

IFC and Finland

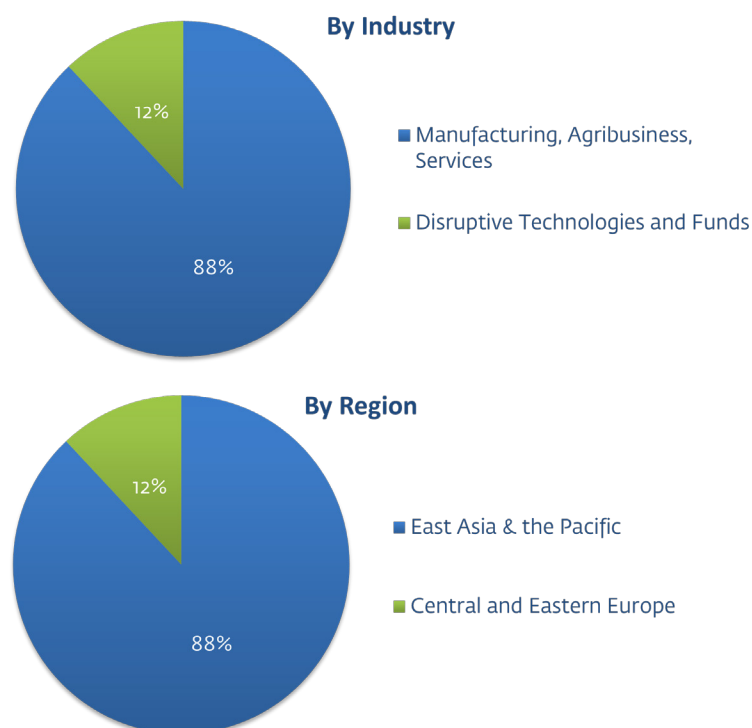
Partners in Private Sector Development



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 \$56 billion in investments from its own account and in mobilization from third parties to private companies and financial institutions in developing countries in its fiscal year 2024. IFC maintains an active relationship with Finland, covering business development with Finnish companies interested in investing in emerging markets and developing economies, as well as cooperation with Finnish banks and donor-funded initiatives. As of June 2024, IFC had a long-term committed investment portfolio of \$166 million with Finnish partners spread across several sectors and regions.

IFC'S LONG-TERM INVESTMENT PORTFOLIO WITH FINNISH SPONSORS



Partnership with the Finnish Government

IFC and the Government of Finland have a track record of successful collaboration mostly in East Asia, the Pacific and Europe, focusing on energy efficiency, climate change and innovation, and technology transfers. In fiscal years 2019-24, Finland provided cumulative funding of close to \$2 million in support of IFC Advisory Services. In fiscal year 2018, IFC and Finland expanded their collaboration to launch the Finland-IFC Blended Finance for Climate program. Finland contributed €114 million to spur private sector financing for climate-change solutions, with a focus on low-income countries. IFC also partners with the Ministry of Employment and the Economy, the Ministry of Finance, as well as Finnfund, Finnvera and Business Finland to support private sector development in emerging markets.

GLOBAL TRADE FINANCE PROGRAM (GTFP)

As of June 2024, IFC had issued 402 guarantees for a combined total of \$269 million for Finnish banks since the Global Trade Finance Program began in 2005. The most active confirming bank has been Nordea, which is headquartered in Helsinki.

MOBILIZATION

As of June 2024, Finnish financial institutions held \$60 million in IFC Syndicated Loans.

EXAMPLE OF SUCCESSFUL COOPERATION

Finland-IFC Blended Finance for Climate Program

In October 2017, IFC and Finland launched the Finland-IFC Blended Finance for Climate Program designed to spur private sector financing for climate change solutions in low-income countries. Finland, which was IFC's first European partner in blended climate financing, contributed €114 million (\$135 million equivalent) to the program. The program supports early-stage innovative projects in new areas, unlocks private financing for climate-smart solutions in developing countries and catalyzes high-impact projects that would not otherwise happen because of their risk levels.

The program reached full deployment in December 2023 and has a portfolio of sixteen innovative climate projects, including a UN Climate Change Award-recognized rooftop solar photovoltaic project in the West Bank, two solar photovoltaic projects in Senegal under the Scaling Solar program, a hydro power project in Nepal, and a fund supporting waste management and circular solutions that combat plastic waste in Southeast Asia.

Funding from the government of Finland has allowed IFC to close the gap between the cost of new technologies and perceived risk in vulnerable environments, creating new markets and opportunities. The success of each project in the Finland-IFC Blended Finance for Climate Program paves the way for additional investments, turning first-mover demonstration projects into standard-setting examples in their respective spaces and regions.



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