IFC and Sweden
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 works with Swedish private sector companies investing in emerging markets. Of IFC’s long-term committed investment portfolio of $137 million with Swedish partners, 63% is in the telecommunications, media and technology sector, followed by 27% in finance and insurance, and 10% in manufacturing, agribusiness and services. The majority of IFC investments with Swedish partners is in the Sub-Saharan Africa region, representing 55% of investments, 27% is in Europe and Central Asia, while the remaining 18% is in South Asia.

IFC’s Long-Term Investment Portfolio with Swedish Sponsors

As of FY19 (ending in June 2019), IFC’s long-term investment portfolio with Swedish sponsors amounted to $137 million. Swedish private sector companies have benefited from co-investments with IFC, while making notable contributions to development.

• Mobilization: IFC has a strong relationship with Swedish financial institutions (FIs) and an active engagement across multiple sectors. As of June 2019, Swedish FIs held close to $230 million in IFC Syndicated Loans.

• Global Trade Finance Program (GTFP): As of June 2019, IFC issued over 210 guarantees amounting to over $165 million for Swedish banks since the GTFP began in 2005. The major confirming banks have been Nordea and Swedbank, followed by Svenska Handelsbanken and SEB.
PARTNERSHIP WITH THE GOVERNMENT AND DEVELOPMENT FINANCE INSTITUTION

As of June 2019, Sweden provided cumulative funding of over $135 million to support IFC Advisory Services, including close to $22 million in FY19.

In Autumn 2018, Sweden committed to providing €6 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. 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. Under GB-TAP, the Stockholm School of Economics launched the Green Bonds and Sustainable Finance Executive Program in June 2019, together with IFC, the International Capital Market Association and the Luxembourg Green Exchange. The program is designed to support banks in emerging markets in their transition to sustainable financing, and will give participants concrete tools for their organizations to be able to issue green loans and bonds in their markets.

Since 2012, Swedfund, the Swedish Development Finance Institution, has been a signatory of IFC’s Master Cooperation Agreement, which streamlines lending procedures for joint investments to ease financing to private companies in emerging markets. Since then, Swedfund has co-invested in several projects alongside IFC.

Example of Successful Cooperation

Brummer & Partners, Bangladesh

In January 2019, IFC committed a $6 million A loan to Ananta Apparels Limited (AAL), a readymade garments manufacturer and exporter based in Bangladesh. Brummer & Partners, a Swedish investment management company, is one of AAL’s shareholders. IFC’s loan will help AAL to fund the machinery for a washing plant at its garment factory, thus increasing the efficiency of its manufacturing process through cost and time savings and improving energy and resource efficiency. The project will create over 1300 direct jobs at the plant and is expected to have a significant demonstration effect on addressing climate change issues in the textile industry in Bangladesh.

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