

# IFC and Hungary

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 \$23 billion in fiscal year (FY) 2018. IFC maintains a focused relationship with Hungary, covering business development and donor funded initiatives. Under its Global Trade Finance Program, IFC had issued, as of June 2018, 15 guarantees amounting to about \$9 million for banks in Hungary since the program began in 2005. The only confirming bank in the Hungarian market is KBC-K and H Bank.

## PARTNERSHIP WITH THE GOVERNMENT

IFC's main government counterparts are the Ministry of Finance and the Hungarian Export-Import Bank PLC (Eximbank). As of June 2018, Hungary provided cumulative funding of \$20 million to IFC Advisory Services, supporting the Hungary-IFC Partnership Trust Fund (HIPTF). The fund, which was established in 2014 to help catalyze IFC's private sector development work, has supported the energy, agribusiness and water management sectors across several regions in emerging markets.

## Example of Successful Cooperation

### IFC ECA Agri-Finance Program



The Europe and Central Asia Agri-Finance Program, which was launched in 2014 under the Hungary-IFC Partnership Trust Fund (HIPTF), aims at increasing access to finance for agricultural enterprises by working with financial institutions to support farmers' agricultural production in ECA, particularly on Ukraine, Azerbaijan, Kosovo, Serbia, Tajikistan, Uzbekistan and Kyrgyzstan. Successful projects under the program include the promotion of agri-insurance as a risk management tool in Ukraine, Kosovo, and Azerbaijan; and the improvement of local banks' agriculture lending processes and strategies. As a result of the program, local financial institutions issued about \$264 million in loans to 20,000 farmers and 2,000 local farmers improved their knowledge of agri-insurance.

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