

 Early Warning System

IFC-49656

DCM IDC



## Quick Facts

Countries	South Africa
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-03-18
Borrower	INDUSTRIAL DEVELOPMENT CORPORATION OF SOUTH AFRICA
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 108.33 million



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## Project Description

According to the Bank's website, the proposed project is an IFC subscription of up to ZAR 2 billion (~US\$107 million) to a series of 7-year and 10-year senior unsecured bonds to be issued by the Industrial Development Corporation (IDC) under IDC's domestic medium-term note (DMTN) Program and approved Sustainable Bond Framework, including Sustainability, Green, Social and Transition Bonds. IFC's subscription will be done over several issuances.

IFC's investment will support the issuance of IDC's first-ever sustainability bond under the IDC's Sustainable Bond Framework aligned with the International Capital Market Association (ICMA) Principles, including the Sustainable Bond Guidelines, Green Bond Principles, and Social Bond Principles. Additionally, the framework incorporates guidance from the Climate Transition Finance Handbook, which may be applied to Green, Social, Sustainability, and Sustainability-Linked Bonds. The inaugural Sustainability bond will be listed on the Johannesburg Stock Exchange (JSE) in the Sustainability segment. IFC's participation will help underpin IDC's strategic priorities in sustainability linked financing.

The IFC proceeds from the Sustainability Bond issue will be allocated in line with IDC's Sustainable Bond Framework and eligibility criteria, supporting a range of eligible green and social projects. In line with these criteria, IFC's proceeds will specifically contribute to MSME financing and small-scale solar projects under 5 megawatts, reinforcing the commitment to sustainable and inclusive development. The allocation of proceeds for all investors, including IFC, specifically related to MSMEs (such as women- and youth-owned businesses) and small-scale solar projects under 5 megawatts, will be disclosed in relevant reports as outlined in IDC's Sustainable Bond Framework.



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## Early Warning System Project Analysis

The proposed Project entails an IFC subscription to a series of Bonds (including Sustainable, Green, and Transition Bonds) issued by IDC with IFC's use of proceeds directed towards supporting SMEs and small solar related transactions. The key E&S risks and impacts of the project derive from the Company's capacity to identify and manage potential E&S risks associated with the subprojects supported under the use of proceeds. Typical E&S risks associated with sub-projects may be related to labor and working conditions, occupational health and safety, or supply chain related risks, amongst others. As such, the project has been categorized as FI-2 in accordance with IFC's Sustainability Policy.



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## Investment Description

- International Finance Corporation (IFC)

The Project involves a ZAR 2 billion (~US\$ 107 million) client envelop for IFC to subscribe in senior unsecured bonds to be issued by the IDC under the Sustainable Bond Framework. IFC will anchor the bond issue. IFC's subscriptions are expected to be on 7-year and 10-year bond tenors.

IFC's Investment as Approved by the Board: Loan 108.33 million (USD)

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Industrial Development Corporation of South Africa Ltd.](#) (Financial Intermediary)



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## Private Actors Description

The *Industrial Development Corporation (IDC)*, founded in 1940, is a State-Owned Entity (SOE) wholly owned by the Government of South Africa but operates independently. As a leading development finance institution focused on the industrial sector, the IDC plays a key role in providing growth capital to SMEs in manufacturing. Through a range of financial instruments, including equity, debt, mezzanine, and working capital solutions, the IDC aligns with national policies to drive sustainable job creation, economic transformation, and industrial capacity development, with a particular focus on supporting women and youth entrepreneurs.



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## Contact Information

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## ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

## ACCOUNTABILITY MECHANISM OF IFC/MIGA

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](mailto:CAO@worldbankgroup.org) You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>