OVERVIEW

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with over 2,000 businesses worldwide, IFC’s long-term investments in developing countries reached $22 billion in fiscal year (FY) 2020. IFC partners with multinationals and mid-sized firms that are interested in investing in emerging markets. Of IFC’s long-term committed investment portfolio of $663 million with Austrian partners, 57% is in infrastructure, followed by 30% in manufacturing, agribusiness and services and 13% in the financial sector. Seventy percent of IFC’s investments is in Europe and Central Asia, with the remaining 30% in Latin America and the Caribbean.

IFC’s Long-Term Investment Portfolio with Austrian Sponsors

As of FY20 (ending June 2020), IFC’s long-term investment portfolio with Austrian sponsors amounted to $663 million. Austrian private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

- **Mobilization**: IFC has a strong relationship with Austrian financial institutions (FIs) and an active engagement across multiple sectors. As of June 2020, Austrian FIs held over $390 million in IFC Syndicated Loans.
- **Global Trade Finance Program (GTFP)**: As of June 2020, IFC had issued over 140 guarantees amounting to over $470 million for Austrian banks since the GTFP began in 2005. The most active confirming banks have been Erste Bank and Raiffeisen Zentralbank Österreich AG.
Austria is a strong partner of IFC Advisory Services in Europe and Central Asia (ECA), especially in the Western Balkans and Ukraine. With the support of the Austrian Ministry of Finance and the Austrian Development Bank (OeEB), IFC implemented successful projects to promote renewable energy generation and distribution, strengthen cleaner production, and increase productivity in agribusiness. Austria also supported programs aiming at improving the investment climate for private sector development in ECA and in Sub-Saharan Africa. As of June 2020, Austria provided cumulative funding of over $171 million in support of IFC Advisory Services, including over $7 million in FY20.

Examples of Successful Cooperation

**Lenzing, Brazil**

In May 2020, IFC arranged a $500 million financing package to LD Celulose, a joint venture between Lenzing and Brazil-based Duratex S.A. Headquartered in Austria, Lenzing is a world market leader for wood-based cellulosic fibers. IFC’s financing will help build one of the largest dissolving wood pulp plants in the world, in Minas Gerais State, Brazil. The investment is part of a larger $1.1 billion financing package co-led with IDB Invest. The export credit agency Finnvera and seven commercial banks are participating in the financing. IFC’s investment will help strengthen the competitiveness of the pulp industry in Brazil and support job creation. In addition, LD Celulose’s cogeneration plant will contribute to an increase in the share of sustainable biofuels and renewable energy in the country’s energy mix, enhancing diversification and contributing to climate change mitigation. IFC has a long-standing relationship with Lenzing, having provided debt financing and syndications services to P.T South Pacific Viscose, a subsidiary of Lenzing based in Indonesia, for three projects since 2004.

**RBI, Bosnia & Herzegovina**

In June 2015, IFC committed a €5 million ($6 million equivalent) A loan to Raiffeisen Bank dd Bosna i Hercegovina, a subsidiary of RBI, to provide much needed long-term financing to support its mortgage/housing lending program in Bosnia and Herzegovina. IFC’s investment will improve access to long-term funding for the financial sector and create a demonstration effect for similar foreign direct investment by other investors in Bosnia and Herzegovina; help facilitate access to long-term housing loans and, therefore, improve the affordability of housing; and sustain confidence in the Bosnian financial sector, critically upended by the 2008 global financial crisis.

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