IFC and Germany
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).* 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 $1.6 billion with German partners spread across several sectors and regions.

IFC’s Long-Term Investment Portfolio with German Sponsors

As of FY23, IFC’s long-term investment portfolio with German sponsors amounted to close to $1.6 billion. German private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

PARTNERSHIP WITH THE GOVERNMENT & DEVELOPMENT FINANCE INSTITUTIONS

Germany’s development institutions are important partners to IFC. KfW Bankengruppe (KfW), which includes DEG, acts as a long-term co-lender in a variety of industry sectors, including agri-finance, microfinance and sustainable energy. DEG is amongst IFC’s most valued, long-standing partners.

In FY19-23, Germany provided cumulative funding of close to $133 million to support IFC Advisory Services. This included support by the Ministry for Economic Cooperation and Development (BMZ) for food systems in Africa, PPP advisory and capital markets, as well as support by the Ministry for Economic Affairs and Climate Action (BMWK) for green finance.

*The World Bank Group fiscal year runs from July 1 to June 30 of the following calendar year.
Examples of Successful Cooperation

Fraport, Türkiye

In March 2023, IFC committed a €150 million loan to Fraport TAV Antalya Yatırım Yapım ve İşletme A.S. (Fraport TAV) in financing the upfront lease payment and capital expenditure program of Antalya Airport, Türkiye’s main leisure-oriented airport, and to support the development of the Turkish tourism sector. The project is co-sponsored by Fraport AG, one of the leading companies in airport management and development based in Germany. This is IFC’s first investment in the airport sector in Türkiye. IFC financing will support the upgrade of Antalya Airport to enhance the country’s competitiveness as a global tourism destination while helping to manage the project’s carbon footprint in line with the Paris Agreement. IFC will also support Fraport TAV in utilizing renewable energy generated on-site and constructing energy-efficient terminals. The new expanded terminal buildings are expected to achieve energy savings of at least 24%, qualifying them for a Leadership in Energy and Environmental Design Gold certification.

HDI Global, Vietnam

In May 2021, IFC committed an equity investment of $25 million to PVI Holdings along with IFC Emerging Asia Fund and IFC Financial Institutions Growth Fund. PVI Holdings, a Vietnamese investment holding company, is majority owned by HDI Global SE, a global insurance company headquartered in Germany. The project will help PVI implement a corporate governance action plan, strengthening the company’s institutional capacity and helping increase outreach to its customers. IFC’s investment will increase access to non-life insurance in Vietnam, enhancing sustainability in the sector while promoting the adoption of international corporate governance standards in the country.

K+S, Uganda

In September 2019, IFC committed an A loan of $11 million to Grainpulse Limited, a Ugandan company specialized in coffee and grain supply chain management, human and animal nutrition and local fertilizer blending. Grainpulse started as a joint venture with Germany-based K+S AG, one of the world’s leading suppliers of fertilizers and salt products. IFC’s investment supported the company’s $18 million investment program, which included the expansion and completion of a maize mill, animal feed mill and a grain storage facility. The project improved access to markets for local smallholder farmers and increase the supply and delivery of quality crop-specific fertilizer in Uganda and improved competitiveness in the country’s fertilizer sector by changing the market structure through demonstration and replication effects, capacity building and skill development. The IFC advisory services program helped strengthen the upstream agricultural supply chain in Uganda by expanding capacity building programs for local SME and farmer suppliers, establishing a last-mile distribution of fertilizers and facilitating linkage between farmers, agri-input dealers and financial service providers.

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