



### PARTNERSHIP OVERVIEW

Spain is a member of IFC since 1960. IFC and Spain cooperate in the provision of technical and advisory assistance to companies and governments in the developing world, focused on reducing poverty through private sector growth.

Spain partners with IFC in the Middle East and North Africa, where it is involved in efforts to foster the development of small businesses in Iraq in particular.

Spain also supports IFC's Technical Assistance Trust Fund, which provides funding for short-term, targeted expert interventions aimed at private sector development as well as partnering with IFC in providing advisory services on improving the environment for attracting foreign direct investment in emerging markets.



#### FOR MORE INFORMATION:

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## RECENT HIGHLIGHTS

### Iraq Small Business Finance Facility

Spain is one of four partners with which IFC cooperates in Iraq through the Iraq Small Business Facility. The facility's main aim is to provide resources to selected intermediaries for on-lending to micro, small and medium-sized enterprises in Iraq. The facility combines both technical assistance and a financing component to help the reconstruction of Iraq through helping smaller enterprises access finance. The project will provide credit to micro and small businesses on a sustainable basis; build capacity for micro and small business financing by establishing small business financing units in Iraqi financial institutions, thus filling a critical void in the Iraqi financial system; support revival of economic activity at the grass-roots level; rebuild livelihoods of local communities; create new jobs in the private sector; reduce poverty, and catalyze economic development in Iraq where unemployment currently stands at 60 percent. Under the facility, IFC already provided a \$12 million loan to support the SME lending operations of National Bank of Iraq, also known as Al-Ahli Bank of Iraq in FY05.

### Facilitating Investment in China's Power Sector

One of the key ways through which Spain cooperates with IFC's technical and advisory work is through lending support to its Technical Assistance Trust Fund. Under the program, Spain in FY05 supported a market study of commercial financing of power plants in China. The aim of the study was to identify what returns are possible from equity investments in the power sector. Return expectations reflect to a large extent the regulated nature of the electricity generation business in China. The energy specialists hired under this assignment provided a detailed analysis of the tariff setting and regulatory environment in the power industry in China, at both national and provincial levels, and how these, and other variables, affect the likely returns which can be earned on equity investments in the power sector. The assignment will also provide a forward looking analysis of the pending changes to the system, when the changes are expected and what the likely outcomes are. This will assist IFC in determining where to engage with power projects in China.