TELLING OUR STORY

BUSINESS, WOMEN AND DEVELOPMENT

PRIVATE SECTOR DEVELOPMENT SOLUTIONS

JOBS

2013
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International Finance Corporation
World Bank Group
JOBS
Message from the Executive Vice President and CEO

Jobs are central to the global development agenda. This has been clear to me since I joined IFC in October 2012. It was especially apparent at that month’s International Monetary Fund–World Bank Group Annual Meetings in Tokyo, which highlighted the fragility of the global economy and the need for job creation.

This theme continued at the G-20 Finance Ministers and Central Bank Governors meeting that I attended in Mexico City in November 2012. As the member of the World Bank Group focused on the private sector, IFC must do all it can in this critical area. Working closely with our World Bank colleagues, clients, and other partners, we must bring solutions. Small steps are not sufficient. We must support large-scale, transformational change.

The World Bank’s new World Development Report 2013–Jobs is a valuable analytical tool in this regard. Published on the eve of our Tokyo annual meetings, it refocused attention on job creation. It raised awareness of key actions that can be taken throughout the developing world, where more than 150 million are unemployed and many more are underemployed, trapped in low-wage, low-productivity employment with little hope of improvement.

Good jobs, with sound working conditions, benefits, and opportunities for advancement, provide a clear path out of poverty. The need is especially acute among youth, who have disproportionately high rates of joblessness in many countries, and women—less than 50 percent of whom are currently active participants in the labor force.

In fiscal 2012 we invested more than $20 billion, including funds mobilized from other investors, and provided advisory services worth nearly $200 million. To maximize our impact, we are now undertaking large-scale initiatives to understand the many intricacies of job creation in emerging markets, using what we learn to inform our work.

We are increasingly looking beyond direct job creation, examining the many indirect employment effects of our work with firms of all sizes. The 23 million micro, small, and medium enterprises that our client financial institutions supported in 2011, for example, provided at least 100 million jobs. Our infrastructure clients have about 330,000 workers on their own payrolls, but the improvements in power, water, telecommunications, and transport they bring help many other firms grow as well. And many of the industries we support—agribusiness, mining, manufacturing, and others—have large multiplier effects, with our clients often creating 10 or more indirect jobs for every direct job they provide.

Much more work lies ahead. We will tackle it with full force, committed not just to supporting our clients, but helping policymakers gain new practical insights on ways to help the private sector increase job creation in developing countries.

JIN-YONG CAI
Executive Vice President and CEO

BUILDING PROSPERITY, ENDING POVERTY

Micro, small, and medium enterprises are the main source of employment in developing countries. Especially for them, we focus on removing the key obstacles to growth:

INVESTMENT CLIMATE, INFRASTRUCTURE, ACCESS TO FINANCE and SKILLS.

We also help by strengthening SUPPLY and DISTRIBUTION CHAINS and WORKING CONDITIONS.

COVER Construction of the IFC-financed Altea cement plant in Albania, creating jobs in one of the poorest parts of Europe (see pages 50-51).

FINANCING the pan-African growth of a local steel processor that has created 4,200 direct—and 24,000 indirect—jobs (pp. 42-43).

TARGETING youth unemployment by increasing training and placement opportunities in one of the world’s largest industries—tourism (pp. 30-31).

SHARING the lessons of investment climate reforms that have created 306,000 jobs in local Special Economic Zones—two-thirds of them for women (pp. 12-13).

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Creating jobs is one of the private sector’s jobs. IFC works with governments and businesses to help make it happen. We identify the biggest obstacles that stand in the way to employment growth, then help remove them. Clear away those obstacles, and job creation follows. It is far from easy, but it works. It has been seen time and again, in country after country.

To break down the barriers to job creation, IFC provides investment, advisory services, and asset management, complementing the World Bank’s policy support, loans, and grants to governments. We help the private sector achieve significant increases in employment by focusing on:

- Investment climate reforms that help entrepreneurs start and grow their businesses
- Infrastructure improvements that help businesses access markets and become globally competitive
- Access to finance that companies need for investment and growth
- Skills that equip workers, especially young people, to find the employment they need and give entrepreneurs new ways to build their businesses
- Supply and distribution chains that connect smaller firms to larger ones, especially in manufacturing, extractive industries, and agriculture
- Working conditions for improving environmental and social performance, including good working conditions

This is the package we offer. It is based on what the governments and private enterprises tell us would do the most to encourage job creation, benefiting firms of all sizes but especially the key job creators: micro, small, and medium enterprises.

This is how IFC helps: removing the obstacles to job creation.

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- Infrastructure improvements
- Access to finance
- Skills
- Supply and distribution chains
- Working conditions

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IFC tracks jobs created by its clients through its Development Outcome Tracking System (DOTS) and through evaluations conducted by ourselves and others. This results-measurement system enables us to estimate how many jobs are created by clients. However, there is limited knowledge about which initiatives in which country, under which conditions, are most likely to catalyze job creation or benefit the poor.

To start to answer these questions, IFC has been conducting a study to assess how the private sector creates jobs. Complementing the World Bank’s World Development Report (WDR) 2013–Jobs, our IFC Jobs Study: Assessing Private Sector Contributions to Job Creation and Poverty Reduction was published in January 2013 with support from the Netherlands, Switzerland, and the UK.

The study methodology included an extensive review of existing literature and evaluations; analysis of World Bank Group Enterprise Surveys from more than 100 countries; analysis of IFC’s own data and lessons of experience; focused project and country-level evaluations; inputs from others through a dedicated website and blog; and an essay competition cosponsored with the World Economic Forum on solutions to youth unemployment.

IFC will use the findings of its study and the WDR, to adapt its strategy and future operations for increased contributions to job creation and poverty reduction.

Studies cited in Telling Our Story—Jobs are available at: ifc.org/jobcreation
One of the best ways governments and their international partners can spark widespread job creation is to reform the laws and regulations affecting private enterprises—in other words, the investment climate. Reforms that simplify business registration, taxation, and other areas can bring significant employment effects. They can especially benefit small firms, which our surveys show have the highest growth rates throughout the developing world—especially in the poorest countries—but often have little voice in policy debates. And they can support the emergence of more large firms, which become more prevalent as countries grow into the middle-income and higher-income brackets, and typically provide higher wages, higher training and better working conditions.

A study in Mexico estimated that the creation of one-stop shops to facilitate business entry increased employment in affected business by 2.8 percent.

Changing the tax regime in ways that benefit smaller firms is also helpful. Recent reforms in Georgia’s tax system motivated Nana Kurashvili’s family to start its own business. Once unemployed, she has now opened a kindergarten in Tbilisi, finding it easy to do business as a result of joint efforts from IFC and the Georgian government that streamlined the system in early 2011.

Prior to the changes there was no differentiation between small, medium, and large businesses. All of them were taxed by the common system, which was burdensome for small businesses.

“The new taxation system is comfortable for small businesses like mine,” says Nana. The Georgia Revenue Service granted her company the status of small business, which enables her to pay a 5 percent turnover tax instead of the previous 20 percent income tax.

The new taxpayer status also enabled her to significantly simplify accounting procedures.

Generally entrepreneurs can also qualify for a 3 percent turnover tax rate, depending on documentation of costs incurred by the company.

Brought together in a full package, investment climate reforms can open new doors to private sector growth.
INVESTMENT CLIMATE

An improving investment climate creates opportunity in Myanmar, one of the poorest countries in Southeast Asia. IFC is now active in the country for the first time.

Despite being rich in natural and human resources, Myanmar is one of the poorest countries in Southeast Asia. But after a long absence, the World Bank Group has begun re-engaging with the country, supporting reforms that will benefit all its people, including the poor and vulnerable.

Until now, difficulty in accessing finance, underdeveloped infrastructure—particularly telecommunications and power—and the lack of a business environment conducive to private investment have all held back the potential of this country of 62 million people, more than two-thirds of them living in rural areas.

Recently, however, the government began a far-reaching program to strengthen the role of the private sector in the economy. Working alongside the World Bank, IFC is supporting this effort with diagnostics and advisory services to help improve the regulatory framework and the broader investment climate.

Ongoing consultation between the government and the private sector on the reform program will be necessary. Bringing significant regional and global experience in developing public-private dialogues, we plan to work with the government and Chamber of Commerce to support the establishment of a business forum. This would enable greater and more open discussion on legal and regulatory issues.

At the same time, IFC is conducting assessments that will form the basis of future investment and advisory programs in Myanmar. A financial sector mapping exercise is underway to study ways to improve access to finance. We are also working with the Bank to assess the country’s investment climate and infrastructure needs, with an initial focus on telecommunications and power.

Investment will follow. The first that IFC has planned is a $2 million convertible loan that will help our Cambodian microfinance client ACLEDA Bank open operations in Myanmar in 2013. Launched in 1993 as an NGO, ACLEDA has received repeated IFC support and now stands as Cambodia’s largest bank by assets. Its targeted lending to small-scale entrepreneurs in Myanmar is expected to have a similar impact, creating jobs and raising incomes at the base of the pyramid.

After having approved no new lending to Myanmar since 1987, the World Bank is also stepping up its financing, beginning with an initial $80 million in grants to benefit Myanmar’s local communities.

SUPPORTING REFORM
Attracting Investment, Sharing Prosperity

The World Bank Group returns to Myanmar

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ABOVE An improving investment climate creates opportunity in Myanmar, one of the poorest countries in Southeast Asia. IFC is now active in the country for the first time.
The numbers speak for themselves. Special Economic Zones (SEZs)—designated areas with especially good infrastructure and IT connections, overseen by a comprehensive legal and regulatory framework compatible with WTO and other standards—are not just export engines. They can also drive women’s empowerment. In Bangladesh they employ roughly 326,000 workers, almost two-thirds of them women. Worldwide, 60 to 70 percent of SEZ employees are women. SEZs often provide a woman’s first chance to earn a living outside the informal sector.

Primarily housing garment factories serving Levi Strauss, H&M, and other top global brands, SEZs are a key economic force in Bangladesh, generating roughly half of all export earnings. Women typically invest their earnings from these generally safe, fair-paying jobs to improve housing, health care, and education for their families, often sending whatever is left over to poorer relatives back in their home villages.

Building out this model even further would be good for everyone—improving empowerment and increasing profits.

The Bangladesh Investment Climate Facility that IFC manages in partnership with the U.K. Department for International Development and the EU has worked with the government and the private sector since 2007 to strengthen the SEZs. The lessons of this work are clear: improving women’s working conditions reduces absenteeism and turnover, which increases firms’ productivity, making them more competitive.

But more must still be done. Today we are helping all sides see the strong business case for:

• **Enhancing Women’s Voice:** raising awareness of their rights and increasing their participation in local workers’ associations, helping them address issues before they become grievances.

• **Upgrading Skills:** enabling more women to rise into supervisory positions, where they are currently severely under-represented.

• **Building Financial Inclusion:** highlighting the business opportunities in today’s situation, where 85 percent of SEZ workers lack bank accounts, and supporting the introduction of debit cards and other helpful new products for workers.

The experience from Bangladesh’s SEZs anchors **Fostering Women’s Economic Empowerment through Special Economic Zones**, a new eight-country IFC/World Bank study that helps governments, zones, and firms promote the role of women more effectively in the future.
July 2012: India is crippled by the world’s largest blackout, affecting more than 600 million people. Its large, well-financed firms could quickly switch to their expensive diesel generators, but the innumerable smaller ones that employ most of the workforce could not, once again feeling the impact of inadequate power supply—something that even before the two-day blackout was estimated to keep sales 11 percent below their potential throughout South Asia.

January 2011: One year after Haiti’s devastating earthquake that claimed more than 200,000 lives, the privately sponsored E-Power plant opened, expanding electricity generation in capital city Port-au-Prince by 35 percent. Local businesses and service providers were quick to report the impact of the $56.7 million, IFC-financed project: “It’s much better now, because we have electricity day and night,” said health clinic manager Janvier Smith.

Access to infrastructure—especially power—is a key constraint to private sector growth, especially in low-income countries. The companies we survey tell us that frequent power outages undermine their output and job creation. But roads, ports, airports, and railroads are also critical. Improving them reduces transport costs, opening the way to new markets that create new jobs. Improved telecom and IT connections may be even more transformational. Increasing urbanization also results in huge infrastructure needs, and research shows that jobs in cities can be much more productive—but only with functioning infrastructure, the World Bank’s World Development Report 2013–Jobs shows.

This is why IFC makes infrastructure one of its highest priorities, with a special focus on Africa. We do so with a commitment to public-private partnerships, working closely with the World Bank, other international finance institutions, and a broad range of donors, partners, and clients.

The private sector brings an entrepreneurial, results-driven approach to infrastructure. It can make a major difference—improving job creation and other aspects of quality of life in local communities in immeasurable ways…

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**INFRASTRUCTURE**

- **26% of firms in low-income countries say lack of reliable access to power is their biggest constraint to growth**
  
  **SOURCE:** World Bank Group Enterprise Surveys

- **4% to 5% increase in employment results from use of generators in low- and lower-middle-income countries**
  
  **SOURCE:** IFC Job Study note, using World Bank Group Enterprise Surveys data

- **2% to 4% of GDP of some African countries is devoted to the costs of using generators**
  
  **SOURCE:** Africa’s Infrastructure: A Time for Transformation, Agence Française de Développement and The World Bank, 2010
PHOTOS Long trailing behind the rest of the country, Pernambuco is now one of Brazil’s fastest-growing states. “Revival began with a new port at Suape, south of Recife,” wrote The Economist in October 2012. A privately managed terminal at Suape has made shipping more efficient, sparking creation of 6,200 new jobs at local firms using it to import and export their goods.

In today’s highly globalized economy, efficient shipping is critical for development. The industry carries 90 percent of world trade, and depends on ports. Upgrading their physical infrastructure brings benefits not just to the private sector, but to local communities as well—removing import/export delays and other inefficiencies that often hold back job creation and economic growth.

This is why IFC takes on projects like the upcoming financing of a private company’s expansion of a container terminal in Togo’s capital of Lomé, one of West Africa’s best natural deep-sea ports. Togo has put infrastructure front and center in its development agenda, with the terminal expected to be the biggest foreign investment project to date at €350 million ($425 million). The upgrade will improve the flow of goods not just there, but also in poorer landlocked countries to the north such as Mali and Burkina Faso.

In pursuing this and other similar investments, IFC draws on the lessons of our previous work. Many are contained in a recent evaluation of our role mobilizing private investment in the Suape port in one of Brazil’s less-developed Northeast states, Pernambuco.

As part of a major port sector reform program, in 1999 the state government there named IFC its principal advisor in introducing a public-private partnership (PPP) for terminal development and operation, resulting in TECON, the first dedicated container terminal at Suape. International Container Terminal Services (ICTSI) of the Philippines won a public bidding to build and operate the facility via a PPP for 30 years. The agreement was signed on March 2001, with the operator taking over three months later. The transaction set a new record in Brazilian port privatizations, with ICTSI offering three times the concession fee we had estimated. Since then, its new TECON Suape entity has invested more than $98 million in infrastructure improvements that have increased container movement dramatically—from moving less than 28,000 containers in 2001 to more than 243,000 today.

To handle this new flow of goods, the privately run terminal now employs roughly 400 full-time, highly trained staff—up from just 172 in 2001. But the bigger impact is in the indirect jobs the port upgrade has generated. By 2005, IFC’s evaluation indicates, the container terminal had created another 6,200 jobs outside the port. The reduction in transport times and costs was golden for nearby firms relying on TECON Suape, many of which have increased their workforces by 35 percent or more.

These empirical findings create a new challenge: helping other frontier market ports experience the positive impacts seen at Suape.
Bazel Al Adeeb never wanted to earn his living on the streets, selling handfuls of nuts to anyone he could find. A good job with a big company would have been better. But there weren’t any. Not for youth in Yemen—the poorest country in the region with the world’s highest youth unemployment. He worked hard, built a client base, and dreamed of opening his own business. But finding financing was impossible—just as it was for Rasan Puwaneswary. Like so many others in northern Sri Lanka, she lost everything in a war that claimed more than 80,000 lives. When peace returned in 2009, she and her four children had no home, no way to open even a small farm. “No one would give me a loan since I had nothing they could hold as security,” she says. “It was difficult to live day-to-day.”

Then Rasan heard of Lanka Orix Leasing Company Micro Credit Ltd. (LOMC), which we had just helped enter her area. With its $250 loan she began growing onions, carrots, and beets. It was a start. Today she has a stable life and, like Bazel, has begun hiring others. Now 27, he owns a successful small shop financed with $2,500 in loans from our client Al Amal Microfinance Bank, Yemen’s largest with roughly 25,000 clients—up from about 3,300 when we began assisting it three years ago. LOMC has reached 100,000 small Sri Lankan entrepreneurs since we helped create it in 2008. Research shows microenterprises and SMEs are the key sources of job creation. As one of the world’s largest investors in microfinance, IFC reaches 17 million people like Bazel and Rasan, helping them open businesses, increase incomes, and create jobs. But it is not just low-income entrepreneurs who need help finding financing. Throughout the developing world, formal sector SMEs are critical as well. Since 2003 IFC has provided Sri Lanka’s largest private bank, the Commercial Bank of Ceylon (CBC) with investment, advisory services, and support for loans to SMEs. Recent research shows that the microenterprises and SMEs that obtained loans from CBC in 2009 had created 2,650 new permanent jobs by 2012. They reported annual job growth of about 12 percent, or roughly twice the national average in Sri Lanka. CBC’s microenterprise and SME loan portfolio is now a solid business, more than tripling since 2009. This shows that increasing access to finance for small and mid-size firms can be good for business, and a key force in job creation…

ACCESS TO FINANCE

- 60% of developing world’s jobs are in informal sector micro, small, and medium enterprises (MSMEs)
- 66% of the remaining jobs are in formal sector small and medium enterprises (SMEs)*
- 70% of MSMEs receive no financing from financial institutions; even though they need it to grow and create jobs
- 100 million jobs provided by MSMEs receiving loans from IFC-supported financial institutions

* 250 employees or less


Rasan Puwaneswary, Sri Lanka
Bazel Al Adeeb, Yemen

REMOVING THE OBSTACLES: ACCESS TO FINANCE
Tunisia is where the Arab Spring began. A frustrated fruit-seller’s self-immolation there in December 2010 sparked a wave of regional outrage, driven in large part by widespread joblessness. At the core sat a paradox: the Middle East and North Africa (MENA) labor force is one of the fastest-growing in the world, needing to create up to 75 million new jobs in the next decade just to keep up with population growth and bring down unemployment. Yet its key sources of jobs—micro, small, and medium enterprises—are capital-starved. They show the world’s lowest access to finance, their most important driver of growth. It is a fundamental issue that must be addressed. IFC is doing so as part of the larger World Bank Group’s response to the Arab Spring. At the May 2011 G-8 summit in France, we joined other international finance institutions in launching the Deauville Partnership, a far-reaching initiative committed to increasing support for private sector–led economic growth. In large part, this means helping the region’s promising smaller companies reach their full potential. Tunisia’s promising smaller companies reach their full potential. Tunisia’s Altea Packaging, for example, now has 680 direct employees, more than seven times as many as it did the day we first met it. And it is preserving those jobs today, despite its region’s economic downturn. This is not counting the important positive impact this industry is bringing to the agribusiness sector in the North African region in terms of added value packaging, allowing those companies to meet international packaging standards and to boost export. Risk capital and hands-on advice from our local partner Tundwest have been one of the keys to its success.

The region’s private equity pioneer, Tundwest, has been investing profitably in SMEs since 1994. With our support, in 1998 it put $1.1 million into a small, loss-making Tunisian manufacturer called Cogitel, then put it on a path to renewed profitability. Seeing an even brighter future ahead, this insightful Tunisian investment group then helped Cogitel grow further through acquisitions and new ventures, ultimately folding it into a new holding company called Altea Packaging that received a fresh $19.5 million in 2006. Today Altea employs 680 workers at subsidiaries in Tunisia, Algeria, and Egypt. It is MENA’s flexible packaging leader, outselling its closest competitor each year by a factor of five. But MENA has 1.1 million SMEs. It needs many more success stories like this one. As part of the Deauville Partnership, IFC is thus investing up to $13.5 million in Tundwest’s newest private equity fund, its largest ever in the MENA region. This is part of the $2.6 billion we invested in MENA in fiscal 2012—our countercyclical vote of confidence in the region and its many job-creating entrepreneurs.

 supported by an IFC-backed venture capital fund, Tunisia’s Cogitel makes packaging material for Dannon yogurt and other leading consumer brands.
When Ofelia Mandlate joined our client BancABC Mozambique as a relationship officer, she expected to seek out new clients for its upcoming SME finance business. In the past few months she has done that, and much more.

Today she manages the whole credit process, from client meetings, to analysis, approval, and disbursement. Making her responsible for all stages speeds up the loan process, with client files no longer passing around various departments.

BancABC’s goal is to disburse within 10 days, a breakthrough in a country whose banks usually take up to three months to process SME loans, if they provide them at all. It learned of the relationship officer model through IFC’s Africa Micro, Small, and Medium Enterprise (AMSME) Program, which helps banks in 16 African countries increase profits through new business with SME clients. Often, as with BancABC, this means introducing new ways to tap a deep, high-potential market that others avoid due to risk perceptions.

The partnership is a win-win for all: helping banks gain new business, thus helping entrepreneurs create jobs.

“For us, IFC’s program brought in a change discussion,” says Chipiliro Katundu, the bank’s head of retail and SME banking. “We joined it to gain international expertise on how to provide SME solutions. Our vision is to be the fastest SME bank in Mozambique. To do this, we are going in with a big heart and with the right partner.”

Our partnership with BancABC began in early 2012 with a $13.5 million investment in BancABC units in Mozambique, Zambia, and Botswana. Joining our AMSME program then gave it access to IFC advisory services in tailoring new financial products to local market conditions. Program costs are shared by IFC and BancABC, with IFC providing a full-time resident advisor in all three countries. The program has helped 21 African banks provide $1 billion in SME loans since its launch in 2006.

Taking this proven model deeper into Africa, South Asia, and other regions, we now oversee a larger Global SME Finance Facility. Launched in March 2012 in response to the G20’s call for greater financial inclusion in developing countries, its first donor partner is DFID of the U.K., which contributed approximately $64 million for blended finance investments and $51 million for advisory services. IFC is providing $200 million to leverage DFID’s investment portion.

The goal: supporting creation of 1 million jobs over the next six years.
Like other countries, Lebanon has many high-potential women entrepreneurs. But they are hard-pressed to find financing. Just 3 percent of the country’s bank loans go to women-owned firms, holding back business expansion and job creation.

One pioneering local lender, BLC Bank, is helping reverse that trend. With IFC’s support, it now specializes in helping women access financing, becoming the first bank in the Middle East to target that high-impact market. Launched in March 2012, the bank’s We (Women Empowerment) Initiative offers not just loans, but training, recognition, networking opportunities, and other key services. In its first four months, it enabled BLC Bank to extend twice as many loans to female entrepreneurs as it had made in all of 2011.

One client, Claude Jabre, borrowed $260,000 to expand her fast-growing Beirut beauty salon. “In Lebanon, and the Middle East, it is a man’s world,” she says. “By supporting female entrepreneurship, BLC Bank gives us the opportunity to believe in ourselves and lets us carve out our place in the world.”

The initiative is not just good for development. It is also good for business. Just ask Tania Moussallem, BLC Bank’s assistant general manager and a driving force behind the initiative.

“The market was severely under-served, so for a company like ours it was a great differentiator,” she says. By spurring women’s entrepreneurship, she adds, the program will not only help create jobs across Lebanon, but also attract interest from other banks in the Middle East, the region with the world’s largest gender gap in finance.

It all began in 2010, when IFC introduced Tania to the Global Banking Alliance of Women, the leading organization of financial institutions driving women’s wealth creation worldwide. Bringing back many good ideas from its annual meeting in Washington, she championed the cause in her bank—where she is the only female senior manager. An IFC advisory services program then shared our global experience in this critical field, helping her institution become the regional trendsetter in women’s banking.

In the end, the impact may not just be financial, but cultural as well. “Initiatives like these are key to changing attitudes about the role of women in society,” said Maurice Sehnaoui, BLC Bank’s chairman and general manager.
For all its success, India still has more poor people than any other country—more than all of Africa, one of every three in the world. Many live in isolated rural areas, seemingly off investors’ radar in booming Mumbai. Seemingly.

Ramesh Behera is a villager in Orissa, one of the low-income states that are IFC’s focus in India. Minimally educated, owning little, and having no significant job opportunities, his future was grim until this year. Then a start-up dairy firm arrived on the scene, helping him maximize his one productive asset—a cow.

Now Milk Mantra agents buy his milk almost every day, transferring it into sophisticated cold storage equipment and processing it with state-of-the-art Tetra Pak equipment for sale in half-liter packages for 13 rupees (40 US cents). Ramesh is one of its 5,000 initial suppliers, smallholders whose income has risen by 30 percent through the company’s purchases.

“We’re a small company with some big ideas,” says Milk Mantra CEO Srikumar Misra. Not afraid of risk, in 2009 Misra left a secure job in London with the biggest name in Indian business, Tata Group, wanting to make his mark at home with both financial and social impacts. Taking on a state dairy monopoly unused to competition, he launched Milky Moo, a new brand that is catching on fast, en route to $6 million in sales in year one. In addition to the 5,000 farmers, this supports 150 processing plant jobs—numbers that will rise as its sales rise and related cheese and yogurt products hit the market.

But without early investors who shared its vision, Milk Mantra would not exist. In large part, it does thanks to IFC client Aavishkaar (Hindi for ‘invention’), a cutting-edge Mumbai venture capital house with a proven track record in building rural SMEs.

Aavishkaar’s seed capital helped Milk Mantra raise the full $5 million it needed to start operations, coming with valuable advice from CEO Vineet Rai and his team on keys to success like strategy, financial reporting, and corporate governance. Aavishkaar investments helped create 7,400 rural jobs before the Milk Mantra deal, which should boost these totals even higher. Eyeing the next level, we recently invested in Aavishkaar’s new $120 million SME fund and presented it to the G-20, which awarded a $1.5 million grant to help Aavishkaar’s advisory arms scale up its model with hundreds of other investors.

Scale is everything in India. Another of our inclusive business clients in Mumbai, FINO, has enabled 46 million people to open basic bank accounts with innovative biometric technology—and, with our help, will soon be spreading its model to Africa as well.

**THE RURAL ECONOMY**

**Ripe for Investment**

Scaling up models that work
Judith Ngayap’s cleaning company in Cameroon had eight employees in 2009. It did about $70,000 in business for local clients. By her own admission, she could neither use nor interpret financial statements at the time, and lacked the technical knowledge to buy equipment, file tax returns—or grow her business.

Over the past year her revenues almost tripled. She now employs 50 workers, which made for an interesting conversation with her accountant.

“I was able to ask pertinent questions to the extent that he asked me, Mrs. Ngayap, what have you done?” she recalled. “And I answered him, ‘I have been trained.’” She attributes the change to courses in cost control, business plan preparation, human resource management, and other areas she took through Business Edge, IFC’s affordable SME management training platform, delivered commercially through 850 accredited training providers in 38 countries. It has built the skills of more than 150,000 small-scale entrepreneurs like Judith—the key job-creators in their countries, where top-quality training is otherwise usually available only to an elite few.

Another innovation of IFC, the SME Toolkit, uses computers and mobile devices rather than training classes to bridge the knowledge gap in 32 countries. Mahinda Malgoda owns a small grocery store in rural Sri Lanka. He credits the marketing and business strategy skills he learned from the Toolkit with more than doubling his sales since 2006—and enabling him to build a 12-employee spice business on the side with formal financial statements. “Before, I was mainly just a trader,” Mahinda says. “But now I’m really getting into the business side of things.” IFC has teamed with IBM as the technology development partner in strengthening and expanding the SME Toolkit, which is supported in Sri Lanka by Norway and the Netherlands.

And there are other ways IFC helps the private sector fill the training gap…
SKILLS

BUILDING SKILLS
A Key to Increased Incomes

With the right skills, people can get the jobs that can help them escape poverty.

Private employers often have skilled and semi-skilled positions to fill, but can’t find enough qualified people to take them due to skills shortages in the local economy. IFC helps bring more people into the workforce with updated, in-demand skills.

In the Philippines, our $16 million loan is enabling the Asian School of Hospitality Arts (ASHA) to expand its curriculum to include courses in hotel, restaurant, and hospitality management. But its existing program has already transformed the life of Jovelyn Manamat.

Skills she gained at ASHA have helped Jovelyn nearly double her income. Her previous job as a maid was not stable, paying her just $200 per month. But now Jovelyn, 25, receives $350 per month as a housekeeper, including meals, at ASHA’s sister company, the Cravings Group of Hotels and Restaurants. She credits the turnaround in her life to an ASHA course funded through a scholarship program, and plans to take more. The courses also include mentoring and motivational components that encourage young women to set goals for themselves in order to improve and transform their lives.

With our financing, ASHA is expected to increase enrollment from 1,400 today to 6,400 by 2015.

In addition to job training, conventional educators in tune with the business world’s hiring needs can help build the skills that break poverty. In Ghana, Ashesi University College’s Class of 2011 had a 99 percent job placement record within five months of graduation, with banking and education the two most popular fields. IFC’s $6 million investment is helping it increase enrollment from 500 to 2,000, maintaining its focus on computer science, business administration, and other priority areas.

IFC’s investments are creating opportunities for people to receive the training and education that they need to acquire skills to help them improve their lives. By making people take responsibility for their livelihoods, there is a high level of ownership to the development process and a better understanding of the need to break away from the cycle of poverty.

In China, IFC is providing a $50 million financing package for Ambow Education Holding, a leading education and training services provider that offers after-school tutoring and career enhancement training. Ambow’s career enhancement programs focus on IT and digital media training to help university level students and graduates improve their skills and employability. IFC’s loan is expected to support expansion of Ambow’s career enhancement business.
There are 1 billion young people in developing countries today—more than ever, and growing fast. These youth are far less integrated into the labor market than their adult counterparts, facing higher rates of unemployment and underemployment. The effects vary considerably from region to region, but are felt worst in the Middle East and North Africa, home to the world’s highest rates of youth unemployment. Even university graduates there face bleak job prospects, often having degrees that left them ill-equipped for the needs of the modern workplace.

“If you ask any person of my generation today what they are most concerned about, I can almost guarantee that the answer will be finding a job,” says May Habib. She is the founder of Qordoba, a year-old Dubai firm whose innovative business model cuts to the core of the problem—the company sees jobless, educated youth not as a problem, but as a vast pool of skilled freelance talent.

Offering fast, Web-based translation services to clients worldwide, Qordoba has quickly created employment for more than 500 young freelance translators. Working in Arabic and other languages, they translate text remotely from their homes, then upload it for Qordoba’s full-time staff to finalize—often much faster and cheaper than traditional translation services. Clients range from the world’s largest multinationals to news agencies and software firms.

“These people are my generation,” May says. “They possess the flexibility, collaborative mindset, and resourcefulness that will be required to create the hundreds of millions of jobs needed in the next decade.”

Her essay, *Get to Work: Inclusive Markets for Labor*, was the winner in a global competition sponsored by IFC and the World Economic Forum that sought solutions to the global youth unemployment crisis. She then shared these ideas with IFC’s donor partners at an event during the International Monetary Fund–World Bank Group Annual Meetings in Tokyo in October 2012.

For additional impact in education for employment, IFC has collaborated with the Islamic Development Bank on the E4E Initiative for Arab youth. Its mission: providing youth with skills that are relevant to the marketplace by investing in education, engaging stakeholders, and enabling solutions so that Arab youth earn a better future.

PHOTOS Tapping into the large pool of unemployed university graduates in the Middle East, Dubai-based IT start-up Qordoba is putting more than 500 young people to work across the region. They translate Arabic and other languages remotely for a wide range of clients, working from their laptops. Qordoba CEO May Habib (above-right) was a featured speaker at an IFC seminar at the October 2012 International Monetary Fund–World Bank Group Annual Meetings in Tokyo.
Vietnam has one of the world’s most impressive records in reducing poverty. In the early 1990s, 58 percent of its people were poor; by 2008, it was down to just 15 percent. Local SMEs have been a major contributor, creating jobs and increasing incomes over the years. But to grow, they needed financing from good local bankers who understood their needs and could offer innovative solutions. This is why IFC helped build the Banking Skills Training and Consultancy Joint Stock Co., or BTC. A little more than 10 years ago, there were no high-quality training courses for bankers in Vietnam. Then in 2001, a not-for-profit, three-person training operation opened its doors inside IFC’s Ho Chi Minh City office. Since then, BTC has become an independent entity, offering hundreds of international-standard training courses to boost the professional skills of 50,000 Vietnamese bankers. Practical courses such as relationship management and credit appraisal for small and medium enterprises helped bankers become better at serving small business clients. Nguyen Thi Phuong Hang, deputy director at the Hanoi branch of An Binh Commercial Joint Stock Bank, completed a BTC training program in 2009. A year later, she helped Tropical Agriculture Joint Stock Co., a rice seed producer and trader, secure financing to buy and develop a factory in Hung Yen province to supply farmers with good-quality products. With her help, the company also obtained a working capital facility to expand its trading and export business. Since then, Tropical has more than doubled its revenue as well as its staff. Revenue has risen to $2.2 million, while staff has increased to 50. It plans to hire another 50 employees soon. IFC helped BTC train its trainers early on and develop a full range of courses for bankers. A joint stock company since 2006, BTC now employs 200 local and foreign trainers. This year it received a license from the Ministry of Planning and Investment to operate longer-term courses and larger classes under the name Institute of Manpower, Banking and Finance. IFC continues to train BTC staff on topics such as credit bureaus, trade finance, internal audits, risk management, corporate governance, and new financial products to help enhance access to finance. In 2011, the State Bank of Vietnam, the country’s central bank, recognized BTC for its strong contribution to the development of banking in the country.
Teaching in Kenya taught Bertha Kabuto one thing: she wasn’t a teacher. She was a born entrepreneur, and needed to go home to Rwanda to open her own company. She did just that in 2006, calling it Eden Harvest and buying fresh fruit and vegetables from women farmers. Living in a small country, she soon she needed a bigger market. One began to emerge later that year when an arm of the Aga Khan Fund for Economic Development won a 30-year contract to revitalize a government-owned hotel. Renamed the Kigali Serena, it underwent a $20.8 million IFC-financed expansion and soon became Rwanda’s top business hotel. Since 2007 it has bought almost $64 million of goods and services from local firms, indirectly supporting more than 1,100 jobs—about three times the number it employs itself. The Serena is now Eden Harvest’s main client, buying more than $190,000 of its produce. That allows Bertha to employ six people.

Linking small firms to larger ones, supply and distribution chains are a driver of employment at every scale—sometimes much larger. There were few opportunities in Alex Boampong’s remote part of western Ghana until Newmont Mining’s Ahafo gold mine opened in 2006. Receiving $125 million in financing and extensive environmental and social support from IFC, the mine too was a game-changer. Alex got a contract from the mine as a sole chainsaw operator, then worked his way up from there. Receiving training and contracts from Newmont and its South African infrastructure contractor, he now works for other companies as well. Today he employs nearly 300 local workers.

Ahafo’s socioeconomic impact study shows the mine has created 28 indirect jobs at suppliers and distributors outside the mine for every one created inside...
Agriculture is the most important economic sector and source of employment in most emerging markets. In Serbia, where almost half the people live in rural areas, revitalizing agribusiness is essential for creating jobs and bringing down an unemployment rate of over 20 percent. The potential is vast. Strong global demand for food is creating new markets for Serbian agribusiness companies: in 2011, Serbia’s total agricultural exports increased by fivefold.

But exporters need investment to continue expanding, and capital has been scarce since the 2008-09 financial crisis. IFC is helping Serbian companies convince skeptical investors that they offer good opportunities for profitable business.

Recent IFC transactions have provided more than €207 million ([$255 million]) in direct financing for Serbian agribusiness companies. IFC is also helping companies improve corporate governance and introduce new standards, helping them reach new markets of customers.

In June 2012, IFC lent €45 million ([$55.3 million]) to MK Group—the leading agribusiness conglomerate focused on primary agriculture and meat processing. This company employs more than 5,000 people in Serbia and Ukraine.

“This loan demonstrates the confidence of one of the world’s leading financial institutions in our business strategy,” said Miodrag Kostic, President of MK Group.

Last year IFC also extended a €40 million ([$49 million]) loan to Koncern Farmakom MB, which employs more than 3,000 people. IFC arranged additional financing of €80 million ([$98 million]) from other lenders—the largest syndications deal that year in Southeast Europe.

Although these kinds of large companies employ thousands, SMEs make up most of the agribusiness supply chain and have the most potential for job growth in the industry. A €12.5 million ([$15.4 million]) IFC loan will help Serbian beverage maker Vino Zupa improve its operations and its environmental and social standards while also supporting a sizable network of local suppliers.

“Fruit production is a major employment generator in my region,” said Vino Zupa CEO Rade Jevtovic. “We have strong links to more than 14,000 fruit farmers, retailers, and other small companies.”

Meanwhile, IFC is working with banks in Serbia to increase access to finance for small agribusinesses and farmers. IFC has provided Société Générale Srbija with €110 million ([$135 million]) in loans. UniCredit and ProCredit Leasing in Serbia have also benefited from IFC financing.

PHOTOS Focusing on agribusiness, IFC client Farmakom create much-needed jobs in Serbia, where the unemployment rate exceeds 20 percent.
Life has changed for Ramu Rawat. Five years ago he was unemployed. He spent his days idling around his village in Orissa, one of India’s poorest states. Nothing much was happening.

Then he noticed the new $70 million, IFC-financed plant that local company Orissa Cement Ltd. (OCL) had built in his area. Towering above a timeless countryside of dirt roads, rice paddies, and mud huts, it was hard to miss.

Ramu went to the gate and asked for a job. With no experience to offer, he got a chance to do manual labor—and did well. Impressed with his drive and attitude, fast-growing OCL sent him back to his village to find more workers. Seeing he was not just a worker, but a leader, it put him on his way—not to just a job, but a career.

Today Ramu has his own contracting company, supervising a crew of 200 workers whose construction and maintenance services are much valued by OCL. He exemplifies the firm’s large indirect impact, as do the 500 or more independent truckers who arrive at its gate each day, waiting to load up and haul its popular Konark cement to sales outlets across the state.

Demand for cement is growing by 11 percent a year in Orissa, opening a niche for local companies like OCL that manufacture and sell close to a market others overlook. After using our financing to open its quiet, low-emission plant, it hired and trained 700 workers—80 percent of them from the immediate area. Many have since risen to become supervisors, production managers, and assistant engineers, launching new careers in an area that once had little but subsistence farming. But its level of indirect job creation, including Ramu and his crew of 200, is more than 10 times higher at 7,200, and the many schools, clinics, and temples it has funded give it a good name in the local community.

Reclaiming rainwater for industrial use, reforesting a greenbelt on its property, and even having an elephant corridor nearby, OCL shows that growth and sustainability can go hand in hand.

“By working with IFC we have received not only capital, but exposure to best practice in environmental and social standards and other areas,” says Managing Director Gaurav Dalmia. “It’s not that we didn’t already know these things, but IFC has helped us focus on them, and anytime we needed something, they were there to help us understand it better. That was very helpful.”
Africa is emerging fast—investing in itself, creating its own jobs. It is still the poorest continent, where almost 70 percent of the people live on $2 a day or less. But a continent-wide GDP growth rate of 5 percent, improved infrastructure, and investment climate reforms are attracting more and more private capital—creating stable, formal sector jobs that break poverty. And today that capital is starting to come not just from foreign investors, but from Africa itself.

Three rounds of IFC financing and advice since 1999 have helped build SAFAL Group, a local steel processing group whose affordable metal roofing is popular with homeowners at all income levels. When we first backed the firm, it was primarily one flagship company, Mabati Rolling Mills in Kenya. But today SAFAL operates in 11 African countries and is considering new markets like Burundi, the Democratic Republic of Congo, and South Sudan. Fast-growing and widely respected, earning Company of the Year honors in Kenya in 2011, Mabati and other subsidiaries of SAFAL Group now employ 4,200 workers, giving competitive wages, transport, medical insurance, and meals to all. Yet our analysis shows it supports almost six times as many jobs—24,000 at the latest count—at the many wholesale and retail outlets that sell its products. Most are low- and unskilled labor positions that dramatically boost workers’ incomes.

Joseph Muki left a teaching job ten years ago to open a small hardware store near Mabati’s plant outside Mombasa. Lacking financing or business training, he struggled at first. But carrying Mabati roofing made the difference. Today it accounts for 70 percent of sales at his three stores. Together they employ 45 people: drivers, loaders, cashiers, and others.

Nearby, Peter Katwa, 23, looks proudly at the new house his truck driver father is building. “It will be much better than the small one we rent in town now,” he says. “We always wanted it to have Mabati roofing. It’s the best.”

IFC’s latest $15 million loan is helping upgrade SAFAL plants in Kenya, Tanzania, and South Africa that feed its business in interior countries. The growth fuels a wise reinvestment of earnings, including creating a nonprofit vocational school that has trained more than 1,500 impoverished Kenyan youths who had to drop out of school, unable to pay the $450 annual fees. Almost all get auto mechanic, welding, dress-making, or other jobs with area employers soon after completing the two-year, $150-a-year course.

“We focus on those who have the ability but not the opportunity,” says Mabati Technical Institute Principal Norman D’Souza. “It’s making a difference.”
Empowering women is a key to sustainable development. It can take many forms. But in societies where women have few opportunities for education and employment, starting a business can be one of the most effective avenues to improving their lives, and the lives of their families and communities.

Belcorp, a Peruvian cosmetics company currently expanding across 16 countries in Latin America, is tapping into that entrepreneurial drive. It is helping thousands of women start and build their own sales businesses, bringing them into the distribution chain of its powerful brands.

The firm currently employs about 1 million beauty consultants who sell three lines of cosmetics. Most are women from low-income backgrounds, many of them single mothers. Once on board, Belcorp provides them with credit and training, plus low-cost life and hospitalization insurance to protect their families—benefits most have never had before. Belcorp then helps them set goals and ways to meet them. This gives the women new confidence to become more outspoken, both in and outside the home.

Karla Landaver’s life in El Salvador has changed dramatically in the nine years since she began to sell Belcorp products. “Belcorp has given me the opportunity to have my own business, which allows me to have income and be recognized for my effort,” she says. “It means I am an economically independent person. I can cover my expenses, my daughter’s, and contribute to my home.”

On average, the women’s income is just $30/month when they join. But over time they can increase it to $825/month as Belcorp sales consultants. New IFC investment and advisory services will enable Belcorp to expand and increase its sales force to 1.4 million over the next four years. This means many women will benefit like Mercedes Garcia, who came to Lima two decades ago from the Andes, seeking a better life. She was alone, with two children to feed, and few options. Today, she is one of Belcorp’s top 100 consultants in Peru. She has moved her family from a single room to a house, and her two children are university students. She has also raised four nieces, whom she brought from other regions to give them a better education. “I feel that education is the best heritage I can give to face the future,” she says.

Removing barriers and giving women the tools they need to be successful business people bring lasting development impact. Their children are better nourished and better educated, giving them a better start in life. IFC is helping Belcorp spread these opportunities to 400,000 more women across 16 countries in Latin America.
When IFC-backed telecommunications company Digicel entered the Papua New Guinea market in 2006, it brought reliable and affordable mobile phone services to millions of people.

It also created new jobs for some 30,000 people who sell Digicel airtime. One of them is Mary, who sells the cards at a market stall in rural Rabaul in Papua New Guinea’s east. She has grown her business to include eight staff, mostly young men who were previously unemployed.

“It has given lots of work to men who couldn’t get jobs and makes them good people,” she says.

To help entrepreneurs like Mary build on their success, IFC Advisory Services designed a business training program that teaches Digicel airtime credit distributors business planning, sales, and customer service skills, helping them grow their businesses, create jobs, and earn higher incomes.

IFC recently held workshops in Papua New Guinea’s cities of Mount Hagen and Port Moresby focused on customer care and improving sales skills. The program, adapted from IFC’s Business Edge (see page 29) training product, targets about 120 enterprises, mostly micro, small, and medium businesses.

Joe Lumaris, deputy principal of TAFE International Education Agency, found the training course to be professional and easy to use. “The Business Edge training materials and program are excellent. It’s very user friendly,” said Joe.

Digicel distributors will also be taught how to transfer credit electronically from Digicel to customers via their own phones instead of selling scratch top-up cards. For distributors in remote areas lacking secure storage facilities, removing cards from the process will increase business prospects and help increase access to telecommunications for more people.

“IfC’s Business Edge product will help our retailers better manage and grow their businesses,” says John Mangos, CEO of Digicel Papua New Guinea. “This is a win-win proposition for our clients, as it will improve customer service and increase access to telecommunications products and services.”

IFC has invested more than $100 million in Digicel to expand services in the Pacific, including in Fiji, Samoa, Tonga, and Vanuatu.
More than 45 million job-seekers join the labor force every year. They don’t just need jobs. They need good jobs. Good jobs are not just the ones that pay well, raising workers’ skills, incomes, and security, and putting them on a path to prosperity. They are the jobs with the greatest impact—something that varies across countries, depending on their phase of development, their natural and human resource endowments, and other factors. Good jobs are the ones that are good for development, supporting inclusive, sustained economic growth by increasing:

- Living standards
- Social cohesion
- Productivity

The workplace sits at the forefront of this process. It is a key setting for the private sector’s contribution to development. To ensure environmental and social sustainability, IFC has eight Performance Standards defining clients’ roles and responsibilities for managing their projects in a sustainable way. All IFC projects are assessed for consistency with the applicable Performance Standards, and clients indicate that our expertise in these areas is an important reason for choosing to work with us. Our Performance Standard 2 on Labor and Working Conditions starts from the assumption that a sound worker-management relationship is a key ingredient in the sustainability of any company. It is guided by International Labor Organization (ILO) conventions and other instruments. IFC and the ILO have formed the Better Work program, a strategic partnership to improve labor standards compliance. It brings together local firms, international buyers, governments, and workers’ and employers’ organizations to improve compliance with labor standards and promote competitiveness in global supply chains. Cambodia created 165,000 jobs and increased the value of its exports to the U.S. by 151 percent between 2001 and 2008. Better Work helped to ensure that these jobs meet high standards. Better Work supports the garment sector of seven countries, and is now expanding into closely related sectors such as footwear, textiles, towels, and sheets. Analysis has shown that improving worker relations can go hand-in-hand with productivity increases, and that following the financial crisis companies with higher standards were more likely to survive…

**IFC PERFORMANCE STANDARDS**

1. Assessment and Management of Environmental and Social Risks and Impacts
2. Labor and Working Conditions
3. Resource Efficiency and Pollution Prevention
4. Community, Health, Safety, and Security
5. Land Acquisition and Involuntary Resettlement
6. Biodiversity Conservation and Sustainable Management of Living Natural Resources
7. Indigenous Peoples
8. Cultural Heritage

**WORKING CONDITIONS**

Garment factory, Cambodia
Sustainability is a strategic pillar in IFC’s support for private sector development in emerging markets. From safer working conditions, to cleaner water or more effective community engagement, our Sustainability Framework has real and positive impacts on the environment and the lives of people in developing countries.

The Performance Standards are an essential element of the Framework. They define our clients’ roles and responsibilities in managing their projects in a sustainable way and help identify opportunities to improve business performance.

Performance Standard 2 on Labor and Working Conditions guides companies in supporting fair treatment of workers, securing safe and healthy working conditions, and enabling constructive relationships between workers, management, and contractors. Doing so is an investment that brings significant benefits. With today’s rising expectations on labor standards among consumers, investors, and other stakeholders, good working conditions pay off in many ways: recruiting and retaining workers, increasing productivity, protecting a company’s reputation, and others.

“Businesses are here to serve society as well as their shareholders. If we don’t realize what society expects of us we cannot sustain our business,” said Maria Alexiou, Corporate Social Responsibility Senior Manager for the Athens-based TITAN Group, an IFC client.

“Environmental and social standards are not just nice to have, but essential to the way businesses are perceived.”

In 2008 IFC financed TITAN’s €210 million, state-of-the-art Antea cement plant in a remote part of Albania, while also providing sustainability advice. Together IFC and TITAN worked with a team of Chinese, Greek, and Albanian contractors to set and implement human resources policies and procedures, labor audits, occupational health and safety monitoring systems, and training programs to boost the skills of local workers. Alexiou says IFC provided not only standards, “but real implementation support and expertise that added value.”

TITAN wanted local workers to take advantage of Antea’s long-term employment opportunities, but saw that few had the right skills or any way to develop them. Working with the local government, it set up a vocational training laboratory to certify electricians, engineers, and machine operators. The government now runs the program, which has so far trained approximately 120 workers.

During construction, TITAN employed 1100 workers, providing safe and healthy conditions. For specialized personnel brought from China by the Beijing-based contractor, accommodations were provided, including Internet access, health services from Chinese doctors and nurses, recreational options like ping pong, meals from all Chinese regions, and individual lockers in all dorm rooms where workers could keep their own documents.

Operational since 2010, the plant currently employs 200 workers directly, but indirectly supports almost twice as many in transportation, quarries, security, and catering.

“When you are entering a new market it is critical to be committed to these kinds of environmental and social standards,” Alexiou said. “This is something that will differentiate you from others and give you the opportunity to live up to your values.”
The world must urgently address its enormous jobs challenge. Failure to do so would be unacceptable—a missed opportunity to reduce poverty, boost economic growth, and promote sustainable development.

The private sector provides 90 percent of today’s jobs, and thus holds the key to meeting this challenge. It is crucial to understand the key constraints that keep it from growing and creating jobs, and some proven ways to overcome them throughout the developing world.

IFC is just one of many organizations making a contribution in this area. By no means do we have all the answers. The World Bank and many others are also doing excellent work, and we benefit enormously from the knowledge they share with us. We focus on key obstacles to job creation—leaving aside other important factors such as the macroeconomic environment and social safety nets, which are typically beyond what the private sector can address. Policymakers must consider these obstacles in their own specific country contexts. Identifying and removing them will contribute significantly to job creation, especially when the private sector voice is heard in policy reform debates alongside that of government and civil society. This can do much to support a sustainable, inclusive process that benefits all, not just a wealthy few.

IFC and other private-sector-oriented development finance institutions have roles to play. Using a “job lens” in our country and regional strategies helps us identify key constraints and specific ways whereby we can help our clients overcome them. We must look beyond direct job creation, however. Employment effects are often much larger in supply chains and distribution networks, generating jobs that often provide important opportunities for the poor. We must also address the skills mismatch in key labor markets, helping better align the skills taught with the ones needed. This will typically require bringing together various stakeholders, including policymakers, private companies, training providers, and the youth themselves. Focusing on gender issues and networks, generating jobs that often provide important opportunities for the poor. We must also address the skills mismatch in key labor markets, helping better align the skills taught with the ones needed. This will typically require bringing together various stakeholders, including policymakers, private companies, training providers, and the youth themselves. Focusing on gender issues and networks, generating jobs that often provide important opportunities for the poor.

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IFC and other private-sector-oriented development finance institutions have roles to play. Using a “job lens” in our country and regional strategies helps us identify key constraints and specific ways whereby we can help our clients overcome them. We must look beyond direct job creation, however. Employment effects are often much larger in supply chains and distribution networks, generating jobs that often provide important opportunities for the poor. We must also address the skills mismatch in key labor markets, helping better align the skills taught with the ones needed. This will typically require bringing together various stakeholders, including policymakers, private companies, training providers, and the youth themselves. Focusing on gender issues and networks, generating jobs that often provide important opportunities for the poor. We must also address the skills mismatch in key labor markets, helping better align the skills taught with the ones needed. This will typically require bringing together various stakeholders, including policymakers, private companies, training providers, and the youth themselves. Focusing on gender issues and networks, generating jobs that often provide important opportunities for the poor.

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OUR VISION
That people should have the opportunity to escape poverty and improve their lives.

OUR VALUES
• Excellence
• Commitment
• Integrity
• Teamwork
• Diversity

OUR PURPOSE
To create opportunity for people to escape poverty and improve their lives by catalyzing the means for inclusive and sustainable growth, through:

• Mobilizing other sources of finance for private enterprise development
• Promoting open and competitive markets in developing countries
• Supporting companies and other private sector partners where there is a gap
• Helping generate productive jobs and deliver essential services to the poor and vulnerable

To achieve its purpose, IFC offers development-impact solutions through firm-level interventions (direct investments, Advisory Services, and the IFC Asset Management Company); promoting global collective action, strengthening governance and standard-setting; and business enabling environment work.

Creating Opportunity Where It’s Needed Most