

 Early Warning System

IFC-41382
IPM Debt Facility



Quick Facts

Countries	South Africa
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	U
Voting Date	2019-07-31
Borrower	INCA PORTFOLIO MANAGERS (PTY) LTD
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 25.00 million
Project Cost (USD)	\$ 100.00 million



Project Description

According to bank documents, the proposed project is an investment in INCA Portfolio Manager's ("IPM") Infrastructure Debt Facility, a debt facility that is being set up to on-lend to creditworthy secondary municipalities in South Africa. The Facility aims to enable access to commercial finance for creditworthy secondary cities in RSA, where more than 80% of municipal financing is directed towards only 8 large metropolitan municipalities (out of over 200 municipalities in RSA). In addition, the Facility is expected to be supported by a capacity building fund separately funded by the Switzerland State Secretariat for Economic Affairs, which will support these municipalities in prioritizing investment needs and in preparing bankable proposals for commercial financing. This would enable access to commercial financing for the municipalities to help them establish a borrowing track record and ultimately to reduce dependence on transfers from the national government..



People Affected By This Project

(i) Stakeholder effects: The Facility will improve access to finance for secondary cities in South Africa with limited access to commercial debt. The Facility supports implementation of a portfolio of municipal infrastructure projects, and by leveraging the municipalities balance sheets, these municipalities can accelerate much needed infrastructure investments. Furthermore, the Facility will support projects that address climate change, with potential implications on access to urban infrastructure services.

(ii) Integration: The Project would mobilize capital for municipal finance, with the potential to engage new investors to the underserved secondary cities. Furthermore, IFC's engagement will create a demonstration effect, which is expected to mobilize greater commercial financing in future fund-raising efforts by these municipalities.

(iii) Resilience - By enabling secondary municipalities to establish a borrowing track record, the Project contributes to reducing dependence on government transfers for municipal infrastructure projects. The Facility will also provide technical assistance to build capacities of secondary municipalities, including in financial planning.



Investment Description

- International Finance Corporation (IFC)

The total size of the Facility is targeted to be R1.5 billion (approximately US\$100 million). The proposed IFC investment is comprised of debt financing of up to R375 million (approximately US\$25 million), on IFC's own account ; (ii) financing of up to R375 million (approximately US\$25 million) from IFC acting as implementing entity of the Canada-IFC Blended Climate Finance Program.



Private Actors Description

IPM is a South-African based portfolio manager with experience in municipal debt and providing financial advisory services to municipalities in RSA. IPM is owned by Pan African Business Solutions (44%), Attie van Zyl (IPM CEO) (41%) and Joanne Poulter (IPM board member) (15%).



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	INCA Portfolio Managers	Client	-



Contact Information

INCA Portfolio Managers Pty. Ltd.

Attie van Zyl

Chief Executive Officer

+2783 701 2443

attie.vanzyl@inca.co.za

Unit F14, Pinewood Office Park Square, 33 Riley Road, Woodmead Ext 3, Sandton, P.O. Box 1847, Gallo Manor, 2052

www.incaportfoliomanagers.co.za

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>