

IFC Strategy for Africa





The Board has approved IFC's strategy for Africa

- Three priorities
 - Much more active IFC support for SMEs
 - Early IFC engagement in promoting more large investment projects
 - Much stronger IFC role in improving the investment climate
- The right TA and advisory capacity is crucial
- The ultimate test is increasing investment
- The big questions are when, how, where



Opportunity for Africa is NOW



Conflicts down, political stability up

Macro management steadily improving

Increasing commitment to PSD from governments

Strong support from donors

Increasing private sector willingness to invest in Africa

NEPAD and G8 potential

Strong demand for infrastructure

Much bigger role for IFC in Africa





We are building a strong platform to capitalize on this opportunity

Integrating TA and investments / changing incentives

Sector leaders aligned with Industry Dept's

Close collaboration with the World Bank

Continued strong support from specialist depart's, Legal, HR, Environment

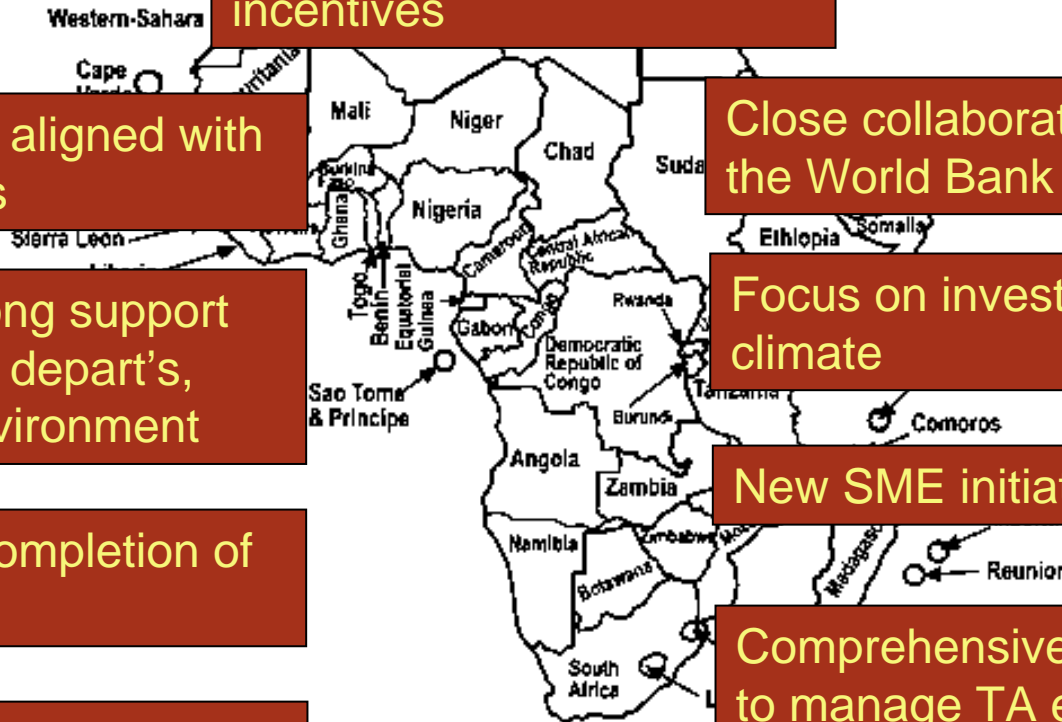
Focus on investment climate

Accelerating completion of staffing plan

New SME initiatives

Improving IFC brand name in the region

Comprehensive structure to manage TA effectively: PEP Africa





TA platform: PEP Africa

- **Comprehensive** TA facility to accomplish strategic goals for the region
- **Integrated** with IFC investment operations
- **Phased** but rapid startup plan with three funding triggers tied to performance
 - Trigger 1: \$20 million donor funds raised
 - Trigger 2: Nine programs launched
 - Trigger 3: FMTAAS funding available
- Activities well under way

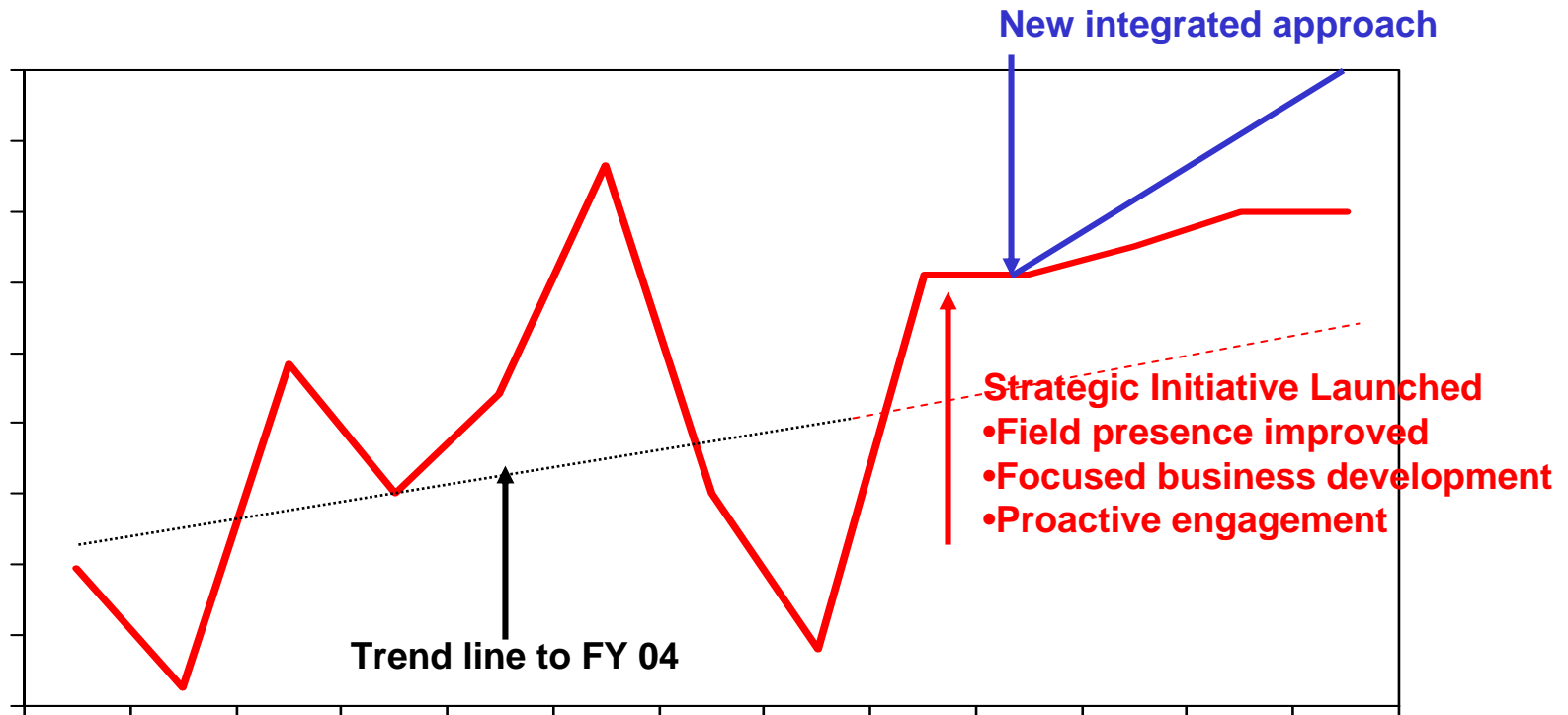


Investment Platform

- **Stronger presence** on the ground
 - 9 country offices
 - Experienced investment team
- **Unique matrix** structure
 - Local country knowledge: country managers
 - Local sector expertise: sector leads
- **Pro active** and systematic business development approach
- New **SME financing** channels being **tested**
 - IDA/IFC MSME
 - SSC
 - Mozambique SME Initiative



Expected Results of our Strategy





Integrated Strategy Meets IFC's Corporate Priorities

- **Frontier:** Encompasses virtually whole of Africa
- **South-South:** Major focus for South Africa strategy, also Brazil and India
- **Sustainable development:** Awareness building to African corporates; HIV/AIDS; Extractive industries
- **Infrastructure, H&E:** Focus on PPP structures with IDA; adding H&E focus
- **Financial markets:** SME financing; focus on rebuilding market position with banks



To implement our strategy we need

- **Continued**, stronger support from Industry Departments
- Increased **local presence** and support from Specialist Departments