in manufacturing operations in Kenya. This will potentially result in introduction of energy efficiencies and water use saving measures at the five subsidiaries' operations and if successful, may encourage other manufacturers' and companies' management in East Africa to adopt cleaner production practices in their operations.		
Status update	The consulting firm submitted five CP audit reports for IPS' subsidiaries: Premier Foods, Kenya Litho, Farmers Choice, Allpack, and Frigoken. The five audits identified significant saving opportunities including 28% or 78 million liters of water p.a., and 35% or 11.2 million Kwh of energy p.a., corresponding to \$723,000 in operating cost savings p.a. The total investment in capex required to implement the audits' recommendations is estimated at \$1.3 million for a payback period of about 1.8 years. IPS is currently in dialogue with IFC to seek financing for the implementation of the CP recommendation.		

Global Forest Products

Advisory Product	Clean Tech Venture Investments	Start Date	2004-02-01
Geographic focus	South Africa	Project Cost	\$147,128
Donors	Denmark, IFC, Italy, Luxembourg, New Zealand, Norway	Donor Funding	\$147,128
		Project ID	522778
Description	As a leading producer of lumber and panel products on the African continent, the company would like to maximize value from its existing timber and land assets in South Africa by developing eco-system services and non-timber forest products (NTFP) product lines and businesses. The objective of this project is to develop new revenue streams from existing assets.		
Status update	The project was able to identify new business lines for the client that would be complementary to their regular timber related work. Business plans were also submitted to the client for the installation of a bio-mass co-generation plant, using NTFP and other bio-mass waste from its regular operation, and to develop an eco-real estate/ land development focusing on tourism and eco-system management.		

Save Valley Wildlife Services Limited

Advisory Product	Biodiversity-Other	Start Date	1999-05-18
Geographic focus	Zimbabwe	Project Cost	\$567,000
Donors	GEF (EBFP)	Donor Funding	\$567,000 including \$500,000 in investment
		Project ID	532411
Description	The objective of the project is to provide the company with a loan to operate an eco-safari enterprise and assist in the re-establishment of the ecological balance lost as a result of years of cattle ranching, and to also develop a potentially replicable model for sustainable wildlife based management in semi-arid regions of Africa. The sustainability of the venture is addressed along three dimensions: 1) Ecological, promoted through the engagement of WWF, a technical advisory committee member that guides the biodiversity management, 2) economic, derived from tourism revenue, 3) socio-political, promoted by creating a trust that creates income-generating opportunities for local communities.		
Status update	The existence of the IFC loan and grant has been one of the most important factors contributing towards the survival of the conservancy. The crisis in Zimbabwe, which started in 2000, has made financial sustainability of the Conservancy precarious and notable social benefits for surrounding communities through profit-sharing in SVC Trust impossible. The loan and grant incentivized SVC to continue its monitoring and adaptive management of the area's biodiversity to the extent possible despite the political crisis. To date, the conservancy structures put in place in the early years remain intact and ranch owners have now gained experience in managing consumptive tourism..		

Boundary Hill Lodge Limited

Advisory Product	Biodiversity-Other	Start Date	2001-01-04
Geographic focus	Tanzania	Project Cost	\$235,500
Donors	GEF (EBFP)	Donor Funding	\$235,500 including \$200,000 in investment
		Project ID	532509
Description	The objective is to create a sustainable livelihood source for the local community with ecotourism as the main economic driver, while conserving bio-diversity.		
Status update	Although Boundary Hill Lodge Ltd. has achieved most of the expected environmental and social objectives, the lodge has attracted a disappointing number of tourists and has been operating at a loss. Due to poor management, there have been delays in completing the project. Given the significant underperformance of the project, IFC is seeking to exit from this transaction as soon as possible, without jeopardizing the social and environmental benefits achieved.		

PhytoTrade Technical Assistance Biotrade

Advisory Product	Eco-standards and Sustainable Supply Chain	Start Date	2008-07-21
Geographic focus	Regional	Project Cost	\$6,279,000
Donors	Denmark, Netherlands	Donor Funding	\$1,185,000
		Project ID	563087
Description	The objective of this project is to support PhytoTrade's activities to develop 3 new products harvested using the standards of the Union for Ethical Biotrade, and increase the commercialization of the existing ones, generating over \$5 million a year from their sale, and benefiting approximately 50,000 rural producers by the end of its implementation. PhytoTrade offers support to poor rural communities in Southern Africa to generate supplementary incomes through the sustainable exploitation of natural products with the end goal of creating tangible incentives for rural poor to invest in sustainable resource use and management.		
Status update	During the first 5 months of this year, PhytoTrade has seen a reduction of approximately 40% on purchase orders. The reduction is in all products, therefore PhytoTrade assumes that it is a consequence of the global economic crisis. They don't have information yet on sales from their commercial partners, therefore they can't confirm if it is a real reduction of market demand, or a precaution action from them. The sales targets and financial projection for 2009 will be met only if the second semester compensates for this slow down.		

Developing Alternatives for Artisanal and Small-Scale Mining

Advisory Product	Community Investment	Start Date	2007-05-01
Geographic focus	Congo	Project Cost	\$868,876
Donors	IFC	Donor Funding	\$568,876
		Project ID	551165
Description	<p>The goal of this project is to develop an integrated approach to artisanal and small scale mining (ASM) that provides a strategic roadmap with a set of practical recommendations specific to its implementation in DRC's southern province of Katanga, while potentially setting the stage for future replication nationally and internationally. The following objectives will be achieved through a series of research, stakeholder engagement and capacity building activities: 1) identify how artisanal mining can be managed as a legal, responsible, safe and efficient livelihood opportunity 2) analyze the economic needs of artisanal miners, map market opportunities, and develop practical recommendations for alternative livelihoods, including SME and supply chain development; 3) engage stakeholders across all sectors and create an association for consultation and dissemination of information; 4) contribute to solving existing and potential conflicts; and 5) address specific issues faced by women and children. The scope of this project has been expanded to include two publications providing practical, case driven guidance: (i) a guidance note targeting mining executives and mine site managers (ii) a comprehensive toolkit for community/social development managers and practitioners in emerging markets.</p>		
Status update	<p>The project has been affected by the global macroeconomic crisis and its impacts on the mining sector in Katanga resulted in the continuing difficulties mining companies have had to re-negotiate their concession agreements with the Congolese government. A substantial number of mining developments and operations had to be put on hold. In December 2008, the Katanga mining minister estimated that "up to 300,000 people may lose their jobs in the province, with 200,000 such jobs, mainly in artisanal mining, already gone." Given the DRC's socio-economic and political context, there is concern that the collapse of the commodity prices and the fact that Katanga's artisanal copper-cobalt miners appear to have been the first and hardest hit by the crisis locally will also result in swelling the ranks of various militias in DRC. The roadmap delivered to IFC, and especially the associated baseline studies, will continue to be of value to inform any future involvement of mining companies, NGOs, or other investors in Kolwezi, and potentially also the provincial and municipal governments. Regarding community outreach or investment activities, the overall picture is quite bleak at the moment. The only current private sector funder of PACT programs in Katanga, Anvil Mining, announced in November 2008 that it would pull out of all the activities, though they were initially planned to last until 2011, i.e. the women entrepreneurship initiative, agricultural extension training, and the work of the security forum (which was to include the mining code dissemination work), all of which are now on halt. While Anvil just recently managed to get 2 of their 3 concessions cleared, the company still has not reached an agreement for the Kolwezi mine. Besides this key challenge, it appears that Anvil has insufficient working capital and had to stop operations for the time being, with only most basic maintenance and security covered. PACT organized the last Security Forum in December 2008 and put forward a minimalistic proposal (some \$1,000 per month to be covered by several mining companies) but there has been no interest in this either. In November 2008, Anvil gave PACT a 2 months close-out period and PACT is currently packing up their offices in Kolwezi as no further funding has been forthcoming. PACT had to let go 75% of their national field staff and have only 1.2 expatriate staff financially covered for the sector and they are only working with Anglogold Ashanti in Ituri. This work is still being funded by USAID through the GDA program until September 2009</p>		

Anosy Madagascar Community Development Project

Advisory Product	Community Investment	Start Date	2007-07-15
Geographic focus	Sub-Saharan Africa	Project Cost	\$2,200,000
Donors	IFC	Donor Funding	\$450,000
		Project ID	549375
Description	<p>The objectives of the Anosy Region Community Development Project are to: i) work with government, community planners, civil society and corporations to establish and operationalize a community development foundation in Anosy region, Madagascar; ii) create a replicable regional community development and cooperation model, involving private sector, civil society, and local governments; iii) implement the Anosy community development action plan.</p>		
Status update	<p>The contracted firm (BCS) undertook a stakeholder consultation/workshop. The workshop was carried out in coordination with the local firm and various counterparts. BCS has since been reviewing proposed foundation governance structure documentation and helping to guide the process.</p>		

Promoting the Efficient Use of Oil Royalties in the Regional Government of Tumbes

Advisory Product	Community Investment	Start Date	2007-12-01
Geographic focus	Mozambique	Project Cost	\$35,000
Donors	None	Donor Funding	\$0
		Project ID	561317
Description	The project's objective is to improve the use of oil royalties derived from extractive activities, particularly from BPZ in the Regional of Tumbes. This will be done by improving the project investment cycle and enhancing of RGT officers' ability to manage the investment process. The project will contribute to increase the local development impact associated with extractive industries in the Tumbes Region by helping the RGT improve the local services and infrastructure it is responsible for providing. It is expected that the project will positively affect 38,000 people living in Tumbes department.		
Status update	The president of the RGT presented the project in the workshop on Enhancing the Development Impact of Resource Industries through Effective Use of Revenues and CSR Investments held in Maputo, Mozambique, organized by the World Bank. The RGT's experience generated interest among attendees, as it provided a replicable example of how companies, sub-national governments and international institutions can work together to achieve development impact. Work towards implementing two Good Practices contemplated in the project is progressing. A proposal for the system to organize project-ideas and the multiannual investment plan has been prepared and presented to the RGT. The strategic project, to construct a dam to provide water for agricultural and human consumption (Irrigación Quebrada Fernández), is back on track. Two specialized consultants (agrolologist and geologist) were contracted by the RGT to collect primary data to define the project size and are about to finish processing the data. Technical assistance missions and 2 supervision missions were carried out to the RGT, verifying the project's progress and answering consultations from several officers on investment management. 3 workshops were carried out, training over 230 regional officers on issues related to changes in the public human resources regulations and public procurement law.		

Gender Access Bank Nigeria Technical Assistance Program

Advisory Product	Women in Business- Access to Finance	Start Date	04-01-2006
Geographic focus	Nigeria	Project Cost	\$912,358
Donors	IFC	Donor Funding	\$412,358
		Project ID	545765
Description	In support of a \$15 million line of credit to Access Bank Nigeria for women entrepreneurs, the objective of this technical assistance project is to increase Access Bank's ability to service women customers, while at the same time upskilling women on financial literacy and business management skills to enhance their ability to access loans from the bank.		
Status update	Access Bank has disbursed funds well over the 15 million investment provided by IFC. As of June 2009, a total of US \$35 million have been on-lent to 215 women entrepreneurs and 1,362 new gender deposits accounts have been opened throughout Nigeria. 20 training sessions have been held, and 630 women entrepreneurs trained. As Access bank looks to increase its reach in the women's market, it is looking at the option of training women entrepreneurs in the supply chain. It has been approached by some of its corporate clients who have expressed interest in having financial management training for their female suppliers/distributors, and this is a possibility that the gender team will explore with them.		

DFCU Technical Assistance – Gender

Advisory Product	Women in Business- Access to Finance	Start Date	09-15-2006
Geographic focus	Uganda	Project Cost	\$228,303
Donors	IFC	Donor Funding	\$178,303
		Project ID	548345
Description	IFC has made an investment of \$6 million in DFCU Limited, of which \$2 million were used to establish an access to finance program for women entrepreneurs. This technical assistance project complements the investment by enhancing DFCU Limited's capacity to lend to women entrepreneurs, with the objective of increasing their access to finance.		
Status update	DFCU has extended in excess of the initial \$2 million IFC line of credit. The value of credit lines extended to women from program inception to June 2009 was \$9.183 million. The number of women borrowers was 297. The bank opened 1,842 new savings and checking accounts for women clients. The bank partnered with IFC to develop an intensive financial management training program. 50 women clients and prospective clients participated in the program which comprises 4 modules of 3 days duration each. DFCU also provided basic financial training to women clients and prospects, as well as women's organizations. The purpose of the training is to demystify banking and topics ranged from developing good savings habits to approaching the bank for financing. Approximately 230 women participated in 10 sessions. The bank developed a new product, the Land Loan to enable borrowers to purchase and use undeveloped land as security. The rationale is to support women without collateral, to acquire assets that can in future become revenue generating. The loans have ranged from \$3,100 to \$46,500 with a maximum tenor of 4 years and a fixed interest rate of 20%. In addition, 30 frontline staff received intensive customer care and gender awareness training. The bank plans on running these trainings on a regular basis as part of its efforts to continuously strengthen its services to women entrepreneurs.		

Exim Tanzania – Lending to Women Entrepreneurs

Advisory Product	Women in Business- Access to Finance	Start Date	04-01-2007
Geographic focus	Tanzania	Project Cost	\$494,983
Donors	IFC, Canada	Donor Funding	\$234,983
		Project ID	550969
Description	IFC has extended a \$5m line of credit to support Exim Bank of Tanzania's lending to women entrepreneurs. This technical assistance project complements the investment, by enhancing Exim Bank's capacity to serve women clients - especially women entrepreneurs, with the objective of increasing their access to finance.		
Status update	The bank developed two products to meet the needs of its women clients. Women Entrepreneurs Financing (WEF), is essentially a credit line facility with the benefits of a lower interest rate, more flexibility with collateral and more personalised processing. The second product is the tumaini savings account which allows the holder to borrow up to 110% of the value of savings and offers an attractive interest rate. The value of the Exim Bank women's portfolio surpassed the initial \$5m loan from IFC. The highest value of loans outstanding to women entrepreneurs reached \$6.25m on December 30, 2008. Current outstanding is \$4.98m as there were some large repayments in this period. Loans to 116 women are currently outstanding. Approximately 590 tumaini savings accounts have been opened since program inception. The total value of these accounts is \$330,000. Under the Women Entrepreneurs Financing program, Exim Bank increased its collaboration with women owned microfinance institution SELFINA. Further to an initial \$1m loan to SELFINA, Exim Bank begun providing banking facilities to larger SELFINA clients ready to migrate from microfinance to a bank. The bank established a training center that will be used to train clients and bank staff. The training center has the capacity to accommodate 70 participants and is fully equipped with office facilities. All of Exim Bank's key frontline staff participated in customer care and gender sensitivity training organised by IFC. Approximately 30 staff including branch managers and customer care officers attended.		

Africa MSME: NBS Malawi – Access to Finance for Women Entrepreneurs

Advisory Product	Women in Business- Access to Finance	Start Date	05-09-2007
Geographic focus	Malawi	Project Cost	\$140,000
Donors	IFC, Canada	Donor Funding	\$140,000
		Project ID	557786
Description	<p>The objective of the project is to increase access to finance for women entrepreneurs in Malawi. To achieve this, IFC will work with NBS Bank to improve their customer service for women and make their lending practices more responsive to women's needs. Furthermore, support will be given to women entrepreneurs to improve their financial literacy skills to they are better position to apply for loans. The project aims to reach a minimum target of 30% of women borrowers within NBS's MSME portfolio, from a baseline of 14% in 2006. This translates to a minimum of 1838 new loans disbursed to women entrepreneurs by 2012, with an equivalent loan amount of over \$6 million.</p>		
Status update	<p>NBS Bank has exceeded the target of 30%, reaching an average of 37% women entrepreneurs in its MSME portfolio. The total amount of MSME loans disbursed to women entrepreneurs since start of the program now stands at 424, worth a total value of \$2,923,174. This is more than 3 times the target value set for the first two years of the program, which was for \$813,513 and 192 borrowers. The total number of women entrepreneurs who have received training through the IFC/NBS Program is now at 251. The Project has had a meaningful impact in Malawi, in terms of access to business credit and potential growth of women owned businesses. The total amount of MSME loans disbursed to women entrepreneurs since start of the program in January 08 is now 424, worth a total value of \$2,923,174. This exceeds by nearly 3 times the original targets set for the program, and has demonstrated the pent up demand for credit and business growth amongst women-owned MSMEs in Malawi. The project has also resulted in a growing awareness of the force of women entrepreneurs in Malawian society, evidenced in their constitution of business women's networks and their identification of issues to be raised at policy level. This will encourage women owned businesses to take their place amongst business groupings and voice their concerns with regard to business policies and their impact on women entrepreneurs.</p>		

Newmont Ghana Gold Ltd.

Advisory Product	Gender in the Value Chain	Start Date	2006-09-01
Geographic focus	Ghana	Project Cost	\$118,535
Donors	IFC	Donor Funding	\$118,535
		Project ID	547706
Description	<p>The main objective of the project is to provide gender value addition to IFC's investment in the operations of the company. The Gender team's expertise and funding will span: 1. Promotion of women's entrepreneurship through a gender inclusive approach in the Ahafo Linkage Program. This involves tracking the amount of women who benefit from supply contracts and technical assistance training in the Linkage Program. Since the baseline study revealed that 20% of local registered SMEs were owned by women, we are aiming for at least that amount of women entrepreneurs to benefit from the program 2. Advisory support to NGGL on issues relating to female employment in their operations. NGGL has 10.7% women in its operations, with 18% in the non-traditional truck operator category. Our advice to the company aims to help them retain and increase these levels in a sustainable manner. 3. Advisory support to NGGL on community consultation processes. The success of the community consultations will be measured by the number of new programs or activities conducted that benefit women in the community.</p>		
Status update	<p>The Linkage program continued to track and include women entrepreneurs in the various components of its activities, showing a sustained commitment towards women entrepreneurs. 15% or 20% of the 75 local vendors that received contracts from Newmont Ahafo were women-owned enterprises, although the value of the contracts fell. Seven out of 26 new women-owned companies were enrolled in the local suppliers technical assistance program. A further 25% of the individual entrepreneurs receiving one on one mentoring are women and 30% of businesses in the Local Economic Development Program run by ALP are women-owned businesses. Another success is that 25 of the 42 new jobs created in SMEs in the Local Supplier Development during this reporting period are female jobs, with another 13 female jobs out of 33 overall for the Local Economic Development Program. IFC's \$21,180 grant to support gender-related activities in the Ahafo community was supplemented by funding from Newport and witnessed the following results. 1) 5400 community members benefited from gender sensitization activities in 10 Ahafo districts through drama and open forum. 2) 80 WCC members received critical business skills training to enhance their income-generating and leadership capacities 3) Training for 8-member Revolving Fund Management Committee to ensure sound administration of the micro-lending program.</p>		

Société Malienne de Promotion Hôtelière – Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2006-01-31
Geographic focus	Regional	Completion Date	2009-6-30
Project ID	540823	Project Cost	\$36,000
Donors	Denmark, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$33,000
Description	The project aimed to show the client how to undertake cleaner production audit and review its existing operation in Mali and Burkina Faso. This will potentially result in the introduction of energy efficiencies and water use saving measures at the company's operations in both countries.		
Status update	The project consisted of undertaking a cleaner production audit and a design review of 4 hotels. The audit and design review were successful and identified saving opportunities in energy use. The recommendations made by the consulting firm identified a potential to save 23% of SMPH's energy cost on an annual basis. The report also included the cost of implementation for each recommendation.		

Hôtel Des Mille Collines – Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2007-07-01
Geographic focus	Rwanda	Completion Date	2009-07-01
Project ID	556285	Project Cost	\$26,279
Donors	IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$26,279
Description	The project's objective was to undertake a cleaner production audit of the company's existing operation in Rwanda. This will potentially result in introduction of energy efficiency and water use saving measures and if successful, may encourage other hotel businesses in Rwanda and neighboring countries to adopt cleaner production practices in their operation.		
Status update	The consulting firm, conducted the CP audit of the company, and produced a report with various recommendations pertaining to energy and water savings. The report identified potential savings of 25% of the electricity consumption (savings of \$78,762) as well as 10% reduction in water use (savings of \$4,500) annually. The overall capital cost required to implement the audit's recommendations equals to \$106,000 with an average payback period of 1.2 years.		

Better Work Africa Agribusiness Scoping

Advisory Product	Competitiveness Through Labor Standards	Start Date	2008-01-09
Geographic focus	Regional	Completion Date	2008-12-31
Project ID	553425	Project Cost	\$375,000
Donors	IFC, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$375,000
Description	The objective was to conduct an initial assessment of the need, local capacity, market advantage, and demand for improved labor standards compliance in agribusiness through implementing the innovative Better Work program in one to two recommended African countries and one to two industries.		
Status update	Two rounds of scoping were carried out in African agribusiness. The countries and crops for the first scoping were mangos in Mali, horticulture and essential oils in Madagascar, sugar and tea in Uganda, sugar and oil seed in Zambia and bananas across Africa. Following the scoping, it was decided these countries lacked fit with Better Work and IFC Africa's strategy. Thus a second round was conducted and looked at horticulture, floriculture and coffee in Kenya and floriculture and coffee in Tanzania and Uganda. The results of the second phase of scoping showed that floriculture, horticulture and coffee are not good fits for Better Work. Based on these results, ILO and IFC decided to not proceed with Better Work in the scoped countries and industries.		

Diamond Trust Bank Advisory Services

Advisory Product	Women in Business - Access to Finance	Expected cost	\$100,000
Geographic focus	Burundi	Project ID	569207
Description	This project will increase the bank's ability to service women customers in Burundi and increase the skills of women entrepreneurs to enable them access credit by training the bank's staff on market segmentation, product development, marketing strategies and client relationship management , as well as developing products and services that build the liability side of the business. The projects also aims to build capacity of local consultants to provide business planning and financial management skills to women during and after the program and assist DTBB in improving overall financial services in the women market through exposure to the Global Banking Alliance and study tours to existing gender finance programs in the region to expose them to best practice.		

EAST ASIA AND THE PACIFIC

Renewable Energy and Energy Efficiency in the Marshall Islands

Advisory Product	Sustainable Energy Finance	Start Date	2008-05-01
Geographic focus	Marshall Islands	Project Cost	\$60,000
Donors	GEF	Donor Funding	\$60,000
		Project ID	558588
Description	<p>The objective of this project is to significantly increase the adoption and use of energy efficiency measures and renewable energy technologies in the Marshall Islands through a package of incentives to encourage local financial institutions to participate in sustainable energy finance. Financial institutions (FIs) currently perceive the risk of sustainable energy (SE) projects as too high and consequently are unwilling to finance such projects without significant equity contributions from the project sponsor. FIs associate these projects with a high level of risk primarily due to lack of a track record for financing such projects and lack of understanding and familiarity with the range of sustainable energy projects. Through this project, the Sustainable Energy team is testing the hypothesis that the right package of investment and technical assistance is an effective way to encourage FIs to participate in SE financing and, over time, gain comfort to the point of doing it on a sustainable basis, without IFC's direct support and with their own funding. It is expected that by establishing a track record for these projects, FIs will: i) learn the risks of the portfolio; ii) become more familiar with SE projects; and iii) increase their portion of funding for this line of business. The long term goal of this project is other FIs not only in Marshall Islands, but also in other neighboring countries will invest in SE projects without donor support.</p>		
Status update	<p>IFC's visited RMI to assess the opportunities for this project; to scope out potential products; and to identify potential partners including prospective PFI. There is just one such prospective partner in the Marshall Islands. This bank may need AS assistance to conform to help it participate in this programme.</p>		

MBA Polymers – Electronic Waste Recycling

Advisory Product	Clean Tech Venture Investments	Start Date	2004-12-16
Geographic focus	China	Project Cost	\$1,723,267
Donors	Denmark, IFC, Italy, Luxembourg, New Zealand	Donor Funding	\$1,723,267
		Project ID	523558
Description	<p>The project funds China's first commercial plant to recycle mixed-stream plastic waste from electronics and will contribute to: (i) Reduction of particulates emissions in waste streams that would otherwise be incinerated; (ii) reduction in soil and underground water contamination in waste streams otherwise destined for landfills; and (iii) reduction of GHG emissions as a result of energy efficiency savings comparing virgin resins and plastics recycling processing, and substitution effects of replacing petroleum-based virgin resins with recycled plastics.</p>		
Status update	<p>MBA Polymers has managed to survive a difficult year for 2008, and has exceeded the management projection in 1Q09. The company expects that sluggish demand in Europe will be offset by strong Chinese demand. In summary, MBA has made progress and is moving towards profitability, backed by growing demand for 100% recycled plastics from manufacturers targeting environment-conscious consumers.</p>		

Portfolio Approach to Distributed Generation Opportunities - Philippines Market Research

Advisory Product	Sustainable Energy Market Development	Start Date	2008-10-31
Geographic focus	Philippines	Project Cost	\$195,000
Donors	Japan	Donor Funding	\$195,000
		Project ID	556085
Description	<p>The project's objective is to improve access to cleaner and more reliable sources of energy for underserved populations. PADGO seeks to develop a framework under which the various parties are provided tools and financing opportunities to encourage entry into the market while maintaining quality of service provided to lower transaction costs.</p>		
Status update	<p>A report was produced meeting its stated objectives, and found that there is a promising market potential for DG projects with good commercial viability particularly with the existing VSPP/SPP programs in Thailand and Renewable Energy Act in the Philippines. There could be opportunities which IFC could work (larger projects) or through FIs to extend new DG related financing to their existing client base.</p>		

Vietnam Cleaner Production Energy Efficiency Project

Advisory Product	Sustainable Energy Finance	Start Date	2008-10-01
Geographic focus	Vietnam	Project Cost	\$1,297,820
Donors	IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$1,259,820
		Project ID	561504
Description	The project aims to support enterprises in their modernization investments to achieve energy efficiency, cost savings, higher productivity, and better environmental performance. The project includes: i) advisory services and investment services to selected financial institutions, ii) technical assistance to develop the consultancy & training market for CP-EE investments, and iii) promotion activities to increase awareness among local industries about the need for and benefit of equipment/technology/process upgrades to reduce carbon footprints and pollution effects.		
Status update	A database of 34 local technical service providers has been established. An agreement was signed with the Energy Conservation Center in Ho Chi Minh City to develop 4 training courses on energy efficiency for SME's technicians, production managers, and energy managers. The project is currently in negotiation with two local commercial banks to support them in developing lending products for EE-CP market. The support package will include both investment and technical assistance. The project also successfully organized a workshop on sustainable finance in Vietnam and a study tour to China for local bankers to learn from the Chinese experience in green credit policies and energy efficiency finance.		

China Utility-Based Energy Efficiency Finance Program (CHUEE)

Advisory Product	Sustainable Energy Finance	Start Date	2004-03-30
Geographic focus	China	Project Cost	\$37,840,000
Donors	GEF, Finland, IFC, Norway	Donor Funding	\$24,340,000 including \$15,000,000 in investment
		Project ID	523295
Description	The project supports the marketing and development of financial products targeted at increasing investment in energy efficiency (EE) in the commercial, industrial, institutional and residential sectors by Chinese financial institutions (FIs). CHUEE's development objective is to create effective, commercially sustainable delivery mechanisms for systematically developing, implementing and financing EE projects, via partnerships with key market actors – FIs, energy service companies, EE Suppliers, utilities, and end-users, and to grow the capacities of these key partners to develop, implement and finance EE projects and replicate CHUEE methods on an on-going commercially sustainable basis.		
Status update	CHUEE has recruited 3 partner banks and helped those banks disburse \$540 million energy efficiency loans to 107 EE projects, mobilizing \$984 million private and public investments into EE and renewable energy sector. These 107 projects will reduce 14.3 million tons of CO2 equivalents for the whole world annually. CHUEE's portfolio represents 40% of loans disbursed to the frontier region, while 67% of the borrowers are SMEs. CHUEE trained over 1200 existing partner banks' staff to extend their EE business into 93% coverage of total branches, and provided 6 public trainings to more than 570 participants from energy service companies, equipment suppliers and other partner stakeholders. CHUEE helped China Banking Regulatory Commission (CBRC) in one green credit training course and one Equator Principle training course in and completed 5 industrial and regional EE opportunity studies which helped bank partners and other potential investors deeply understand the EE market. CHUEE has provided support to the Vietnam, Indonesia and Bangladesh EE financing study delegation during and also collaborated with World Bank's EE team to design a technical assistance package to the Chinese government counterpart and commercial bank clients.		

SELCO - Vietnam

Advisory Product	Sustainable Energy Market Development	Start Date	1998-09-28
Geographic focus	Vietnam	Project Cost	\$782,000
Donors	GEF	Donor Funding	\$782,000 including \$750,000 in investment
		Project ID	532410
Description	This project supports SELCO Vietnam, a solar energy services company, to expand its operations through the provision of financing to increase working capital and mobilize consumer finance. The ultimate objective of the project is to help grow the market for solar home systems in Vietnam.		
Status update	The company has been in default since October 2006 and went out of business in 2007. During FY09 IFC has negotiated and reached an agreement with SELCO Vietnam's parent company to settle the outstanding obligations under the loan agreement. As a result, IFC has operationally closed the project		

Sustainable Energy Lending Vanuatu

Advisory Product	Sustainable Energy Finance	Start Date	2008-05-01
Geographic focus	Vanuatu	Project Cost	\$60,000
Donors	GEF	Donor Funding	\$60,000
		Project ID	558587
Description	<p>The objective of this project is to increase significantly the adoption and use of energy efficiency measures and renewable energy technologies in Vanuatu through a package of incentives to encourage local financial institutions to participate in sustainable energy finance. Financial institutions (FIs) currently perceive the risk of sustainable energy (SE) projects as too high and consequently are unwilling to finance such projects without significant equity contributions from the project sponsor. FIs associate these projects with a high level of risk primarily due to: the lack of a track record for financing such projects and lack of understanding and familiarity with the range of sustainable energy projects. Through this project, the Sustainable Energy team is testing the hypothesis that the right package of investment and technical assistance is an effective way to encourage FIs to participate in SE financing and, over time, gain comfort to the point of doing it on a sustainable basis, without IFC's direct support and with their own funding. It is expected that by establishing a track record for these projects, FIs will: i) learn the risks of the portfolio; ii) become more familiar with SE projects; and iii) increase their portion of funding for this line of business.</p>		
Status update	<p>During the period under review, an IFC visited Vanuatu to assess the opportunities for this project; to scope out potential products and to identify potential partners including prospective PFIs. Due diligence was conducted on two key prospective PFIs. Subsequent advice from the IS team was that both banks could be and were interested in participation in the project as PFIs.</p>		

Horizon Fuel Cell Technologies Ltd.

Advisory Product	Clean Tech Venture Investments	Start Date	2009-01-01
Geographic focus	China	Project Cost	\$249,600
Donors	IFC, Italy, Luxembourg, New Zealand	Donor Funding	\$249,600
		Project ID	561188
Description	<p>The objective of the project is to catalyze growth in the company by increasing its manufacturing capabilities, annual revenues and bottom-line profitability. The project also seeks to address the market barrier of access to finance for small-scale fuel cell technology and early-stage clean technology companies with significant emerging market risks. Developing country venture investors are not generally familiar with the cleantech sector and few cleantech venture investors are comfortable with developing countries. The demonstration effect of the project is expected to help the company prove its commercial viability and attract additional third party investment into the company and generate job creation, new product commercialization, and increased capacity to use renewable energy. The project also seeks to demonstrate the commercial viability of fuel cell technologies in small and medium scale applications, and to encourage sustainability and replication of Horizon's business model.</p>		
Status update	<p>On behalf of the Global Environment Facility's Earth Fund, IFC is currently considering an equity investment in Horizon. The company has developed Polymer Electrolyte Membrane fuel cell solutions for small applications and is now seeking to expand its product offerings to medium- and larger-scale applications. The proposed investment will support Horizon's capital expenditure, R&D, IP acquisition, and working capital needs over the next two years, with a total estimated cost of \$9.8 million. Horizon's fuel cell technology solutions provide a cost-effective alternative to environmentally unsound lead acid batteries and fossil fuel genset technologies currently used around the world. The project aims to tap the low-cost of R&D and manufacturing in China to meet demand for its fuel cell solutions globally. In June 2009, Horizon launched its Aeropak product for unmanned aerial systems at the Paris airshow. Also in June 2009, Horizon unveiled in London a hydrogen-electric two-seater car that was designed by Riversimple, a UK-based energy efficient car company, and utilized Horizon fuel cell stacks.</p>		

Panel Board Holding

Advisory Product	Clean Tech Venture Investments	Start Date	2007-03-14
Geographic focus	China	Project Cost	\$149,669
Donors	IFC, Italy, Luxembourg, New Zealand	Donor Funding	\$149,669
		Project ID	556025
Description	<p>The objective was for IFC to make an equity investment of up to \$2 million in Panel Board Holding B.V to demonstrate the commercial viability of an innovative wheat straw splitting technology and to help catalyze \$28 million in debt and equity financing from the private sector. The technology replaces wood with wheat straw in the production of panel boards for a wide range of applications in the housing construction industry. The targeted impacts were to slow deforestation, reduce local air pollution and health issues associated with straw burning, improve agricultural productivity by removing waste straw from the fields and provide a new source of revenue to low-income, local farmers. Production sold will be monitored to estimate wood fiber consumption avoided over the life of the investment.</p>		
Status update	<p>Due to delays in approval for financing from another member of the IFC-led consortium, the company was forced to seek alternative financiers for the original project. IFC's prior work with the firm to make the deal bankable paid off and the company was successful. The company had indicated it would like IFC to invest in a follow on round but based on recent conversations with the management it appears that an IFC investment is not going to be requested in the short term. The file has therefore been closed.</p>		

Komodo National Park Collaborative Management Initiative

Advisory Product	Biodiversity-Other	Start Date	2004-11-24
Geographic focus	Indonesia	Project Cost	\$17,775,000
Donors	GEF	Donor Funding	\$5,725,000 including \$5,000,000 in investment
		Project ID	502468
Description	<p>The objective of this project is to support KCMI, and the private business joint venture, in the development and implementation of a collaborative park management plan involving the private sector, local communities, local government, NGOs, and Park Authority. By the end of the project Komodo National Park is expected to be a self-financed park, with its management costs being covered by tourism revenue.</p>		
Status update	<p>The program continues to provide biodiversity and economic benefits as well as alternative livelihood for communities living in the vicinity of the Park. As much as 19,057 visitors have enjoyed improved infrastructure and facilities of the Park; while \$744,335 was collected from tourism and conservation fees and there are 1,569 jobs created so far. However, the project continues to face challenges especially in building mutual a relationship with the Park management as PNK's main partner and hiring an appropriate managing director to sustain effective management of PNK. A Labuan Bajo-based staff was appointed as the tourism operations manager. The hiring of these managers will ensure more effective implementation of PNK activities corresponding to the project timeline. The microcredit program disbursed 23 loans in 3 villages within the park. The use of loans was mostly for activities related with alternative livelihood. A new eco-education program launched at local high school on reef health monitoring following PNK's participation in a Reef Health Monitoring Workshop. An AusAid volunteer came to support the community development program for 1 year. A new ticketing system is in place as an initial measure to address concerns about financial controls. A new permanent floating landing stage was completed at Loh Liang, Komodo Island and new visitor toilets construction was completed in LohBuaya, Rinca Island. Furthermore, a report on Resource Use Monitoring for 2007/2008 was completed which helps monitoring of the conservation and biodiversity benefits of the Komodo Park.</p>		

Marine Aquarium Market Transformation Initiative

Advisory Product	Biodiversity-Other	Start Date	2000-9-10
Geographic focus	Regional	Project Cost	\$7,365,000
Donors	GEF, Japan	Donor Funding	\$7,365,000
		Project ID	506049
Description	The project purpose is to use conservation management and rehabilitation to ensure the health of coral reef ecosystems and their contribution to poverty alleviation and food security, by 1) transforming at least 17 percent of the worldwide marine aquarium industry, 2) establishing marine management areas, and 3) increasing awareness of the benefits of harvesting marine ornamentals in a manner that conserves global biodiversity. The objective is to transform the marine aquarium trade of the Philippines and Indonesia to ecological and economic sustainability.		
Status update	An independent mid-term review was conducted and determined that the project was not achieving meaningful results in developing a sustainable system for certifying marine aquarium organisms that fostered market transformation. Recurrent problems with the sponsor's management of the project - grant resources and multi stakeholder processes in particular – and the inability to adapt the project approach to new information, have irreparably damaged the critical partnerships upon which the project was founded. Based on the MTR and project supervision, IFC canceled the grant to the Marine Aquarium Council and terminated the MAMTI project. IFC learnt from this project that is most effective to address market transformation by involving key stakeholders in the targeted industry, in a forum that brings together a significant proportion of the world demand and supply sides.		

Conservation of the Eg-Uur Watershed

Advisory Product	Biodiversity-Other	Start Date	1999-07-29
Geographic focus	Magnolia	Project Cost	\$2,130,000
Donors	GEF	Donor Funding	\$1,180,000
		Project ID	503476
Description	The project aims to establish a partnership between the local communities, government institutions and bodies, and tourist companies to collaboratively and proactively establish a natural resource management regime for the Eg-Uur Watershed Area (EUWA) in the north-western region of Mongolia. The financial sustainability and biodiversity conservation vehicle for the project is high-end, low impact catch and release flyfishing ecotourism. The underlying rationale of the project is to treat wildlife as a locally managed concessionable natural resource, rather than as a simple public good, thereby enabling the local communities to maximize the economic returns from its use.		
Status update	The project achieved its main goal of advancing integrated watershed management in the Eg-Uur Watershed and conservation of the taimen salmon. In contrast to other areas in Mongolia, the taimen population is stable and robust in the Eg-Uur. The project completed the first integrated scientific assessment in the world of the taimen in its native habitat and spurred the development of watershed management plans and councils, which raised awareness about the importance of biodiversity conservation in local communities, and improved the enabling environment for nature based tourism. Patrolling by rangers was strengthened throughout EUWA. A widescale environmental education program was implemented through Ecoclubs in local schools and working with the local Buddhist community to build environmental stewardship. After encountering roadblocks on developing a concession based approach to benefit local communities, the project pioneered the application of a user rights cooperative approach (Nokhorlol) to monetize the benefits of an eco-tourism activity based on sportive fly-fishing.		

Asian Conservation Company- (Tranche I)

Advisory Product	Biodiversity- Other	Start Date	2004-02-27
Geographic focus	Philippines	Project Cost	\$17,320,000
Donors	GEF	Donor Funding	\$2,020,000 including \$1,600,000 in investment
		Project ID	506048
Description	<p>The ACC model is innovative because for each investment: (i) it will be implemented through an innovative partnership between a private equity investment company and a local NGO, and (ii) it includes its own built-in replication plan. It seeks to achieve two objectives: 1) Using GEF funds, this project will seek long-term conservation of globally significant marine and coastal biodiversity through conservation activities at sites included in the National Biodiversity Strategy and Action Plan, which will be sustained by revenues from the ACC's first investments and other private sector operators. The initial investment and sub-project of ACC concerns the marine portion of the El Nido-Taytay Managed Resource Protected Area (ENTMRPA), which covers 54,303 ha. 2) After successfully demonstrating the model, through the first El Nido project, the ACC intends to raise additional donor funding to launch conservation activities at additional biologically rich, threatened sites, which will be sustained in the long-term by revenues from additional investments. The ACC project aims to demonstrate that conservation makes business sense; it can both promote beneficial public image for a company as well as secure the resource base upon which many companies depend for long-term success and profit. As the project is being implemented over a 6-8 year period, the ACC portfolio companies will channel some of their revenues into endowments to be managed by El Nido foundation (ENF). After the GEF grant funds have been fully utilized, the local NGO should be able to sustain the conservation activities through ongoing contributions from the ACC portfolio companies and proceeds from the endowments.</p>		
Status update	<p>El Nido Foundation (ENF), the grantee, has been constantly late in most communications and reports for the project. Due to the reporting delays, ENF has not been able to request the 5th disbursement. With less than a year before project completion, approximately 40% of the budget has not been disbursed. After March 2008, the only knowledge of progress and performance comes to IFC through the mid term review done by an independent consultant and completed in September 2008. The MTR reported that most outputs expected from ENF had been achieved. But it also proposed reviewing the work plan for the remainder of the project to focus on expanding the management over a larger area and document and share the experience. IFC considers that although increasing the area has obvious local benefits, it does not contribute in any way to the broader objective of ACC, which consists in replicating a financing model. Nevertheless, the sponsor was asked to provide information on how to implement the MTR recommendations, because IFC saw that there was an opportunity of exiting in a productive way (sharing lessons.)</p>		

Cambodia Garment Sector Assistance Program

Advisory Product	Competitiveness Through Labor Standards	Start Date	2006-02-01
Geographic focus	Cambodia	Project Cost	\$1,289,637
Donors	Canada, Australia, Italy, New Zealand, Norway, Sweden, Switzerland	Donor Funding	\$1,029,637
		Project ID	544484
Description	<p>The overall goal of the program is to help increase the sector's export performance in the post-MFA era. IFC's interventions focus on increasing competitiveness of industries and companies through improved environmental and social standards which has an impact on productivity, cost effectiveness, operational and technical efficiencies as well as market prospects through enhanced industry and or company reputation. To do this, IFC collaborates with proven institutional partners with long-term potential that can provide services to a large number of beneficiaries.</p>		
Status update	<p>The Forum engaged regional representatives in discussions on how to keep Cambodia a competitive sourcing location and also supported a joint IFC-ILO proposal to look at ways to improve energy efficiency and waste management in the factories. IFC worked closely with ILO to support greater alignment of Better Factories Cambodia (BFC) with the Global Better Work Program (BW), build BFC's organizational capacity and achieve BFC's financial and operational sustainability. IFC also worked with Harvard to complete an evaluation of the impact of the supervisory skills training on the industry and will analyze the data and disseminate findings in the coming months.</p>		

Better Work Vietnam

Advisory Product	Competitiveness Through Labor Standards	Start Date	2008-08-12
Geographic focus	Vietnam	Project Cost	\$2,799,328
Donors	Japan, Italy, Ireland, Netherlands	Donor Funding	\$1,938,328
		Project ID	561550
Description	The objective of the project is to improve both compliance with labor standards based on Vietnamese labor law and the international core labor standards, and enterprise performance in Vietnam's export industries. The focus will be on long-term sustainable solutions which build cooperation between government, employers' and workers' organizations, and international buyers. The program makes practical improvements through workplace cooperation and combines independent assessment of labor standards with consultancy and training. During pilot stage, the Project aims to improve working conditions and the sustainability of jobs for some 150,000 workers in Vietnam's garment industry.		
Status update	The project completed first draft of the Compliance Assessment Tool and identified three potential training partners. A MOU was signed for setting up the Project Advisory Committee by IFC, ILO, MOLISA, VCCI and VGCL. A Buyers' Forum for Vietnam and Cambodia was organized in Hong Kong.		

Sustainable Forestry in Indonesia

Advisory Product	Sustainable Forestry	Expected Cost	\$1,952,200
Geographic focus	Indonesia	Project ID	565611
Description	The goal of the program is to increase investment in the production of sustainably managed forest products in Indonesia by improving the enabling environment and governance, especially at the provincial government level, to boost investment in forestry and to improve the capacity of governments in managing its forest resource, and supporting best practices at the firm level to increase certified forest areas and timber supply, and develop innovative forestry schemes drawing on carbon financing and carbon market development to reduce emissions and avoid deforestation. The program will assist provincial governments that have a strong commitment to sustainable forest development in their provinces and where the forestry sector contributes significantly to its local economy, providing livelihoods to people living in the vicinity of forest areas.		

Vietnam Battery recycling

Advisory Product	Other	Expected Cost	\$480,000
Geographic focus	Vietnam	Project ID	564647
Description	The project aims to promote formal recycling of lead-acid batteries as a way to reduce the risk of lead poisoning and contamination impact. Three immediate objectives are: 1. Demonstrate the business case of lead-acid recycling with good environmental standards by assisting Pinaco, a local manufacturer and IFC potential client, in establishing its battery recycling operations- the first one of this kind in Vietnam. 2. Assist the government in putting together necessary regulations, guidelines, and incentives for lead-acid batteries manufacturing, takeback, disposal, and recycling. 3. Help introduce industry-based voluntary initiatives in standard setting and certification/labeling schemes with participation of multi-stakeholders such as bulk purchasers (automobile brands), local manufacturers, business associations.		

SOUTHERN EUROPE AND CENTRAL ASIA

Commercializing Energy Efficiency Finance – Technical Assistance

Advisory Product	Sustainable Energy Finance	Start Date	2002-04-01
Geographic focus	Regional	Project Cost	\$2,837,500
Donors	GEF	Donor Funding	\$1,457,500
		Project ID	530041
Description	The project's primary objective is to reduce emissions of greenhouse gases through implementation of EE projects directly supported by the guarantee and technical assistance programs. Parallel objectives are to: a) promote entry of domestic FIs into the EE financing market; b) build greater experience and capacity of domestic FIs to provide EE project finance; c) provide more favorable credit conditions to borrowers; d) promote financial innovation in this market to establish a range of financial products responsive to the structuring requirements of several different sectors, including municipalities, cogeneration, multi-unit residential buildings, institutions (including hospitals), industrial, commercial and SMEs; e) build capacities of the commercial EE/ESCO industry to market, structure, and finance EE projects, and to accelerate development of the EE market generally; f) expand deployment of non-grant contingent finance tools for the GEF, thus achieving greater leverage of GEF funds while mainstreaming EE finance within IFC; g) refine and streamline administrative and management procedures develop under HEECP, including credit review and project preparation procedures used in administering the guarantee facility and TA program, in other regions through IFC's mainstream investment operations		
Status update	This was the first attempt by IFC to support development of SE market in comprehensive manner combining commercial investment and advisory services in one product. More than a dozen of local FIs participated in the program providing financing for EE/RE projects. The market penetration differed from country to country. The majority of the banks were involved in Hungary, where the program built on the previous pilot activities. A limited number of FIs participated in the Baltics due to a limited market size and availability of subsidized support schemes. Depending on the level of commitment and existing SE capacity, different types and amounts of know-how transfer was delivered to partner FIs. These interventions led to a substantial increase of FIs capacity to finance SE projects even without a third party guarantee. The product innovation was achieved on the side of partner FIs extending new financial products to their SE clients. Although there were some direct interventions at the EE/ESCO level the major part of the objective was achieved while working through FIs which were imposing their requirements (meeting IFC criteria) and transferring the project specific know-how to the project developers/investors/end users in the process of project appraisal, structuring, and financing.		

Russia Energy Efficiency Study (sub-national level)

Advisory Product	Sustainable Energy Finance	Start Date	2009-01-01
Geographic focus	Russia	Project Cost	\$321,000
Donors	Finland, Austria	Donor Funding	\$310,000
		Project ID	562027
Description	The goal of the proposed study is to assess the effectiveness of Russian regional EE policies in meeting energy supply/demand challenges, and to communicate options for reforms to selected regional administrations, with a specific focus on municipal housing renovation.		
Status update	Government support was secured in the North-West region of Russia and funding of \$217,000 was also secured. Four Oblasts in the NW region: Leningradskaja, Vologodskaja, Murmanskaja and Arhangelskaja, confirmed their interest and commitment to the project. The project team went to each Oblast and met with the regional dedicated government representatives. Letters of interest were exchanged; official MOUs will be signed with each Oblast individually. Regional energy balances for all four oblasts were completed. The EE potential for selected sectors in each Oblast is currently being calculated (stage 2). Three local consultants belonging to the same Energy Balance Russian Consulting Agency (APBE) were hired to provide technical expertise. Consultants are based in the NW branch of APBE, in St Petersburg. A study assessing the EE policies in the housing sector in at least 1 region in Russia is being implemented in close collaboration with the EBRD which is concurrently implementing an Improving Urban Housing Efficiency in the Russian Federation Study. Several meetings took place between IFC and EBRD PMs who have divided the areas for analysis and agreed on collaboration methods. It is agreed that the EBRD will focus on (i) legal and regulatory framework assessment, (ii) an assessment of condominium association and IFC will focus on (iii) evaluating residential housing energy savings potential, (iv) conducting key market players assessment, (v) designing financing mechanisms for residential EE renovations.		

Commercializing Energy Efficiency Finance (CEEF)

Advisory Product	Sustainable Energy Finance	Start Date	2001-10-24
Geographic focus	Regional	Project Cost	\$21,800,000
Donors	GEF	Donor Funding	\$21,800,000 including \$17,450,000 in investment
		Project ID	506396
Description	<p>The Project's ultimate objective is to reduce emissions of greenhouse gases through implementation of sustainable energy projects. The partial guarantee and advisory program offered to participating financial institutions (FIs) and other stakeholders were utilized to: a) promote entry of local FIs into the sustainable energy (SE) financing market; b) build greater experience and capacity of domestic FIs to provide SE finance; c) promote financial innovation in the market and to develop a range of financial products responsive to the structuring requirements of several different sectors, including public and private entities, municipalities, multi-unit residential buildings, public institutions, industrial and commercial clients, and SMEs; e) build capacity of the commercial energy service industry to market, structure, and finance SE projects, and to accelerate development of the SE market generally; f) leverage donor's funding with IFC investment and private sector financing and to mainstream SE finance within IFC; g) develop and streamline administrative and management procedures including credit review and approval procedures used in administering the guarantee facility and advisory program with a goal to use it in other regions and projects globally.</p>		
Status update	<p>The project closed its investment period on December 31, 2008, 7 years after its inception and has entered in its portfolio supervision phase which will last until the last provided guarantees will expire on February 15, 2015. The starting size of the portfolio on January 1, 2009 was €36,770,838 (\$51+ m) partial and first loss IFC guarantees supporting totally \$130 m loans with 8 partner FIs: Dexia in Slovakia, Ceska sporitelna and CSOB in the Czech Republic, Hansabank in Latvia, SEB in Lithuania, and Erste Bank, Raiffeisen, and HVB in Hungary. Overall, the credit quality of the entire CEEF portfolio with 800+ loans (including portfolio sub-loans) is good. No guarantee call by any partner bank occurred yet. The project has benefited from a counter-guarantee provided by GEF in the amount of \$16.7m, which has not been used even partially to date. Two external program evaluations were started: independent external consultants gathered info for the final program evaluation and IEG assessed the CEEF performance internally.</p>		

Energy Efficiency Surveys in Europe and Central Asia

Advisory Product	Sustainable Energy Finance	Start Date	2008-03-31
Geographic focus	Armenia, Belarus, Georgia, Ukraine, Azerbaijan	Project Cost	\$648,481
Donors	IFC, Austria, Germany (Saxony)	Donor Funding	\$414,602
		Project ID	557190
Description	<p>The main goal of the proposed project is to assess existing energy efficiency market conditions and promote energy efficiency financing in Armenia by conducting a survey to assess the current market for energy efficiency financing in Armenia and to raise awareness among local financial institutions, small and medium enterprises and policy makers. The immediate outcome of this project is higher awareness of SMEs, financial institutions, and policy makers about existing opportunities for financing.</p>		
Status update	<p><u>Armenia</u> (557190): Conducted a press training and conference; and a round-table for local stakeholders. <u>Belarus</u> (557191): Based on the study, detailed note will be put together for the follow up activities in the country <u>Georgia</u> (557189): Due to the current political situation, the results presentation and the round-table along with the press conference are shifted to September 2009. <u>Ukraine</u> (557145): Due to the current political situation, the results presentation and the round-table along with the press conference are shifted to the further notice (most likely mid-2010). <u>Azerbaijan</u> (558386): Set the date for a seminar for local financial institutions on energy efficiency finance.</p>		

Geofund Turkey

Advisory Product	Sustainable Energy Market Development	Start Date	2008-03-01
Geographic focus	Turkey	Project Cost	10,300,000
Donors	GEF, Iceland, IFC, Italy, Luxembourg, New Zealand, Japan	Donor Funding	10,300,000
		Project ID	557205
Description	The project is intended to address the identified market barriers for investments in geothermal energy, which are: a) high up-front costs and risk relative to other heat/power technologies, b) risk associated with uncertainty of geothermal resource availability, c) lack of technical know-how and experience, d) lack of long-term financing required for the investments. The long-term goal of the initiative is to systematically support geothermal market transformation in Turkey by addressing the identified market barriers through Geological Risk Insurance and Concessional Financing products.		
Status update	a) Conducted a geothermal conference in Turkey attracting significant attention from Turkish and international companies, b) Issued an expression of interest (EoI) for companies to participate in the Geofund program, c) Shortlisted the most promising EoIs, issued a detailed RFP, and requested that potential sponsors provide detailed proposals, d) In May 2009 five sponsors submitted their proposals for eight projects in Turkey. Out of the five sponsors four are private companies and one is a municipality. Four of the projects requested Geothermal Risk Insurance, e) The team hired industry experts to evaluate the proposals received and provide their opinion on the technical viability of the projects.		

Russia Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2008-04-01
Geographic focus	Russia	Project Cost	\$3,215,105
Donors	IFC, Germany (Saxony), Netherlands, Finland	Donor Funding	\$3,215,105
		Project ID	560345
Description	The overall goal of the Program is to stimulate investment in cleaner production (CP) and to promote CP best practices and policies in Russia. It aims to facilitate at least \$200 million of cleaner production investment in Russia. The increasing investment in cleaner production will result in: a) prevention and reduction of pollution from real and municipal sectors; b) mitigation of climate change, c) simultaneous increase of profitability of the manufacturing companies, which will make them more attractive for local financial institutions. The Program's goal is expected to be met by achieving the following three objectives: 1) Stimulate demand for cleaner production/management techniques investments by private and municipal enterprises; 2) Raise awareness of cleaner production and management techniques in Russian industries and government; 3) Build capacity of investment staff in financial institutions to identify and appraise cleaner production investments.		
Status update	In order to stimulate demand for cleaner production/management techniques investments by the private sector and at municipalities, the project continued to work with pipeline clients, focusing on planned missions within the machine building sector; mapping clients within insulation materials and transport equipment sectors. The project will ensure the delivery of the foundry sector assessment, a benchmarking study supported by best practices in the industry. The project will develop public materials for key stakeholders in Russia and build a good baseline of sector assessment.		

ECOPROCESS

Advisory Product	Clean Tech Investment	Start Date	2007-5-1
Geographic focus	Bulgaria	Project Cost	\$355,246
Donors	IFC, Italy, Luxembourg, New Zealand, Norway	Donor Funding	\$320,123 including \$142,000 in investment
		Project ID	550425
Description	<p>The project provides a grant, with an option to convert to equity, and advisory services to Ecoprocess JSC ("Ecoprocess"), an early stage tire recycling company in Bulgaria to assist the company in commercializing its tire recycling technology. The objectives are to 1) demonstrate the commercial viability of the plant, leading to further investment in the sector and 2) provide a private sector commercial alternative to land filling and incineration of used tires, thereby reducing the attendant environmental impacts of groundwater contamination and noxious air emissions.</p>		
Status update	<p>Ecoprocess has completed the engineering advisory work and capital expenditures related to the enhancement of its Bulgarian manufacturing facility. It has submitted technical reports prepared by the engineering advisory consultants and these reports have been reviewed by IFC. The Company has also submitted a business plan for the next 3 years. The Company has also carried out test runs of the facility in Nov 2007 and Aug 2008. However it identified the technical problems in the pipe of condensation system, which would require additional funds to fix. Because of lack of financing and unsolved technical problems, the production process has not been started yet. The company has thus not generated any revenues and is behind in terms of meeting targets set in February 2008.</p>		

Residential Energy Efficiency at Raiffeisen BiH

Advisory Product	Sustainable Energy Finance	Start Date	2006-05-19
Geographic focus	Bosnia-Herzegovina	Project Cost	\$1,105,082
Donors	Austria	Donor Funding	\$560,658
		Project ID	547667
Description	<p>The project has the objective to provide a 350,000 grant to Raiffeisenbank Bosnia-Herzegovina (RBBH) a subsidiary of Raiffeisen Group ("RZB"), Austria, to develop and roll-out energy efficiency (EE) housing loan products in Bosnia-Herzegovina ("BiH"). RBBH will be the first bank to offer EE loan products for the residential sector in BiH. The project is expected to promote significant development impact since the majority of the housing stock in BiH is of poor quality, and has not been upgraded for decades. Therefore, IFC is providing an EE credit line of up to 12 million (the "EE Tranche"), which is part of a 15 million loan package to support the Bank's housing finance lending operations. RBBH could use up to 15 million of IFC's loan for its existing mortgage lending activities (the "Housing Tranche"). Up to 300,000 of the grant will be disbursed to RBBH once the EE investment component financed under the EE Tranche reaches 3 million, which is considered to be the critical size at which the EE portfolio would have economies of scale. The above-mentioned portion of the grant will compensate RBBH for the higher costs and risks associated with the launching of the EE lending program. The balance of the Grant (50,000) will be disbursed up-front for training/capacity building activities.</p>		
Status update	<p>Altogether, and by end of May 2009, RBBH had disbursed roughly USD 8.6 million, of which USD 4.6 million was used for residential EE investments. This surpasses the original targets of USD4million. This was used to finance energy efficient investments into meters, insulation, doors, windows, heating systems and similar items to reduce heat losses and the monthly energy costs of the individual house owners. An impact assessment study concluded that the targeted energy and cost savings had been achieved.</p>		

Renewable Energy Mezzanine

Advisory Product	Sustainable Energy Finance	Start Date	2008-05-27
Geographic focus	Regional	Project Cost	\$7,471,760
Donors	GEF	Donor Funding	\$7,471,760 including \$7,000,000 in investment
		Project ID	558985
Description	The project is testing the hypothesis that mezzanine financing is an effective way to encourage financial institutions (FIs) to participate in renewable energy (RE) financing by overcoming the widespread problem of project developers not being able to meet debt/equity ratios. It is expected that over time FIs would gain comfort to the point of increasing their portion of total project funding for small-scale RE projects, thereby reducing equity requirements and making more projects happen.		
Status update	A first investment deal was signed with AB SEB BANKAS of Lithuania for 10,000,000 Euros on 9 April 2009, with a focus on wind and hydro projects. Independent engineers who will be performing technical feasibility studies for the sub-projects in which IFC will invest have been contracted.		

Celikovic

Advisory Product	Nature-Based Products/Services	Start Date	2005-07-01
Geographic focus	Bosnia	Project Cost	\$111,637
Donors	Austria, IFC, Italy, Luxembourg, New Zealand	Donor Funding	\$78,823
		Project ID	536963
Description	The proposed project will allow the expansion and upgrade of the current operation of Čeliković resulting in a capacity increase of 100% and improvements in operating efficiencies and cost structure. The project will strengthen financially and commercially a local organic producer and thereby, the local growers' association, promoting fair trade, organic production, and sustainable harvesting practices.		
Status update	As opposed to 2008 when Celikovic reported an increase in sales both in local and international market of approx 40 tones raw material to existing clients and new ones in Austria, France, Slovenia and Croatia, during the period January – June 2009, it reported a significant reduction, approximately 40-50%, in local sales as a consequence of downturn in local economy, while the international sales were minimal due to the cancelation of previously agreed orders from international buyers. Currently the Company is purchasing locally available raw material at favorable prices and storing it for further processing and selling when the market and prices of semi finished and finished products are recovered. The company has intensified its sales promotion and offers of herbal teas and raw material to local supermarkets and pharmacies in Una Sana Canton and other regions of Bosnia and Herzegovina. Process of recertification for organic production has been postponed for the autumn of 2009 to correspond with the expected increase in raw material supply orders by international buyers. Locally available financing is too expensive for Celikovic and under the current conditions in financial market the company is not considering applying for significant funding from local FI.		

Symbio Impax Polska Sp. z.o.o.

Advisory Product	Eco-standards and Sustainable Supply Chain	Start Date	2003-06-18
Geographic focus	Poland	Project Cost	\$503,000
Donors	GEF	Donor Funding	\$503,000 including \$400,000 in investment
		Project ID	532511
Description	The objective of the project is to provide Symbio with funds that would serve as a guarantee to a Polish bank so that the startup company can obtain a working capital credit line, while developing a credit history. The overall goal of the project is to grow the SME market for organic products in Poland, thereby helping to protect Poland's biodiversity.		
Status update	Overall, the project performance has been very satisfactory in terms of developmental outcomes and impacts. Symbio is steadily increasing its impact on the organic market product in Poland. The company has developed a business model for increasing economic returns to the small family farms, while enhancing biodiversity conservation, especially on farms located in buffer zones and their surroundings. Symbio helped its farmers to become EU and Poland organic certified and provided other technical support. Its leading role is further enabled by its management of the organic products' islands in 32 Carrefour supermarkets in the country. On December 2008, Symbio listed on Poland's alternative stock market named Newconnect.		

A Chance to Work – Extension

Advisory Product	Other	Start Date	2007-09-15
Geographic focus	Russia	Project Cost	\$258,991
Donors	Finland , IFC	Donor Funding	\$230,000
		Project ID	551585
Description	The five main objectives of the project include: 1) provide Russia's disadvantaged youth with a chance to improve their lives through training and internship opportunities at major Russian and foreign companies based in Moscow and other cities of the Russian Federation; 2) reduce the social tension in Russia and to promote corporate social responsibility in business society; 3) ameliorate certain stereotypes surrounding orphans 4) Generate potential new business links through non-traditional means/channels; 5) Further demonstrate IFC's commitment to reducing poverty and improving people's lives.		
Status update	This project continues to be the only project in Russia designed to assist orphanage graduates to find meaningful jobs. The "A Chance to Work" Program provides the unique opportunity for its trainees not only to improve their on-job skills, but also to develop their decision-making ability, communication skills and adequate self-esteem. In 2009, 68 orphans were provide with a chance to improve their lives through training and internship opportunities at major Russian and foreign companies, and 54 have secured permanent jobs.		

MI-BOSPO – Microfinance for women

Advisory Product	Women in Business-Access to Finance	Start Date	2006-11-01
Geographic focus	Bosnia and Herzegovina	Completion Date	2008-12-01
Project ID	550587	Project Cost	\$83,846
Donors	IFC	Donor Funding	\$83,846
Description	This project supported an IFC investment designed to assist MI-BOSPO, a microfinance provider in Bosnia and Herzegovina, transform into a fully sustainable microfinance institution. It aimed to align MI-BOSPO's mission and strategy by training MI-BOSPO staff to market their products and improve customer service delivery, thereby strengthening MI-BOSPO's position as a financial service provider of choice for low-income women in Bosnia.		
Status update	In addition to the investment of 3 million Euros, IFC provided MI-BOSPO with advisory services on corporate governance, strategy, and gender issues. The gender project's original target was to increase the number of active women borrowers by 5%, but at the end of the project, MI-BOSPO reported an increase of 40% in female clients taking out loans. This resulted in an actual increase from 18,000 to 30,000 clients instead of the originally envisioned 900 women client increase in the project period. In October 2008, IFC and MI-BOSPO jointly launched the English and Bosnian reports of "Voices of Women Entrepreneurs in Bosnia and Herzegovina". The publications not only shed light on the challenges faced by women entrepreneurs in the country, but also highlight the success stories of women who overcame those obstacles.		

Recycling in Bosnia and Herzegovina

Advisory Product	Community Investment	Start Date	2005-12-14
Geographic focus	Bosnia and Herzegovina	Completion Date	2008-12-13
Project ID	543084	Project Cost	\$563,650
Donors	Austria	Donor Funding	\$563,650
Description	The objective is to support economically profitable, environmentally and socially responsible recycling businesses in Southeast Europe by working with 4 to 7 processors/mills and their supply chains, (paper, plastic, metals, glass, tire), with the aim of promoting SME development and improving lives of the poorest sections of society (particularly Roma) in the society who rely for living on collecting scrap materials. The ultimate goal is to deliver strong economic, social and environmental impact in the region by implementing an integrated programme in the recycling industry sector in Southeast Europe.		
Status update	Completed a supply chain assessment (SCA) for waste paper supply for Natron Hayat, the only paper mill in Bosnia and Herzegovina. The SCA report was presented to the client, including possible suggestions for further technical assistance. Seven months after the intervention, Natron Hayat Paper Mill has reported a 30% increase in quantities of waste paper sourced locally. As a result of a better organized local supply chain now 70% of all of their waste paper needs are locally sourced (35,000t).		

Recycling in Serbia and Kosovo

Advisory Product	Community Investment	Start Date	2005-12-14
Geographic focus	Serbia and Kosovo	Completion Date	2008-12-31
Project ID	543086	Project Cost	\$130,7040
Donors	Austria	Donor Funding	\$130,7040
Description	<p>The objective is to support economically profitable, environmentally and socially responsible recycling businesses in Southeast Europe by working with 4 to 7 processors/mills and their supply chains, (paper, plastic, metals, glass, tire), with the aim of promoting SME development and improving lives of the poorest sections of society (particularly Roma) in the society who rely for living on collecting scrap materials. The ultimate goal is to deliver strong economic, social and environmental impact in the region by implementing an integrated programme in the recycling industry sector in Southeast Europe.</p>		
Status update	<p>The main project achievement is the increase of recycled materials on client level for 53% for project duration, despite negative effects of world financial crises in 2008. An independent assessment of the project showed that GHG reduction that program clients made by recycling is 992,563 tones of CO2 equivalent. By assisting private recycling companies, governments, individual waste collectors and business organization, the project also achieved or contributed the following results: reached 5970 participants at trainings for small and medium size enterprises, governments, Roma collectors and other stakeholders; 66139 people were reached through training materials dissemination, public awareness campaigns, and educational movies; \$2,467,560 investment at project clients enabled by performing technical assistance, \$61,638,389 increase in sales revenues at project clients; 100 new jobs created ; and 235 kids enabled to attend schools</p>		

Recycling Albania

Advisory Product	Community Investment	Start Date	2005-12-14
Geographic focus	Albania	Completion Date	2008-12-13
Project ID	543087	Project Cost	\$528,750
Donors	Austria	Donor Funding	\$528,750
Description	<p>The objective is to support economically profitable, environmentally and socially responsible recycling businesses in Southeast Europe by working with 4 to 7 processors/mills and their supply chains, (paper, plastic, metals, glass, tire), with the aim of promoting SME development and improving lives of the poorest sections of society (particularly Roma) in the society who rely for living on collecting scrap materials. The ultimate goal is to deliver strong economic, social and environmental impact in the region by implementing an integrated programme in the recycling industry sector in Southeast Europe.</p>		
Status update	<p>The main project achievement is increase of recycled materials on client level for 56% for project duration, despite negative effects of world financial crises in 2008. An independent assessment of the project showed that GHG reduction that program clients all over the region made by recycling is 992,563 tones of CO2 equivalent. By assisting private recycling companies, government, individual waste collectors and business organization, the project also achieved or contributed to the following results: Signed 26 Cooperation documents including Cooperation Agreements, Memorandum of Understandings and Annexes in Albania; 16 in house (in company) interventions / technical assistance delivered; 12 entities implemented changes; 2325 participants from 283 entities attended our trainings for small and medium size enterprises, government, Roma collectors and other stakeholders; 21075 people reached through training materials dissemination, public awareness campaign, and school workshops; \$15,006,237 investment raised by 86 project clients (including 73 Roma Collectors who managed to raise \$152,437) that received our advisory services; \$5,324,233 increase in sales revenues at project clients; and 50 Roma kids enabled to attend schools.</p>		

Recycling PEP SE Macedonia			
Advisory Product	Community Investment	Start Date	2005-12-14
Geographic focus	Macedonia	Completion Date	2008-12-13
Project ID	543085	Project Cost	\$530,500
Donors	Austria	Donor Funding	\$530,500
Description	<p>The objective is to support economically profitable, environmentally and socially responsible recycling businesses in Southeast Europe by working with 4 to 7 processors/mills and their supply chains, (paper, plastic, metals, glass, tire), with the aim of promoting SME development and improving lives of the poorest sections of society (particularly Roma) in the society who rely for living on collecting scrap materials. The ultimate goal is to deliver strong economic, social and environmental impact in the region by implementing an integrated programme in the recycling industry sector in Southeast Europe.</p>		
Status update	<p>The main project achievement is increase of recycled materials on client level for 17%, or 28% on industry level during project implementation, despite negative effects of world financial crises in 2008. An independent assessment of the project showed that GHG reduction that program clients from this region made by recycling is 992,563 tones of CO2 equivalent. By assisting private recycling companies, governments, individual waste collectors and business organization, the project also achieved or contributed to the following results: Signed 9 Cooperation Agreements and 9 Memorandums of Understanding in Macedonia; 272 entities received advisory services; 19 in house (in company) interventions / technical assistance delivered, 11 entities implemented recommended changes; 1656 participants at trainings for small and medium size enterprises, governments, Roma collectors and other stakeholders; 4744 people reached through training materials dissemination, public awareness campaign, and educational movies; \$1,858,000 investment at project clients enabled by performing technical assistance, 40% increase in sales revenues at project clients; Contributed to drafting of 1 law on waste packaging; and a curriculum on waste management for faculties was developed</p>		

Ruskiy Mir			
Advisory Product	Community Development	Start Date	07-02-01
Geographic focus	Russia	Completion Date	2008-12-30
Project ID	553547	Project Cost	\$61,256
Donors	IFC, Italy, Luxembourg, New Zealand, Norway	Donor Funding	\$61,256
Description	<p>The objective of the proposed technical assistance to the Ruskiy Mir Group is twofold: a) to build the capacity of local stakeholders to better participate to and benefit from the project level consultations and disclosure as well as from social investment planning processes by the Company; and b) to produce an overall strategic framework guiding the company on how to best engage with local stakeholders and address the issues that are of importance to them.</p>		
Status update	<p>After a field trip and additional consultations with the company, a local consultant produced a report to the company on its stakeholder management system. The report had a solid level of analysis and provided multiple recommendations to and tools for the use by the company. These included: 1) Established criteria and ranking of stakeholders in terms of their influence and dependence on the company's activities; 2) A clear stakeholder map (based on the internationally accepted methodology of AA1000 standard); 3) Further classification of material aspects that relate to the needs and expectations of the key stakeholder groups in each of the identified social responsibility areas; 4) Gap analysis in the stakeholder engagement practices of the Company; and 5) Recommendations to the Company on its social responsibility policy and engagement practices, communications strategy; and stakeholder management system.</p>		

Environmental friendly and Social Sustainable Waste Management

Advisory Product	Other	Start Date	2008-05-01
Geographic focus	Regional	Completion Date	2009-06-29
Project ID	561332	Project Cost	\$178,000
Donors	IFC	Donor Funding	\$178,000
Description	There are two main project objectives:1. conduct an assessment to identify the main benefits of IFC's Recycling Linkages Program to find the opportunities for IFC to replicate and scale up those activities from the Program. 2. disseminate information on the benefits and best practices to all stakeholders in four countries in order to improve their overall performance in waste management.		
Status update	Independent consulting firm Wasteaware was hired to conduct the assessment of Recycling Linkages Program and create the project model that could be replicated worldwide. After visiting the majority of project clients and stakeholders, performing more than 50 interviews and analyzing collected data, the assessment report was created. For the purposes of comparing client data with industry data, local consultants collected national statistics data on the amounts of recycled materials.. Instead of having four workshops in each of project countries, Recycling Summit, an event that gathered 40 main project stakeholders was held in Belgrade in order to allow creation of better project model. Summit Declaration was created and signed by all participants of the event. The assessment and entire project was completed by publishing and disseminating three booklets - Assessment Report, Project Model and collection of RL Success Stories.		

Tigar Enterprise for Production of Tires

Advisory Product	Other	Start Date	2005-08-03
Geographic focus	Serbia-Montenegro	Completion Date	2009-6-30
Project ID	538913	Project Cost	\$35,362
Donors	Austria, IFC, Italy, Luxembourg, New Zealand	Donor Funding	\$22,362
Description	Tigar approached IFC seeking funding to carry out a detailed market assessment to determine the viability of producing recycled rubber products. Tigar M.H. - is the leading manufacturer of tires and rubber products in Serbia-Montenegro (S-M), and in the Balkans. It is a joint-venture between Tigar's holding company Tigar A.D. and Michelin. Tigar's business activities comprise the manufacturing, marketing, distribution and sale of tires as well as other tire-related products. Tigar planned to set up a special purpose company with the objective to undertake a greenfield investment project to recycle worn-out old tires and rubber scraps with an estimated cost of € 4 million. The Investment will be a pioneering initiative in the waste management and recycling sector, and the first one to be developed on a commercial scale in the region. It will address Tigar's rubber waste problem that results from its tire manufacturing process, and from worn-out tires discarded at Tigar's sales channels. Tire waste in dump sites is a growing problem in S-M. Disposed tires, which are non-degradable, typically occupy significant amount of space, posing serious fire hazards, and are a favorable breeding environment for diseases. The expected impact of the potential follow-on Investment will be the elimination of a large number of dumpsites, both in S-M and in the Region.		
Status update	IFC's intervention, which consisted of 50% funding the \$26,000 market study for recycled rubber products in S-M, was completed successfully. The company has identified all the necessary inputs for the investment and expects to implement the project early 2010, pending government approval of tire dumping fees.		

Europe and Central Asia Cleaner Production

Advisory Product	Cleaner Production Assessment	Expected Cost	\$995,259
Geographic focus	Regional	Project ID	568088
Description	The overall goal of the ECA Cleaner Production Program is to stimulate investment in cleaner production (CP) and to promote CP best practices and policies in Ukraine, Kazakhstan, Belarus and in other ECA countries. The Program will utilize the knowledge and the team platform established by the ongoing Russia Cleaner Production Program and will primarily conduct cleaner production assessments and provide implementation support for IFC partners in the ECA region. The Program has three framework objectives:1) Stimulate demand for CP investments by private and municipal enterprises; This will be done by provision of a range of advisory services, including CP audits and support in implementation of CP improvements and management systems 2) Raise awareness on CP for companies and policy makers industries and government; 3) Build capacity of investment staff in financial institutions (including IFC) to identify and appraise cleaner production investments.		

Harmonization of Environmental Assessment Requirements			
Advisory Product	Other	Expected Cost	\$50,000
Geographic focus	Russia	Project ID	563830
Description	<p>The goal of the program is to increase investment in the production of sustainably managed forest products in Indonesia. The program has three broad objectives: 1) Improve enabling environment and governance, especially at the provincial government level, to boost investment in forestry and to improve the capacity of governments in managing its forest resource. 2) Support best practices at the firm level to increase certified forest areas and timber supply. 3) Develop innovative forestry schemes drawing on carbon financing and carbon market development to reduce emissions and avoid deforestation. The program will assist provincial governments that have a strong commitment to sustainable forest development in their provinces and where the forestry sector contributes significantly to its local economy, providing livelihoods to people living in the vicinity of forest areas.</p>		

Russia Renewable Energy Program			
Advisory Product	Sustainable Energy Market Development	Expected Cost	\$10,000,000
Geographic focus	Russia	Project ID	571107
Description	<p>The objective is to design a program is to enable a sustainable renewable energy market in Russia. The program will assess in greater details the anticipated barriers and opportunities, for RE in Russia and address those barriers in a systematic way. The key components of the program include: 1. Regulatory and legal environment, 2. Technical barriers and RE potential, 3. Financial/commercial barriers and opportunities for market enabling mechanisms, 4. Institutional barriers and opportunities for capacity building</p>		

LATIN AMERICA AND CARIBBEAN

Sociedad Agricola Viru – Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2007-10-29
Geographic focus	Peru	Project Cost	\$142,500
Donors	Japan, IFC, Italy, Luxembourg, New Zealand	Donor Funding	\$127,500
		Project ID	561489
Description	The proposed project will allow Sociedad Agricola Viru, a leading Peruvian producer and exporter of canned asparagus, pepper and artichokes to design an eco-efficient Integrated Pest and Disease Management (IPDM) programme for key pests and diseases inflicting its products and undertake a cleaner production (CP) audit of its existing operations in Peru. The project would test the market and assess its disposition vis-à-vis an alternative approach to the use of chemical pesticides. If successful, the project would lead to a replication by other producers in Peru and the LAC region.		
Status update	A final IPDM report was submitted and the audit identified significant saving opportunities of 50% reduction in chemical pesticides use corresponding to \$0.6 million in addition to a gain of \$2.4 million as a result of reduction of yield losses. The total investment in capex required to implement the IPDM's recommendations is estimated at \$2.8 million for a payback period of about 1 year. The company has started the initial phases of implementing the IPDM in Peru. IFC has received request to replicate this study for other clients in the region.		

Cartones Americas Group – Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2008-04-30
Geographic focus	Colombia	Project Cost	\$49,000
Donors	Japan, IFC, Italy, Luxembourg, New Zealand	Donor Funding	\$45,000
		Project ID	563107
Description	The project will allow the company to undertake a cleaner production audit at its facility in the town of Cali, Colombia. This will potentially result in introduction of energy efficiency saving measures at its paper mill in Colombia and if successful, may encourage replication by its own subsidiaries and other sector players in Colombia and the LAC region to adopt cleaner production practices.		
Status update	The audit identified significant saving opportunities including 3.7 million kWh of electricity and 1.8 million m3 (17 million kWh equivalent) of natural gas p.a., corresponding to about \$0.8 million or 17% in operating cost savings p.a. and 4,484 tCO2eq in GHG reduction corresponding to about 12% reduction from the base line. The total investment in capex required to implement the audit's recommendations is estimated at \$0.75 million for a payback period of about 1 year. The client has recently received a Cleaner Production loan of \$0.8 million from CGM to implement the identified recommendations.		

Bauducco – Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2007-11-15
Geographic focus	Brazil	Project Cost	\$50,772
Donors	Japan, IFC, Italy, Luxembourg, New Zealand	Donor Funding	\$46,772
		Project ID	557825
Description	The objective of the project is to allow "Bauducco" to undertake a cleaner production audit of its Bonsuccesso facility in Brazil. This will potentially result in introduction of energy efficiency and water use saving measures and if successful, may encourage other food sector businesses in Brazil and neighboring countries to adopt cleaner production practices in their operation.		
Status update	The audit identified significant saving opportunities including 6000 KWh of electricity, 4400 MWh equivalent of natural gas and 20,635 m3 of water p.a., corresponding to about \$0.97 million or 23% of the energy and water consumption of the plant p.a. and annual GHG reduction of 1,300 tCO2eq. The total investment in capex required to implement the audit's recommendations is estimated at \$1.56 million for a pay back period of about 1.6 year. The implementation of the recommendations are part of the new \$25 million deal signed between CAG and the client.		

Sugar Mill Co-Generation

Advisory Product	Sustainable Energy Market Development	Start Date	2000-07-01
Geographic focus	Brazil	Project Cost	\$45,220,000
Donors	GEF, IFC, Italy, Luxembourg, New Zealand, Japan	Donor Funding	\$45,220,000 including \$44,000,000 in investment
		Project ID	502246
Description	The project objective was the design, financing, construction and commissioning of the "first-of-its-kind" 102 MW cogeneration facility, using the Externally Fired Combined Cycle ("EFCC") technology. EFCC technology has significant efficiency improvements over the conventional technologies for biomass power generation.		
Status update	The EFCC project will be discontinued due to the macroeconomic situation, and in particular, the fall in crude oil prices which significantly changed the project economics, risks and replicability potential.		

BBVA Banco Continental Peru

Advisory Product	Sustainable Energy Finance	Start Date	12/04/06
Geographic focus	Peru	Project Cost	\$2,530,000
Donors	GEF, IFC, Italy, Luxembourg, New Zealand	Donor Funding	\$2,530,000 including \$2,000,000 in investment
		Project ID	550267
Description	To promote sustainable private sector investment in projects that reduces greenhouse gas (GHG) emissions. At the outcome level, the project seeks to create a viable and sustainable business line at BBVA Banco Continental for small and medium enterprise based projects related to energy efficiency and renewable energy.		
Status update	As a result of the project, the client has taken measures to continue transferring knowledge and to keep offering sustainable energy finance products. This project has proven to be a successful pilot project to disseminate knowledge and to contribute to the design of market studies in other countries in the region. In order to ensure project's lessons learned are made a public benefit and are replicated in projects aimed at other markets with significant potential for GHG reductions, the project will also incorporate the following activities: (i) A short report -for external audiences- describing general lessons learned on the project for other FIs and outlining the market opportunity for EE/RE in Peru; (ii) A market study, in partnership with several FIs that are potential partners, that will be conducted in Brazil.		

Biofuels Transportation and Processing Opportunity

Advisory Product	New Energy Technologies	Start Date	2004-04-14
Geographic focus	Peru	Completion Date	2009-04-15
Project ID	523361	Project Cost	\$1,054,800
Donors	GEF	Donor Funding	\$1,054,800
Description	The objective of the proposed project was to remove barriers to the (increased) commercial use of biofuels and non-wood cellulose from agricultural residues and wastes as a substitution for fossil fuel based electricity, generation, thereby reducing GHG emissions of electricity generation activities.		
Status update	Project success was predicated on the development of a successful truck-mounted prototype of the "green sugarcane harvesting" equipment, and its trial operations in a selected Peruvian sugar mill. This did not occur due to the equipment's destruction. However, the project still had some significant successes. After transferring a stalled project over from UNDP, TL successfully restructured it with a new risk sharing structure which involved active risk taking and leadership by AB Volvo. New partnering arrangements were blessed by donor (GEF), IFC Mgmt, and partners. Prototype design and testing was undertaken at a very professional level using Volvo team, equipment, and relationships. Successful pre-trials were conducted in Spain, where the equipment performed well, mounted on specially equipped Volvo truck. AB Volvo continues to express a desire to work with IFC and many high level contacts, including at the level of IFC EVP were made in connection with the said project. Despite these successes, the equipment destruction in Spain, and an adverse market has prompted AB Volvo to exit the project. With no new finances in sight for the development of a new prototype, the project is now being closed.		

Bertin Sustainable Supply Chain

Advisory Product	Eco-standards and Sustainable Supply Chain	Start Date	2008-03-10
Geographic focus	Latin America and the Caribbean	Project Cost	\$337,000
Donors	IFC, Italy, Luxembourg, New Zealand	Donor Funding	\$310,000
		Project ID	553067
Description	<p>The project's objective is to support approximately 20 Bertin suppliers to meet Bertin's new Cattle Purchasing Procedure (CPP) for its slaughterhouse and support Bertin to implement a sustainable cattle procurement model. To meet this objective, the pilot phase will support Bertin suppliers on the following components: 1) land georeferencing, allowing suppliers to apply to governmental agencies for land regularization, and to allow IFC and Bertin to better track deforestation/reforestation activities of Bertin suppliers, once their spatial location was through their property's georeferencing. 2) support Bertin suppliers in developing land management plans 3) assist Bertin suppliers with technical assistance on good agricultural practices, focusing on pasture management and land intensification as well as training approximately 50 small indirect suppliers on sanitation, nutrition, and animal health.</p>		
Status update	<p>The pilot phase shifted focus from implementation of reforestation and Good Agricultural Practices (GAP) to understanding what the costs of environmental compliance and productivity enhancement in the Amazon (Maraba region) were. Georeferencing of 20 properties was carried out by a firm hired by our consultant IPAM, covering 109,588 hectares in 12 municipalities. This allowed properties to start regularization process in the State Land Tilting Agency. To develop the land management plan for Bertin suppliers, IPAM set a partnership with Aliança da Terra (AT), a reputable NGO that developed the "Register for Social and Environmental Responsibility (RSR)". The main goal of the RSR is to support producers in enhancing social and environmental management of their rural property and combine production with conservation. Twenty four properties were inscribed in the RSR, covering an area of 188,524 hectares in 12 municipalities. Using the RSR, AT delivered an assessment that explored five topics of interest regarding sustainable management of rural properties to each producer. These included a hydrographic map, an erosion analysis, use and soil coverage examination, and fire control analysis. The assessment presented producers with actions they could prioritize to enhance social and environmental performance. Each property received a productive report where simple improvements in cattle and pasture management that could help enhance productivity per hectare, were suggested. The idea behind this component was show to ranchers that there is room to tend to global and rising demand for beef by more efficiently using the areas already cleared in the Amazon, and that clearing of additional forest can be avoided.</p>		

Inka Terra: Innovative Partnership for Self-Financing Biodiversity Conservation & Community

Advisory Product	Biodiversity-Other	Start Date	2001-02-10
Geographic focus	Peru	Project Cost	\$12,568,827
Donors	GEF	Donor Funding	\$840,000 including \$363,000 in investment
		Project ID	506050
Description	<p>The objective of this project is to catalyze self-financing uses of the 10,000 hectare Inka Terra Ecological Reserve (IER) that achieve biodiversity conservation and sustainable development for local communities. By the end of this project, ITA will have a reliable source of income to durably manage and protect the reserve.</p>		
Status update	<p>The project's strategy involved the establishment of an NGO called the Inka Terra Association (ITA). IFC disbursed \$363,000 as a loan to ITA in order to construct four eco-tourism attractions that will serve as income generation assets for ITA to be financially self-sustainable in the long term, and \$362,000 as grant to ITA in order to carry out community development activities and develop alternative livelihoods. ITA is an operational, self financing, conservation organization that runs four eco-tourism attractions in partnership with a private eco-lodge in the Peruvian Amazon. The eco-tourism attractions generate enough funding for ITA to (i) manage and maintain the tourism services, (ii) monitor and protect the entire reserve, and (iii) repay the loan provided by the project to build the infrastructure.</p>		

Eco-Enterprises Fund

Advisory Product	Biodiversity-Other	Start Date	2002-10-15
Geographic focus	Regional	Project Cost	\$15,160,000
Donors	GEF	Donor Funding	\$1,160,000
		Project ID	502875
Description	To abate threats to biodiversity conservation in LAC by creating economic incentives to protect critical natural resources. By the end of the project, the specific objective is to increase by 30 the number of SMEs in the region that are developing sustainable business models, by supporting EEF, a financial service provider, with means to acquire, organize, and deliver their financial and technical assistance. This will in turn foster the efforts of the local nonprofit community and conservation organizations in commercial enterprises development as a means of diversifying their funding base.		
Status update	EcoEnterprises Fund (EEF) is a venture financing Fund that provides an integrated package of risk capital and technical assistance to commercially-viable companies working in alternative agriculture, sustainable forestry, ecotourism, and other environmentally-compatible businesses. IFC provides grant funding and supervisory technical assistance to EEF to finance part of the fund's operational costs and technical assistance to invitees. In February, Interforest paid-out the equity position. Terrafertil, will be repaying within the month, thanks to confirmed refinancing by Root Capital. Terrafertil is expanding into Mexico in part thanks to IFC/GEF technical assistance funds. Rainforest Expeditions has accelerated payments to the Fund and is near full repayment. The economy appears to be affecting other companies: BioCentinela, Suma Pacha and Veragua Rainforest. On the technical assistance front, EEF is in the final round of support to companies and steadily working on the lessons learned project utilizing consultants to interview and evaluate sector leaders.		

Promoting Income Generating Opportunities for Young Entrepreneurs and the Unemployed in the Salta Region

Advisory Product	Community Investment	Start Date	2005-11-25
Geographic focus	Argentina	Project Cost	\$228,000
Donors	IFC, Italy, Luxembourg, New Zealand	Donor Funding	\$200,000
		Project ID	539643
Description	The overall objective of the project is to increase economic opportunities for micro-entrepreneurs in communities near PAE's Acambuco gas operations. It is expected that project participants will increase their income by establishing sustainable small businesses linked to market opportunities. The project first seeks to promote income-generating opportunities for micro-entrepreneurs who cannot grow due to lack of market information and technical and financial constraints. Second, it aims to improve the management capacities of municipalities so that they can support viable and sustainable income-generating projects, especially those that improve market access for local products.		
Status update	On June 30 of 2009, the project concluded its activities reporting important improvements in the local capacity to promote entrepreneurship achieved through training and the transference of a toolkit on "How to set-up an MSME" to municipal governments, technical institutes and SME chambers. This toolkit becomes a teaching guide that will help local institutions continue the work of helping youngsters to convert an entrepreneurial idea into a business and create opportunities for self-employment and sustainable income. Furthermore, the project also helped channel a number of credit programs offered by the national and provincial governments to local operators. Currently, there are three fully operational financing programs, in the project area, which have been awarded credit lines equal to \$50,000 per year for local placing, virtually doubling the financing offer existing before the project. The combined offer of financing currently available in the region exceeds \$100,000 per year. The project has also trained a total of 128 entrepreneurs in the preparation of business plan to initiate a new or expand an existing small enterprise, of which 58 participants finished the course with a complete business plan and 39 entrepreneurs have processed a loan to implement their business idea. This means the project has enabled financing for the value of \$77,000. In terms of vocational training for labor re-insertion, a total of 20 technical and vocational trainings have been completed that have reached 253 young unemployed and entrepreneurs, of which 55 participants (22%) were women. Complementary, a total of 7 additional vocational course-programs have been approved and financed by the Ministry of Labor. These courses will be launched in the target municipalities before the end of the year.		

Enhancing the Long-Term Benefits of Transierra's Indigenous (Guarani) Development Plan

Advisory Product	Community Investment	Start Date	2007-10-31
Geographic focus	Boliva	Project Cost	\$167,000
Donors	Norway, Netherlands	Donor Funding	\$167,000
		Project ID	543645
Description	The objective of the project is to enhance the commercial viability of 4 community based agri-projects financially assisted by the Indigenous (Guarani) Development Plan implemented by Transierra S.A. to demonstrate how long-term business planning can promote sustainable community development. The impact of the project will be to increase gross sales and net income of the community based agri-projects and indirectly the net income of other communities acting as suppliers of raw products		
Status update	IFC-Transierra project has helped set up four community-based agribusinesses that create sustainable value chains to allow 2,000 Guarani families to produce commercially. After completing the market analysis, participatory consultation and business plans, IFC's advisory has concentrated on structuring and registering the agri-businesses' administrative units (cooperatives/associations), completing technical, environmental and engineering requirements to qualify for public sector financing and supervising initial technical assistance activities and civil works construction. The accumulated financing enabled by the project amounts to \$747,401, of which 68% is sourced from regional governments (Prefectures), municipal governments and donors. The remaining 32% is contributed by the Guarani communities' own funds (via Transierra's Guarani Development Plan).		

Marlin's Community Environmental Monitoring Committee

Advisory Product	Community Investment	Start Date	2006-04-27
Geographic focus	Guatemala	Project Cost	\$80,000
Donors	IFC	Donor Funding	\$0
		Project ID	540263
Description	The objective of the project is to financially support a Community Environmental Monitoring Committee ("AMAC") for the Marlin mine, situated approximately 90 miles northwest of Guatemala City. The AMAC's goal is to independently monitor the environmental impact of the mine, helping to ensure that the company running it complies with the environmental goals as stated in its Environmental Impact Assessment. The AMAC was established in response to the local community's concerns with the mine's environmental impact and the desire to have independent monitoring of those impacts.		
Status update	The funds had been fully disbursed in 2008, and the project was later closed (internally only as AMAC is still ongoing) in 2009.		

Colombia Oil Royalty Management

Advisory Product	Community Investment	Start Date	2007-01-01
Geographic focus	Colombia	Project Cost	\$600,000
Donors	IFC, Italy, Luxembourg, New Zealand, Norway	Donor Funding	\$240,000
		Project ID	549446
Description	The project objective is to improve the municipal investment management of royalties in Colombia. The project seeks to achieve this objective by helping 5 local governments to incorporate management tools and good practices, and enhance the technical background of municipal staff. At the impact level, the project will contribute to a more efficient allocation and leverage of oil royalties in those areas where oil companies operate, which should translate into a larger and better provision of prioritized social services (health, education, water and sanitation) in the 5 targeted municipalities.		
Status update	Good Practices modules were created on project preparation, public procurement, and investment tracking systems. Development of a set of communications material aimed at guiding municipal officers in the appropriate use of royalties and making the law understandable. The positive results of the project have been recognized at national level by key partners; as a consequence, the expansion of the project is under preparation.		

Strengthening Social Accountability to Improve the Impact of Royalties in Colombia

Advisory Product	Community Investment	Start Date	2008-07-01
Geographic focus	Colombia	Project Cost	\$550,000
Donors	IFC, Italy, Luxembourg, New Zealand, Norway, Spain	Donor Funding	\$450,000
		Project ID	559885
Description	The project seeks to enhance the performance and internal organization of 4 Regional Committees to improve the monitoring of royalties' investment, by the first quarter of 2011. This is attained by implementing recommended procedures in each Committee, to analyze, report and disseminate municipal investment information, and thereby contributing to municipalities being more accountable to local citizens (social accountability improved).		
Status update	Supporting the organization of Royalty Committees, 2. Development of a Royalties Monitoring System, 3. Training local organizations in monitoring, 4. Information dissemination and 5. Monitoring and Evaluation		

Petstar – Addressing Child Labor in the Supply Chain

Advisory Product	Competitiveness Through Labor Standards	Start Date	2208-02-01
Geographic focus	Mexico	Project Cost	\$765,000
Donors	IFC, Italy, Luxembourg, New Zealand, Norway	Donor Funding	\$95,000
		Project ID	554907
Description	The objective of this project is (1) to support the design of IFC's investee Petstar S.A. de C.V.'s (Petstar) project to ensure its financial and social sustainability, and (2) to assess the replicability and scalability potential of the project. Mundo Sustentable (www.mundosustentable.org) is an NGO founded and supported by Promotora Ambiental, S.A.B. de C.V. (PASA) to promote social and environmental sustainable development. It has been engaged by Petstar to design and implement a project addressing child labor in its supply chain. IFC will assist and accompany Mundo Sustentable throughout the design and initial pilot phase, with the intention to ensure the financial viability, sustainability and replicability of this project.		
Status update	Two different but potentially compatible models are being tested at the two pilot sites: 1) In Chimalhuacan, where there are already several NGOs working with waste-pickers, the approach aims to strengthen the collaboration with and among them around a same project. Here, Petstar - in close collaboration with Mundo Sustentable - is working with Dibujando un Manana and two smaller local organizations. If this collaborative model proves successful, financial viability and replicability to other Petstar's dumpsites at the national level would be ensured through an extended collaboration agreement with national and local NGOs and authorities. 2) In Tijuana, a PASA landfill, the approach is more commercial and focuses on the production and management systems of the company. Here the aim is to improve waste-pickers livelihood and incomes through the construction of a recycling platform. Comprehensive feedback on the draft National Research Study and set of recommendations for the design of the two SRP pilot sites are completed. The revised final version of the NRS was released based on IFC's and external experts' comments and recommendations. The report is the first study of this kind in Mexico (public good component) and is a crucial component of the design and implementation of the SRP. It includes: 1) Analytical perspective on child labor; 2) Methodology; 3) Quantitative (including a baseline data on the number of children in Petstar's supply chain) and qualitative results of the research; 4) Conclusions and recommendations for a) the design and implementation of the pilot sites, and b) the monitoring and evaluation system.		

Peru LNG Community Participatory Monitoring Program (CPMP)

Advisory Product	Community Investment	Start Date	2008-10-01
Geographic focus	Peru	Project Cost	\$100,000
Donors	IFC	Donor Funding	\$100,000
		Project ID	566947
Description	<p>The objective of the Community Participatory Monitoring Program (CPMP) is to develop a mechanism and build the capacity of project affected communities for their participation in the monitoring of the company's social and environmental performance during the construction phase. The purpose of the project is to help mitigate the social and environmental risks of Peru LNG's operations and protect its' social license to operate. It also seeks to build technical capacity of local communities to independently monitor environment and social impacts during pipeline construction. While the CPMP will be based on international best practice, it will be designed to be culturally appropriate and build capacity to ensure that community monitors are confident in their ability to use the instruments to conduct audits and communicate accurate and timely information to the project affected people and public at large.</p>		
Status update	<p>ProNaturaleza, the local NGO that is managing the CPMP, has finalized two capacity building programs for community monitors. The communities nominate monitoring candidates based on general criteria developed by the participatory monitoring program. Women represent 40% of the monitors participating in the coastal area. The monitors are compensated for their work and are supported in the field by ProNaturaleza's social and environmental experts. To introduce the participatory monitoring program for the construction of the gas pipeline to the communities in the area of influence, 57 training workshops in 48 locations were organized, with 1,952 people in attendance. The training plan for community monitors has been finalized. 57 training workshops have been conducted which included introductory modules on participatory monitoring, environmental and social issues, description of the monitoring program, public communication materials and presentations, use of monitoring equipment, and instructions to fill the social and environmental questionnaires. 178 community monitors (84 monitors will be involved in the implementation of the program) receive ongoing training from 22 communities. 4 community monitoring visits have been conducted to monitor the 408km pipeline right of way.</p>		

Strengthening Social Accountability to Improve the Impact of Mining Canon

Advisory Product	Community Investment	Start Date	2006-12-18
Geographic focus	Peru	Project Cost	\$1,044,293
Donors	Canada, IFC, Italy, Luxembourg, New Zealand, United Kingdom, USA	Donor Funding	\$923,232
		Project ID	549845
Description	<p>The project's objective is to get civil society organizations to undertake a systematic monitoring of Mining Canon (MC) flows and municipal investment in 12 municipalities. At the impact level, the project will increase the social accountability of 12 municipal governments by increasing their responsiveness to local population demands in terms of improving the quality (efficiency and effectiveness) and sustainability of municipal investment financed with the mining canon generated by mining operations. This is expected to benefit over 100,000 persons.</p>		
Status update	<p>The 3rd MIM perceptions survey was conducted. 24 municipalities were surveyed, 12 to follow-up the evolution of indicators in the municipalities the project has been working in and 12 in new municipalities to set the baseline. The following materials were produced and distributed during public events, visits made to MIM stakeholders, the MIM webpage: 95 Findings; 109 press releases; 50 Educational Pills; 1 publication in comic-book format "Don Justo and the Participatory Budget Surveillance Committee" targeting rural communities; 5 "MIM Informa" bulletins showing information on mining canon and municipal investment in the 12 municipalities being monitored; 5 Citizen's Report Cards showing information on the provision of potable water in the 12 municipalities being monitored. Campaigns to raise awareness to key stakeholders groups have also been undertaken. Efforts to strengthen the institutional composition of MIMs have been successfully conducted.</p>		

National Project on Mining Canon

Advisory Product	Community Investment	Start Date	2007-07-21
Geographic focus	Peru	Project Cost	\$904,415
Donors	IFC, Italy, Luxembourg, New Zealand, Norway, USA	Donor Funding	\$904,415
		Project ID	549865
Description	The overall objective of this project is to improve local government effectiveness for managing revenues (royalties) derived from mining sector operations in selected local governments within five departments in Peru. The impact of this project will be an increase in much needed public investments in the 34 pre-selected local governments. This will be achieved by helping local government staff address key constraints they face along the investment program management cycle and which prevent them from increasing volumes, improving allocation and developing sound fiscal reporting practices.		
Status update	1. The program supported the application of the assessment methodology in a second municipality for the Chinalco project (trained 2 consultants to work in the PLNG project and organized a total of 14 workshops on Good Practice Modules) 2. The Program has continued to prove its relevance in providing broad support services and developing specialized tools and methodologies increasing the services and coverage of its web-based platform, extending the application of IFCs Assessment methodology, developing innovative methodologies, systematizing experiences and preparing studies. Open access support services through the platform continued their accelerated growth. IFCs assessment methodology is being applied by two selected universities in 16 municipalities covered by the program. The Investment tracking system to enhance internal accountability at sub-national governments by tracking the investment program has been tested with officers that would be potential users with a positive response. 3 new Good Practice Modules were developed to address key issues in local investment management and 5 workshops were conducted on these on these modules, training 160 local officers. The new initiative to support the development of a market for private municipal support services was launched, a total of 93 consultants have been registered, the consultant's database has received 790 visits and 14 contacts between municipal officers and consultants have been registered.		

Peru LNG Enhancing Royalties Investments

Advisory Product	Community Investment	Start Date	2008-11-17
Geographic focus	Peru	Project Cost	\$318,600
Donors	IFC, Norway	Donor Funding	\$318,600
		Project ID	567387
Description	Improve municipal investment in three provincial municipalities in the area of influence of the PERU LNG pipeline over a 2 year period. This is to be done by: (i) improving local governments' investment management capacity, and (ii) establishing voice mechanisms for civil society to monitor public investment. Together, these two efforts are expected to contribute to increase municipal investment from \$6.5 million in the base year to \$11.7 million at the end of the second year while making municipal investment more responsive to the needs and desires of the constituents so as to improve the livelihoods of a significant portion of the 300,000 people that live in the area.		
Status update	Seven technical assistance missions and three supervision missions were made to each of the three selected municipalities: to Huaytará, La Mar. and Huamanga to cover good practice consultations, investment committee and prioritize strategies. It is important to highlight that most of these projects are going to benefit the population located in the area of influence of the pipeline therefore, local people should be able to perceive a positive impact from PERU LNG project activities.		

E&CO – Sustainable Energy SMEs

Advisory Product	Instruments for Sustainable Investing	Start Date	2001-05-01
Geographic focus	Regional	Project Cost	\$1,017,500
Donors	GEF	Donor Funding	\$1,017,500 including \$1,000,000 in investment
		Project ID	532415
Description	This project supports E&Co, a US based nonprofit corporation, which provides financing and technical assistance to sustainable energy SMEs, so that they can expand their operations and become financially stronger. The project long-term goals are (i) to enable these SMEs to attract second-stage investors in order to sustain their growth, (ii) prove to private and public sector investors that renewable energy projects and enterprises represent a win-win solution to the twin problems of climate change and the unmet demand for energy services in developing countries, thus prompting replication, and (iii) significantly reduce GHG emissions while providing electricity to un-electrified households.		
Status update	E&Co has fully disbursed the financing received from this project by on-lending to 8 SMEs, exceeding its initial target of 5. During the last fiscal year, it disbursed \$100,000 to Home Comfort, a South African manufacturer and seller of heating wire, under floor heating and solar water heaters. A final external evaluation of the project has taken place and the results indicate that the project has been performing well from a financial, environmental and social perspective. 3 sub-loans have been fully repaid to E&Co, 4 are current on their obligations, and 1 is in default. E&Co. continues to actively supervise the SME loan portfolio.		

Fideicomiso para la Conservacion en Guatemala (FCG) – Biodiversity and SMEs

Advisory Product	Instruments for Sustainable Investing	Start Date	1998-11-20
Geographic focus	Guatemala	Completion Date	2009-6-30
Project ID	532425	Project Cost	\$555,500
Donors	GEF	Donor Funding	\$555,500 including \$500,000 in investment
Description	The objective of the project is to provide credit through the financial intermediary Fideicomiso para la Conservacion en Guatemala to 10 Guatemalan SMEs to implement biodiversity-based projects. A second objective of the project is to develop the credit management systems of FCG.		
Status update	The immediate objective of the project was reached and even exceeded with 19 loans made to 16 SMEs in sectors such as eco-tourism, sustainable coffee production, and sustainable tilapia production. As confirmed by data submitted by the client, all projects have achieved their objectives and activities as originally planned. This included the construction of eco-lodges, interpretive trails, an innovative drainage system and absorption pit to reduce water contamination, and the initiation of a Tilapia breeding pond. A second round of loans was subsequently made with the repayments of the first set of loans, with less successful results compared with the first round. FCG as also used the technical assistance grant to build capacity in its operations.		

Precious Woods Holding Ltd.			
Advisory Product	Clean Tech Venture Investments	Start Date	2004-04-12
Geographic focus	Regional	Completion Date	2009-03-31
Project ID	522777	Project Cost	\$262,384
Donors	Denmark, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$137,384
Description	<p>Precious Woods is a leading producer of certified lumber and panel products (by the Forest Stewardship Council) in the Central and South American continent. The objective of this technical assistance grant is to develop new revenue streams from existing assets, such as eco-system services and the non-timber forest products that can enhance financial returns for a forest operator, as well as provide a range of other (tangible and intangible) benefits. By demonstrating commercial viability of sustainable forestry, it is anticipated that this can be replicated by the company or by other industry players.</p>		
Status update	<p>IFC entered a grant agreement for the amount of \$125,000 with the company for developing new revenue streams and investment opportunities from the sustainable use of existing timber assets and landholdings. Based on consultant recommendations, the company pursued a carbon reduction project (biomass plant in the Amazon) that enabled it to achieve sales of Certified Emission Rights (CERs). With this revenue, the company was able to grow its operations in Latin America and expand to Africa. Precious Woods is now generating annual revenues in carbon credit sales of \$2-3 million. In September 2006, the company signed a mandate agreement with IFC agreeing to repay IFC the amount of the grant in three equal installments. The Company has fully repaid the grant in its entirety and the project has been completed. This project's success sends a strong message that co-generation project investments by forestry companies can be commercially viable in emerging markets. This demonstration effect will be important to share amongst other forestry companies to adopt similar measures.</p>		

Procesadora Nacional de Alimentos C.A. (Pronaca) – Cleaner Production			
Advisory Product	Cleaner Production Assessment	Start Date	2006-08-02
Geographic focus	Ecuador	Completion Date	2009-08-02
Project ID	538905	Project Cost	\$198,823
Donors	Denmark, IFC, Italy, Luxembourg, New Zealand, Norway	Donor Funding	\$133,831
Description	<p>The project represents the second stage of the client's energy efficiency program that is to identify opportunities to reduce energy consumption, hence reducing energy costs. The Project will also help the Company increase its efficiency and competitiveness vis-à-vis international competitors. Preliminary estimates have indicated that the client can reduced its energy bill by ~10% through an energy audit and implementation of recommendations generated by the study.</p>		
Status update	<p>The consultant submitted reports for the 13 production facilities and one executive summary. The reports indicated that the annual savings potential for the company is \$338,229 based on required investment of \$236,499. This would lead to a potential 2,752,575 kWh saved and 4,442.8 tons of GHG emissions avoided. Based on the recommendations contained in the reports, Pronaca is implementing some process improvements in its plants. As the company is implementing these recommendations using its own funds, it requested discontinuation of the project and will not request a second disbursement of the remaining grant balance of \$52,000 from IFC.</p>		

Petrotesting – Sustainability Reporting

Advisory Product	Corporate Social Responsibility	Start Date	2007-01-06
Geographic focus	Columbia	Completion Date	2008-12-31
Project ID	545924	Project Cost	\$110,000
Donors	IFC, Italy, Luxembourg , New Zealand, Norway	Donor Funding	\$110,000
Description	The overall goal was to support Petrotesting, a local Colombian oil and gas company, in establishing environmental and social best practice. The project objective is to assist the company in writing and publishing its first sustainability / CSR report and establish reporting management system, which is expected to have a demonstration impact on industry peers in the country.		
Status update	The project helped Petrotesting structure, write and publish its first sustainability Overall, the team considers that the report is a solid collection of high quality and useful information. The report scores very highly on the stakeholder responsiveness and completeness principles. Throughout the constant support, communication and feedback provided from IFC's SR team to the company's CSR contact, in house capacity for producing a sustainability report was built up to the level that the company expects that it would need local consulting support for one more year. The report has also been claimed to have raised internal interest and awareness on CSR within the company. As communicated by the CSR contact point from the company, the report is now recognized as an "Official knowledge tool" by the company.		

Terra Nova – Formalizing irregular settlements

Advisory Product	Community Development	Start Date	2008-01-25
Geographic focus	Brazil	Completion Date	2008-12-30
Project ID	560947	Project Cost	\$197,000
Donors	IFC, Italy, Luxembourg, Norway	Donor Funding	\$197,000
Description	The objective of this proposal is to assess the commercial viability and socioeconomic impact of a private sector driven approach that integrates services aiming to formalize irregular settlements of poor urban communities and basic infrastructure and community engagement services. The expected result of the feasibility study is that an informed decision is made by IFC with regard to the product development, scalability and transfer potential of the business model. The feasibility study will also result in a detailed picture on the needs of the serviced communities, so that a follow on phase, if it happens, would be better structured and would be able to deliver better tailored services to the communities.		
Status update	Terra Nova is a unique private sector service provider in tenure regularization and upgrade of informal settlements in Brazil. Key market players currently involved in the business seem to be highly supportive of Terra Nova. In the communities, the acceptance level for the program is strong. People generally consider Terra Nova services affordable and needed. In terms of the socioeconomic impact, the conversations with community members revealed that communities generally see the regularization process as positive, though a more in-depth study would have to be carried out to determine the actual socioeconomic impacts. In some of the more advanced regularization projects, the community association was engaged with the development of a public day care as well as plans to develop a high school and other income generating activities in the community. In other settlements, the team observed positive changes in terms of the improved access to basic services (e.g. sewerage) or plans for provision of those as well as new construction, opening of new businesses, improvement of house facades, etc.		

MIDDLE EAST AND NORTH AFRICA

Pakistan Wind Power Pre-Feasibility

Advisory Product	Sustainable Energy Market Development	Start Date	2005-01-25
Geographic focus	Pakistan	Project Cost	\$254,000
Donors	Spain	Donor Funding	\$254,000
		Project ID	534246
Description	To support the development of grid-connected wind power in Pakistan by providing technical and legal assistance to the pioneer project seeking to develop a 50MW IPP wind farm in the Sindh Province east of Karachi. By providing TAAS to the pioneer developer, this project aims to support the development of sufficient wind data and a suitable legal and regulatory framework to enable the growth of the wind sector in Pakistan.		
Status update	The client has now agreed a term sheet with a credible turbine supplier, Nordex, and local engineering firm, Descon, for construction of the wind farm. It now plans to submit a revised tariff petition. Should a sufficient tariff be awarded the client could move to achieve financial close.		

Egypt Siwa Oasis

Advisory Product	Biodiversity-Other	Start Date	2005-03-01
Geographic focus	Egypt	Project Cost	\$1,518,000
Donors	GEF (EBFP)	Donor Funding	\$1,518,000 including \$643,000 in investment
		Project ID	533924
Description	The Project aims to establish a comprehensive development program for the Siwa Oasis comprised of: capital expansion projects and working capital support for initiatives in the ecotourism, women's artisanship, sustainable agriculture and renewable energy sectors. It is expected that the model of sustainability being created in the Siwa Oasis can be replicated in other similar oases in North Africa. The Project further aims to empower the female and indigenous population of Siwa, building entrepreneurialism within the Siwan culture, thereby helping to preserve the delicate environment of a threatened ecosystem.		
Status update	To date, the Siwa Initiative has achieved three out of its four components, which include the following highlights: i) ecotourism (construction of Shali Lodge and Albabenshal project rooms has been completed), ii) artisanship (300 Siwan artisans have been trained), iii) sustainable agriculture (509 feddans have been certified in European Organic Certification). The renewable energy component is still being implemented at a lower scale than originally planned. The Siwa Initiative has received international recognition from a host of prestigious awards as an innovative and successful example of sustainable development. The latest awards include National Geographic Adventure for Top 50 Eco-lodges of 2009 and Tatler (2008) for Best Eco-Hotel.		

Gender and Export Promotion in Tunisia

Advisory Product	Women in Business –Investment Climate	Start Date	07-15-2007
Geographic focus	Tunisia, World	Project Cost	\$70,000
Donors	IFC	Donor Funding	\$70,000
		Project ID	561847
Description	<p>The objective of this project is to promote women as exporters in emerging markets by identifying ways to deliver export support services that better reach women entrepreneurs, including trade facilitation and market support services. Using Tunisia as a pilot, specifically this project will:</p> <p>a) Based on the gender-sensitive survey developed by IFC's gender program, analyze how existing export promotion services reach and benefit women entrepreneurs; b) Develop and disseminate model survey questionnaire and guidance note on how institutions can better understand and service women exporters' needs; and,c) Based on the findings, inform existing World Bank Group trade-logistic advisory tools with a gender perspective - where appropriate - for wider application.</p>		
Status update	<p>As part of the World Bank's impact assessment of FAMEX II (a WB export promotion project in Tunisia), a survey of 200 firms was undertaken, of which 12 percent were women-owned. At initial glance, the data seemed to suggest that there was little evidence of massive gender bias. However, closer analysis showed that 1) both women and men are attracted to the financing aspects of FAMEX, but women are much stronger in their desire for export financing - possibly because they are less likely to be financing their current export activity with export loans compared to men 2) the technical assistance aspects of FAMEX are much more attractive to women than to men 3) both women and men are satisfied with the value they've received from FAMEX, but women have a more strongly positive evaluation than do the men 4) the women-owned firms interviewed are somewhat younger than the men-owned firms, smaller in terms of employment, and are newer to exporting. Consultations in Tunisia - together with the institutional/portfolio assessment mentioned above - formed the basis for recommendations made to the Tunisian counterparts. The project also resulted in a Global Resource Guide for Trade Support Professionals, a tool that highlights ways to deliver export support services that better reach women entrepreneurs. The resource guide made recommendations in 7 areas: insitutional considerations; export financing; trade fairs & missions; training & education; partnerships; marketing & communication; awards and recognition.</p>		

ESG Index – Middle East and North Africa

Advisory Product	Instruments for Sustainable Investing	Start Date	2009-04-01
Geographic focus	Regional	Project Cost	\$1,205,000
Donors	USA	Donor Funding	\$280,000
		Project ID	564887
Description	<p>IFC together with Hawkamah, MENA region's first Corporate Governance Institute based in Dubai, will support the establishment of an ESG index in MENA. It will be the first investable index of companies whose business strategies and performance demonstrate a high level of commitment to meeting environmental, social and governance (ESG) standards. The index will provide investors with an opportunity to incorporate sustainability measures into their investment decisions, thereby, stimulating the flow of sustainable investment funds within and to the region. The ESG Index will comprise up to 40 companies that meet predetermined ESG criteria and have been drawn from 600 companies - through a two-stage screening process - listed on 11 national Stock Exchanges in the region (Bahrain, Egypt, Jordan, Kuwait, Morocco, Oman, Qatar, KSA, UAE, Lebanon and Tunisia). The ESG Index will be operated on a commercial basis and marketed to regional and international institutional investors.</p>		
Status update	<p>IFC has agreed on the project approach and survey methodology with Hawkamah and its consortium partners.</p>		

Crescent Bahuman – Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2007-08-1
Geographic focus	Pakistan	Completion Date	2009-03-15
Project ID	553066	Project Cost	\$54,000
Donors	IFC, Italy, Netherlands, New Zealand, Sweden	Donor Funding	\$51,000
Description	The proposed TA intervention will enable Crescent Bahuman Limited ("Crescent" or the "Company") to undertake a cleaner production audit of its manufacturing operations in Pakistan. This audit is expected to result in adoption of energy and water efficiency practices within the Company's operations. If successful, this intervention may encourage other manufacturers in the region to adopt cleaner production practices in their operations.		
Status update	The audit identified significant energy saving opportunities varying between 20% and 25% depending on the area of intervention. In total, 38 million kWh of energy saving was identified of which 16.4 million kWh of energy saving could be realized without any capex investment. These energy saving measures translate into \$3.75 million cost saving. The total investment in capex required to implement the audit's recommendations is estimated at \$6.5 million (including a gas turbine co-generation system at \$5.25 million and biomass fired boilers at \$0.9 million) for a payback period of about 2.3 years.		

Sun Power – Photovoltaic Market Transformation Initiative

Advisory Product	Sustainable Energy Market Development	Start Date	2004-11-12
Geographic focus	Morocco	Completion Date	2009-02-13
Project ID	523686	Project Cost	\$1,118,000
Donors	GEF	Donor Funding	\$1,118,000 including \$1,000,000 in investment
Description	To extend the existing marketing, retail and service network and the funding of working capital to support sales of solar home systems (SHS) by Sunlight Power Maroc SA (SPM or the Company) in rural areas throughout Morocco. The Project will address three of the barriers to growth of the PV market identified in the PVMTI Project Document, as follows: (i) lack of sustainable business models; (ii) lack of available finance; and (iii) limited managerial and technical skills.		
Status update	IFC approved a \$1,068,000 investment in the company comprising of a \$1million loan and a \$68,000 grant to help finance the growth of the company's PV business. Two loan disbursements of \$325,000 and grant disbursement of \$68,000 were made. SPM has struggled to grow its business for a variety of reasons. SPM's core business is the installation and maintenance of Solar Home Systems ("SHS"), principally under a Fee For Service ("FFS") scheme sponsored by the national electrical utility, Office Nationale de l'Electricite ("ONE"). SPM has contracts with ONE for a total of 12,000 SHS, 4,000 SHS in each of Safi, El Jadida and Essaouira regions. SPM is well behind target installing 20-30 installations a month, only 25% of the target 60 per month. This reflects three key factors. First, the ONE statistics were over-optimistic on the number of viable households, i.e. the target market in each area. SPM (and other participants in the ONE project) has therefore struggled to find potential clients. Second, grid extension has gathered pace, further reducing the target market and causing many potential customers to hold off in the hope of grid power. Third, and specifically to Essaouira, there has been political stalling, again in the hope of getting grid rather than SHS power. It was also planned that SPM would develop a new credit business for SHS. The project team made substantial effort in this regard, facilitating tie ups with Salafin (a bank) and Zakourra (an MFI). In each case, the partnerships failed, due to a perception by SPM that there is little or no credit market. In addition to these local factors, the global boom in solar led to a sharp increase in price of solar modules over the last 2 years, which has recently stabilized at levels close to those available in 1995. More recently a sharp increase in battery prices has nullified the recent price reductions in solar modules. The net affect has been reduced margins on sales, which has put the business under further strain. SPM was unlikely to be in a position to continue servicing its obligations under the PVMTI Loan and Grant Agreement. SPM had come to IFC with a proposal to settle its outstanding obligations under the PVMTI Loan and Grant Agreement.		

SOUTH ASIA

India Carbon Abatement Cost Curve

Advisory Product	Sustainable Energy Market Development	Start Date	2009-04-17
Geographic focus	India	Project Cost	\$2,025,459
Donors	IFC	Donor Funding	\$275,459
		Project ID	569307
Description	The objective of this project is to develop a rigorous fact-based national greenhouse gas (GHG) abatement cost curve for India, which will inform the design of GHG abatement policy and strategies by businesses, industry, and government agencies. The project's desired impact is to inform key stakeholders in India on GHG emission reduction opportunities and their related costs to achieve environmentally and socially sustainable growth. The data produced by the GHG abatement curve will also enable IFC to support accelerated deployment of new low-carbon technologies through its investments in clean technology, clean production, and renewable energy.		
Status update	A preliminary report is currently under discussions with the government of India and other stakeholders. Main findings of the report are: a) depending on GDP growth, India's GHG emissions is expected to increase significantly (3-4 times) by 2030, b) heavy dependence on coal-based power plants will be a big a source of emissions, followed by transport, iron and steel, cement, buildings and appliances, and agriculture, c) the sectors will, therefore, also hold the biggest potential for GHG abatement, and d) energy efficiency and better demand side management also hold enormous potential for low carbon growth and GHG abatement.		

Shell Renewables - Photovoltaic Market Transformation Initiative

Advisory Product	Sustainable Energy Market Development	Start Date	2001-08-31
Geographic focus	India	Project Cost	\$3,950,000
Donors	GEF	Donor Funding	\$3,950,000 including \$3,600,000 in investment
		Project ID	505600
Description	This project is conducted under the Photovoltaic Market Transformation Initiative ("PVMTI") program in India with the objective to support the development of a marketing, retail and service network, and the provision of consumer finance predominantly for the sale of photovoltaic (PV) equipment for solar home systems (SHS) and shop lighting in rural areas of Southern India.		
Status update	The project performed well during the course of its life, even though it required restructuring once in order to respond to changing market conditions. The revised business model shifted the focus from company owned outlets in rural areas to a franchise model by streamlining its supply chain and procurement of raw materials in order to gain efficiencies and further cost savings. The company is also gradually reducing the number of service centers and is concentrating on building franchisees in order to focus better on its core business of building solar home systems as well as sales and marketing.		

Shakti – Photovoltaic Market Transformation Initiative

Advisory Product	Sustainable Energy Market Development	Start Date	2000-05-01
Geographic focus	India	Project Cost	\$2,313,000
Donors	GEF	Donor Funding	\$2,313,000 including \$1,993,000 in investment
		Project ID	504118
Description	The original objective of the PVMTI project with Shakti Solar (Shakti) was to finance working capital and capex to enable Shakti to convert a number of Liquefied Petroleum Gas (LPG) franchise outlets in rural India to include solar as part of the product offering. The goal was that Shakti would be able to reduce consumer prices on PV products by up to 35%.		
Status update	Shakti made moderate progress on expanding its PV business through the PVMTI program. After a financial restructuring of IFC's engagement, the project is now being closed.		

Selco – Photovoltaic Market Transformation Initiative

Advisory Product	Sustainable Energy Market Development	Start Date	2002-11-7
Geographic focus	India	Project Cost	\$1,200,000
Donors	GEF	Donor Funding	\$1,200,000 including \$1,000,000 in investment
		Project ID	520305
Description	This project supports SELCO India, a solar energy services company that sells solar home systems in rural areas of southern India. By helping the company develop service infrastructure, increase working capital and mobilize consumer finance, the project aims at proving the financial sustainability of the business model. The project represents a strategic implementation to stimulate PV business activity in India and to demonstrate that quasi-commercial financing can accelerate its sustainable commercialization and financial viability.		
Status update	After the successful initial years of the project, the company experienced constraints on its business in the late 2006/early 2007 period due to (i) increasing PV prices and (ii) the problems to recapitalize and restructure the company due to a "defunct" parent company (SELCO US), which held more than 90% of SELCO India. During the last 24 months, IFC has facilitated restructuring of SELCO India, which has involved facilitating the exit of SELCO US as a shareholder, restructuring the PVMTI Loan and Grant Agreement and (as a result) enabling the introduction of new equity and debt into the company.		

Water Disinfection & Purification System Program

Advisory Product	Sustainable Water	Start Date	2005-3-1
Geographic focus	Sri Lanka	Project Cost	\$1,196,000
Donors	USA	Donor Funding	\$250,000
		Project ID	535223
Description	WaterHealth International (WHI) provides clean drinking water to underserved rural and peri-urban populations in emerging markets. The objective of this project is to provide 50 water purification and disinfection systems for tsunami relief and reconstruction efforts in Sri Lanka (with funding support from the US Trade and Development Agency). The project is expected to provide clean drinking water for approximately 100,000 people who were affected by the tsunami. Over time, the systems could be moved to permanent locations, where up to 150,000 people could benefit from access to potable water.		
Status update	In FY09, WHI's senior management visited Sri Lanka to try and move the project forward. There was little interest from the Sri Lankan government to support installation of the remaining 12 systems. Since it has been almost five years since the tsunami, there are no longer tsunami-related projects. The project will likely be terminated due to on-going volatility of Sri Lanka's socio-political situation that renders it dangerous to install additional systems and maintain existing installations, and under-utilization of existing systems due to provision of piped water to some tsunami-affected communities and thus irrelevance of project. WHI has submitted a project assessment report in June 2009 and is currently implementing a transition plan to a local service provider.		

Portfolio Approach to Distributed Generation Opportunity – Implementation and Replication

Advisory Product	Sustainable Energy Market Development	Start Date	2007-11-01
Geographic focus	Sri Lanka	Project Cost	\$5,000,000
Donors	IFC, Netherlands	Donor Funding	\$5,000,000 including \$3,000,000 in investment
		Project ID	551945
Description	The objective of the Portfolio Approach to Distributed Generation Opportunities (PADGO) program, which is being piloted in Sri Lanka, is to promote cleaner energy generation through development of small- and medium-size renewable energy sources, especially wind and biomass projects as an alternative to the large-scale fossil-fueled power plants. To achieve this, an integrated package of investment and advisory services is pursued to attract private sector financing and to build a capacity in the market. Over the course of the project, it is planned to sign risk sharing facilities with 2 banks, and support banks, developers, equipment suppliers, government, and other stakeholders with specifically targeted advisory services. The knowledge and experience acquired through the pilot project would be used for replication of the model in 3 other projects in the region within 2 years of project completion.		
Status update	The first risk sharing facility for a \$30 million renewable energy project lending portfolio was signed with Commercial Bank of Ceylon. IFC's maximum exposure amounts up to 50% or \$15 million and is supported by GEF funding. A cooperation agreement was signed with the bank, detailing a specially tailored advisory services package which aims at increasing the capacity of the bank to increase their sustainable energy investments. In addition, another commercial bank has expressed an interest to participate in the program.		

SREI – Photovoltaic Market Transformation Initiative

Advisory Product	Sustainable Energy Market Development	Start Date	2001-02-20
Geographic focus	India	Project Cost	\$3,550,000
Donors	GEF	Donor Funding	\$3,550,000 including \$3,150,000 in investment
		Project ID	504119
Description	The objective of this project is to develop a retail and service network for photovoltaic products and solar home systems (SHS) throughout the State of West Bengal in the Republic of India.		
Status update	SREI Infrastructure Finance Limited (SREI) is engaged in the financing of construction and mining equipment, infrastructure projects and renewable energy systems. In 2001, SREI received \$2M from PVMTI to address two key issues facing the Indian PV industry, namely, the lack of after sales services and maintenance activities and the lack of rural credit mechanisms. SREI was focused on some of the more challenging areas of India, and initially experienced some difficulty. However, today SREI is performing well, and the project has expanded beyond PVMTI, and has installed over 15,000 SHS.		

JK Paper – Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2007-10-30
Geographic focus	India	Project Cost	\$67,750
Donors	Japan, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$62,750
		Project ID	557249
Description	IFC supported a cleaner production assessment for JK Paper Mills in Rayagada and Central Pulp Mills in Songadh. The objective of the assessment was to introduce energy efficiencies and water saving measures at the company's manufacturing operations in India.		
Status update	The consultant submitted the final report in April 2009 for both the units at JK Paper, identifying 69 projects on energy efficiency and water conservation. JK Paper agreed to implement most of the recommendations made by the consultant which will help reduce greenhouse gas emissions by over 17695 tons and save 3.4 million cubic meters of water and 15 million kilowatt hours of electricity annually. The assessment led to cleaner production loan of \$3 million from IFC. I		

APPM – Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2008-04-15
Geographic focus	India	Project Cost	\$114,750
Donors	Japan, IFC, Italy, Luxembourg, Netherlands, New Zealand, Norway	Donor Funding	\$597,50
		Project ID	557285
Description	IFC supported The Andhra Paper Mills Limited (APPM) to undertake a cleaner production assessment at the APPM and Coastal Paper units in the town of Rajahmundry, 500km northeast of Hyderabad. The objective of the assessment was to introduce energy efficiencies and water saving measures at APPM's manufacturing operations in India		
Status update	The consultant was hired in August 2008 and final report was submitted in June 2009. The report identified over 20 energy saving proposals (ESP) at both APPM and coastal paper. The simple payback for most of the proposals is more than 2 years and the Company has decided to implement ESPs worth \$0.04 million only with simple payback of less than 1 year.		

West Coast Paper Mills Limited – Cleaner Production

Advisory Product	Clean Production Assessment	Start Date	2008-07-01
Geographic focus	India	Project Cost	\$54,690
Donors	IFC	Donor Funding	\$48,690
		Project ID	564567
Description	IFC supported a cleaner production assessment for West Coast Paper Mills Limited (WCPM) at Dandeli, Karnataka. The objective of the audit was to introduce energy efficiencies and water saving measures at the company's manufacturing operations in India.		
Status update	The consultant submitted the final report in June 2009 at WCPM identifying 51 projects on energy efficiency and water conservation. WCPM agreed to implement most of the recommendations made by the consultant which will help reduce greenhouse gas emissions by over 23035 tons and save 2 million cubic meters of water and 21 million kilowatt hours of electricity annually.		

TurboTech – Cleaner Technologies Investment

Advisory Product	Clean Tech Venture Investments	Start Date	2006-06-22
Geographic focus	India	Project Cost	\$889,844
Donors	Netherlands, Norway, Italy, IFC, Denmark, Luxembourg, New Zealand,	Donor Funding	\$889,844
		Project ID	522661
Description	TurboTech Precision Engineering Private Ltd is a Bangalore-based manufacturer and installer of small innovative, high efficiency, low cost steam and gas turbines. TurboTech will make co-generation financially feasible for Indian SMEs due to its inexpensive Indian R&D costs and its focus on Indian market needs. The objective of the \$600,000 equity investment is to catalyze growth in TurboTech by increasing the Company's manufacturing capabilities, annual revenues and bottom-line profitability. The project also seeks to address the market barrier of access to financing for small-scale cogeneration technology and early-stage clean technology companies with significant emerging market risks. The demonstration effect of the project is expected to increase access to financing by helping the company prove its commercial viability and by attracting additional third party investment into the company. In addition, promoting co-generation will have environmental benefits in terms of reducing emissions of CO ₂ , SO ₂ , NO _x and particulates in India.		
Status update	TurboTech now has installed around 110 energy conservation turbines (ECTs) and 2 low cost gas turbines (LCGTs) in 14 Indian states and 8 countries (outside of India). By leveraging inexpensive Indian R&D costs (in Bangalore) and focusing on local market needs, TurboTech has made micro-generation economically affordable for Indian SMEs. In addition, it also engages in R&D activities primarily for the Indian government and has several energy efficient products under development. With IFC's investment, TurboTech has developed its manufacturing facility and also has a remote testing facility. Despite the global economic downturn, TurboTech is still receiving domestic and international orders. ECTs generate power by energy conservation rather than burning fuel. The turbines reduce the combustion of low-sulfur coal, the prevalent energy source in India. 1 kWh of energy generated in Turbotech turbines prevents 1.2 kg of CO ₂ otherwise emitted from public utilities. The current turbine fleet has the average estimated capacity of avoiding about 137,000 tons of CO ₂ per year.		

Cleaner Production Technical Advisory Services for South Asia

Advisory Product	Cleaner Production Assessment	Start Date	2009-02-15
Geographic focus	Regional	Project Cost	\$698,000
Donors	IFC	Donor Funding	\$686,000
		Project ID	565987
Description	The proposed advisory project will focus on both pipeline and portfolio clients for IFC Global Manufacturing and Services, Agribusiness, and Oil, Gas, Mining and Chemical department in South Asia and will specifically target 7 to 10 large energy intensive companies (eg. Construction materials, Chloralkali, Tyre, Hotel, Glass, etc.) where IFC feels it can influence them to reduce their emissions of greenhouse gases and other pollutants or waste streams.		
Status update	IFC signed its first cleaner production technical assistance agreement with OCL Limited in April 2009 under this program and consultant was appointed to carry out an assessment of OCL's facilities. There has however been a delay at OCL's end due to commissioning of the second clinker line at Rajgangpur and consultant started the assessment from 15th June 2009 onwards. We envisage the submission of draft report by September 15th 2009. We are also likely to sign cleaner production technical assistance agreement with couple of our other existing clients by end of September 2009.		

Universal – Cleaner Production

Advisory Product	Cleaner Production Assessment	Start Date	2009-01-12
Geographic focus	Maldives	Project Cost	\$66,000
Donors	IFC	Donor Funding	\$60,000
		Project ID	568189
Description	IFC supported a cleaner production (CP) assessment for Universal Enterprises pvt. Limited (UEPL) for its existing four facilities at Kurumba, Huvafanfushi, Kuramathi village and Laguna. The objective of the assessment was to introduce energy efficiencies and water saving measures at UEPL's facilities.		
Status update	The consultant submitted the final report in June 2009. UEPL agreed to implement most of the recommendations which will help reduce greenhouse gas emissions by 5012 tons and save 21447 cubic meters of water and 3.8 million kilowatt hours of electricity annually. IFC-supported cleaner production assessment may lead to a cleaner production loan from IFC.		

Moser Baer – Photovoltaic Power Plant

Advisory Product	Sustainable Energy Market Development	Start Date	2009-05-01
Geographic focus	India	Project Cost	\$5,260,000
Donors	GEF	Donor Funding	\$5,260,000 including \$4,500,000 in investment
		Project ID	567207
Description	The project objective is the construction by 2010 of a 5MW Solar PV power plant in Tamil Nadu, India with an associated knowledge management and knowledge dissemination platform to support replication of similar projects in the Indian market.		
Status update	IFC hired a specialized solar PV consultancy to conduct a thorough project appraisal of the proposed 5 MW facility, in addition to structuring a knowledge management platform to utilize this project as a case study for grid-connected PV replication in India.		

Rainforest Ec lodge – Eco-tourism

Advisory Product	Biodiversity-Other	Start Date	2006-08-01
Geographic focus	Sri Lanka	Project Cost	\$205,000
Donors	Norway, Netherlands, IFC	Donor Funding	\$175,000
		Project ID	547845
Description	<p>The Rainforest Ec lodge Company (REC) is a company set up by a group of companies in the tourism sector with the objective of positioning Sri Lanka as an eco-tourism destination to attract high spending tourists to Sri Lanka. REC is located in privately managed land bordering the only lowland rainforest in Sri Lanka. The project is expected to introduce global best practices in ecotourism and demonstrate social and environmental conservation commitments and economic sustainability through private sector development. IFC will assist the Rain Forest Eco Lodge obtain US Green building Certification. This will demonstrate their commitment to environmental stewardship and social responsibility and REC will be the first organization to do so and thereby set standards for the industry in Sri Lanka.</p>		
Status update	<p>The first stage of the work culminated with Green Technologies submitting the application to US Green Building Council in end June 2009 after recording, documenting and incorporating US Green Building Council's specifications. REC has gone for a rights issue to generate new capital completed by late June. Until then, the site construction is on hold. The next stage of the project is to incorporate the design into the construction which will commence once the rights issue is completed. The Compliance Advisory Ombudsman (CAO) has received a complaint from 'Sinharaja Campaign Team', a group claiming to represent the residents of the area protesting against the construction of the Rain Forest Eco Lodge. The complaint is based on the claim that construction activities are damaging the environment and the sensitive ecosystem in the rainforest. The CAO will be conducting an independent investigation.</p>		

India CSR Reporting

Advisory Product	Corporate Social Responsibility	Start Date	2007-01-25
Geographic focus	India	Completion Date	2008-12-30
Project ID	544804	Project Cost	\$120,000
Donors	Norway, Netherlands, Italy, IFC	Donor Funding	\$120,000
Description	<p>This proposed project has a two-fold approach combining a capacity-building workshop and a demonstration pilot project. The objective is to improve reporting practices and understanding about internationally recognized standards among participating in the project Indian companies. This will be done through the delivery of a 2 day workshop to 25 company representatives on sustainable reporting and a demonstration pilot with one medium-large Indian company in a developing sustainability report and disseminating the results of the demonstration pilot project and implementing effective stakeholder engagement processes.</p>		
Status update	<p>A workshop on sustainability reporting for managers of Indian firms on sustainability reporting took place. The aim of the workshop was to develop a platform that enables companies to understand the sustainability reporting trends, needs and kick-start the reporting process within companies. The trainers from Sustainability brought in their international experience of working with major multinational companies in this field. The workshop, attended by more than 30 representatives from various companies across India, aimed at providing all a better understanding and an insight into the concept of sustainability reporting. Work was done with one company, DCM Shriram Consolidated Limited (DSCL), to help it develop its sustainability report.</p>		

Lead Acid Battery Certification

Advisory Product	Community Investment-Income Generation	Start Date	2007-03-01
Geographic focus	India	Completion Date	2009-02-12
Project ID	552385	Project Cost	\$517,000
Donors	TFESSD, Norway, New Zealand, Italy, IFC	Donor Funding	\$297,000
Description	The project objective is to pioneer a new independent lead-acid battery certification program (BEST) developed through a multi-stakeholder process to certify companies that meet minimum emissions standards and product stewardship and to pilot it in India, thereby reducing emissions from lead battery plants and encouraging more environmentally sound battery recycling. The expected impact of this project is to improve and protect the health of children and vulnerable people exposed to lead pollution.		
Status update	Implemented by NGO Occupational Knowledge International (OKI), the project has successfully raised awareness and helped develop new expertise in the lead battery industry. Stakeholder process, workshops, and training programs helped to link a network of professionals from battery companies, vehicle manufacturing, auditing companies, and government dedicated to addressing lead poisoning in India. Over the past two years 3 major battery manufactures' have made considerable investments in their operations to meet BEST certification requirements. In the coming year we anticipate seeing Amara Raja, TATA Green Battery (TGY), and Exide (India) all become BEST certified, and with this success we expect more companies to follow.		

Bhutan II – Gender Entrepreneurship

Advisory Product	Gender in the Value Chain	Start Date	2006-08-15
Geographic focus	Bhutan	Completion Date	2008-08-31
Project ID	543164	Project Cost	\$129,400
Donors	Norway, Netherlands and IFC	Donor Funding	\$125,000
Description	IFC worked to develop entrepreneurial capacity of women in remote rural communities by developing their technical and business management skills. The activities included: 1. Training sessions in (a) pre and post harvest management of specific medicinal herbs and specialized agro-products; (b) identification of proper markets as well as creating and maintaining relationships with important market stakeholders; and (c) building leadership skills to help them carry on with farm management. 2. Network and alliance building between women's associations, government and donor agencies. 3. One or more successful harvests of medicinal herbs and specialized agro-products will encourage the rural women and men to graduate from subsistence farming to higher-yielding cash crops.		
Status update	80 women in the four villages have so far deposited approximately \$2849 generated from initial two harvests to the group savings account. This amount is to be used to continue supporting the business. These women have acquired technical knowledge, learned how to work in a group and market their products. NWAB will continue to organize visits to the project sites to monitor progress; to manage relationships with the various stakeholders; to organize study tours within Bhutan for the women's groups in collaboration with the Ministry of Agriculture (MOA); and to market the produce to high end hotels and shops across the country. NWAB has employed a designated staff to coordinate these activities on a daily basis and have appointed field coordinators to oversee the project at the field level.. In addition to the above, NWAB is continuing to financially support the Welling group of nine women farmers and in the last cycle this women group have successfully sold their harvest through Medicine and Aromatic Plant (MAP), under MOA. NWAB has already replicated this project in Eastern Bhutan to 180 women farmers to produce herbal plants. MAP will continue to support the project through identifying the species to be grown, visiting project sites to provide technical advice and providing the women farmers with pre and post harvest training.		

Financial Report

DONOR FUNDING STATUS

Donor commitments increased slightly from \$32,779,588 in FY08 to \$33,063,329 in FY09. The increase is more pronounced when excluding IFC and the GEF, as the commitments went from \$11,826,908 to \$17,291,958. About \$4.3 million of the difference comes from completing the roll-over of the funds from the Sustainable Business Assistance Program, the predecessor of the Innovator, as all of its donors have agreed to transfer their funds. In FY09, Norway also increased its contribution especially in the field of sustainable energy and climate change adaptation. The Austrian Ministry of Foreign Affairs also contributed to a sustainable energy project, becoming a new donor partner of the Innovator. South Africa also contributed for the first time, to a biodiversity project. Also of note is the strong commitment of our largest donor partners like the GEF, the Netherlands, Norway, Luxembourg and Japan.

Not reported here because it is not for the exclusive use of the sustainability business line is a commitment of \$30 million from the GEF and \$10 million from IFC to the IFC Earth Fund for the replication of innovative business models, technologies or technology applications that will generate global environmental benefits in the areas of biodiversity and climate change.

The work program of the Sustainability Business Innovator is based on projections of \$60 million in funding between July 1, 2007 and June 30, 2011. \$45 million would be coming from donor partners

excluding the Global Environment Facility and \$15 million from IFC's funding mechanism for technical assistance and advisory service. As of the end of FY09, the Innovator had raised around \$33 million from donor partners, excluding the Global Environment Facility. As IFC's takes its sustainability activities to scale, the role of the Innovator will be reinforced as a source of funding for sustainability advisory services across IFC, increasing the opportunities for engagement with donor partners and increasing impact.

Strategic orientations

IFC's engagement with donor partners in FY10 will remain strong as we continue to mobilize resources for sustainability in emerging markets and enable IFC to increase its development impact. The current report is part of an effort to discuss with donor partners the role of the Innovator trust funds across IFC advisory services, in line with the evolving responsibilities of the global and regional teams. We also wish to diversify the input that we receive from donors, from expert advice on strategy and communications to financial resources and lessons of experience. As a multilateral institution, IFC is well placed to remain engaged with donor partners that have extensive experience and resources for development and a commitment to private sector development in emerging markets.

Table 5: Donor Contributions as of June 30, 2009

Commitments (USD)	FY07	FY08	FY09	FY10	FY11	Total
IFC	4,515,000	4,952,680	10,471,371	3,520,000	3,300,000	26,759,051
Global Environment Facility	1,861,286	16,000,000	5,300,000			23,161,286
Netherlands	1,653,860	4,515,320	5,611,870	378,378		12,159,428
Norway		1,300,000	4,294,900			5,594,900
Japan	638,000	1,870,000	1,375,000			3,883,000
Luxembourg	321,475	666,738	1,030,122			2,018,335
Austria			1,933,288			1,933,288
Denmark		998,000	694,771			1,692,771
United Kingdom	374,810	174,000	693,757			1,242,567
TFESSD (Norway/Finland)	167,000	400,000	600,000			1,167,000
Ireland		800,000				800,000
Switzerland		500,000				500,000
Canada	110,661	197,850	303,850			612,361
Gender Action Plan			150,000			150,000
Iceland		425,000				425,000
South Africa			300,000			300,000
Italy			192,013			192,013
New Zealand			112,387			112,387
Sweden	98,000					98,000
Total	9,740,092	32,799,588	33,063,329	3,898,378	3,300,000	82,801,387
Receipts (USD)						
IFC	4,515,000	4,927,488	10,471,371			19,913,859
Global Environment Facility	1,835,686	16,266,498	621,318			18,723,502
Netherlands	1,653,860	4,515,290	3,741,870			9,911,020
Norway		1,739,643	4,083,117			5,822,760
Japan	140,079	2,508,000	1,347,600			3,995,679
Luxembourg	321,475	340,600	1,363,982			2,026,057
Denmark		998,004	694,834			1,692,838
United Kingdom	497,405	96,967	372,915			967,287
TFESSD (Norway/Finland)		133,600	226,258			359,858
Austria			1,970,888			1,970,888
Ireland			808,170			808,170
Switzerland		250,000	250,000			500,000
Canada	43,569	240,323	163,692			447,584
Gender Action Plan						0
Iceland		300,000				300,000
South Africa			300,000			300,000
Italy			192,013			192,013
Bavaria (Germany)		200,000	(79,885)			120,115
New Zealand			112,387			112,387
Total	\$9,007,074	32,516,413	26,640,530			68,164,017

NOTE: The numbers in this table represent the total donor funding under the responsibility of the manager of the Sustainability Business Innovator, listing contributions to the Innovator, the Global Environment Facility, and Gender Entrepreneurship Markets. Contrarily to the rest of this report, it does not cover the entirety of IFC advisory services in environmental and social sustainability as the financial systems of IFC do not currently allow for such reporting across a business line.

EXPENDITURES

The expenditures funded through the Sustainability Business Innovator (see note below) have been fairly stable from FY07 to FY09, with a slight increase from \$24.9 million to \$27.6 million. As the global team transferred the implementation responsibility to the regional teams, the expenditures for project implementation went down as those for knowledge sharing went up. The monitoring and evaluation expenditures also went up as IFC reinforced its resources in this field to continue improve the quantity and quality of data to report.

Table 6: Expenditures by Standard IFC Advisory Services Expenses Categories
Including Investments Disbursed
As of June 30, 2009

	FY07		FY08		FY09	
	\$	%	\$	%	\$	%
Project Related Expenditures	22,930,405	92	22,912,053	91	23,895,128	86
New Business Development/ Project Development	2,226,505	9	1,608,811	6	2,098,944	8
Product Development	155,035	1	296,988	1	209,855	1
Project Implementation and Supervision	19,758,169	79	20,102,984	80	18,666,437	68
Program Management and Support	628,746	3	659,799	3	2,255,728	8
Monitoring and Evaluation	161,951	1	243,472	1	664,163	2
Non-Project Related Expenditures	1,978,457	8	2,344,308	9	3,730,829	14
Knowledge Sharing and Staff Development	149,801	1	298,625	1	901,470	3
Fundraising and Donor Relations	499,916	2	210,341	1	299,694	1
Public Relations	76,094	0	120,719	0	212,952	1
General and Administration	1,252,645	5	1,714,622	7	2,316,713	8
<i>a) Overhead</i>	317,470	1	359,067	1	838,699	3
<i>b) Other General and Administration expenditures</i>	935,174	4	1,355,556	5	1,478,014	5
Total Expenditures	24,908,862	100	25,256,362	100	27,625,956	100

NOTE: The numbers in this table represent the total donor funding under the responsibility of the manager of the Sustainability Business Innovator, listing contributions to the Innovator, the Global Environment Facility, and Gender Entrepreneurship Markets. Contrarily to the rest of this report, it does not cover the entirety of IFC advisory services in environmental and social sustainability as the financial systems of IFC do not currently allow for such reporting across a business line.

TOTAL FUNDING AND EXPENDITURES

This table provides an overview of the funding and expenditures for the activities of the Sustainability Business Innovator (see note below). The trust fund balances consist of donor funds unspent or placed in guarantees. The vast majority of the \$109.8 million closing balance of FY09 comes from the Global Environment Facility, in part because it provides lump sum funding for IFC programs that disburse over several years. The decrease of the administrative fee to 0 is due to a change in accounting rules.

Table 7: Total Funding and Expenditures
As of June 30, 2009. All amounts are in US dollars.

	FY07	FY08	FY09	Total
Trust Funds Opening Balances	121,217,000	106,631,686	116,677,816	–
+ Funding Received	9,393,696	32,516,413	26,640,531	68,550,640
+ Investment Income	519,599	662,391	352,343	1,534,333
- Total Expenses	24,908,862	25,256,362	27,625,956	77,791,180
- Administrative Fee	47,043	0	0	47,043
+ Interim Budget	0	2,010,000	(2,010,000)	0
+ Other Income	457,296	113,686	(4,226,408)	(3,655,426)
= Trust Funds Closing Balances	106,631,686	116,677,813	109,808,325	–

NOTE: The numbers in this table represent the total donor funding under the responsibility of the manager of the Sustainability Business Innovator, listing contributions to the Innovator, the Global Environment Facility, and Gender Entrepreneurship Markets. Contrarily to the rest of this report, it does not cover the entirety of IFC advisory services in environmental and social sustainability as the financial systems of IFC do not currently allow for such reporting across a business line.

Trust Funds Opening Balance	Balance from the previous fiscal year.
Funding Received	Funding from donors that are contributed directly to IFC trust funds.
Investment Income	Income from the investment of the trust funds balances while the funds are not expensed on projects.
Total Expenses	Expenditures for advisory services and investment services. See Table 2 for more details.
Administrative Fee	Fee collected by IFC for the financial management of the trust funds.
Interim Budget	Funding provided by IFC when needed during the period between the signature of an agreement and the disbursement from the donor to IFC accounts.
Other Income	Fees and contributions from third parties (clients and partners). This is in line with pricing policy of IFC that seeks a client contribution for its services.
Trust Fund Closing Balance	Balance at the end of the fiscal year.