

# IFC and Switzerland

## Partners in Private Sector Development



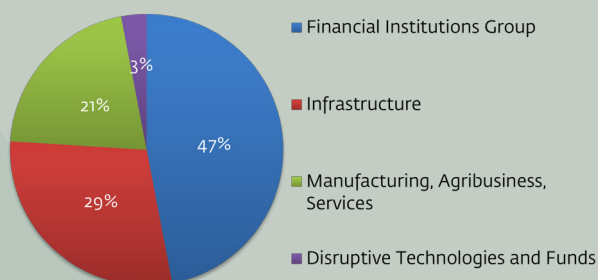
### OVERVIEW

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).<sup>\*</sup> IFC partners with multinationals and mid-sized firms that are interested in investing in emerging markets. As of June 2023, IFC had a long-term committed investment portfolio of close to \$1.2 billion with Swiss partners spread across several sectors and regions.

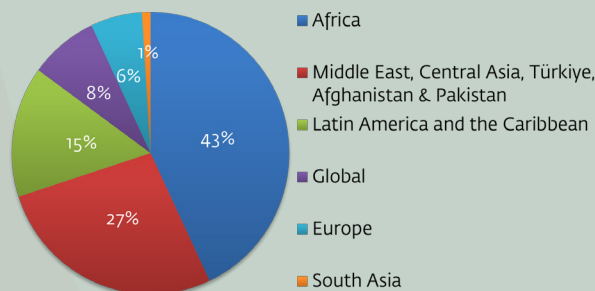
### IFC's Long-Term Investment Portfolio with Swiss Sponsors

As of FY23 (ending June 2023), IFC's long-term investment portfolio with Swiss sponsors amounted to close to \$1.2 billion. Swiss private sector companies 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 Swiss Sponsors (\$1.2 billion)



IFC Long-Term Investment Portfolio as of June 2023 by Region with Swiss Sponsors (\$1.2 billion)



IFC Committed Exposure by Sector as of June 2023 (Dollar Amounts in Millions)

Banking	312
Energy	194
Agribusiness & Forestry	123
Non-Banking Financial Institutions	101
Telecom, Media and Technology (TMT)	90
Trade Finance	70
Manufacturing	66
Transport	60
Microfinance	52
Banking	40
Funds	35
Tourism, Retail, Construction & Real Estate	24
Funds	23
Health, Education & Life Sciences	5
Total	1193

- Mobilization:** IFC has a strong relationship with Swiss financial institutions (FIs) and an active engagement across multiple sectors. As of June 2023, Swiss FIs held close to \$1.3 billion in IFC Syndicated Loans.
- Global Trade Finance Program (GTFP):** As of June 2023, IFC had issued guarantees for over \$2.1 billion for Swiss banks. This is a cumulative amount since the GTFP began in 2005. The major confirming bank has been Credit Suisse.

### PARTNERSHIP WITH THE GOVERNMENT & THE DEVELOPMENT FINANCE INSTITUTION

Switzerland is one of the largest development partners for IFC Advisory Services, mainly through Switzerland's State Secretariat for Economic Affairs SECO. In FY19-23, Switzerland provided cumulative funding of over \$173 million for Advisory Services and Blended Concessional Finance. Since 2014, SIFEM, the Swiss Development Finance Institution, has been a signatory of IFC's Master Cooperation Agreement, which streamlines lending procedures for joint investments to ease financing to private companies in emerging markets. Since then, SIFEM has co-invested in several projects alongside IFC, and adopted the Operating Principles for Impact Management in 2019.

<sup>\*</sup>The World Bank Group fiscal year runs from July 1 to June 30 of the following calendar year.

## PARTNERSHIP WITH THE GOVERNMENT & THE DEVELOPMENT FINANCE INSTITUTION

Examples of initiatives supported by Switzerland include:

- Switzerland is providing \$10 million to support Ukraine's small-scale farmers, who have been vital in feeding the population and safeguarding food security, as part of IFC's \$2 billion Economic Resilience Action (ERA) program. This is the first blended finance collaboration between IFC and Switzerland, building on the existing partnership in the area of financial inclusion and access to finance for agricultural SMEs.
- SECO is supporting IFC for the development of legal and regulatory frameworks for secure transactions, credit information and insolvency and their associated electronic systems from 2022-2028. This Global Financial Infrastructure Program builds on the results achieved during a previous partnership between IFC and Switzerland in 2016-2021, which added 40.8 million individuals and firms to credit bureau coverage and enabled nearly 1.4 million SMEs to access credit secured by movable property.
- The Sustainable Cities Program supports sustainable infrastructure solutions in select cities in the Middle East, Eastern Europe, Sub Saharan Africa and Latin America. The program will help close the financing gap for urban infrastructure and help increase access to infrastructure services for citizens. As a result, select cities will strengthen their competitiveness through job creation and economic growth and enhanced operational efficiency, and improve the environmental sustainability of urban infrastructure.
- Belgrade Waste-to-Energy is a Public Private Partnership (PPP) that enabled the city of Belgrade in Serbia, to close the largest open dumpsite in Europe, construct a sanitary landfill, eliminate groundwater pollution sources and build a waste-to-energy plant. IFC, with support from SECO and other partners, advised on the regulatory framework, designed a bankable and viable PPP transaction structure, and assisted the city in conducting an international competitive tender, which attracted top-tier operators in the sector.



## Examples of Successful Cooperation

### AKFED, Africa



In October 2022, IFC committed a \$100 million loan in Diamond Trust Bank, a Tier I bank in Kenya, for on-lending to small and medium-sized borrowers to help maintain trade flows, employment and supplies of key goods and services. The Aga Khan Fund for Economic Development (AKFED), an international development agency based in Switzerland, is the shareholder and main sponsor of Diamond Trust Bank. IFC's investment will support the Bank's capacity to sustain operations and expedite post-COVID 19 recovery, helping promote the resilience of financial service providers.

### Seedstars, Global



In June 2022, IFC committed a \$4.5 million equity investment in Seedstars International Ventures II, a global seed fund focused on the most nascent venture capital markets. It is part of Seedstars Group, headquartered in Switzerland. The investment will help Seedstars support scalable innovative technology companies in emerging markets. The Fund, which aims to invest in 100 pre-seed and seed-stage companies over the next three years, will be supported by the Blended Finance Facility of the IDA19 IFC-MIGA Private Sector Window (IDA PSW). IFC's investment will help reach the most underserved start-up ecosystems in markets including Cameroon, Uzbekistan, Bangladesh and Cambodia. It will also increase access to finance for tech startups in emerging markets and help develop local startup ecosystems, while improving gender equality in investee companies.

### Agro Companies, Africa



In June 2022, IFC committed \$20 million through a risk participation agreement in a \$60 million trade finance facility arranged by BIC-BRED, a Swiss bank owned by the French cooperative bank BRED, for Agro Companies International SA, a family-owned trading group based in Switzerland and the leading supplier of wheat to several countries in West and Central Africa. The facility will help the group purchase wheat, corn and animal feed from international suppliers and distribute these products to West and Central African buyers. IFC's investment will help strengthen food security in Africa, fill part of the trade finance gap and help limit disruptions in the food commodity supply chain.

### Nespresso, Africa



In May 2022, IFC committed a CHF 4 million (\$4.1 million) loan through the not-for-profit Nespresso Sustainability Innovation Fund to help Nespresso finance climate-smart agriculture practices and better supply chain traceability in coffee-producing countries in Africa. Nespresso is an autonomous subsidiary of the Nestlé Group, a Swiss multinational food and beverage company. IFC's investment will support coffee farmers to reduce carbon emissions, promote nature based solutions, improve livelihoods of smallholders, and promote sustainable coffee production practices in Africa. IFC will also provide training to around 3,100 African coffee farmers on sustainable crop production, improving business skills, and supporting women farmers. The program will start in Uganda and Zimbabwe, with the opportunity to expand to other countries in Africa.

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