

LEVERAGING THE POWER OF THE PRIVATE SECTOR

The private sector is an indispensable force for sustainable development — it sparks the innovation, improves the productivity and economic efficiency, and creates the jobs and growth needed to end extreme poverty and boost shared prosperity. IFC is ideally positioned to tap the power of the private sector to address the most urgent challenges of our time.

30 SPURRING GROWTH

We work with private sector clients and partners to drive sustainable growth and create jobs—with a focus on building infrastructure, mobilizing private capital, promoting investments in technology, and expanding opportunities for small and medium enterprises.

40 BUILDING RESILIENCE

Sustainable development depends on much more than economic growth. Developing countries are vulnerable to a growing array of challenges—from food security and climate change to urban migration. IFC works with businesses and governments to help stave off the biggest threats to sustained prosperity.

48 IMPROVING LIVES

We focus on lifting people out of poverty—by helping businesses create jobs, by expanding education and health care, and by promoting women’s economic empowerment. We concentrate our efforts wherever poverty is most entrenched and wherever our support can do the most good.

SPURRING GROWTH: INFRASTRUCTURE

Creating a Strong Foundation for Development

Developing countries spend about \$1 trillion a year on infrastructure—but that’s barely half of what’s needed.

As a result, more than a billion people still lack access to electricity. More than 750 million are forced to endure the hazards of unclean water. More than a billion are deprived of the benefits of modern means of transportation. Such challenges diminish productivity, slow economic growth, and constrict crucial avenues out of poverty.

Governments alone cannot close the infrastructure funding gap. That’s why IFC has taken a leading role in financing infrastructure projects and advising client governments on public-private partnerships, or PPPs. In FY15, we provided \$3.9 billion in long-term financing for infrastructure projects, including funds mobilized from other investors. Our advice facilitated \$5.7 billion in private investment in public infrastructure and is expected to help 16 million people gain access to basic services such as transportation, electricity, and water.

We take a comprehensive approach to infrastructure development. In Colombia, for example, our PPP team is advising the government on an ambitious \$24 billion road-modernization project. In addition, we agreed to invest \$70 million in Financiera de Desarrollo Nacional—Colombia’s development agency—to help mobilize funding for the country’s infrastructure projects.

In Pakistan, where millions remain cut off from the national grid, we invested \$125 million in China Three Gorges South Asia to support a series of privately owned hydro, solar, and wind projects. Once operational, they are expected to provide electricity to more than 11 million people and boost the country’s generation capacity by 15 percent.

In Myanmar—where only one-third of households enjoy access to electricity—IFC and the World Bank’s International Development Association are jointly supporting private sector development of about 750 megawatts of new gas-fired power generation. We are also working with power utilities in Yangon and Mandalay to raise efficiency in power distribution.

We’re also working to expand electricity in Nepal, which uses less than 1 percent of its 83,000 MW in hydropower potential. We partnered with India’s GMR Group to develop the 900 MW Upper Karnali hydropower plant and two transmission line projects. Twelve percent of the power generated will be provided free of cost to Nepal.

In Kenya, just 25 percent of the people have access to power. To help expand the country’s electricity grid, we invested \$50 million in Kenya Power & Lighting Company, the national power distributor. We also advised the company on how to improve its operational efficiency.





Governments alone cannot close the infrastructure funding gap. That's why IFC has taken a leading role in financing infrastructure projects and advising client governments on public-private partnerships.

WHY MORE NEEDS
TO BE DONE

1
BILLION

people still lack access
to electricity

SPURRING GROWTH: ACCESS TO FINANCE

Opening Up New Pathways to Prosperity

Bishaka Bairagi dreamed of owning her own handmade sari business in Kolkata, India. But her earnings were less than \$7 a month. And she was wary of money lenders. “They treat us very badly,” she said.

An IFC client, Bandhan Financial Services, offered her a \$66 loan to launch her business. Today she employs 25 people and earns \$400 a month. With her new income, she is able to afford a comfortable house and university education for her son.

Across the world, 2.5 billion adults do not have access to basic financial services. Nearly 200 million micro, small, and medium enterprises, or MSMEs, in emerging countries have limited access to financial services and credit.

Basic financial services—debit cards, e-money accounts, and simple bank accounts—are standard tools for lifting people out of poverty and spurring economic growth. Such accounts can provide a quick entry point for people to banking services, helping them boost their earnings, plan for household expenses, save for the future, and better manage economic risks.

IFC is playing a vital role in achieving a key goal of the World Bank Group—universal access to finance for adults by 2020. Working

IFC’s advisory work in Africa enabled Nimna Diayte to lease equipment for her small business in Senegal.



WHY MORE NEEDS
TO BE DONE

2.5
BILLION

adults still lack basic
financial services

Bishaka Bairagi launched her
handmade sari business with a
\$66 loan from an IFC client.



Basic financial services
such as bank accounts are
essential for lifting people
out of poverty and spurring
economic growth.

with a network of about 800 financial institutions in more than 100 developing countries, we and other Bank Group institutions intend to help establish 600 million bank accounts by 2020 for people who currently lack one.

Recently, we joined forces with the credit-card company MasterCard to set up a \$250 million facility to boost access to electronic payments for millions of people in emerging markets. Our collaboration will allow banks in developing countries to increase their offerings of debit, credit, prepaid, and electronic cards—which are safer and more efficient than cash transactions—to more people and small businesses.

We're also working to remove obstacles to effective and sustainable credit flows—by improving access to credit information, promoting best practices in risk management, and helping financial institutions improve environmental and social standards.

In Latin America, we are helping modernize the region's collateral registry system to enable borrowers to pledge movable assets to guarantee loans—instead of using purely traditional collateral assets such as land. As a result, more businesses are able to get loans and expand. We are working to set up such systems in Belize, St. Lucia, the Dominican Republic, and Trinidad and Tobago.

SPURRING GROWTH: SMEs

Accelerating Local Entrepreneurship

When Sonia Arias launched her small textile business seven years ago in Medellin, Colombia, she had a loan and a high interest rate that left her short of cash to reinvest. Repaying the loan felt like “being hit with a stick,” she remembers.

Now, a little-known financial tool is having a big impact on Arias and other small-business entrepreneurs who lack the right kind of collateral to secure traditional loans. Smaller businesses make up the majority of businesses in Latin America. A new collateral registry in Colombia allows them to leverage assets as small as a sewing machine to receive loans.

The results have been striking. Since the registry went live in 2014, thousands of business owners have registered more than a million items worth more than \$93 billion. Some of the country’s largest banks are among the lenders.

Local entrepreneurship drives emerging economies. Micro, small, and medium enterprises, or MSMEs, account for about 90 percent of businesses and more than 50 percent of employment worldwide. Yet access to capital—especially for women-owned enterprises—is often limited to loans with crippling interest rates.

A loan from an IFC client helped Sayeda Bayoumi expand her souvenir shop near the Egyptian Pyramids.





IFC believes strengthening such businesses is key to ending extreme poverty and boosting shared prosperity. We provide investment and advice to smaller enterprises in more than 80 countries, focused on every phase of business development—investment-climate reform, strengthening management skills, and access to finance and markets. We also play a key role in mobilizing SME finance globally, serving as the technical advisor in this area to the Group of 20 leading economies.

In 2014, we worked across the world with financial institutions that focus on lending to MSMEs. These institutions had an outstanding loan portfolio of nearly \$270 billion in micro, small, and medium loans. Our Global SME Banking program advised clients on more than 70 projects in more than 40 countries. Nearly two-thirds of these projects were in the poorest countries, and 15 percent were in conflict-affected areas.

In Jordan, we helped Bank Al Etihad launch a new banking model that supports women, particularly those who own small businesses. The program is part of a larger initiative that has facilitated more than \$1.7 billion in lending for such businesses, supporting nearly 120,000 jobs.

In Peru, small businesses face challenges in obtaining financing. To help address the problem, IFC agreed to invest \$15 million in HMC Capital High Yield Peru Fund—the first fund in the country to invest solely in bonds issued by SMEs.

IFC believes strengthening such businesses is key to ending extreme poverty and boosting shared prosperity.

WHY MORE NEEDS TO BE DONE

90%

of businesses worldwide are micro, small, or medium enterprises

SPURRING GROWTH: CROSS-BORDER INVESTMENT

Mobilizing Capital for Development

The needs of developing countries are vast. By 2030, they will need up to \$950 billion a year in power-related investments, up to \$770 billion a year in transportation-related investments, and about \$210 billion a year to build or modernize health-related infrastructure such as hospitals.

In an era of scarce public resources, those sums far exceed the capacity of governments. It's imperative to create partnerships that bring together all of the potential resources available for development—particularly from the private sector. IFC plays a critical role in forging such partnerships.

Mobilizing capital from other investors—banks, international finance institutions, sovereign funds, pension funds, and other partners—is a key element of our strategy. It allows us to enlarge the pool of resources we bring to bear. For our co-investors, our involvement provides a more attractive balance of risk and return. For businesses in developing countries, it helps ensure a healthy transfer of knowledge.

In FY15, we mobilized a total of \$7.1 billion for investment in developing countries—40 percent of our long-term investments in all. We did that through two significant channels that underscore our history of innovation in this area.

The first, IFC Asset Management Company, offers an innovative way to expand financing for development and help investors benefit from IFC's extensive investment experience in developing countries. Since it was established in 2009, AMC has set up nine investment funds, with assets totaling about \$8.5 billion.

The second is our loan-syndications program, the oldest and largest of its kind among multilateral development banks. Under the program, more than 175 financial institutions co-invest with us in projects in developing countries. At the end of FY15, our syndications portfolio totaled more than \$15.3 billion.

To broaden the base of co-investors, we developed a Master Cooperation Agreement in 2009 to set guidelines for development institutions that join us in our projects. By FY15, 28 institutions had signed up. These institutions have provided \$3.4 billion to IFC clients since 2009.

Encouraging the flow of capital from one developing country to another—South-South investment—is an important part of our work. In FY15, we facilitated nearly \$2 billion in such investments. For instance, we invested \$5 million in Nafith International, a Jordanian logistics company that is helping streamline the movement of freight trucks in four Iraqi ports.

We continue to identify new projects under our Managed Co-Lending Portfolio Program, for which China has pledged \$3 billion. Under the program, IFC retains the authority for loan origination, structuring, and portfolio management. By the end of FY15, nearly all of the MCPP funds had been allocated to development projects.





In FY15, we mobilized \$7.1 billion in third-party investments in developing countries — 40 percent of our long-term investments.

WHY MORE NEEDS
TO BE DONE

\$ **770**
BILLION

per year needed for
transportation-related
investments

SPURRING GROWTH: TECHNOLOGY

Using Digital Technology to Empower the Poor

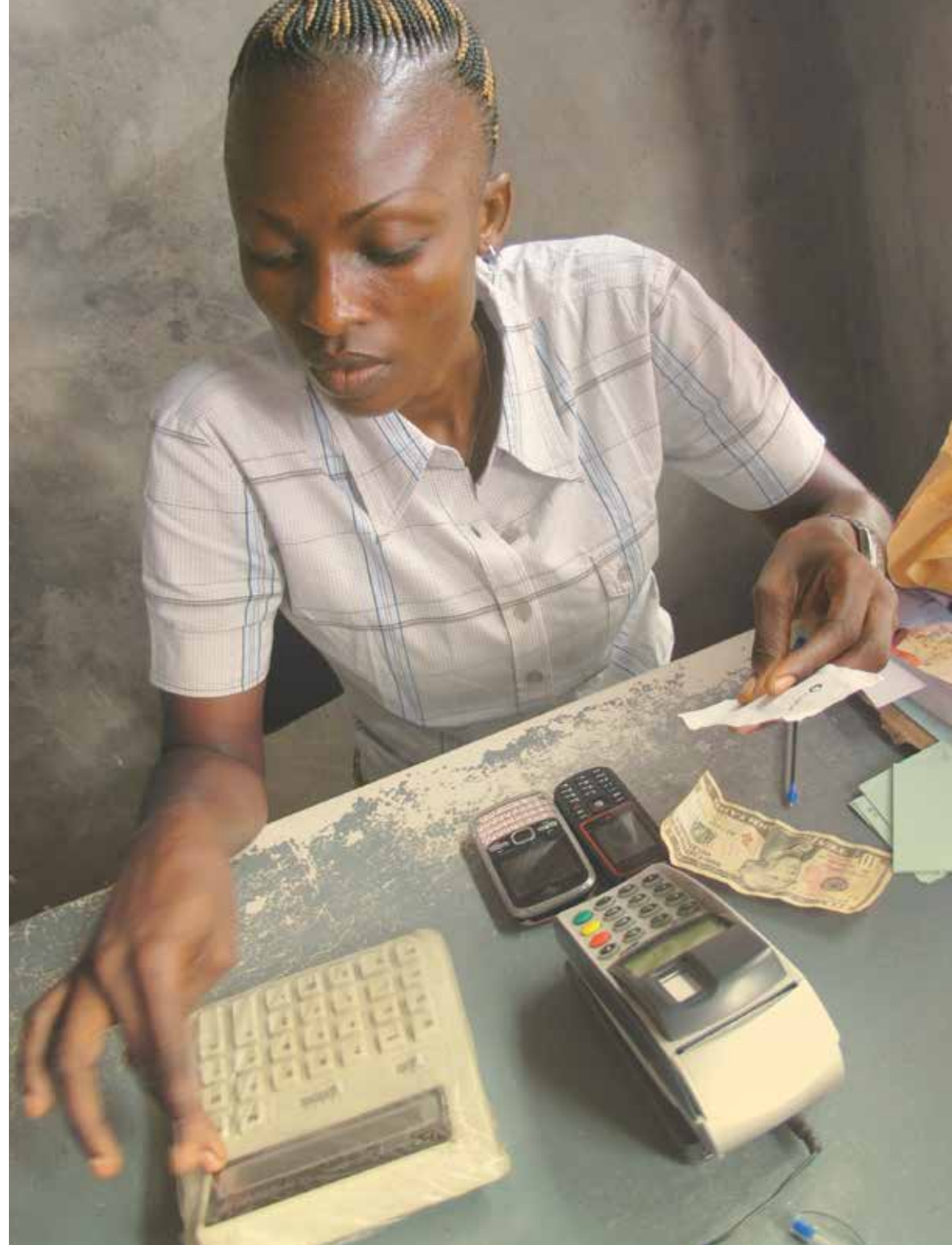
Abraham Pierre lives in one of the biggest slums in the poorest country in the Western Hemisphere. In the Jalousie district of Port-au-Prince, Haiti, residents have neither running water nor reliable electricity. But, increasingly, they do have mobile phones. And those phones are indispensable.

“The phone is money nowadays,” says Pierre, an English teacher and tutor who books appointments and receives payments by phone.

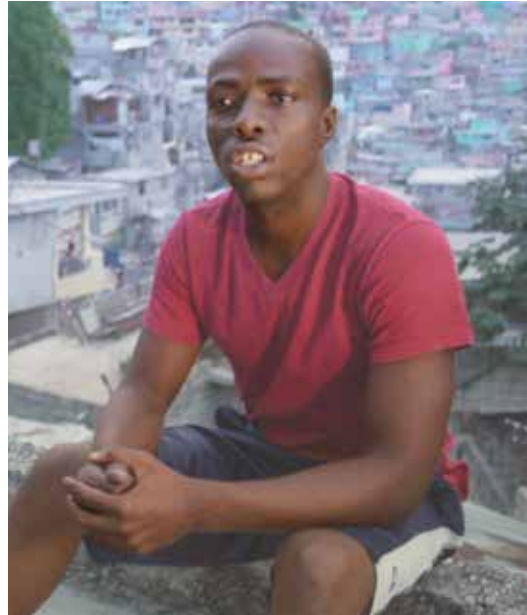
That wasn’t always possible. Before the 2010 earthquake, only one in three Haitians had a mobile phone. Fewer than one in 100 had Internet access. The country’s government-owned phone company was losing nearly \$1.5 million a month. When the government put together a plan to privatize Teleco and improve and expand service to Haitians, it looked to IFC to make that plan a reality.

IFC brought the Haitian government together with the Vietnamese company Viettel, which bought a controlling stake in Teleco and promised nearly \$100 million to upgrade service. The newly formed Natcom Haiti grew to 1.8 million customers from 75,000 and is no longer in the red.

IFC helped our client FINCA expand mobile banking in the Democratic Republic of Congo.



Abraham Pierre, an English teacher in Haiti, gets paid via his mobile phone.



WHY MORE NEEDS TO BE DONE

1/100

Before 2010, fewer than
one in 100 people in Haiti
had Internet access

Now, the mobile phone is ubiquitous in Haiti, with many using it to access the Web and maintain connections with friends, family, and colleagues through social networking.

Putting digital technology in the hands of more of the world's least-advantaged people is an IFC goal. Increasing digital technology use could add more than \$1 trillion to the world economy by 2020, with the biggest impact in emerging economies, according to a recent study. Countries such as China could see a GDP boost of up to \$418 billion as technology helps upgrade and streamline business practices.

In 2014, IFC invested \$5 million in China's largest online platform for the recycling and resale of used electronic devices such as smartphones and tablets. The investment will allow Aihuishou International to expand its business in ways that are good for the environment. Chinese citizens bought 300 million smartphones in 2013. Aihuishou provides a means of recycling some of the phones being replaced.

In Bihar—one of India's poorest states—IFC worked closely with the state government to develop a Web-based payments system that automates all health payments made by the government to health-care workers and their beneficiaries. The program, funded by the Bill & Melinda Gates Foundation, eliminates the need for paper billing. It also frees up to 33 percent of medical practitioners' time that can now be used to provide needed health services.



BUILDING RESILIENCE: URBANIZATION

Reinforcing Cities and Urban Centers

Cities have long been considered the future, and current projections show that to be truer than ever. In 2014, about half the world's population lived in urban areas. By 2050, that number is expected to jump to 66 percent. Urban populations in Asia and Africa alone will double between 2000 and 2030.

Cities of the future will soon account for 90 percent of the world's population growth, 80 percent of its carbon emissions, and 75 percent of its energy consumption. Yet people increasingly want to live in urban areas. Cities mean businesses, jobs, communities, and opportunities—especially for women in the developing world.

But explosive growth comes at a price. To accommodate the 300 million people expected to move to its cities in the next two decades, China will need to build what amounts to all of the infrastructure currently in place in the United States. India and Africa face similar burdens, as 250 million and 380 million people, respectively, move to urban centers.

IFC is playing an important role in helping countries and businesses face the challenge. We are engaging partners to address a long list of needs that includes roads, bridges, power, sanitation, and access to clean water. We're committed to

boosting investments in smaller enterprises, building medical centers, and creating education opportunities.

In China, we are helping expand the distribution of natural gas—a cheaper and cleaner energy source—to millions of people in fast-growing cities throughout the country. A \$300 million financing package for China Gas Holdings and a \$150 million equity investment in China Tian Lun Gas Holdings by IFC and the IFC Infrastructure Fund will help replace coal and other fuels for household, industrial, and transportation needs.

In Latin America, where 80 percent of the population lives in urban areas, our newly launched *Cities Initiative* harnesses all the resources at IFC's disposal to foster sustainable urban growth. Some of the first actions under this initiative are taking place in Colombia, where we are working in Cali and Medellín to improve the operations of municipal utility firms so they can provide services for a larger part of the population.

Projects in the works include \$176 million in financing for Intelligent Mass Transit, which will expand and improve Bogotá's bus system and benefit 6 million passengers daily.

In Bhutan, where one in every seven citizens lives in the capital city of Thimphu, IFC mobilized \$8 million in private sector funds and created a public-private partnership to address traffic congestion. Among the planned projects is the city's first multilevel, off-street parking garage, which will open up vital road space while also generating hundreds of thousands of dollars in revenue for the city.



Cities mean businesses,
jobs, communities,
and opportunities —
especially for women in
the developing world.

WHY MORE NEEDS
TO BE DONE

2/3

of the global population
will live in cities by 2050

BUILDING RESILIENCE: LOCAL CAPITAL MARKETS

Building Efficient Capital Markets

Lasting prosperity depends on efficient capital markets. Such markets propel growth, helping companies to expand and create more jobs. They help people buy homes and invest in their future. They help governments raise money to build hospitals and power stations. They insulate local economies against financial hazards that can emerge from abroad.

In developing countries, many firms face hurdles in raising funds in local currency, forcing them to borrow in foreign currencies. That exposes them to greater risk—as many companies in emerging markets are finding with the rise of the U.S. dollar.

IFC plays a vital role in strengthening local capital markets. We do so by issuing local-currency bonds, thereby protecting companies from the vagaries of foreign-currency swings. We encourage a variety of global investors to participate in the bond offerings. We help developing countries draft policies and regulations for stronger capital markets.

Over the years, IFC has emerged as the first foreign issuer of local-currency bonds in many developing countries. In doing so, we have spurred many countries to take additional steps to deepen their capital markets.





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In India, over the past two years, we have rolled out what has grown into a \$5.5 billion rupee-denominated bond program that will boost funding for much-needed roads, power, and airports in that country. Under the program, we launched our maiden offshore bond offering—Masala Bonds—raising the equivalent of \$1.6 billion from international investors for investment in India. Separately, we raised the equivalent of nearly \$100 million through onshore Maharaja Bonds.

The success of our program highlighted IFC's catalytic role in capital-markets development: we issued bonds in a sufficient range of maturities to establish a sound benchmark for rupee bond prices. The resulting investor demand for rupee bonds prompted the Indian central bank to consider permitting local companies to issue rupee-denominated bonds in offshore markets.

We have also helped China expand its role in international foreign-exchange markets. In FY15, IFC issued over \$400 million in renminbi-denominated bonds on the London Stock Exchange, making us one of the largest issuers of such bonds on that exchange. The proceeds will support private sector development in China.

In all, IFC has issued bonds in 17 emerging-market currencies. In addition, we have provided local-currency financing in more than 60 currencies—through loans, swaps, guarantees, risk-sharing facilities, and other structured and securitized products.

WHY MORE NEEDS TO BE DONE

\$ **3.1**
TRILLION

Dollar-denominated debt owed by emerging economies totals \$3.1 trillion

BUILDING RESILIENCE: CLIMATE CHANGE

Helping Contain a Global Threat

Climate change will hit developing countries hardest—posing significant threats to their efforts to tackle water, energy, and food-supply needs.

Developing countries will need large sums of money to cope with climate change: up to \$1 trillion a year. The private sector has an indispensable role to play, and IFC is at the forefront in mobilizing private capital to address climate change.

We provide finance and advice for energy-efficient and renewable-energy solutions—such as green buildings and solar power. Since 2005, we have made long-term investments totaling more than \$13 billion in climate-related projects. This includes \$2.3 billion in 103 projects in 31 countries in FY15. We also mobilized \$2.2 billion from other investors.

We are working with governments, companies, and investors to prepare for likely changes in the way the world manages carbon emissions. This year, 190 governments will come together to try to reach a global agreement to cut greenhouse emissions. We're advising our clients on how to navigate carbon pricing and carbon trading and leverage carbon funds.

In Panama, we agreed to provide a \$300 million financing package to help set up the largest wind farm in Central America—the

Penonomé Wind Project. The planned 337.5-megawatt power plant will cut energy prices and reduce Panama's dependence on fossil fuels. The project will make an important contribution to reducing carbon emissions.

In Jordan, we arranged \$207.5 million for a solar-power project—the largest private sector-led solar initiative in the Middle East and North Africa. Of that amount, \$116 million was mobilized from other lenders. Under the project, seven solar photovoltaic plants will be built, cutting carbon emissions and providing 102 megawatts of power.

We are one of the largest issuers of green bonds—those that support climate-smart investments, including renewable energy and energy-efficiency projects. In September 2014, we launched a program that for the first time allowed U.S. individual investors to buy triple-A-rated IFC bonds that support such projects in developing countries. In all, we have issued a total of \$3.75 billion in green bonds.

We also raised \$418 million for the IFC Catalyst Fund—managed by IFC Asset Management Company—which invests in funds that support companies developing innovative ways to address climate change. In FY15, the fund invested \$25 million in a private equity fund that aims to raise \$125 million for clean-energy projects in Chile, Colombia, and Peru.

We partnered with the Shell Foundation to invest in a fund—with initial capital of \$30 million—to finance companies offering off-grid solar-power systems, mainly in Asia and Africa. The fund aims to improve the livelihoods of nearly 20 million people over the next three years. This complements the joint IFC and World Bank efforts to build a new market for off-grid solar lighting and services through our *Lighting Global* program.





In Panama, we agreed to provide a \$300 million financing package to help set up the largest wind farm in Central America — the Penonomé Wind Project.

WHY MORE NEEDS
TO BE DONE

\$1
TRILLION

a year needed to cope with
climate change in developing
countries

BUILDING RESILIENCE: AGRIBUSINESS

Feeding the World Sustainably

By 2050, the worldwide demand for food and crops will double. That poses a formidable challenge for the global community: how to feed the world's expanding population without depleting its already scarce resources.

IFC is partnering with the private sector to address the challenge. Through our agribusiness investments, we aim to increase the supply of affordable and nutritious food, and ensure it is available to those who need it most.

In FY15, our agribusiness-related investments across the food supply chain totaled \$3.2 billion, including funds mobilized from other investors. These investments in production, food processing, logistics, and distribution helped benefit 3.4 million farmers worldwide.

Our work gives farmers better access to finance and opens up new markets for them. It takes us from Nepal to Nicaragua, where our clients train farmers to raise productivity, reduce waste, and adopt environmentally sustainable practices.

We promote inclusive development by focusing on opportunities for women and small farmers — and helping them manage risks. In Nepal, we and our partners invested nearly \$4 million in





Our work gives farmers better access to finance and opens up new markets for them.

animal-feed maker Probiotech Industries to enhance productivity in poultry farms and boost incomes among smallholder farmers.

Probiotech makes almost all of its purchases from small and medium enterprises, which, in turn, obtain their supplies from small farmers. IFC's investment is an example of how we create opportunities for farmers and others—throughout the supply chain—to raise their income.

In developing countries, demand for meats like poultry and pork is rising swiftly as the middle class expands. This year, we invested \$60 million in Romania's largest pork producer—Smithfield Romania—to help expand production, create jobs, and promote best practices in food safety, animal husbandry, and environmental management.

In Iraq, we invested \$18 million in the Saudi company Al Safi Danone's Iraq unit to help build a dairy plant in the city of Erbil to meet the rising demand for dairy products. The plant is expected to produce about 59,000 tons of dairy products every year.

When the Ebola epidemic buffeted the Liberian economy, we and our partners helped provide \$5 million in financing to Wienco Liberia, which supplies fertilizers to cocoa farmers. By 2019, the funding is expected to make it easier for up to 7,500 farmers to buy fertilizer and use it effectively—potentially doubling cocoa yields.

WHY MORE NEEDS TO BE DONE

805
MILLION

people remain chronically undernourished

IMPROVING LIVES: EMPLOYMENT

Taking a Comprehensive Approach to Job Creation

Kelbesa Debelo didn't want to spend the rest of his life picking flowers in his village in Ziway, Ethiopia. He wanted to learn English, acquire new skills, and build a career.

That was six years ago. Today, Debelo is an English-speaking manager at Afriflora—Ethiopia's largest rose exporter—where he once worked as a flower picker. "When my children grow up, maybe they can also make their living here," he says.

Jobs are indispensable for development: they lift people out of poverty and help create the conditions for sustained prosperity. Yet 1.5 billion people in developing countries—half the working population—struggle with unsteady, low-wage jobs. These countries will need to generate 200 million jobs by 2019 just to keep up with population growth.

Job creation is a priority for IFC—an objective that shapes every aspect of our activities. We work with businesses to help them grow and create better-quality jobs. We do so by expanding access to finance, supporting investments in infrastructure, improving the investment climate, and boosting education and training in developing countries.

In Bangladesh's garment industry, IFC is helping improve construction, fire safety, labor, and environmental standards.

In 2014, our investment clients supported 2.5 million jobs. In Africa, we recognized that financing individual developers was less effective than working with a single partner capable of carrying out large-scale regional projects. So we set up an innovative partnership with China's CITIC Construction Company. Together, we aim to establish up to 30 housing development projects across Africa, generating an estimated 150,000 direct and indirect jobs over five years.

In Kenya, we arranged \$70 million in financing for National Cement Company to expand its operations in Nairobi—and create 6,000 jobs. We provided \$55 million in loans for the project. In addition, IFC and IFC Asset Management Company invested \$15 million to take a stake in the company. Small businesses that transport the company's raw materials and provide general services will also benefit economically.

Creating safe and productive workplaces is central to our work. In Bangladesh, where the garment industry provides jobs for 4 million people, we take a comprehensive approach to helping the sector grow—by facilitating investments, and by improving construction, fire safety, and labor and environmental standards.

IFC is also a leading investor in inclusive businesses—those that offer goods, services, and job opportunities to low-income communities. Since 2005, IFC has invested over \$12.5 billion and worked with over 450 inclusive businesses in 90 countries to integrate more than 200 million people, including farmers, students, patients, utility customers, and micro borrowers in core business operations.





Job creation is a priority for IFC — an objective that shapes every aspect of our activities.

WHY MORE NEEDS TO BE DONE

1.5
BILLION

people in developing countries lack steady jobs

IMPROVING LIVES: GENDER

Expanding Economic Opportunities for Women

When Yuanyuan struggled to find ways to finance her textile business, which takes orders on Alibaba.com. Banks rejected her loan applications, saying she had no collateral to offer.

Her fortunes changed after she came to know of Ant Credit, an IFC client. After an interview over the Internet, Ant approved a \$67,000 loan. The business has since taken off, generating more than \$8 million a year in revenue. "It was so easy to borrow online," she recalled.

IFC has long recognized the importance of greater participation of women in economic activities. Their role as leaders, employees, consumers, and entrepreneurs is crucial in spurring growth and building prosperity. Research shows women reinvest up to 90 percent of their wages in their households.

Through our partnership with Ant Credit, a unit of China's Ant Financial, we launched a program to provide about \$80 million in loans for women entrepreneurs. The program, a joint effort of IFC and Goldman Sachs' *10,000 Women* initiative, marks the first time Internet-based gender finance has been provided in China.

In another first, we partnered with Banque Franco-Lao in the Lao People's Democratic Republic to unveil a financing facility for

Backed by an IFC client, Jacqueline Mavinga opened a clothing shop in Kinshasa, Democratic Republic of Congo.





women-owned small and medium enterprises. With IFC's support, the bank aims to nearly triple its loan portfolio for such businesses by 2017.

Under our *Banking on Women* program, we provide investment and advice to help advance business opportunities for women. In all, IFC has initiated 29 investment projects in about 20 countries, pledging over \$800 million in investments in financial institutions, supported by 19 advisory services projects in 17 countries.

In September 2014, we launched the *SheWorks* partnership to boost job opportunities for more than 300,000 women worldwide by 2016. Under the initiative, 12 companies such as Coca-Cola and Intel, as well as many IFC clients, agreed to boost women's employment opportunities—through leadership training and flexible working arrangements.

In Nigeria, we provided a naira-denominated loan of \$4.1 million to Grooming People for Better Livelihood Centre, which provides micro loans to low-income women in rural areas. The organization, which also helps deliver health and education services, expects to reach nearly 780,000 women by the end of 2018, up from about 277,500 at December 2012. Our loan is expected to benefit 2 million people.

In Turkey, we partnered with Boyner Group, a retail conglomerate, to help train Boyner's women-owned suppliers—strengthening their ability to obtain financing and improve business performance.

WHY MORE NEEDS TO BE DONE

2x

Men are twice as likely to
have jobs as women

Research shows
women reinvest
most of their wages
in their households.

IMPROVING LIVES: IDA & CONFLICT-AFFECTED AREAS

Creating Opportunity in Strife-Torn Environments

More than 2.5 billion people live in the poorest countries of the world. Nearly a quarter of the people on the planet live in areas torn by conflict and violence. Nowhere is poverty more entrenched than in these parts of the world.

IFC is ramping up our activities in these areas. Our aim is to improve the lives of the poor wherever they are located—and wherever the incidence of poverty is greatest.

In FY15, we invested nearly \$4.7 billion in the 78 poorest countries—those eligible to borrow from the World Bank's International Development Association, or IDA. Our long-term investments in those countries have more than tripled over the past decade. Nearly two-thirds of our advisory program was in these countries. We have also made direct contributions of \$3.2 billion since 2007 to support the work of IDA.

In fragile and conflict-affected regions, our FY15 investments totaled more than \$600 million, including funds we mobilized from other investors. Twenty percent of our advisory program was in these areas.

Poverty and strife make many countries acutely vulnerable to disasters. The Ebola outbreak in West Africa in 2014 caused severe





economic damage in the region. The cost—in lost economic growth—for Guinea, Liberia, and Sierra Leone is expected to total \$1.6 billion in 2015 alone.

IFC responded swiftly. Over the next three years, we intend to provide \$450 million in financing to help Ebola-affected countries revive their economies. This includes the \$75 million Ebola Emergency Liquidity Facility that we unveiled in 2014 to fund critical imports for Ebola-affected countries. We also provided training to hundreds of businesses to impart skills to maintain continuity during the crisis. Governments across the world have said our efforts, along with those of IDA, were critical in containing and mitigating the Ebola outbreak.

In Liberia, we invested about 5.3 million British pounds in Aureus Mining to help the company offset Ebola-related costs. Our assistance enabled Aureus to continue with its New Liberty project—Liberia's first commercial gold mine—which is expected to create 300 jobs.

In the Democratic Republic of Congo, which is recovering from years of conflict, we provided an \$18 million loan to two related companies, Terra and African Milling Company Congo, to help them expand their maize farm and mill in Katanga. The initiative is expected to create 300 jobs.

We also worked with Lafarge and Proparco, the French development agency, to invest €6 million to convert household waste to fuel for Lafarge's cement plant in northern Iraq. The project will help Lafarge cut fossil-fuel use and benefit local communities by reducing air and water pollution.

In Sri Lanka, IFC client NDB Capital Holdings launched a \$50 million private equity fund, Emerald Sri Lanka Fund, to provide financing to fast-growing small and medium enterprises.

Our aim is to improve the lives of the poor wherever they are located — and wherever the incidence of poverty is greatest.

WHY MORE NEEDS
TO BE DONE

1.2
BILLION

—
people still live in violence-
and conflict-prone areas

IMPROVING LIVES: HEALTH & EDUCATION

Strengthening Human Capital

Across the world, more than a billion people lack access to quality health services. Nearly three-fourths of the 38 million worldwide deaths from chronic illnesses—such as cancer—occur in developing countries. Globally, more than 57 million children do not attend school, with 30 million of them in Africa alone.

These statistics highlight a major obstacle to ending extreme poverty and boosting shared prosperity: high-quality education and health-care services still aren't as widely available and affordable as they need to be. This is a challenge that's best addressed when the public and private sectors act in concert to advance the interests of society.

Governments play a critical role in ensuring the quality and affordability of health and education. But the private sector can make a significant contribution—by finding innovative ways to deliver high-quality services in places where they are most needed.

Expanding access to health care and education is a central element of our strategy. As the largest multilateral investor in private health care and education, we have invested more than \$4 billion in health and education companies in emerging markets. In FY15, we invested nearly \$1 billion in the health and education

sectors, including funds mobilized from other investors. Our clients helped educate 3.5 million students and treated more than 17 million patients.

In Peru, we invested \$25 million in a start-up private education company, *Proyectos Educativos Integrales del Peru*, to help set up a university and a network of institutes for technical and vocational training. The initiative will target low-income students—improving their employment opportunities while addressing a rising demand for such jobs.

In Kenya, IFC is bringing world-class standards through our work with our client *AAR Healthcare*. *AAR* runs 28 clinics in Kenya, Uganda, and Tanzania, offering a range of medical services, from gynecology to pharmacy, under one roof.

In Brazil, the private sector provides health care for one in four Brazilians. IFC's \$255 million investment in *Rede D'Or*, Brazil's largest network of private hospitals, will help the group expand to serve 525,000 more patients a year, easing pressure on the public hospital system.

In Turkey, we arranged €433 million in loans—including €35 million from our own account—to develop a 1,550-bed health campus in Adana. The project is part of a public-private partnership program launched by the Turkish government.

Our investments in specialty hospitals support innovations that bring down the cost of procedures like heart and eye surgery. IFC's \$5.5 million equity investment in *Eye-Q Vision*, for example, will help the chain expand access to high-quality and affordable eye-care services to several Indian cities.



WHY MORE NEEDS
TO BE DONE

57
MILLION

children do not attend
schools

Expanding access
to health care
and education is
a central element
of our strategy.

