



Emerging Markets Securitization Program (EMSP)

History – part of a larger World Bank Group plan

- In 2023, the World Bank Group (WBG) launched the Private Sector Investment Lab (PSIL) and recruited 15 of the world's leading CEOs to identify barriers to private sector investment and test solutions.
- Five priorities emerged from the PSIL:



Clearer and more predictable regulation



Guarantees to share risk



Foreign-exchange solutions



Junior equity to absorb first loss



Originate-to-distribute — the hardest, but the one with the biggest reward

- The goal is to move towards larger, packaged securities in which investors such as pension funds, asset managers and insurance companies can put their money to work.
- Over time, this originate-to-distribute toolkit will expand to include instruments across the World Bank Group.



Why it matters – the big picture

- The development financing gap is larger than governments, multilateral banks, or philanthropy can cover.
- Mobilizing private investment at scale is key to job creation, poverty reduction, and tackling tough development challenges.

What it unlocks

- It expands the pool of long-term investors with exposure to emerging markets assets.

What's next

- Over time our aim is to build a new asset class of emerging market loans; help investors get comfortable taking independent emerging market risk; and support deeper, more liquid markets.
- In the next couple of years, we aim to grow EMSP to reach a quarterly cadence of issuances and build a consistent market presence.

Overview of IFC's Emerging Markets Securitization Program

- EMSP is a first-of-its-kind collateralized loan obligation (CLO) issued by an MDB since the 2008 global financial crisis, designed to open emerging markets to global investors.
- It offers a standardized, scalable channel for institutional investors to access emerging market credit—aligned with their risk/return appetite.
- It demonstrates the World Bank Group's commitment to actively attract more private capital for development and marks a tangible step forward in the WBG's strategy to transform how development finance attracts private capital.

Transaction details

- This CLO transaction packages \$510 million for jobs, growth, and resilience in developing economies.
- It includes a \$320 million senior tranche sold to private investors, a \$130 million mezzanine tranche insured by a consortium of credit insurers, and a \$60 million equity tranche in partnership with Mobilist Global, backed by the UK's Foreign, Commonwealth and Development Office (FCDO).
- The portfolio is made up of globally diversified IFC-originated loans to 57 borrowers spanning multiple industries and geographies.
- The structure offers a great opportunity to mobilize more private capital.
 - It is a structure that investors are familiar with—making it easier for investors such as pension funds, insurers, and asset managers who might not otherwise invest in emerging markets—to participate.
- Goldman Sachs acted as the arranger and sole placement agent.
- Moody's assigned a Aaa rating to the senior tranche.

