How to Work with IFC

Creating Markets, Creating Opportunities

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We utilize and leverage our products and services—as well as products and services of other institutions in the World Bank Group—to provide development solutions customized to meet clients’ needs. We apply our financial resources, technical expertise, global experience, and innovative thinking to help our partners overcome financial, operational, and political challenges. In fiscal year 2021, IFC committed a record $31.5 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of the COVID-19 pandemic.

HOW TO APPLY FOR FINANCING

IFC offers a wide variety of financial products for private sector projects in developing countries. To be eligible for IFC funding, a project must meet a number of criteria. The project must:

- Be located in a developing country that is a member of IFC;
- Be in the private sector;
- Be technically sound;
- Have good prospects of being profitable;
- Benefit the local economy; and
- Be environmentally and socially sound, satisfying our environmental and social standards as well as those of the host country.

LOANS. IFC finances projects and companies through loans from our own account, typically for seven to 12 years. We also make loans to intermediary banks, leasing companies, and other financial institutions for on-lending. While IFC loans traditionally have been denominated in the currencies of major industrial nations, we have made it a priority to structure local-currency products.

EQUITY. IFC generally invests between five and 20 percent of a company’s equity. We encourage the companies we invest in to broaden share ownership through public listings, thereby deepening local capital markets. We also invest through profit-participating loans, convertible loans, and preferred shares.

INVESTMENT PROPOSALS

A company or entrepreneur seeking to establish a new venture or expand an existing enterprise can approach IFC directly by submitting an investment proposal. After this initial contact and a preliminary review, IFC may proceed by requesting a detailed feasibility study or business plan to determine whether or not to appraise the project.

IFC’s project/investment cycle illustrates the stages a business idea goes through as it becomes an IFC-financed project. Visit www.ifc.org/solutions to learn more.
SYNDICATIONS

IFC promotes development by mobilizing financing for the private sector in its developing member countries. In carrying out this role, IFC operates as both a financial and developmental institution. IFC acts as a catalyst in raising capital from foreign and domestic sources, in both private and public markets, for projects in the private sector of its member countries. IFC Syndication products include: Managed Co-Lending Portfolio Program (MCPP), B loans, Parallel loans, A loans participations. For additional information on IFC’s syndications, please visit: www.ifc.org/syndications.

TRADE & SUPPLY CHAIN FINANCE

The IFC Global Trade and Finance Program guarantees trade-related payment obligations of approved financial institutions.

TREASURY CLIENT SOLUTIONS

IFC offers innovative derivative, structured finance, and local currency products and solutions that enable clients to hedge foreign exchange, interest rate, and commodity price exposure. IFC’s Treasury Client Solutions include: Local Currency Finance, Partial Credit Guarantees, Portfolio Risk-Sharing Facilities and Securitizations.

BLENDED FINANCE

IFC uses blended finance to support high transformative projects in sectors that are initially unable to attract commercial finance but have the potential to become commercially viable over time. Blended finance is a critical tool that can mitigate early entrant costs or project risks, helping re-balance risk-reward profiles for pioneering investments and enabling them to happen. IFC deploys blended finance in priority areas such as climate change, agribusiness and food security, and finance for SMEs, including women entrepreneurs.

VENTURE CAPITAL

IFC provides early-stage and late-stage venture capital financing through direct investments and funds. By investing in promising companies at an earlier stage than IFC’s mainstream business, we provide developmental support for high-impact business opportunities and capital for private enterprises’ long-term growth.