

# IFC and Switzerland

Partners in Private Sector Development



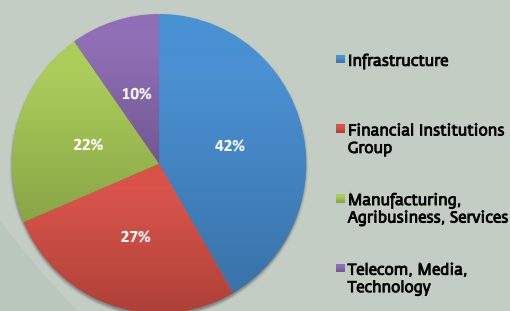
## OVERVIEW

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with over 2,000 businesses worldwide, IFC's long-term investments in developing countries exceeded \$19 billion in fiscal year (FY) 2019. IFC is an active partner of Swiss multinationals and mid-sized firms that are interested in investing in emerging markets. Of IFC's long-term committed portfolio of over \$1.3 billion with Swiss partners, 42% is in infrastructure, 27% in the financial sector, 22% in manufacturing, agribusiness and services, and 10% in telecommunications, media and technology. The largest regional exposure of IFC's long-term investments is at the global level at 28%, followed by 23% in Latin America and the Caribbean, 21% in Sub-Saharan Africa and 18% in the Middle East and North Africa.

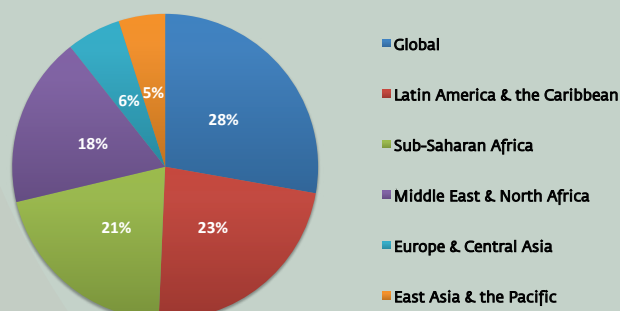
## IFC's Long-Term Investment Portfolio with Swiss Sponsors

As of FY19 (ending June 2019), IFC's long-term investment portfolio with Swiss sponsors amounted to \$1.3 billion. Swiss private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

IFC Long-Term Investment Portfolio as of June 2019 by Industry with Swiss Sponsors (\$1.3 billion)



IFC Long-Term Investment Portfolio as of June 2019 by Region with Swiss Sponsors (\$1.3 billion)



IFC Committed Exposure by Sector as of June 2019 (Dollar Amounts in Millions)

Banking	331
Power	274
Transport	269
Agribusiness & Forestry	229
Media & Technology	90
Tourism, Retail & Property	53
Telecom	30
Microfinance	21
Funds (Collective Investment Vehicles)	8
<b>Total</b>	<b>1304</b>

- Mobilization:** IFC has a strong relationship with Swiss financial institutions (FIs) and an active engagement across multiple sectors. As of June 2019, Swiss FIs held over \$350 million in IFC Syndicated Loans
- Global Trade Finance Program (GTFP):** As of June 2019, IFC issued 740 guarantees amounting to \$1.5 billion for Swiss banks since the GTFP began in 2005. The major confirming banks have been UBS, Credit Suisse, and Zurcher Kantonalbank.

## PARTNERSHIP WITH THE GOVERNMENT & DEVELOPMENT FINANCE INSTITUTION

Switzerland is one of the largest donors to IFC Advisory Services, mainly through Switzerland's State Secretariat for Economic Affairs SECO and – to a smaller extent – the Swiss Agency for Development and Cooperation (SDC). As of June 2019, Switzerland provided cumulative funding of about \$520 million for IFC Advisory Services, including \$17 million contributed in FY19. Examples of initiatives supported by Switzerland include:

- IFC has launched, in partnership with SECO, its Green Buildings Certification Program (EDGE - Excellence in Design for Greater Efficiencies) in Vietnam to encourage the construction of more resource-efficient buildings. Vietnam was the first market in East Asia to introduce EDGE, which empowers developers to reduce their buildings' energy and water consumption by 20% while lowering greenhouse-gas emissions. EDGE promotes resource-efficient building growth by proving the business case for building green.
- SECO has contributed to the Public-Private Partnerships (PPPs) programs in Eastern Europe, Central Asia, and Indonesia. These PPP programs have harnessed private investment, expertise, and experience in key infrastructure and advised governments in sectors such as power generation, transport (airports, ports, roads), and tourism.
- IFC Global Credit Bureau Program's partnership with SECO supports the development of private credit reporting in Central Asia and Sub-Saharan Africa. IFC supported the launch of Ghana's first private credit bureau, facilitated a review of the legal and regulatory framework in Mozambique, and formalized an agreement with the Central Bank of Tanzania and the Tanzania Bankers Association to implement a private credit reporting system. In addition, the partnership with SECO has enabled the program to launch credit reporting projects in Azerbaijan, the Kyrgyz Republic, Tajikistan, and Uzbekistan.



## Examples of Successful Cooperation

### ReponsAbility, Asia and Sub-Saharan Africa

responsAbility

In June 2019, IFC committed \$45 million to Access to Clean Power Fund (ACPF), a fund managed by the Swiss asset manager responsAbility Investments and dedicated to financing renewable energy and energy efficiency solutions in the distributed generation space in Asia and Sub-Saharan Africa. ACPF will extend debt financing to companies that specialize in household-level or commercial and industrial energy solutions in these regions, where currently an estimated 1.3 billion people lack access to grid-based electricity. ACPF will become the largest fund globally in the distributed generation space, focusing on Sub-Saharan Africa (primarily) and Asia, with IFC as an anchor investor. The project will provide financing for distributed generation producers and suppliers, helping to enable access to affordable and clean energy for underserved segments of the population and small businesses. ACPF is envisioned to demonstrate to the wider investor community that the distributed generation segment is investable and on the right trajectory for fully commercial sustainability, especially with SMEs.

### ICMC, Kosovo



In April 2018, IFC committed a senior loan of up to €2 million to support the expansion of the leading microfinance institution Kep Trust's lending program to micro and small enterprises (MSMEs), including small farms and agricultural processing companies, in Kosovo. One of the founders of Kep Trust is ICMC, a Swiss international organization with programs in over 40 countries. The investment comprises a €1 million loan for IFC's own account and a €1 million loan from IFC-implemented Private Sector Window of the Global Agriculture and Food Security Program (GAFSP). IFC's investment is expected to increase access to finance for individual entrepreneurs and MSMEs operating in semi-urban and rural areas, including in the agricultural sector, which will lead to farm productivity enhancements and improved food security.

### Nespresso, Sub-Saharan Africa



In September 2016, IFC committed an A loan of \$3 million to the Nespresso Sustainability Innovation Fund. Nespresso S.A is a Switzerland-based leader in the premium coffee market. The project will support the company's AAA Sustainable Quality Program, as well as agroforestry and shade-tree planting. The BioCarbon Fund Initiative for Sustainable Forest Landscapes, managed by the World Bank, will provide an additional \$3 million grant to enhance environmental sustainability. The funds will also be used to support smallholder coffee farmers and producer wet mill businesses in Kenya and Ethiopia. IFC's investment will promote wealth creation for coffee farmers in rural parts of Ethiopia and Kenya, and improve the livelihoods of over 40,000 farmers. This project will help farmers to enhance agricultural practices to boost productivity and product quality in a sustainable and climate-smart way, while having a positive effect on the environmental profile of the areas and contributing to reforestation.

## CONTACT

Karsten Fuelster  
Principal Investment Officer  
& Country Manager for  
Switzerland  
Tel: +49 69 74 34 82 50  
Email: KFuelster@ifc.org

## FRANKFURT

Bockenheimer Landstrasse 43  
60325 Frankfurt am Main  
Germany  
Tel: +49 69 743 48230

## LONDON

12th Floor Millbank Tower  
21-24 Millbank SW1P4QP  
London, UK  
Tel: +44 207 592 8400

## BRUSSELS

17, Avenue Marnix  
2nd Floor  
1000 Brussels, Belgium  
Tel: +32 2 522 00 39

## PARIS

66, avenue d'Iéna  
75116 Paris  
France  
Tel: +33 1 4069 3060