IFC and Luxembourg

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 a partner of Luxembourgish companies interested in investing in emerging markets. IFC’s long-term committed portfolio of $64 million with Luxembourgish partners is concentrated in the financial sector, with the 70% of investments in East Asia and the Pacific, and the remaining 30% in Sub-Saharan Africa.

IFC’s Long-Term Investment Portfolio with Luxembourgish Sponsors

As of FY19 (ending June 2019), IFC’s long-term investment portfolio with Luxembourgish sponsors amounted to $64 million. Luxembourgish private sector companies have benefited from co-investments with IFC while making notable contributions to development.

- **Mobilization**: IFC has a strong relationship with Luxembourgish financial institutions (FIs) and an active engagement across multiple sectors. As of June 2019, Luxembourgish FIs held over $800 million in IFC Syndicated Loans.
PARTNERSHIP WITH THE GOVERNMENT

IFC’s relationship with Luxembourg covers business development and donor funded initiatives. As of June 2019, Luxembourg provided cumulative funding of about $39 million to support IFC Advisory Services, including over $1 million in FY19. Luxembourg supported various IFC programs focused on improving the business enabling environment, corporate governance, financial risk management and creating new markets for climate financing.

Examples of Successful Cooperation

Advans, Cambodia

In July 2018 and March 2019, IFC committed an A loan of up to $10 million and a B loan of up to $60 million to Amret, a leading microfinance institution in Cambodia serving micro, small and medium enterprises (MSMEs) and low-to-middle-income populations with a focus on agriculture, rural areas, district and provincial cities. The largest shareholder of Amret is Advans SA, a microfinance group based in Luxembourg. IFC’s investment will help increase access to finance for MSMEs in Cambodia. In addition, the project will promote responsible lending practices in the microfinance sector, which will contribute to strengthening the sector’s resilience in the country. IFC’s prior commitments to Amret include an equity investment of $17.3 million and an A loan of $10 million in 2014, and A and B loans of $10 million and $40 million respectively in 2016.

Green Bond Technical Assistance Program, Global

In May 2018, Luxembourg committed to providing €1 million to IFC’s Green Bond Technical Assistance Program (GB-TAP), a multi-donor supported Advisory Services initiative managed by IFC to complement the Amundi Planet Emerging Green One Fund—the world’s largest targeted green bond fund focused on emerging markets. The program will support the creation of new markets for climate finance by developing green-bond policies, training bankers and executives, and helping countries to adopt the Green Bond Principles and other best practices. The Amundi Planet Emerging Green One fund, which closed in March 2018 with IFC as a key investor and is listed on the Luxembourg Stock Exchange, is expected to significantly increase the scale and pace of climate finance in emerging markets by crowding in capital from investors.