

IFC and Finland

Reducing Poverty Together



PARTNERSHIP OVERVIEW

Finland has been a member of IFC since 1956. Finland partners with IFC to deliver technical and advisory assistance to companies and governments in the developing world, seeking to reduce poverty through private sector growth. IFC's main counterparts in this work are Finland's Ministry of Foreign Affairs and the Ministry of Trade and Industries.

FOR MORE INFORMATION:

Small and Medium
Enterprise Department
International Finance Corporation
2121 Pennsylvania Avenue, NW
Washington, DC 20433
USA

Phone: + 1 202 473 1400
<http://www.ifc.org>

Ministry for Foreign Affairs
P.O.Box 176
00161 Helsinki
Finland

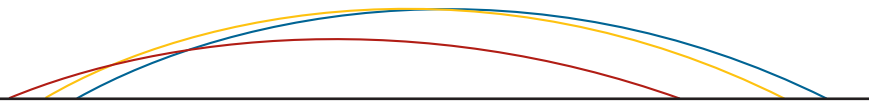
Phone: +358 9 160 05
<http://formin.finland.fi>

Ministry of Trade and Industries
P.O. Box 32
00023 Helsinki
Finland

Phone: +358 9 160 01
<http://www.ktm.fi>

Finland cooperates with IFC's efforts to strengthen the private sector in Sub-Saharan Africa, East Asia and the Pacific, and Europe and Central Asia. The aim of this work is to enhance the capacity of the private sector while also improving the investment climate and attracting foreign investment into these regions.

Finland complements this cooperation by also supporting IFC's advisory work with governments in developing countries, helping them attract and retain foreign direct investment. In addition, Finland supports IFC's Technical Assistance Trust Fund, which provides funding for hiring Finnish experts to work on short-term, targeted interventions aimed at private sector development. Under the program, Finnish experts have worked closely with IFC in developing the forestry, pulp, and paper industries in Russia, Ukraine, China, and Kenya.



RECENT HIGHLIGHTS

Building the Private Sector in Mozambique

Finland and Switzerland partnered with IFC to establish the Mozambique Small and Medium Enterprise Initiative, based in Maputo. In Mozambique, limited access to finance and business expertise is a key constraint on the private sector's ability to meet consumers' needs, create jobs, and generate tax revenues. In response, the Mozambique Small and Medium Enterprise Initiative was established, which combines an innovative new source of financing with well-defined technical assistance programs customized to client firms' needs. The first Mozambican company to obtain the support of the Mozambique SME Initiative was Spectrum Graphics Limited, a prepress design and printing services company that obtained both investment and technical assistance. The investment supported the company's corporate initiatives, including expansion of facilities and printing capacity to serve the local market. The financing consists of a \$700,000 quasi-equity investment and a \$70,000 technical assistance loan for upgrading of financial systems and training of marketing staff. MSI provides SGL with investment funds, pre and post investment technical assistance including a feasibility study, financial structuring advice, and cost accounting recommendations. Founded in 1998, Spectrum Graphics is a leading printing company in Mozambique built by two women entrepreneurs with a few imported second-hand print presses. It designs and produces high-quality stationery, advertising, and educational products, including HIV/AIDS educational materials. The company has a work force of nearly 60 employees.

Involving the Private Sector in Russia in the Fight against HIV/Aids

Finland is one of partners that support the work IFC currently carries out to involve the private sector in the fight against HIV/AIDS. In FY06, this work concentrated mostly on regions where HIV infections are rising rapidly; notably India, Russia, and China. As a first step to rolling out a HIV/AIDS program in Russia, Finland supported the development of a perception study looking at occupational health and HIV/AIDS in the country. Currently, the private sector in Russia is not very much involved in the fight against HIV/AIDS, and there is little understanding of what will motivate companies to become engaged. Due to the complexity of the Russian culture, moreover, the study represented an important stepping stone in the development of an effective and appropriate HIV/AIDS strategy predicated on a greater understanding of cultural norms and perceptions. The study's overall objective was to gauge, collate, and analyze perceptions of HIV/AIDS and other occupational health issues in the private sector in Russia. The study went on to assess how these perceptions arise, what can be done to address them, and in the longer term, devise tailored interventions and a communications strategy for and by the private sector. Finland's support in this area is important, allowing for a more targeted IFC intervention and, consequently, a more successful HIV/AIDS program in Russia.