



# Sustainability Business Innovator

## Annual Report 2008



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# Foreword

From its beginnings as a delivery mechanism for environmental advisory services, the Sustainability Business Innovator today is first and foremost a partnership for social and environmental innovation that takes the private sector well beyond mere compliance. It has become a platform for donor governments, development institutions, IFC and the private sector to test and demonstrate the business case for environmental protection and social development – something that is now a firm necessity in the current global landscape. This annual report for the fiscal year 2008 holds numerous examples of how, together, the Innovator and its partners are making it possible to change the way business operates so that it benefits all parties.

Over the years, 17 donor governments have put their trust and funds in the Innovator. IFC and major development partners like the Global Environment Facility and the International Labour Organization have also chosen IFC as the best partner to achieve their goals. In the middle of a broad engagement with partners that deliver a flow of ideas, expertise, experience and funds, the Innovator is able to absorb the latest ideas and transform them into concrete projects.

The Innovator also continues to harness the strengths of IFC in new ways – leveraging the unique attributes of a financial institution with a development mandate. With its unique position and purpose, the Innovator has access to IFC's global expertise and local knowledge, convening power, network and financial resources. Already, it has transformed the way that IFC approaches energy efficiency and cleaner production financing, having demonstrated the business case for addressing the climate change mitigation challenge. The Innovator is also well on its way to expand IFC's perspective on gender and development by promoting the integration of gender-specific measurements in its projects.

Finally, the Innovator and its partners are also beginning to work with the private sector at large. Some projects show signs of transforming the way that investors consider environmental and social criteria, that the private sector delivers alternative lighting solutions in Africa, or that labor standards are used to improve competitiveness. The direct impact of the Innovator is only part of its purposes. The real objective of this partnership is to demonstrate business models in a way that makes them attractive to other players. The replication of its projects is the greatest sign of success for the Innovator.

In the coming year, the Innovator will strive to push this model further and the team is pleased to count on your support to do so. As shareholders of the Innovator, we want to hear your ideas about the ways in which our partnership can be made even more fruitful.

Best regards,



Monika Weber-Fahr  
General Manager  
IFC Sustainability Business Innovator

# Introduction

As every year must be for a team built on innovation, this has been one of transformations and transition. Over the year, the team has expanded from 36 to 40 staff and has welcomed a new manager. It also integrated the Gender Entrepreneurship team that had previously been operating separately. FY08 also saw the creation of a new team, Financial Mechanisms, to help IFC understand better how to use and structure investment and grant tools that combine concessional funds alongside commercial funds to maximize development impact. IFC has accumulated a wealth of experience with such mixing of funds and the time had come to capture and systematically build on this knowledge for practical purposes.

With IFC stepping up its engagement in the climate change agenda, a new Climate Policy unit was set up within the Environment and Social Development Department to support the implementation of the Corporation's strategy. Due to its direct relevance for IFC's investment operations, the Innovator moved its cleaner production program to the new unit where it will receive heightened visibility and broader leverage opportunities.

The Innovator forged new partnerships with IFC's regional teams to collaborate on design and implementation of projects on location. The Innovator is now no longer the only implementer of its projects, as it begins to focus on a role that involves design, quality control, oversight and learning.

For the first time, the annual report includes our portfolio of projects done in collaboration with the Global Environment Facility. This is justified by the continued integration of the Innovator and the co-funding, by the GEF and the Innovator, of projects relating to biodiversity and sustainable energy. The integration should give a better overview to the reader of the work undertaken by these teams.

A strong sign of confidence in the team's financial management skills came this year from the independent auditors who gave an unqualified opinion to the precursor of the Innovator, the Sustainable Business Assistance Program (SBAP). This positive assessment of the management of our environmental and social activities in advisory services reinforces the credibility of IFC as a sound partner.

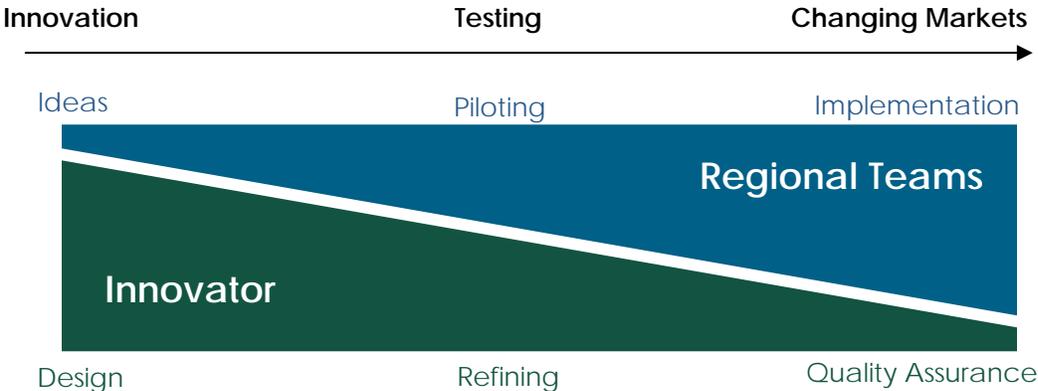
As you read throughout this report, you will note that continuous improvements have been made to our operations, notably in the field of results measurement where we can report for the first time on the combined results of such a wide variety of projects. The management of our portfolio will also allow us to better keep track of our progress in implementing our strategy. We hope that it will also help us communicate more effectively with our partners on the strategy, work and results of the Innovator.

# Strategy

The Innovator is a team dedicated to demonstrating the business case for sustainability. Its strategy centers on its role as a design, testing, and development team with strong ties to the regional teams of IFC and a focus on learning and knowledge management.

## Managing Innovation

The Innovator not only develops new models: it does it each time with a plan to take those models from a new idea to a new market paradigm. At the heart of every effort is the identification of the barrier that is preventing the market from delivering social and environmental benefits. The team focuses on addressing those barriers, sourcing innovations and solutions from all origins, including IFC's own experience and knowledge. The role of the regional teams of IFC is crucial across all phases to make sure that the design is adapted to the local market. Once a model has been tested in a certain number of countries, the next step is to transform markets on a larger scale by promoting adoption across relevant teams in IFC and the private sector at large. The role of the Innovator at this point is to provide quality assurance, making sure that the elements of the new model that made it successful are preserved.



## Leveraging Partners

As a partnership in itself, the Innovator depends on its partners to accomplish its mission. For each team member, it starts by collaborating across the division to benefit from their colleagues' experience. The next step is to work closely with IFC's regional teams to get ideas and feedback from the field at every step of the process. The Innovator is part of IFC's Environmental and Social Sustainability business line, which brings together the expertise of the Corporation in this field across regions and industries. This makes the whole of IFC – 3100 staff and \$25.4 billion in committed portfolio – an extension of the Innovator in its mission.

The Innovator also has external partners and the first that come to mind are its donors, without which it would not even exist. They provide the funding necessary to put the team together and conduct the projects, but they also bring their credibility and in some cases their expertise to the whole endeavor. Just as crucial are the clients of the Innovator, the private sector companies, the NGOs, and associations that collaborate with IFC to implement the programs, bringing with them their own set of skills, resources and knowledge of a certain field and context.

## Using Smart Knowledge Tools

The goal of the Innovator is to demonstrate new ways of doing business and convince others to adopt them. With this in mind, the dissemination of its findings, lessons and successes is a pillar of its strategy. There are many ways to engage people to change their ways, but choosing the best way every time can make the difference between success and failure. Working with the people side of the change equation starts at the project design when the agreement of colleagues and partners is necessary to get an initiative off the ground. Choosing the right tool is important at every step when knowledge is jointly created and re-created by an increasingly large implementation team.

# Showing Results

## Direct Impact

In FY08, the Sustainability Business Innovator began measuring its direct impact in terms that can be aggregated across projects. This is a recent effort across IFC that bears much promise, but that should also be considered keeping in mind the caveats that accompany this kind of new data collection. Through time, the definition of the indicators will be refined, as will their tracking and reporting. In the meantime, we want to share these numbers as an interesting first step.

**2,956,812 people benefited** from the projects of the Innovator.

- **1,708,159 people** gained access to electricity.
- **1,076,000 people** gained access to clean water
- **129,000 people** benefited economically. This includes jobs, job-related training, loans and supply contracts of direct and indirect beneficiaries.
- **42,700 people** benefited from corporate community development initiatives.

**\$219,474,673 in sales revenues** were earned by clients engaging in sustainable activities. This is about the amount spent per year to fight malaria in Africa.

**6,852,986 tons of greenhouse gases** were avoided. This is 1 million cars taken off the road for a year – driving on average 12,000 miles per year at 21 miles per gallon.

**25,919,624 MWh of cumulative energy** was saved, which is almost three times the annual energy consumption of Luxembourg.

**16,090,495 MWh of renewable energy** was produced. This amount of clean energy would be equivalent to 381 million gallons of gasoline, enough to power 667,000 cars per year.

**241,718 solar home systems** were installed. At an average of five people per home, this is more than 1,200,000 people with access to light.

**5,086,867 hectares** of land under sustainable management; the size of Costa Rica.

NOTE 1: As a result of its partnership approach, the Innovator is only one of several sources of financing and advisory services to these projects, thus the results achieved can only be partially attributed to the Innovator.

NOTE 2: The numbers in this table for greenhouse gases avoided are conservative and based on actual performance. The projects are expected to avoid 65 million tons of greenhouse gases over the lifetime of the technologies.

## Replication Examples

The true purpose of the Innovator is to have a demonstration effect, to have others adopt the models that it developed. While it is difficult to track and attribute the actions of third parties to the influence of the Innovator, evidence emerges that others are taking note and following the example.

In South Africa, the Gender Entrepreneurship practice area of the Innovator released a study on women's access to finance by women, revealing that women were lacking access to money to make their businesses grow. Following this report, two funds dedicated to women were launched, one of \$12.3 million, directly crediting the work of IFC, and another of \$18.4 million. In Nigeria, work with Access Bank was followed by the independent creation of a mutual fund of \$21 million targeting women while another one is currently being finalized. Also in Nigeria, a national newspaper has since created an annual gender award for banking.

IFC commissioned Mercer, a leading consulting firm, to conduct a global survey on the capacity of fund managers investing in emerging markets to incorporate environmental, social and governance (ESG) factors into their investment process, and assess and rate their capabilities. Mercer has subsequently decided to expand its own manager research process to evaluate the extent to which fund managers pro-actively integrate ESG into the investment process and to rate all managers on their ESG capabilities. This sends a signal to managers that Mercer, as well as an increasing number of asset owners, believe that ESG factors are important for the investment performance.

IFC's model to promote energy efficiency through financial institutions, piloted since 1997 with support from the Global Environment Facility, has since been embraced by many other international finance institutions. The World Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, and the Asian Development Bank have all adopted similar models, some of which after discussing with IFC about its experience. In Eastern Europe, banks have started to make loans for energy efficiency with the support of a guarantee covering up to 50% of the credit value. Over time, those banks have become more comfortable and are now pursuing the same business without any financial support from IFC.

# Millennium Development Goals

The range of actions of the Sustainability Business Innovator is a good example of the far-reaching effect of environmental and social interventions. The project examples below show that the Millennium Development Goals are linked and can be achieved by partnerships such as the Innovator, which brings together donors, IFC and the private sector.

## Goal 1: Eradicate extreme poverty and hunger

- IFC provided financial support to enable Grameen Shakti to offer solar home systems to poor unelectrified homes in Bangladesh, and the service that installed the systems. Grameen has successfully developed a market-based approach through an innovative system for financing solar home systems by rural villagers. The company has 485 offices servicing 32,000 villages and **1,200,000 people** through 2,725 trained technicians. **Access to electricity for these impoverished households is an important step in closing the poverty gap and improving their quality of life.** This project presents opportunity for replication in other countries that lack adequate rural electrification infrastructure, as Grameen has introduced a micro-utility model that reaches people who could not afford SHS individually.
- Together with Water Health International (WHI), IFC is working to provide 50 water purification systems in Sri Lanka. **The project is expected to provide clean drinking water for approximately 100,000 people who were affected by the Tsunami.** Providing relief to these individuals who lack basic needs is a step in bridging the poverty gap. Over time, the intent is to move the systems to permanent locations, allowing for scale-up and increased access to potable water.

## Goal 3: Promote gender equality and empower women

- IFC is providing support to MI-BOSPO, a microfinance institution that offers services to **low-income women entrepreneurs** in Bosnia. IFC is supporting its transformation from a not-for-profit status to a commercially-oriented, regulated, non-deposit taking financial organization. Among other initiatives, the project has 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 has to-date reported **an increase of 32% in its female borrowers**, going from 18,000 to 26,000. The project demonstrates that banking with women is good business, and this serves as an example for other banks in the region to follow suit. On that note, an advocacy report was published jointly with MI-BOSPO profiling female entrepreneurs – *The Voices of Women Entrepreneurs in Bosna and Herzegovina*.
- IFC has partnered with Environmental Quality International (EQI) to **empower the female indigenous population of Siwa, Egypt, by supporting their income-generating activities** in a cultural context where women are not usually economically active. In the past, women were known for their intricate embroidery skill, but this trade was on the verge of becoming extinct. The project began by facilitating workshops with elder women to train a small number of women in this skill. In turn, **scale-up ensued** as demand for training spread, and **EQI has now trained 300 women, 77% of which never completed elementary education.** Many of these women have expressed the desire to manage an embroidery workshop in the future, and some would like to become trainers themselves. Furthermore, **40 of the training graduates are already producing for export.** As part of the project, Siwa Creations was founded and has already had some **global commercial success**, as demonstrated by Italian press articles and an invitation to exhibit its collection in Monte Carlo.
- IFC together with PAX World Management Corporation is currently working toward developing a gender investment index, **exploring the business case that companies that empower women have a superior stock performance.** A scoping exercise will be conducted in 1 or 2 developed markets, establishing indicators and an index-prototype. The expectation is that the results of the project will validate the feasibility of such index, making it **replicable for emerging markets.**

#### Goal 4: Reduce child mortality and Goal 2: Achieve universal primary education

- In Mexico, recovery of waste for recycling programs is largely carried out informally by wastepickers, a large proportion of which are children. IFC is currently working with two important collectors of post-consumer plastic bottles in building a recycling facility while addressing child labor and improving the supply-chain. **The project expects to reduce the incidence of child labor through education and health programs, providing incentives for parents to keep their children in the classroom.** If successful, the project will demonstrate new social, economic, and environmental approaches to waste separation in Mexico – **impacting the entire industry. At its pilot sites alone, the project aims to halve child labor within the first 2 years (approximately 650 children).** While there are no reliable statistics, nationwide the number of wastepickers is estimated at 100,000 with a large proportion of them being children. Health risks for wastepickers include diarrhea, headaches, allergies, pulmonary diseases, burns, and eye infections, which can be worse in children. **Addressing child labor will positively affect the health of these minors while returning them to the classroom.**

#### Goal 7: Ensure environmental sustainability

- IFC has supported Precious Woods, a leading producer of certified lumber and panel products, in **developing eco-system services and non-timber forest product lines.** Precious Woods has successfully implemented the recommendation to make a one-time sale of Certified Emission Rights. The proceeds were used to refinance its majority share in **a biomass power plant in Brazil.** The company has increased its expected revenue from carbon credit sales considerably, including for green house gas emissions avoided. Precious Woods will now proceed to purchase 70,000 additional hectares of land, bringing its **total area under sustainable forestry management to 597,400 hectares in Brazil** with approximately 179,220 hectares of preservation land. Both opportunities developed, carbon revenues from biomass power production and sales of various botanical extracts, are highly replicable within Brazil and tropical forest areas in other countries.
- IFC has supported the Komodo Collaborative Management Initiative in Indonesia to increase efficiency of operations and facilitate tourism, conservation, and local economic development. As a result, tourism visits have increased by 12.8% over the previous year leading to **increases in Conservation Fund Revenues of 29%. The hectares of land managed sustainably through the initiative is now estimated at 173,000 hectares.** This is an innovative project in demonstrating a new private sector model for managing a protected area sustainably.

#### Goal 8: Develop a Global Partnership for Development

- The impact of human rights on business, such as risks to the company's reputation, and business impacts on human rights are complex and long-term. This increasing business awareness of the importance of human rights and the potential risks and opportunities they represent has led to a growing demand for practical tools to mitigate potential impacts human rights may have on business and vice versa. In response, IFC is engaging at two complementary levels: **providing its clients and the wider private sector with business tools to address human rights challenges and catalyzing global discussions** and sharing of experience with a view to establish coherence in current initiatives in business and human rights. **IFC partnered with the International Business Leaders Forum (IBLF) in August 2005 to develop a human rights impact assessment guide suitable for companies across a number of different sectors.** The first draft Guide for Human Rights Impact Assessment and Management was completed in July 2007 and is currently in the road-testing phase.
- The International Labor Organization (ILO) and IFC launched the Better Work program with the goal of **improving labor standards and competitiveness in global supply chains.** During 2008, pilot programs have been launched in Jordan, Lesotho, and Vietnam. Based on results from these pilots, the Better Work team is engaged in finalizing a global strategy and five-year plan.

# Tackling Climate Change

Climate change is a topic that cuts across several fields so it is no surprise that projects throughout the Innovator address the challenge. It comes to us in two ways. First, there is climate change mitigation where we seek to slow down global warming and limit its effect. Actions focus on avoiding emissions of greenhouse gases that accelerate global warming. The other way is climate change adaptation, where we take stock of the unavoidable effects and seek ways to prepare for their impact. This includes getting ready for changes in water patterns, population displacements, and agricultural yields, to name a few. Below are selected examples of projects from the Innovator that address both sides of the equation.

## Mitigation

- IFC promotes energy efficiency through financial institutions by helping them to provide loans to projects that will reduce energy use in the industry. IFC multiplies its impact by working with those institutions who reach out to several projects in their region. These efforts, made across energy intensive emerging markets such as Eastern Europe, Russia and China, have brought close to 6.5 million of greenhouse gases emissions avoided so far, based on conservative estimates.
- IFC takes an integrated approach to cleaner production by marrying audits with loans for implementing their recommendations. IFC shares the cost of an efficiency audit for a company that is reluctant to invest the upfront cost of such a study. IFC has the capacity to provide loans to implement the recommendations of the audits, like financing the new equipment or transformation of processes. This reduces energy intensity, but also water and raw material consumption. The audits provided by IFC have already identified 27,900 tons of greenhouse gases in potential savings. The projects sponsored with cleaner production loans have identified savings of 15,000 tons of greenhouse gases avoided.
- To replace conventional sources of energy that emit large amounts of greenhouse gases, IFC has created the Portfolio Approach to Distributed Generation Opportunities (PADGO). The objective of this project is to improve access to cleaner and more reliable sources of energy for underserved populations, and potentially to replicate the framework in other countries or regions. The project is being piloted in Sri Lanka, with the objective of also implementing it in the Philippines and Thailand.

## Adaptation

- IFC has initiated case studies whose objective is to assess the risks posed by climate change to private sector investments. The series of pilot studies will examine availability of the necessary data, the appropriateness of climate models in particular locations for investment projects in public-private partnerships, insurance, and community impact. The studies will build upon each other and aim to produce a comprehensive understanding of risks, methods and adaptation options specific to the private sector investment characteristics.
- Climate change is likely to increase the recurrence of natural catastrophes, augmenting the importance of the resilience of communities. In December 2004, after the tsunami in the Indian Ocean had disrupted the access to water of the affected populations, IFC and the United States Trade and Development Agency quickly intervene to support emergency water provision for Sri Lanka. As a result, 100,000 people who were severely affected by the natural disaster gained access to water.

# Practice Areas

# Biodiversity Markets

PORTFOLIO | Ongoing projects: 17 | Completed projects: 2 | Pipeline projects: 1 | Total: 20

Via global partnerships with leading companies, NGOs, and governments, IFC continues to pioneer testing the business case for biodiversity to generate enough knowledge to make sound investments. The benefits that can accrue to the private sector through biodiversity conservation include the ability to earn price premiums, reap efficiency gains, access new markets, and reduce supply chain, reputational, and other risks. However, there are market barriers that still need to be addressed: high risk of investing in biodiversity (perceived or real); insufficient knowledge to access markets; high up-front costs; and inadequate regulatory environments. The Biodiversity Markets team is divided into four product lines, each of which addresses a specific subset of these market barriers.

Great progress has been made throughout the past year, in particular with the product line that supports the setting of eco-standards along the supply chain. The insights gained and the work of the Innovator will allow companies to better assess their biodiversity impact and make improvements that ultimately benefit their bottom lines. IFC's activities in this area support multi-stakeholder commodity round tables as the most effective means of developing these standards and ensuring their implementation.

In FY08 we also initiated the implementation of the bio-trade program. This program targets entrepreneurs who collect, produce, transform, and commercialize goods derived from native biodiversity under criteria of environmental, social, and economic sustainability. Initial planning took place for various projects in Southern Africa and the Andean Region of South America. These efforts will be linked under a federation of producers, traders, and consumer goods manufacturers, an organization that was launched in FY08.

The Biodiversity Markets unit made progress in FY08 in supporting the development of methodologies for biodiversity offsets. These methodologies have been circulated for public consultation and are in the evaluation process. The intention is for businesses to better manage their operational and reputational risks while providing optimal conservation outcomes, in quantity and quality of land under managed protection, as well as employment opportunities for communities or SMEs engaged in conservation management.

Finally, IFC also worked with financial institutions to better understand the business case for biodiversity conservation from a financier's perspective. IFC invests in selected biodiversity-related investment funds that assist companies whose business models are based on sustainable practices and favor the protection of biodiversity. The results are so far promising in that these funds are generally profitable and grow, but more work needs to be done to understand the scalability.

IFC's expertise in biodiversity derives from a combination of innovative business solutions and conservation-focused management practices with a demonstrated ability to partner with a wide range of different actors. The Biodiversity Markets unit offers grant funding, loans or other types of financial instruments as well as advisory services and requires cost-sharing from recipients.

## Highlights

### Biodiversity and Agricultural Commodities Program (BACP)

The BACP ([www.bacp.net](http://www.bacp.net)) Phase 1 entered execution in FY08. This 10-year program targets agricultural commodities whose cultivation historically has resulted in huge losses of habitat. The program was officially launched at the 9<sup>th</sup> Conference of the Parties of the UN's Convention on Biological Diversity in May 2008 with the participation of the Global Environment Facility. The program issued a first request for project applications targeting the palm oil industry. The soy sector should follow. Project proposals should focus on instituting better management practices throughout the supply chain and collaboration with the industry roundtables. Initially the program will focus on Indonesia, Malaysia, and Brazil, though the management practices will be global in their application.

### Union for Ethical BioTrade (UEBT)

The UEBT was formed officially in the fall of 2007 and began operations thereafter. It serves as a non-profit member-run organization for the global bio-trade community to promote, facilitate and recognize ethical trade practices in goods that meet the sustainable development goals in the Convention of Biological Diversity. Among its 21 members are primary producers, trade associations, and companies that use bio-trade commodities in their products. The UEBT participated in the 9<sup>th</sup> Conference of the Parties of the UN's Convention on Biological Diversity by holding a side event with IFC participation. IFC delivered the first installment of its \$1.93 million grant in June 2008.

### Business and Biodiversity Offsets Program (BBOP)

The Business and Biodiversity Offsets Program (BBOP) received its first \$100,000 disbursement from IFC in FY08 out of a total \$355,000. The BBOP has publicly circulated the first draft of its methodologies for designing and delivering biodiversity offsets, which comprise an Offset Design Handbook. The BBOP hosted a side event at the 9<sup>th</sup> Conference of the Parties of the UN's Convention on Biological Diversity with IFC participation, and also achieved official positive recognition of its efforts in the plenary session of the COP9, recorded in the decisions adopted by the conference about private sector engagement.

## Strategic Orientations

**Eco-Standards and Sustainable Supply Chains:** IFC will continue the implementation of BACP. Having put in place the program management and governance structure, activities will now support the development of global standards and related better management practices and their field testing and implementation. Complementary market transformation and market differentiation instruments that promote biodiversity-friendly trade will also be promoted and new projects will be appraised, for example cotton or beef. Particular ecosystems will be targeted, such as the Amazon.

**Nature-based products and services:** In addition to the GEF projects in its portfolio, IFC hopes to expand the concept of bio-trade and the bio-trade program further. Coordinating with UNCTAD, Denmark, the Netherlands, and Switzerland, IFC targets the trade of wild products from Africa, Latin America, and possibly East Asia – resulting in a number of other bio-trade projects in the pipeline. The UEBT and IFC support the growth of bio-trade by federating its stakeholders into an internationally recognized, pro-poor, and sustainable body and sector. IFC will also provide access to finance to very small businesses and support governments to develop adequate regulatory frameworks for these businesses to thrive.

**Biodiversity-based financial products:** Building on the experience from GEF projects, such as the Fondo-EcoEmpresas with The Nature Conservancy or our investment into Verde Ventures of Conservation International, the Biodiversity Markets unit will continue supporting innovative institutions or vehicles that facilitate financing for micro, small, and medium size enterprises whose business depends on healthy biodiversity. IFC will also continue developing innovative financial products, especially long-term ones, using inter alia structural finance techniques, with partner financial institutions.

# Cleaner Technologies

PORTFOLIO | Ongoing projects: 23 | Completed projects: 1 | Pipeline projects: 4 | Total: 29

IFC's Cleaner Technologies team helps innovative businesses overcome market barriers and deliver environmental and social benefits on a commercial basis by applying technologies in new or different ways. It promotes private sector investment in innovative cleantech companies facing substantial risks in emerging markets and that are not ready for traditional financing. It also supports innovative resource efficiency and conservation projects.

The **Cleantech Investing** program works on the supply side of the equation by investing (directly or via a fund) in highly innovative cleantech companies whose access to finance is impaired due to their focus on developing countries. These companies are expected to be profitable and yield environmental and social benefits, with strong demonstration effect and replication potential. In addition, the program incubates cleantech companies for direct mainstream IFC investment and encourages mainstream investment in cleantech funds. The program invests across the full range of cleantech sectors, such as drinking water, wastewater treatment, solid waste management, air quality, recycling, sustainable energy, and sustainable natural resource use. We provide funding of up to \$2 million, usually in the form of venture capital aimed at expanding an enterprise after the research and development stage. We have increased our activities in FY08 and currently have a portfolio of 13 projects of which four are in the pipeline, eight are under implementation and one was closed in FY08. On the portfolio side, MBA Polymers (plastics recycling), TurboTech (cogeneration turbines) and WaterHealth International (micro water utilities) all continue to exhibit strong growth and investor interest. In addition to our investment activities, we continue to collaborate with colleagues across IFC, promoting the growth in IFC mainstream fund investments and mainstream follow-on investments in our portfolio as well as other cleantech companies. In FY09 we hope to see the first mainstream investment, of up to \$25 million in debt and equity, in one of our portfolio companies. Finally, based on our experience in specific sectors, we launched two projects through IFC's pilot Innovation Fund to explore investment opportunities in clean water access and electronic waste recycling. The objectives of these projects are to identify barriers to growth for companies in these sectors, develop investment leads, and explore potential partnerships between World Bank Group stakeholders and external institutions to overcome development obstacles in these areas.

The **Cleaner Production** program supports the adoption of profitable cleaner production initiatives – such as energy efficiency and water conservation and recycling – among IFC's clients, thus setting an example and promoting demand for cleaner technologies. The program provides technical assistance of up to \$200,000 and typically shares the cost with the recipients. In FY08, we ramped up the program and hired two in-house cleaner production specialists. We launched the Cleaner Production Lending Pilot (CPLP) in FY07 jointly with an IFC investment department as an IFC investment facility with delegated authority, able to provide fast-track financing to firms willing to invest to improve the environmental footprint of their production. In FY08, the facility completed its first two investments for a total amount of \$7 million. This pilot offers loans of up to \$5 million each on a fast-track basis for existing IFC clients. The team has now trained approximately 200 IFC staff, including investment officers, environmental specialists, and industry specialists in Washington DC, Delhi, Mumbai, São Paulo, Istanbul, Mexico City, Johannesburg, and Beijing on how to reduce the environmental footprint of IFC's investment portfolio through investments in cleaner production. We are already seeing strong adoption of cleaner production advisory services across IFC as illustrated in the project portfolio, where we have 16 cleaner production projects; one in the pipeline and 15 under implementation. In FY08, 26 audits were completed of which nine were in Africa. Seven more are under implementation, mostly in energy intensive industries such as pulp and paper and saw mill operations. The completed audits in FY08 cost \$452,300 and identified \$8.6 million in potential annual savings with a required capital investment of \$10.2 million and an average payback period of 1.2 years. Implementation of the audit recommendations would also result in annual savings of over 27,900 tons of greenhouse gases, about 192,000 cubic meters of water and 51.1 million kWh. In addition, the two projects sponsored by the CPLP identified potential annual savings of \$2.3 million and 15,000 tons of GHG emissions avoided with a required capital investment of \$7 million. Not all recommendations are implemented and one of the challenge for the second phase of this program will be to refine the grant instrument to increase the adoption rate.

## Highlights

### Southeast Asia: Promoting Sustainable Underwater Logging

In FY08, IFC committed \$2 million in equity in Triton Logging, Inc., a Canadian integrated resource manager recovering high-quality timber from forests flooded by dam reservoirs using innovative proprietary technology. The investment would enable the company to expand its submarine logging activities internationally and establish seven operations in developing countries, including two in Malaysia over a five-year period. Existing underwater timber harvesting methods pull trees and roots out from the soil causing destabilization of the lake floor and significant sedimentation. In other cases, divers cut trees, which is dangerous and often results in fatalities. Triton's technology is remotely controlled and causes no disturbance to the stump and tree root mass, thus providing a less invasive, safer and more efficient alternative to current underwater harvesting methodologies used in developing countries. It can also tap vast underwater timber reserves estimated to be \$50 billion globally. The investment is expected to be disbursed in October 2008.

### Global: Increasing Clean Water Access in Underserved Areas

In FY02, a start-up company with a robust, energy-efficient, and low-cost water purification technology approached IFC for funding. We provided a \$60,000 technical assistance grant to help the company redefine its approach from selling equipment to selling water. In FY04, IFC invested \$1.2 million equity in WaterHealth International (WHI) as it had combined its water purification technology with a new "micro-utility" commercial approach. As the first institutional investor and with its reputation for rigorous appraisal, IFC catalyzed co-investment of \$1.35 million, thus enabling the company to expand to India. WHI's latest equity financing round was \$11.3 million and it received another \$4.3 million in bridge financing in April 2008. In FY08, WHI also received \$30 million in partial loan guarantees from Dow Chemical Company to significantly grow its operations in India. Today, over 600 WHI systems deliver clean water to more than one million underserved people in the Philippines, Sri Lanka, Mexico, Ghana, and rural India. IFC mainstream has now signed a mandate with WHI to explore a debt and equity investment of up to \$25 million in WHI and its Indian subsidiary, WaterHealth India (WHIN). IFC recently submitted the WHIN investment to the Reserve Bank of India for approval. If financial obstacles can be overcome, WHI could install community-owned WaterHealth Centres in over 2,000 villages and impact about 10 million rural poor by the end of 2009.

## Strategic Orientations

Cleaner Technologies will continue in FY09 to focus on making profitable investments in early stage suppliers of cleaner technologies, and may expand this from direct venture capital to investments via financial intermediaries. The team and its partners will also explore what technical assistance it can leverage to support the cleantech innovation chain in developing countries more holistically from incubators to initial public offerings. In addition, our aim in FY09 is to continue encouraging mainstream and follow-on investments in our existing portfolio companies that are mature enough to receive additional growth capital. Furthermore, we are working with IFC's South Asia region department to set up a cleantech team in what is considered one of the world's hot beds for technological innovation. The regional program is expected to increase efficiency and efficacy of local lead identification and screening, lead appraisal and supervision.

We are currently appraising a fuel cell project and an early-stage concentrating solar energy technology in China; a project that recycles electronic waste and a cleantech seed fund in India; and we are finalizing negotiations for two other projects: an investment in a sustainable submerged logging project in Southeast Asia that has global expansion potential and an investment in an electronic waste recycling company in India.

In FY09, the Cleaner Production team will focus its efforts more on co-generation, bio-gas, and pest management projects where IFC can add high value to its clients in terms of expertise and innovation.

# Gender Entrepreneurship

PORTFOLIO | Ongoing projects: 11 | Completed projects: 2 | Pipeline projects: 1 | Total: 14

IFC supports the participation of 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 inhibited from realizing their economic potential because of gender-based barriers, IFC's Gender Program works to create opportunities for women. The Program aims to mainstream this approach to gender into IFC's investments and advisory services, while helping to better leverage the untapped potential of women in emerging markets.

IFC's gender financing product combines IFC financial products and advisory services to financial institutions. Commercial banks are trained on how to identify, reach out to and work with women entrepreneurs. These women are trained to successfully apply for a loan and IFC adds to this an SME lending package of financing at commercial rates specifically for women entrepreneurs. Demand for this product has continued to grow during the past year; the advisory programs in Nigeria, Tanzania and Uganda together have resulted in lending volumes of nearly \$40 million made available to women entrepreneurs. In addition, IFC acted upon the invitation to replicate the approach within the context of IFC's Africa Micro, Small and Medium Enterprises Program, successfully introducing a women's banking program into NBS Bank Malawi. The Malawian case is a fine example of gender mainstreaming within the corporation, one that is likely to be rolled out across Africa and replicated in other parts of the globe where similar programs are being implemented.

IFC also works to redress constraints in the business environment of certain countries at the request of governments and private sector stakeholders, with a view to promoting the role of business women. Building on the previous Gender and Growth Assessments conducted by IFC's Gender Program, a legal and regulatory gender review was completed in Rwanda, as well as two Voices of Women Entrepreneurs publications in Rwanda and Bosnia & Herzegovina respectively. The success of this approach involves collaboration with IFC's Foreign Investment Advisory Services (FIAS) and Business Enabling Environment teams. More work needs to be done to integrate gender perspectives more widely within FIAS and in that context, IFC's Gender Program begun joint gender mainstreaming initiatives with FIAS colleagues in Liberia, Democratic Republic of the Congo and Burkina Faso. A pilot project in Tunisia, implemented jointly with the World Bank, aims to promote women as exporters in emerging markets by identifying ways to deliver export support services that better reach women entrepreneurs.

Finally, IFC is exploring how to help women entrepreneurs take advantage of business opportunities created by the supply chains linked to its investments. This effort is made in collaboration with IFC Linkages, which seeks to link local suppliers with large IFC clients in sectors such as extractive industries, general manufacturing and agribusiness. One approach is to promote gender diversity in the workplace to enhance firm performance. Another is the inclusion of women in community consultations to broaden the stakeholder outreach of IFC clients and ensure that women play leadership roles in their local communities. The lessons in the mining and agribusiness sectors are now ready to be rolled out to other industry sectors in IFC.

A milestone was reached when IFC management adopted, in November 2007, gender indicators to monitor gender-specific impact of all IFC industry sector investments via the Development Outcome Tracking System. DOTS aims to demonstrate and assess the developmental impact of IFC investments; the collection of sex-disaggregated data is intended to increase the awareness of industry departments and IFC clients of how to enhance development impact by better managing gender-specific dimensions of economic activity around their investments.

The Gender and Corporate Social Responsibility Reporting project was also launched during FY08. A partnership between IFC and the Global Reporting Initiative (GRI) in Amsterdam, the project aims to collect global best practice and develop standard indicators for gender and corporate social responsibility reporting. We hope to have a major influence on CSR reporting practices in the private sector in years to come.

## Highlights

### **DOTS: Tracking the Gender Dimension of Development Impact at IFC**

In March 2008, IFC Executive Vice President and CEO Lars Thunell presented the first IFC CEO's Gender Award to IFC's Development Effectiveness Unit. The award represented the culmination of a process started in November 2006 when IFC Senior Management mandated that projects better track IFC's contribution to its mission of shared growth and its commitment to the Millennium Development Goals. A subsequent review of the corporation's entire active investment portfolio in June 2007 revealed that only 3% of IFC projects contained a reference to gender. This resulted in an internal consultative process between the Development Effectiveness Unit, the gender team and the industry departments, resulting in the successful adoption of a set of standard gender-specific development indicators for all IFC investments. In addition to tracking aspects such as female employment, the indicators will also report on outcomes, such as the number of female and male patients treated through IFC supported investments in the health sector. The annual IFC CEO's Gender Award will be extended annually to an IFC team that has been exceptional and creative in advancing IFC's gender agenda.

### **Global Banking Alliance for Women: Growing Networks and Moving Markets**

The Global Banking Alliance for Women (GBA), regrouping 18 financial institutions that have or are developing a women's market strategy, held their 2007 summit in Uganda. It was the first time that this annual event was held in an emerging market, an important development since banks from emerging markets were only included in GBA as of 2005. The Uganda summit demonstrated the success of including these banks and the validity of the women's market approach. Being part of the GBA enables its members to get access to global best-practice, leading edge research, informal and structured mentoring, tools and templates, regular online communication, participation in study tours and the annual summit, as well as positive corporate social branding. The specific potential of the women's market has already been recognized beyond GBA members: IFC's Gender Financing product has resulted in the establishment of 3 new women's investment funds in Sub-Saharan Africa and in the creation of a Gender Award for the most gender-friendly bank by the Nigerian Bankers' Association. Reflecting the success of the GBA and its members' desire to ensure its sustainability, the GBA was incorporated as a society in 2008. While IFC's Gender Program will continue to support the GBA and make use of its expertise to expand its access to finance program, the GBA can now take even more advantage of its ability to grow its network and move markets.

## Strategic Orientations

IFC's Gender Program is now in its fourth year. Having achieved a successful demonstration effect and proving the business case for integrating gender in private sector development, the forward looking strategy is to replicate and scale up. To enhance access to finance for women, IFC will continue to expand its gender financing work in Africa whilst also continuing to innovate in areas not yet explored in other regions, particularly South East Asia and Latin America. A Gender Finance toolkit is being prepared to ensure consistent quality and maximize knowledge sharing across IFC, its clients and partners. A strategy to integrate gender in IFC's business enabling environment work is being pursued through the development of methodological guidelines in collaboration with IFC's Foreign Investment Advisory Services. Africa will continue to be a focus for work on the business enabling environment while the Pacific and South East Asia will represent new areas of collaboration. In the coming year, IFC will disseminate the first lessons learned on integrating gender perspective in corporate advisory work with IFC clients, based on its initial projects in the extractive industry and agribusiness. Together with the global project on Gender and Corporate Social Responsibility reporting, IFC stakeholders – both staff and clients – will receive the awareness and tools required to enhance their projects and create opportunities for the sustainable integration of women at all levels of the firm value chain. The Gender Program will also continue to maintain its high knowledge management output, in the form of guidance notes, case studies, toolkits, training presentations and the Gender quarterly newsletter.

# Social Responsibility

PORTFOLIO | Ongoing projects: 13 | Completed projects: 4 | Pipeline projects: 2 | Total: 19

Under Social Responsibility, IFC develops innovative business models aimed at enhancing the performance of private sector enterprises while improving the social condition of vulnerable groups. IFC also tests and demonstrates the business and social benefits that companies can achieve and encourages the private sector throughout emerging markets to embrace corporate social responsibility as a strategic business principle. The practice area currently focuses on three products: (i) Community Development Strategies; (ii) Corporate Social Responsibility (CSR) Strategies; and (iii) Competitiveness through Labor Practices.

As of June 30, 2008, the **Local Community Development & Stakeholder Engagement** program will be transitioning towards a next generation product, **Community Development Strategies**, in response to evolving global good practice and client demand for a new, more strategic business model of corporate community investment. Much of this year's focus was on closing out projects in the portfolio and distilling lessons that will feed into the new strategic direction going forward.

**CSR Strategies**, a new CSR advisory product, helps companies improve their business performance by aligning sustainability with the company's core business drivers and strategic priorities. Based on project pilots in the Philippines, India, Colombia, and Brazil, IFC has partnered with AccountAbility, a leading think tank in the CSR field, and Global Reporting Initiative, an international standard setter in sustainability reporting, to develop an integrated CSR service which includes strategic planning, management systems and sustainability reporting. The strategy component builds on a pioneering, self-assessment tool for emerging market companies that was developed by IFC, the UN Global Compact, AccountAbility, and the Boston College Centre for Corporate Citizenship ([www.gln-openaccess.org](http://www.gln-openaccess.org)).

IFC is also developing tools and processes for the private sector in emerging markets to seize opportunities accruing from progressive approaches to labor practices and human rights. Under the **Competitiveness through Labor Practices product**, IFC has partnered with the International Labour Organization to improve labor standards in global supply chains, through the development of global tools and country programs. Global tools include a website portal with labor information and a community of practice, a core labor standards self-assessment tool, a capacity-building package, labor model policies, and an integrated impact evaluation framework. In the area of **Business and Human Rights**, in collaboration with international experts and specialized organization, IFC is developing practical instruments to help companies assess human rights risks related to their operations, prevent and address any human rights infringements and integrate this dimension into their management systems.

## Highlights

### Addressing business risks and opportunities related to CSR issues

In January 2008, the new CSR strategic planning tool ([www.gln-openaccess.org](http://www.gln-openaccess.org)), which combines experiences and insights of leading multinationals, became available to emerging market companies. Based on this new tool, IFC implemented a pilot with a Brazilian company to design a CSR strategy aligned with business strategy. Via interactive workshops and meetings facilitated by IFC and local partner, Rever Consulting, the company's management carried out a strategic self-assessment to identify sustainability issues most relevant to their operations, in order to achieve a better alignment between CSR and the company's business objectives. The process will be taken further in October 2008 with a two-day workshop in São Paulo to provide the company with additional training on how to integrate specific CSR topics in their operations. Social Responsibility will continue to explore the deployment of CSR strategic planning in Brazil and other countries, including Colombia, India, China, and Russia.

## Terra Nova: Promoting Community Development through Social Entrepreneurship

During the fiscal year 2008, IFC initiated scoping activities to assess the commercial viability and socioeconomic impacts of Terra Nova's business model – one that provides a market-based solution to the issue of regularization and upgrading of informal settlements in poor urban communities in Brazil. While further work is needed to fully understand the socioeconomic impacts of the company's activities and help the company develop a more formal business plan and strategy, Terra Nova fills a market niche for underserved communities that holds potential for scalability. IFC will define the scope of its support to the company in collaboration with regional partners with a view to enhance various aspects of its business model, including environmental, social and business benefits to various stakeholders.

## Better Work: Helping companies to implement better labor practices

IFC formally launched a partnership with the International Labour Organization (ILO) in February 2007 and began implementing the Better Work program to improve labor standards and competitiveness in global supply chains. Of the three pilot country projects in the garment industry, Better Work Jordan, which will cover 54,000 workers, was officially launched in February 2008; Better Work Vietnam, expected to impact about 700,000 workers, will be launched in October 2008; and Better Work Lesotho is slated to begin in the late fall of 2008. In addition, Better Work is currently conducting an assessment of a potential expansion into agribusiness in Africa, particularly in floriculture, horticulture and coffee in Kenya, Uganda and Tanzania. Better Work will also start testing some of its tools in the apparel industry in Haiti in early 2009.

## Providing companies with practical tools to address human rights challenges

IFC and the International Business Leaders Forum have released a draft of the *Guide to Human Rights Impact Assessment*. This draft is currently being road tested with several companies from various sectors. A final version of the Guide – including the lessons learned and best practices from the road testing phase – is expected in early 2010. In collaboration with a working group made of representatives from the Voluntary Principles on Security and Human Rights, IFC has conducted a scoping assignment for the development of an Implementation Guidance Tool providing companies with an improved ability to integrate the VPs into their security policies, operations and management practices. IFC also supported regional consultations for the creation of a Business and Human Rights Institute aiming to reinforce the global network of expertise in this field, bringing together mechanisms and tools to address specific challenges and provide a neutral space for companies to discuss human rights issues for solution seeking and generic learning.

# Strategic Orientations

Social Responsibility's strategy in FY09 will focus on consolidating and scaling up its three existing core products. We are also looking at developing Terra Nova, a new commercially viable business model with high development impact and scalability potential but which faces significant market barriers. In Community Development Strategies, the work will increasingly focus on developing and disseminating a new business model for community investment – one that incorporates strategic planning, tri-partite approaches, and corporate management practices to promote measurable social returns to both companies and local communities. IFC is gearing up to produce a Global Good Practice Toolkit to respond to demand for strategic guidance and practical tools from its regional offices and clients. The Toolkit and accompanying web portal are expected to be completed in 2009. In CSR Strategies, IFC will continue working with global and local partners to develop CSR Strategies tools and building the capacity of IFC clients to integrate sustainability in core business operations. In Competitiveness Through Labor Practices, IFC along with ILO will continue to expand to other countries and industries and work to make the tools available to single enterprises operating outside of Better Work countries. Finally, considering the growing importance and recognition of the business and human rights agenda at the international level, IFC, in close collaboration with private companies, NGOs, international institutions and experts – among whom the Special Representative of the UN Secretary General on Business and Human Rights – will continue to support and develop innovative tools, approaches, and dialogue on this issue.

# Sustainable Energy

PORTFOLIO | Ongoing projects: 20 | Completed projects: 4 | Pipeline projects: 5 | Total: 29

The Sustainable Energy team promotes market solutions for the adoption of renewable energy and sustainable energy in developing countries. It does so by helping financial institutions support such technologies, by moving the markets towards the delivery of more eco-friendly energy solutions, and by supporting IFC itself in identifying investment opportunities in these fields.

Early in the fiscal year, IFC published *Selling Solar*, an important account of the lessons from more than a decade of experience in promoting commercial solutions for photovoltaic systems in emerging markets. The key lessons included that each market defines affordability differently so providers need to identify the right market niches for their technology; that solar power remains expensive and is only one of many renewable energy solutions; and that returns on private equity are not currently sufficient for most investors. As a result, IFC has adopted a technology-neutral approach where the market is free to decide what technology meets best its demands for energy. The report is available at [www.ifc.org/sustainability](http://www.ifc.org/sustainability).

Our efforts to transform markets for sustainable energy had a high profile during the year with the expansion of Lighting Africa, a program designed to help transition the African off-grid market from fuel-based lamps to modern solutions like solar-powered LEDs. With a similar market-based effort, we hope to catalyze a new approach to distributed electricity generation and distribution services by supporting the markets in delivering a variety of cost-effective local solutions. Rather than taking the traditional approach of expanding the national grid – which has proven to have limited effect in markets where capital is scarce and where regulatory and institutional capacity is lacking – the markets could deliver smaller, enterprise-driven installations closer to the underserved populations with technologies such as mini-hydro, biomass, solar and geothermal sources of energy. Those two initiatives, Lighting Africa and PADGO, are described in more details in the *Highlights* section.

The work of the team to make IFC better at promoting sustainable energy was rewarded this year as the Corporation mobilized more than \$5 billion in clean energy investments, including just under \$1 billion in direct IFC investments in energy efficiency and renewable energy. This is due in part to the development of a tracking system that rewards staff for developing such opportunities. In the sector of financial markets in particular, IFC has adopted sustainable energy finance as a core, scalable business. Gradually, what had begun as a pilot supported by the Global Environment Facility is becoming standard practice for IFC. The success of IFC pioneering work with commercial banks to support self-sustaining markets for sustainable energy finance was recognized with the Green award of the World Bank Group, which was presented to the Sustainable Energy team of the Innovator.

# Highlights

## Lighting Africa

Lighting Africa is a program designed to encourage African and international lighting companies to provide modern, affordable off-grid lighting products that can compete commercially against and displace traditional lighting technology (kerosene, paraffin, candles, firewood), currently the only option for a large number of households and small businesses in Africa. The objective is to create a private sector-based, self-sustaining market for lighting products that will directly benefit very low-income households and small businesses, and reduce harm to the environment. It is a partnership with IBRD that is managed by a project team made up of staff from both institutions. The Program Manager based in Accra leads the team in the field. The first Global Conference on Off-Grid Lighting and Trade Fair was held in Accra, Ghana, from May 5<sup>th</sup> to 8<sup>th</sup>, 2008, with more than 500 participants attending. The Development Marketplace competition was a part of it and 16 winners out of a total of 52 finalists were selected for an award. The initial market research has started in five African countries in March 2008 and should be completed by November 2008. The interim results on the qualitative research were available in June and will be made public on the Lighting Africa web portal, which serves as the hub of the emerging modern off-grid lighting industry.

## PADGO: Portfolio Approach to Distributed Generation

The objective of this project is to improve access to cleaner and more reliable sources of energy for underserved populations, and to replicate the framework in other countries or regions. To do so, it provides management tools for off-grid energy generation and distribution (such as template agreements and contracts, performance standards for equipment, and financing opportunities) encouraging various parties (manufacturers, developers, operating companies, banks, rural communities) to enter the energy market while maintaining the quality of service and lowering transaction costs. A pilot was designed for Sri Lanka where a \$30 million risk sharing facility is being created to promote up to \$70 million of investments in clean energy assets such as mini-hydro, biomass and wind technologies over the next two years. Standard templates and contracts will be developed to make such transaction occur with lower transaction costs, and technical assistance will be undertaken to promote understanding of the new technology projects. IFC has committed its own resources alongside donor funds. With the appraisal completed, the project will be launched in the fall of 2008 in Sri Lanka. Donor money has leveraged substantial additional support: \$30 million IFC commitment, \$3.6 million from the Global Environment Facility (GEF), \$750,000 from Japan, and \$400,000 from Ireland. Scoping studies for PADGO replication in Southeast Asia are also planned in parallel with the pilot project launch in Sri Lanka. In the Philippines and Thailand consultant selection has ended, and work on the scoping study will begin in the fourth quarter of 2008. A new web portal will facilitate the global replication of IFC's pilot program supporting market-based, distributed generation energy access solutions.

# Strategic Orientations

The adoption of our innovative business models and the levels of investment thus generated illustrate the role that IFC can play in catalyzing the private sector as a vehicle for the transition to a low-carbon economy. In FY09, we will continue to play a key role in using IFC's position in the global economy, and engaging the network of private sector partners with whom we work. Building on the successes of FY08, we will focus the work of the sustainable energy practice area in four sectors in the coming year:

- Piloting new business models and technologies which hold promise for accelerating access to modern energy services and the transition to a low-carbon sustainable economy.
- Replicating promising business models and the adoption of emergent technologies which have been demonstrated in pilot activities to enable scale-up and self-sustaining market adoption. Primary focus will be on the PADGO and Lighting Africa program models.
- Putting in place knowledge management tools and instruments that facilitate scale-up and replication of successful business models and technologies across IFC globally and in emerging markets.
- Identifying synergies between water and energy conservation in order to mobilize the private sector as an agent for delivering water and energy services in emerging markets.

# Sustainable Investing

PORTFOLIO | Ongoing projects: 4 | Completed projects: 0 | Pipeline projects: 1 | Total: 5

Sustainable Investing refers to all investment techniques that integrate environmental, social and governance (ESG) value-drivers into financial research and investment decisions. IFC helps investors applying these techniques to their emerging markets portfolio to increase the capital allocated to environmentally and socially sustainable enterprises. Portfolio and private equity investors are the target audience with their total global equity capital of \$45 trillion in 2007.

At the outset of the program, IFC commissioned a baseline report, *Towards Sustainable and Responsible Investment in Emerging Markets*, which found that while the subject was of strong interest in specialized circles, only 0.1% (\$2.7 billion) of global capital in socially responsible investment was going to emerging markets. Furthermore, in the mainstream circle of emerging market asset management, awareness of the links between environmental, social and governance (ESG) issues and shareholder value was close to non-existent. IFC gave itself a target of increasing sustainable emerging capital to \$8 trillion by 2008. Initial findings from a large market assessment report commissioned in FY08 (see *Global Fund Manager Survey* in highlights) indicates that this number has been far surpassed.

IFC's work in the area of sustainability indices illustrates its catalytic role in this development. By drawing attention to the financial performance of companies with sustainable practices, the indices have generated significant awareness and data to help investors place their assets in those sustainable companies. The *Bovespa Sustainability Index* launched in 2005 in Brazil has several funds managed against it with estimated combined assets under management of \$191 million. The mainstream investor community is increasingly looking for diversification and risk management that emerging market sustainable investing can offer. What they still lack is the expertise, investment techniques and vehicles to do so and this is where IFC will continue to focus its efforts. Large investor knowledge networks such as *Who Cares Wins* launched in 2004 by the UN Global Compact in collaboration with IFC and the Swiss government have also been important forums to generate increased awareness amongst mainstream investors. A final assessment report of the market progress since the launch of *Who Cares Wins* is due in late 2008.

Even with this encouraging progress, major challenges remain if sustainability factors are to become a fundamental component of private sector institutional investing and achieve the dual goal of alleviating poverty and generating long-term returns. Meeting these challenges will require continued action at government, community and corporate and investor levels.

In FY08, IFC expanded its Sustainable Investing team to ramp up its work with market actors. IFC addresses key barriers, such as lack of investment research, tools, and knowledge amongst asset managers so as to enable long-term investment strategies in emerging markets. In FY08 we have worked to gather market data to take stock of how far we have come and how we continue to effectively move the agenda forward.

# Highlights

## Capturing Value through Enhanced Research

In FY07 IFC awarded a \$500,000 grant to the winners of its research competition *Capturing Value*, which aimed to increase the availability of ESG research on emerging market companies to portfolio investors.

In FY08 the Trucost/CLSA winning consortia produced the first environmental impact database covering all 650 companies in the MSCI Asia ex-Japan index. It is now being used by one of the largest brokers in Asia, CLSA, in their equity research for those companies and sectors. The database, launched in December 2007, was also used to create the first carbon intensity analysis of Asian investment funds, revealed in the *Carbon Counts Asia 2007* report and launched at the UN Client Change Conference in Bali.

Additionally, the CRISIL/S&P/KLD consortia created the first sustainability index in India, launched in January 2008, and the first comprehensive database of ESG data covering 500 Indian companies. The index and database already have two major subscribers, with more clients expected within a year. The index launch has generated replication initiatives and requests in other emerging markets, notably in the Middle East.

## Fund Manager Capacity Building – The SME Sustainable Opportunities Initiative (Africa)

IFC reached agreement with private equity fund manager Aureos to pilot a project helping fund managers identify and provide financing for environmental and social risks and opportunities in their portfolios. The project will work across Aureos' 20 funds, focusing on Africa, and thus target approximately 150 small and medium enterprises. Aureos has put forward a pipeline of potential improvement projects ranging from energy efficiency and waste recycling to sustainably sourced material and working capital for social improvement projects. The first sub-project has received assistance (Athi River Steel Plant Ltd, Kenya). In addition to the support for the individual SME's, the project's objective is to generate best-practice tools and case studies that can be of benefit to the entire private equity industry.

## Global Fund Manager Survey

In addition to a comprehensive investment data analysis, taking stock of the size and flows of sustainable portfolio capital into and within emerging markets, the *Study on Sustainable Investing in Emerging Markets* produced by Mercer will assess and rate fund managers in emerging markets based on their capacity to incorporate environmental, social and governance factors into their investment process. The study is surveying emerging market fund managers globally, complemented by in depth research in markets such as China, India and Brazil. Through this research, IFC wants to raise the awareness of asset owners and fund managers and their understanding of sustainable investing. It also aims to highlight current investors' demand for sustainable investing products. The report will be available in early 2009.

# Strategic Orientations

The FY09 work program is structured around three main products:

- Investment research and indices: building the capacity of the private sector to report and disseminate information on the environmental and social performance of emerging market companies through investment research, indices, ratings and other knowledge tools.
- Sustainability-related investor engagement: work with investors, government policy makers, regulators, industry associations and market leaders to raise awareness and create tools to catalyze the development of financial models and standards that integrate sustainability criteria into capital market operations.
- Sustainable investment vehicles: work with fund managers and institutional investors to develop and test innovative investment vehicles that channel investments into sustainable companies.

The team has also started a new project that will deliver country-based strategy reports for the largest emerging capital markets of Brazil, India, Russia, China and South Africa. The reports will include recommendations for strategic interventions specific to those markets, and targets for the team in each of them. Reports for Brazil and India are expected by the end of 2008.



# Portfolio of Projects

This is the complete projects portfolio of the Sustainability Business Innovator as of June 30, 2008. It includes ongoing projects, projects closed during FY08 and the pipeline of considered projects. An overview of the portfolio distribution since the creation of those environmental and social activities is also included in the form of three tables accompanying the FY08 portfolio overview.

## Definitions

<b>Geographic Focus</b>	The region or the countries in which the project is implemented.
<b>Donor funding</b>	The amount of donor funding that the Innovator has committed to the project.
<b>Donors</b>	The donors that have provided funds for this project or projects of this type. Funds from a particular donor may or may not have been used, but their contribution has enabled the Innovator to do this project.
<b>Practice area</b>	The theme under which a project is managed in the Innovator.
<b>Project cost</b>	The total cost of a project when contributions from partners other than the Innovator and its donors are included.
<b>Start date</b>	The date at which the project has started spending donor funds.
<b>Description</b>	The description of the project and its objectives
<b>Status update</b>	The recent developments in an active project.
<b>Results</b>	The results of a project that was completed during this fiscal year.

## Legend

Ongoing	Completed	Pipeline
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The projects are grouped by region, then by status, then by practice area

- The ongoing projects were active and not closed during the fiscal year 2008.
- The completed projects were closed during the fiscal year 2008.
- The pipeline project had an early description approved internally as of the fiscal year 2008.

## FY08 Portfolio Overview

These tables report the distribution of the portfolio of ongoing, completed and designed projects in FY08.

### Regional portfolio by practice area

	Global and multi-regions	Sub-Saharan Africa	East Asia & the Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Total
<b>Biodiversity</b>	6	3	5	1	4	1	0	<b>20</b>
<b>Cleaner Technologies</b>	4	7	4	1	5	1	5	<b>27</b>
<b>Gender Entrepreneurship</b>	3	8	0	1	0	2	0	<b>14</b>
<b>Social Responsibility</b>	8	3	1	2	3	0	2	<b>19</b>
<b>Sustainable Energy</b>	9	3	4	7	2	2	2	<b>29</b>
<b>Sustainable Investing</b>	5	0	0	0	0	0	0	<b>5</b>
<b>Total</b>	<b>35</b>	<b>24</b>	<b>14</b>	<b>12</b>	<b>14</b>	<b>6</b>	<b>9</b>	<b>114</b>

### Regional portfolio by status

	Global and multi-regions	Sub-Saharan Africa	East Asia and the Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Total
<b>Ongoing</b>	26	19	10	10	14	2	6	<b>87</b>
<b>Completed</b>	5	1	2	1	0	3	1	<b>13</b>
<b>Pipeline</b>	4	4	2	1	0	1	2	<b>14</b>
<b>Total</b>	<b>35</b>	<b>24</b>	<b>14</b>	<b>12</b>	<b>14</b>	<b>6</b>	<b>9</b>	<b>114</b>

### Status of portfolio by practice area

	Ongoing	Completed	Pipeline	Total
<b>Biodiversity</b>	17	2	1	<b>20</b>
<b>Cleaner Technologies</b>	22	1	4	<b>27</b>
<b>Gender Entrepreneurship</b>	11	2	1	<b>14</b>
<b>Social Responsibility</b>	13	4	2	<b>19</b>
<b>Sustainable Energy</b>	20	4	5	<b>29</b>
<b>Sustainable Investing</b>	4	0	1	<b>5</b>
<b>Total</b>	<b>87</b>	<b>13</b>	<b>14</b>	<b>114</b>

IFC's fiscal year runs from July 1 to June 30<sup>th</sup>.

The ongoing projects were active and not closed during the fiscal year 2008.

The completed projects were closed during the fiscal year 2008.

The pipeline project had an early description approved internally as of the fiscal year 2008.

## Historical Portfolio Overview

This represents the distribution of the portfolio of projects since the beginning of each practice area.

### Regional portfolio by practice area

	Global and multi-regions	Sub-Saharan Africa	East Asia & the Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Total
<b>Biodiversity</b>	10	4	5	2	9	1	0	31
<b>Cleaner Technologies</b>	6	9	5	4	9	2	5	40
<b>Gender Entrepreneurship</b>	5	15	0	1	0	3	0	24
<b>Social Responsibility</b>	10	11	10	4	6	0	10	51
<b>Sustainable Energy</b>	10	5	6	12	6	6	4	49
<b>Sustainable Investing</b>	14	5	5	9	7	1	3	44
<b>Total</b>	55	49	31	32	37	13	22	239

### Regional portfolio by status

	Global and multi-regions	Sub-Saharan Africa	East Asia and the Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Total
<b>Ongoing</b>	26	19	10	10	14	2	6	87
<b>Completed</b>	25	26	19	21	23	10	14	138
<b>Pipeline</b>	4	4	2	1	0	1	2	14
<b>Total</b>	55	49	31	32	37	13	22	239

### Status of portfolio by practice area

	Ongoing	Completed	Pipeline	Total
<b>Biodiversity</b>	17	13	1	31
<b>Cleaner Technologies</b>	22	14	4	40
<b>Gender Entrepreneurship</b>	11	12	1	24
<b>Social Responsibility</b>	13	36	2	51
<b>Sustainable Energy</b>	20	24	5	49
<b>Sustainable Investing</b>	4	39	1	44
<b>Total</b>	87	138	14	239

## Global and Multi-Regions

Biodiversity and Agricultural Commodities Program (BACP)			
Geographic focus	Global	Practice area	Biodiversity
Donor Funding	\$8,749,288	Project Cost	\$21,699,584
Donors	GEF, IFC, Japan, Italy, Luxembourg, Netherlands, Norway	Start Date	2004-07-01
Description	The project supports global market-transformation efforts and the adoption of better management practices related to biodiversity in four target commodity sectors: palm oil, soybeans, sugarcane, and cocoa. The objectives are 1) a strong enabling environment 2) the implementation of biodiversity-friendly practices into production and on-farm processing 3) a significant increased mainstream demand for traders, off-takers, processors, and other purchasers and 4) recognition by financial institutions of the economic benefits of biodiversity-friendly production methods and practices.		
Status update	The five-year-Biodiversity & Agricultural Commodities Program (BACP) was officially launched in FY 2008. The beginning of the year was marked by approval for a grant from the Government of Japan to co-finance the management component of the BACP. Soon after, IFC and Chemonics International signed an agreement concerning the management of BACP-Phase 1 for US\$1.7 Million. IFC finalized a Grant Agreement for the implementation of the M&E component with Ecoagriculture Partners (EP). BACP Steering Committee was established with the following seven members: Oscar Chemerinski, Director, IFC Agribusiness- Chairman Anne Casson, Expert in Biodiversity in the Production Landscape Nicole Glineur, GEF Secretariat Motoko Aizawa, IFC's E&S Standards Steven Jaffee, Agriculture and Rural Development ARD, IBRD Vengeta Rao, Secretary - General, RSPO Elia Roumani, IFC Agribusiness. The Steering Committee's inaugural meeting was held in March, at which time they approved the Terms of Reference, as well as the "Market Transformation Strategy for Palm Oil" and the overall BACP Project Selection Criteria. The BACP was officially launched in Bonn, Germany, at the Ninth Conference of the Parties of the Convention on Biological Diversity (CBD COP9), on May 28, 2008. Approximately 50 people attended the event including government delegates, NGOs, certification entities, WB and GEF staff, etc. The M&E Unit (EP) and BACP Project Management Unit (Chemonics) have been begun implementation of the program including development of a detailed M&E program; an implementation manual and an RFP in the palm oil sector.		

Better Management Practices in Sugar Cane			
Geographic focus	Global	Practice area	Biodiversity
Donor Funding	\$275,000	Project Cost	\$275,000
Donors	GEF, South Africa, Luxembourg	Start Date	2008-02-15
Description	The project develops a best management practices (BMP) manual and knowledge tools to document and share state-of-the-art practices to manage and mitigate environmental and social risks in sugarcane production, and to document costs and benefits of BMPs to improve the business case and incentives for sugar market transformation. The objective is to improve the sustainability of the sugarcane supply chain, and provide the basis for a new global standard in sugarcane production.		
Status update	This project was recently approved. The manual will document the environmental and social benefits of BMPs in order to improve the business case and incentives for sugar market transformation and provide the basis for a new global standard. The project will be conducted in collaboration with the Better Sugarcane Initiative which is the sugarcane 'roundtable' currently developing the principles, criteria and indicators for an emerging conformity assessment protocol.		

Biodiversity Offsets Program			
Geographic focus	Global	Practice area	Biodiversity
Donor Funding	\$493,062	Project Cost	\$1,155,462
Donors	IFC, Luxembourg, Netherlands	Start Date	2007-12-07
Description	The project is a component of a larger program addressing biodiversity conservation. The long-term objective of the program is to strengthen the development of an international market-based mechanism for biodiversity conservation based on caps and credits; the short-term objective of this initial component is to create experience and methodologies that will contribute to the international dialogue on, and acceptance of, biodiversity offsets as a valid means of compensating for residual and unavoidable damage to biodiversity resulting from an investment project.		
Status update	The Business and Biodiversity Offsets Program (BBOP & sponsor) has achieved the following: Presentation at the ninth Conference of the Parties of the United Nations Convention on Biological Diversity (COP9) to promote the use of biodiversity offsets as a conservation tool. The Parties acknowledged the concept and recognized its growing importance, but could not achieve consensus on language to clearly encourage its use, as had been expected by BBOP. The first draft of the design and implementation methodology for biodiversity offsets was completed and is out for public consultation. One new pilot project was incorporated to BBOP.		

Bio-Trade Program			
Geographic focus	Global	Practice area	Biodiversity
Donor Funding	\$2,350,000	Project Cost	\$3,950,000
Donors	IFC, Denmark, Netherlands	Start Date	2008-05-15
Description	The project supports the institutional development and financial consolidation of the Union for Ethical Biotrade as the vehicle for definition, verification, market development, promotion, and differentiation of sustainable biodiversity-based products. The objective is to contribute to the reduction of poverty and the conservation of biodiversity through the development and growth of the biotrade market, including its enabling environment and private sector entrepreneurs.		
Status update	The grant agreement was signed with the Union for Ethical BioTrade in May 2008. The first disbursement was made in June, 2008.		

Conservation International 2			
Geographic focus	Global	Practice area	Biodiversity
Donor Funding	\$990,000	Project Cost	\$6,7200,000
Donors	GEF	Start Date	2005-02-01
Description	The project promotes Conservation International's Verde Ventures conservation finance program. The objective is to invest in at least 15 SMEs that will conserve and protect biodiversity and provide employment and social benefits to their communities.		
Status update	The latest progress report is for the period ending in March 2008. To date EBFP has disbursed to CI for Verde Ventures (VV), in this second phase of collaboration, a total of US\$ 787,708 (US\$750,000 - loan; US\$37,708 - technical assistance (TA)). EBFP funding has helped CI mobilize US\$3,775,000 in loans and US\$ 170,000 in technical assistance from third party sources (i.e other than CI). As of May 15, 2008, VV managed to raise TA funding in the amount of US\$ 855,302 from partners (excluding EBFP's TA). All SMEs supported through this contribution are current on their financial obligations -though some are negotiating a restructuring plan with VV- and two companies made some early payments. The biggest challenge is for VV to identify appropriate local organizations, which can generate appropriate baseline reports, and later on carry out an M&E plan, focused on social and environmental impacts. VV disbursed a grant to one of the most recently supported SMEs to complete its monitoring plan. Additionally, VV received the socio-economic baseline for Rainforest Expeditions. The research team that conducted the monitoring in Perú has been leading a training course on monitoring techniques for students from many local research institutions. The lead researcher also started to transition the project to local partners; this project has proven to be a great success for local capacity building. Wildlife Works' ecofactory in Kenya has been focusing its production to supply UK business to offset slow sales in the US; in terms of biodiversity impacts in 2007 a drop in the number of snares was noted and human-wildlife conflict has decreased, even though wildlife numbers have been steadily increasing.		

Water Health International			
Geographic focus	Global	Practice area	Cleaner Technologies
Donor Funding	\$1,329,329	Project Cost	\$1,329,329
Donors	Denmark, Norway, Italy, Netherlands, IFC, Luxembourg	Start Date	2004-08-25
Description	The project is an equity investment, part of financing for WaterHealth International, a company that provides clean drinking water to underserved rural and peri-urban populations in emerging markets. Objectives include building a management, sales and marketing, and service maintenance infrastructure in the Philippines; developing a service and maintenance partnership with a local affiliate company in Ghana; and expanding to other countries, such as India and Mexico.		
Status update	In FY08, the company received \$30 million of loan guarantees from Dow Chemical Company in September 2007 and an additional \$4.3 million in bridge financing from Dow, Sail and Acumen in April 2008. In FY09, mainstream IFC may extend a loan to WHI's Indian subsidiary and participate in the Series D equity round that is expected to close in fall 2008. So far, a mandate letter and indicative term sheet have been signed and IFC has submitted the proposal to the Reserve Bank of India for approval. Through IFC, the company may also be able to access local bank loans. IFC's loan is needed to overcome challenges in customer financing availability as Indian financial institutions still have conservative risk appetites. In FY08, WHI expanded its India work force significantly, successfully recruited local and global senior managers, education personnel in the Philippines, and a project engineer in Ghana. It is also working on improving its capacity and efficiencies, particularly in India. In December 2008, WHI inaugurated its first system in Ghana. Currently, it has approximately 610 systems installed globally impacting more than 1 million underserved poor around the world.		

Cleaner Production Technical Assistance Rapid Response Pilot			
Geographic focus	Global	Practice area	Cleaner Technologies
Donor Funding	\$200,000	Project Cost	\$225,000
Donors	Denmark, Norway, Italy, Netherlands, IFC, Luxembourg	Start Date	2007-06-01
Description	The project provides rapid deployment of advisory services to identify cleaner-production improvement opportunities in the design of projects in IFC's mainstream investment pipeline. The objective is to include such opportunities in the financing of IFC's mainstream projects, enhancing their environmental and social performance; and to deliver a timely response to maximize the development impact of such investments.		
Status update	During this supervision period selection of consulting firms was carried for the Global Cleaner Production Technical Assistance Program. The selection committee consisting of Sr. Environment Specialist and two CP specialists selected five consulting firms to be issued Indefinite Delivery Agreements. The selected firms are: (1) Enviro Consulting Ltd, UK; (2) Ecofys Netherlands B.V, Netherlands; (3) DTI & COWI, Denmark; (4) Pöyry Energy Oy, Finland; and (5) Hudson Technology, USA. Enviro, Ecofys and DTI & COWI have experience in broad range of industrial sectors which include food & drink, building, warehouse, retail, paper, electronics, coating, cement, automotive, cement, chemicals, pharmaceuticals, steel, leather, tanning, and agribusiness. Poyry has in-depth experience in the forestry and forest products industries which also includes power generation from bio-mass Hudson technologies is a specialized firm which deals with energy efficiency audits. All of the firms have recently been issued their WB group vendor identification, and are resubmitting updated CVs as per the GSD requirement. Once all the information is complete the procurement will begin.		

E-Waste Management - Global			
Geographic focus	Global	Practice area	Cleaner Technologies
Donor Funding	\$266,973	Project Cost	\$266,973
Donors	Denmark, IFC, Luxembourg, Netherlands, Norway	Start Date	2008-05-01
Description	The project is a global market assessment of electronic waste generated from production and consumers. The objective is to identify a proactive approach to reducing ecosystem degradation and soil and groundwater contamination resulting from incineration and dumping of electronic waste in landfills.		
Status update	(i) The Consulting firm started its assessment of the global e-waste market in June 2008. (ii) - An interim report covering a preliminary market assessment, market analysis (overview, e-waste feedstock, and cost analysis), and e-waste regulations was submitted to IFC by end of June 2008. (iii) The second part of the report is expected to be delivered by the end of Sept., 2008.		

Greenhouse Gases Impact Model			
Geographic focus	Global	Practice area	Cleaner Technologies
Donor Funding	\$250,000	Project Cost	\$250,000
Donors	IFC	Start Date	2008-03-01
Description	The project develops an analytical base and a set of data to be used for evaluating longer-term investment strategies in a context of greenhouse gas (GHG) emissions reductions for a country or a region. The objective is to assist IFC policy makers in shaping a sustainable investment portfolio by region or sector, based on GHG implications.		
Status update	A consultant with the right expertise has been identified. IFC has developed the objectives of the study and the methodologies are under development. The beginning of the project has been delayed due to the intellectual property concerns of the consultant and delay in prior research that will be one of the bases of the project.		

Global Water Access			
Geographic focus	Global	Practice area	Cleaner Technologies
Donor Funding	\$239,000	Project Cost	\$239,000
Donors	Denmark, IFC, Luxembourg, Netherlands, Norway	Start Date	2008-02-15
Description	The project completes two diagnostic reports—1) a market review of players providing access to water for the underserved; and 2) a diagnostic of financial institutions and financing mechanisms of water delivery models—to identify an approach to IFC's deeper involvement and potential leadership in a growing segment of the water sector. The objective is to develop an informed approach to assess and design financial instruments, such as a risk sharing facility.		
Status update	In FY08, IFC launched a global clean water access survey to identify promising clean water technologies/business models and analyze the economics of clean water supply, market considerations, and barriers to growth, while looking for potential opportunities with IFC's financial institution partners to increase access to financing in the clean water sector. A University of North Carolina consortium, including recognized leaders in the sector, was selected to implement the project in India, China, and East Africa. In June, a kick-off meeting was conducted in Washington DC during which the consultants presented their project objectives, timeline, and ex-ante hypotheses to a group of World Bank Group stakeholders. The attendees had various perspectives on how this survey could add value to the WBG's services and product offerings in the water sector. It is expected that the survey will be completed and a dissemination event conducted in the next FY.		

## GEM Knowledge Management Products

Geographic focus	Global	Practice area	Gender Entrepreneurship
Donor Funding	\$315,000	Project Cost	\$315,000
Donors	IFC	Start Date	2006-12-01
Description	The project produces, publishes, and disseminates a variety of research materials and tools on gender issues in private sector development. The objective is to inform policy makers, women entrepreneurs, donors, and IFC staff, and to provide them with the tools to design interventions targeting women entrepreneurs, and potentially enabling replication of the interventions (with appropriate modification) across regions.		
Status update	GEM's activities under the Knowledge Management Project have helped increase external and internal stakeholders' awareness on gender as it relates to the private sector. Internally, there has been more demand for IFC's gender work as evidenced by requests from IFC regional departments in Bangladesh and Russia. Externally, GEM has been able to obtain donor funding from the Icelandic Government. On the research and publication front, highlights included publication of the UAE and Tunisia Women Entrepreneurship reports that were written by respective businesswomen associations and research centers as a result of previous GEM capacity building activities. Moreover, the Global Banking Alliance for Women now has a new, completely re-designed client-friendly website which will be officially launched in September. IFC's International Women's Day Celebration and Luncheon event brought together a panel of IFC's Women's Banking clients for knowledge-sharing within the institution and also launched the first annual IFC CEO Gender Award. External GEM knowledge events included attendance at and sponsorship of 2008 Globewomen Summit - the "Davos" for women - in Hanoi, Vietnam.		

## Gender Investment Index

Geographic focus	Global	Practice area	Gender Entrepreneurship
Donor Funding	\$200,000	Project Cost	\$200,000
Donors	IFC	Start Date	2008-04-15
Description	The Gender Investment Index is a pilot project conducts scoping exercises in one or two developed markets to explore the business case that companies that empower women have a superior stock performance, and thus deliver greater financial returns. The objective is to validate the feasibility of building a gender investment index in developed markets, potentially replicable in emerging markets at a later date.		
Status update	Funded through the Innovation Fund, the project will allow for future benchmarking of private sector companies on gender empowerment practices as well as influencing companies in realizing that investing in women owned enterprises or in companies promoting the status of women in their markets is good and profitable business. To carry the research and construct the index, GEM in collaboration with Sustainable Investing has selected Pax World Management Corporation (PAX) following a thorough competitive selection process.		

## Gender and Corporate Social Responsibility

Geographic focus	Global	Practice area	Gender Entrepreneurship
Donor Funding	\$275,000	Project Cost	\$325,000
Donors	IFC, Iceland	Start Date	2008-05-01
Description	The project partners with the Global Reporting Initiative (the only global, multistakeholder framework for sustainability reporting) to promote gender and corporate social responsibility (CSR) reporting at the global level-via research, consultations, and development of CSR guidelines, protocols, supplements, and resource guides. The objective is for more companies (including IFC investees) to understand the business case for gender inclusion and implement appropriate best practices to optimize the contribution of women in their organizations.		
Status update	With funding from the Icelandic Government, this project launched a Community of Practice (CoP) on Gender and CSR, a short-term research consultant was hired, and a competitive procurement process for a consulting firm was launched. In order to enhance knowledge management on the topic and facilitate multi-stakeholder communication, a Wiki on Gender and CSR was developed and posted on OECD's wikigender.		

Human Rights Institute			
Geographic focus	Global	Practice area	Social Responsibility
Donor Funding	\$120,000	Project Cost	\$290,000
Donors	IFC, Italy, Luxembourg, Netherlands, Norway	Start Date	2008-03-17
Description	The project entails extensive regional consultations with relevant local and international stakeholders regarding a potential Business and Human Rights Institute. The objective is a clear and comprehensive assessment of the possible role and functions of such an institute.		
Status update	Three regional consultations (Dehli, 4-7 February; Bangalore, 2-4 April and Nairobi 22-23 May) took place as scheduled and IFC has received the final reports. In total, approximately 130 representatives of regional and international companies and NGOs participated in these consultations.		

Better Work I (Global product development and pilot scoping)			
Geographic focus	Global	Practice area	Social Responsibility
Donor Funding	\$1,318,000	Project Cost	\$2,638,458
Donors	Luxembourg, Norway, New Zealand, Italy, Netherlands, IFC, Japan	Start Date	2006-09-01
Description	In partnership with the International Labor Organization, the project develops a global labor monitoring system, and participates in country pilot roll-outs involving discussions with labor authorities, capacity building for official labor inspectors and independent labor auditors, and training on labor best practices. The objective is to improve working conditions in global supply chains in various industries, including garment and footwear, plantations, electronic equipment, and light manufacturing.		
Status update	In FY08, Better Work completed the following global tools: a donor kit, eight good practice sheets, the enterprise assessment tool, and a 12 month modular training program curriculum for the apparel industry. Work also began on developing the Information Management System. The Global Team held a series of knowledge events, including an Infoshop event and a session at the IFC Sustainability Knowledge Week in April. Better Work Jordan was officially launched in Amman in February, together with representatives from the Ministry of Labor, USAID, the US Government, international buyers, unions and employers organizations. The event was covered by Business Intelligence Middle East. In Lesotho, all local stakeholders, including government, industry and unions have approved the project design and implementation. Better Work expects to implement the Lesotho pilot by late fall 2008. Better Work completed a final scoping mission to Vietnam in June 2008 and is currently finalizing the project proposal. The launch of Better Work Vietnam is scheduled for October 7, 2008.		

Better Work Impact Assessment Tool and Advisory Board			
Geographic focus	Global	Practice area	Social Responsibility
Donor Funding	\$393,000	Project Cost	\$768,352
Donors	Luxembourg, Norway, New Zealand, Italy, Netherlands, IFC	Start Date	2007-06-01
Description	The project develops a comprehensive monitoring and evaluation framework to assess the impact of the Better Work program, initially in three country pilots (Jordan, Lesotho, and Vietnam); it also supports establishment of a Better Work Business Forum. The objective is to assess the impact of Better Work on individual company performance, country and sector macroeconomic performance, and general human indicators in the target countries.		
Status update	This project is developing an impact measurement framework for the Better Work program to assess the effect of Better Work on (i) individual company performance, (ii) country/sector macro economic performance, and (iii) general human development indicators in the target countries. The project also intends to establish a Better Work Buyers Forum which will provide a forum for multinational companies in various industries to be involved in the project and to develop a global website which hosts an information management portal. In FY08, Tufts University completed many components of the impact measurement framework including a firm and worker baseline questionnaire, a draft experimental design related to private sector and human development impact, and finalized survey instruments based on field testing in Vietnam. Business for Social Responsibility (BSR) held the second Global Better Work Buyers Forum in April 2008 at the ILO in Geneva and held two conference calls with buyers sourcing in Jordan. The global website portal was completed and went live in May 2008.		

CSR Strategies			
Geographic focus	Global	Practice area	Social Responsibility
Donor Funding	\$1,100,000	Project Cost	\$1,500,000
Donors	IFC, Italy, Luxembourg, Netherlands, Norway	Start Date	2008-02-01
Description	<p>The project develops and implements a product to promote a performance-based approach to corporate social responsibility (CSR) among emerging market companies, and to help companies 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 objective is for companies to take a more strategic approach to CSR activities and to achieve the greatest benefits of these activities through effective communication.</p>		
Status update	<p>The Social Responsibility introduced a new product to promote an integrated approach to corporate social responsibility (CSR) among emerging market companies this year. To implement the product, Social Responsibility signed partnership agreements with two leading organizations: The Global Reporting Initiative, the international reference point on sustainability reporting and AccountAbility, a pioneering think tank in corporate accountability. Social Responsibility and its partners will develop tools and approaches for building the capacity of IFC clients aiming to help them improve their social and environmental performance while strengthening their businesses and increasing their accountability and transparency to stakeholders. A monitoring and evaluation framework will be built to track the links between CSR strategies and improvements in business and sustainability performance. The program will also build the capacity of IFC staff to act as brokers in guiding clients towards the most effective tools and services. The initial target regions selected are: Brazil, Russia, India and China in order to achieve a more coordinated impact and provide evidence of the potential for market transformation.</p>		

Human Rights Impact Assessment Roadtesting and Voluntary Principles Scoping			
Geographic focus	Global	Practice area	Social Responsibility
Donor Funding	\$425,000	Project Cost	\$772,000
Donors	IFC, Italy, Luxembourg, Norway	Start Date	2008-04-01
Description	<p>The project, in partnership with the International Business Leaders Forum, 1) road tests the draft Guide to Human Rights Impact Assessment and Management, and 2) scopes a new business and human rights tool to help implement the Voluntary Principles on Security and Human Rights. The objective 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 improve their economic and social performance by going beyond compliance requirements.</p>		
Status update	<p>Approximately 250 international companies from 14 different sectors have been contacted and asked whether they were interested in taking part in the formal roadtesting of the HRIA. Five have informally committed to road-test the HRIA and one MoU has been signed with Nokia. In April, IFC presented the HRIA at an IPIECA conference in Buenos Aires and at a US Global Compact Network event. Environment Resources Management (ERM) was selected to carry out the scoping on the Implementation Guidance Tool for the Voluntary Principles on Security and Human Rights. The desk research phase was completed in June and ERM sent a report summarizing its findings.</p>		

GEF Sustainable Energy Facility (REEF II)			
Geographic focus	Global	Practice area	Sustainable Energy
Donor Funding	\$20,264,389	Project Cost	\$104,264,389
Donors	GEF, Japan	Start Date	1997-12-02
Description	The project 1) increases the flow of seed capital to small and medium clean energy enterprises in developing countries; 2) facilitates the availability of later-stage growth capital; 3) acts as a catalyst and market change agent; and 4) supports capacity building and improved efficiency of organizations and individuals to carry on future transactions. The objective is sustainable growth in clean energy production.		
Status update	The SEF project was a restructuring of REEF, which had incurred costs of over \$ 1 million in management fees, without producing a project pipeline. REEF was therefore renamed SEF and restructured in 2005. In a period of 2.5 years (since restructuring in December, 2005), SEF achieved over \$13.5 million of investments in the very challenging arena of SMEs and sustainable energy investing. The first reflow payment of US\$ 1.443 million was received back from E+Co. Many experiences from PVMTI were used in the design of the incentive structure as well as other aspects of the relationship with E+Co. All sides have learned and grown with this experience, and especially we see SEF as a way in which we can promote SME based growth through delegation of authority, thus lowering transaction costs. A detailed report will be produced using external consultants in Q1-2009 to find out how the committed investments are doing. This will include taking a view on the restructuring, as well as on replication of this model. E+Co, the Fund Manager for SEF, has won the Sustainability Award for 2007 from the Financial Times. Replicability also needs to focus on the business enabling environment, which has been a key lesson from PVMTI and other initiatives that informed the restructuring of REEF.		

GEF Efficient Lighting Initiative (ELI) Tranche I & II			
Geographic focus	Global	Practice area	Sustainable Energy
Donor Funding	\$17,115,000	Project Cost	\$89,547,236
Donors	GEF	Start Date	1999-06-24
Description	The three-year project accelerates the development of the efficient lighting market in seven country markets by over five years, thereby reducing greenhouse gas emissions associated with providing electric lighting services in those markets. The objectives are to improve 1) market development (as measured by product availability, price per product, and number of products sold), and 2) impact (as measured by electricity savings and greenhouse gas emissions reductions).		
Status update	The ELI Product Quality Certification Institute profile has increased considerably at the global level. With increasing emergence of utility demand-side management (DSM) initiatives relying on bulk purchase of CFL lights, as well as a growing movement to phase out incandescent lighting, ELI services are in high demand. One particular success this year was the adoption by the Government of Australia of the ELI standards to underpin the complete phase-out of incandescent light bulbs in Australia. With the growth of demand for ELI, the trick is now in generating sufficient revenues from this situation to enable the Institute's self-sufficiency. That is the focus now as the Institute reaches the end of the IFC stewardship phase and soon moves off as a fully independent institution. ELI updated its business plan which lays out the pathway to independence of IFC support by end of calendar year. It gave a presentation during World Sustainable Energy Days 2008 (WSED08) in Wels/ Austria and was selected as Lighting Africa Development Marketplace Finalist 2008. ELI is also helping to shape the Asian CFL quality initiative as the Asian Development Bank invited ELI to participate in the forum in June, 2008 and in particular to the post-forum Regional Workshop on Harmonization of CFL Standards and Quality in Asia. ELI conducted an overview and revision to the current version of the certification documents based on the nearly two-year practice of the ELI certification program. The revised documents include ELI Certification Protocol and associated documents, ELI Application Form, ELI Fee Schedule and ELI Testing Laboratory Management Procedure, etc. The revised documents will be posted on the ELI website and become valid in May 2008.		

PADGO GEF Project			
Geographic focus	Global	Practice area	Sustainable Energy
Donor Funding	\$5,090,000	Project Cost	\$5,840,000
Donors	Japan, GEF, Ireland, IFC, Italy, Luxembourg, Netherlands,	Start Date	2007-08-27
Description	The project develops a framework to provide tools (such as template agreements and contracts, performance standards for equipment, and financing opportunities) to encourage various parties in Sri Lanka (manufacturers, developers, operating companies, banks, rural communities) to enter the energy market while maintaining quality of service provided and lowering transaction costs. The objective is to improve access to cleaner and more reliable sources of energy for underserved populations; and potentially to replicate the framework in other countries or regions.		
Status update	The PADGO initiative is being piloted in Sri Lanka where a \$30 million risk sharing facility (RSF) is being created to promote up to \$70 million in clean energy assets. These will use mini-hydro, biomass and wind technologies. Standard templates and contracts will be developed to make such transaction occur with lower transaction costs, and technical assistance will be undertaken to promote understanding of the new technology projects. This initiative has already received approval from IFC's investment committee, thus committing IFC's own resources alongside donor funds. The team has completed appraisal and the project is on schedule to be launched in the fall of 2008 in Sri Lanka. Donor money has leveraged substantial additional support. This includes \$ 30 million IFC commitment, \$3.6 million from the Global Environment Facility (GEF), \$750,000 from Japan, and \$ 400,000 from Ireland. Scoping studies for PADGO replication in Southeast Asia are also planned in parallel with the pilot project launch in Sri Lanka. In the Philippines and Thailand consultant selection has ended, and work on the scoping study will begin in Q4, 2008. In Indonesia, the project is currently on hold, but post discussions on lines similar to Thailand and Philippines, we could expect that the study would proceed there in Q1-2009.		

GEF Fuel Cell Financing for Distributed Generation Application-Phase 1			
Geographic focus	Global	Practice area	Sustainable Energy
Donor Funding	\$375,000	Project Cost	\$3,521,110
Donors	GEF	Start Date	2005-11-28
Description	The project supports market conditioning, regulatory reform, sustainable commercialization, and long-term financial viability of fuel-cell technologies in developing countries. The objective is to prove the environmental and economic benefits of fuel-cell technologies through an initial series of stationary power applications, and to lay the groundwork for the second stage of the project.		
Status update	The Fuel Cells initiative is meant to promote fuel cell use in stationary distributed generation mode in developing economies in two stages. During Stage 1, three grants of \$3 million each are to demonstrate fuel cell use in three distinct projects. The grants in Stage 1 are for cost buy-down while mass production of fuel cells is not occurring (hence costs are higher), so that companies interested in developing world markets can initiate quasi-commercial projects and gain market and product knowledge that will facilitate greater market penetration in Stage 2. During Stage 2, funds will be provided on grant or concessional credit terms in order to facilitate rapid market penetration. The product would already have reached certain price points, the early adopter phase would already have begun to show signs of moving towards more general adoption of the technology. Thus the initiative seeks to bring about market transformation through clean technology adoption. Such an endeavor faces many uncertainties including technology, macroeconomics and early start-up company dynamics during the early stages of technology implementation. One of the key benefits in engaging in Stage 1 (where a global RFP was issued to potential sponsors) is to learn from the due diligence of responding companies. Such learning is sometimes even more important when an award is not made, versus in cases where the diligence results in an award being made. Hence, though only 1 of 3 awards has been made, the due diligence undertaken (with detailed due diligence of 3 companies), has taught the team a lot about the state of the industry, as well as the dynamics of where it appears to be moving.		

SEGEF Portal			
Geographic focus	Global	Practice area	Sustainable Energy
Donor Funding	\$180,000	Project Cost	\$180,000
Donors	GEF	Start Date	2008-06-15
Description	The project facilitates the design and implementation of an information-sharing platform to underpin the work of the IFC global sustainable energy (SE) practice group, to support the development of SE lending markets through financial institutions (FIs). The initial-stage objective is to support the scale-up of FI-focused SE finance business by enabling access to accurate and relevant information on IFC's previous experiences in this area.		
Status update	The development of the portal is progressing according to the implementation plan. The consulting firm to undertake the design and development of the portal has started its work. The Corporate Relations team has conducted audience and tasks analysis, developed the navigation maps and the mark ups for the portal. The repository of all documentation related to Sustainable Energy product line has been created consisting of 200 files. The consolidated Advisory Services website has been chosen as the technical platform to house the SE portal as it is the only corporate wide platform that answers the technical and content needs of this project. The first bank roundtable in the Philippines, featuring Czech Bank partners from CEEF, is scheduled for July, 2008. The possibility of organizing additional bank roundtable is being discussed with LAC.		

SFMF Capturing Value Grant Competition			
Geographic focus	Global	Practice area	Sustainable Investing
Donor Funding	\$620,220	Project Cost	\$791,600
Donors	Luxembourg, Norway, Italy, Switzerland, Netherlands, IFC	Start Date	2006-03-29
Description	The project supports the development of sustainable investment research and service providers. The objective is to increase international and domestic portfolio investment in socially responsible publicly listed companies in emerging markets.		
Status update	The overall objective of this project was to increase the availability of sustainability research on listed emerging market corporations. The "Capturing Value Competition" invited open project proposals for achieving this objective, and there were two winners: CRISIL/S&P/KLD with a proposal to launch the first sustainability index in India, which would also create a database of sustainability data on Indian companies, and Trucost/CLSA with a proposal to create a database of environmental impact data for Asian companies outside of Japan, which would be used by CLSA in their equity research reports. S&P, CRISIL and KLD officially launched S&P ESG India Index at an event in January 2008 in Mumbai, attended by over 50 investment professionals and achieving at least 13 press mentions, including the Hindustan Times, Financial Express, and Economic Times. CRISIL has since been approached by parties in Dubai and Cairo to replicate the project. Trucost launched both their database of environmental impact data to a group of CLSA investment clients in Hong Kong, and a report "Carbon Counts Asia 2007" at the UN Climate Change Conference in Bali in December 2007. The report is the most downloaded feature ever published by Trucost, and received significant media attention in Asia. In the next phase of the project, CLSA will use Trucost data to publish equity research on Asian companies.		

Aureos GTAA			
Geographic focus	Global	Practice area	Sustainable Investing
Donor Funding	\$2,865,000	Project Cost	\$3,050,000
Donors	Luxembourg, Norway, Italy, Switzerland, Netherlands, IFC	Start Date	2007-04-01
Description	The project provides financial assistance to Aureos Capital Limited, a private equity fund management company, to implement health, safety, environmental, and social (E&S) improvement projects at its SME portfolio companies. The objectives are to 1) strengthen the company's capacity to evaluate E&S risks and opportunities in its portfolio companies in emerging markets; 2) improve overall operations of the SMEs through E&S improvements; 3) demonstrate the correlation of financial and E&S performance; and 4) promote replication of positive E&S practices by other private equity fund management companies.		
Status update	Since the signing of IFC's grant agreement with Aureos in February 2007, a pilot Sub-Project was approved by the Committee and the grant funding for the pilot sub-project was disbursed to Athi River Steel Plant Ltd. in Kenya. IFC increased its contribution to the project by US\$395,000. The grant agreement was amended to reflect this as well as the fact that future contributions from IFC will be in the form of loans or reimbursable grants.		

## Investor Outreach

Geographic focus	Global	Practice area	Sustainable Investing
Donor Funding	\$575,000	Project Cost	\$575,000
Donors	Luxembourg, Norway, Italy, Switzerland, Netherlands, IFC	Start Date	2007-03-19
Description	The project, which includes a half-day investor workshop and a thought-leadership survey, covers investor outreach, investor tools and training, and investment product R&D. The objective is to increase long-term sustainable investments in emerging markets.		
Status update	Sustainable Investing continued its objective of raising awareness on ESG issues to promote investing in emerging markets through the two following initiatives: i) Who Cares Wins (WCW) – The 2008 report will take stock of the lessons-learned during the WCW Initiative through two strategic dialogues with leading industry representatives. The first dialogue with representatives in the developed world took place in late June and the second focusing on emerging markets is scheduled for late August. The report will identify the key strategic challenges and priorities on which to focus in the coming years and will formulate recommendations for future work. The final WCW report is planned for late November 2008. ii) In association with the EIU, IFC conducted the first global emerging market survey of thought leader opinions on sustainable business practices and sustainable investment trends. In addition to an online investor opinion survey and interviews, four regional roundtables were held in London, New York, Hong Kong and Buenos Aires. The final report will be published at year end 2008.		

## Sustainable Investing Tools & Training

Geographic focus	Global	Practice area	Sustainable Investing
Donor Funding	\$1,100,000	Project Cost	\$1,170,000
Donors	Switzerland, Japan, IFC, Italy, Netherlands, Norway	Start Date	2007-05-01
Description	The project provides investor outreach, practical tools and training, and investment-product research and development to help participants invest in environmentally and socially sustainable companies. The objective is to increase long-term sustainable investments in emerging markets.		
Status update	This initiative provides portfolio and private equity investors the tools and training to enable them to integrate sustainability value-drivers into the investment process through the following four sub-projects: (i) Key Performance Indicators - The World Resources Institute was selected to research the sector-specific key performance indicators that should be monitored and reported by companies in South-East Asian countries and India. As part of the project, WRI will also partner with a leading equity research house in testing and utilizing the indicators in combination with financial analysis. Part one of the research identifying trends and current ESG reporting practices and regulations is due to be published in October 2008. (ii) Stock Exchange Forums: Launch and promotion of a Key Performance Indicators Report - a scoping study done with World Federation of Exchanges suggests organizing a high-profile Capital Market Day in Thailand, to potentially include forums or press conferences in Indonesia and/or Philippines. (iii) Investor Tools and Guidelines – A number of excellent proposals were received in response to a request for proposals to build a web-based environmental and social risk/opportunity assessment tool specifically for private equity investors. A consultant has been selected and work is due to start in September 2008. (iv) Private Equity (PE) Sustainability Workshops – Four regional private equity workshops will take place in Cairo, Hong Kong, Mumbai and Sao Paolo. The first PE workshop is scheduled to take place in Cairo in November 2008.		

## Eco-securities Research and Development

Geographic focus	Global	Practice area	Biodiversity
Donor Funding	\$194,742	Project Cost	\$194,742
Donors	UK	Start Date	2006-08-01
Description	The R&D project works with multiple stakeholders and focuses initially on the concept of asset-backed securitization of sustainably managed forest assets in developing countries. The objective is to enhance the pro-poor and biodiversity-development outcome		
Results	The draft report was completed and finalized with input from HSBC, DFID, Henderson Global Investment, and IFC. Henderson Global Investment dropped their sustainability activities, but the remaining institutions confirmed their interest in the following steps and discussions started to define a new collaboration arrangements and structure for next phase.		

BMP & Commodities - Phase 2			
Geographic focus	Global	Practice area	Social Responsibility
Donor Funding	\$238,032	Project Cost	\$322,832
Donors	Luxembourg, Norway, New Zealand, Italy, Netherlands, IFC	Start Date	2004-01-01
Description	The Phase 2 project establishes IFC's agribusiness department as a global resource on sustainability in emerging markets. The objective is for markets for selected agricultural commodities (at least cotton, sugar, soy) to have a defined set of better management practices, used by the financial community, institutional purchasers, producers, and others to inform and guide production practices.		
Results	The project was an important initiative to identify and promote the use of promising environmental and social Better Management Practices (BMPs) for four globally-traded commodities - cotton, palm oil, soy, and sugar. International trade, particularly from developing to developed countries, is growing rapidly for each of the four, and in each case agriculture expansion into new areas is threatening natural ecosystems, attendant biodiversity and ill-equipped communities. Agriculture commodity expansion, particular crops associated with biofuels, are getting increasing attention from environmental NGO's as well as product consumers. This project was developed in two phases which have promoted the formation of, and IFC's involvement in, multistakeholder processes including the agriculture commodity roundtables: Phase I (2004 - 2005) defined which agriculture commodities were susceptible to a Better Management Practices (BMP) approach and helped determine the nature and scale of key environmental and social issues. Phase II (2005-2008) supported the further development of the Better Sugar Initiative (BSI) and the Round Table for the Responsible Soy (RTRS) by providing financial support to WWF-US for the organization and conduct of seminal roundtable meetings. This phase also cofinanced development of case studies on the use of certification systems to improve the business case for the adoption of BMPs and independent certification systems. The roundtables have continued to draw new and diversified membership and each has successfully pioneered a unique multistakeholder process for the identification of key environmental and social market barriers to sustainable production and have become effective incubators of industry-wide BMPs now at various stages of codification for third party verification.		

Global Leadership Network			
Geographic focus	Global	Practice area	Social Responsibility
Donor Funding	\$265,000	Project Cost	\$377,150
Donors	Luxembourg, Norway, New Zealand, Italy, Netherlands, IFC	Start Date	2007-02-15
Description	The project promotes the Global Leadership Network. The objective is to make best-practice corporate social responsibility resources and tools (developed by and for leading CSR firms operating in Organization for Economic Co-operation and Development markets) available to an emerging-market audience.		
Results	The Global Leadership Network (GLN) project aims to make best practice Corporate Social Responsibility (CSR) resources and tools, developed by and for leading international firms, available to an emerging market audience. Highlights for this reporting period included a review of the GLN Open Access assessment tool to make it more user-friendly for emerging market companies, creation of a GLN Open Access portal, and preparation of a demonstration version of the assessment tool. The project also focused on building networks of IFC champions and company practitioners in Brazil, India, and China. In Brazil, an IFC client, Schahin has applied the tool with IFC's guidance and the support of a local GLN partner, Rever Consulting. The pilot is already showing promising results and will culminate in a 2-day IFC-led workshop with the company to develop a CSR action plan. In India, the Confederation of Indian Industries (CII) has been confirmed as an official GLN partner and a local IFC client has expressed interest in developing a CSR strategy using the GLN tool. In China, the GLN team is planning a training session with local partner, the Chinese Federation for Corporate Social Responsibility (CFCSR).		

## Human Rights Impact Assessment Guide

Geographic focus	Global	Practice area	Social Responsibility
Donor Funding	\$176,312	Project Cost	\$222,778
Donors	Luxembourg, Norway, New Zealand, Italy, Netherlands, IFC	Start Date	2005-05-01
Description	The project develops an introductory guide to human rights impact assessment. The objective is for the guide to be used across sectors by companies in the field.		
Results	IFC and IBLF finalized the road-testing draft of the HRIA in June 2007. This draft was developed based on feedback from businesses, national governments, NGOs, members of the Special Representative of the Secretary General on Business and Human Rights team, and international organization representatives (including the WB Group and the HRIA Advisory Committee). It was released on both the IFC and IBLF websites and was advertised internally via IFC's NewsFlash Plus and IFC's Newsflash email.		

## EBFP-Solar Energy Publication

Geographic focus	Global	Practice area	Sustainable Energy
Donor Funding	\$100,000	Project Cost	\$100,000
Donors	GEF	Start Date	2005-07-01
Description	The project produces a publication on business approaches of solar (photovoltaic) energy companies in developing countries. The objective is to share lessons learned and key success factors from IFC's projects.		
Results	The project entails generating a lessons learned publication called "Selling Solar: More than a Decade of IFC's Experience". The report draws on IFC's experience in exploring options for the commercialization of solar PV in the developing world for almost 20 years. In the early to mid-90s, IFC initiated several solar PV activities in partnership with other investors. Although these efforts could not overcome all the complexities of the solar PV market and have not always lived up to their original expectations, they have provided valuable lessons of experience that are documented in the report. This publication is in two parts. Part 1 describes the history of IFC's approach to solar PV and explains why IFC today has developed a different approach to addressing rural electrification. Part 2 provides detailed case studies on IFC's solar PV financing initiatives, as well as examples of some of the projects that these initiatives supported.		

## Public Private Partnership

Geographic focus	Global	Practice area	All
Donor Funding	\$205,000	Project Cost	\$342,986
Donors	GEF	Start Date	2007-04-23
Description	The project fosters public-private partnerships. The objectives are to 1) support further elaboration of platforms and mechanisms for private sector engagement (public-private partnerships or stand-alone projects); 2) support preparation of a proposal(s)		
Results	During the year, the grant funded work to support the development of a public-private partnership was completed. The grant supported a consultant and outreach process that included extensive consultation with Prize Capital and the GEF that helped to shape the presentation of a private sector strategy resulting in the formulation of a joint IFC/GEF program now called the Earth Fund. The genesis for this project was presented to the GEF Council in November 2007 and in a public presentation at the December 2007 Bali Climate Conference by IFC Environment Director Rachel Kyte and GEF CEO Monique Barbut. The concept evolved substantially over time on the basis of consultations with various private foundations and early stage investors and as revised was endorsed as the Earth Fund by the GEF Council in June 2008. This work resulted in the establishment of the GEF Earth Fund, which will be operational in FY09.		

I-Triton			
Geographic focus	Global	Practice area	Cleaner Technologies
Donor Funding	\$2,110,000	Project Cost	\$2,110,000
Donors	Denmark, IFC, Luxembourg, Netherlands	Start Date	2008-07-10
Description	The project supports the expansion of Triton's underwater logging operations in developing countries, starting with Malaysia. The objectives are: 1) to replace nonsustainable terrestrial timber harvesting; 2) to cause less lakebed damage and water turbidity than other approaches; and 3) to provide a safer logging method than harvesting with scuba divers.		

A Cleaner Production Allocation - Bavarian TF			
Geographic focus	Global	Practice area	Cleaner Technologies
Donor Funding	\$300,000	Project Cost	\$300,000
Donors	Germany	Start Date	2006-03-02
Description	The proposal aims at accelerating adoption of Cleaner Production techniques by IFC's clients, ultimately leading to implementation projects and/or capital expenditure investments in this area, through implementation of 5 to 10 cleaner production technical assistance projects.		

PADGO Knowledge Hub			
Geographic focus	Global	Practice area	Sustainable Energy
Donor Funding	\$550,000	Project Cost	\$550,000
Donors	IFC, Italy, Luxembourg, Netherlands, Norway	Start Date	2008-11-01
Description	The project develops a replicable knowledge framework for fostering an enabling environment for private sector market penetration in regions that seek to implement clean distributed generation projects—and for allowing the regions the to choose the elements of information they deem useful. The objective is to create a central knowledge hub that catalyzes growth of knowledge for these regions, and lets them learn from and add to the experience gained in developing and developed economies.		

Energy Storage			
Geographic focus	Global	Practice area	Sustainable Energy
Donor Funding	\$194,000	Project Cost	\$194,000
Donors	IFC, Italy, Luxembourg, Netherlands, Norway	Start Date	2008-03-15
Description	The project will be to survey the energy storage technologies and its applications, which will allow us to assess which specific energy storage options may benefit in particular our clients. The objective of the activity is to promote an innovative approach and value adding proposal for IFC clients in increasing energy efficiency (EE), renewable energy (RE) use and off-grid power solutions, and to improve sustainability of IFC projects through better understanding of energy storage systems.		

Geothermal World			
Geographic focus	Global	Practice area	Sustainable Energy
Donor Funding	\$443,000	Project Cost	\$443,000
Donors	Iceland, IFC, Italy, Luxembourg, Netherlands, Norway	Start Date	2008-03-15
Description	The objective of this scoping exercise will be to gain a comprehensive view of the opportunities to promote utilization of geothermal resources on global scale. The project will compile the information to structure a global support and investment program and to identify the priority regions to implement it.		

## Doing Sustainable Investment

Geographic focus	Global	Practice area	Sustainable Investing
Donor Funding	\$331,000	Project Cost	\$331,000
Donors	South Africa, IFC, Italy, Luxembourg, Netherlands, Norway	Start Date	2008-05-15
Description	<p>IFC's Sustainable Investing team has the mandate to deliver strategic market interventions aimed at increasing the sustainability of emerging market portfolio -and private equity investment. We estimate that our global objective as measure by the \$5bn target set in our strategy white paper in 2003 has now been achieved. It is therefore proposed that Sustainable Investing should now focus further on specific emerging markets, with a view to establishing country-based targets, objectives and action plans. Sustainable Investing prioritizes focus markets for projects on the basis of the following criteria: 1. Size and liquidity of the market, since the largest and most liquid markets attract the largest portfolio investment flows thereby providing opportunities for the highest-impact projects; 2. Existing sustainability initiatives, since this indicates market openness to sustainability concepts, which is an important indicator in estimating the success of Sustainable Investing projects. The objective of this project is to inform Sustainable Investing and management on the current state of development of sustainable investment in the largest and most liquid emerging capital markets, in order to establish whether there are any specific market failures to be addressed and the feasibility of further IFC interventions to stimulate each of these markets. Sustainable Investing will consult with each of the five IFC country managers for the countries proposed to be studied to ensure the project objectives make sense in each country, and whether the project should be held there given IFC regional strategy going forward. The measurable outcome of this project will be a number of strategic recommendations for Sustainable Investing projects in the countries studied, with targets for the program in each country (or otherwise the recommendation not to intervene in that country). The project will provide a number of country strategy reports for Sustainable Investing, which may eventually form part of a broader global report dubbed "Doing Sustainable Investment Report", comprising all country strategy reports for the top markets for Sustainable Investing focus as described in our strategy document FY08-FY10. The global compilation report may be externally published after editing, which may help to maintain IFC's profile as the leading sustainable investment institution in emerging markets.</p>		

## Sub-Saharan Africa

EBFP - Save Valley Wildlife Services Limited (SVWSL)			
Geographic focus	Zimbabwe	Practice area	Biodiversity
Donor Funding	\$567,000	Project Cost	\$567,000
Donors	GEF	Start Date	1999-05-18
Description	The project provides advisory services to Save Valley Conservancy (SVC) in Zimbabwe, to address ecological sustainability, economic sustainability, and sociopolitical sustainability. The objective is to restore the wildlife and recreate the original conditions of biodiversity for the conservancy.		
Status update	Save Valley ("SV") presented losses in the current reporting period. Land encroachment and high inflation have affected SVWSL's team ability to turn the Company's results around. Nevertheless, SVWSL has maintained a regular schedule of Technical Advisory Committee meetings, and has been acknowledged by the local Government as the "pilot" for the implementation of new shareholding arrangements to achieve indigenization of the country's conservancies.		

EBFP - Boundary Hill Lodge Limited			
Geographic focus	United Republic of Tanzania	Practice area	Biodiversity
Donor Funding	\$235,500	Project Cost	\$235,500
Donors	GEF	Start Date	2001-01-04
Description	The project provides assistance to the United Republic of Tanzania to establish an ecotourism industry. The objective is to create a sustainable livelihood source for the local community, and to conserve biodiversity.		
Status update	Although Boundary Hill Lodge Ltd. ("BHL" or the "Project") has largely achieved the expected environmental and social objectives, if taken in isolation BHL has attracted a disappointing number of tourists and has therefore been operating at a loss. BHL management, who is responsible for delays in completing the Project, lacks an effective marketing strategy to attract more clients. As of April 15th 2008, the company had accumulated an important amount of arrears. Given the significant underperformance of the Project, the IFC team is seeking to exit from this transaction as soon as possible, without jeopardizing the social and environmental benefits of the project.		

Global Forest Products (PTY) Limited			
Geographic focus	South Africa	Practice area	Cleaner Technologies
Donor Funding	\$147,128	Project Cost	\$272,136
Donors	Denmark, Norway, Italy, Netherlands, IFC	Start Date	2004-02-01
Description	The project assists Global Forest Products (GFP), a leading producer of lumber and panel products on the African continent, in maximizing value from its existing timber and land assets in South Africa by developing ecosystem services and nontimber forest product (NTFP) lines and businesses. The objective, among other benefits, is to develop new revenue streams from existing assets, and to enhance financial returns for a forest operator.		
Status update	In July 2007, the company was acquired by York Timber Organization. New management did not focus on implementation of project recommendations right away. GFP evaluated proposals from interested bidders in FY08 to implement the co-gen project. The company is now working with an engineering consortium to update the feasibility study and lead the registration process to become an Independent Power Provider. It is considering a biomass facility to generate electricity to be consumed by the company and potentially for sale to the grid or to local industries. The plant could also generate sizable GHG emissions avoidance if successful. On the botanicals front, the company has completed a nursery facility and village groups have been trained. Medicinal plants have been introduced and villagers are now utilizing vegetable gardens and organic gardening methods. The company manages 92,000 hectares of land of which 28,000 hectares are for conservation, natural heritage sites and roads.		

TPS			
Geographic focus	Kenya	Practice area	Cleaner Technologies
Donor Funding	\$32,000	Project Cost	\$34,450
Donors	Denmark, Norway, Italy, Netherlands, IFC	Start Date	2007-03-30
Description	The project assists Tourism Promotion Services East Africa Ltd. in undertaking a cleaner-production audit of three hotel operations in Kenya. The objective is to introduce measures for energy efficiency and water-use savings at the company's operations, and potentially to encourage other hotel owners and management companies in East Africa to adopt cleaner-production practices in their operations.		
Status update	The consulting firm, Ecofys has submitted final CP audit reports (late 2007) for the three TPS hotels in Nairobi, Mombasa, and Mara, which were satisfactory to the client and IFC, by their excellent quality. 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 US\$467,000 in operating cost savings p.a. The total investment in capex required to implement the audit's recommendations is estimated at US\$0.97 million for a pay back period of about 2 years. The project team has engaged with TPS' management to assess its satisfaction vis-à-vis the CP audit and the quality of work delivered by the consulting firm. The outcome was positive but no formal communication was delivered yet on whether TPS management intends to implement the audit's recommendations.		

IPS			
Geographic focus	Kenya	Practice area	Cleaner Technologies
Donor Funding	\$49,500	Project Cost	\$52,700
Donors	Denmark, Norway, Italy, Netherlands, IFC	Start Date	2007-02-01
Description	The project helps Industrial Promotion Services Ltd. with a cleaner-production audit of five of its subsidiaries involved in manufacturing operations in Kenya. The objective is to introduce measures for energy efficiency and water-use savings at the five subsidiaries' operations, and potentially encourage the management of other manufacturers and companies in East Africa to adopt cleaner-production practices.		
Status update	(i) The consulting firm, Ecofys has submitted final five CP audit reports (Feb 2008) for IPS' subsidiaries, Premier Foods (food manufacturer), Kenya Litho (printing company), Farmers Choice (pig and beef abattoir and producer of cured pork meats), Allpack (producer of corrugated cartons and woven polypropylene bags), and Frigoken (processor of beans which are steamed/parboiled then canned, bottled or frozen.). (ii) The audit identified significant saving opportunities of 28% or 78 million Liters of water, and 35% or 11.2 million Kwh of energy p.a., corresponding to US\$723,000 in operating cost savings p.a. If the audit's recommendations are implemented, this would impact the five companies' profitability in a significant manner. (iii) The total investment in capex required to implement the audit's recommendations is estimated at US\$1.3 million for a pay back period of about 1.8 years. (iv) The project team has engaged with IPS' management to assess its satisfaction vis-à-vis the CP audit and the quality of work delivered by the consulting firm. The outcome was very positive but no formal communication was delivered.		

Mille Collines			
Geographic focus	Rwanda	Practice area	Cleaner Technologies
Donor Funding	\$26,279	Project Cost	\$29,279
Donors	Denmark, Norway, Italy, Netherlands, IFC	Start Date	2007-07-01
Description	The project assists Hôtel des Mille Collines in undertaking a cleaner-production audit of its existing operation in Rwanda. The objective is to introduce measures for energy efficiency and water-use savings at the company's operations, and potentially to encourage other hotel owners and management companies in Rwanda and neighboring countries to adopt cleaner-production practices in their operations.		
Status update	The consulting firm, WSP, has conducted the CP audit of the hotel, Mille Collines, and produced a report in October, 2007 with various recommendations pertaining to energy and water savings. The report produced for Mille Collines identified potential savings of 25% of the electricity consumption (savings of US\$78,762) as well as 10% reduction in water use (savings of US\$4,500) annually. The overall capital cost equals to \$106,000 with an average payback period of 1.2 years. Interesting to note that improvement in lighting brings most energy savings (\$31,121 annually) with least capital cost (\$5,000) and fastest payback period of 6 months. The client was fully satisfied with the work undertaken by WSP. As of June 2008, the company has still not given an indication whether the recommendations made in the CP report would be implemented.		

Novanam Ltd.			
Geographic focus	Namibia	Practice area	Cleaner Technologies
Donor Funding	\$36,990	Project Cost	\$40,990
Donors	Japan, Denmark, IFC, Italy, Luxembourg, Netherlands, Norway	Start Date	2008-01-15
Description	The project provides advisory services to Novanam Limited in conducting a cleaner production audit of its fish-processing facilities located in Luderitz and Walvis Bay, Namibia. The objective is the introduction of energy-efficiency and water-saving measures at the company, and possibly encouraging other fisheries in Namibia and neighboring countries to adopt cleaner production practices.		
Status update	The implementation of the project has been delayed due to delay by the company reviewing and signing the grant agreement. The project is still pending a firm commitment from the client.		

Magadi Soda Ltd			
Geographic focus	Kenya	Practice area	Cleaner Technologies
Donor Funding	\$61,775	Project Cost	\$64,275
Donors	Japan, Denmark, IFC, Italy, Luxembourg, Netherlands, Norway	Start Date	2008-03-01
Description	The project assists Magadi Soda Ltd. with a pre-feasibility study of geothermal power generation. The objective is to determine whether the company can replace heavy fuel oil with clean energy using the waters of Lake Magadi.		
Status update	The consulting firm, SKM, was procured 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 clean energy source of geothermal waters of Lake Magadi. Draft report has been delivered in June, 2008.		

GEM Access Bank Nigeria Technical Assistance Program			
Geographic focus	Nigeria	Practice area	Gender Entrepreneurship
Donor Funding	\$350,000	Project Cost	\$850,000
Donors	IFC	Start Date	2006-06-01
Description	The project provides advisory services in support of a line of credit to Access Bank Nigeria for women entrepreneurs. The objective is to increase the bank's ability to provide services for women customers, and to raise the level of skills of women entrepreneurs to enable them access the line of credit.		
Status update	In June, IFC and Access Bank signed a \$15 million facility to be used in financing loans for women owned businesses in Nigeria. IFC GEM is providing a two year Technical Assistance program that will: (i) improve Access Bank's financial services delivery to the women's market, and (ii) assist Access Bank in improving the quality of their female clientele, by providing women entrepreneurs with financial literacy and business skills which will enhance their profile as bankable businesses. This Technical Assistance to Access Bank, using the expertise of the IFC-housed Global Banking Alliance for Women, includes staff training, strategic planning, market positioning and segmentation. As of June 2008, Access Bank had disbursed a total of \$22 million to 172 women entrepreneurs, and opened over 1200 new accounts. Access Bank has launched the GEM advantage workshops, a series of monthly one day workshops administered in partnership with Enterprise Development services to give the opportunity for women entrepreneurs to learn more about business survival and growth. As a result, 13 training sessions have been organized and over 500 women trained. Furthermore, Access Bank staff in Lagos, Port Harcourt and Abuja has received training on Marketing and Sales to better reach out to and retain female customers. This training will assist Access Bank in increasing its customer service, and enhance client relationship management. Access Bank has been recognized as Best Gender Responsive Bank in 2008 by the Nigerian Bankers Association.		

### GEM Technical Assistance Newmont

Geographic focus	Ghana	Practice area	Gender Entrepreneurship
Donor Funding	\$60,000	Project Cost	\$60,000
Donors	IFC	Start Date	2006-09-01
Description	The project adds value to IFC's investment in the operations of Newmont Gold Ghana Limited, through advisory support on issues relating to female employment and through promotion of women's entrepreneurship. The objective is to enhance the growth and performance of MSMEs in Ghana, thereby strengthening the private sector in the area and contributing to poverty reduction and employment.		
Status update	Progress was made with both the Ahafo Linkage Program (ALP), now in its first semester of implementation, and the Newmont Ahafo community outreach activities. The ALP has successfully tracked numbers of women entrepreneurs in its capacity building programs and ensured participation of women as suppliers to Newmont, in mentoring and training activities, as participants at ALP business information seminars and in Trainer of Trainers programs. Newmont Ahafo's Women's Consultative Committee (WCC) has continued to hold regular outreach and consultative meetings with women in the mining communities while capacity building activities funded by IFC GEM have taken place to promote leadership and empowerment. The WCC also succeeded in mobilizing funds from its members to set up a Microfinance revolving fund and conducted a business-needs assessment exercise in conjunction with the ALP.		

### GEM/PEP Senegal

Geographic focus	Senegal	Practice area	Gender Entrepreneurship
Donor Funding	\$115,440	Project Cost	\$115,440
Donors	IFC	Start Date	2006-09-01
Description	The project provides advisory services for financial institutions and female entrepreneurs in Senegal. The objective is to implement an access to finance program for women entrepreneurs, consisting of an IFC credit facility.		
Status update	Ecobank Senegal is currently reviewing the terms of a risk sharing facility for a GEM Program which will enable GEM to begin an Access to Finance program in Senegal during FY09.		

### Gender Entrepreneurship DFCU Technical Assistance

Geographic focus	Uganda	Practice area	Gender Entrepreneurship
Donor Funding	\$151,746	Project Cost	\$201,746
Donors	IFC	Start Date	2006-09-15
Description	The project provides advisory services to support an investment in Development Finance Company of Uganda Limited, a portion of which will be used to establish an access to finance program for women entrepreneurs. The objective is to enhance the institution's capacity to lend to women entrepreneurs, thereby increasing their access to finance.		
Status update	After a year of change (bank-wide) at DFCU, there have been two significant occurrences to set the women's program on a positive path: (i) Following approval from the Ugandan Central Bank, the two divisions of DFCU Group merged. As a result, the women's program has been placed at the bank's business banking department, which is closely aligned to its objectives to support the small to mid-sized corporate market. (ii) Since the program began, high staff turnover (due to the impending merger) resulted in 3 different program managers within a 6 month period. Following the merger a program manager has been appointed on a full-time basis. She reports directly to the director of business banking. DFCU hosted a successful annual summit of the Global Banking Alliance for women (GBA), which took place in Africa for the first time. The DFCU program manager and marketing manager participated in a study tour to GBA founding member bank Westpac in Australia where they picked up invaluable best practice knowledge on running a women's program. DFCU frontline staff participated in a second round of gender training for banks. The staff of 20 branches received training on providing services to women clients in anticipation of the newly merged DFCU Group and to cater to new staff.		

GEM Exim Tanzania TA			
Geographic focus	United Republic of Tanzania	Practice area	Gender Entrepreneurship
Donor Funding	\$350,000	Project Cost	\$550,000
Donors	IFC, Canada	Start Date	2007-04-01
Description	The project provides advisory services to support an investment in Development Finance Company of Uganda Limited, a portion of which will be used to establish an access to finance program for women entrepreneurs. The objective is to enhance the institution's capacity to lend to women entrepreneurs, thereby increasing their access to finance.		
Status update	The manager of Exim Bank's Women's Program participated in a regional 'train the trainer' workshop on financial literacy for women entrepreneurs organized by IFC GEM and the World Bank Institute. This was with a view of establishing a similar training program for Exim Bank female clients in Tanzania. In April 2008, Exim Bank sponsored a Tanzania Women's Chamber of Commerce Workshop, to demonstrate its commitment to the women's market in Tanzania, as well as to engage with women business owners. Over the past 6 months, Exim Bank has participated in various workshops and made presentations to women's groups in order to further engage with Tanzanian business women and gain a better understanding of their banking needs. They have also been able to use these events as an opportunity to market their women's program. The women's program continues to deliver to Exim Bank's bottom line, as of April 2008: (i) \$4.9m of the \$5m IFC loan had been disbursed in loans to women, 65 women received these loans exceeding the initial target of 50 women for the entire course of the 2 year project. (ii) The average loan size was about \$86,000 with a maximum of \$855,000 and minimum of \$940. (iii) 180 new savings accounts have been opened under the "Tumaini Account", a savings product developed specifically to promote a savings culture among lower revenue categories, which includes women-owned small businesses.		

GEM Africa MSME			
Geographic focus	Regional	Practice area	Gender Entrepreneurship
Donor Funding	\$140,000	Project Cost	\$140,000
Donors	IFC	Start Date	2008-03-08
Description	The project partners with the Africa MSME Program's combined investment and advisory services in Malawi. The objective is to support NBS Bank Malawi in implementing a women's lending program, and to reach a target of 30 percent women borrowers.		
Status update	Within the context of the Africa MSME program, IFC GEM helped NBS Bank Malawi successfully put in place a Women Entrepreneurs' Banking Program. Several key activities took place to support the NBS Program including on-site training and consultations for key bank staff to promote awareness on how to serve the women's market. A local consultant/trainer has been hired as a liaison for implementation on the ground in conjunction with GEM staff and international consultants. Thirty eight percent of NBS SME loan borrowers are female, thus exceeding the agreed upon target of 30% and local visibility and demand for the program are high.		

GEM Gender and Growth Assessments and Methodology			
Geographic focus	Regional	Practice area	Gender Entrepreneurship
Donor Funding	\$770,000	Project Cost	\$770,000
Donors	IFC, UK	Start Date	2007-09-05
Description	The project analyzes gender-based barriers to private sector development in Africa and codifies the Gender and Growth Assessment approach developed by IFC. The objective is to bring about legislative and regulatory reforms that will enable greater participation by women in private sector development.		
Status update	Work is underway to develop a Gender and Investment Climate Reform Toolkit. In select countries, gender-based barriers to private sector development are being analyzed in close cooperation with FIAS, PEPs, the World Bank, relevant donors and other partners. In Rwanda, a legal analysis review mission was conducted and a draft legal review report has been prepared which is accompanied by a "Voices of Women Entrepreneurs" draft report. In DRC, a local consultant prepared a draft legal review document regarding obstacles-faced by women in business. In Burkina Faso, summary findings of a scoping mission and proposed work plan have been prepared for stakeholders. Overall, there is an expressed interest in carrying out GGA-type analysis in several pacific island states and a dialogue with IFC in the Pacific was launched in April-May 2008.		

### Better Work Africa Scoping

Geographic focus	Regional	Practice area	Social Responsibility
Donor Funding	\$375,000	Project Cost	\$375,000
Donors	IFC, Luxembourg	Start Date	2008-01-09
Description	The project, in partnership with Doing Agribusiness in Africa, implements the innovative Better Work program in two or three recommended African countries and one or two industries, and assesses ways to incorporate environmental standards compliance work. The objective is an initial assessment of the need, market advantage, and demand for improved labor standards compliance in agribusiness.		
Status update	Better Work conducted an assessment of the need, market advantage and demand for improved labor standards compliance in agribusiness in Africa. The team looked at mangos in Mali, horticulture and essential oils in Madagascar, sugar and tea in Uganda, sugar and oil seed in Zambia and bananas across Africa. The scoping showed clear commitment from both ILO and IFC regional teams and local stakeholders to adapt Better Work to agribusiness in Africa, but the research on the initially selected countries and industries showed a lack of fit with the program. The team will now instead look into horticulture, floriculture and coffee in Kenya and floriculture and coffee in Tanzania and Uganda, which may be a better fit.		

### Lighting Africa IFC-World Bank Joint Venture

Geographic focus	Regional	Practice area	Sustainable Energy
Donor Funding	\$6,280,000	Project Cost	\$7,030,000
Donors	GEF, IFC, Luxembourg, Netherlands, Norway, Italy	Start Date	2007-05-01
Description	The project encourages African and international lighting companies to provide modern, affordable off-grid lighting products that can compete commercially against and displace traditional lighting technology (kerosene, paraffin, candles, firewood), currently the only option for a large number of households and small businesses in Africa. The objective is to create a private sector-based, self-sustaining market for lighting products that will directly benefit very low-income households and small businesses, and reduce harm to the environment.		
Status update	The first Global Conference on Off-Grid Lighting and Trade Fair was held in Accra Ghana from the 5th-8th of May 2008 with up to 500 participants attending. Other highlights included: (i) The development marketplace competition was successfully hosted as part of the Lighting Africa conference in Accra. 16 winners out of a total of 52 finalists were selected and awarded. (ii) Partnership with IBRD has resulted in a functional project team made up of IFC staff and IBRD staff. Program Manager based in Accra, Ghana has been recruited to lead team in the field. (iii) Market research commenced in 5 African countries in March 2008 and should be completed by November 2008. Interim results on the Qualitative research are available in June and will be uploaded to the Lighting Africa web portal. (iv) The call for Consultant proposals for the Distribution Channels mapping and Value Chain Analysis has been issued. This assignment will be completed by December '08, the development of Performance Standards including Product Quality assurance is in progress. Interim results have been reported.		

Lighting Africa Web Portal			
Geographic focus	Regional	Practice area	Sustainable Energy
Donor Funding	\$500,000	Project Cost	\$500,000
Donors	IFC, Luxembourg, Norway, Netherlands, Italy	Start Date	2007-07-01
Description	The project provides a Web-based platform to facilitate participation, collaboration, and information sharing on the market for off-grid lighting products. The objective is for the platform to be used by all parties in the modern-lighting manufacturing and distribution chain that intend to pursue business opportunities in Sub-Saharan Africa; and for it to be used as a management tool for the Lighting Africa project.		
Status update	<p>i) Membership Database- Visitors are invited to register to become a "Lighting Africa Member," allowing them to communicate with other visitors by creating their own profile section, identify their areas of interest and receive program updates. Since its launch in September 2007, the program has attracted more than 1527 active members (as of 7/11/08). Of these individual members, there are 560 active member organizations, and 146 have been added since the last reporting period. ii) Business Opportunities Forum- This discussion forum allows companies to exchange information, post and receive business leads, form local and global partnerships across the supply chain, and exchange timely information and business ideas. One of the site's most successful elements, this section has been populated by buyers seeking products, companies seeking partners, product developers seeking technical solutions, etc. The business opportunities postings have reached 241 main business opportunity posts with 1353 responses, totaling 1353 posts. In this reporting period, 126 new main posts have been generated with 430 responses. iii) Web Portal serves as a vehicle for Lighting Africa 2008, the First Global Business Conference for Off-grid Lighting in Africa - The website was monumental in generating interest in the Lighting Africa conference in Accra, Ghana, in May. The home page banner and associated conference pages highlighted the conference and served as our main promotional tool, supported by "Save the Date," executive updates, and other on and off-line promotional materials. We received 400-500 conference participants in Accra, exceeding our expectations and marking it a great success for the program. In the aftermath, the website serves as our main communication to the conference participants and others who are interested in the event but were not in attendance, as a place where they can upload the conference presentations and other highlights. Upgraded Web portal is almost complete and will be launched by end- September 2008.</p>		

GEF Fuel Cell Financing for Distributed Generation			
Geographic focus	South Africa	Practice area	Sustainable Energy
Donor Funding	\$3,275,000	Project Cost	\$4,113,091
Donors	GEF	Start Date	2005-12-14
Description	The project promotes the use of fuel cells in South Africa through the installation of more than 1 megawatt of fuel cell capacity. The objective is to support the creation of sustainable markets for stationary fuel cells to help reduce greenhouse-gas emissions.		
Status update	Over 40 5kW fuel cell installations have been made in South Africa under this initiative. Plug Power is pushing ahead with plans for their continuous power GenSys systems, but we expect that target will be delayed. Site visit made by Mike Binder, and a presentation made on the project at the Hydrogen Conference in Sacramento was a success. A new CEO - Andy Marsh has taken over Plug Power, and there have been discussions on expansion of manufacturing to India. Plug Power officials have engaged with the IFC team there.		

GEM Uganda GGA Coalition			
Geographic focus	Uganda	Practice area	Gender Entrepreneurship
Donor Funding	\$73,454	Project Cost	\$123,454
Donors	IFC	Start Date	2006-05-01
Description	The project supports the development of a prioritized agenda for implementation of the reforms proposed in the Gender and Economic Growth Assessment in Uganda. The objective is to remove legal and administrative barriers to investment, and to create a more conducive business environment, for women as well as men, and to facilitate women's ability to participate in the formal economy and to access finance.		
Results	<p>This project was supported with a \$75,000 grant from the Gender and Growth Assessment (GGA) Coalition, an initiative of seven civil society organizations in Uganda that came together to advocate for the implementation of the reforms recommended in the GGA, an IFC funded study on barriers facing women in business in that country. Key output included the development of factual research and policy briefs in support of the five priority areas that the GGA report identified. The coalition carried out a variety of advocacy and lobbying activities along the lines of the GGA recommendations, including, among others: (i) making recommendation to the 1st Parliamentary Counsel &amp; the Law Reform Commission; (ii) holding a one day dissemination workshop with findings in the 5 thematic areas largely targeting policy makers, which 12 women Parliamentarians attended; (iii) a meeting with the President of Uganda, the meeting touched upon the need to expedite the process of enacting the 17 prioritized Bills on commercial law reform (recommended in the GGA). The Coalition also reiterated the need to have a legal and regulatory environment that responds to women's specific needs; (iv) making a presentation at the Commonwealth Women in Business Access to Finance Forum on its work, and having lobbied for passage of the Chattels Transfers and other relevant bills to facilitate women's access to finance; (v) presenting the GGA Coalition model at a number of international forums, including at a Vital Voices event in South Africa and at a World Bank workshop in Kenya. These presentations also helped ensure knowledge sharing and best practice on implementing key recommendations with other GGA countries. Other key results include: (i) the revision and passage of labor laws to ensure gender concerns are taken into account. Following the revision of the labor laws, the Coalition set up a working group with related organizations to help monitor the implementation of these laws; (ii) as recommended in the GGA, the Uganda Investment Authority has worked on the establishment of a Credit Reference Bureau under the Team Uganda Initiative; (iii) providing input into the commercial law bills, to ensure gender concerns are addressed. A draft amendment bill on the Succession Act has been prepared by the Law Reform Commission and awaits presentation in parliament, as well as the Mortgage Bill and the Companies Act; (iv) to ensure women's businesses adequately understand tax implications facing them, the Uganda Revenue Authority has worked closely with UWEAL to train 6 GGA coalition members to provide tax aid to women entrepreneurs. It has also seconded an officer at UIA to handle investor related tax queries; (v) the GGA members have been given positions in three Governance, Justice, Law and Order Sector (GJLOS) working groups: Commercial Justice, Land and Legal Aid. The GGA Coalition is also represented on the Commercial Court User Committee, and has lobbied for gender issues there; (vi) finally, coalition members have carried out 8 awareness raising sessions on women-friendly sources of capital targeting women entrepreneurs.</p>		

BD PhytoTrade Technical Assistance Biotrade			
Geographic focus	Regional	Practice area	Bio-diversity
Donor Funding	\$1,185,000	Project Cost	\$1,185,000
Donors	Biotrade TF	Start Date	2008-07-21
Description	The project provides support to PhytoTrade, which helps poor rural communities in Southern Africa generate supplementary incomes through the sustainable exploitation of natural products. The objective is to develop an enduring and equitable natural products industry in Southern Africa based on accessible local native biodiversity resources and private sector entrepreneurs—resulting in sustainable resource use and management, and reduction of poverty.		

### CT R-Sao Hill

Geographic focus	United Republic of Tanzania	Practice area	Cleaner Technologies
Donor Funding	\$ 217,093	Project Cost	\$ 335,453
Donors	Japan, IFC, Luxembourg, Denmark	Start Date	2008-07-10
Description	The project provides advisory services to enable Sao Hill Industries to undertake a cleaner production assessment at its sawmill operation in Tanzania. The objective is to prepare for the potential installation of a wastewood-fired combined heat and power plant, and if successful, to encourage others in the Africa region to adopt cleaner production practices.		

### SRsp FEDEC Indigenous Peoples Long Term Strategic Development Plan

Geographic focus	Cameroon	Practice area	Social Responsibility
Donor Funding	\$125,000	Project Cost	\$125,000
Donors	CCF Donors (Luxembourg, Norway, New Zealand, Italy, Netherlands, IFC)	Start Date	2006-09-15
Description	The objective of this project is to improve the planning, delivery, and funding of community development activities for the Bakola/Bagyeli (BB) communities most directly impacted by the Chad-Cameroun pipeline by developing a long term indigenous peoples development plan (Master Plan). The Master Plan will determine a strategy for the sustainable development of these communities that will encourage self-development, develop citizenship, fight marginalisation and poverty, promote elementary human rights, and preserve a unique but vanishing culture. It will also provide a much needed fundraising tool for the Foundation for Environment and Development in Cameroun (FEDEC) and the other development organisations working with the BB.		

### Srsp Better Work Lesotho

Geographic focus	Lesotho	Practice area	Social Responsibility
Donor Funding	\$300,000	Project Cost	\$300,000
Donors	IFC, Luxembourg	Start Date	2008-05-01
Description	The objective of the Better Work Lesotho is to improve competitiveness and labor standards compliance in the export apparel and footwear industry and to establish Lesotho as an ethical sourcing destination.		

## East Asia and the Pacific

Komodo Collaborative Management Initiative			
Geographic focus	Indonesia	Practice area	Biodiversity
Donor Funding	\$5,725,000	Project Cost	\$17,325,000
Donors	GEF	Start Date	2004-11-24
Description	The project—a partnership of government, private sector, and NGOs—bolsters the capacity of the Komodo National Park to protect its threatened resources and to make it a self-financing park, with its management costs being covered by tourism revenue. The objective is to ensure the long-term effective management of the park through the adoption of a collaborative management approach.		
Status update	The project has continued to evolve and test an important new private sector model for management of a protected area - in this case Komodo National Park. Significant accomplishments during include: 1. New organizational structure put into place to increase efficiency of operations and improve support to tourism product development, conservation and local economic development. 2. Management review of the client company carried out to assess current operations and structure. 3. Collaborative Management Agreement (CMA) was approved by PNK, local government and parks authority. 4. Improved coordination of joint enforcement patrols with park authority (BTNK), PNK and local police continued. 5. Tourism visits increased by 12.8% over same period in previous year, and Conservation Fund revenues increased by 29%, the latter reflecting a trend toward longer stays in the park. 6. The private partner in PNK decided to leave the joint venture requiring that his shares be appraised and a suitable new entrant found.		

Mongolia: Conservation of the Eg-Uur Watershed			
Geographic focus	Mongolia	Practice area	Biodiversity
Donor Funding	\$950,000	Project Cost	\$2,039,615
Donors	GEF	Start Date	1999-07-29
Description	The project establishes a partnership of local communities, government institutions and bodies, and tourist companies for a natural-resource management regime for the Eg-Uur Watershed Area (EUWA) in Mongolia, using high-end, low-impact catch-and-release fly fishing ecotourism as the vehicle for financial sustainability and biodiversity conservation. The objective is to treat wildlife as a locally managed concessionable natural resource, rather than as a simple public good, thereby enabling local communities to maximize the economic returns from its use.		
Status update	Key highlights include: (1) Continued collection and reporting of biological and ecological data. Analysis of the data resulted in a Taimen Conservation Action Plan, which has been approved by the Ministry of Nature and Environment (MNE). (2) Continued patrol by the ranger patrolling system throughout the Eg-Uur Watershed Area (EUWA) with support from the Taimen Conservation Fund (TCF). (3) A training workshop for district governors, state inspectors and rangers was held in Ulan-Ude, Russia. (Completion of a study on the impact of high speed fishing boats on the EUWA ecosystems with practical management recommendations for mitigating fishery damage. (4) Ongoing support the Zerlag community's Nokhorlol (user rights system). (5) MNE has reopened a national dialogue with TCF about a national approach to touris- related concession systems. (6) A mining company has indicated it will provide \$400K to replicate the Nokhorlo concept and its model of improved management in an adjacent watershed. (7) Completion of a consultancy focused on consolidating project gains during the closing phase and on means to sustain biodiversity conservation efforts beyond the end of the project.		

GEF Asian Conservation Company (ACC)- (Tranche I)			
Geographic focus	Philippines	Practice area	Biodiversity
Donor Funding	\$2,020,000	Project Cost	\$17,320,000
Donors	GEF	Start Date	2004-02-27
Description	The project involves conservation interventions—including conservation management, marine enforcement, information-education-communication, sustainable livelihoods, biodiversity research and monitoring, and development of institutional and financial sustainability mechanisms—at six sites in the Philippines. Objective are: 1) long-term conservation of globally significant marine and coastal biodiversity; and 2) a globally replicable model for achieving sustainable use and long-term conservation of biodiversity.		
Status update	El Nido Foundation (ENF) has now fully adopted the new format for reporting, which presents a consolidated view of major achievements. 1) Conservation management: Improved procedures and establishment of MIS for PAMB Secretariat; notable progress in establishment delineation of three community-managed marine areas, (7 out of 12 pilot target barangays, plus one additional based on LGU request) , two management plans completed and endorsed, and two mangrove management sites initiated. Exchange of experience on Marine Protected Areas between Palawan and Luzon. 2) Marine Enforcement: Continued deployment of Bantay Dagat teams, and their linkage to municipal-level law enforcement; continued patrolling. 3) IEC: 5 barangays Community Learning Centers launched. IEC activities were also activated in relation to a pressing environmental threat. 4) Biodiversity research and monitoring: Tres Marias Coral Reef Restoration: 62.9% of the transplanted coral fragments were cementing or spreading tissues. Communication of projects results shared in Regional Asia Workshop on coral reef restoration. 6) Institutional and Financial Sustainability: sustainability schemes were incorporated in the management plans for operationalization of CMMAs. US\$ 63,284 was received as contributions from ACC investee companies for the period. An independent Mid Term Review (MTR) evaluation is currently taking place.		

BDGEF Marine Aquarium Market Transformation Initiative (MAMTI)			
Geographic focus	Regional	Practice area	Biodiversity
Donor Funding	\$7,365,000	Project Cost	\$22,731,000
Donors	GEF	Start Date	2004-09-10
Description	The project uses 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 (MTR) 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 multistakeholder 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 has decided to cancel the grant to the Marine Aquarium Council (MAC) and terminate the MAMTI project.		

## MBA Polymers

Geographic focus	China	Practice area	Cleaner Technologies
Donor Funding	\$1,364,076	Project Cost	\$7,364,076
Donors	GEF, Denmark, Norway, Italy, Netherlands, IFC, Luxembourg	Start Date	2004-12-16
Description	The project funds China's first commercial plant to recycle mixed-stream plastic waste from electronics. The objective is to contribute to reduction of: 1) particulates emissions in waste streams that would otherwise be incinerated; 2) soil and underground water contamination in waste streams otherwise destined for landfills; and 3) greenhouse gas emissions.		
Status update	While MBA Polymers has not met the expectations laid out in the financial projections at the time of IFC's original investment, the Company is growing rapidly and moving towards profitability. Consolidated revenues grew from US\$5.11 million in FY06 to US\$14.21 million in FY07, a growth rate of 178%. Despite feedstock supply challenges, the Chinese plant has already achieved profitability. The supervision team believes that current technical issues faced by the Austrian plant are temporary in nature, and that the Austrian plant too will achieve profitability within two years. As such, MBA's financial prospects are solid and the viability of its business model is in little doubt. The Company has built up a strong management team, and has successfully raised equity capital from institutional investors following IFC's investment.		

## Panel Board Holding

Geographic focus	China	Practice area	Cleaner Technologies
Donor Funding	\$105,000	Project Cost	\$124,600
Donors	IFC, Luxembourg, Denmark	Start Date	2008-01-05
Description	The project invests in Panel Board Holding B.V. to test the commercial viability of an innovative wheat-straw splitting technology to replace wood with wheat straw in the production of panel boards for a wide range of applications in the housing construction industry. Objective include slowing deforestation in the region by reducing demand for wood, reducing local air pollution and health issues associated with straw burning, improving agricultural productivity by removing waste straw from the fields, and providing a new source of revenue to low-income local farmers.		
Status update	Note that the status of this project is on hold and that the client closed a financing in the first calendar quarter of 2008 with a high net worth investor in Germany. The company has indicated it would like IFC to invest in a follow on round but no proposal is yet available.		

## Papua New Guinea Fisherwomen II

Geographic focus	Papua New Guinea	Practice area	Social Responsibility
Donor Funding	\$73,000	Project Cost	\$100,320
Donors	New Zealand	Start Date	2006-08-30
Description	The project equips women in Papua New Guinea with the skills required to process, preserve, and market fish and other seafood. The objective is to increase women's participation in the country's seafood industry, thereby contributing to improvement in their livelihoods.		
Status update	To date, training of trainers' workshop was delivered to 14 women trainers. The evaluation suggests that the overall delivery and general methodology worked well. Close to 100% of participants reported the relevance of the course to their needs, their interest in the subject, and their satisfaction with the materials and tutors. Furthermore, participant evaluations showed that the workshop was well received and participant enthusiasm for a women's training network resulted in a resolution to establish the PNG Women in Fisheries Network. Based on the success of this and a previous workshop and associated curriculum development, the National Fisheries College has adopted a Women in Fisheries Business Course as a core component of its curriculum with allocated funding from the National Fisheries Authority. This course will be delivered annually to about 15 to 20 women. It is expected that each woman will train 10 more people resulting in at least 150 more women trained annually. Implementation of the workshop also resulted in the planning for five provincial level workshops between July 2007 and January 2008. These provincial workshops have not been delivered due to the termination from service of the NFC's Women in Fisheries Business program leader after a lengthy disciplinary exercise which effectively disrupted almost all progress with development and delivery of the women's business program. Nevertheless, a new program leader is being hired and 2008 budget have provisions for the delivery of the provincial workshops.		

China Utility-Based Energy Efficiency Finance Program (CHUEE)			
Geographic focus	China	Practice area	Sustainable Energy
Donor Funding	\$18,183,810	Project Cost	\$185,273,810
Donors	GEF	Start Date	2006-06-01
Description	The project supports the marketing and development of financial products that increase Chinese financial institutions' (FI) investment in energy efficiency (EE) in the commercial, industrial, institutional, and residential sectors. The objective is to create effective, commercially sustainable delivery mechanisms for developing, implementing, and financing EE projects via partnerships with private sector energy utilities, FIs, EE suppliers, and end users; and to develop the capacities of these key players to develop, implement, and finance EE projects on an ongoing commercially sustainable basis.		
Status update	The first CHUEE facility with Industrial Bank for RMB 460 million was fully utilized to support a total of 38 projects. A second facility with IB has utilized a further RMB800 million in loss sharing for an additional 26 projects. This year, the Bank of Beijing has disbursed 6 loans with a total loan amount of RMB61 million. About 10 loans of RMB 110 million are under processing. The implementation of the 33 new approved loans will lead to annual reductions of 3.57 million tons of greenhouse gas emissions giving aggregate GHG reductions of 5.81 million tons per year. A Risk Sharing Agreement with Shanghai Pudong Development Bank was signed in May, 2008 but no deals have yet been originated. CHUEE has designed and implemented 10 training courses and other advisory programs to assist bank partners including new products designing, market development and risk management and new relationship brokering. Six trainings were provided to Xin'ao Gas and other market partners and project developers. CHUEE has, to date, helped the bank partners in developing a deal pipeline of more than 400 projects with total investment of about US\$1.2 billion. A market channels network was renewed this year and now consists of 311 entities including international and national ESCOs, EE equipment suppliers and industrial associations. As a critical part of the TA to all the stakeholders of China's EE financing market, especially the partner banks, CHUEE conducted 3 sectoral studies in the following industries: Cement industry District Heating and CDM Finance Options.		

EBFP - SELCO - Vietnam			
Geographic focus	Vietnam	Practice area	Sustainable Energy
Donor Funding	\$632,000	Project Cost	\$632,000
Donors	GEF	Start Date	1998-09-28
Description	The project supports solar home systems (SHS) in Vietnam. The objective is to grow the market for SHS in that country.		
Status update	This project was in default during the FY08 period, and did not achieve its development objectives. IFC worked with the client and the parent company to reach an agreement on settlement of its outstanding obligations under the loan agreements. Settlement is expected in FY09.		

SEGE SP			
Geographic focus	Vanuatu and Marshall Islands	Practice area	Sustainable Energy
Donor Funding	\$ 874,000	Project Cost	\$1,474,000
Donors	GEF	Start Date	2008-05-01
Description	The project provides a package of incentives to encourage local financial institutions to participate in sustainable-energy finance in support of equipment purchases. The objective is to effect a significant increase in the adoption and use of renewable-energy technologies.		
Status update	IFC's regional facility is beginning with implementation by starting the market assessments.		

## Sustainable Forestry Indonesia

Geographic focus	Indonesia	Practice area	Biodiversity
Donor Funding	\$50,000	Project Cost	\$50,000
Donors	GEF	Start Date	2006-11-01
Description	The project conducts market research (based on sector dynamics and potential investment opportunities for financial institutions along the timber supply chain) to determine whether financing is needed for SMEs in the sustainable timber industry in Indonesia. The objective is to stimulate the growth of SMEs in the industry by increasing their access to finance, and to help a local financial institution launch a new sustainability business line.		
Status update	CES-EB conducted a market study to assess the viability of financing SMEs in the Indonesian sustainable timber industry. Results showed that while there is a potential market for sustainable timber products and SMEs need bank finance, FIs in Indonesia were hesitant to provide financing to SMEs in this industry. Reasons cited at the time of the study included: unreliable timber supply, limited regulatory enforcement, and difficulty in ensuring legality/sustainability of timber products. These risks hindered the FIs' and buyers' willingness to engage with this industry at the SME level. Information from the study was used to help IFC with its investment decision.		

## CT R Mongolia Wind

Geographic focus	Mongolia	Practice area	Cleaner Technologies
Donor Funding	\$38,377	Project Cost	\$71,377
Donors	Denmark, Norway, Italy, Netherlands, IFC, Luxembourg	Start Date	2005-08-01
Description	<p>TA reimbursable grant to co-finance consultant expenses associated with technical review, regulatory, policy and project structuring advisory services to develop a 30-50 MW wind power generation project on a site at Salkhit Mountain near Ulaanbaatar (the "Project") with a prospective IFC client (Newcom/Clean Energy and Sumitomo Corporation) in Mongolia. Total estimated project cost is US \$36 million to US \$50 million. The US \$23,000 EOF reimbursable grant is matched by at least US \$33,000 of cash contributions from the client.</p> <p>Though Mongolia is a sparsely populated country, Ulaanbaatar is the exception, densely populated, and exposed to severe particulates emissions due to coal use, particularly during the long cold winter months. The Project is targeting to provide a renewable energy source, as an alternative to Ulaanbaatar's more pollutant coal-based energy sources.</p> <p>The client has been collecting site-specific wind data at Salkhit Mountain at 20 meters for the past four years and will complete, with the assistance of Global Energy Concepts (GEC), a highly respected US wind measurement consulting firm, a new 12 month data measurement program at 50 meters by the Fall of 2005. For the past nine months the wind speed measurement at 20 meters has averaged 7.1 m/s, and it is estimated it will average 9.2 m/s at the likely 50 m to 65 m height of the windmill. At those measurements the wind resource is classified as a class 5 to 6, which rates it at nearly the highest level, a bankable wind project under the right regulatory and tariff regime.</p>		
Results	<p>IFC provided \$23,000 for this TA assignment that was complemented by \$33,000 from the client. CESCT had the option of being repaid once the recommendations of the consultant were implemented, or to convert the grant amount into equity in Newcom. In December 2007, CESCT chose to accept repayment of the grant rather than convert into equity. The benefits have been significant not only in developing a plan for this innovative project but also in catalyzing mainstream investment for IFC in partnership with EBRD. During this supervision period, CIN has signed the mandate letter with the Company and has started its due diligence process. The investment is expected to be completed by June 2008 and operations will begin by the end of 2009. Due to the harsh weather in the region, construction will be limited to certain months of the year. Newcom expects the project to be profitable with a 20% return on equity. The company is making progress with getting a turbine supplier technology agreement lined up and is expecting to sign it next month.</p>		

### e-Cube Technologies Ltd.

Geographic focus	China	Practice area	Cleaner Technologies
Donor Funding	\$1,256,170	Project Cost	\$2,256,170
Donors	Denmark, IFC, Italy, Luxembourg, Netherlands, Norway	Start Date	2008-10-01
Description	The objective of this project is to accelerate the deployment of solar energy technology in China via an IFC equity investment of about \$1 million in a start-up company based in the US but focused on the Chinese market. The project will target delivery of reliable solar energy at a cost of less than \$0.10/kWh.		

### SEGEF South Pacific - Sustainable Energy Finance Project (SEFP)

Geographic focus	Regional	Practice area	Sustainable Energy
Donor Funding	\$874,000	Project Cost	\$874,000
Donors	GEF	Start Date	2007-09-10
Description	The project aims to significantly increase the adoption and use of renewable energy technologies in participating Pacific Island states through a package of incentives to encourage local financial institutions to participate in sustainable energy finance in support of equipment purchase.		

## Europe and Central Asia

EBFP - Symbio Impax Polska Sp. z.o.o.			
Geographic focus	Poland	Practice area	Biodiversity
Donor Funding	\$503,000	Project Cost	\$2,503,000
Donors	GEF	Start Date	2003-06-18
Description	The project grows the SME market for organic produce in Poland. The objective is to protect the country's biodiversity		
Status update	The overall objective of the project is to grow the SME market for organic produce, thereby protecting Poland's biodiversity. As described in the findings below, Symbio has helped expand the production of organic fruits and vegetables in the Polish organic produce market. In 2006, Symbio distributed natural fertilizers, seeds, and plant protection to its farmers. As a result, in 2007 Symbio's farmers produced substantial quantities of organic fruits and vegetables, which were purchased by Symbio; for example (i) 892 tons of strawberries; (ii) 91 tons other fruits; (iii) 545 tons zucchini; and (iv) 72 tons of onions. It was a difficult year from a cash flow perspective due to the higher price of (almost) all fruits and the increased competition for those fruits. Symbio's 2007 financial results reflect lower margins, as compared to 2006, due to increased competition. Nevertheless, Symbio remains a market leader as a result of dedication, access to financing, good farmer relations, good customer relations, product innovation and a good distribution network.		

ECOPROCESS			
Geographic focus	Bulgaria	Practice area	Cleaner Technologies
Donor Funding	\$35,123	Project Cost	\$215,123
Donors	Denmark, IFC, Italy, Luxembourg, Netherlands	Start Date	2007-05-01
Description	The project provides a grant (with an option to convert to equity) and advisory services to Ecoprocess JSC, 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 landfills and incineration of used tires, thereby reducing ground-water contamination and noxious air emissions.		
Status update	Ecoprocess has completed the engineering advisory work and capital expenditures related to the enhancement of its Bulgarian manufacturing facility. The company has submitted the technical reports prepared by the engineering advisory consultants and these reports have been reviewed by IFC. While the company has still not generated any revenues, it has successfully carried out a test run of the facility in November 2007 and received letters of intent from two potential customers. The company has prepared a business plan for the next 3 years and IFC has sought additional information on the financial plan.		

GEM MI BOSPO			
Geographic focus	Bosnia and Herzegovina	Practice area	Gender Entrepreneurship
Donor Funding	\$95,000	Project Cost	\$145,000
Donors	IFC	Start Date	2006-11-01
Description	The project supports an investment to help Microcredit Organization-Bosnian Committee for Help transform into a fully sustainable microfinance institution. The objective is to align the institution's mission and strategy by training its staff in product marketing and customer-service delivery, thereby strengthening the institution's position as a financial service provider of choice for low-income women in Bosnia.		
Status update	Recently, the report entitled "Voices of Women Entrepreneurs in Bosnia and Herzegovina" was finalized in both English and Bosnian to ensure wider outreach. The report, which was written by IFC in partnership with MI-BOSPO (the country's leading micro-credit organization targeting women), will be officially launched in October 2008 with the Bosnian Ambassador to the US. The report provides a review of the main challenges faced by women entrepreneurs in Bosnia and Herzegovina, and features the stories of women who found ways to overcome some of the hurdles of doing business in the region in order to become successful entrepreneurs A customer care handbook is being finalized for application in other emerging markets.		

Russkiy Mir			
Geographic focus	Russian Federation	Practice area	Social Responsibility
Donor Funding	\$61,256	Project Cost	\$81,706
Donors	Luxembourg, Norway, New Zealand, Italy, Netherlands, IFC	Start Date	2007-02-01
Description	The project provides advisory services to the Russkiy Mir Group in Russia. The objectives are 1) to build the capacity of local stakeholders to participate in and benefit from project-level consultations and disclosure, and from the company's social investment planning processes; and 2) to produce an overall strategic framework for engaging with local stakeholders and addressing the issues that are important to them.		
Status update	The Russkiy Mir Group (RM) project is comprised of two components: 1) to build the capacity of local stakeholders to better participate in and benefit from the project consultations and 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 improve social responsibility practices. During 2008, the client conducted public hearings with more than 100 people attending the meetings. Most of the questions raised by the public were addressed with substantive information and people were generally satisfied with the responses provided. The focus in the discussions was on the regional development priorities. One of the aspects that raised most of the interest was construction of housing by the company. Overall, it seems that people were mainly interested in social rather than environmental issues. The consultant produced the final report to RM on its stakeholder management system. The report has a solid level of analysis and provides multiple recommendations to the company that will be incorporated going forward. On the basis of the report, RM has already prepared its quarterly stakeholder engagement program. The consultant also produced two analytical notes on existing stakeholder engagement practices of Russian companies as well as a comparative analysis of the requirements for public consultation under the Russian ESIA procedure. Both documents provide practical information as well as specific examples of the stakeholder consultation and engagement practices in the Russian Federation.		

Hungary Energy Efficiency Co-Financing Program 2 - HEECP2			
Geographic focus	Hungary	Practice area	Sustainable Energy
Donor Funding	\$1080,000	Project Cost	\$1,099,172
Donors	GEF	Start Date	2001-10-19
Description	The project improves energy efficiency for end-user applications in Hungary and raises public awareness about energy efficiency as part of the country's climate-change response strategy. The objectives are to reduce the country's emissions of greenhouse gases; to create local capacity to fund further energy-efficiency projects and applications; and to encourage the replication of the project elsewhere.		
Status update	The first CHUEE facility with Industrial Bank for RMB 460 million was fully utilized to support a total of 38 projects. A second facility with IB has utilized a further RMB800 million in loss sharing for an additional 26 projects. This year, the Bank of Beijing has disbursed 6 loans with a total loan amount of RMB61 million. About 10 loans of RMB 110 million are under processing. The implementation of the 33 new approved loans will lead to annual reductions of 3.57 million tons of greenhouse gas emissions giving aggregate GHG reductions of 5.81 million tons per year. A Risk Sharing Agreement with Shanghai Pudong Development Bank was signed on May 23, 2008 but no deals have yet been originated. CHUEE has designed and implemented 10 training courses and other advisory programs to assist bank partners including new products designing, market development and risk management and new relationship brokering. Six trainings were provided to Xin'ao Gas and other market partners and project developers. CHUEE has, to date, helped the bank partners in developing a deal pipeline of more than 400 projects with total investment of about US\$1.2 billion. A market channels network was renewed this year and now consists of 311 entities including international and national ESCOs, EE equipment suppliers and industrial associations. As a critical part of the TA to all the stakeholders of China's EE financing market, especially the partner banks, CHUEE conducted 3 sectoral studies in the following industries: Cement industry District Heating and CDM Finance Options.		

### GEF Commercializing Energy Efficiency Finance (CEEF)

Geographic focus	Regional	Practice area	Sustainable Energy
Donor Funding	\$22,796,597	Project Cost	\$135,296,597
Donors	GEF	Start Date	2003-10-24
Description	<p>The project 1) promotes entry of domestic financial institutions into the energy efficiency (EE) financing market; 2) builds their capacity; 3) improves credit conditions for borrowers; 4) promotes financial innovation in this market; 5) builds capacity of the energy industry to market, structure, and finance EE projects, and to accelerate development of the EE market; 6) expands deployment of nongrant contingent finance tools for the Global Environment Facility; and 7) refines and streamlines administrative and management procedures. The objective is to reduce emissions of greenhouse gases.</p>		
Status update	<p>Over the last 6 months the teams in Lithuania, Czech Republic and Hungary have been finalizing advisory services activities and preparing for office closures. As of July 1st 2008 the only active office will be in Bratislava staffed by a team of 3 people, who will be responsible for bringing to a closure all advisory services activities by December 31st 2008. The team has been active in preparing a number of SMART Lessons for distribution to other IFC project teams and has also continued to originate and appraise projects. Note that although the advisory services program is closing the project will continue under supervision until the expiry of the last project guarantee. During the reporting period the team has added a further \$24million of investment to its blockhouse portfolio in Hungary and \$100 000 to the blockhouse portfolio in Latvia. The team has also been assisting the Danish Management consulting team on monitoring and evaluation of the program results to date. A mission by 2 members frCeska Sportelna, IFC's leading partner bank in the Czech Republic, to Philippines has helped to convince banks there to build a sustainable energy business. The key messages delivered by the CS team were: the need to develop a branded product, the motivation created by setting a target - in their case attaining #1 ranking of banks in Czech Republic financing renewable energy projects, and the impact of creating a dedicated 5 person appraisal unit for sustainable energy projects.</p>		

### SEGEF Geofund Turkey

Geographic focus	Turkey	Practice area	Sustainable Energy
Donor Funding	\$10,300,000	Project Cost	\$10,300,000
Donors	GEF, Japan, IFC, Luxembourg, Iceland	Start Date	2008-03-01
Description	<p>The Geothermal Energy Development Program (GeoFund) systematically explores geothermal opportunities in Hungary, Russia, Armenia, Turkey, Ukraine, and Tajikistan (and possibly other countries in the region), developing a collaborative model with the World Bank's Europe and Central Asia Infrastructure Department and IFC investment departments. The objective is to use interventions to identify and develop geothermal resources in an environmentally friendly manner, and to learn about potential green-energy options in a frontier area. Three products will be offered under Geofund; i) Technical Assistance, ii) Investment, iii) Geological Risk Insurance. The project is a joint World Bank/IFC program, managed by a joint coordination committee.</p>		
Status update	<p>IFC team is preparing the program for implementation in Turkey. Consultants for preparation activities of the project have been mobilized and report is expected to be completed fall 2008. The launch of the program is expected mid-2009. A GEF grant amounting up to US\$ 25 million will finance about 20 subprojects over a period of eight years, subject to CEO approval for each country. Iceland has contributed \$300,000 for the preparation activities.</p>		

SEGEF Commercializing Energy Efficiency Finance TA to Support Energy Efficiency Financing			
Geographic focus	Regional	Practice area	Sustainable Energy
Donor Funding	\$1,457,500	Project Cost	\$1,457,500
Donors	Finland, Spain, USDA	Start Date	2002-04-01
Description	The project provides advisory services in six Central European countries. The objective is to stimulate the market for energy efficiency finance in those countries.		
Status update	Project activities were carried out by a mixture of US, Finnish and Spanish consultants with the program being heavily front loaded. All funds for Finnish and US consultants have been used with the remaining funds supporting selected activities by Spanish consultants. As the CEEF banks have gained in experience they have come to rely on IFC funded external consultants less and less. Hence the number of engagements conducted by the Spanish over the last 6 months has been limited. The AS provided by GreenMax Capital Advisors were: the development of a methodology for verification of GHG emission reductions; an Energy Audit was completed for the Ruckl Crystal project in the Czech Republic, which has led to IFC providing a guarantee to enable project finance by Ceska Sportelna.		

Russia Sustainable Energy Finance Program			
Geographic focus	Russian Federation	Practice area	Sustainable Energy
Donor Funding	\$8,500,000	Project Cost	\$ 8,720,000
Donors	GEF	Start Date	2005-02-01
Description	The project works with participating financial institutions to 1) deepen the Russian financial markets, making longer-term capital available for investment by SMEs, and 2) create an awareness in Russian financial institutions that energy efficiency projects are financially viable and improve the risk profile of the client by reducing operating costs. The objective is the improved energy efficiency and profitability of Russian companies, leading to a reduction in greenhouse gas emissions.		
Status update	In 2008 IFC committed \$50 million in financing to URSA Bank for energy efficiency lending, targeting projects in medium to large companies in Siberia and the Urals region. URSA Bank became the sixth client bank of the Program by signing a 12 month advisory agreement for a fee of \$45,000, bringing the total value of contracted fees up to \$175,000. The Program focused heavily on joint promotion of energy efficiency lending with its partner FIs. With MDM bank alone, the Program conducted 16 joint public seminars on energy efficiency attended by more than 200 companies in 2008. The partner FIs have financed 56 projects with a total investment value of \$52 million and lifetime CO2 savings of 806 000 tons. Eleven energy audit firms are now under contract and trained in IFC's approach to working with financial institutions. We are testing how to sustain direct relationships between a bank and an energy auditor as provider of technical expertise. The joint IFC/WB policy study was completed in June 2008, and World Bank President Robert Zoellick personally gave the executive summary to President Medvedev, Prime Minister Putin, and Finance Minister Kudrin during his trip to Moscow. The study was very well received and should be used to inform the creation of a national energy efficiency action plan, the development of which was commissioned by President Medvedev in June. The awareness campaign "Save Energy" facilitated by the Program helped to achieve incremental growth of energy efficient lamps in the market by ~10mln units resulting in ~\$200 million of lifetime energy costs being avoided and an estimated ~1,700,000 tons of lifetime CO2 emissions reduction.		

Raiffeisenbank Bosnia-Herzegovina			
Geographic focus	Bosnia and Herzegovina	Practice area	Sustainable Energy
Donor Funding	\$552,138	Project Cost	\$625,658
Donors	Austria	Start Date	2006-09-15
Description	The project provides a grant to Raiffeisenbank Bosnia-Herzegovina, a subsidiary of Raiffeisen Group in Austria, to be the first bank to develop and roll out energy efficiency housing loan products in Bosnia and Herzegovina. The objective is to upgrade the country's housing.		
Status update	Now that the disbursement objective has been met well ahead of the expected date, IFC is waiting to confirm that the number of non-performing loans stays at an acceptable level. RBBH is expected to soon meet the other conditions for the second grant disbursement. Those conditions are that non-performing loans do not exceed 2.5% of the total energy efficiency loan portfolio, and that RBBH fulfills the remaining reporting requirements set out in the grant agreement..		

## Kumtor Snow Leopard Conservation & Biodiversity Project in Kyrgyzstan

Geographic focus	Kyrgyz Republic	Practice area	Social Responsibility
Donor Funding	\$191,818	Project Cost	\$500,839
Donors	Luxembourg, Norway, New Zealand, Italy, Netherlands, IFC	Start Date	2005-01-01
Description	The project builds on previous Advisory Services activities to leverage cross-sectoral partnerships. The objectives are: 1) to promote private sector involvement in biodiversity conservation activities; 2) support institutional capacity building aimed at conservation of rare and endangered species in the Sary-Chat Ertash Zapovednik nature reserve; and 3) to implement related feasibility studies with local communities.		
Status update	This IFC and EBRD-funded TA programme focuses on biodiversity capacity building in the Sarychat-Ertash Zapovednik (Nature Reserve) (SCEZ) in the Tien Shan Mountains of Kyrgyzstan. The main objectives of this project are to: 1) Leverage cross-sectional partnerships involving the IFC/EBRD and Centerra Gold's Kumtor gold project; 2) Improve management of the protected area via capacity building activities; 3) Improve management of the protected area via community based activities sustainable livelihoods development, and 4) Develop new project ideas related to the protected area. Key highlights for 2008 include: a final supervision trip by IFC, Fauna & Flora International (FFI) and NGO "Bashat-CBF" (formerly known as the Community & Business Forum - CBF). The mission visited the SCEZ management and key communities associated with the project and found that, following the Small Grants program, there is increased community activism and also replication/demonstration effect in the local communities through many of the projects which have taken place. With regard to the management of the nature reserve, a series of consultation and capacity building events enhanced the capabilities of the park staff and resulted in changes in the mindset and attitude of both the park rangers, protected area management, and local communities, as well as in the development of a number of important management strategies. These include: management plan for the nature reserve, biodiversity strategy and antipoaching strategy. A draft completion report has been prepared and will be finalized later this year.		

## SEEB Renewable Energy Mezzanine (CEE Countries)

Geographic focus	Eastern Europe Region	Practice area	Sustainable Energy
Donor Funding	\$7,471,760	Project Cost	\$7,471,760
Donors	GEF	Start Date	2008-02-01
Description	<p>The objective of the project is to test whether a mezzanine financial structure is an effective way to encourage FIs to invest in small-scale renewable energy (RE) projects. Project Rationale: Small-scale RE projects typically are financed by a combination of debt from FIs and equity from project sponsors. FIs, however, currently perceive the risk of investing in small-scale RE 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 and increase their equity requirements to reflect these perceived risks. The project sponsors, however, also suffer from the lack of a track record and are often unable to invest the amount of equity needed to meet the FIs' debt/equity requirements and make them comfortable. As a result, there is a gap in financing for these projects that currently is not met by either the FIs or the project sponsors. This lack of financing is leading to: stunted growth of the small-scale RE industry and difficulty in increasing RE generation capacity. Through this project, the EBFP team is testing the hypothesis that mezzanine financing is an effective way to encourage FIs to participate in RE financing and, over time, gain comfort to the point of increasing their portion of total project funding for small-scale RE projects. 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 RE technologies; and iii) increase their portion of funding for small-scale RE projects. The project assumes that the actual financial performance of small-scale RE projects will be acceptable to FIs once it is demonstrated and the will not be a continued need for donor support. Rationale for EBFP involvement: The perceived risks of the mezzanine structure and a lack of a track record prevents IFC from undertaking the project on its own. EBFP's role, therefore, is to provide donor funds to act as a "cushion" to mitigate the full impact of IFC's downside on the structure and enable the pilot to take place. Project's development objectives are to test a model for increasing FI financing to small-scale RE projects and establish a track record for RE projects and increase FI familiarity with RE technologies. These objectives will be measured by the following indicators: i. the volume of total disbursements to eligible projects (total from all financing sources) ii. the number of eligible projects receiving disbursements (a track record can only be established if there are several projects receiving disbursements under the project) (It is estimated that this project could lead to 150MW of new small-scale RE capacity, across the three countries.)</p>		

## Latin America and Caribbean

GEF Eco-Enterprises Fund			
Geographic focus	Regional	Practice area	Biodiversity
Donor Funding	\$1,160,000	Project Cost	\$15,160,000
Donors	GEF	Start Date	2002-10-15
Description	The project strengthens and promotes the success of environmentally sustainable, socially responsible SMEs in the Latin American region, and fosters the efforts of local nonprofits and conservation organizations that participate in commercial enterprise development as a means of diversifying their funding base. The objective is to counter threats to biodiversity conservation in Latin America and the Caribbean by creating economic incentives to protect critical natural resources.		
Status update	FEE produced a strategic plan for the remaining technical assistance funds. The plan prioritizes the gathering of lessons learned and analysis of experiences. No new investments were done in this period. Overall, US\$294.036.0 as disbursed to FE.		

BDGEF Inka Terra: Partnership for Self-Financing Biodiversity Conservation & Community			
Geographic focus	Peru	Practice area	Biodiversity
Donor Funding	\$839,757	Project Cost	\$12,568,584
Donors	GEF	Start Date	2004-03-30
Description	The project supports self-financing uses of Peru's 10,000-hectare Inka Terra Ecological Reserve to achieve biodiversity conservation and sustainable development for local communities. The objective is a replicable model for engaging the private sector in achieving financial sustainability for protected areas.		
Status update	Two eco-tourism attractions were built and are now generating income for Inka Terra Asociacion. Grant administration has been completed. The Asociacion will continue operations with self generated funds only. The re-payment period of the loan started in July 2008. The loan is expected to be fully re-paid in three years.		

EBFP - Fideicomiso para la Conservacion en Guatemala (FCG)			
Geographic focus	Guatemala	Practice area	Biodiversity
Donor Funding	\$555,500	Project Cost	\$555,500
Donors	GEF	Start Date	1998-11-20
Description	The project provides credit to local SMEs in Guatemala that use sustainable natural resources. The objective is to conserve the country's biodiversity.		
Status update	In 1998, IFC/GEF provided to FCG a loan in the amount of US\$500,000. In addition, in May 2004 IFC/GEF provided a technical assistance grant of US\$65,000. FCG has on-lent US\$451,000 to eleven micro- and small enterprises (the "Approved SME Projects", as defined in the IFC/GEF SME Program loan agreement) in sectors such as eco-tourism, sustainable coffee production, and sustainable tilapia production. To date, seven approved SME Projects have repaid their respective sub-loans to FCG; one is still outstanding; and three are in default. FCG has also used IFC/GEF's technical assistance grant to build capacity in its operations, and achieved replication via the revolving fund. FCG agreed to make a single final repayment of its loan, one year prior to its planned due date. It has also made a contribution to the current lessons learnt exercise being carried out by IFC on conservation funds for SMEs.		

### EBGEF BBVA Continental Peru

Geographic focus	Peru	Practice area	Biodiversity
Donor Funding	\$1,065,000	Project Cost	\$1,305,000
Donors	GEF	Start Date	2006-12-01
Description	The project works with BBVA Banco Continental S.A. in Peru to create a viable and sustainable line of credit for projects related to energy efficiency and, if possible, to sustainable forestry. The objectives are 1) to institutionalize a business line to meet the needs of the energy-efficiency and sustainable-forestry markets and replicate this type of credit in other financial institutions in Peru and elsewhere; 2) to promote sustainable private sector investment; and 3) to contribute to environmental protection through reduced greenhouse-gas emissions and biodiversity conservation.		
Status update	In mid-March an energy efficiency (EE) campaign was launched in the SME department of IFC, by which each loan officer had to generate at least two EE deals for the quarter. To support the campaign and reach the pre-agreed targets (i.e. US\$30 million of EE loans by October 2008) the team extended the contract of the consultants incorporating the following activities: i) undertaking short EE audits to assess eligibility; ii) developing EE tools (i.e. check sheets and calculators), and iii) providing further training to loan officers. Initial results are encouraging: the client promoted the line through its website and increased onsite visits to branches. At the end of May, the EE line was committed for US\$21.7 million (i.e. 72%), while total disbursements totaled US\$15.4 million (i.e. 51% of the IFC line). During this quarter, the bank actively participated in numerous events on co-generation and energy efficiency financing organized by the Ministry of Energy and Mines (MINEM) and the private sector.		

### Cartones

Geographic focus	Colombia	Practice area	Cleaner Technologies
Donor Funding	\$45,000	Project Cost	\$49,000
Donors	Japan, Denmark, IFC, Italy, Luxembourg, Norway	Start Date	2008-04-30
Description	The project delivers advisory services to Cartones Americas Group to undertake a cleaner production audit at its facility in the town of Cali, Colombia. The objective is introduction of energy-saving measures at its paper mill in Colombia and, if successful, to encourage replication of cleaner production practices by its own subsidiaries and other sector players in Colombia and the region.		
Status update	The Project was approved on April 4, 2008 - The project team has negotiated the terms of the grant with the company and reached an agreement on July 2008.		

### Precious Woods Holding Ltd.

Geographic focus	Brazil	Practice area	Cleaner Technologies
Donor Funding	\$137,384	Project Cost	\$262,384
Donors	Denmark, Norway, Netherlands, IFC	Start Date	2004-02-01
Description	The project assists Precious Woods, a leading producer of certified lumber and panel products on the South American continent, in maximizing value from its existing timber and land assets in South America by developing ecosystem services and nontimber forest product (NTFP) lines and businesses. The objective, among other tangible and intangible benefits, is to develop new revenue streams from existing assets, and to enhance financial returns for a forest operator.		
Status update	In FY08, the company made its second of three installments to repay IFC's grant. During 2007, the company realized \$3.5 million sales for 167,800 tons of GHG emissions avoided. It expects to generate 160,000 tons of CERs and \$3-4 million in revenue in 2008. In Brazil, the company is expecting to invest in 70,000 additional hectares of land, bringing its total area under sustainable forestry management in Brazil to 597,400 hectares. In addition, the company acquired two Gabonese companies in April 2007 and now has access to concessions covering 599,300 hectares of land in East Gabon. The company is planning to set up a 1.5 MW biomass plant there that will generate 30,000 tons of CERs p.a. if successful. In March 2007, Precious Woods acquired interest in four forestry companies in the Democratic Republic of Congo that provide employment for over 4,000 people and has access to 4.8 million hectares of forestry land. It now has a preliminary sustainable management plan for 400,000 hectares there.		

Procesador Nacional de Alimentos C.A.			
Geographic focus	Ecuador	Practice area	Cleaner Technologies
Donor Funding	\$133,831	Project Cost	\$198,831
Donors	Denmark, Norway, IFC	Start Date	2006-03-01
Description	The project provides advisory services to Procesador Nacional de Alimentos C.A. to conduct a cleaner production audit of its processing facilities located in Ecuador. The objective is to introduce energy efficiency measures at the company, and potentially to have a demonstration effect for replication in the region.		
Status update	Draft reports received in October 2007 indicated that there would be annual cost savings from energy saved and decreased pollution from GHG emissions avoided. However, the project team concluded that the results were below expectations and some missing areas would need to be addressed. Despite repeated attempts to receive satisfactory information and reports, both the consulting firm and Pronaca have remained unresponsive. Furthermore, the company has not made any attempt to receive second disbursement of the remaining IFC grant balance. Based on the above, the project team has decided to close the project, which will be completed in the next FY. Since the end of FY08, IFC has made a mainstream investment of \$30 million in the company.		

Bauducco			
Geographic focus	Brazil	Practice area	Cleaner Technologies
Donor Funding	\$76,772	Project Cost	\$80,772
Donors	Japan, Denmark, IFC, Italy, Luxembourg, Norway	Start Date	2007-11-15
Description	The project provides advisory services to help Pandurata Alimentos Ltda. undertake a cleaner-production audit of its Bonsucesso facility in Brazil. The objective is to introduce energy efficiency and water-use saving measures, and potentially to encourage other food sector businesses in Brazil and neighboring countries to adopt cleaner production practices in their operations.		
Status update	The consulting firm, Enviros, has conducted the CP audit of the bakery, Bamsucesso facility in February 2008 and produced a report with various recommendations pertaining to energy and water savings. The report produced for Bauducco identified potential savings of 22% of the electricity consumption (savings of US\$432) as well as 10% reduction in water use (savings of US\$9,700) annually. The overall capital cost equals to US\$252,000 with an average payback period of 2.4 years. The client was fully satisfied with the work undertaken by Enviros.		

Virus SA			
Geographic focus	Peru	Practice area	Cleaner Technologies
Donor Funding	\$127,500	Project Cost	\$142,500
Donors	Denmark, IFC, Italy, Luxembourg, Norway	Start Date	2008-03-01
Description	The project provides advisory services to 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 program, and to undertake a cleaner production audit of its existing operations in Peru. The objective is an alternative approach to the use of chemical pesticides, and possible replication by other producers in the region, ultimately resulting in reduction of pollution and increased profitability.		
Status update	1. A final report has been submitted by the consultants during the supervision period. 2. The five consultants have been paid the full amount of their respective contracts. 3. The company is very satisfied with the outcome of the study and has retained one of the consultants to advise on integrated pest and disease management (IPDM) methods. 4. The audit identified significant saving opportunities of 50% reduction in chemical pesticides use corresponding to US\$0.6 million in addition to a gain of US\$2.4 million as a result of reduction of yield losses. If the IPDM's recommendations are implemented, this would impact Viru's profitability in a significant manner. 5. The total investment in capex required to implement the IPDM's recommendations is estimated at US\$2.8 million for a pay back period of about 1 year. 6. The project team has engaged with Viru's management to assess its satisfaction vis-à-vis the project and the quality of work delivered by the consulting firm. The outcome was very positive but no formal communication was delivered.		

Petrotesting			
Geographic focus	Colombia	Practice area	Social Responsibility
Donor Funding	\$89,294	Project Cost	\$143,294
Donors	Luxembourg ,Norway, New Zealand, Italy, Netherlands, IFC	Start Date	2006-07-01
Description	The project supports Petrotesting, a local Colombian oil and gas company, in establishing environmental and social best practice, and assists the company in writing and publishing its first sustainability and corporate social responsibility report. The objective is to have a demonstration impact on industry peers in the country.		
Status update	IFC assisted Petrotesting, a client in Brazil, to develop their first sustainability report in line with international best practice and helped lay the foundations for a more strategic approach to CSR by the company. The approach and lessons from this project are now key elements in the new CSR Strategies product offering. It is expected that further work with Petrotesting will incorporate any new tools or methodologies developed as part of the CSR Strategies program, such as potential use of the GLN strategic self-assessment tool.		

PetstarAS - Social Responsibility Program			
Geographic focus	Mexico	Practice area	Social Responsibility
Donor Funding	\$95,000	Project Cost	\$765,000
Donors	IFC, Italy, Luxembourg, Netherlands, Norway	Start Date	2008-02-01
Description	The project supports the design of Petstar S.A. de C.V.'s Social Responsibility project. The objective is to ensure the project's financial and social sustainability, and to assess its potential for replicability and scalability.		
Status update	In January 2008, IFC participated in the first meeting of the Petstar Steering Committee held in Monterrey. In March 2008, Petstar and IFC participated in the 1st World Conference and 3rd Latin-American Conference of Waste-Pickers held in Bogota to gather information from other projects addressing waste-picker issues and identify potential partners for the Petstar project. The research team for the baseline study is now testing and elaborating on the methodology on a site in San Luis Potosi before carrying it out at the Petstar pilot sites.		

TERRA NOVA			
Geographic focus	Brazil	Practice area	Social Responsibility
Donor Funding	\$180,000	Project Cost	\$180,000
Donors	Netherlands	Start Date	2008-01-25
Description	The project is a feasibility study to assess the commercial viability and socioeconomic impact of a private sector approach to integrating 1) services to formalize irregular settlements of poor urban communities and 2) services addressing basic infrastructure and community engagement. The objective is an informed decision concerning the product development, scalability, and transfer potential of the business model, plus a detailed picture of the needs of the communities served.		
Status update	The objective of this initiative is to assess the commercial viability and socioeconomic impact of the Terra Nova business model - a market based solution that integrates services aiming to formalize irregular settlements of poor urban communities, improve basic infrastructure, and provide community engagement services. A scoping mission took place in April 2008 to establish basic parameters of Terra Nova's business model and to identify success factors and risks, as well as the potential role of IFC in the project. Mission findings were that Terra Nova is a unique service provider in tenure regularization and upgrade of informal settlements in Brazil and that key market players currently involved in the business model (e.g. local government, private sector) seem to be highly supportive. 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 actual impact). In terms of scale, the model is highly replicable and replicable from site to site.- While the Company clearly has a niche activity and market, it has grown very organically, and as a result, has not had a strategic approach to growth which would require building adequate operational, financial and environmental management systems. Based on the mission findings, Social Responsibility has readjusted the original design of the project to help the company focus on the preparation of a Business Plan.		

GEF SE Biofuels Transportation and Processing Opportunity (PBTPO)			
Geographic focus	Peru	Practice area	Sustainable Energy
Donor Funding	\$1,054, 800	Project Cost	\$14,350,212
Donors	GEF	Start Date	2004-07-01
Description	The project removes barriers to the increased commercial use of biofuels and nonwood cellulose from agricultural residues and wastes as a substitution for fossil-fuel-based electricity generation. The objective is to reduce greenhouse gas emissions of electricity generation activities in Peru.		
Status update	This project is on hold since the prototype equipment was destroyed in a fire. The Task Leader is trying to revive the project by engaging with the project partners.		

EBFP GEF - E&CO			
Geographic focus	Regional	Practice area	Sustainable Energy
Donor Funding	\$1,017,500	Project Cost	\$46,639,837
Donors	GEF	Start Date	2001-05-01
Description	The project supports E&Co, a U.S.-based nonprofit corporation, which combines extensive enterprise development with risk capital to allow new enterprises the opportunity to present their business strategies in a manner that will interest second-stage investors. The objective is to promote a transition to a new energy paradigm based on clean, economically sound energy projects that reach rural as well as urban populations.		
Status update	E&Co has invested in 6 companies to date, exceeding IFC/GEF's expectations. E&Co has recently approved two new investments (SEESA and Lotus II). SEESA is a distributor of solar PV systems in El Salvador and will receive its first investment from E&Co in the form of a loan of US\$ 220,000. Lotus II represents E&Co's second investment in Lotus, a solar PV sales and service company in Nepal. E&Co's second investment in Lotus consists of a capital injection of US\$200,000.		

## Middle East and North Africa

EBFP Egypt Siwa Oasis			
Geographic focus	Egypt	Practice area	Biodiversity
Donor Funding	\$1,261,000	Project Cost	\$1,834,000
Donors	GEF	Start Date	2007-03-05
Description	The project is a comprehensive development program for the Siwa Oasis, comprising capital expansion projects and working capital support for initiatives in the ecotourism, women's artisanship, sustainable agriculture, and renewable energy sectors. The objective is to empower the female and indigenous population of Siwa, build entrepreneurialism within the Siwan culture, and help to preserve the delicate environment of a threatened ecosystem.		
Status update	As of the end of March 2008, the key highlights of the four Project components of EQI's Sustainable Development Initiative are described below: (i) Ecotourism - The Shali Lodge annex was completed in Oct 2007, doubling the number of rooms to 16, which now allows it to offer lodging for larger groups. EQI is currently focusing its efforts in marketing the three lodges (Adrère Amellal, Shali Lodge and Albabenshal), and started working with a hotel representation company based in the USA- to promote the lodges in that market. (ii) Artisanship - EQI completed construction of two additional workshops: a satellite workshop plans to operate in the production of carpet weaving, a new addition to the Siwa Creations product line. The central workshop intends to focus on the embroidered packaging of agri-culinary and salt products. Neema's Workshop - the preferred location for artisans due to central location and its familiarity- will continue as a garment embroidery workshop. Siwa Creations (SC) is very much in line with the ever growing demand for socially responsible fashion brands in Europe, and is expanding its marketing to the US. (iii) Sustainable Agriculture - All construction has been completed; EQI's Post-Harvest Center is in full operation, including the constructed wetland. EQI's formal training activities for Siwan farmers have been completed; during the project period this includes training on harvest, post harvest, compost and quality control. On-the- job training continues. EQI has certified a total of 509 feddans in European Organic Certification. They have also certified 52 of these feddans in NOP, a certification required for exporting to the US. The certification of HACCP and ISO will be completed by the end of 2008. (iv) Renewable Energy - EQI is currently constructing a second family size digester (the third biogas unit in Siwa) which should be operational by the end of summer 2008.		

CT R-CRESCENT BAHUMAN			
Geographic focus	Pakistan	Practice area	Cleaner Technologies
Donor Funding	\$40,000	Project Cost	\$43,000
Donors	Denmark, IFC, Italy, Norway, Netherlands	Start Date	2007-08-01
Description	The project assists Crescent Bahuman Limited in undertaking a cleaner-production audit of its manufacturing operations in Pakistan. The objective is to introduce measures for energy efficiency and water-use savings within the company's operations, and potentially to encourage other manufacturers in the region to adopt cleaner-production practices in their operations.		
Status update	(i) The consulting firm, BIFA has submitted a final CP audit report ( late 2007) for Crescent's operation that was satisfactory to IFC. (ii) The consulting firm has been paid the full amount of its contract. (iii) 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 US\$3.75 million cost saving. (iv) The total investment in capex required to implement the audit's recommendations is estimated at US\$6.5 million (including a gas turbine co-generation system at US\$5.25 million and biomass fired boilers at US\$0.9 million) for a pay back period of about 2.3 years.		

## GEM MENA CAWTAR

Geographic focus	Regional: Bahrain, Jordan, Lebanon, Tunisia, and the United Arab Emirates	Practice area	Gender Entrepreneurship
Donor Funding	\$161,505	Project Cost	\$161,505
Donors	IFC	Start Date	2006-03-01
Description	Promote research on women's entrepreneurship in MENA and build local institutional capacity. This project will help meet demand from development institutions as well as women's organizations for more research on the importance of women's entrepreneurship to private sector development, job creation, and economic growth, and it will help increase the capacity of women's associations to better serve their members and raise critical issues with policy makers.		
Results	<p>IFC's Gender Program and the Tunis-based Center of Arab Women for Training and Research (CAWTAR) supported this regional capacity-building project that brought together businesswomen's associations and research centers from five countries. The project enabled regional knowledge sharing and collection of data that was not previously available on businesswomen's characteristics, and the needs and challenges that helped women's business associations understand how to better meet the needs of women business owners and promote their participation in policy dialogue. This important effort during which the five countries undertook very similar surveys among comparable formal-sector women business owner populations in a concurrent period of time, provides new detailed information on the outlook of women business owners in each country. It showcases their sentiments about the growth and development of their firms, the challenges faced, and their views about what it is like being a woman business owner in their country. Survey results gathered from 1,228 women business owners resulted in a regional report entitled "Women Entrepreneurs in the Middle East and North Africa: Characteristics, Contributions and Challenges". The report shows that women-owned businesses in the MENA region are not necessarily small and can be strong vehicles for job creation and growth, important in a region with high female unemployment. Limited access to finance and a lack of business skills emerge as key challenges. A smaller proportion of women in the countries surveyed use formal sources of credit for their business than in other regions of the world. Women are financing their businesses mostly through personal sources. Other critical barriers include the lack of financial management training opportunities for women, rigidity in employment laws and regulations, and the cost and time required to register a business. The regional report and the Jordan country report were launched under the patronage and in the presence of Jordan's Queen Rania Al Abdullah. Also in attendance were the Prime Minister, Princess Sumeya , and Jordan's Minister of Planning. The project received wide regional and international media coverage (both TV and print, including the Financial Times) and was featured in the Sustainable Investor -- IFC's corporate newsletter for clients and other external stakeholders (10,000 subscribers). The Women's UN Report Network also widely disseminated the report's findings globally. Achievements include: (i) Capacity of Businesswomen Associations and Research Centers built to better address businesswomen's needs. (ii) Women's Business Association and Research (sub-regional) Network built. (iii) Involvement of 5-countries allowed for cross-country comparison and knowledge sharing. (iv) Media Network educated on businesswomen's issues as part of the participatory nature of conducting the research survey (CAWTAR's media network journalists directly involved in interviewing businesswomen that also resulted in businesswomen profiles being featured in the report). (v) University Students involved in primary research - role model effect achieved. (vi) Participating Businesswomen Associations and Research Centers have a baseline of businesswomen's concern that they themselves can continue to measure. (vii) In addition to the Lebanon country report, the Lebanese Businesswomen Association produced a complementing video on Lebanese Women Entrepreneurs. (viii) CAWTAR received requests from other countries for similar research project (Algeria, Palestine, Pakistan, Saudi Arabia) (ix) The World Bank's private sector development team, based on survey results from Tunisia, has allocated additional resources to study women's export constraints in Tunisia as part of the IBRD Tunisia Export initiative.</p>		

EBFP - Econoler			
Geographic focus	Regional	Practice area	Sustainable Energy
Donor Funding	\$1,313,000	Project Cost	\$1,338,000
Donors	GEF	Start Date	1998-03-02
Description	The project 1) develops lending programs with mainstream financial institutions for SMEs involved in Global Environment Facility-eligible activities and those that support them; 2) builds the technical capacity of eligible SMEs and financial institutions;		
Results	The Project consisted of two related components to help establish Energy Services Companies (ESCOs) in Northern Africa and Romania. The first component consisted of a \$240,000 loan to help establish an ESCO in Tunisia (the loan was repaid in 2004), and a \$30,000 TA grant to build Econoler International (EII)'s capacity to develop ESCOs. In 2005, EBFP provided EII a \$25,000 loan to develop an ESCO in Romania through a joint-venture with Romanian investors (the loan was repaid in March 2008). Econoler has also advised private ESCOs to start up operations in Croatia, Greece, Uruguay, Portugal and Spain.		

EBFP - Cogener Sarl (Cogener)			
Geographic focus	Tunisia	Practice area	Sustainable Energy
Donor Funding	\$1,005,000	Project Cost	\$1,005,000
Donors	GEF	Start Date	2000-01-24
Description	The project finances the purchase of photovoltaic panels to be installed at the airport in Tunis. The objective is to use solar energy to partially power illuminated advertising panels and flat screen videos.		
Results	Cogener struggled since its start-up in 2001 and on its first repayment defaulted on the IFC loan. On May 31, 2004, Mr. Allani filed for bankruptcy in the Swiss courts. IFC, along with other creditors (UBS and SECO) filed claims for payment, but did not expect to recover much since the company's only assets were a few solar panels, and Mr. Allani has little personal wealth. At that time, the debt to IFC was US\$600,268 of which US\$500K was the principal, and the balance was interest. Cogener complied, only at the beginning of the project, with information and reporting requirements.		

GEM Gender & Export Promotion Tunisia			
Geographic focus	Tunisia	Practice area	Gender Entrepreneurship
Donor Funding	\$70,000	Project Cost	\$70,000
Donors	IFC	Start Date	2008-03-15
Description	Surveys on women's entrepreneurship globally indicate that one of the main obstacles faced by women entrepreneurs is reaching international product markets. However, very little data and information exists on women exporters' specific needs - and the little information available is limited to a focus on highly developed countries. 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. Specifically, this project would: a) Conduct an impact assessment to understand how existing export promotion services reach and benefit women entrepreneurs; b) Survey women and men entrepreneurs on potential institutional/regulatory barriers to women's ability to export; and, c) Develop a guide on how institutions can better service women exporters' needs. Given the existing World Bank-supported Export Promotion Loan in Tunisia and the client's interest in promoting women's entrepreneurship in particular, this project would first be piloted in Tunisia with possible replication elsewhere. This would not only reinforce the contribution of the export sector to Tunisia's overall economic and social development, but is also likely to foster women's entrepreneurship and female employment as women's ability to reach international product markets is improved.		

## South Asia

CT I TurboTech			
Geographic focus	India	Practice area	Cleaner Technologies
Donor Funding	\$890,429	Project Cost	\$890,429
Donors	Denmark, Italy, Netherlands, IFC, Luxembourg	Start Date	2006-06-22
Description	The project is an equity investment to support the expansion of TurboTech Precision Engineering Private Ltd (a manufacturer and installer of small high efficiency, low-cost steam and gas turbines) to make cogeneration financially feasible for SMEs in India. Objectives include worldwide markets for TurboTech's exports, attraction of more international capital to this sector, more well-paid jobs in Bangalore, and environmental benefits through cogeneration.		
Status update	In FY08, the company increased its manufacturing capacity and operationalized its testing facility. IFC introduced Turbotech to a number of potential investors/funds and the company made significant progress in obtaining an equity investment at a valuation reflecting its growth since IFC's investment. The company estimates that its installed base of 107 ECTs will reduce CO2 emissions by about 150,000 tons per year. Operationally, the company is attempting to decrease its order lead time and has increased its managerial capacity resource needs by recruiting a new CEO/CFO. In May 2008, the company's management team visited Washington DC and were introduced to Cleaner Production specialists as there could be synergies with IFC clients who are seeking to increase their energy efficiency and would like to purchase smaller co-generation turbines.		

JK Paper			
Geographic focus	India	Practice area	Cleaner Technologies
Donor Funding	\$62,750	Project Cost	\$67,750
Donors	Japan, Denmark, Netherlands	Start Date	2007-10-30
Description	The project provides advisory services to JK Paper Ltd., an Indian company, as it undertakes a cleaner production audit of its existing paper mill operations at Raygada and Sonagarh. The objective is to introduce energy efficiencies and water-saving measures at these manufacturing operations, and possibly encourage other pulp and paper mills to adopt cleaner production practices in India and the region.		
Status update	In the case of J K Paper Mills, Raygada unit, CII has completed the entire field study with regards to benchmarking and identified projects on the Energy, Steam and material savings. The plant team would be providing their feedback on all the projects by the mid of July. The draft report will be prepared based on the feedback from the plant team and is likely to be submitted by end of July. The field work is over except for the water efficiency study. As regards to J K Paper Mills, CPM unit Gujarat, the first field visit is completed. The study has identified projects in energy and water savings in certain areas. CII was planning to complete the filed visit by June. The plant team, how ever has requested to re schedule the visit in the 2nd week of July. In nutshell, CII aims to send the final report for both the units by mid of August 2008. Results so Far: CII has so far identified 58 projects on efficiency improvement. On conservative estimates the 58 projects, if implemented, would result in annual recurring savings worth INR 537.26 Lakhs ( USD 1.34 Million). For this the plant would need an investment of Rs 84.6 Million (USD 2.12 million). We have shared the summary of findings with CFO of JK Paper to receive his comments, which is pending as of now.		

## CT R-APPM

Geographic focus	India	Practice area	Cleaner Technologies
Donor Funding	\$59,750	Project Cost	\$114,750
Donors	Denmark, IFC, Luxembourg, Japan	Start Date	2008-04-15
Description	The project provides advisory services to help the Andhra Paper Mills (APPM) with a cleaner production audit at the APPM and Coastal Paper units in Rajahmundry, India. The objective is to introduce energy efficiencies and water-use saving measures at the company's manufacturing operations in India, and potentially to encourage other pulp and paper mills to adopt cleaner production practices in India and the region.		
Status update	The consultant visited APPM & Coastal Paper between June 10th and 19th for the first phase - base data collection. The objective of the visit was to review the steam and power system including power generation, compressed air system and other energy users including water system and its usage. Since APPM had undergone a major technological change from pulp preparation to bleaching and refining and had the Paper Machine 3 upgraded there has been substantial improvement in the energy consumption levels. Also a new soda recovery boiler installed is working and a new 34 MW turbine is utilizing its steam and is operated at partial load. (The mill will shortly commission a new coal fired boiler and later install a new paper machine. Till then the higher capacity of various equipment will not be utilized optimally). New technologies like Biogas generation to substitute fuel in lime kiln offer scope for major savings in fuel and subsequent Green House Gas mitigation. Presently APPM has 550 tpd capacity for pulp production whereas capacity for paper production is only upto 320 tpd. Hence the mill produces wet lap pulp for use in Coastal and for sale and the figures for specific power consumption per tonne of finished production of paper does not reflect the effect of technological improvement. At Coastal mill, there is good potential for energy savings - the areas include boiler and power generation, process pumps, etc		

## Water Disinfection & Purification System Program

Geographic focus	Sri Lanka	Practice area	Cleaner Technologies
Donor Funding	\$250,000	Project Cost	\$1,196,000
Donors	GEF, USTDA	Start Date	2005-03-01
Description	The project provides 50 water-purification and -disinfection systems for tsunami relief and reconstruction efforts in Sri Lanka. The objective is to provide clean drinking water for approximately 100,000 people who were affected by the tsunami, and eventually to move the installations to permanent locations, where up to 150,000 people could benefit from access to potable water.		
Status update	In FY08, there continues to be delays in project implementation. The project team liaised with the World Bank South Asia office and various government officials in Sri Lanka to move the project forward and take over from the current implementation agency. A water sanitation and supply project organized a seminar in Colombo in mid-February 2008 to identify clean water technology that could be transferred, including WaterHealth International's business model. The company hopes that the remaining systems will be installed over the next FY and will start preparing a project assessment report subsequently.		

Social Responsibility Battery Certification 2			
Geographic focus	India	Practice area	Social Responsibility
Donor Funding	\$297,000	Project Cost	\$517,000
Donors	Luxembourg, Norway, New Zealand, Italy, IFC	Start Date	2007-03-01
Description	The project pioneers (and pilots in India) an independent lead-acid battery certification program for companies that meet minimum emissions standards and product stewardship requirements. The objective of this voluntary standard-setting approach is to reduce emissions from lead-battery plants and encourage more environmentally sound battery recycling, and subsequently to serve as model for lead battery industries in other countries.		
Status update	This project supports development of a new independent lead-acid battery certification program in India in order to reduce emissions and encourage proper recycling. The project is intended to be replication in Vietnam. Key achievements this year included (1) the formal launch of the BEST Certification program at the Auto Expo in New Delhi; (2) registration for the BEST certification eco-label in the United States; (3) course curriculum and manual for the Auditor Training; (4) Auditor Training for industry representatives and auditors; (5) accreditation of TUV Rheinland as the first BEST certification body to conduct independent audits; (6) completion of blood lead testing for two communities at lead battery manufacturing sites in India; (7) community training and outreach to small lead battery manufacturing, recycling shops and other community representatives; (8) initial efforts towards project replication in Vietnam; and (9) the launch of the BEST Newsletter.		

India CSR Reporting			
Geographic focus	India	Practice area	Social Responsibility
Donor Funding	\$120,000	Project Cost	\$163,500
Donors	Luxembourg, Norway, New Zealand, Italy, IFC	Start Date	2007-01-25
Description	The project provides a platform for training relevant staff within Indian companies (IFC clients and non-IFC clients) to launch reporting processes in accordance with internationally recognized standards. The objective is greater transparency and accountability on issues of corporate social responsibility.		
Status update	Through this project, IFC hosted and coordinated a two-day workshop for Indian corporations on sustainability reporting. In conjunction, IFC and local partner TERI-BCSD provided hands-on support to DSCL, a local IFC client, to produce a sustainability report that is expected to be published towards the end of 2008. This process included the creation of an innovative external review committee to provide constructive input to the report as it was being developed. Among others, the panel included two IFC staff members, a representative from the ABN AMRO foundation, as well as a representative from the local community where DSCL has its operations.		

GEF Photovoltaic Market Transformation Initiative (PVMTI)			
Geographic focus	India	Practice area	Sustainable Energy
Donor Funding	\$30,000,000	Project Cost	\$90,000,000
Donors	GEF	Start Date	1998-06-23
Description	PVMTI is a strategic intervention to accelerate the sustainable commercialization and financial viability of PV technology in the developing world. PVMTI makes selected concessional investments in private sector PV market development projects in India, Kenya and Morocco. With technical assistance and appropriately structured financing, these projects are eventually expected to provide successful examples of sustainable and replicable business models that can be financed on a commercial basis.		
Status update	PVMTI is in its tenth year, and has engaged with 13 projects during its tenure. Currently the program has four active projects, having restructured and/or closed six in FY08 alone. Today, the portfolio is very heavily skewed towards India with virtually all investments in Kenya and Morocco being wound down. Despite mixed business results, PVMTI has achieved the following developmental results: (a) In Morocco it facilitated legislative change that allowed PV businesses to be classified as SMEs with ability to borrow from micro-credit. This has led to many micro-credit institutions lending to PV end-users, resulting in a healthy market penetration of systems. Government intervention especially in remote locations like Tarroudant have resulted in concessions to large companies such as Total for servicing customers with PV solar home systems (SHSs), (b) in Kenya a modest capacity building project has resulted in nearly a 100 entrepreneurs and SHS installers being trained across the country, and (c) in India, several commercial projects continue to perform well and expand into new market segments as well as new territories. PVMTI is due to close in December 2009, but continues to seek investments to support the mandate until that time.		

EBFP - Grameen Shakti			
Geographic focus	Bangladesh	Practice area	Sustainable Energy
Donor Funding	\$1,506,000	Project Cost	\$1,506,000
Donors	GEF	Start Date	1998-03-02
Description	The project is a loan that enables Grameen Shakti to offer solar home systems (SHS) to poor unelectrified homes in Bangladesh, and to service the installed SHS. The objective is to have a strong catalytic effect on the sales and installation of SHS products in Bangladesh.		
Results	EBFP provided a loan to Grameen Shakti ("Grameen") to enable it to offer solar home systems (SHSs) to poor unelectrified homes in Bangladesh, and service the installed SHSs. EBFP helped Grameen expand its sales force, implement a consumer credit program and purchase fixed operational assets. Overall, EBFP's support to Grameen had a strong catalytic effect on the sales and installation of SHS products in Bangladesh. Grameen has been a pioneer in the solar PV industry in Bangladesh. Solar PV is presently one of Grameen's most successful programs which has helped solar PV become one of the largest and fastest growing renewable energy technologies to reach the rural people in the country. However, Grameen also has a growing biogas and organic fertilizer program which grew from its PV operations. Grameen has successfully developed a market based approach through an innovative system for financing SHSs by rural villagers, based on experience from Grameen Bank's micro-credit program. The Company has 485 offices servicing 32,000 villages and 1,200,000 people through 2575 trained technicians. As of May 2008 it had installed approximately 8MW of power capacity.		

CT I Infotrek Syscom Ltd.			
Geographic focus	India	Practice area	Cleaner Technologies
Donor Funding	\$5,500,000	Project Cost	\$5,500,000
Donors	Denmark, Norway, Italy, Netherlands, IFC, Luxembourg	Start Date	2007-01-01
Description	The proposed project consists of setting up a waste management facility to undertake efficient and environmentally friendly recycling of electronic and electric items coming from production and post consumer electronics waste. The proposed project will help eliminate the negative impact of incineration activities and dumping of large volumes of electronic waste in landfills in India. With the proposed technology (See below: Technology Section), this project will be the first of its kind in India and will help lessen the amount of waste that goes into landfills, help reduce the leaching of toxic substances including lead, mercury and beryllium, and on a larger scale, significantly reduce manufacturing costs and energy consumption of commodity producers who will benefit from the end products of the proposed recycling operation.		

Attero Recycling Ltd.			
Geographic focus	India	Practice area	Cleaner Technologies
Donor Funding	\$66,500	Project Cost	\$66,500
Donors	Denmark, IFC, Italy, Luxembourg, Netherlands	Start Date	2008-06-01
Description	The proposed project consists of setting up a waste management facility to undertake efficient and environmentally friendly recycling of items coming from production and post consumer electronic and electric waste. The proposed project will help eliminate the negative impact of incineration activities and dumping of large volumes of electronic and electric waste in landfills in India, it will help reduce the current environmental and social cost of leaching of toxic substances such as lead, mercury and beryllium, and it will significantly reduce manufacturing costs and energy consumption of commodity producers who will benefit from the end products of the proposed recycling operation. With this investment proposal, this will be the first project in the Uttrakhand State and one of the first two projects in the sector in all India to be run using state of the art technology - the financing of a second project being currently negotiated by IFC (Infotrek #551365). It is hoped that the success of these two projects would lead to a replication by other players in India resulting in a market transformation. The project involves up to US\$1.0 million equity investment from the CES' Cleaner Technologies group in a US\$6.2 million project cost.		

# Financial Report

All numbers are in US dollars, as of June 30, 2008.

## Donor Funding Status

Donor commitments increased from \$9.9 million in FY07 to 31.2 million in FY08. This is due in large part to \$16 million of GEF funding, which is cyclical, up from \$1.9 million in FY07, following the approval of several projects.. Funding from sources other than the GEF and IFC also grew considerably. This is due for the most to the scale-up of the partnership with existing donors such as the Netherlands, Japan and Luxembourg. The Innovator also welcomed new donors like Iceland, Ireland and the Trust Fund for Environmentally and Socially Sustainable Development from Norway and Finland. Finally, Switzerland and Denmark, which had contributed to the Sustainable Business Assistance Program, also contributed to the Innovator.

**Table 1: Donor Contributions as of June 30, 2008**

<b>Commitments (USD)</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>Total</b>
IFC	4,515,000	3,660,000	6,400,000	3,300,000	3,300,000	21,175,000
Global Environment Facility	1,861,286	16,000,000				17,861,286
Netherlands	1,653,860	4,515,320	3,100,000	378,378		9,647,558
Norway	800,000	1,300,000	1,484,643			3,584,643
Japan	638,000	1,870,000				2,508,000
Luxembourg	321,475	666,738	644,000			1,632,213
TFESSD (Norway/Finland)		167,000	400,000	600,000		1,167,000
Denmark		998,000				998,000
Ireland		800,000				800,000
Switzerland		650,000				650,000
United Kingdom	374,810	174,000	51,661			600,471
Canada	110,661	197,850	197,850			506,361
Iceland		425,000				425,000
South Africa			250,000			250,000
Austria	-333,378					-333,378
<b>Total</b>	<b>9,941,714</b>	<b>31,423,908</b>	<b>12,528,154</b>	<b>4,278,378</b>	<b>3,300,000</b>	<b>61,472,154</b>
<b>Receipts (USD)</b>						
IFC	4,515,000	4,927,488				9,442,488
Global Environment Facility	1,835,686	16,266,498				18,102,184
Netherlands	1,653,860	4,515,290				6,169,150
Norway	720,000	1,739,643				2,459,643
Japan	140,079	2,508,000				2,648,079
Luxembourg	321,475	340,600				662,075
TFESSD (Norway/Finland)		133,600				133,600
Denmark		998,004				998,004
Ireland						
Switzerland		250,000				250,000
United Kingdom	497,405	96,967				594,372
Canada	43,569	240,323				283,892
Iceland		300,000				300,000
Bavaria (Germany)		200,000				200,000
Austria	-333,378					-333,378
<b>Total</b>	<b>9,393,696</b>	<b>32,516,413</b>				<b>41,910,109</b>

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 Sustainable Business Assistance Program, the Global Environment Facility, and Gender Entrepreneurship Markets.

## Expenditures

The expenditures for the activities under the Innovator (see note below) have been fairly stable from FY07 to FY08. Project development expenditures fell from \$2.2 million in FY07 to \$1.6 million in FY08, mainly because a number of large projects had already been developed in FY07 and were moved into implementation and supervision in FY08. Going forward, the proportion of funds spent on monitoring and evaluation may increase due to a greater focus on assessing results. During this reporting period, non-project related expenditures slowed down for donor relations due to a temporary shortage on the staffing side. General and administration expenditures went up as the Innovator increased its attention to financial management and accounting.

**Table 2: Expenditures by Standard IFC Advisory Services Expenses Categories**

Including Investments Disbursed

As of June 30, 2008

	FY07		FY08	
	\$	%	\$	%
<b>Project Related Expenditures</b>	<b>22,930,405</b>	<b>92</b>	<b>22,912,053</b>	<b>91</b>
New Business Development/ Project Development	2,226,505	9	1,608,811	6
Product Development	155,035	1	296,988	1
Project Implementation and Supervision	19,758,169	79	20,102,984	80
Program Management and Support	628,746	3	659,799	3
Monitoring and Evaluation	161,951	1	243,472	1
<b>Non-Project Related Expenditures</b>	<b>1,978,457</b>	<b>8</b>	<b>2,344,308</b>	<b>9</b>
Knowledge Sharing and Staff Development	149,801	1	298,625	1
Fundraising and Donor Relations	499,916	2	210,341	1
Public Relations	76,094	0	120,719	0
General and Administration	<b>1,252,645</b>	<b>5</b>	<b>1,714,622</b>	<b>7</b>
<i>a) Overhead</i>	317,470	1	359,067	1
<i>b) Other General and Administration expenditures</i>	935,174	4	1,355,556	5
<b>Total Expenditures</b>	<b>24,908,862</b>	<b>100</b>	<b>25,256,362</b>	<b>100</b>

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 Sustainable Business Assistance Program, the Global Environment Facility, and Gender Entrepreneurship Markets.

## 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. Approximately \$96 million of the \$116.7 million closing balance of FY08 coming from the Global Environment Facility, in part because it provides lump sum funding for IFC programs that disburse over several years. The \$10 million increase from \$106.7 million in FY07 to \$116.7 in FY08 is due to the approval of several projects by the GEF. The decrease of the administrative fee to 0 is due to a change in accounting rules.

**Table 3: Total Funding and Expenditures**

As of June 30, 2008. All amounts are in US dollars.

	FY07	FY08	Total
<b>Trust Funds Opening Balances</b>	121,217,000	106,631,686	–
+ Funding Received	9,393,696	32,516,413	41,910,109
+ Investment Income	519,599	662,391	1,181,990
- Total Expenses	24,908,862	25,256,362	50,165,224
- Administrative Fee	47,043	0	47,043
+ Interim Budget	0	2,010,000	2,010,000
+ Other Income	457,296	113,686	570,982
<b>= Trust Funds Closing Balances</b>	<b>106,631,686</b>	<b>116,677,813</b>	<b>–</b>

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 Sustainable Business Assistance Program, the Global Environment Facility, and Gender Entrepreneurship Markets.

<b>Trust Funds Opening Balance</b>	Balance from the previous fiscal year.
<b>Funding Received</b>	Funding from donors that are contributed directly to IFC trust funds.
<b>Investment Income</b>	Income from the investment of the trust funds balances while the funds are not expensed on projects.
<b>Total Expenses</b>	Expenditures for advisory services and investment services. See Table 2 for more details.
<b>Administrative Fee</b>	Fee collected by IFC for the financial management of the trust funds.
<b>Interim Budget</b>	Funding provided by IFC when needed during the period between the signature of an agreement and the disbursement from the donor to IFC accounts.
<b>Other Income</b>	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.
<b>Trust Fund Closing Balance</b>	Balance at the end of the fiscal year.