



IFC

**International
Finance Corporation**
World Bank Group

IFC in Brief

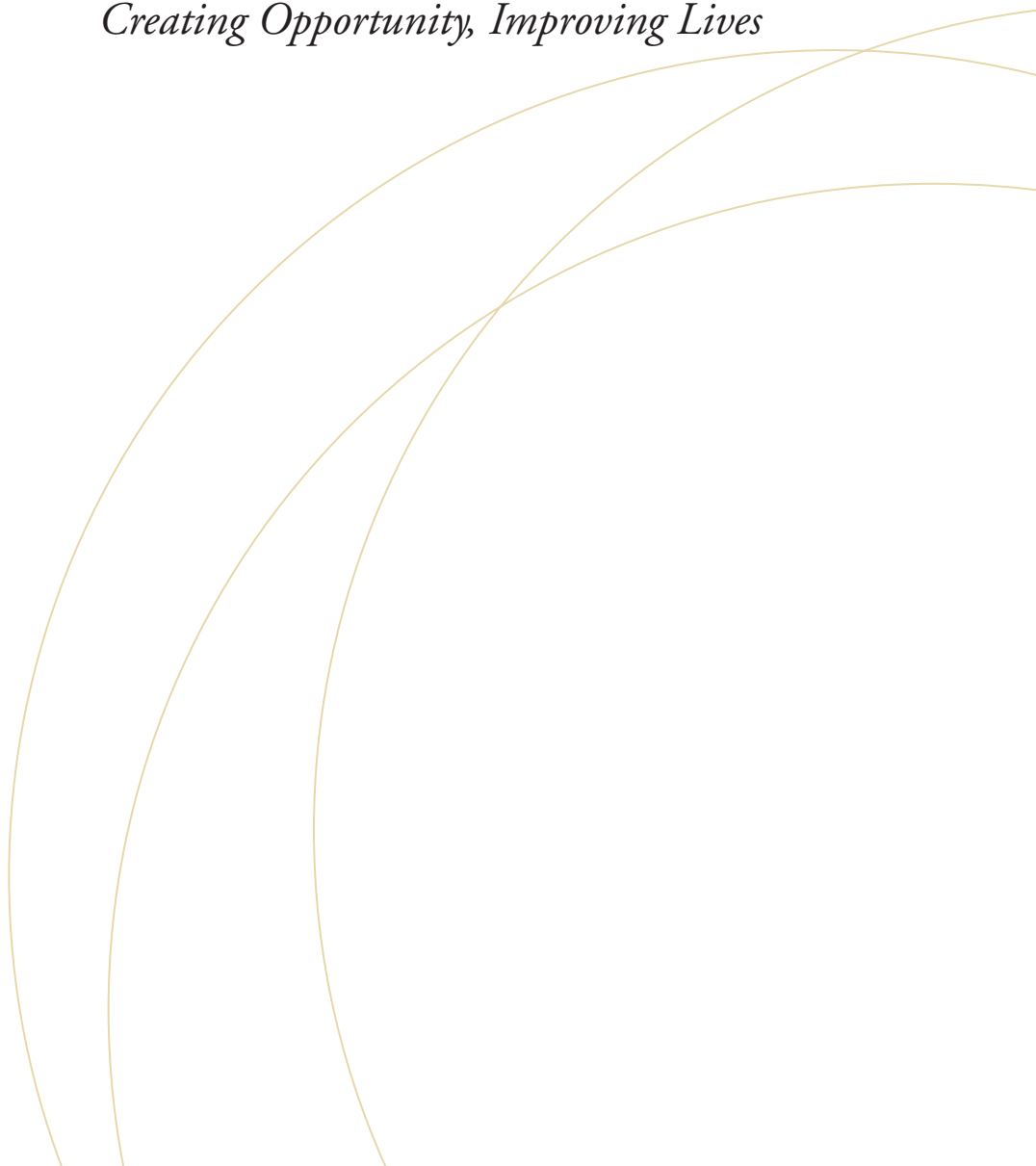
Creating Opportunity, Improving Lives





IFC in Brief

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OUR SHARED VISION

That people should have the opportunity to escape poverty and improve their lives

IFC inBrief

OUR CORE VALUES

Excellence

Commitment

Integrity

Teamwork



IFC fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing capital in the international financial markets, and providing advisory services to businesses and governments.

In partnership with private investors, IFC provides loan and equity finance for business ventures in developing countries and helps expand their economies and create jobs. IFC plays a **catalytic role** by demonstrating the profitability of investments in emerging markets.

In all of its investments and advisory projects, IFC never loses sight of its ultimate goal: to **improve lives** and raise the living standards of those in developing countries who most need the benefits of economic growth.

As a member of the **World Bank Group**, IFC coordinates its activities with the International Bank for Reconstruction and Development, the International Development Association, and the Multilateral Investment Guarantee Agency, but it is legally and financially independent. Its 179 member countries provide its share capital and collectively determine its policies.

As IFC Executive Vice President and CEO, **Lars Thunell** leads the Corporation's strategy. Corporate governance is vested in IFC's Board of Governors, which delegates many of its powers to a Board of Directors.



What Sets Us Apart

IFC is in the business of creating opportunity and improving lives in developing countries. With our commitment to the private sector, we bring a unique combination of investment and advisory services that helps us create value for our clients and shareholder governments and foster sustainable, results-oriented development.

- **Development Impact.** In addition to sound financial results for clients, IFC seeks ways to improve individual lives, broaden opportunities for entrepreneurs, and contribute to the economic, social, and environmental well-being of communities. IFC measures the impact of its investments and advisory services and applies lessons learned.
- **Association with the World Bank.** As a member of the World Bank Group, IFC can offer a greater breadth of advisory services than any other private sector development finance institution.
- **Market Discipline.** IFC has proved each year since 1956 that private investments—subject to the discipline of the marketplace—can result in profitable, sustainable businesses in developing countries.
- **Financial Sector Influence.** IFC’s deep involvement with the financial sector, including commercial banks in both industrialized and developing countries, allows us to catalyze three to four private sector dollars for every dollar we invest and multiply the impact of these investments.
- **Long-Term Partnerships.** Over the course of long-term relationships with clients, IFC adds value through an array of investments as well as advisory services.
- **Sustainable Investments.** IFC ensures that investments do more than simply improve a company’s balance sheet—we help clients adopt practices that strengthen their business while simultaneously enhancing the development impact of the investment.
- **Corporate Governance.** IFC aims to help companies improve standards of governance, focusing on shareholder and stakeholder rights, board member duties, disclosure, and effective enforcement.
- **Preferred Creditor Status.** In the event of a currency crisis in a particular country, participants in IFC’s syndicated loans share fully in our status as a preferred creditor, including access to foreign exchange.



Expanding Opportunities for Businesses

IFC was founded in 1956 to help the private sector reduce poverty in developing countries. First conceived as a provider of project finance, IFC has adapted to the evolving needs of its private sector clients and now provides a full range of innovative investment and advisory services tailored to entrepreneurs and companies throughout the developing world.

IFC was created at a time when the private sector was considered a marginal force in the economic development of poorer countries. But today the private sector is the key engine of growth and poverty reduction, and IFC's vision of private sector-led growth, along with its capital, financial expertise, advisory services, and leadership in standard setting, reaches some 140 emerging markets.

IFC is committed to increasing the development impact of its investments and advisory services, through five areas of special focus articulated in our strategy:

- In **frontier markets**—whether in the poorest countries, or in the poorer regions and high-impact sectors of middle-income countries—IFC seeks to improve investment climates; enhance the competitiveness of smaller businesses, including agribusinesses; and increase access to finance. IFC is also becoming increasingly active in conflict-affected countries, with investments and advisory services in Afghanistan, the Democratic Republic of Congo, Lebanon, and Liberia, among others.
- IFC is building **long-term partnerships** with emerging players in developing countries, providing the sustained financing and advisory services that improve business results and other performance measures in an ever-changing global business environment.
- IFC supports the global **climate change and sustainability** agenda by helping improve policies and processes and by implementing strategies that have large environmental, social, and corporate governance impacts.
- IFC supports efforts to increase **private sector participation in infrastructure, health, and education**, since these sectors are critical to improving the lives of those in poverty.
- IFC works to broaden **access to finance** and develop deeper and better-functioning financial markets in all regions of the developing world.



One IFC

IFC is a global organization providing both investment and advisory services that offer businesses and entrepreneurs in the developing world what they need to meet the challenges they face in the global marketplace.

IFC Investment Services

Loans and Intermediary Services. IFC offers its clients a variety of lending instruments. Loans are issued at market rates, both in hard currency and in an increasing number of emerging market currencies.

Equity. IFC buys and holds shares in companies, other project entities, financial institutions, and portfolio or private equity funds.

Syndicated Loans. Through its syndicated loan program, IFC offers commercial banks and other financial institutions the chance to lend to projects and companies they might not otherwise consider. For loan participations, IFC remains the lender of record.

Structured Finance. IFC's structured finance products enable clients with strong, sustainable projects to access capital that otherwise might not be available to them. Products include partial credit guarantees, participation in securitizations, and risk-sharing facilities.

Risk Management Products. IFC's risk management products provide clients with access to long-term derivatives markets. For example, instruments allow clients to hedge their foreign exchange exposures, which are typically related to foreign currency borrowings.

Trade Finance. IFC aims to help emerging markets increase their share of global trade; we have established a worldwide network of bank partnerships that finance trade under risk coverage provided by IFC.

Subnational Finance. IFC and the World Bank work together to provide capital investment to municipalities and other local public entities that deliver key infrastructure services in developing countries.

Treasury Operations. IFC funds its lending activities by issuing bonds in international capital markets and has been the first multilateral, or among the first, to issue bonds in the local currencies of many emerging markets.

To find out more about IFC Investment Services, a private sector company or financial institution with an investment need can approach the nearest IFC office. IFC's Web site, ifc.org, provides this information by region.



Our investment and advisory services are flexible and can be tailored to a client's specific needs—often brought together in innovative solutions that add value.

IFC Advisory Services

Business-Enabling Environment. IFC helps our client countries improve the legal, institutional, and regulatory conditions for doing business at the national and subnational level, making their economies more conducive to private sector growth. Our services include:

- Regulatory simplification
- Industry-specific reforms
- Investment policy and promotion
- Alternative dispute resolution

Value Addition to Firms. IFC adds value beyond financing to help firms grow and become more competitive, with an emphasis on:

- Corporate governance
- Supply-chain links to IFC investment projects
- Direct assistance to small businesses
- HIV/AIDS programs in private companies
- Support to providers of business services

Environmental and Social Sustainability. IFC helps companies and financial institutions become more socially responsible and improve their environmental and social performance through a variety of channels, including:

- Sustainable energy
- Cleaner technologies and production
- Promotion of biodiversity
- Sustainable investing

Infrastructure. IFC provides advisory services to help governments and private companies strengthen local infrastructure, with a focus on:

- Health care and education
- Renewable energy
- Public-private partnerships
- Complex project development
- Privatization

Access to Finance. IFC addresses the supply of financing through advisory services that help make financial markets more efficient, including:

- Support to microfinance institutions
- Leasing
- Banking and insurance
- Trade finance
- Support to small and medium enterprises
- Municipal finance
- Housing finance

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INCLUSIVE AND SUSTAINABLE GLOBALIZATION

The World Bank Group's Six Strategic Directions

The vision of the World Bank Group is to contribute to an *inclusive and sustainable globalization*—to overcome poverty, enhance growth with care for the environment, and create individual opportunity and hope. IFC has a contribution to make on all six themes, each of which has an important private sector component.

Poorest Countries

Helping overcome poverty and spur sustainable growth in the poorest countries, especially in Africa.

Fragility and Conflict

Addressing the special challenges of states coming out of conflict or seeking to avoid the breakdown of the state.

Middle Income Countries

Develop a competitive menu of development solutions for middle income countries, involving customized services as well as finance.

Global Public Goods

Playing a more active role with regional and global public goods on issues crossing national borders, including climate change, HIV/AIDS, malaria, and aid for trade.

The Arab World

Supporting those advancing development and opportunity in the Arab world.

Knowledge and Learning

Fostering a knowledge and learning agenda across the World Bank Group to support its role as a 'brain trust' of applied experience.

How to Contact Us

IFC has offices in more than 80 countries around the world.
Please contact the nearest regional office for further information.

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