

IFC and Hungary

Partners in Private Sector Development

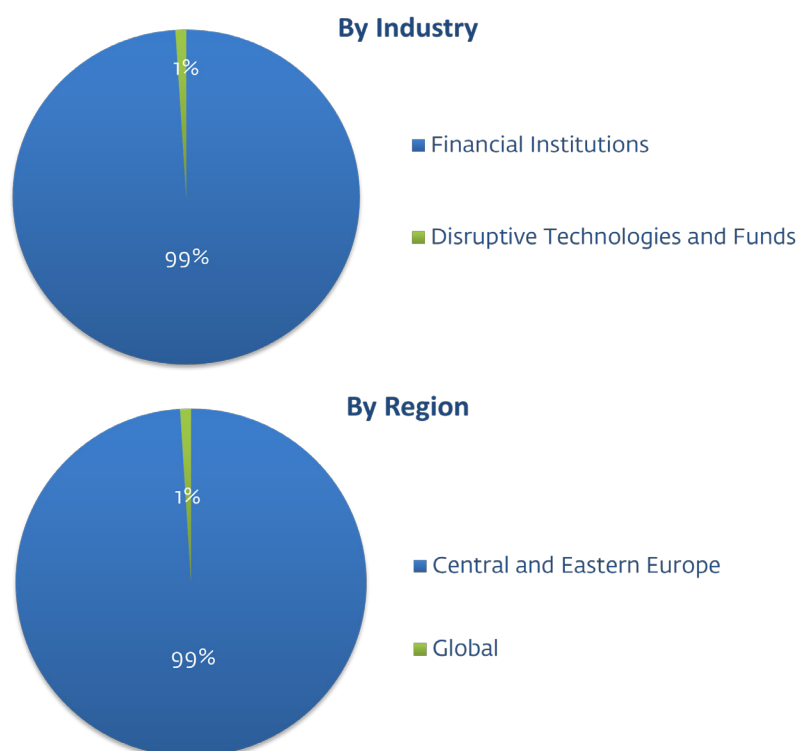


OVERVIEW

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 emerging markets in its fiscal year 2024.

IFC's relationship with Hungary focuses on business development and donor-funded initiatives. As of June 2024, IFC had a long-term committed investment portfolio of \$572 million with Hungarian partners, concentrated in the financial institutions sector in Europe.

IFC'S LONG-TERM INVESTMENT PORTFOLIO WITH HUNGARIAN SPONSORS



Partnership with the Hungarian Government

IFC's main government counterparts are the Ministry of Finance of Hungary and the Hungarian Export-Import Bank PLC (Eximbank). In fiscal years 2019-24, Hungary provided funding of \$10 million to the Hungary-IFC Partnership Trust Fund (HIPTF) II, of which \$7 million supports IFC advisory services and \$3 million supports the 2030 Water Resources Group. As of June 2024, IFC had allocated close to \$7 million of the HIPTF II funds to 17 active IFC advisory and upstream projects in Africa, Asia, Europe, and Central Asia. The HIPTF II is the second phase of the Hungary-IFC Partnership, which was established in 2014 with an initial \$20 million contribution from Hungary and has delivered significant development results, supporting the energy, agribusiness, health, water management and information and communication technology sectors across several regions in emerging markets.

EXAMPLE OF SUCCESSFUL COOPERATION

Supporting Climate and Social Financing in Central and Eastern Europe

Bulgaria, Croatia, Romania, and Serbia together have the sixth highest greenhouse gas emissions intensity per unit of GDP among EU countries, while the total small and medium-sized enterprise finance gap is almost \$90 billion. Via a strategic partnership with OTP, a Hungary-based financial group, IFC supported its issuance program for regulatory capital instruments of above \$3.6 billion with own account investments of almost \$400 million and recognized core mobilization of \$1.2 billion. The proceeds of IFC's investments support new climate and social finance underwritten by OTP in Bulgaria, Croatia, Romania and Serbia. In addition to that, IFC leveraged its strategic relationship with OTP Group to extend highly impactful investments to its subsidiaries, highlighted by a \$145 million senior loan facility to OTP Leasing Ukraine committed in May 2024. This is the largest ever IFC investment in Ukraine's financial institutions and the largest debt financing in the country since the Russian invasion, including blended finance and de-risking components.



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