

# How to Work with IFC

## Creating Markets, Creating Opportunities

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector in developing countries.

We utilize and leverage our products and services—as well as products and services of other institutions in the World Bank Group—to provide development solutions customized to meet clients' needs. We apply our financial resources, technical expertise, global experience, and innovative thinking to help our partners overcome financial, operational, and political challenges. Working with over 2,000 businesses worldwide, IFC's long-term investments in developing countries reached \$22 billion in fiscal year (FY) 2020.

### HOW TO APPLY FOR FINANCING

IFC offers a wide variety of financial products for private sector projects in developing countries. To be eligible for IFC funding, a project must meet a number of criteria. The project must:

- Be located in a developing country that is a member of IFC;
- Be in the private sector;
- Be technically sound;
- Have good prospects of being profitable;
- Benefit the local economy; and
- Be environmentally and socially sound, satisfying our environmental and social standards as well as those of the host country.

**LOANS.** IFC finances projects and companies through loans from our own account, typically for seven to 12 years. We also make loans to intermediary banks, leasing companies, and other financial institutions for on-lending. While IFC loans traditionally have been denominated in the currencies of major industrial nations, we have made it a priority to structure local-currency products. IFC has provided financing in more than 50 local currencies.

**EQUITY.** IFC generally invests between five and 20 percent of a company's equity. We encourage the companies we invest in to broaden share ownership through public listings, thereby deepening local capital markets. We also invest through profit-participating loans, convertible loans, and preferred shares. In FY20, equity investments accounted for about \$1 billion of commitments we made for our own account.

### INVESTMENT PROPOSALS

A company or entrepreneur seeking to establish a new venture or expand an existing enterprise can approach IFC directly by submitting an [investment proposal](#). After this initial contact and a preliminary review, IFC may proceed by requesting a detailed feasibility study or business plan to determine whether or not to appraise the project.

IFC's [project/investment cycle](#) illustrates the stages a business idea goes through as it becomes an IFC-financed project. Visit [www.ifc.org/solutions](http://www.ifc.org/solutions) to learn more.



### IFC Western Europe has two core mandates:

1. **New business development and relationship management** with companies, banks and investors based in Europe and Israel.
2. **Coordination and partnership building** with IFC's European shareholders, international finance institutions, development finance institutions, the European Union, industry and business associations, international organizations, academia, civil society, and media in Europe on IFC's corporate strategy, high-profile investments and a wide range of development issues.

## SYNDICATIONS

IFC promotes development by mobilizing financing for the private sector in its developing member countries. In carrying out this role, IFC operates as both a financial and developmental institution. IFC acts as a catalyst in raising capital from foreign and domestic sources, in both private and public markets, for projects in the private sector of its member countries. IFC Syndication products include: Managed Co-Lending Portfolio Program (MCP), B loans, Parallel loans, A loans participations. In FY20, IFC syndicated a total of \$5.8 billion to 88 partners. For additional information on IFC's syndications, please visit: [www.ifc.org/syndications](http://www.ifc.org/syndications).

## TRADE & SUPPLY CHAIN FINANCE

The IFC Global Trade and Finance Program guarantees trade-related payment obligations of approved financial institutions. The program extends and complements the capacity of banks to deliver trade finance by providing risk mitigation on a per-transaction basis for more than 218 banks across 71 countries.

## TREASURY CLIENT SOLUTIONS

IFC offers innovative derivative, structured finance, and local currency products and solutions that enable clients to hedge foreign exchange, interest rate, and commodity price exposure. IFC's Treasury Client Solutions include: [Local Currency Finance](#), [Partial Credit Guarantees](#), [Portfolio Risk-Sharing Facilities](#) and [Securitizations](#).

## BLENDED FINANCE

IFC uses blended finance to support high transformative projects in sectors that are initially unable to attract commercial finance but have the potential to become commercially viable over time. Blended finance is a critical tool that can mitigate early-entrant costs or project risks, helping re-balance risk-reward profiles for pioneering investments and enabling them to happen. IFC deploys blended finance in priority areas such as climate change, agribusiness and food security, and finance for SMEs, including women entrepreneurs. In FY20, IFC committed \$489 million of concessional donor funds, catalyzing \$1.7 billion in investments for IFC's own account.

## VENTURE CAPITAL

IFC provides early-stage and late-stage venture capital financing through direct investments and funds. By investing in promising companies at an earlier stage than IFC's mainstream business, we provide developmental support for high-impact business opportunities and capital for private enterprises' long-term growth.

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## How to Provide Advisory Services

IFC regularly needs consultants or firms to carry out specific assignments. These can view and express interest in all World Bank Group opportunities online at [www.wbgeconsult2.worldbank.org](http://www.wbgeconsult2.worldbank.org).

This system is used by IFC to carry out the procurement process efficiently and provides applicants with a secure online application that will help them manage and monitor the bidding process.

