

# IFC and Luxembourg

Partners in Private Sector Development



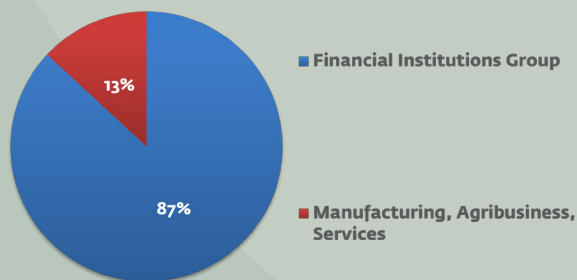
## OVERVIEW

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working in more than 100 countries, IFC committed a record \$32.8 billion in own-account investments and mobilization from third parties to private companies and financial institutions in developing countries in fiscal year 2022 (FY22).<sup>\*</sup> IFC partners with Luxembourgish multinationals and mid-sized firms that are interested in investing in emerging markets. As of June 2022, IFC had a long-term committed investment portfolio of \$161 million with Luxembourgish partners spread across several regions.

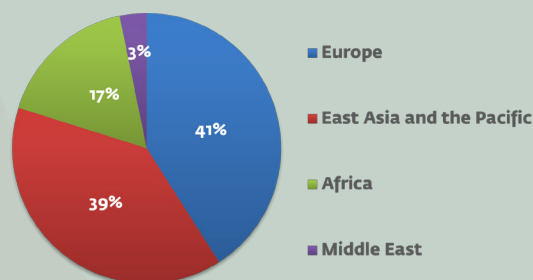
## IFC's Long-Term Investment Portfolio with Luxembourgish Sponsors

As of FY22, IFC's long-term investment portfolio with Luxembourgish sponsors amounted to \$161 million. Luxembourgish private sector companies have benefited from co-investments with IFC while making notable contributions to development.

IFC Long-Term Investment Portfolio as of June 2022 by Industry with Luxembourgish Sponsors (\$161 million)



IFC Long-Term Investment Portfolio as of June 2022 by Region with Luxembourgish Sponsors (\$161 million)



IFC Long-Term Investment Portfolio as of June 2022 (Dollar Amounts in Millions)

Funds	66
Microfinance	46
Trade Finance	25
Tourism, Retail & Property	21
Non-banking Financial Institutions	3
<b>Total</b>	<b>161</b>

- Mobilization:** IFC has a strong relationship with Luxembourgish financial institutions (FIs) and an active engagement across multiple sectors. As of June 2022, Luxembourgish FIs held \$1.2 billion in IFC Syndicated Loans.

<sup>\*</sup>The World Bank Group fiscal year runs from July 1 to June 30 of the following calendar year.

## PARTNERSHIP WITH THE GOVERNMENT

In FY18-22, Luxembourg provided cumulative funding of close to \$13 million to support IFC Advisory Services. Luxembourg supported various IFC programs focused on improving the business enabling environment, corporate governance, financial and compliance risk management and creating new markets for climate financing, as well as local capital resource mobilization.

In October 2022, IFC and the Ministry of Finance of Luxembourg announced the new Luxembourg-IFC Partnership Program (LIPP), which will provide €9 million for IFC's advisory and upstream activities in order to support low- and middle-income countries in market creation and private sector investment.

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



### Mikro Kapital Group, Tajikistan

In June 2022, IFC committed a \$5 million senior loan in local currency to Imon International, the leading microfinance organization in Tajikistan, to help boost its lending to micro and small enterprises in Tajikistan hit by the COVID-19 pandemic. Alternative Fund is a subsidiary of Mikro Kapital Group, a Luxembourg-based securitization fund management company. Alternative Fund, the Dutch development bank FMO and EBRD are the shareholders of Imon International. IFC's investment will provide financing and support to hundreds of micro and small enterprises, helping them resume full economic activity after the pandemic and spurring private sector growth and economic development in Tajikistan.

### 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 developed in partnership with the Ministry of Finance of Luxembourg, the State Secretariat for Economic Affairs of Switzerland SECO, and the Swedish International Development Cooperation Agency, SIDA. GB-TAP is managed by IFC and complements 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 supports the creation of new markets for climate finance by training financial institutions' executives and promoting the Green Bond Principles and other global market 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.



THE GOVERNMENT  
OF THE GRAND-DUCHY OF LUXEMBOURG  
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