

IFC and Luxembourg

Partners in Private Sector Development



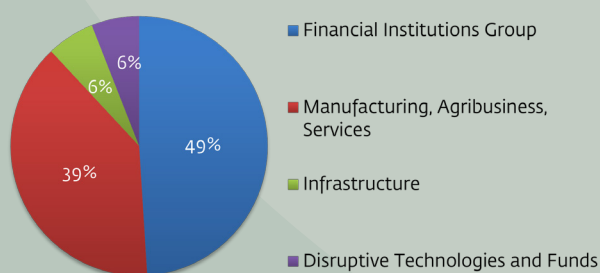
OVERVIEW

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working in more than 100 countries, IFC committed a record \$43.7 billion in own-account investments and mobilization from third parties to private companies and financial institutions in developing countries in fiscal year 2023 (FY23).^{*} IFC partners with multinationals and mid-sized firms from Luxembourg that are interested in investing in emerging markets. As of June 2023, IFC had a long-term committed investment portfolio of \$340 million with partners from Luxembourg spread across several regions.

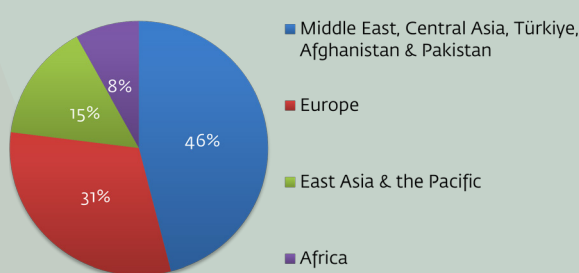
IFC's Long-Term Investment Portfolio with Sponsors from Luxembourg

As of FY23, IFC's long-term investment portfolio with sponsors from Luxembourg amounted to \$340 million. Private sector companies from Luxembourg have benefited from co-investments with IFC while making notable contributions to development.

IFC Long-Term Investment Portfolio as of June 2023 by Industry with Sponsors from Luxembourg (\$340 million)



IFC Long-Term Investment Portfolio as of June 2023 by Region with Sponsors from Luxembourg (\$340 million)



IFC Long-Term Investment Portfolio as of June 2023 (Dollar Amounts in Millions)

Tourism, Retail, Construction & Real Estate Funds	133
Microfinance	103
Trade Finance	39
Energy Funds	25
Insurance & Pensions	20
Total	1
	340

- Mobilization:** IFC has a strong relationship with financial institutions (FIs) from Luxembourg and an active engagement across multiple sectors. As of June 2023, FIs from Luxembourg held over \$1.2 billion in IFC Syndicated Loans.

^{*}The World Bank Group fiscal year runs from July 1 to June 30 of the following calendar year.

PARTNERSHIP WITH THE GOVERNMENT

In FY19-23, Luxembourg provided cumulative funding of over \$11 million to support IFC Advisory Services. Luxembourg supported various IFC programs focused on improving the business enabling environment, corporate governance, financial and compliance risk management and creating new markets for climate financing, as well as local capital resource mobilization.

In October 2022, IFC and the Ministry of Finance of Luxembourg announced the new Luxembourg-IFC Partnership Program (LIPP), which will provide €9 million for IFC's advisory and upstream activities in order to support low and middle-income countries in market creation and private sector investment.

IFC also maintains a strong partnership with the Luxembourg Stock Exchange (LuxSE), dating back to 1986, when IFC first listed a security at the exchange. Given IFC's pioneering role in green finance and its commitment to accelerating sustainable growth in developing countries, the collaboration has grown particularly strong over the past years, reflecting LuxSE's own efforts to unlock sustainable capital.



Examples of Successful Cooperation

EFSE, Kosovo



In June 2023, IFC committed an €8 million senior loan to KRK for on-lending to individual entrepreneurs and micro-businesses in Kosovo. KRK, Kosovo's third largest microfinance institution, is co-owned by EFSE, a privately managed public/private investment fund based in Luxembourg which provides financing for MSMEs in Southeast Europe. FMO, the Dutch development finance institution, is also a co-owner, along with SIDI and Crédit Coopératif, French solidarity investors active in the microfinance space. The investment will be shared equally between IFC's own account, with concessional finance provided by the Global Agricultural & Food Security Program (GAFSP). Half of the loan is earmarked for agribusinesses, and at least 20% is allocated for women-owned enterprises. IFC's investment will help improve access to finance for micro and small enterprises in Kosovo, especially for underserved segments such as farmers, rural companies, and women-owned firms.

Mikro Kapital Group, Tajikistan



In June 2022, IFC committed a \$5 million senior loan in local currency to Imon International, the leading microfinance organization in Tajikistan, to help boost its lending to micro and small enterprises in Tajikistan hit by the COVID-19 pandemic. Alternative Fund is a subsidiary of Mikro Kapital Group, a Luxembourg-based securitization fund management company. Alternative Fund, the Dutch development bank FMO, EBRD, and MEDA Canada are the key shareholders of Imon International. IFC's investment will provide financing and support to hundreds of micro and small enterprises, helping them resume full economic activity after the pandemic and spurring private sector growth and economic development in Tajikistan.

Green Bond Technical Assistance Program, Global



In May 2018, Luxembourg committed to providing €1 million to IFC's Green Bond Technical Assistance Program (GB-TAP), a multi-donor supported Advisory Services initiative developed in partnership with the Ministry of Finance of Luxembourg, the State Secretariat for Economic Affairs of Switzerland (SECO), and the Swedish International Development Cooperation Agency (SIDA). GB-TAP is managed by IFC and complements the Amundi Planet Emerging Green One Fund—the world's largest targeted green bond fund focused on financial institutions in emerging markets. This was developed under a strategy of simultaneous stimulation of demand and supply to grow the emerging green bond markets. The program supported the creation of new markets for climate finance by providing executive training to financial institutions professionals and global market best practices. As of June 2023, the GB-TAP has provided executive trainings to over 1,000 professionals from over 300 financial institutions across 70 emerging market countries. Alumni financial institutions which benefited from the program have issued over 95 green, social and sustainability bonds for the total value of over \$8 billion.

CONTACT

Lada Busevac
T: +32 2 522 00 39
E-mail: lbusevac@ifc.org

BRUSSELS

17, Avenue Marnix
2nd Floor
1000 Brussels, Belgium
Tel: +32 2 522 00 39

FRANKFURT

Bockenheimer Landstrasse 43
60325 Frankfurt am Main
Germany
Tel: +49 69 743 48230

PARIS

66, avenue d'Iéna
75116 Paris
France
Tel: +33 1 4069 3060

LONDON

1 Tudor Street
6th Floor
EC4Y 0AH London, UK
Tel: +44 207 592 8400