IFC and Switzerland
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 2,000 businesses worldwide, IFC’s long-term investments in developing countries rose to nearly $19 billion in fiscal year (FY) 2016. IFC is an active partner of established Swiss multinationals and mid-sized firms wishing to internationalize. Of IFC’s long-term committed portfolio of $1.3 billion with Swiss partners, 43% is in the infrastructure sector, followed by 25% in the financial sector, 25% in manufacturing, agribusiness and services, and 7% in telecommunications, media and technology. 35% of investments are in the Sub-Saharan Africa region, followed by 25% at the global level and 21% in the Middle East and North Africa.

In FY17, IFC will focus on business development in agribusiness, health and renewable energy, while continuing to build and maintain strong relationships with clients across sectors. 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’s Long-Term Investment Portfolio with Swiss Sponsors

As of FY16 (ending June 2016), IFC’s long-term investment portfolio with Swiss sponsors amounted to $1.3 billion. Swiss private sector companies have benefited from co-investments with IFC while making notable contributions to development.

- **Mobilization**: IFC has a strong relationship with Swiss financial institutions (FIs) and an active engagement across multiple sectors. As of June 2016, Swiss FIs held approximately $344 million in IFC Syndicated Loans, of which $89 million was mobilized in FY16.

- **Global Trade Finance Program (GTFP)**. As of June 2016, IFC had issued 576 guarantees amounting to $1 billion for banks in Switzerland since the program began in 2005. The major confirming banks in the Swiss market are UBS, Credit Suisse, and Zürcher Kantonalbank.
PARTNERSHIP WITH THE GOVERNMENT & DEVELOPMENT FINANCE INSTITUTION

Switzerland is one of the largest donors to IFC’s advisory services, mainly through the State Secretariat for Economic Affairs (SECO) and – to a smaller extend – the Swiss Agency for Development and Cooperation (SDC). As of June 2016, Switzerland provided cumulative funding of $411 million for IFC’s advisory services, including $45 million contributed by FY16. Examples of initiatives supported by Switzerland include:

- In 2015 IFC launched, in partnership with SECO, its Green Buildings Certification Program (Excellence in Design for Greater Efficiencies - EDGE) in Vietnam to encourage the construction of more resource-efficient buildings. Vietnam was the first market in East Asia to introduce EDGE, which empowers developers to reduce their buildings’ energy and water consumption by 20 percent while lowering greenhouse-gas emissions. EDGE encourages resource-efficient building growth by proving the business case for building green. In 2016, SECO reconfirmed its commitment to the program.

- SECO is a strong contributor to the Public-Private Partnerships (PPPs) Programs in Eastern Europe, Central Asia, and Indonesia. PPPs harness private investment, expertise, and experience in key infrastructure and advice governments in sectors such as power generation, transport (airports, ports, roads), and tourism.

- IFC Global Credit Bureau Program’s partnership with SECO supports the development of private credit reporting in Central Asia and Sub-Saharan Africa. IFC 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. In addition, the partnership with SECO has enabled the program to launch credit reporting projects in Azerbaijan, the Kyrgyz Republic, Tajikistan, and Uzbekistan.

Examples of Successful Cooperation

Barry Callebaut, Ivory Coast

In 2016, IFC committed a Risk Sharing Facility (RSF) with Société Africaine de Cacao and Biopartenaire in the Ivory Coast - two fully owned subsidiaries of Barry Callebaut, a leading Swiss manufacturer of high-quality chocolate and cocoa products. The RSF, which will have a maximum portfolio balance of $9 million, will provide input loans to farmer associated with Biopartenaire and the cooperatives supplying cocoa to Barry Callebaut’s subsidiaries. By 2020, the project will support up to 103,000 smallholder cocoa farmers in the Ivory Coast. The project is expected to improve smallholder farmers’ revenue by granting them access to short-term credit and productivity tools. In addition, it will help the farmers establish and build credit histories, strengthen the cocoa value chain by training farmers in financial literacy and planting techniques, and present a blueprint for the cocoa sector, among others, on how to engage in direct farmer lending. Through the project, IFC will also help the subsidiaries improve their credit risk management practices as well as their environmental and sustainability standards.

2030 Water Resources Group (WRG)

In 2008, IFC and Nestlé, in collaboration with a group of private sector institutions, established the WRG as a new form of public-private partnership to bring economic, fact-based analyses to help countries ensure water security. Since 2010, WRG has engaged a number of country governments in discussions on how these findings could be used to help transform their national water sectors.

Sustainable Coffee Project

In 2007, IFC and Nestlé joined ECOM (a leading global coffee trader), the Rain Forest Alliance and CIRAD (the French environmental research institute) to increase the real income of more than 8,000 coffee producers in Central America and Mexico.

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