The Swiss government, financial institutions, and corporations are among IFC’s most important global partners. Sharing the goal of sustainable poverty reduction, they complement each other’s products, services and skills, and work together to achieve agreed business and development results.

IFC AND SWITZERLAND: GOVERNMENT ENTITIES

Switzerland’s State Secretariat for Economic Affairs (SECO) is the second largest donor to IFC Advisory Services in Sub-Saharan Africa. Over the last seven years, SECO has provided support more than $32.1 million to programs in the region, including $14.9 million in the last two years alone.

Access to Finance

- IFC’s Global Credit Bureau Program’s partnership with SECO supports the development of private credit reporting in Central Asia and Sub-Saharan Africa. IFC recently 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.
- SECO has also been supporting the Sub-Saharan Africa Leasing Program which aims to increase the volume of lease transactions in twelve African countries. IFC recently supported the drafting of a leasing law in Guinea, which was passed by the parliament and launched an operational manual for leasing practitioners across the world in Ghana.
- Other programs supported by SECO include the Mobile Money Program, which aims to increase access to financial services for unbanked people in underserved markets in Madagascar, Nigeria, and South Africa; and the Climate Change Investment Program in South Africa was developed which aims to catalyze markets for sustainable energy finance and facilitate private sector investment in cleaner production, energy efficiency, and renewable energy projects.

Investment Climate

- SECO is an important donor to IFC’s investment climate reform programs which are designed to help the private sector by advising governments on reforming laws and the regulatory environment to help facilitate investment and stimulate further economic growth. The programs encompass a broad range of reform initiatives, including encouraging public-private dialogue and advising governments on legal and regulatory changes that will help improve their countries’ rankings in the World Bank Group’s annual Doing Business report.

SWISS FUNDING FOR ADVISORY SERVICES BY REGION
IFC AND SWITZERLAND: PRIVATE SECTOR SPONSORS

IFC has invested approximately US$253.5 million in 11 active portfolio projects sponsored by 10 different Swiss firms. These are found in 26 different countries in Africa, South Asia, Central Asia, East Asia, Latin America, and Eastern Europe. Current Swiss clients include UBS, Nestle, Swiss Krono, and Blue Orchard Finance, among others.

Global Warehouse Finance Program

This program aims to increase working capital financing to farmers and agriculture producers by leveraging their production. The program will support the agriculture sector by providing banks with liquidity or risk coverage backed by warehouse receipts, which can be used to provide financing in the form of short-term loans or guarantees to agriculture producers and traders ahead of export.

In March 2012, IFC signed a global facility with BNP Paribas (Suisse) SA in Geneva. This is a funded risk-sharing facility to share up to 50% risk in the BNPP’s commodity backed lending portfolio. IFC’s commitment in this facility totals US$100 million, and it is expected to include agricultural borrowers in the Africa and Europe and Central Asia.

CASE STUDY: Improving access to credit for small businesses through mobile banking

In partnership with SECO, IFC has been working with WIZZIT Bank to improve access to financial services through secure and efficient mobile banking to hundreds of thousands of people in South Africa. Building on this success, IFC is helping WIZZIT expand its range of services to allow users to access micro-lending through their phones, for personal use or to grow their small businesses. Improved access to finance is especially important for micro, small and medium enterprises in South Africa, where only about 10 percent have access to loans.

“The loans from WIZZIT Bank helped me to improve and expand my business,” said Khomola Freeda, one of the beneficiaries (pictured). “I have had it for 11 years now and was surprised to see result of those two loans in such a short period of time. I am very interested to take my relationship with WIZZIT further, especially as my salon is so far away from any bank branch,”

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