

COUNTRY FACTSHEET

IFC in Azerbaijan



Azerbaijan became a member of IFC in 1995. As of December 31, 2016, IFC has invested \$473 million, of which \$73 million was mobilized from other lenders, financing 56 long-term projects across a range of sectors, including financial services, infrastructure, and manufacturing sectors. In addition, IFC has supported around \$80 million in trade through its trade finance program and provided \$250 million for Baku-Tbilisi-Ceyhan pipeline. IFC has also implemented a range of advisory projects aimed at encouraging private sector growth.

The State Oil Fund of the Republic of Azerbaijan (SOFAZ), Azerbaijan's sovereign wealth fund, has committed \$350 million to three funds managed by the IFC Asset Management Company: the IFC Global Infrastructure Fund, which invests alongside IFC in equity and equity-related investments in the infrastructure sector in emerging markets; the IFC Catalyst Fund, which invests alongside IFC in funds that provide growth capital to companies developing innovative ways to address climate change in emerging markets; and the IFC African, Latin American, and Caribbean Fund, which invests alongside IFC in equity and equity-related investments across a range of sectors in Sub-Saharan Africa, Latin America and the Caribbean.

IFC Strategy in Azerbaijan

IFC's focus is on supporting the economic competitiveness agenda of the World Bank Group's Country Partnership Framework 2015-2020 for Azerbaijan, strengthening initiatives to increase access to finance for businesses and improve the business environment. IFC will also seek investment and advisory opportunities to support the real sector, including critical infrastructure projects and export-oriented sectors.

IFC Advisory Services in Azerbaijan

Years of operation	Project	DESCRIPTION
2013 – present	Agribusiness Standards Advisory Program in Europe and Central Asia (ECA)	Assists local companies in applying food safety standards throughout the agribusiness value chain while strengthening the capacity of local consultants. Improved standards will help agribusiness firms meet regional and export market requirements while building a foundation to mobilize investments and help the agribusiness industry realize its full potential. Donor partner is the Ministry of Finance of Austria.
2009 – present	Azerbaijan-Central Asia Financial Markets Infrastructure Advisory Services Project	Aims to expand access to finance for individual consumers and micro, small, and medium enterprises by improving the financial infrastructure of and regulatory environment for credit bureaus, and by developing a risk certification program. Donor partner is the Swiss State Secretariat for Economic Affairs (SECO).
2012 – present	Corporate Governance Program in ECA	Aims to develop the capacity of local institutions to deliver services independently to the market and help companies and financial institutions improve corporate governance standards, leading to improved performance, sustainability, and ability to access finance. Principal donor is SECO, with support from Development Bank of Austria (OeEB).
2014 – present	Strengthening Financial Systems Program in Europe and Central Asia	Helps financial institutions reduce non-performing loans, improve risk management, and increase lending to SMEs. Donor partner is SECO.
2010 – present	ECA Resource Efficiency Program	Aims to stimulate investment in uptake of resource-efficient technologies and best practices; to improve operational practices in industry across all sectors; and to raise awareness among policy-makers and financial institutions. Donor partner is the Ministry of Finance of Austria.
2014 – present	ECA Agri-Finance Project	Aims to increase access to finance for small and medium agricultural producers and mitigate risks associated with agriculture finance. Through legislative reform, the project aims to help establish agricultural insurance system and build capacity to develop agricultural insurance products. Donor partners are the Ministry of Finance of Austria and Hungarian Export-Import Bank.
2013 – present	Azerbaijan and Central Asia Micro- and Responsible Finance	Aims to strengthen responsible microfinance by working at the sectoral level to improve the practices and capacities of financial institutions, at the regulatory level to improve the enabling environment, laws and regulations governing microfinance, and at the consumer-level, to increase the knowledge and capability of consumers to plan, budget, and borrow in a sustainable way. Donor partner is SECO.

Examples of IFC Investments in Azerbaijan

Financial year	Project	IFC Financing \$ million	Description
2017-2016	AccessBank	25.0	Subordination loan to spur lending to smaller businesses and equity rights issue to strengthen the capital base
2015	Turan Bank	7.0	Loan to expand lending to micro, small, and medium enterprises (MSMEs)
2013	Bank Respublika	15.0 (including \$1M from IFC-Canada Climate Change Program)	Loan to expand lending to SMEs involved in sustainable energy projects
2013	AccessBank MSME	15.0	Loan to increase funding for micro and small businesses in Azerbaijan
2011	FINCA Azerbaijan	7.0	Senior loan in local currency equivalent to expand lending to MSMEs