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 engages with the European Union (EU), with a focus on policy dialogue and cooperation on a large number of initiatives and projects. EU Member States hold almost a third of IFC’s shares. The European Commission (EC) is IFC’s main counterpart, cooperating with IFC on private sector development in the poorest countries around the world.

In addition, IFC maintains an ongoing dialogue and cooperates with other EU institutions, including the European Parliament (EP) and the European Investment Bank (EIB). IFC engages with the EP mainly on issues related to the EU development policy, by liaising with the relevant Members of the European Parliament and committees, as well as through the World Bank’s Parliamentary Network.

IFC AND THE EUROPEAN COMMISSION

The EC is one of IFC’s most important partners and currently supports IFC in many countries around the world. As of June 2019, the EC had provided cumulative funding of over $275 million to support IFC, including over $73 million in fiscal year 19. IFC’s relationship with the EC is far-reaching. In addition to partnering on joint initiatives, IFC and the EC collaborate in a number of areas including private sector development, fragile and conflict situations and blended finance.
Examples of Successful Cooperation

Private Sector Development in Somalia

Launched in 2017, IFC’s Private Sector Development in Somalia program aims to address multiple market failures inhibiting private sector growth and economic expansion, and catalyze private investment to create jobs and income in Somalia. The comprehensive five-year program will focus on the implementation of investment climate reforms, financial sector and value chain development, public-private partnerships and gender mainstreaming. The EU contributed €1.5 million to the program which is supported by other partners, such as Denmark and the UK’s Department for International Development.

Energy Efficiency in Ukraine

IFC launched in 2010 the Ukraine Residential Energy Efficiency project. To date the project has been instrumental in implementing legal changes that have enabled homeowners to invest in improving the energy efficiency of their buildings. In parallel, IFC has helped banks to design new financial products focusing on residential energy efficiency. In 2018, IFC also worked on the establishment of the Ukraine Energy Efficiency Fund, which the EU and Germany supported with €90 million in grants and €15 million in technical assistance. The fund, which is managed by IFC, will further support the Ukrainian government’s work in reducing energy waste and greenhouse gas emissions in the residential sector.