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 reached $22 billion in fiscal year (FY) 2020. IFC maintains an active relationship with Luxembourg, including commitments with Luxembourgish companies interested in investing in emerging markets, as well as donor-funded initiatives. IFC’s long-term committed portfolio of $140 million with Luxembourgish partners is concentrated in the financial sector, with 47% of investments in Europe and Central Asia, 43% in South Asia, and the remaining 10% in Sub-Saharan Africa.

IFC’s Long-Term Investment Portfolio with Luxembourgish Sponsors

As of FY20 (ending June 2020), IFC’s long-term investment portfolio with Luxembourgish sponsors amounted to $140 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 2020, Luxembourgish FIs held close to $800 million in IFC Syndicated Loans.
PARTNERSHIP WITH THE GOVERNMENT

As of June 2020, Luxembourg provided cumulative funding of about $40 million to support IFC Advisory Services, including over $1 million in FY20. Luxembourg supported various IFC programs focused on improving the business enabling environment, corporate governance, financial risk management and creating new markets for climate financing, as well as local capital resource mobilization.

IFC also maintains a strong partnership with the Luxembourg Stock Exchange (LuxSE), dating back to 1986, when IFC first listed a security at the exchange. Given IFC’s pioneering role in green finance and its commitment to accelerating sustainable growth in developing countries, the collaboration has grown particularly strong over the past years, reflecting LuxSE’s own efforts to unlock sustainable capital.

Examples of Successful Cooperation

Advans, Cambodia

In June 2020, IFC committed an A loan and a B loan of $12.5 million each 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, with at least 30% of the loans expected to benefit women-owned MSMEs. 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 million and an A loan of $10 million in 2014, an A and B loans of $10 million and $40 million respectively in 2016, an A loan of $10 million and a B loan of $35 million in 2018 and a B loan of $25 million in 2019.

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, developed under a strategy of simultaneous stimulation of demand and supply to grow the emerging green bond 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.

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