Sustainability Snapshot

OUR MISSION

As a member of the World Bank Group (WBG), IFC has a mission to promote sustainable private sector investment in developing countries, helping to reduce poverty and improve people’s lives.

OUR APPROACH TO SUSTAINABILITY

IFC’s approach to sustainability is founded on the belief that sound economic growth, facilitated by private sector development, is crucial to poverty reduction. We see sustainability as an opportunity to drive innovation and increase our development impact. In our investments and operations across the globe, we consider four dimensions of sustainability – economic, financial, social, and environmental – and seek to continually improve our performance in these areas. IFC is committed to ensuring that the benefits of economic development are shared equally with those who are poor or vulnerable, and that development takes place in an environmentally sustainable manner. We also see sustainability as an opportunity to drive innovation in new areas and to add value to our clients by helping them improve their business performance.

OUR WORK

IFC invests in private sector enterprises throughout most developing countries. IFC has a full range of financial products and is increasingly providing technical assistance and advisory services to private sector enterprises and related government agencies. We continue to develop new financial tools that enable companies to manage risk and broaden their access to foreign and domestic capital markets.

IFC programs and activities are guided by its 178 member countries, which are also IFC’s shareholders and members of the World Bank. IFC has over 2,600 staff, of whom 55 percent work in our Washington, DC headquarters. Approximately 45 percent of IFC staff members are stationed in 96 other offices in 69 countries.

IFC’s work is guided by five strategic objectives that focus on strengthening emerging markets to support sustainable development:

1. Focusing where needs are greatest – in countries that are low income or high risk – and using our capital and technical assistance to demonstrate the viability of private enterprises in these difficult markets

2. Building long-term partnerships with companies to help them succeed in the global marketplace

3. Increasing private sector participation in areas such as infrastructure, health, and education

4. Expanding access to finance through institution-building and innovative products, with particular attention to smaller businesses

5. Providing leadership to companies and financial institutions on social, environmental, and corporate governance issues

In FY05, more than 55 percent of IFC’s new investments were in the financial sector, infrastructure, information technology, and health and education. The share of investments for IFC’s account in either high-risk and/or low-income countries was nearly 28 percent. We committed a total of 236 projects in 67 countries, compared to 217 projects in 65 countries in FY04.

From its founding in 1956 through FY05, IFC has committed more than $49 billion of its own funds and arranged $24 billion in syndications for 3,319 companies in 140 developing countries.
OVERVIEW OF OUR INVESTMENTS FOR FISCAL YEAR 2005

New projects committed 236
Total financing committed $6.45 billion
Financing committed for IFC’s own account $5.37 billion

Total committed portfolio* $19.3 billion
Loans as a % of committed portfolio 77%
Equity as a % of committed portfolio 17%
Guarantees as a % of committed portfolio 5%
Risk management products as a % of committed portfolio 1%

*For IFC’s own account as of June 30, 2005; includes guarantees and risk management products.

MILESTONES ACHIEVED SINCE OUR LAST REPORT

• Following an unprecedented stakeholder consultation process, IFC adopted a revised Disclosure Policy and Policy and Performance Standards on Social and Environmental Sustainability.

• IFC began implementation of a more systematic approach to tracking indicators of development outcomes in all our investments as well as technical assistance and advisory services.

• IFC undertook its first comprehensive assessment to determine the level of renewable energy and energy efficiency components in our mainstream investment portfolio, laying the foundation for an effort to greatly expand sustainable energy investment through our core business.

• IFC scaled up an institutional effort to address barriers to the participation of women in private sector development and received the mandate to host the Secretariat of the Global Banking Alliance for Women.

• IFC and the Financial Times launched a new series of Sustainable Banking Awards to recognize global financial institutions whose lending practices involve strong social and environmental standards.

• IFC shared in the 2005 Green Power Leadership Award, which recognized the World Bank Group’s purchases of renewable energy to offset electricity use in our own operations.
As an institution, we’ve adopted an approach to sustainability that combines risk management – the bedrock of any successful business – with identifying market-based opportunities to improve overall business performance.