

A TRAILBLAZING INVESTOR

As a trailblazing investor, IFC is reimagining how private capital can be mobilized to build a better world. Our program growth is fueled by a singular focus: maximizing the impact of every dollar invested.

In an era of complex global challenges, we recognize that transformative change requires more than isolated transactions. That's why we're urgently developing new ways to efficiently channel private capital toward the world's most pressing needs, creating a multiplier effect, amplifying our impact and accelerating positive change on a global scale.

We're leveraging our unique position within the World Bank Group to deliver solutions that meet ambitious development goals. From mobilizing billions for climate action to empowering women entrepreneurs and helping stabilize fragile economies by creating jobs and opportunities, our investments are accelerating progress toward a more sustainable, inclusive, and prosperous world.

The stories that follow illustrate the power of strategic, impact-driven investment to address some of the world's most intractable challenges.

Photo: Longtime IFC client Vegpro Group is a leading vegetable and flower exporter in Kenya.

UNLOCKING CAPITAL







MOBILIZATION

AT THE HEART OF IFC'S MISSION

Mobilizing private capital is at the core of IFC's mission — attracting additional investment to scale up private sector solutions that address today's greatest development needs. Through mobilization we are showing that investing for impact in challenging contexts is both good for business and good for development.

Our private capital mobilization reached a record \$34 billion, with core mobilization growing by 50 percent as compared to FY23, reaching over \$22 billion. Drawing on the work of both our investment and advisory teams, this growth marks the first steps in a longer-term transformation of our business model.

Two recent examples highlight the diverse ways IFC mobilizes private capital:

In Brazil, IFC advised the State of São Paulo in tendering a 30-year concession agreement enabling a private consortium to upgrade two existing metropolitan rail system lines formerly operated by a state-owned company. The transaction was the first of its kind in traffic-clogged São Paulo, one of the world's largest cities with a population of more than 12 million. The fully transparent competitive

bidding brought a new operator, ViaMobilidade 8 e 9, formed by two Brazilian investors, CCR SA and RuasInvest. IFC helped secure \$1.6 billion in private sector investment, including approximately \$500 million raised through Brazil's largest-ever green bond issuance. The project is improving suburban rail connectivity for approximately a million commuters per day with more efficient, lower-polluting service that includes new trains and a full set of related infrastructure upgrades.

In Georgia, IFC's \$10 million anchor investment led to the successful issuance of a \$150 million bond — the largest domestic sustainability-linked bond in the country and the Caucasus region at the time of issuance. The landmark transaction is expected to help bond issuer Georgia Capital and its portfolio companies implement energy-efficient measures that will reduce their GHG emissions by 20 percent by 2027. These include replacing natural gas heating systems with energy-efficient electric heating solutions, deploying electric vehicles, and shifting to renewable electricity. The bond attracted an unprecedented level of interest in Georgia with total demand reaching \$200 million and spreading across a diverse range of 275+ retail, corporate, and institutional investors.

Photos: An IFC-supported public private partnership in Brazil attracted \$1.6 billion in new private investment, upgrading rail service in metropolitan São Paulo.

PIONEERING PLATFORMS FOR SUSTAINABLE FINANCE

IFC is pioneering innovative platforms to attract private capital for sustainable development and climate action in emerging markets at scale. These initiatives are removing barriers to financing and setting new standards for responsible investment.

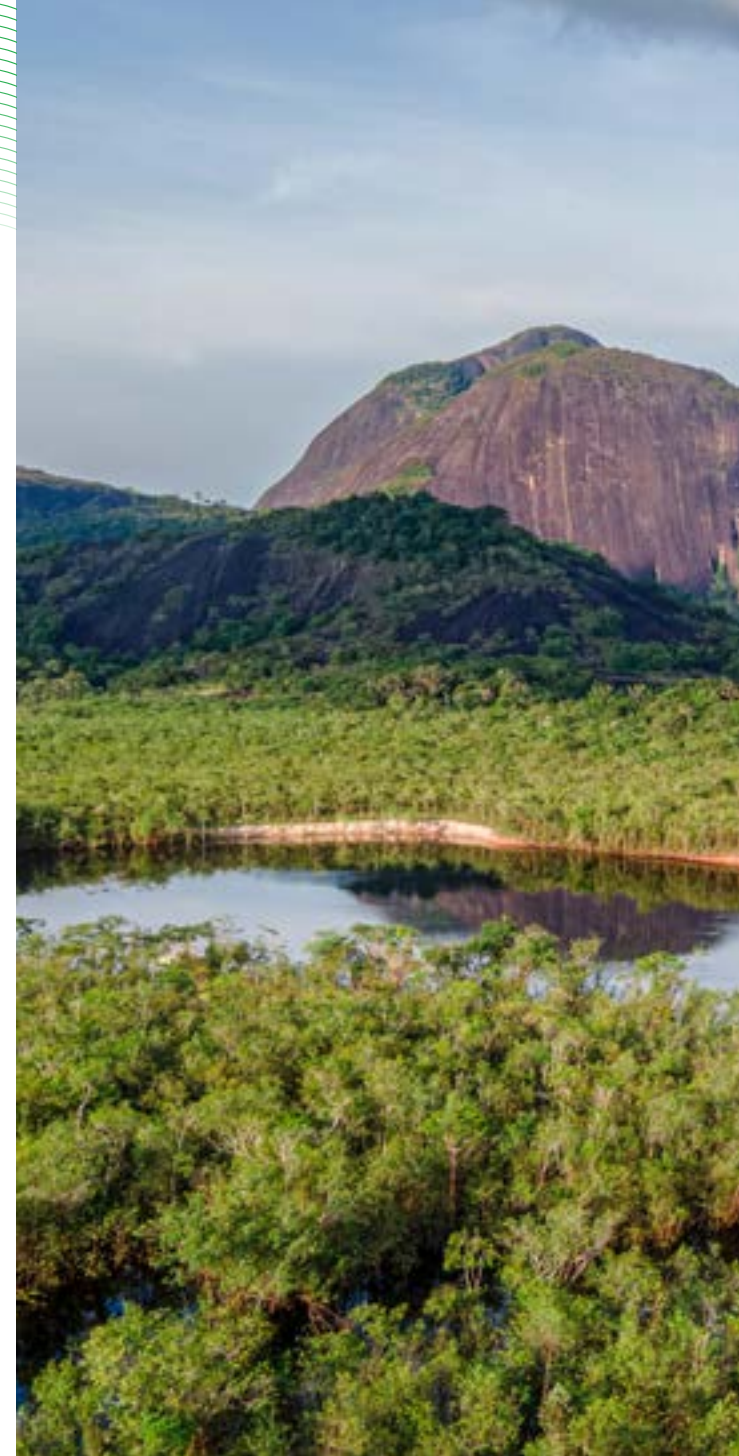
The Managed Co-lending Portfolio Program (MCP) One Planet, launched at COP26, has already attracted \$2.5 billion in financing from a range of private and public sector investors, nearly all of which has been allocated to transactions. In fiscal year 2024 alone, \$1.07 billion was committed to investment opportunities representing transactions in 27 projects in 19 countries across all IFC regions and industry groups. At 51 percent, the Manufacturing, Agribusiness, and Services sector represented the highest volume of commitments. As the world's first cross-sectoral portfolio of emerging market senior loans aligned with the Paris Agreement, MCP One Planet provides investors with enhanced reporting, enabling them to demonstrate their contributions to global climate efforts and the Sustainable Development Goals while meeting disclosure regulations without incurring additional costs.

IFC has also joined forces with T. Rowe Price to pioneer a global blue bond strategy. By pairing its leading market

guidance capabilities with its capacity as an investor, IFC is supporting the supply side of the market by helping to increase the quality and quantity of blue-labeled issuances. Launched in November 2023, the T. Rowe Price Emerging Markets Blue Economy Bond Strategy aims to increase financing for blue projects in emerging markets while improving standards in this evolving area. This initiative complements IFC's track record of investing and mobilizing over \$1.9 billion through 17 blue bonds and loans since 2020 across different regions. This represents close to 10 percent of the total global blue-labeled bonds market valued at \$17 billion.

By combining IFC's risk assessment and project supervision expertise with novel financial structures, these initiatives are creating new pathways for investors to support climate action and ocean conservation in emerging markets and developing economies.

Photos: To help preserve Colombia's treasured ecosystems at a time of significant risks from climate change, IFC partnered with Spanish bank BBVA on the world's first biodiversity bond. The groundbreaking \$70 million bond issue provides private capital to finance projects that address key drivers of Colombia's biodiversity loss and help restore forests, waterways, and wildlife habitats.





BIODIVERSITY BOND

Rapid biodiversity loss is an urgent threat to global ecosystems — and one that government resources alone cannot address.

This is why IFC acted as structurer and investor of the world's first biodiversity bond that will amount to \$70 million in support of the Colombian subsidiary of Spanish bank BBVA's financing of private sector-led activities in reforestation, habitat restoration, climate-smart agriculture, and other priority sectors across Colombia.

The groundbreaking transaction introduces biodiversity and nature asset eligibility criteria to the market, following new standards IFC set in its *2023 Biodiversity Finance Reference Guide*. Designed to be marketable and replicable, the bond could open significant sources of new private investment for this critical sustainability area. As the world's most biodiverse nation (on a per square kilometer basis according to the World Wildlife Fund), Colombia is a great place to start crafting this new private sector solution.

CULTIVATING RESILIENCE

INNOVATIONS IN AGRIBUSINESS



Climate-resilient food security and innovative agricultural insurance are two important areas of focus for IFC in the agribusiness space.

In Senegal, where climate change threatens rice production and food security, IFC is supporting innovative financing solutions through a partnership with Baobab Group. This initiative, part of IFC's Base of the Pyramid Platform (BOP), helps deliver critical funding to small businesses and low-income households, backed by guarantees and local currency financing from the IDA Private Sector Window.

Baobab Group has prioritized supporting Senegal's women rice farmers, increasing loan disbursements to women by 54 percent between 2021 and 2023. Offering loans ranging from \$165 to \$165,000, the Group also provides training on environmentally friendly production techniques and access to climate-adapted insurance products. This approach improves access to finance for thousands of small enterprises led by women, while enabling local financial institutions to expand their agricultural portfolios.



Complementing this effort, IFC has invested in Pula, an innovative insurtech company revolutionizing agricultural insurance across Africa and Asia. Pula's products now reach over 15 million smallholder farmers, with 6 million new sign-ups in 2023 alone. Their groundbreaking approach combines satellite imagery, mobile technology, and advanced data analytics to provide a unique index-based insurance model protecting farmers against production losses due to natural events.

Pula's technology leverages real-time satellite data to assess crop health and weather patterns, enabling precise risk assessment and rapid claim processing. By integrating with mobile payment systems, Pula has made insurance more accessible and affordable for previously underserved smallholder farmers.

Since 2015, Pula has partnered with over 70 insurance companies, 20 reinsurance companies, and 100 distribution partners across Africa. IFC's investment aims to catalyze Pula's expansion, demonstrating the viability of commercially sustainable insurance for smallholder farmers at scale.

By simultaneously addressing climate resilience in food production and innovative risk management through insurance, IFC is transforming the landscape for smallholder farmers across Africa, with potential for expansion into other regions.

Photos: Aby Diop and other small-scale rice farmers in Senegal are increasing their productivity with loans for new climate-smart agriculture techniques from IFC microfinance client Baobab Group. Baobab's loan disbursements to women grew by 54 percent between 2021 and 2023.

FOSTERING FINANCIAL INCLUSION

EMPOWERING WOMEN ENTREPRENEURS AND REFUGEE COMMUNITIES



IFC is intensifying its efforts to promote financial inclusion through strategic investments and partnerships that empower women entrepreneurs and support refugees and their host communities.

In Indonesia, IFC has invested \$25 million in Amartha, the country's largest microfinancing platform. Serving about 1.2 million small business borrowers through a network of field agents and local hubs across Indonesia's major islands, Amartha focuses on rural women entrepreneurs, a group often overlooked by traditional banks despite their important role in local economies.

IFC's investment is helping significantly expand Amartha's reach and impact. This project aims to prove the business case for investing in rural women entrepreneurs and encourage other financial institutions to serve this market.

True to its commitment to inclusion, IFC has also intensified its collaboration with UNHCR to address the global displacement crisis, which now affects over 120 million people worldwide. This partnership, formalized in December 2022, is already showing tangible results.

In December 2023, 81 businesses, almost all led by local Kenyan entrepreneurs and refugees,

were named among the winners of the Kakuma Kalobeyei Challenge Fund (KKCF) Competitive Business Challenge, a competition managed by IFC and the Africa Enterprise Challenge Fund to support economic development, job creation, and entrepreneurship in Kenya's Kakuma-Kalobeyei refugee-hosting area. Winners of the business competition received grants and technical support to launch or grow their operations. KKCF-supported businesses have already created more than 300 jobs, including 199 held by women and 82 by refugees. These businesses have provided vital services to over 70,000 refugees and members of the host community, including renewable energy, education, and healthcare services.

In Colombia, IFC partnered with Bancamía to launch a pilot program helping Venezuelan migrants integrate into the local economy. By providing microloans and financial education, the program has supported over 1,000 Venezuelan entrepreneurs, 64 percent of whom are women.

In 2023, IFC and UNHCR began working with governments in Uganda and Kenya, home to over 2 million refugees, to improve regulatory environments, allowing refugees greater economic freedoms. These efforts

aim to replicate successes like those in Jordan, where World Bank Group-UNHCR collaboration has led to policy changes that enabled 80,000 work permits for Syrian refugees.

By combining UNHCR's on-the-ground expertise with IFC's private sector know-how, this partnership is creating a new paradigm for refugee inclusion. It's not just about aid — it's about unleashing the economic potential of displaced communities and their hosts.



Photos: (Left) IFC and Indonesian microfinance fintech client Amartha have developed an innovative funding solution boosting access to finance for women-owned microenterprises. (Above) An IFC-supported small business development initiative is creating jobs in Kenya's Kakuma-Kalobeyei refugee-hosting area.



LAYING THE GROUNDWORK FOR ECONOMIC GROWTH

IFC is committed to fostering economic growth and stability in some of the world's most challenging environments.

In Iraq, IFC is spearheading two transformative projects. The first is a \$206 million agro-industrial development in Basra, in partnership with Tiryaki Agro Gida Sanayi Ve Ticaret A.S. of Türkiye. IFC's investment package of \$113 million — part of IFC's Global Food Security Platform — will support a new processing facility at Umm Qasr Port, enhancing food security by increasing the availability of maize and soybean meal for poultry production.

Simultaneously, IFC is backing the expansion of the Al Douh cement plant in Samawa, in Iraq's Al Muthanna province. With a total financing package of \$130 million, this investment will more than double the plant's cement production capacity to 3.5 million tons annually while significantly improving its environmental footprint. The project includes the installation of a new high thermal efficiency kiln, a natural gas-powered captive power plant replacing heavy fuel oil, and a waste heat recovery system that will reduce fossil fuel-based electricity generation by up to 30 percent. These upgrades will align the plant's operations with European Union taxonomy criteria for sustainable cement production. Beyond creating over

800 construction jobs, this project will serve as a catalyst for broader economic growth in southern Iraq while demonstrating the viability of greener industrial practices in challenging markets.

In Somalia, IFC is collaborating closely with the World Bank to build the foundations for a vibrant and inclusive private sector. Our work focuses on addressing systemic constraints hindering investment such as compliance with global financial sector regulations, lack of correspondent banking, and weak institutional capacity through advisory engagements that aim to strengthen the technical know-how of clients and build capacity of governing institutions.

In South Sudan, Ethiopia, and across the Sahel countries, IFC is implementing targeted investments to address critical infrastructure gaps, support local businesses, and promote economic resilience. These initiatives range from financing small and medium enterprises to supporting key sectors such as agriculture, energy, and telecommunications.

By taking calculated risks in these challenging markets, IFC is not only providing essential financial support but also demonstrating the viability of private sector solutions in fragile and conflict-affected economies and contributing to long-term stability and economic development in these places.

Photo: An IFC-financed processing facility supports food security in Iraq, increasing the availability of maize and soybean meal for poultry production.

