



Technical Assistance and Advisory Operations

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Many of IFC's technical assistance and advisory services are detailed in the regional sections of this report.

A comprehensive listing of projects appears in Volume 2.

Overview

In addition to making investments, IFC provides technical assistance and advisory services that strengthen companies, financial institutions, and the government entities involved in the private sector.

In FY05 nearly one-third of IFC's staff were engaged in these efforts, in Washington and in the field. Much of this work is conducted through 24 facilities or programs managed by IFC but funded by partnerships with donor governments and other multilateral institutions. Facilities focus on either a region or a strategic aspect of development; they play a key role in carrying out IFC's emphasis on the business-enabling environment, smaller enterprises, corporate governance, and environmental and social development. During FY05, donor-funded operations accounted for about \$108 million in expenditures. IFC provided more than \$57 million in funding. Cumulative contributions to all donor-funded operations managed by IFC reached \$1.11 billion through FY05. (See next page for a list of regional facilities.)

The Corporation is improving and strengthening the systems that support technical assistance and advisory projects. This effort is making it easier to share knowledge, measure performance, and evaluate results.

Trust Funds and IFC Funding

In addition to donor-funded facilities, IFC has set up trust funds with individual donor countries and agencies. These funds can be used to hire consultants with financial, legal, technical, or environmental expertise to work on specific projects; certain funds are tied to hiring citizens of the donor country.

Through FY05, the donor community provided cumulative contributions of \$203 million to support the Technical Assistance Trust Funds program; this includes \$17.8 million from IFC's own resources to date. Donors



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have approved more than 1,480 technical assistance projects through the program since its inception in 1988. Examples of projects funded this year include a feasibility study for a global home township program in El Salvador, development of consumer and small business banking in Mauritania, and assistance to two new commercial banks in Iran to strengthen their operational procedures, credit analysis, and risk management. A project in the Democratic Republic of Congo benefited the general business environment, improving smaller businesses' access to finance and information and consultancy services. Other projects the program funded are highlighted in the regional sections of this report.

This year, IFC also created the Funding Mechanism for Technical Assistance and Advisory Services, which designates a portion of the Corporation's retained earnings as a contribution to support donor-funded operations and other technical assistance and advisory projects. This improves the efficiency and strategic responsiveness of our technical assistance, especially for new initiatives. It also helps make IFC's spending on investments and donor-funded operations more separate and transparent, but it does not eliminate the need for donor funding of these activities. Using funds designated from FY04's earnings, funding was approved for 46 activities and projects to spend \$225 million over a six-year period; spending in FY05 was \$63 million.

IFC's Donor-Funded Facilities in Developing Regions

In addition to the regional facilities below, IFC operates facilities with a global focus on specific aspects of development, including—among others—foreign investment, privatization, and environmental and social development. A more comprehensive list of donor-funded operations precedes the table of Technical Assistance and Advisory Projects in Volume 2.

China Project Development Facility

Sichuan province, China

Latin America and the Caribbean Technical Assistance Facility

Bolivia, Honduras, Nicaragua, Peru

Mekong Private Sector Development Facility

Cambodia, Lao PDR, Vietnam

Pacific Enterprise Development Facility

Pacific Islands

Private Enterprise Partnership

Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Russian Federation, Tajikistan, Ukraine, Uzbekistan

Private Enterprise Partnership for Africa

Sub-Saharan Africa

Private Enterprise Partnership for the Middle East and North Africa

Middle East and North Africa; includes Afghanistan and Pakistan

Private Enterprise Partnership for Southeast Europe

Albania, Bosnia and Herzegovina, Bulgaria, Croatia, FYR Macedonia, Moldova, Romania, Serbia and Montenegro

Program for Eastern Indonesia SME Assistance

Eastern islands of Indonesia

SouthAsia Enterprise Development Facility

Bangladesh, Bhutan, northeast India, Nepal



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A Snapshot of IFC's Technical Assistance and Advisory Services

Assistance to firms. Includes support to strengthen micro, small, and medium enterprises and to help establish supplier or distributor links between these businesses and larger companies.

Business enabling environment. Includes removing barriers to investment, improving government policies for SME sector, strengthening business service providers, studying specific sectors, advising on corporate governance, and conducting gender initiatives.

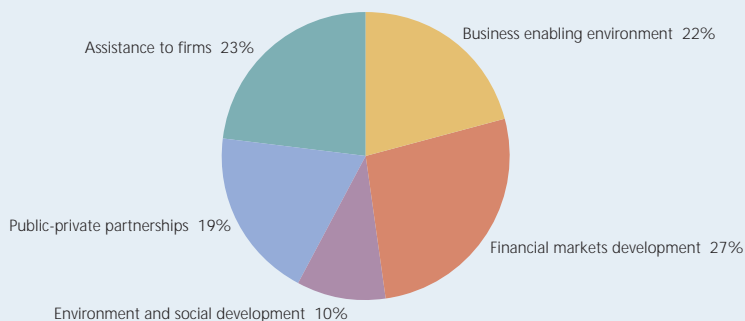
Environment and social development. Includes benefits related to biodiversity, energy efficiency, HIV/AIDS, renewable energy resources, workforce health and safety, community development, and indigenous people.

Financial markets development. Includes promotion of leasing, factoring, housing finance, insurance, banking, microfinance, and trade finance.

Public-private partnerships. Includes providing advisory assistance (primarily to governments) on privatization and restructuring of state-owned enterprises, and on private sector participation in infrastructure to expand access to public services (such as transportation, health services, and power).

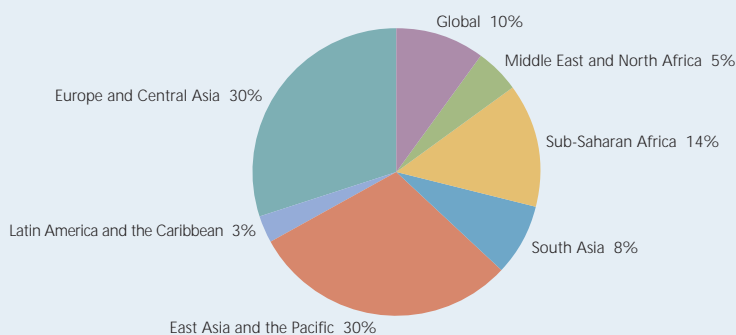
MAJOR AREAS OF TAAS WORK

(percentage of approved funds for active projects, FY05)



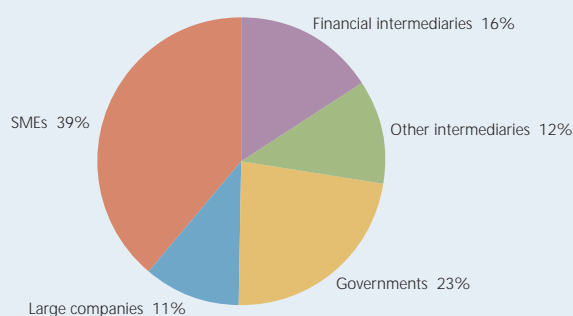
GEOGRAPHIC DISTRIBUTION OF OPERATIONS

(percentage of approved funds for active projects, FY05)



GROUPS THAT BENEFIT

(percentage of approved funds for active projects, FY05)



Approved funding for TAAS projects active in FY05 totaled \$276 million. The data in these graphs were collected using new procedures implemented across IFC during FY05; they have not been audited.