IFC and Denmark
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 maintains an active relationship with Denmark, including commitments with Danish companies interested in investing in emerging markets, as well as donor-funded initiatives. Out of IFC’s total long-term committed investment portfolio of $464 million with Danish partners, 81% is in infrastructure, 16% in manufacturing, agribusiness and services, and 3% in finance. Sixty-six percent of investments is in Latin America and the Caribbean, followed by Sub-Saharan Africa at 21%, Europe and Central Asia at 10%, and East Asia and the Pacific at 3%.

IFC’s Long-Term Investment Portfolio with Danish Sponsors

As of FY19 (ending in June 2019), IFC’s long-term investment portfolio with Danish sponsors amounted to $464 million. Danish private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

Global Trade Finance Program (GTFP): As of June 2019, IFC had issued close to 20 guarantees amounting to $20 million for Danish banks since the GTFP began in 2005. The most active confirming bank has been Danske.
As of June 2019, Denmark provided cumulative funding of over $86 million to support IFC Advisory Services, including over $10 million in FY19. Denmark shares several core development priorities with IFC, including climate change, fragile and conflict states, and gender equality and empowerment. IFC also collaborates with Danida, the Danish development agency, on a number of initiatives.

Example of Successful Cooperation

Maj Invest, India

In July 2018, IFC committed a $15 million senior loan to Arohan. Arohan, a non-banking finance company and microfinance institution based in India, is part of Maj Invest Holding, a Danish asset management company that provides services to below-middle class clients worldwide through its Financial Inclusion Fund. The project will help expand access to microfinance for women clients from low-income households in the low-income states of India that have limited or no access to formal sources of financing. With IFC’s support, Arohan is expected to increase its microfinance outreach to 3.5 million customers by 2023 and reach an additional 500,000 micro-insurance clients. The investment will also contribute to IFC’s Universal Financial Access by 2020 initiative.