

IFC 2024  
ANNUAL REPORT

LEADERSHIP PERSPECTIVES

RESULTS

STRATEGY IN ACTION

CRITICAL FUNCTIONS



# ACCELERATING IMPACT

MOBILIZING INVESTMENT AT SCALE

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IFC ANNUAL REPORT 2024





**Above:** Artist's rendering of the world's largest electric ferry, which will offer climate-friendly service between Argentina and Uruguay when it launches in late 2025. Financed by IFC and Banco Santander Uruguay, the Buquebus vessel will carry 2,100 passengers and offset the equivalent of more than 37,000 tons of carbon dioxide emissions each year, becoming the first e-ferry in emerging economies and Uruguay's first blue finance transaction.

**Cover:** Photo by Dorte Verner ([DorteVerner.com](https://DorteVerner.com)). The photograph shows Muria women dancing in Chhattisgarh, India.

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Additional information is available on our website:  
[www.ifc.org/AnnualReport](https://www.ifc.org/AnnualReport).

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# ABOUT IFC

**IFC — a member of the World Bank Group — is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 developing countries, using our capital, mobilization capacity, expertise, and influence to create jobs and raise living standards for people. In fiscal year 2024, IFC committed a record \$56 billion to private companies and financial institutions, leveraging private sector solutions and mobilizing private capital to create a world free of poverty on a livable planet. For more information, visit [www.ifc.org](http://www.ifc.org).**

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# IFC BOARD

## LETTER FROM THE IFC BOARD

In fiscal 2024, the World Bank Group Boards of Executive Directors supported the institution's ongoing efforts to become a better Bank. These operational enhancements are both timely and necessary: While economic growth prospects for the near term have improved slightly, easing fears of a global recession, the post-pandemic recovery remains weak in many developing countries, and pre-existing social stresses endure. The world is increasingly unlikely to achieve the 2030 Sustainable Development Goals, and climate change, biodiversity loss, and escalating geopolitical tensions further threaten development. To help countries address these intertwined challenges, the World Bank Group committed \$117.5 billion (including \$37.6 billion from IBRD, \$31.2 billion from IDA, \$31.7 billion from IFC, \$8.2 billion from MIGA, and \$8.9 billion in recipient-executed disbursing activities) in fiscal 2024.

The 2023 Annual Meetings marked an important milestone for the World Bank Group as Development Committee members endorsed the institution's new vision of a world free of poverty on a livable planet. Since then, the Bank Group has implemented core reforms to build a better Bank, including enhancing its financial capacity; reinforcing its emphasis on results; and improving its operational effectiveness and efficiency. The Bank Group has also developed a new Scorecard and crisis preparedness and response tools; launched the Global Challenge Programs and World Bank Group Guarantee Platform; developed a Knowledge Compact; forged four new partnerships (with the Asian Infrastructure

Investment Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, and the Islamic Development Bank); and streamlined the implementation of the World Bank's Environmental and Social Framework.

Executive Directors commend the Bank Group's commitment to devote 45 percent of annual financing to climate action by 2025, deployed equally between mitigation and adaptation. IFC and MIGA will intensify efforts to boost private sector financing for climate adaptation. Executive Directors also applaud the Bank Group's 2030 commitments to provide electricity access to 300 million people in Africa in partnership with the African Development Bank and to provide quality, affordable healthcare to 1.5 billion people.

The Bank Group is enhancing its financing model to create safer, more prosperous communities in low-income countries. Since the 2023 Annual Meetings, the Bank Group has raised funds for the IDA Crisis Facility and maintained IDA's financial capacity of \$30 billion per year for fiscal 2024 and 2025. Bank Group management has proposed enhancements to IDA's Capital Adequacy Framework that are expected to expand IDA's financing by \$20 billion through fiscal 2037. Executive Directors anticipate the funding generated by these measures, coupled with strong donor contributions for the December 2024 IDA replenishment, will improve lives and equip nations to tackle immediate crises and long-term development goals. Beyond financing, achieving these

goals requires the unwavering commitment of current and new donors, client countries, and the World Bank.

IBRD has made significant progress in enhancing its financial capacity while continuing to protect its triple-A rating and long-term financial stability. New financial instruments — such as hybrid capital, a portfolio guarantee platform, and the Livable Planet Fund — have been approved, and contributions have already been pledged by some Bank Group shareholders. The Board recently approved the Framework for Financial Incentives, which will encourage IBRD countries to boost investments in global challenges with cross-border impact. Progress has been made toward enhancing the value of callable capital. In addition, IFC and MIGA are expanding their investment and guarantee offerings, including new instruments to mobilize private capital. Executive Directors look forward to the further operationalization of the Loss and Damage Fund, which is expected to be a significant resource in assisting developing nations affected by natural disasters linked to climate change.

Executive Directors welcome the Bank Group's deepening partnerships with multilateral development banks and the private sector. The One World Bank Group Partnership Charter, published in May 2024, highlights the principles that define our work with partners and restates our vision of the partner we aspire to be. The Private Sector Investment Lab, launched in June 2023, is working to address the barriers preventing private sector investment in emerging markets.

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Through travel to several client countries this year, Executive Directors witnessed the Bank Group’s impact firsthand. During trips to Saudi Arabia (December 2023); China, Fiji, and Samoa (January–February 2024); Kazakhstan, Kyrgyz Republic, and Tajikistan (March 2024); and Kenya and Estonia (May 2024), Board members engaged with key government officials, private sector representatives, Bank Group staff, beneficiaries of Bank Group operations, donors, and other pertinent stakeholders.

Looking ahead to fiscal 2025, the Executive Directors and management remain committed to sharpening the Bank Group’s approach to better serve people in low-income countries. The Executive Directors extend their gratitude to Ajay Banga for his leadership in spearheading the evolution of the Bank Group, and sincerely thank all staff across the institution for their continued hard work and unwavering commitment to the mission of ending poverty on a livable planet.



Seated (left to right):

Standing (left to right):

**Parameswaran Iyer**  
India

**Abdulaziz Al Mulla**  
Kuwait

**Ernesto Acevedo**  
Mexico

**Felice Gorordo**  
United States (Alternate Executive Director)

**Vel Gnanendran**  
United Kingdom

**Matteo Bugamelli**  
Italy (Dean)

**Junhong Chang**  
China (Co-Dean)

**Dominique Favre**  
Switzerland

**Ayanda Dlodlo**  
South Africa

**Abdoul Salam Bello**  
Niger

**Arnaud Buissé**  
France

**Daniel Pierini**  
Argentina

**Lene Lind**  
Norway

**Katharine Rechico**  
Canada

**Suhail Saeed**  
Saudi Arabia

**Michael Krake**  
Germany

**Marcos Chiliatto**  
Brazil

**Hideaki Imamura**  
Japan

**Floribert Ngaruko**  
Burundi

**Il Young Park**  
Korea (Republic of)

**Hayrettin Demircan**  
Türkiye

**Wempi Saputra**  
Indonesia

**Eugene Rhuggenaath**  
Netherlands

**Roman Marshavin**  
Russian Federation

**Tauqir Shah**  
Pakistan

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# DELIVERING ON OUR COMMITMENTS REQUIRES US TO DEVELOP NEW AND BETTER WAYS OF WORKING. IN FISCAL 2024, WE DID JUST THAT.

## AJAY BANGA

In fiscal 2024, the World Bank Group adopted a bold new vision of a world free of poverty on a livable planet. To achieve this, the Bank Group is enacting reforms to become a better partner to governments, the private sector, and, ultimately, the people we serve. Rarely in our 80-year history has our work been more urgent: We face declining progress in our fight against poverty, an existential climate crisis, mounting public debt, food insecurity, an unequal pandemic recovery, and the effects of geopolitical conflict.

Responding to these intertwined challenges requires a faster, simpler, and more efficient World Bank Group. We are refocusing to confront these challenges not just through funding, but with knowledge. Our Knowledge Compact for Action, published in fiscal 2024, details how we will empower all Bank Group

clients, public and private, by making our wealth of development knowledge more accessible. And we have reorganized the World Bank's global practices into five Vice Presidency units — People, Prosperity, Planet, Infrastructure, and Digital — for more flexible and faster engagements with clients. Each of these units reached important milestones in fiscal 2024.

We are supporting countries in delivering quality, affordable health services to 1.5 billion people by 2030 so our children and grandchildren will lead healthier, better lives. This is part of our larger global effort to provide a basic standard of care through every stage of a person's life — infancy, childhood, adolescence, and adulthood. To help people withstand food-affected shocks and crises, we are strengthening social protection services to support half a billion people by the end of 2030 — aiming for half of these beneficiaries to be women.

We are helping developing countries create jobs and employment, the surest enablers of prosperity. In the next 10 years, 1.2 billion young people across the Global South will become working-age adults. Yet, in the same period and the same countries, only 424 million jobs are expected to be created. The cost of hundreds of millions of young people with no hope for a decent job or future is unimaginable, and we are working urgently to create opportunity for all.

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In response to climate change — arguably the greatest challenge of our generation — we’re channeling 45 percent of annual financing to climate action by 2025, deployed equally between mitigation and adaptation. Among other efforts, we intend to launch at least 15 country-led methane-reduction programs by fiscal 2026, and our Forest Carbon Partnership Facility has helped strengthen high-integrity carbon markets.

Access to electricity is a fundamental human right and foundational to any successful development effort. It will accelerate the digital transformation in developing countries, strengthen public infrastructure, and prepare people for the jobs of tomorrow. But half the population of Africa — 600 million people — lacks access to electricity. In response, we have committed to provide electricity to 300 million people in Sub-Saharan Africa by 2030 in partnership with the African Development Bank.

Recognizing that digitalization is the transformational opportunity of our time, we are collaborating with governments in more than 100 developing countries to enable digital economies. Our digital lending portfolio totaled \$5.6 billion in commitments as of June 2024; and our new Digital Vice Presidency unit will lead our efforts to establish the foundations of a digital economy. Key initiatives include building and enhancing digital and data infrastructure, ensuring cybersecurity and data privacy for institutions, businesses, and citizens, and advancing digital government services.

Delivering on our commitments requires us to develop new and better ways of working. In fiscal 2024, we did just that. We are squeezing our balance sheet and finding new opportunities to take more risk and boost our lending. Our new crisis preparedness and response tools, Global Challenge Programs, and Livable

Planet Fund demonstrate how we are modernizing our approach to better drive impact and outcomes. Our new Scorecard radically changes how we track results.

But we cannot enable development on our own. We need partners from both the public and private sectors to join our efforts. That’s why we are working closely with other multilateral development banks to improve the lives of people in developing countries in tangible, measurable ways. Our deepening relationship with the private sector is evidenced by our Private Sector Investment Lab, which is working to address the barriers preventing private sector investment in emerging markets. The Lab’s core group of 15 Chief Executive Officers and Chairs meets regularly, and already has informed our work — most notably with the development of the World Bank Group Guarantee Platform.

The impact and innovations we delivered this year will allow us to move forward with a raised ambition and a greater sense of urgency to improve people’s lives. I would like to recognize the remarkable efforts of our staff and Executive Directors, as well as the unwavering support of our clients and partners. Together, we head into fiscal 2025 with a great sense of optimism — and determination to create a better Bank for a better world.

**AJAY BANGA**

President of the World Bank Group  
and Chairman of the Board of Executive Directors

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**IN FISCAL 2024, WE PUSHED BOUNDARIES, SET NEW RECORDS, AND PIONEERED INNOVATIVE APPROACHES TO MOBILIZE PRIVATE CAPITAL WHERE IT'S NEEDED MOST. WORKING AS ONE WORLD BANK GROUP, WE BROUGHT OUR COLLECTIVE RESOURCES TOGETHER TO MAKE A DIFFERENCE FOR THE PEOPLE WE SERVE.**

**MAKHTAR DIOP**





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# WE'RE POISED TO UNLOCK THE FULL POTENTIAL OF THE PRIVATE SECTOR TO CREATE JOBS AND BUILD A MORE SUSTAINABLE AND INCLUSIVE GLOBAL ECONOMY.

With an all-time record of \$56 billion in investments — including over \$22 billion mobilized from partners — we continued to amplify private sector impact across key development areas. Our efforts contributed to progress in climate action, gender equality, digital transformation, and other critical domains that shape global prosperity.

We are evolving to deliver on our mission.

As an investor, we're reshaping what's possible in emerging markets. Our innovative platforms are channeling capital into critical areas like sustainable infrastructure and digital connectivity in places often considered too risky or complex for private investment.

Our role as a partner is moving beyond traditional advisory services. Now more than ever, we're serving as architects of opportunity, creating environments where private sector solutions can

succeed, even in the most challenging markets. Our upstream sector and project development work is helping us unlock new markets and build a robust pipeline of bankable opportunities.

As a catalyst, we're proving the business case for tackling persistent development challenges. We are leveraging our experience to share knowledge and enhance understanding of risks and opportunities across the markets where we work. From climate-smart agriculture to affordable healthcare, we're demonstrating that profit and purpose can align at scale.

The stories in this report aren't just highlights; they're harbingers of transformative change. They show how we're accelerating impact across diverse sectors and geographies, setting the stage for even greater achievements in the years to come.

The challenges ahead are substantial. But so is our commitment to improve people's lives. Working in concert as one World Bank Group and with our growing network of partners, we're poised to unlock the full potential of the private sector to create jobs and build a more sustainable and inclusive global economy.

As you read this report, I hope you'll see not just what we've accomplished, but the immense ambition for the future as we continue to accelerate private sector solutions to the world's most pressing development challenges.

**MAKHTAR DIOP**  
Managing Director

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FROM INVESTMENT TO IMPACT

# IFC'S RECORD- BREAKING YEAR

IFC's FY24 performance demonstrates our unparalleled ability to mobilize private sector solutions for development. This year's exceptional results build on our long-standing commitment to create opportunities and improve people's lives in emerging markets. Our investments continue to generate significant, lasting impact across key aspects of development.

## INVESTMENT

# \$56B

### TOTAL COMMITMENTS

INCLUDING



## \$22.5B

MOBILIZED FROM  
OTHERS, INCLUDING \$4.8B  
THROUGH PUBLIC-PRIVATE  
PARTNERSHIPS

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# ANTICIPATED IMPACT OF IFC'S PORTFOLIO\*

## WATER AND SANITATION



# 15M

PEOPLE PROVIDED WITH WATER,  
SANITATION, AND HYGIENE

## CLIMATE ACTION



# 69M

TONS OF GREENHOUSE GAS EMISSIONS  
REDUCED PER YEAR

## FINANCIAL INCLUSION



# 152M

PEOPLE AND BUSINESSES USING  
FINANCIAL SERVICES

## GENDER



# 28M

PEOPLE BENEFITING FROM ACTIONS  
TO ADVANCE GENDER EQUALITY

## INFRASTRUCTURE



# 164M

PEOPLE WITH ACCESS TO ELECTRICITY

## FOOD SECURITY



# 52M

PEOPLE WITH STRENGTHENED FOOD  
AND NUTRITION SECURITY

## DIGITAL TRANSFORMATION



# 174M

PEOPLE USING DIGITALLY  
ENABLED SERVICES

\*These anticipated impact figures represent the stock of expected results from IFC's investment portfolio, aligned with the World Bank Group's Corporate Scorecard. They reflect the ongoing, long-term effects of our investments across multiple years, in line with WBG's new reporting system. See more at: <https://scorecard.worldbank.org>

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# WE PUSHED BOUNDARIES, SET NEW RECORDS, AND PIONEERED INNOVATIVE APPROACHES TO MOBILIZE PRIVATE CAPITAL.

**Photo:** IFC and the European Bank for Reconstruction and Development are helping Serbia boost its renewable energy production by financing the Cibuk 1 wind farm.



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**Makhtar Diop**  
Managing Director

# OUR MANAGEMENT TEAM

IFC's Management Team is focused on meeting our client needs and maximizing the development impact of our work. It brings together years of development experience, a broad array of expertise, and diverse cultural perspectives.



**Elena Bourganskaia**  
Vice President,  
Corporate Support



**Hela Cheikhrouhou**  
Regional Vice President,  
Middle East, Central Asia,  
Türkiye, Afghanistan and  
Pakistan



**Federico Galizia**  
Vice President,  
Risk and Finance



**John Gandolfo**  
Vice President, Treasury  
& Mobilization



**Mohamed Gouled**  
Vice President,  
Industries



**Susan M. Lund**  
Vice President,  
Economics and Private  
Sector Development



**Alfonso Garcia Mora**  
Regional Vice President,  
Europe, Latin America  
and the Caribbean



**Mary-Jean Moyo**  
Chief of Staff



**Ramit Nagpal**  
Vice President and  
General Counsel, Legal,  
Institutional Risk &  
Governance



**Emmanuel Nyirinkindi**  
Vice President,  
Cross-Cutting Solutions



**Sérgio Pimenta**  
Regional Vice President,  
Africa



**Riccardo Puliti**  
Regional Vice President,  
Asia and the Pacific

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# BECOMING A BETTER BANK

**THE WORLD IS CONFRONTING A SET OF INTERTWINED CHALLENGES — POVERTY, THE CLIMATE CRISIS, DEBT, FOOD INSECURITY, PANDEMICS, AND FRAGILITY — AND A NEED TO ACCELERATE ACCESS TO CLEAN AIR, ENERGY, AND WATER. TIME IS OF THE ESSENCE.**

We need a better Bank to address these challenges and the challenges of tomorrow.

The G20 Leaders requested the World Bank Group to change and be a more significant part of the solution. In response, we raised our ambition for speed, simplicity, better leveraging our balance sheet, and engaging partners and the private sector. Here's how we are enhancing our approach:



## FINANCIAL INNOVATIONS

Our new financial instruments are designed to boost lending capacity and enable the World Bank Group to take on more risk for shared global challenges. We've squeezed \$40 billion over 10 years from our balance sheet by adjusting our loan-to-equity ratio. We've launched a hybrid-capital instrument. Our Livable Planet Fund, launched in April 2024, offers governments, philanthropies, and other partners an opportunity to contribute to our concessional resources for middle-income countries.



## PRIVATE SECTOR INVESTMENT LAB

The Private Sector Investment Lab is a collaborative initiative between the World Bank Group and directors of leading global private sector institutions. Its goal is to develop solutions that address existing barriers to private sector investment in emerging markets and developing economies. The Lab's core group of 15 CEOs and Chairs have delivered recommendations on regulatory certainty, increased use of guarantees, foreign-exchange-risk mitigation, and increased use of originate-to-distribute models for mobilization of private capital. Their feedback has already informed the development of the World Bank Group Guarantee Platform.



## WORLD BANK GROUP GUARANTEE PLATFORM

This new platform is delivering simplicity and improved access to our guarantee products, putting us on a path to boost our annual guarantee issuance to \$20 billion by 2030 — and multiply our mobilization of private capital many times.

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**GLOBAL EMERGING  
MARKETS RISK DATABASE  
(GEMS) CONSORTIUM**

The GEMs Consortium comprises 25 multilateral development banks and development finance institutions. The World Bank Group and the GEMs Consortium are driving transparency and mobilizing private investment in emerging markets by releasing comprehensive credit risk data.



**KNOWLEDGE  
BANK**

Knowledge has been critical to the World Bank Group for 80 years, and we are refocusing ourselves not just as a funding mechanism, but also as a source of knowledge. To do this, we are bringing experts to the forefront of our country-driven model, working with governments to craft focused development plans that marry their ambition and our expertise. The *Knowledge Compact for Action* details this approach, with a focus on four areas: new and updated knowledge products, strategic partnerships, enhanced learning, and cutting-edge systems.



**WORLD BANK GROUP  
SCORECARD**

Accountability and focus underpin all our work. Our new Scorecard is a yardstick of accountability and a cornerstone of our efforts for greater efficiency, impact, and results. This tool allows our shareholders and taxpayers to clearly see the impact we are making, rewarding their trust.



**CRISIS PREPAREDNESS  
AND RESPONSE TOOLKIT**

The World Bank Group is rolling out an expanded Crisis Preparedness and Response Toolkit to help developing countries better respond to crises and build resilience against future shocks. Climate Resilient Debt Clauses allow small states to prioritize disaster recovery over debt repayment when catastrophes hit.

# WORLD BANK GROUP 2024 SUMMARY RESULTS

## GLOBAL COMMITMENTS

In fiscal 2024, the World Bank Group provided much-needed financing, conducted research and analysis, and partnered with governments, the private sector, and other institutions to address global development challenges.

# \$117.5B

(BILLION)

in loans, grants, equity investments, and guarantees  
to partner countries and private businesses

Total includes multiregional and global operations. Regional totals reflect IFC commitments that were recalculated to match the World Bank's regional classifications by aggregating country-level commitments within each World Bank region.

AFRICA	EAST ASIA AND PACIFIC	EUROPE AND CENTRAL ASIA	LATIN AMERICA AND THE CARIBBEAN	MIDDLE EAST AND NORTH AFRICA	SOUTH ASIA	GLOBAL
<b>\$38.0B</b>	<b>\$12.5B</b>	<b>\$24.7B</b>	<b>\$19.4B</b>	<b>\$6.5B</b>	<b>\$15.9B</b>	<b>\$0.4B</b>
(BILLION)	(BILLION)	(BILLION)	(BILLION)	(BILLION)	(BILLION)	(BILLION)



## World Bank Group institutions

The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries. Its five institutions share a commitment to reducing poverty, increasing shared prosperity, and promoting sustainable development.

### International Bank for Reconstruction and Development (IBRD)

Provides financial products and policy advice to help countries reduce poverty and extend the benefits of sustainable growth to all their people.

### International Development Association (IDA)

Provides concessional grants and loans to the governments of the world's 75 poorest countries.

### International Finance Corporation (IFC)

Provides loans, guarantees, equity, advisory services, project development services, and mobilizes additional capital from other sources to grow private sector investment in developing countries.

### Multilateral Investment Guarantee Agency (MIGA)

Provides guarantees against non-commercial risks to facilitate the flow of foreign investment in developing countries.

### International Centre for Settlement of Investment Disputes (ICSID)

Provides international facilities for conciliation, mediation, and arbitration of investment disputes.

## World Bank Group financing for partner countries

By fiscal year, millions of dollars

	2024	2023	2022	2021	2020
<b>World Bank Group</b>					
Commitments <sup>a</sup>	117,492	128,341	104,370	98,830	83,547
Disbursements <sup>b</sup>	89,000	91,391	67,041	60,596	54,367
<b>IBRD</b>					
Commitments <sup>c</sup>	37,568	38,572	33,072	30,523	27,976
Disbursements	33,450	25,504	28,168	23,691	20,238
<b>IDA</b>					
Commitments <sup>c,d</sup>	31,195	34,245	37,727	36,028	30,365
Disbursements <sup>d</sup>	28,247	27,718	21,214	22,921	21,179
<b>IFC</b>					
Commitments <sup>e</sup>	31,654	27,704	22,229	20,669	17,604
Disbursements	19,147	18,689	13,198	11,438	10,518
<b>MIGA</b>					
Gross issuance	8,204	6,446	4,935	5,199	3,961
<b>Recipient-Executed Disbursing Activities</b>					
Commitments	8,871	21,374	6,407	6,411	3,641
Disbursements	8,156	19,480	4,461	2,546	2,433

a. Includes IBRD, IDA, IFC, Recipient-Executed Disbursing Activities (REDA) commitments, and MIGA gross issuance. REDA commitments include all recipient-executed grants; hence, total World Bank Group commitments differ from the amount reported in the Scorecard, which includes only a subset of trust-funded activities. REDA Commitments reported are Gross Grant Approved amounts.

b. Includes IBRD, IDA, IFC, and REDA disbursements.

c. Amounts are net of full terminations and cancellations relating to commitments approved in the same fiscal year.

d. Commitments and disbursements exclude IDA-IFC-MIGA Private Sector Window activities.

e. Includes long-term commitments for IFC's own account and short-term finance commitments. Does not include funds mobilized from other investors.

# IFC 2024 YEAR IN REVIEW

## Financial Highlights

Dollars in millions, as of and for the years ended June 30

	2024	2023	2022
<b>NET INCOME (LOSS)</b>	\$ 1,485	\$ 672	\$ (464)
<b>CONSOLIDATED BALANCE SHEET HIGHLIGHTS</b>			
Total assets	\$ 108,187	\$ 110,547	
Investments	58,747	51,502	
<b>Key Financial Ratios</b>			
Overall liquidity ratio	81.0%	103.8%	
Debt-to-equity ratio	1.7	1.6	
Total reserve against losses on loans to total disbursed portfolio	2.9%	3.7%	
<b>CAPITAL MEASURES</b>			
Capital available (\$ in billions)	36.6	34.8	
Capital required (\$ in billions)	22.2	21.1	
Capital utilization ratio <sup>1</sup>	60.5%	60.7%	

1. Starting in FY22, IFC began using Capital Utilization Ratio (CUR), defined as (Capital Required divided by Capital Available), as a measurement of capital adequacy under IFC's updated capital adequacy framework. The CUR replaces the previous Deployable Strategic Capital (DSC) ratio. CUR and DSC ratio have a one-to-one mapping expressed as (CUR = 90% - DSC ratio).

## Operational Highlights

Dollars in millions, for the years ended June 30

	2024	2023	2022	2021	2020
<b>Investment Commitments<sup>1</sup></b>	<b>\$ 56,087</b>	\$ 43,728	\$ 33,592	\$ 31,803	\$ 28,616
<b>Long-Term Investment Commitments</b>					
<b>FOR IFC'S OWN ACCOUNT</b>	<b>\$ 21,458</b>	\$ 16,677	\$ 12,569	\$ 12,474	\$ 11,135
Number of projects	365	325	296	313	282
Number of countries	67	78	68	71	67
<b>MOBILIZATION<sup>2,3</sup></b>	<b>\$ 22,504</b>	\$ 15,029	\$ 10,596	\$ 10,831	\$ 10,826
Syndications	\$ 8,079	\$ 6,165	\$ 3,475	\$ 3,647	\$ 5,008
Advisory & Upstream	\$ 4,708	\$ 3,687	\$ 3,534	\$ 3,246	\$ 2,202
Anchor Investments	\$ 4,202	\$ 1,580	\$ 1,140	\$ 1,492	\$ 259
Third-party-managed Funds	\$ 2,720	\$ 1,142	-	-	\$ 324
Trade Finance	\$ 1,824	\$ 2,163	\$ 2,041	\$ 1,920	\$ 2,143
Guarantees	\$ 600	-	-	-	-
Other Products	\$ 354	\$ 277	\$ 157	\$ 281	\$ 840
IFC-Managed Funds	\$ 16	\$ 14	\$ 248	\$ 244	\$ 50
<b>TOTAL LONG-TERM INVESTMENT COMMITMENTS</b>	<b>\$ 43,962</b>	\$ 31,705	\$ 23,166	\$ 23,305	\$ 21,961
<b>Short-Term Investment Commitments</b>					
For IFC's own account <sup>4</sup>	\$ 10,196	\$ 11,027	\$ 9,659	\$ 8,195	\$ 6,469
Mobilization	\$ 1,929	\$ 996	\$ 767	\$ 303	\$ 186
<b>TOTAL SHORT-TERM INVESTMENT COMMITMENTS</b>	<b>\$ 12,125</b>	\$ 12,023	\$ 10,426	\$ 8,498	\$ 6,655
<b>Investment Disbursements</b>					
For IFC's account	\$ 19,147	\$ 18,689	\$ 13,198	\$ 11,438	\$ 10,518
Syndicated loans	\$ 1,722	\$ 2,443	\$ 2,589	\$ 1,309	\$ 2,231
<b>TOTAL INVESTMENT DISBURSEMENTS</b>	<b>\$ 20,869</b>	\$ 21,132	\$ 15,787	\$ 12,747	\$ 12,749
<b>Portfolio Exposure<sup>5</sup></b>					
Number of firms	2,042	1,928	1,848	1,822	1,880
For IFC's account	\$ 80,229	\$ 70,069	\$ 63,763	\$ 64,092	\$ 58,650
Syndicated loans	\$ 17,198	\$ 15,312	\$ 15,235	\$ 15,658	\$ 16,161
<b>TOTAL PORTFOLIO EXPOSURE</b>	<b>\$ 97,427</b>	\$ 85,381	\$ 78,998	\$ 79,750	\$ 74,811
<b>Advisory Services</b>					
Advisory Services program expenditures	\$ 270.3	\$ 260.2	\$ 250.6	\$ 244.0	\$ 274.4
Share of program in IDA countries <sup>6</sup>	50%	54%	51%	54%	57%

1. Investment Commitments include Long-Term Investment Commitments and Short-Term Investment Commitments.

2. Defined as "core mobilization" — Non-IFC financing or risk sharing arranged on commercial terms due to the active and direct involvement of IFC for the benefit of a client. Excludes \$1,604 million of unfunded risk transfers that are accounted for under IFC's own account.

3. In FY24, IFC updated its core mobilization definitions and criteria. Previous years' information was updated to conform with the current year's presentation.

4. Short-Term Finance includes Global Trade Finance Program (GTFP) and Global Trade Supplier Finance Program (GTSF).

5. Portfolio exposure is defined as the sum of the (i) committed exposure for IFC's debt investments, (ii) fair market value of IFC's equity investments, and (iii) total undisbursed equity commitments.

6. All references in this report to percentages of advisory program expenditures in IDA countries and fragile and conflict-affected areas exclude global projects.

## FY24 Long-Term Commitments

Dollar amounts in millions, for IFC's own account as of June 30, 2024

<b>TOTAL</b>	<b>\$21,458</b>	<b>100%</b>
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### By Industry

Financial Markets	\$ 9,991	46.6%
Infrastructure	\$ 2,792	13.0%
Manufacturing	\$ 2,460	11.5%
Tourism, Retail & Property	\$ 1,997	9.3%
Agribusiness & Forestry	\$ 1,532	7.1%
Funds	\$ 949	4.4%
Health, Education & Life Sciences	\$ 916	4.3%
Telecommunications & Technology	\$ 723	3.4%
Metals & Mining <sup>1</sup>	\$ 100	0.5%

### By Region

Latin America and the Caribbean	\$ 5,669	26.4%
Africa	\$ 4,681	21.8%
South Asia	\$ 3,240	15.1%
East Asia and the Pacific	\$ 2,926	13.6%
Europe	\$ 2,567	12.0%
Central Asia and Türkiye	\$ 1,786	8.3%
Middle East	\$ 566	2.6%
Global	\$ 23	0.1%

### By Product

Loans <sup>2</sup>	\$ 17,822	83.1%
Equity <sup>3</sup>	\$ 1,723	8.0%
Guarantees	\$ 1,857	8.7%
Risk-management products	\$ 57	0.3%

1. Includes IFC's activities in oil, gas, and mining.

2. Includes loan-type, quasi-loan products.

3. Includes equity-type, quasi-equity products.

## FY24 Portfolio Exposure<sup>4</sup>

Dollar amounts in millions, for IFC's own account as of June 30, 2024

<b>TOTAL</b>	<b>\$80,229</b>	<b>100%</b>
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### By Industry

Financial Markets	\$ 32,098	40%
Infrastructure	\$ 11,348	14%
Funds	\$ 7,408	9%
Manufacturing	\$ 6,748	8%
Tourism, Retail & Property	\$ 5,391	7%
Agribusiness & Forestry	\$ 4,701	6%
Health, Education & Life Sciences	\$ 4,061	5%
Telecommunications & Technology	\$ 3,834	5%
Trade Finance	\$ 3,555	4%
Metals & Mining <sup>1</sup>	\$ 1,085	1%

### By Region<sup>5</sup>

Africa	\$ 17,107	21%
Latin America and the Caribbean	\$ 17,103	21%
East Asia and the Pacific	\$ 13,331	17%
South Asia	\$10,630	13%
Europe	\$ 7,350	9%
Central Asia and Türkiye	\$ 6,276	8%
Global	\$ 6,059	8%
Middle East	\$ 2,372	3%

### By Product

Loans <sup>2</sup>	\$58,534	73%
Equity <sup>3</sup>	\$ 15,007	19%
Guarantees	\$ 6,316	8%
Risk-management products	\$ 372	0%

4. Portfolio exposure is defined as the sum of the (i) committed exposure for IFC's debt investments, (ii) fair market value of IFC's equity investments, and (iii) total undisbursed equity commitments.

5. Excludes individual country shares of regional and global projects.

## IFC's Largest Country Exposures<sup>6</sup>

As of June 30, 2024 (Based on IFC's account)

GLOBAL COUNTRY RANK	PORTFOLIO EXPOSURE <sup>7</sup> (\$ MILLIONS)	% OF GLOBAL PORTFOLIO
1 India	\$ 8,900	11.09%
2 Brazil	\$ 6,294	7.85%
3 Türkiye	\$ 5,130	6.39%
4 China	\$ 3,712	4.63%
5 South Africa	\$ 3,685	4.59%
6 Colombia	\$ 2,691	3.35%
7 Viet Nam	\$ 2,164	2.70%
8 Nigeria	\$ 2,147	2.68%
9 Romania	\$ 2,109	2.63%
10 Egypt, Arab Republic of	\$ 1,958	2.44%

6. Excludes individual country shares of regional and global projects.

7. Portfolio exposure is defined as the sum of the (i) committed exposure for IFC's debt investments, (ii) fair market value of IFC's equity investments, and (iii) total undisbursed equity commitments.

## FY24 Long-Term Commitments by Environmental and Social Category

ENVIRONMENTAL CATEGORY	COMMITMENTS (\$ MILLIONS)	NUMBER OF NEW PROJECTS
A	\$ 1,549	10
B	\$ 9,985	144
C	\$ 171	15
FI-1	\$ 304	6
FI-2	\$ 8,487	149
FI-3	\$ 2,837	39
<b>GRAND TOTAL</b>	<b>\$23,334</b>	<b>363</b>

Visit [www.ifc.org/escategories](http://www.ifc.org/escategories) for information on category definitions.

## FY24 Advisory Services Program Expenditures

Dollar amounts in millions

TOTAL	\$ 270.3	100%
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### By Region

Africa	\$ 96.7	36%
Central Asia and Türkiye	\$ 12.3	5%
East Asia and the Pacific	\$ 38.7	14%
Europe	\$ 22.1	8%
Latin America and the Caribbean	\$ 36.0	13%
Middle East	\$ 15.6	6%
South Asia	\$ 26.5	10%
Global	\$ 22.4	8%

### By Business Area

Financial Institutions Group	\$ 59.1	22%
Transaction Advisory	\$ 53.8	20%
Manufacturing, Agribusiness & Services	\$ 34.1	13%
Infrastructure & Natural Resources	\$ 19.7	7%
Disruptive Technologies & Funds	\$ 5.3	2%
Country Advisory & Economics	\$ 61.1	23%
Other Advisory	\$ 37.2	14%

# ACCELERATING

# IMPACT

AS PART OF A BETTER WORLD BANK GROUP

## STRATEGY IN ACTION

As we evolve into a Better World Bank Group to address compounding global crises, we're not just adapting to change — we're driving it, pioneering innovative solutions that harness the power of private enterprise to eradicate poverty on a livable planet.

From climate resilience to digital transformation, from gender equity to fragile states, we're proving that commercial viability and development impact can — and must — go hand in hand.

FY24 marks a watershed moment, both for IFC and the entire World Bank Group. As we operationalize our new vision, we've sharpened our focus, pushing the boundaries of what's possible in emerging markets. Our approach is multifaceted yet unified, seamlessly integrating our roles as investor, advisor, partner, and catalyst to create impact greater than the sum of its parts.

The initiatives highlighted in this report showcase not just individual projects, but scalable models — tangible examples of how innovative finance, evidence-based advice, strategic partnerships, and catalytic interventions can accelerate progress toward our shared vision.

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The Knowledge Network: Accelerating Sustainable Finance Globally

Stronger Together: Amplifying Impact Through Collaboration

As you explore these pages, you'll discover a common thread: whether we're empowering entrepreneurs, transforming industries, or reshaping entire markets, we're driven by the belief that mobilizing private sector solutions and creating new pathways for private capital to flow into emerging markets and developing economies are essential to addressing the world's most intractable development challenges.

From innovative risk-sharing facilities that crowd in private investment, to joint World Bank Group programs that support sector reforms and open markets, our work in FY24 demonstrates the power of private sector to create opportunities, build resilience, and improve lives and livelihoods.



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# A TRAILBLAZING INVESTOR

As a trailblazing investor, IFC is reimagining how private capital can be mobilized to build a better world. Our program growth is fueled by a singular focus: maximizing the impact of every dollar invested.

In an era of complex global challenges, we recognize that transformative change requires more than isolated transactions. That's why we're urgently developing new ways to efficiently channel private capital toward the world's most pressing needs, creating a multiplier effect, amplifying our impact and accelerating positive change on a global scale.

**Photo:** Longtime IFC client Vegpro Group is a leading vegetable and flower exporter in Kenya.

We're leveraging our unique position within the World Bank Group to deliver solutions that meet ambitious development goals. From mobilizing billions for climate action to empowering women entrepreneurs and helping stabilize fragile economies by creating jobs and opportunities, our investments are accelerating progress toward a more sustainable, inclusive, and prosperous world.

The stories that follow illustrate the power of strategic, impact-driven investment to address some of the world's most intractable challenges.

# UNLOCKING CAPITAL



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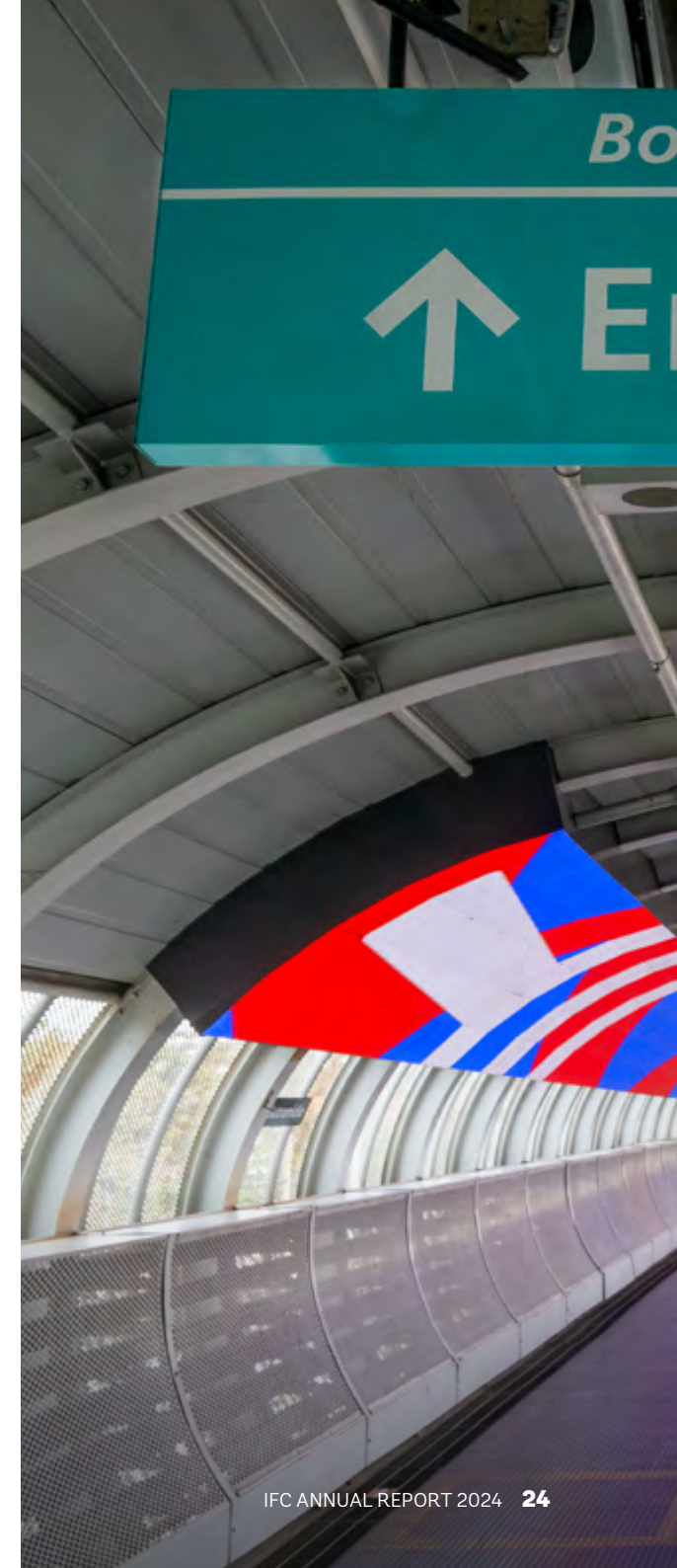
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## MOBILIZATION

# AT THE HEART OF IFC'S MISSION

Mobilizing private capital is at the core of IFC's mission — attracting additional investment to scale up private sector solutions that address today's greatest development needs. Through mobilization we are showing that investing for impact in challenging contexts is both good for business and good for development.

Our private capital mobilization reached a record \$34 billion, with core mobilization growing by 50 percent as compared to FY23, reaching over \$22 billion. Drawing on the work of both our investment and advisory teams, this growth marks the first steps in a longer-term transformation of our business model.

### Two recent examples highlight the diverse ways IFC mobilizes private capital:

In Brazil, IFC advised the State of São Paulo in tendering a 30-year concession agreement enabling a private consortium to upgrade two existing metropolitan rail system lines formerly operated by a state-owned company. The transaction was the first of its kind in traffic-clogged São Paulo, one of the world's largest cities with a population of more than 12 million. The fully transparent competitive

bidding brought a new operator, ViaMobilidade 8 e 9, formed by two Brazilian investors, CCR SA and RuasInvest. IFC helped secure \$1.6 billion in private sector investment, including approximately \$500 million raised through Brazil's largest-ever green bond issuance. The project is improving suburban rail connectivity for approximately a million commuters per day with more efficient, lower-polluting service that includes new trains and a full set of related infrastructure upgrades.

In Georgia, IFC's \$10 million anchor investment led to the successful issuance of a \$150 million bond — the largest domestic sustainability-linked bond in the country and the Caucasus region at the time of issuance. The landmark transaction is expected to help bond issuer Georgia Capital and its portfolio companies implement energy-efficient measures that will reduce their GHG emissions by 20 percent by 2027. These include replacing natural gas heating systems with energy-efficient electric heating solutions, deploying electric vehicles, and shifting to renewable electricity. The bond attracted an unprecedented level of interest in Georgia with total demand reaching \$200 million and spreading across a diverse range of 275+ retail, corporate, and institutional investors.

**Photos:** An IFC-supported public private partnership in Brazil attracted \$1.6 billion in new private investment, upgrading rail service in metropolitan São Paulo.

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## PIONEERING PLATFORMS FOR SUSTAINABLE FINANCE

IFC is pioneering innovative platforms to attract private capital for sustainable development and climate action in emerging markets at scale. These initiatives are removing barriers to financing and setting new standards for responsible investment.

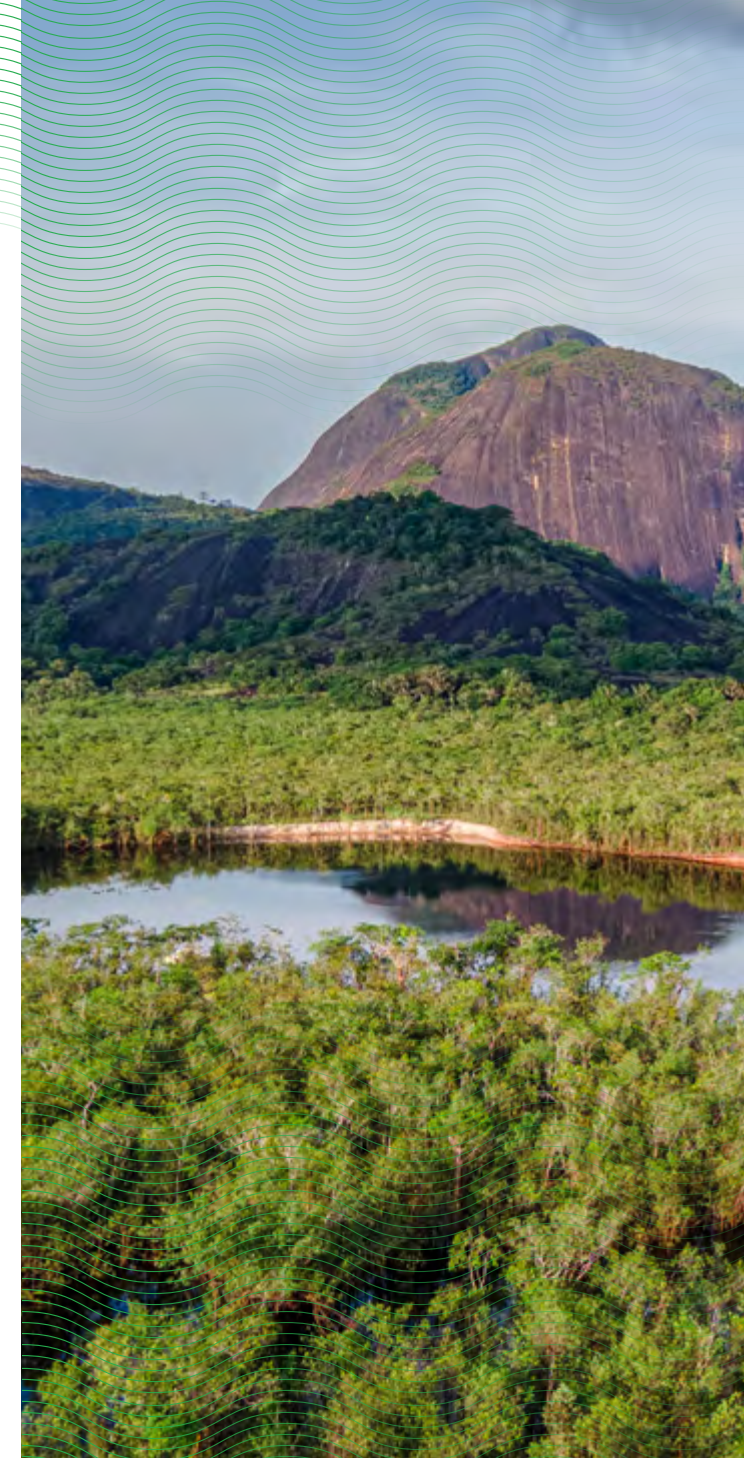
The Managed Co-lending Portfolio Program (MCP) One Planet, launched at COP26, has already attracted \$2.5 billion in financing from a range of private and public sector investors, nearly all of which has been allocated to transactions. In fiscal year 2024 alone, \$1.07 billion was committed to investment opportunities representing transactions in 27 projects in 19 countries across all IFC regions and industry groups. At 51 percent, the Manufacturing, Agribusiness, and Services sector represented the highest volume of commitments. As the world's first cross-sectoral portfolio of emerging market senior loans aligned with the Paris Agreement, MCP One Planet provides investors with enhanced reporting, enabling them to demonstrate their contributions to global climate efforts and the Sustainable Development Goals while meeting disclosure regulations without incurring additional costs.

IFC has also joined forces with T. Rowe Price to pioneer a global blue bond strategy. By pairing its leading market

guidance capabilities with its capacity as an investor, IFC is supporting the supply side of the market by helping to increase the quality and quantity of blue-labeled issuances. Launched in November 2023, the T. Rowe Price Emerging Markets Blue Economy Bond Strategy aims to increase financing for blue projects in emerging markets while improving standards in this evolving area. This initiative complements IFC's track record of investing and mobilizing over \$1.9 billion through 17 blue bonds and loans since 2020 across different regions. This represents close to 10 percent of the total global blue-labeled bonds market valued at \$17 billion.

By combining IFC's risk assessment and project supervision expertise with novel financial structures, these initiatives are creating new pathways for investors to support climate action and ocean conservation in emerging markets and developing economies.

**Photos:** To help preserve Colombia's treasured ecosystems at a time of significant risks from climate change, IFC partnered with Spanish bank BBVA on the world's first biodiversity bond. The groundbreaking \$70 million bond issue provides private capital to finance projects that address key drivers of Colombia's biodiversity loss and help restore forests, waterways, and wildlife habitats.



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## BIODIVERSITY BOND

Rapid biodiversity loss is an urgent threat to global ecosystems — and one that government resources alone cannot address.

This is why IFC acted as structurer and investor of the world's first biodiversity bond that will amount to \$70 million in support of the Colombian subsidiary of Spanish bank BBVA's financing of private sector-led activities in reforestation, habitat restoration, climate-smart agriculture, and other priority sectors across Colombia.

The groundbreaking transaction introduces biodiversity and nature asset eligibility criteria to the market, following new standards IFC set in its *2023 Biodiversity Finance Reference Guide*. Designed to be marketable and replicable, the bond could open significant sources of new private investment for this critical sustainability area. As the world's most biodiverse nation (on a per square kilometer basis according to the World Wildlife Fund), Colombia is a great place to start crafting this new private sector solution.

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## CULTIVATING RESILIENCE

# INNOVATIONS IN AGRIBUSINESS





Climate-resilient food security and innovative agricultural insurance are two important areas of focus for IFC in the agribusiness space.

In Senegal, where climate change threatens rice production and food security, IFC is supporting innovative financing solutions through a partnership with Baobab Group. This initiative, part of IFC's Base of the Pyramid Platform (BOP), helps deliver critical funding to small businesses and low-income households, backed by guarantees and local currency financing from the IDA Private Sector Window.

Baobab Group has prioritized supporting Senegal's women rice farmers, increasing loan disbursements to women by 54 percent between 2021 and 2023. Offering loans ranging from \$165 to \$165,000, the Group also provides training on environmentally friendly production techniques and access to climate-adapted insurance products. This approach improves access to finance for thousands of small enterprises led by women, while enabling local financial institutions to expand their agricultural portfolios.



Complementing this effort, IFC has invested in Pula, an innovative insurtech company revolutionizing agricultural insurance across Africa and Asia. Pula's products now reach over 15 million smallholder farmers, with 6 million new sign-ups in 2023 alone. Their groundbreaking approach combines satellite imagery, mobile technology, and advanced data analytics to provide a unique index-based insurance model protecting farmers against production losses due to natural events.

Pula's technology leverages real-time satellite data to assess crop health and weather patterns, enabling precise risk assessment and rapid claim processing. By integrating with mobile payment systems, Pula has made insurance more accessible and affordable for previously underserved smallholder farmers.

Since 2015, Pula has partnered with over 70 insurance companies, 20 reinsurance companies, and 100 distribution partners across Africa. IFC's investment aims to catalyze Pula's expansion, demonstrating the viability of commercially sustainable insurance for smallholder farmers at scale.

By simultaneously addressing climate resilience in food production and innovative risk management through insurance, IFC is transforming the landscape for smallholder farmers across Africa, with potential for expansion into other regions.

**Photos:** Aby Diop and other small-scale rice farmers in Senegal are increasing their productivity with loans for new climate-smart agriculture techniques from IFC microfinance client Baobab Group. Baobab's loan disbursements to women grew by 54 percent between 2021 and 2023.

FOSTERING FINANCIAL INCLUSION

# EMPOWERING WOMEN ENTREPRENEURS AND REFUGEE COMMUNITIES





IFC is intensifying its efforts to promote financial inclusion through strategic investments and partnerships that empower women entrepreneurs and support refugees and their host communities.

In Indonesia, IFC has invested \$25 million in Amartha, the country's largest microfinancing platform. Serving about 1.2 million small business borrowers through a network of field agents and local hubs across Indonesia's major islands, Amartha focuses on rural women entrepreneurs, a group often overlooked by traditional banks despite their important role in local economies.

IFC's investment is helping significantly expand Amartha's reach and impact. This project aims to prove the business case for investing in rural women entrepreneurs and encourage other financial institutions to serve this market.

True to its commitment to inclusion, IFC has also intensified its collaboration with UNHCR to address the global displacement crisis, which now affects over 120 million people worldwide. This partnership, formalized in December 2022, is already showing tangible results.

In December 2023, 81 businesses, almost all led by local Kenyan entrepreneurs and refugees,

were named among the winners of the Kakuma Kalobeyei Challenge Fund (KKCF) Competitive Business Challenge, a competition managed by IFC and the Africa Enterprise Challenge Fund to support economic development, job creation, and entrepreneurship in Kenya's Kakuma-Kalobeyei refugee-hosting area. Winners of the business competition received grants and technical support to launch or grow their operations. KKCF-supported businesses have already created more than 300 jobs, including 199 held by women and 82 by refugees. These businesses have provided vital services to over 70,000 refugees and members of the host community, including renewable energy, education, and healthcare services.

In Colombia, IFC partnered with Bancamía to launch a pilot program helping Venezuelan migrants integrate into the local economy. By providing microloans and financial education, the program has supported over 1,000 Venezuelan entrepreneurs, 64 percent of whom are women.

In 2023, IFC and UNHCR began working with governments in Uganda and Kenya, home to over 2 million refugees, to improve regulatory environments, allowing refugees greater economic freedoms. These efforts

aim to replicate successes like those in Jordan, where World Bank Group-UNHCR collaboration has led to policy changes that enabled 80,000 work permits for Syrian refugees.

By combining UNHCR's on-the-ground expertise with IFC's private sector know-how, this partnership is creating a new paradigm for refugee inclusion. It's not just about aid — it's about unleashing the economic potential of displaced communities and their hosts.



**Photos:** (Left) IFC and Indonesian microfinance fintech client Amartha have developed an innovative funding solution boosting access to finance for women-owned microenterprises. (Above) An IFC-supported small business development initiative is creating jobs in Kenya's Kakuma-Kalobeyei refugee-hosting area.

# LAYING THE GROUNDWORK FOR ECONOMIC GROWTH

IFC is committed to fostering economic growth and stability in some of the world's most challenging environments.

In Iraq, IFC is spearheading two transformative projects. The first is a \$206 million agro-industrial development in Basra, in partnership with Tiryaki Agro Gida Sanayi Ve Ticaret A.S. of Türkiye. IFC's investment package of \$113 million — part of IFC's Global Food Security Platform — will support a new processing facility at Umm Qasr Port, enhancing food security by increasing the availability of maize and soybean meal for poultry production.

Simultaneously, IFC is backing the expansion of the Al Douh cement plant in Samawa, in Iraq's Al Muthanna province. With a total financing package of \$130 million, this investment will more than double the plant's cement production capacity to 3.5 million tons annually while significantly improving its environmental footprint. The project includes the installation of a new high thermal efficiency kiln, a natural gas-powered captive power plant replacing heavy fuel oil, and a waste heat recovery system that will reduce fossil fuel-based electricity generation by up to 30 percent. These upgrades will align the plant's operations with European Union taxonomy criteria for sustainable cement production. Beyond creating over

800 construction jobs, this project will serve as a catalyst for broader economic growth in southern Iraq while demonstrating the viability of greener industrial practices in challenging markets.

In Somalia, IFC is collaborating closely with the World Bank to build the foundations for a vibrant and inclusive private sector. Our work focuses on addressing systemic constraints hindering investment such as compliance with global financial sector regulations, lack of correspondent banking, and weak institutional capacity through advisory engagements that aim to strengthen the technical know-how of clients and build capacity of governing institutions.

In South Sudan, Ethiopia, and across the Sahel countries, IFC is implementing targeted investments to address critical infrastructure gaps, support local businesses, and promote economic resilience. These initiatives range from financing small and medium enterprises to supporting key sectors such as agriculture, energy, and telecommunications.

By taking calculated risks in these challenging markets, IFC is not only providing essential financial support but also demonstrating the viability of private sector solutions in fragile and conflict-affected economies and contributing to long-term stability and economic development in these places.



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**Photo:** An IFC-financed processing facility supports food security in Iraq, increasing the availability of maize and soybean meal for poultry production.



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# AN ENABLING PARTNER

IFC's role extends far beyond that of a traditional investor. As an enabling partner, we are catalyzing change by fostering robust ecosystems for impactful private investment. Our approach is multifaceted and dynamic, leveraging upstream engagement on sector reforms, project development, advisory services, and our unparalleled convening power to accelerate positive outcomes across diverse markets and sectors. At the heart of our strategy is the recognition that today's complex challenges demand collective action.

Our collaborations with a wide array of stakeholders serve multiple crucial functions: setting industry standards, shaping favorable

**Photo:** In Malawi, IFC's advisory work and partnerships are enabling private investment in digital infrastructure, increasing connectivity and reducing business costs across Africa.

investment conditions, reaching underserved communities, and targeting high-impact growth areas. By doing so, we're not just facilitating investments — we're building environments where private sector solutions can thrive and make the most significant difference in improving lives.

In an era of urgent global challenges, IFC's role as an enabling partner is critical. We're strategically steering private capital toward the areas of greatest need and potential impact, accelerating progress on key development goals. The stories that follow demonstrate how our collaborative approach is transforming markets, building resilience, and creating opportunities at a scale and speed that matches the urgency of our times.

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## COMPLEMENTARY CAPABILITIES

# AN INTEGRATED APPROACH TO SUPPORTING SMALL ENTERPRISES

The World Bank Group has worked as one to strengthen job-creating small and medium enterprises (SMEs) in the world's poorest countries.

Launched in 2010, IFC's SME Ventures program offers comprehensive support for SME-focused private equity funds in these challenging markets. It provides investment in funds, capacity building that helps fund managers improve their operations, value creation support to grow the portfolio SMEs, and collaboration with the World Bank and others to build broader ecosystems for private equity.

Together, SME Ventures and the IDA Private Sector Window have now committed \$313 million to support SMEs. This has in turn mobilized \$1.2 billion from others, generating investments in more than 50 countries, including Cambodia, the Democratic Republic of Congo (DRC), Guatemala, the Kyrgyz Republic, and many others. The far-reaching collaboration has backed nearly 600 growing companies, supporting more than 200,000 jobs. For broader impact, our

client fund managers collaborate with the World Bank in Nepal and other markets to advocate for regulatory changes that support local industries.

One client, XSML Capital, is a leading provider of growth capital to SMEs in Central and Eastern Africa. To date, XSML has helped to scale more than 80 SMEs and initiated more than 150 business improvement projects across its portfolio. In FY24, IFC invested in XSML's fourth fund, Africa Rivers Fund IV, building on its support for earlier funds. In addition to growth capital, XSML clients benefit from a range of tailored business support to improve company processes that lead to better, more sustainable businesses.

**Photo:** Small businesses such as clothing manufacturer Cool Bro's in the Kyrgyz Republic are growing with investment from IFC's SME Ventures program.

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## SCALING IMPACT THROUGH EQUITY

# A 45-YEAR JOURNEY OF PARTNERSHIP AND GROWTH

Risk capital helps companies grow, enabling them to meet demand, create jobs, and increase impact. However, equity investment is often scarce in emerging markets, especially in macro environments with higher interest and inflation rates, along with intensified geopolitical risks and volatility. By supplying patient equity capital that is missing in the marketplace, IFC can spark clients' growth and create the basis for long-term partnerships.

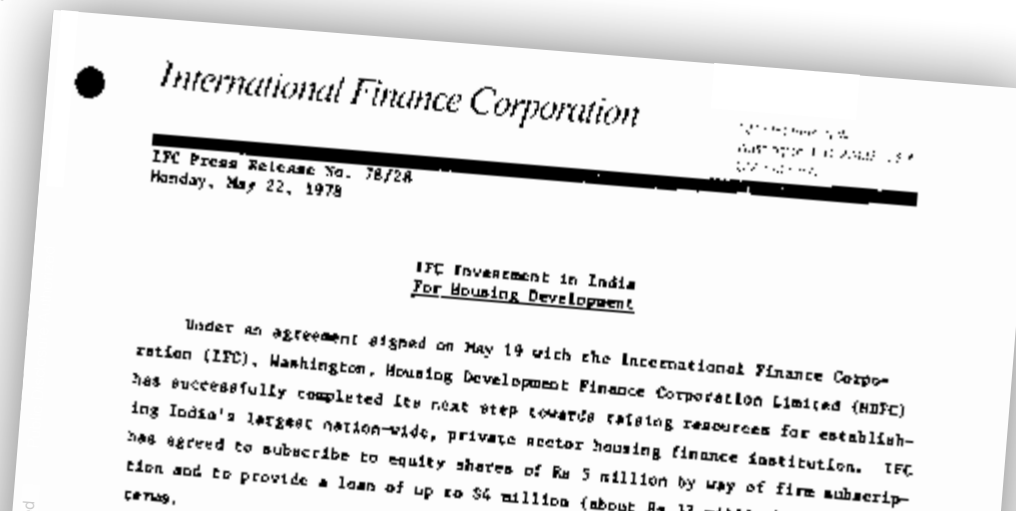
In 1978, IFC was an early investor in India's first housing finance company, Housing Development Finance Corporation (HDFC) Ltd., which pioneered the country's now vast home-loan market. This began a relationship that continues today and has enabled millions of Indians to own homes.

In 1994, HDFC set up HDFC Bank, now India's largest private sector bank. IFC has since sold its equity stake in HDFC, which merged into HDFC Bank in 2023. As of March 31, 2024, HDFC Bank had more than 8,700 branches across India, many in semi-urban and rural areas, helping IFC reach underserved women borrowers and bridge the critical finance gap.

HDFC Bank continues to be a strong partner for IFC in the shared goal of empowering women and accelerating inclusive and sustainable growth.

A new \$500 million loan from IFC, committed in FY24, is supporting HDFC Bank to grow its microlending to women. By demonstrating the viability of scaling up microlending to underserved women entrepreneurs, the financing will help create a replicable model and encourage the wider industry of lenders and investors to enter into or deepen their engagement in this high-impact market.

**Photos:** Early investment from IFC in 1978 helped launch what is now India's largest private sector bank, HDFC Bank.



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# SHARED VISIONS FOR URBAN SUSTAINABILITY

IFC is spearheading partnerships to transform urban landscapes, demonstrating its unique ability to catalyze sustainable development across diverse sectors and geographies.

In İzmir, Türkiye's third-largest city, IFC has forged a decade-long alliance with municipal authorities to improve water management. This partnership has channeled over \$400 million from various lenders into critical infrastructure projects, addressing the city's pressing challenges of water scarcity, pollution, and climate change.

The collaboration reached a new milestone in FY24 with IFC's groundbreaking \$50 million long-term local currency loan to İzmir's Water and Sewerage Administration (IZSU). This financing, which eliminates currency risks, is enabling the city to tackle water supply and wastewater treatment issues more effectively, including the development of a new drinking water plant in Foça, a nearby municipality in İzmir Province.

**Photos:** Local currency financing from IFC is helping Turkish municipal water utility IZSU address many long-standing challenges, including building a new drinking water plant in İzmir Province.

In Romania, IFC is driving sustainable building practices through its partnership with Warehouses De Pauw NV (WDP), a Belgian real estate investment trust. IFC's \$326 million green loan package, including nearly \$160 million in core mobilization, supports WDP's expansion of energy-efficient logistics assets across the country.

This collaboration goes beyond traditional financing, incorporating sustainability-linked features that incentivize WDP to enhance its climate agenda. The agreement encourages increasing EDGE-certified properties and expanding rooftop solar capacity, directly contributing to Romania's green transition. Globally, EDGE has now certified more than 86 million square meters of floor space in nearly 140 countries, saving more than 3 million megawatts of energy and more than 102 million cubic meters of water each year.

Through these examples, IFC is proving that strategic partnerships and tailored financial solutions can accelerate the transition to more sustainable and resilient urban environments across diverse markets.

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## POWERING PROGRESS

# PIONEERING PLATFORMS FOR ENERGY ACCESS

As the world seeks greener solutions, IFC is forming strategic partnerships to push for more renewable energy, focusing on sustainable power and increasing access in different markets.

In FY24, IFC launched the Future Grids Alliance in Brazil, a global collaborative platform uniting utilities, investors, and experts to drive the adoption of sustainable and renewable power. This alliance offers financial and technical support to emerging market utilities committed to a just energy transition, focusing on decarbonization and integrating social metrics into energy financing.

The Alliance builds on IFC's other successful collaborations in sustainability-linked financing, which have already mobilized \$47 billion in the Latin America region. Key partnerships include a \$400 million green and sustainability-linked loan to ENGIE Energía Chile SA for transitioning to renewables, and similar arrangements with Brazilian utilities Neoenergia Coelba and Neoenergia Elektro to enhance network digitalization and workforce diversity.

Extending its collaborative approach to Africa, IFC is pioneering innovative financing mechanisms to boost energy access. In Côte d'Ivoire, IFC has joined forces with the government and local stakeholders as an anchor investor in a groundbreaking social bond supporting the Electricity for All Program (PEPT). This initiative, part of the World Bank Group Joint Capital Markets Program (JCAP), aims to connect 800,000 low-income households to the grid over four years.

IFC's \$49 million investment in this bond issue represents a significant commitment to the partnership. IFC's support is backed by the IDA Private Sector Window's blended finance and local currency facilities. The transaction's 15-year maturity tranche sets a new benchmark for long-term infrastructure financing in the West African Economic and Monetary Union, aligning with Côte d'Ivoire's goal of universal electricity access by 2030.

By fostering alliances among climate-smart utilities and crafting innovative financing partnerships globally, IFC is catalyzing the energy transition on multiple fronts. These collaborative efforts not only propel sustainable power generation and distribution but also ensure that the benefits of clean energy reach underserved populations, embodying IFC's dedication to inclusive and sustainable development through strategic partnerships.



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**Photos:** IFC anchored a landmark local capital markets transaction, helping Côte d'Ivoire increase access to electricity.

## UPSTREAM ENERGY

In Africa, IFC is providing a \$100 million financing package for Release by Scatec, a company that provides innovative, pre-assembled, modular solar photovoltaic power containers and battery storage solutions.

The financing package is part of a wider partnership that will help meet growing electricity demand with a cost-competitive, reliable, renewable solution to African utilities and will start by adding 35 MW and 36 MW of power to the national grids in Chad and Cameroon respectively, before rolling out the solution to other countries.

IFC has been a co-developer of the project since 2020, together with Scatec, with the objective of commercializing a leasing business model, providing a flexible renewable power solution that can change how renewable energy is procured in fragile and conflict-affected economies. IFC's presence at the early development phase of the project was crucial. IFC was able to bring its sector knowledge to refine the business model and its structuring expertise to ensure bankability and attract private sector investment.

IFC's Upstream project development work is being complemented downstream with a financing package consisting of \$50 million from IFC's own-account and \$50 million in blended finance from the Canada-IFC Renewable Energy Program for Africa, the Finland-IFC Blended Finance for Climate Program, the Canada-IFC Blended Climate Finance Program and the IDA Private Sector Window.

## BEYOND BORDERS

# FORGING A PATH FOR INCLUSIVE FINANCE

For nearly a decade, IFC and the European Commission (EC) have been sharing knowledge and best practices on using blended concessional finance to catalyze investment in challenging markets. Both institutions had a strong interest in collaboration, but to take the partnership to the next level, they needed to reconcile their business practices — including different accounting standards.

IFC's investment in the EC partnership began to bear fruit in 2020 with the signing of the Small Loan Guarantee Program, which provided €58 million to IFC to enable banks in Africa and the European Neighborhood to better assist underfinanced sectors such as SMEs, including those led by young entrepreneurs and women.

The next step — or leap — was in 2023 when the European Fund for Sustainable Development Plus (EFSD+) allocated over €300 million in guarantees and technical assistance to IFC's Better Futures Program. This IFC-implemented blended finance facility focuses on de-risking investments that help build resilient livelihoods — especially in the context of conflict and fragility — and promote decarbonization and climate resiliency.

IFC was the first non-European DFI to access blended finance guarantees from the European Union. Trust built over the past couple of years and the increasing mutual knowledge of the workings of the two institutions have created a solid foundation to scale up IFC's partnership with the EC, which is fast becoming IFC's largest blended finance contributor for middle-income countries.

In FY24, IFC leveraged the EC partnership to deepen its impact in Ukraine, with the signing of an agreement for €90 million in blended finance guarantees to support investments that will help drive an inclusive and sustainable reconstruction.

This additional support will underpin our commitment to shift toward longer-term financing in the country, including capital investment in key areas such as food production, construction materials, energy, shipping, small and medium enterprises, and digital infrastructure to support Ukraine's recovery.

**Photos:** Partnering with the European Commission boosts IFC's impact in Ukraine, backing blended finance guarantees for investments to drive inclusive reconstruction, including through digital startups and women-owned small businesses.



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# A CATALYST FOR TRANSFORMATION

In our role as a catalyst for transformation, IFC is at the forefront of reshaping development finance and private sector engagement in emerging markets and developing economies. We harness the power of financial and technological innovation, leverage our global influence, and provide thought leadership to accelerate positive change at scale.

Our initiatives go beyond funding individual projects. By making the business case for innovative solutions, pioneering new models, and creating platforms that others can adapt and replicate, we're igniting systemic change that ripples across entire sectors and regions.

**Photo:** With IFC's support, construction company Rhodes PNG in Papua New Guinea is increasing women's access to higher paying jobs and leadership roles in the local construction industry.

From unlocking the potential of Africa's digital economy to fostering global collaboration in sustainable finance and forging transformative partnerships among multilateral development banks, we're driving a paradigm shift in how development challenges are addressed.

These catalytic efforts are at the core of our mission. The stories that follow demonstrate how IFC, as a catalyst, is turning ideas into action, challenges into opportunities, and local innovations into global solutions. They showcase our commitment to not just participate in the future of development finance, but to actively shape it.

# REIMAGINING DEVELOPMENT FINANCE



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CRITICAL FUNCTIONS



## DIGITAL DIVIDENDS

# MAPPING AFRICA'S TECH TRANSFORMATION

IFC applies its expertise to help transform the digital landscape across Africa. The landmark report, *Digital Opportunities in African Businesses*, released at the 11th Africa CEO Forum in Kigali, Rwanda, in May 2024, exemplifies IFC's role in sparking new ideas and making the business case for innovative models that can drive widespread change.

This report reveals the untapped potential of digitalization across the continent. While Africa has been a pioneer in mobile payments, many firms still struggle with the costs and complexities of broader technological adoption. IFC's research illuminates a path forward, highlighting that over 600,000 formally registered firms and 40 million microbusinesses — representing about 20 percent of African businesses — are primed for digital upgrades.

It also sheds light on the persistent challenge of “incomplete digitalization,” where fewer than one in three digitally engaged firms use technology intensively for business purposes. This underutilization is particularly pronounced among small and micro enterprises, which form the backbone of Africa's economy.

Crucially, the research establishes a strong positive correlation between advanced digitalization and business productivity. The data suggests that more intensive use of digital technologies can explain up to 30 percent of firm-level productivity differences, even after accounting for size, sector, and location.

By providing this data-driven perspective, IFC is informing a shift in how businesses, policymakers, and investors approach digital transformation in Africa and, in turn, drive economic growth and job creation across the continent. The report outlines actionable strategies, from investing in digital infrastructure to funding tech startups that offer user-friendly, affordable digital solutions.

Through such thought leadership, IFC is paving the way for scalable solutions to one of Africa's defining development challenges, demonstrating how data and analysis can be powerful tools in unlocking the continent's digital potential.



**Photos:** From infrastructure workers to small business owners, Africa's digital revolution creates opportunities across sectors.

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## THE KNOWLEDGE NETWORK

# ACCELERATING SUSTAINABLE FINANCE GLOBALLY

IFC is harnessing the power of global collaboration through the Sustainable Banking and Finance Network (SBFN). This IFC-led platform exemplifies how knowledge sharing and capacity building can drive systemic change across the financial sector in emerging markets and developing economies.

The SBFN, with its 91 member institutions representing over \$68 trillion in assets, has become a powerhouse for identifying opportunities and tracking progress in sustainable finance. In April

2024, the network released its latest Global Progress Brief and launched the innovative SBFN Data Portal, offering unprecedented insights into sustainable finance trends across 66 countries.

The Global Progress Brief provides deep, qualitative insights into challenges and achievements, while the Data Portal enables real-time benchmarking of initiatives across member countries. Together, they form a unique resource for financial systems, policymakers, and regulators worldwide.

By facilitating this global knowledge exchange, IFC is catalyzing a transformation in how financial institutions approach sustainability. The network is not just sharing information; it's fostering a collective shift in mindset, where climate and environmental risks are recognized as critical to financial system stability, and challenges are reframed as opportunities for developing new sustainable finance markets.

The impact of this collaborative approach is evident in the swift progress made by SBFN countries. Since 2021, all member nations have introduced climate- and nature-related risk management frameworks, translating Paris Agreement commitments into tangible action. Notably, 39 countries have implemented frameworks aligning environmental and social risk management in investment decisions with international standards, simultaneously combating greenwashing in sustainable finance instruments. SBFN's work helped the market for thematic bonds linked to sustainability to reach \$759 billion across 45 SBFN countries as of December 2023.

**Photo:** IFC investment helped the public transit system in Santiago, Chile cut greenhouse gas emissions by building one of the world's largest fleets of e-buses.

## STRONGER TOGETHER

# AMPLIFYING IMPACT THROUGH COLLABORATION

IFC is pioneering a new model for multilateral development bank (MDB) collaboration, demonstrating how strategic alliances can amplify impact and drive systemic change. Two key partnerships showcase this approach: a four-year collaboration with the Inter-American Development Bank (IDB) and a new agreement with the European Bank for Reconstruction and Development (EBRD).

The WBG/IDB collaboration centers on the Amazon Finance Network, co-created by IFC and IDB Invest. This network unites 47 financial institutions to deliver innovative solutions supporting a sustainable Amazon economy. Its inaugural meeting in June 2023 marked a shift in addressing complex regional challenges. The network aims to benefit over 2 million people across seven Amazon countries by 2030, exemplifying collaborative problem-solving at scale.

The World Bank Group's new partnership with EBRD, signed in April 2024, aims to scale up results, building on existing strong institutional ties. It identifies four key areas of cooperation: climate, regional connectivity, economic resilience and recovery in Ukraine, and mutual reliance to promote private-sector co-financing, aiming to deliver greater efficiency and effectiveness.

Beyond these partnerships, IFC is leading a groundbreaking initiative to enhance credit risk transparency in emerging markets. As a co-founder and driving force behind the Global Emerging Markets (GEMs) Risk Database Consortium, IFC is spearheading efforts to provide unprecedented insights into the credit risk profiles of emerging economies.

The GEMs Consortium, which has grown to 25 MDB and DFI members as of May 2024, publishes comprehensive credit risk data that is transforming perceptions of emerging market investments. The March 2024 GEMs publication on Recovery Statistics revealed that default rates in emerging markets are comparable to B-rated companies in developed markets, challenging long-held assumptions about risk in these economies.

IFC is now working with GEMs partners to further enhance the granularity and scope of the data, with plans for more disaggregated statistics by region, income groups, and sectors in upcoming publications. These efforts are complemented by an in-depth market study to better understand investor demands and explore avenues for even greater transparency.

By bridging gaps between institutions, sectors, and stakeholders, IFC is fostering more effective, efficient, and impactful development solutions. These partnerships serve as models for driving systemic change, offering blueprints to address complex global challenges through collective action, innovation, and data-driven decision-making.

**Photo:** The Amazon Finance Network, jointly created by IFC and IDB Invest, brings together 47 financial institutions with new business ideas for sustainable development in the eight Amazon countries. One member, IFC partner BBVA Microfinance Foundation, supports indigenous women entrepreneurs in Peru's Amazon region through client microfinance institution Financiera Confianza.

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# MEASURING UP: OUR IMPACT

Measuring the results of our work and evaluating our effectiveness are fundamental to IFC's approach to development. With the introduction of the new World Bank Group Scorecard, IFC is refining how it measures and communicates the development impact of its operations. The Scorecard indicators are reported using operation-specific data, tracking incremental changes from the time of IFC engagement, measuring both expected and achieved results. Most of the indicators focus on the number of people who benefited from IFC interventions. IFC used historical data to report on these indicators this year and will continue to enhance its tracking methods to better serve the Scorecard.

IFC's impact assessment tool, the Anticipated Impact Measurement and Monitoring (AIMM) system, enables IFC to better define, measure, rate, and monitor the development impact of each investment project.

The ex-ante AIMM rating system, which assesses a project's expected impact, is fully integrated into IFC's investment approval processes and allows development impact considerations to be weighed against a range of strategic objectives, including volume, financial return, risk, and thematic priorities.

For projects in IFC's portfolio, ex-ante AIMM scores are transitioned to a portfolio AIMM score that is reviewed annually. AIMM portfolio monitoring assesses a project's performance and the underlying risks to achieving expected development impact using results data from assigned outcome indicators. By comparing changes in indicator results to both ex-ante targets and AIMM sector framework benchmarks, we are able to link the ex-ante AIMM score to its evolving portfolio AIMM score and measure the extent to which the expected development impact is realized.

The AIMM system helps operationalize IFC's strategy by providing a robust operational framework that:

- Improves our ability to identify and design projects that maximize our development impact;
- Sets ambitious targets and incentives;

- Strengthens our capacity to deliver an optimal mix of projects that generate both high development impact and solid financial returns; and
- Provides an "end-to-end" approach to results measurement by linking ex-ante assessments with the learning and accountability function.

Since its introduction in FY18, the AIMM framework has delivered over 2,700 ex-ante and 5,700 portfolio impact scores. The framework is being continuously refined and streamlined to meet business needs.

## AIMM SCORES

In FY24, IFC committed 288 investment projects that received ex-ante AIMM scores. The table below summarizes ratings over the past two years.

### Investment Ex-Ante AIMM Ratings for Projects Committed in FY24 and FY23

AIMM Rating Categories	FY24 (288 Projects)	FY23 (244 Projects)
Excellent	12%	14%
Good	80%	68%
Satisfactory	8%	18%
Low	0%	0%

The FY24 AIMM portfolio comprises 1,229 active projects that have received ex-ante AIMM scores. The table that follows summarizes ratings over the past two years.

Please note that AIMM figures presented in this report are subject to change in subsequent years due to adjustments in project attributes such as region, commitment year, product subtype, or industry classification post-publication; however, these changes are not expected to be significant.



## Investment Portfolio AIMM Ratings in FY24 and FY23

AIMM Rating Categories	RATING DISTRIBUTION	
	FY24 (1,229 Projects)	FY23 (1,129 Projects)
Excellent	12%	11%
Good	56%	53%
Satisfactory	22%	25%
Low	10%	10%

Detailed AIMM scores by region and industry, as well as selected IFC client reach can be found on IFC's Annual Report website.

**This is the sixth year IFC is publishing portfolio AIMM scores for investment projects under supervision.** Changes in portfolio AIMM scores inform investment managers of progress in delivering development outcomes for active investment projects. The FY24 average portfolio AIMM score was 49. The average ex-ante AIMM score at approval for these same projects was 51, which suggests that at the portfolio level, overall, these projects are delivering on expected development impact during implementation.

**Ratings of Advisory Projects:** Development effectiveness of advisory projects is assessed at project completion. In FY24, 134 advisory projects qualified for ex-post evaluation and were self-assessed for development-effectiveness ratings. Seventy-four (74) percent of the projects were rated mostly successful or better, above the IFC target of 65 percent.

There was a notable increase in the number of advisory projects that qualified for ex-post evaluation between FY23 and FY24, increasing from 98 to 134. The FY24 overall success rates for the advisory services portfolio is trending higher in comparison to FY23, an indication of recovery of the advisory projects in most regions from the effect of the COVID-19 pandemic.

1. The FY23 DE for Global is based on less than 5 rated projects. The FY24 DE for Central Asia & Türkiye and Global are based on less than 5 rated projects.

2. The FY23 DE for Infrastructure & Natural Resources, Disruptive Technologies and Funds and Other Advisory, including Environmental, Social & Governance are based on less than 10 rated projects. The FY24 DE for Disruptive Technologies and Funds and Infrastructure & Natural Resources are based on less than 10 rated projects.

## Advisory Services Development Effectiveness Score by Region %, FY24 vs. FY23<sup>1</sup>

Region	FY24	FY23
Africa	67%	49%
South Asia	79%	77%
East Asia and the Pacific	75%	53%
Latin America and the Caribbean	85%	67%
Central Asia and Türkiye	100%	100%
Middle East	91%	88%
Europe	64%	67%
Global	100%	50%
<b>IFC Total</b>	<b>74%</b>	<b>61%</b>

## Advisory Services Development Effectiveness Score by Business Area %, FY24 vs. FY23<sup>2</sup>

Business Area	FY24	FY23
Financial Institutions Group	87%	72%
Manufacturing Agribusiness & Services	86%	67%
Infrastructure & Natural Resources	50%	71%
Disruptive Technologies and Funds	50%	0%
Transaction Advisory	70%	53%
Other Advisory, including Environmental, Social & Governance	92%	89%
Country Advisory and Economics	50%	43%
<b>IFC Total</b>	<b>74%</b>	<b>61%</b>

## SETTING STANDARDS FOR IMPACT INVESTING

In 2019, IFC conceptualized and launched the **Operating Principles for Impact Management** (Impact Principles) that have become the market standard for impact investors. By adhering to these principles, impact investors can help ensure that their investments meet a high standard for social and environmental impact, which can translate into more effective use of capital. Beginning with 58 founding signatories, the Impact Principles have grown significantly, and the number of signatories has tripled to 181. The signatories come from 41 countries and represent \$547 billion in assets focused on impactful investments. IFC hosted the Secretariat for the Impact Principles until October 2022. After successfully incubating the initiative, IFC transferred hosting responsibilities to the Global Impact Investing Network to create greater outreach and synergistic opportunities with private sector impact investors. As the founding signatory and host of the Impact Principles, IFC continues to remain a critical core member of the Advisory Board of the Impact Principles.

In addition, IFC is a founding partner of the **Harmonized Indicators for Private Sector Operations (HIPSO)**. The 29 development finance institutions (DFIs) that comprise the partnership have developed common sector and thematic metrics, with standardized definitions, that could be leveraged by HIPSO members, as well as the signatories to the Impact Principles and the broader impact investing community. Since its creation in 2004, HIPSO has become a community of practice for DFIs on impact measurement and management. It is a forum for sourcing best practice, testing new ideas, and sharing knowledge. It has provided the platform for a continuous culture of peer learning on impact management systems, theories of change and mapping evidence gaps, harmonizing data collection templates, and methodologies for evaluations of private sector operations. In FY24, HIPSO revised metrics for infrastructure including energy, transportation, and oil and gas sectors.

## ALIGNING WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

IFC operations contribute to several SDGs through direct investments and advisory services. Integral to IFC's mandate and aligned with the World Bank Group's goals are SDGs 1 and 10: "No Poverty" and "Reduced Inequalities." At the strategic sector level, IFC promotes projects in infrastructure, agriculture, financial inclusion, health, and education — aligned with SDGs 2, 3, 4, 6, 7, and 9.



IFC also actively partners with private investors to mobilize new sources of finance — aligned with SDG 17. IFC continues to promote job creation and economic growth, gender equality, cities development, environmental and social sustainability, and climate-change adaptation and mitigation — aligned with SDGs 8, 5, 11, 14, 15, 12, and 13 respectively. IFC's clients' contribution to the SDGs is highlighted on the [IFC SDG Dashboard](#) on IFC's website.



IFC, together with other DFIs (also HIPSO partners), has developed a common methodology to align DFI contributions with the SDGs, available for broader use by private impact investors and corporates. Additional information is available at: <https://indicators.ifipartnership.org/dashboard/>.

## LESSONS FROM RESEARCH, ANALYTICS, AND SELF-EVALUATION PROGRAMS

IFC uses a combination of research, data analytics, and self-evaluations to fill knowledge gaps and provide real-time solutions to clients and operational staff. These insights generate important lessons that inform new client engagements. Notable examples from FY24 are detailed below:

- **IFC worked with the United Nations Educational, Scientific and Cultural Organization (UNESCO) on a study that demonstrated substantial disparities in the employment outcomes for recent male and female graduates.** The study analyzed a series of surveys that IFC has implemented at more than 50 tertiary education institutions across more than 20 countries. These surveys were conducted as part of its Vitae advisory program. Vitae is an ongoing program in which IFC advises and assists colleges

and universities to enhance their students' employability and support their transition to the job market. The statistical analysis of the Vitae surveys suggests that a female graduate is more likely to be unemployed, and earn less, than a male graduate. This result holds even if she studied in the same field, attended the same institution, was the same age, had similar level of experience, and graduated in the same year. The study found that the earnings gaps between male and female graduates were greater in the high-earning science, technology, engineering and mathematics (STEM) fields such as engineering and information and communication technology (ICT) and that these gaps are greater for older graduates in their 30s and 40s. The study describes a number of interventions that tertiary educational institutions, employers and governments can implement to overcome these gaps. For tertiary educational institutions, it is critical that they implement tracer studies that can be used to understand the problem and their progress toward resolving it. Other interventions that tertiary institutions can implement include introducing gender-responsive career support and leveraging career resources and guidance to counter gender-based biases and misconceptions.

• **A case study of IFC's investment in NephroPlus, Asia's largest network of dialysis centers.** IFC first invested in NephroPlus in 2014 with a direct equity investment of \$7 million, which was followed by \$3.1 million in 2016. At the time of investment, the gap in access to quality dialysis care in India was very large: there were only 1,500 dialysis centers available in India and concentrated in Tier-1 cities. Quality standards were varied, and access was more restricted for individuals not able to pay out of pocket. IFC's investment was expected to support the company's expansion in India, which in turn was expected to increase access to affordable high quality dialysis care in India and beyond. A case study conducted in 2024 to review NephroPlus' development impact achievements found that the company-run dialysis centers had increased from 26 at the time of investment to 440 in 2024 across 5 countries in Asia. The number of patients reached increased from 1,151 at investment to over 48,000 and exceeding the initial goal of nearly 9,000. In addition, a survey conducted in partnership with the World Bank, leveraging a random sample of 2,500 NephroPlus patients in India found that one out of every three were under the international poverty line for lower-middle-income countries of \$3.2 per day. Following NephroPlus' success, in both financial and developmental terms, important lessons learned have emerged on how companies can effectively reach the underserved while having financial success: the first is intentionality, the company from the start had a vision of creating a service that would be accessible particularly for individuals without the means to pay out of pocket; and the second is adaptability, the NephroPlus core business model transitioned from standalone private centers toward centers under public-private partnerships, which was key to enable access to individuals attending public hospitals that typically skew lower income in India.

• **MSME Finance Gap: An updated estimation and evolution of the MSME Finance Gap in Emerging Markets and Developing Economies (EMDEs).** The report estimates that for 119 EMDEs around the world, there is a potential demand for MSME finance of \$10.3 trillion as of 2019. This compares to the credit supply of \$4.6 trillion. Consequently, there exists a financing gap attributed to formal MSMEs in EMDEs of \$5.7 trillion, which is equivalent to 19 percent of the gross domestic product (GDP) and 20 percent of the overall private sector credit supplied by banks to these economies. It utilizes the same methodology as in the previous report (2017) and also re-uses the same conceptual framework, and data sources. Thus, this report represents a first attempt at tracking the evolution of the MSME finance gap over time. Over the four-year period from 2015 to 2019<sup>1</sup>, the report reaches the alarming conclusion that the MSME finance gap increased from \$4.4 trillion (17.2 percent of GDP) to \$5.7 trillion (19 percent of GDP) in EMDEs — on average increasing by over 6 percent annually. Although the supply of financing meaningfully increased by 7 percent annually from \$3.6 trillion (14 percent of GDP) to \$4.6 trillion (16 percent of GDP) in 2019, this was largely due to the outsized influence of China. However, it was dwarfed by the increase in potential demand. A report, database and dissemination events are forthcoming.

1. 2019 is the most recent year data was available, given that country-representative, firm-level surveys were extremely limited during the period following COVID-19 (2020-2021).

# SUSTAINABILITY

IFC has long provided leadership in shaping the environmental, social, and corporate governance (ESG) landscape, from pioneering private sector sustainability safeguards to establishing rigorous ESG risk-management practices. The [Sustainability Framework and Corporate Governance Methodology](#) anchor IFC's ESG risk-management approach. They establish a solid foundation for growing IFC's own business sustainably, as well as building the capacity of our clients, and the future industry leaders in emerging markets and developing economies.

As the global sustainability agenda advances, IFC has continued to innovate. Whether breaking new ground with digital tools that monitor project impact more efficiently or forging partnerships to tackle emerging ESG frontiers, IFC is playing a catalytic role in establishing standards for private sector growth and implementing new sustainability disclosure standards, thus channeling financing to create more sustainable markets.

## IFC AS A STANDARD SETTER

At the core of our Sustainability Framework are IFC's Performance Standards, which define how our clients avoid, mitigate, and manage environmental and social

(E&S) risks. For nearly two decades, our Performance Standards have served as a global benchmark. As of June 30, 2024, nearly 130 financial institutions across the world have become signatories to the Equator Principles, which were built on IFC's Performance Standards. Beyond this, a growing number of financial institutions and their sustainability frameworks have either adopted or been influenced by IFC's Performance Standards. In September 2023, IFC released the [Guidance Note on Financial Intermediaries](#), which provides enhanced clarity and practical explanations on the applicability of the IFC Sustainability Framework to financial intermediaries.

The World Bank Group's [Environmental, Health, and Safety \(EHS\) Guidelines](#) are the technical reference documents of Good International Industry Practice (GIIP) for financial institutions, companies, and ESG practitioners across the globe. In close collaboration with the World Bank and MIGA, we have begun updating and modernizing the guidelines to reflect the current GIIP, including strengthened guidance on managing climate, community, and occupational health and safety issues. The updated EHS Guidelines for Airports, Electric Power Transmission and Distribution, and Health Care Facilities are expected to be released for public consultation in FY25, followed by the General EHS Guidelines. Other industry-sector EHS guidelines will be updated in FY25 and thereafter.

Corporate governance considerations are crucial for effective decision-making and implementation of the sustainability agenda. Through the [Climate Governance](#)

[Progression Matrix](#) and [tip sheet](#) for boards of directors for identifying and overseeing climate-related risks and opportunities, IFC has been supporting its investment and advisory clients in implementing sound climate governance practices to facilitate their climate action and reporting.

## PARTNERSHIPS

To amplify its impact, IFC partners with leading ESG networks and organizations.

### Sustainable Banking and Finance Network (SBFN).

SBFN is a global knowledge-sharing and capacity building platform for financial regulators and industry associations from emerging markets. IFC has continued to serve as the Secretariat and knowledge partner for SBFN. In April 2024, the network released its latest Global Progress Brief and launched the innovative SBFN Data Portal, offering unprecedented insights into sustainable finance trends across 66 countries.

### International Financial Reporting Standards (IFRS) Foundation.

The IFRS Foundation's International Sustainability Standards Board (ISSB) issued two inaugural standards in June 2023 with the objective of delivering consistency and comparability of sustainability-related financial disclosures for capital markets. In June 2024, IFC and the IFRS Foundation established a strategic partnership to strengthen sustainable capital markets by improving sustainability and climate reporting. Recognizing that jurisdictions

making up approximately 55 percent of global gross domestic product have already taken steps toward using these standards, the partnership will focus on implementing programs to promote and build capacity for the consistent application of the IFRS Sustainability Disclosure Standards across EMDEs. This includes developing toolkits and research as well as delivering training to encourage sustainability reporting. The partnership also outlines plans to provide technical assistance and tailored support to help jurisdictions adopt and implement these standards effectively.

#### **Corporate Governance Development Framework (CGDF).**

IFC is an active member in the CGDF — a joint initiative of 33 Development Finance Institutions (DFIs) that seeks to develop a common approach on addressing corporate governance risks and opportunities in DFI investment operations. In 2023, IFC led the CGDF Working Group and, in March 2024, IFC hosted the annual meeting featuring the launch of an updated [CGDF Corporate Governance Progression Matrix](#). The matrix is based on the IFC Corporate Governance Methodology and guides companies, investors, regulators, corporate governance evaluators, and other stakeholders in assessing and improving a company's governance framework.

**International Labour Organization (ILO).** IFC continues to collaborate with ILO and international global unions to share knowledge on sectoral and thematic labor issues and promote robust labor risk management. In May 2024, IFC and ILO organized a country-level workshop in Cairo, Egypt that discussed synergies and differences between local law and international good practice. Similar events have been planned for FY25.

### **CAPACITY BUILDING**

Through our [ESG advisory services](#), we support our clients and the broader market in navigating ESG challenges. Among other initiatives, in May 2024, IFC organized the first of its train-the-trainer events for representatives of partner institutions who will be providing advisory services in climate governance for boards in Europe and Central Asia.

We continually develop open-source public goods on good practices related to sustainability issues. In addition to thematic knowledge products covering topics such as [biodiversity](#), [sustainable finance](#), [gender diversity](#), and [resettlement](#), we have released new knowledge products such as "[Advancing UN Sustainable Development Goals through IFC's Environmental, Social, and Governance Standards](#)," which serves as a private sector guide and dataset to assist the private sector in leveraging ESG risk-management approaches to contribute to achieving the SDGs. IFC is also helping companies build capacity to translate sustainability commitments into practical, measurable financial decisions. Our ESG resources are valued by our clients and the broader market, contributing to more than 750,000 page views and 231,000 downloads in FY24.

We are also continuing to strengthen IFC's E&S staff capacity. Since June 2023, a self-assessment tool that provides a structured personalized learning plan was made accessible to our E&S teams for their continuous professional development. This is supplemented by our Professional Learning Program, which targets the core competencies that our E&S specialists need for delivering quality, consistency, and rigor in the application of IFC's E&S policies and procedures and in the review of clients' performance and implementation of the Performance Standards.

In January 2024, the world's first online training program on [Applying the IFRS Sustainability Disclosure Standards](#) was launched by IFC, the IFRS Foundation, and the UN Sustainable Stock Exchanges Initiative. Over 5,000 participants in ten EMDEs have already taken this course.

### **INNOVATIVE TOOLS**

IFC continues to innovate with using artificial intelligence (AI) and digital technology tools to monitor and amplify ESG impacts. In FY22, IFC launched Machine Learning ESG Analyst (MALENA), an AI-powered platform that extracts meaningful insights from unstructured ESG data at scale, enabling rapid analysis, and increasing productivity. Trained by IFC on a unique set of emerging markets ESG data, MALENA uses natural language processing and

rapidly identifies over 1,000 climate, gender, and ESG risk terms and predicts sentiments based on context. IFC specialists use insights drawn from MALENA to support ESG due diligence and portfolio monitoring. The project was selected as a finalist in the Monetary Authority of Singapore's highly competitive AI in Finance 2023 Global FinTech Hackcelerator program and was showcased at the Singapore Fintech Festival to 66,000 attendees in November 2023. IFC has also launched a free, public-good version of MALENA, available at: [www.malena.ifc.org](http://www.malena.ifc.org).

Designed to enhance ESG due diligence and portfolio operations by improving consistency and efficiency of analysis, IFC continues to develop the new *ESG360* platform (formerly known as the Sustainability Rating Tool) to be a one-stop-shop for ESG and operation teams with respect to ESG data and to support due diligence and monitoring of IFC's projects. Following a successful pilot phase in FY23 and FY24, *ESG360* has now been rolled out to all IFC projects, including new business and portfolio projects. *ESG360* also supports corporate governance diligence and portfolio. The corporate governance component of the *ESG360* platform includes the generation of risk categorization, system-facilitated information gathering from clients, as well as a system that allows for easy identification of red flags and potential mitigants.

IFC also provides leadership through its [Beyond the Balance Sheet Sustainability Disclosure Platform](#). Launched in October 2023, Beyond the Balance Sheet is an IFC-facilitated program that helps companies, banks, regulators, and stock exchanges develop sustainability and climate reporting necessary to remain relevant in a fast-changing and data-driven world. In particular, the online platform is designed to guide emerging-market companies on how to implement leading disclosure and transparency regulations and practices. This online ecosystem includes a digital toolkit, e-learning courses, self-assessment tools, and abundant sources to navigate the contemporary sustainability reporting landscape.

# ACCOUNTABILITY AND OVERSIGHT

Getting accountability right is critical for IFC and our clients. IFC has taken several actions in recent years to allow us to better address negative impacts felt by communities.

This year IFC launched a management level grievance response function where people affected by the environmental and social impacts of IFC projects may voice their concerns directly to IFC. IFC continued its journey toward greater accountability working with multiple stakeholders, including civil society organizations (CSOs), international financing institutions, clients, and independent accountability mechanisms (IAM) of multilateral development banks on the proposed approach to remedial action and responsible exit principles.

In addition to enhancing its accountability, IFC continues its journey toward greater transparency, recognizing that this is one of the most important actions we can take as a development institution to maintain the trust of our stakeholders and engage them in developing new solutions to complex development challenges. We remain focused on working with our peers to achieve greater

alignment in disclosure and reporting practices so that our stakeholders have accurate and up-to-date information on our projects and are informed about the mission and development impact of our work.

## Accountability

### OFFICE OF THE COMPLIANCE ADVISOR OMBUDSMAN (CAO)

People affected by the environmental and social impacts of IFC projects may voice their concerns to [CAO](#), the Independent Accountability Mechanism for IFC. Reporting to the Board of Executive Directors, CAO's mandate is to facilitate resolution of complaints in a fair, objective, and constructive manner, enhance environmental and social project outcomes, and foster public accountability and learning to improve IFC's environmental and social performance. CAO's Dispute Resolution function helps resolve issues between affected people and IFC clients using a neutral, collaborative, problem-solving approach. CAO's Compliance function carries out reviews of IFC's compliance with its environmental and social policies, assesses related harm, and recommends remedial actions where appropriate. Through its Advisory function, CAO provides advice to improve IFC's systemic performance on environmental and social sustainability. In FY24, CAO handled 65 cases related to IFC projects in 27 countries. During the year, CAO received 16 new eligible complaints, of which four were referred to IFC. CAO

closed seven cases — two after the assessment phase, one after monitoring a dispute resolution agreement, two after compliance appraisal where no merit was found for investigation, and two after compliance monitoring. During FY24, the Board approved four IFC Management Action Plans in response to CAO compliance investigations in [Egypt](#), [Kenya](#), [Myanmar](#), and [South Africa](#), respectively, which are being monitored by CAO. More information is available on [CAO's website](#).

### IFC'S MANAGEMENT LEVEL GRIEVANCE RESPONSE

External stakeholders can now submit E&S complaints directly to [IFC](#) if they believe an IFC project has or is likely to have adverse effects on them, their community, or their environment. This offers complainants an opportunity to engage with IFC and its clients to find solutions to their E&S concerns as quickly and efficiently as possible. Responding to E&S complaints raised by external stakeholders is critical to achieve positive E&S outcomes and to demonstrate IFC's commitment to accountability.

IFC's Direct Complaints Directive and Procedures were approved in February 2024, and IFC's external Direct Complaints [website](#) and portal to receive E&S complaints launched in March 2024. Translation into multiple languages is underway. In FY24, IFC has received 27 eligible Direct Complaints and manages cases in 12 countries.

IFC operates in a complex and dynamic environment and recognizes the important role that civil society organizations (CSOs) and other stakeholders play in advancing socially and environmentally responsible development. IFC is committed to proactive problem-solving and response to stakeholder complaints and concerns related to the E&S impacts of IFC's investments.

## INDEPENDENT EVALUATION GROUP (IEG)

The Independent Evaluation Group (IEG) is an independent unit that reports directly to the World Bank Group's Board of Directors. IEG's mission is to strengthen World Bank Group institutions through evaluations that inform strategies and future work — and lead to greater development effectiveness. IEG assesses the results of IFC operations and offers recommendations for improvement. IEG also contributes to internal learning by informing new directions, policies and procedures, and country and sector strategies. IEG's annual reviews of World Bank Group results and performance and of other major reports are available on IEG's website at <https://ieg.worldbankgroup.org>.

## Oversight GROUP INTERNAL AUDIT

The Group Internal Audit (GIA) Vice Presidency unit is an independent function reporting to the President and overseen by the Board's Audit Committee. Its assurance and advisory services help the Bank Group to more effectively serve clients.

In FY24, GIA's priority engagements included enterprise risk management; grievance, complaints and whistleblower channels; implementation of the Bank Group's Climate Change Action Plan; and management of real estate. GIA continued to advance its Country Assurance and Advisory Program and began developing its Ukraine Oversight Program. GIA partners with bilateral, multilateral, and development organizations to strengthen oversight in challenging contexts, including

in countries affected by fragility, conflict, and violence. For more information and the Group Internal Audit's annual and quarterly reports, visit [www.worldbank.org/internalaudit](http://www.worldbank.org/internalaudit).

## SANCTIONS SYSTEM

The World Bank Group's Sanctions System addresses allegations of fraud, corruption, collusion, coercion, and obstruction — collectively known as sanctionable practices — in Bank Group operations.

## INVESTIGATIVE

The **Integrity Vice Presidency** detects, deters, and prevents sanctionable practices by firms, individuals, Bank Group staff and corporate vendors. It investigates allegations of fraud, corruption, and other sanctionable practices; when these are substantiated, it pursues sanctions against external firms and individuals and provides its findings for human resources decisions on disciplinary actions against staff. The Integrity Vice Presidency also works to identify, monitor, and mitigate integrity risks in Bank Group operations, including lessons learned through its investigations.

## COMPLIANCE

The Integrity Compliance Office, an independent unit within the Integrity Vice Presidency, reviews the compliance posture of entities involved in the sanctions process and engages with those working to meet conditions for release from sanction.

## ADJUDICATIVE

The **Office of Suspension and Debarment** is led by the World Bank's Chief Suspension and Debarment Officer and provides the first level of adjudication in the Bank Group's Sanctions System. All sanctions cases that are not appealed to the Bank Group Sanctions Board are resolved based on the Chief Suspension and Debarment Officer's determinations, summaries of which are available to the public.

The **Sanctions Board** consists of seven members who are all external to the Bank Group. It serves as the final decision maker in all contested sanctions cases across the Bank Group and issues publicly available and fully reasoned decisions, which are not appealable.

In FY24, the Bank Group sanctioned eight firms and individuals through uncontested determinations of the Bank's Chief Suspension and Debarment Officer, decisions of the Bank Group Sanctions Board, and settlement agreements. It removed five entities from sanction. The Bank Group also recognized 20 cross-debarments from other multilateral development banks, and 29 Bank Group debarments were eligible for recognition by other multilateral development banks.

Beyond the mandate of the World Bank Group's Sanctions System, in FY24, INT investigated 66 cases of alleged fraud and corruption involving World Bank staff and corporate vendors, of which nine were substantiated.

For more information about the World Bank Group Sanctions System and its annual report, visit <https://www.worldbank.org/en/about/unit/integrity-vice-presidency>. To report suspected fraud or corruption in World Bank Group-financed projects, visit <https://wbgcmsprod.microsoftportals.com/en-US/anonymous-users/int-fraud-management/create-new-complaint/?clear>.

# DIVERSITY, EQUITY, AND INCLUSION

At IFC, we strive to build a diverse, equitable, and inclusive workplace that empowers and celebrates our staff as they deliver impactful results in private sector development. We remain committed to our priorities of gender equality, data-driven action, and inclusive leadership.

Promoting diversity starts with tracking workforce diversity data, which gives insight into our employees' wide range of backgrounds, skills, and experiences. As of June 30, 2024, IFC had nearly 4,500 employees, 54 percent of whom are women. Our staff represent more than 150 nationalities, work in over 100 countries, and speak more than 50 languages.

To achieve a more granular picture of our workforce representation, we rely on our ongoing iCount campaign. WBG's iCount initiative encourages staff to voluntarily self-identify in terms of nationality, race and ethnicity, sexual orientation and gender identity, and disability status. In FY24, iCount data enabled us to view workforce diversity through different lenses: race and ethnicity, sexual orientation, generational diversity, and disability status. The iCount data we collect helps us understand with greater accuracy how IFC staff experience the workplace in terms of career progression and promotions, mobility, compensation, and performance management. We use this data to take targeted actions aimed at improving IFC's workplace experience.

## ADVANCING OUR DEI PRIORITIES

Our diversity enables us to think globally and act locally as we develop innovative and cross-cutting solutions to deliver on IFC's mission. Looking back on FY24, we are proud of advancing our three DEI strategic priorities, which reflect common needs across our organization's global footprint:

**1. Inclusive Leadership** is our commitment to enable and set expectations for all staff in supervisory roles to lead by example and cultivate a values-based workplace culture that fosters inclusion and belonging.

The goal of the Inclusive Communication Learning Program is to help staff use inclusive language to stand as allies to colleagues, build inclusive leadership capabilities, and create a sense of belonging for all at IFC. In FY24, we launched additional modules that highlight the role of inclusive communication in the recruitment and performance management processes. As of June 30, 2024, 40 percent of employees had completed at least one Inclusive Communication module. Across three modules covering inclusive communication in recruitment, performance management, and LGBTQI+ inclusion, 96 percent of staff who completed the modules indicated that they gained new insights on using inclusive communication to mitigate unconscious biases.

**2. Data-Driven Action (previously referred to as Data-Driven Accountability)** is our commitment to strengthening our accountability and public disclosure efforts as we expand our data metrics beyond gender.

Our data-driven approach enables us to create a culture of accountability through target setting and measuring progress toward achieving our DEI goals. In FY24, we continued to invest in evolving our IFC Dashboard

capabilities, allowing us to monitor regional nationality representation. The scenario tool within the Dashboard puts diversity data at managers' fingertips, supporting their respective departments' hiring goals — specifically for women in senior grade groups.

**3. Gender Equality** is our commitment to building on our gender equality progress to sustain equity for women's career development at IFC.

In FY24, we continued to track the proportion of women in leadership positions through our Gender Balance Index (GBI) score — a metric we use to promote, measure, and track gender distribution across our four grade groups. For FY24, the GBI target was set at 0.89. As of June 30, 2024, the GBI stood at 0.896 — an increase of 0.07 percentage points since FY19.

In FY24, we introduced women hiring goals for senior staff to accelerate progress toward achieving our GBI targets. We also further implemented our Gender Action Plan, including target areas such as making progress around gender pay equity, our parental leave analysis, and the effectiveness of our Inclusive Communication Learning Program. The Inclusive Communication modules help to increase staff awareness of potential gender biases, among other unconscious biases, thereby supporting IFC's efforts to achieve Economic Dividends for Gender Equality (EDGE) re-certification.

For information on our staffing demographics and programs to create a more diverse, equitable, and inclusive work environment, visit [www.ifc.org/en/about/diversity-equity-inclusion](http://www.ifc.org/en/about/diversity-equity-inclusion).



## AUDITOR'S REPORT

IFC has requested EY to perform a limited assurance engagement on a selection of non-financial information disclosed in the Annual Report. The nature, scope, and conclusion of this engagement are described in EY's limited assurance report, available in the online IFC Annual Report.



## LETTER TO THE BOARD OF GOVERNORS

The Board of Directors of IFC has had this Annual Report prepared in accordance with the Corporation's by-laws. The President of IFC and Chairman of the Board of Directors has submitted this report with the audited financial statements to the Board of Governors.

## STAY CONNECTED

IFC's website, [www.ifc.org](http://www.ifc.org), provides comprehensive information on our work. It includes contact information for offices worldwide, news releases and feature stories, data on results measurement, disclosure documents for proposed investments, and key policies and guidelines.

The online version of IFC's 2024 Annual Report, [www.ifc.org/annualreport](http://www.ifc.org/annualreport), provides downloadable PDFs of all materials in this volume and translations as they become available.

IFC ONLINE

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# CLIMATE-RELATED FINANCIAL DISCLOSURES

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## CLIMATE-RELATED FINANCIAL DISCLOSURES

This report is IFC’s seventh consecutive climate-related financial disclosure. In 2023, the World Bank Group’s new vision of creating a world free of poverty on a livable planet was endorsed, expanding IFC’s mandate to address climate-related issues. This report aims to provide IFC’s stakeholders with information that accurately reflects the integration of climate considerations into IFC’s operations. It reflects IFC’s commitment to tackling climate change, which presents both a challenge and an opportunity for IFC’s core business and therefore represents a key component of its disclosures and business strategy. Finally, it represents IFC’s continued commitment to maintain and strengthen its disclosure of climate-related financial information. All seven reports can be found online.

Since 2006, IFC has been obtaining limited assurance over a selection of information of its climate-related financial disclosures reporting from EY, a recognized third party, as part of the review of IFC’s annual report. EY’s nature and scope of work is detailed in its limited assurance report, freely available on IFC’s annual report website.

In FY24, IFC continued to assess the impact of climate-related factors on the following four thematic areas: governance, strategy, risk management, and metrics and targets.

## GOVERNANCE

### What’s New?

- New director for Climate Business Department appointed and a Climate Capacity and Inclusion unit established with a focus on knowledge management and information sharing.
- Drafted and operationally tested the procedural framework for the implementation of the counterparty-based approach to Paris Alignment.
- Further integrated climate risk into IFC’s enterprise risk framework and operations through a cross-organizational Climate Risk Working Group (CRWG), to identify, assess, and manage IFC’s overall exposure to climate-related risks and opportunities.

### Governance and Oversight Around Climate-Related Risks and Opportunities

IFC’s Articles of Agreement outline the composition, roles, and responsibilities of IFC’s Board of Directors. The Audit Committee of IFC’s Board of Directors plays a key role in overseeing risk management at IFC. Under the direction of IFC’s Managing Director, IFC’s management team is responsible for IFC’s day-to-day operations including the management of existing and potential risks.

**IFC’s Managing Director**, who reports to the President of the World Bank Group, oversees **climate business and risk** on all climate commitments including climate finance investment commitments, climate risk evaluation, and Paris Alignment of IFC’s operations (as defined below). The World Bank Group President reports to each of the World Bank Group’s (IBRD, IDA, IFC, and MIGA) Boards of Directors. Following the climate commitments as part of IFC’s 2018 capital increase, and the Climate Change Action Plan (CCAP) 2021–2025, in FY21 its Board approved IFC’s commitment to align 100 percent of new investments with the goals of the Paris Agreement

from July 2025 (85 percent starting in July 2023) (Paris Alignment), and to further scale climate finance. This means all new investments are now screened for aspects of physical and transition climate risk.

An IFC investment is considered Paris Aligned when new financing flows and guarantees provided will be consistent with the objectives of the Paris Agreement and a country’s pathway toward low greenhouse gas emissions and climate-resilient development. IFC applies the **Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment of Direct Investment Lending Operations, Intermediated Financing, and General Corporate Purpose Finance**. The outcome of a Paris Alignment assessment for an operation is an internal classification of “aligned” or “non-aligned.” For operations to be classified as aligned, a client may be required to take certain actions or make certain commitments before and during the tenor of the financing, as needed.

The World Bank Group’s Boards and management set the Group’s public climate targets. During the 2023 Annual Meetings of the World Bank Group, the World Bank Group’s new vision of creating a world free of poverty on a livable planet was endorsed.

The World Bank Group reports annually to its Boards of Directors specifically on climate, including progress toward all climate commitments (*see Metrics and Targets section below for further details*). In addition, progress on targets is reported to the IFC Board as part of IFC’s quarterly Investment Operations Report Updates. IFC management updated its Board on the third year of implementation of the CCAP in September 2023. Furthermore, IFC seeks formal Board approval for most investment projects, except those approved with delegated authority. As in previous fiscal years, in FY24, there was significant engagement with IFC’s Board and management on several projects in hard-to-abate sectors.

Additional touch points with IFC's Board and management team are **integrated into its business and reporting processes**, through written and verbal communications including the Annual Portfolio Review, Strategy and Business Outlook, Capital Package and the Forward Look Implementation Update, annual CCAP updates, and the Annual Report on Financial Risk Management and Capital Adequacy, as well as Paris Alignment of projects, and deep dives and technical briefings as requested.

Climate-related risks and opportunities are integrated into all aspects of IFC's operations. IFC's **Climate Business Department** is responsible for providing in-house expertise on climate and guiding the achievement of IFC's climate targets. It serves as a hub that informs, trains, and enables IFC investment and other departments to integrate climate into IFC's operations, engage with its clients, and broaden its impact. The Climate Business Department helps set corporate climate strategy, shape policy, and support investment teams in identifying climate investment opportunities and mitigating climate risk. It also addresses medium to long-term climate risks and opportunities by building the capacity of IFC staff and clients, providing advisory services, and developing thought leadership and innovation to create climate markets. The Department is responsible for developing approaches to help IFC meet its Paris Alignment commitment, as well as supporting investment teams with adhering to these requirements through project assessments, development of tools and support materials, and delivering training to IFC staff and clients as needed.

The Climate Business Department is housed in IFC's operations under the Vice President of Industries, who reports to IFC's Managing Director. The Vice President of Industries also oversees all IFC's global industry departments as well as the Corporate Portfolio and Operations Management department. IFC's global and regional industry departments are responsible for originating and processing investments, including those that are reported as direct and indirect climate financing. In FY24, a new Director was appointed to lead the Department, and a Climate Capacity and Inclusion unit with a focus on knowledge management and information sharing was established. IFC Climate's Knowledge

Management program facilitates sharing of best practices, capacity building, risk management, innovation, and stakeholder engagement.

### Evolution of the Climate Risk Working Group

Climate risk is being integrated into IFC's enterprise risk framework and operations through the cross-organizational **Climate Risk Working Group (CRWG)**, chaired by the Vice Presidents of Risk and Finance and the Vice President of Industries. In FY23, the CRWG, co-led by the Directors of Climate Business and Corporate Risk Management departments, enhanced the efforts to identify, assess, and manage IFC's overall exposure to climate-related risks and opportunities. In FY24, the CRWG's membership was further expanded, and its governance enhanced to include essential internal stakeholders, foster greater collaboration, and leverage diverse institutional expertise from various departments. The CRWG led the efforts to update the definition of IFC's climate risk, which was published in its [FY24 Q3 financial statements](#). For additional details, please refer to the *Risk Management section of this report*.

### Integration of climate business

IFC is integrating climate business throughout the institution. The Climate Business Department works with Global Industry Climate Anchors, Regional Anchors, and Regional Industry Leads to mainstream climate considerations in IFC's operations. The Climate Business Department has established a **Climate Network** that meets every month. This network comprises senior staff in each industry and regional department as well as key operational departments including Legal and Compliance Risk, Corporate Risk Management, and Environmental and Social Policy and Risk, to foster knowledge sharing across departments and units.

A cross-industry and cross-functional group of senior climate experts has been established in IFC's Paris office to support the Paris Client Hub and Western European region's engagement with clients

and donors and to strengthen partnerships with other organizations active in the climate space.

IFC's **Blended Finance unit** deploys donor funds in conjunction with IFC's commercial funds to catalyze climate-smart investments with high development impact that would not occur under normal market conditions. By mitigating specific investment risks and rebalancing risk-reward profiles, blended finance can address market failures, help mobilize private investment in pioneering projects and challenging environments, and demonstrate the business case for climate-smart investing. IFC's **Treasury and Mobilization Vice Presidency** issues green bonds and mobilizes private capital to contribute substantially to climate-related objectives such as climate change mitigation, climate change adaptation, biodiversity, and water and oceans protection and vulnerability.

IFC's Upstream and Advisory services work alongside its investment operations to support market creation and to generate a bankable pipeline of projects, especially in low-income economies and fragile and conflict-affected situations (FCS) and in strategic priorities such as climate. IFC's **Advisory services** help companies, industries, national and local governments improve investment conditions, strengthen basic infrastructure, improve corporate governance, and become more sustainable. IFC's **Upstream** work focuses on early-stage market and project preparation work to build a pipeline of well-prepared, commercially viable investment opportunities. In FY24, IFC integrated its **Upstream and Advisory services** to help bring replicable and scalable solutions to deliver against IFC targets and IFC shareholders' ambitions, including those for climate.

IFC provides a range of advisory services to its clients. These services may include assistance in assessing carbon footprints and creating customized decarbonization roadmaps with complementary cost-benefit analysis. IFC also supports clients in early-stage project development, piloting business models, and contributing to fund pre-investment studies. This advisory work focuses on initiatives that enhance energy efficiency, promote

renewable and alternative energy, advance emerging technologies, and improve resource efficiency.

IFC **supports the decarbonization** of four of the world's most carbon intensive industries: steel, cement, glass, and chemicals, including those used for fertilizers. Through partnerships with governments and private companies in these sectors, IFC aims to create greener supply chains, promote materials conservation and circularity to reduce waste, boost economic and technological advancements, offset financial risks associated with decarbonization, and develop manufacturing clusters and partnerships to optimize resource, energy, and labor efficiency.

The **Climate Risk advisory program**, supported by Japan and the Netherlands, has been successfully set up and engaged with 22 **financial institutions** to date, across multiple regions. The support provided ranges from high-level mapping of physical and/or transition risks, to reviewing internal climate risk policies and procedures, measuring financed emissions, and reviewing alignment with Paris Agreement climate scenarios. In addition, country-focused climate risk training sessions have been conducted in collaboration with central banks and banking associations in India, Sri Lanka, Vietnam, the Philippines, Thailand, and China. These efforts have fostered growing interest in exploring transition finance opportunities.

IFC nominates directors to the boards of investee companies to add value in line with its development mandate. Throughout their board service, Nominee Directors are supported by a dedicated **IFC Nominee Directorship Center**. In FY24, recognizing the importance of embedding good climate governance into the boards of its client and investee companies, IFC organized training sessions for IFC Nominee Directors to build and improve capacity of investee companies on climate governance, biodiversity, and climate risk and resilience.

IFC staff actively engages with **civil society organizations** (CSOs) including during the World Bank Group Spring and Annual Meetings around issues of sustainable supply chains, Paris Alignment, investment exposure to fossil fuels, and sustainability in financial intermediary

investments. IFC engages formally and informally with private, public, financial sector, and CSOs on climate risk and opportunities, and participates in several climate-related corporate leadership initiatives.

## STRATEGY

### What's New?

- In FY24, implemented Paris Alignment assessments for new investment projects across all industries and sectors.
- FY24 total long-term finance own-account commitments in climate: \$9.1 billion.
- IFC piloted scenario analysis exercises on its portfolio in select sectors.

### Overview of the World Bank Group's Climate Change Strategy

IFC's strategic priorities for its climate business are anchored in its Capital Increase Package commitments and the FY21-25 World Bank Group CCAP, which focuses on Paris Alignment as well as increasing climate finance to reduce emissions and strengthening climate change adaptation. It provides a roadmap on aligning climate and development goals using the World Bank Group diagnostic tool, the Country Climate and Development Reports (CCDRs). It prioritizes transition in five key systems that generate 90 percent of emissions and face significant adaptation challenges: energy; agriculture, food, water, and land; cities; transport; and manufacturing. It also commits IFC to increase finance to support the transition, including by mobilizing private capital and supporting global efforts to raise and deploy concessional finance.

### Implementation of World Bank Group Climate Change Action Plan 2021-25

As part of this plan, IFC committed to **increase its own-account long-term climate financing** to 35 percent of total commitments on average over the five-year period, significantly higher than the 26 percent average achieved between FY16 and FY20. Additionally, starting July 1, 2023, IFC committed to align 85 percent of its investment projects with the goals of the Paris agreement.

In FY24, the President of the World Bank Group committed to a new climate finance target of 45 percent of its annual financing to climate-related projects (up from 35 percent) for the World Bank Group starting in FY25.

### Helping IFC's Clients Address Climate Change and Development

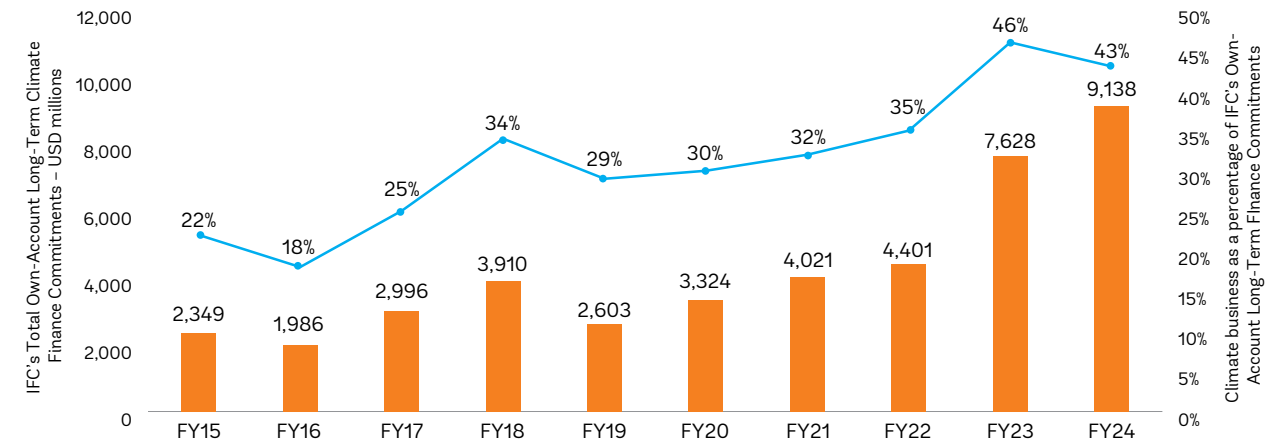
#### Climate financing

In FY24, IFC's total own-account long-term climate finance-related commitments were \$9.1 billion, making it a record year for IFC. This accounted for 43 percent of IFC's total own-account long-term finance commitments (see Figure 1). IFC's average climate finance business as a percentage of its total own-account long-term finance commitments for the period FY21-24 is 39.9 percent, ahead of the CCAP target of 35 percent.

This achievement is the result of significant efforts to mainstream climate into operations and the introduction of new and innovative products. Screening projects for Paris Alignment has also enabled the climate team to identify and flag climate finance opportunities to investment teams at the earliest stages of the IFC investment cycle.

IFC continues to diversify its climate business, identifying new areas of growth. In FY24, IFC retained strong climate business in green buildings (\$2.5 billion) and renewable

## IFC's Climate Business (Total Long-term Own-Account Commitments)



energy (\$2.3 billion). IFC also invested in energy and resources efficiency (\$0.8 billion), clean transportation (\$0.5 billion), waste, water and wastewater (\$0.4 billion), climate-smart agriculture (\$0.3 billion), and others (\$2.3 billion).

IFC's climate finance represents the climate-related investments made that support client countries' transition to low-carbon resilient growth and better positive management of climate impact. Meanwhile, IFC's commitment to Paris Alignment means that every investment made by IFC is assessed for aspects of transition and physical climate risk.

### Implementation of the Paris Alignment Commitment

IFC's work on Paris Alignment has helped it define an overall climate risk and opportunities strategy and client engagement approach that incorporates governance structures, risk management, and metrics and targets.

In FY24, IFC is making strides with the implementation of Paris Alignment of its investment operations. In FY24, IFC exceeded its 85 percent commitment to assess and align its investment commitments with the goals of the Paris Agreement.

Since the signing of the Paris Agreement in 2015, IFC has worked with the World Bank, MIGA, and eight other multilateral development banks (MDBs) to develop the **Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment<sup>1</sup>**, which consider the specific contexts of the emerging markets in which MDBs operate. IFC has coordinated with the other MDBs to develop and publish the **Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment of New Operations: Direct Investment Lending Operations (real sectors)** and, along with the European Bank for Reconstruction and Development, led the development of the **Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment of New Operations:**

1 Joint MDB Methodological Principles for Assessment of Paris Agreement Alignment - <https://www.worldbank.org/en/publication/paris-alignment/joint-mdb-paris-alignment-approach>

2 Universally aligned activities include activities that do no harm or support climate change mitigation such as renewable energy.

3 Non-aligned activities include coal power, coal mining, peat mining, and peat power.

**Intermediated Financing.** Joint methodological principles have also been prepared for **General Corporate Purpose Finance** for projects without targeted use of proceeds in the real sector.

The lists of activities considered Universally Aligned<sup>2</sup> and Universally Not Aligned<sup>3</sup> for mitigation were also prepared and agreed upon by all MDBs. In FY24, IFC conducted over 30 Paris Alignment training sessions, reaching more than 2,000 staff. Through these sessions, IFC provided internal guidance materials to support capacity building, including Paris Alignment assessment questionnaires, case studies, and factsheets. We developed tools, guidance notes, and training for investment staff to communicate and guide clients on Paris Alignment. These are toolkits to help IFC's clients in emerging markets improve their climate risk management and reporting capacity.

Climate considerations are included early in the investment cycle, allowing investment teams to both address any climate risks that are foreseen as well as take advantage of the business opportunities presented through adaptation measures and helping clients transition to a low-carbon pathway.

### Country Climate and Development Reports

Introduced in the current CCAP, the World Bank Group's CCDRs integrate climate change and development considerations. In FY24, the World Bank Group continued to strengthen the CCDR as a diagnostic tool, and lead the development of the CCDRs, along with support from the International Monetary Fund, and active engagement with the private sector, government counterparts, academia, think tanks, and civil society organizations. In FY24, the World Bank Group published 19 CCDRs and a CCDR Summary Report covering 42 economies titled, *The Development, Climate, and Nature Crisis: Solutions to End Poverty on a Livable Planet*.

## How IFC is Harnessing Climate-Related Opportunities

### Providing market-enabling activities

As with previous years, IFC continued to prioritize climate-related business development through Upstream and related activities. Upstream activities consist of pre-investment work in three categories, often in collaboration with the World Bank and MIGA: (i) creating markets (regulatory reform or standard setting), (ii) creating opportunities (through technical assistance to private sector clients), and (iii) crystalizing opportunities (project risk structuring and investor mobilization). IFC's management team is regularly updated on the climate share of the Upstream pipeline, allowing a line of sight on green business opportunities.

### Creating markets through regulatory reform and standard setting

In FY24, IFC implemented the following standard-setting advisory initiatives.

- IFC started to scale up **Building Resilience Index (BRI)**, the adaptation sister to IFC's Excellence in Design for Greater Efficiencies (EDGE) Green Building certification system tool launched in 2021. BRI is a web-based hazard mapping and resilience assessment framework for the building sector, to help buildings reduce their risk exposure to changing climate conditions, as well as improve their resilience and adaptation. The tool helps real estate investors assess location-specific risks and create investment opportunities to enhance the resilience of buildings and cities. We are applying lessons from a decade of work through EDGE Green Building certification system to expand to green cities through the Advanced Practices for Environmental Excellence in Cities (APEX) program.
- IFC has initiated collaborations with the Climate Bonds Initiative, Rocky Mountain Institute, Carbon Trust, and the Glasgow Financial Alliance for Net Zero, among others, to develop training, case studies, and essential materials relating to **Transition Finance**.

- IFC participates in the MDB Circular Economy Working Group, which launched *A Shared Vision for the Circular Economy*. IFC convened more than 50 private and public sector leaders for a workshop on the sidelines of the Plastics Treaty negotiations in Ottawa.
- Bangladesh introduced **sustainability and climate-related financial disclosure guidelines for banks and finance companies** with technical assistance from IFC and support from the Swiss State Secretariat for Economic Affairs (SECO).
- The [Sustainable Banking and Finance Network \(SBFN\)](#), for which IFC hosts the Secretariat, launched a **Toolkit on Sustainable Finance Taxonomies** to support financial sector regulators, banking associations, and interested users in emerging markets, and a new **online Data Portal** and Global Progress Brief covering: Environmental, Social, and Governance (ESG) Integration, Climate and Nature-Related Risk Management, and Financing Sustainability.

### Creating opportunities through technical assistance to private sector clients

IFC recognizes that bringing its clients along on the climate journey will be critical to managing its climate risk, engaging in new business opportunities, and implementing its overarching climate strategy. To do so, IFC works closely with its clients in both real and financial sectors to build capacity on key topics. Highlights of IFC's work in FY24 include:

- Recognizing the need for **bankable green projects** as a key hurdle to scaling private climate finance under the Scaling up Climate Finance through the Financial Sector Program, IFC is working in four pilot countries – Egypt, Mexico, Philippines, and South Africa – to help catalyze the development of a pipeline of green projects in target sectors. It involves engaging with regulators on developing national green finance taxonomies and collaborating with client banks on climate risk management as well as increasing the proportion of green investments in their portfolios to green the domestic financial sector and generate climate finance at scale. In FY24, the *Roadmap of Actions: Green Buildings in the Philippines*, a roadmap for the sector

reflecting the views of stakeholders participating in roundtable dialogues held in Manila and Cebu, was published.

- **Green Bonds Technical Assistance Program (GB-TAP)**, with whom IFC works extensively, continues to provide technical assistance to financial institutions on green, social, and sustainability bond issuances. In FY24, the GB-TAP trained 237 professionals from 99 institutions across 35 countries and has to date trained over 1,300 professionals from over 370 financial institutions across over 75 countries and stimulated more than \$6.5 billion in green bonds, \$1 billion in social bonds, and \$4.3 billion in sustainability bonds. In addition, the GB-TAP published the *Sustainable Micro, Small, and Medium Enterprises (MSME) Finance Reference Guide*, and a *Manual on Preparing for Green Bond Issuances* focused on financial institutions in Latin America and the Caribbean.
- IFC's **Green Banking Academy (GBAC)** is a knowledge and capacity-building initiative of IFC's Financial Institutions Group. GBAC trains financial institutions on the four pillars of a green bank (eco-efficiency, environmental risk management, green products and services, and green strategic commitment) and offers a green finance certificate to professionals. GBAC has trained over 5,000 bankers and granted more than 500 scholarships in Latin America and the Caribbean. In Asia, IFC partners with the Hong Kong Monetary Authority supporting financial institutions through the Alliance for Green Commercial Banks, a new global initiative that brings together financial institutions, banking industry associations, research institutions, and innovative technology providers to work together to develop a community of green commercial banks across emerging markets and finance the infrastructure and business solutions needed to urgently address climate change.
- Based on its recently developed **climate (corporate) governance methodology**, IFC has provided selected clients with climate governance assessment and training services. It also offered capacity-building activities for its local partner institutions to promote good climate governance standards and train board directors on their role in climate action in their respective markets. IFC developed and launched training programs supported by SECO, the United Nations Sustainable Stock Exchanges



Initiative, and others to build capacity in emerging and developing markets on disclosure standards.

### Crystalizing opportunities through investor mobilization

In FY24, IFC signed a \$3.5 billion credit insurance policy with 13 global insurance companies under its Managed Co-Lending Portfolio Program (MCP), with an aim to support economic activity and foster development in emerging markets. The program, MCP Financial Institutions III, mobilizes the risk capacity of leading insurers to support more than \$7 billion of new IFC medium- and long-term lending to commercial banks and non-bank financial institutions over the next six years. The program will increase access to finance for micro, small, and medium enterprises, including women-owned businesses, as well as firms addressing climate change.

### Supporting the climate agenda through treasury products

In FY24, IFC's Treasury raised \$1.3 billion in green bonds across nine trades in six different currencies, including a CAD1 billion green bond, IFC's largest green bond in the Canadian dollar/maple market. IFC is one of the earliest issuers of green bonds, having launched a Green Bond Program in 2010 to help catalyze the market and unlock investment for private sector projects that support renewable energy and energy efficiency.

### Exploring Creative Solutions to Target New Areas of Growth

#### Cooling initiative

In FY24, with the support of the UK Government, IFC established a dedicated \$12.7 million Trust Fund to help prepare projects and scale up IFC's investments and support IFC's Sustainable Cooling Initiative, focusing on five sectors where cooling is needed the most: district cooling; cooling for buildings; consumer and small and medium enterprises finance; manufacturing and innovation; and cold chains and logistics. IFC built its Sustainable Cooling Community of Practice, which has

built on the TechEmerge Program, and expanded into areas of coordinated thought leadership and a global strategy to support upstream project creation with technical assistance and funding. IFC is also coordinating with partners such as the United Nations Environment Programme and the global Cool Coalition, regional cooling think tanks such as Asociación Colombiana De Acondicionamiento Del Aire Y De La Refrigeración (ACAIRE) and the Africa Centre of Excellence for Sustainable Cooling and Cold-Chain, and with country-specific programs across the World Bank Group.

### Sustainability-Linked Finance (SLF)

In FY24, IFC committed a total of \$3.3 billion of its own-account long-term finance in SLF. This included, for example, a €300 million (equivalent to \$329 million) sustainability-linked loan to global energy company Iberdrola for funding renewable energy projects in emerging markets, such as Morocco, Poland, and Vietnam, which currently rely heavily on coal. This loan provides incentives to support the company's targets to reduce greenhouse gas (GHG) emissions and ramp up renewable energy capacity.

### Industry-specific decarbonization strategies

IFC has been conducting deep dives to embed climate into sectoral strategies for high-emitting sectors like steel, cement, chemicals, and power. IFC's focus on manufacturing has evolved to be centered around carbon abatement, industry transition to lower carbon pathways, greening of supply chains, waste reduction, and circularity. A core aspect of this strategy includes the notion that IFC's investment evaluation should take a nuanced approach to the development status, needs, and economic complexity of a country. In subsectors where full GHG abatement is not possible (heavy industries), IFC focusses on climate transition and lower carbon pathway approaches. These pathways make explicit the steps to be taken by clients during the tenor of IFC financing to support the reduction of their GHG emissions over the project lifetime by incorporating innovative technologies, practices, or knowledge, and managing carbon lock-in and stranded asset risk. IFC has developed comprehensive

sector strategies and roadmaps for key sectors, such as chemicals, and is developing more for circular economy, construction materials, electric vehicles and battery manufacturing, livestock, rice and other agricultural crops.

### IFC's carbon markets approach

In response to growing demand from IFC clients and growing recognition that carbon markets can be an effective tool to help companies and countries decarbonize, the Climate Business Department collaborated with industry departments to formulate an approach for future engagement in carbon markets. This approach seeks to help clients while mitigating potential reputational risks through selectivity, careful due diligence, and promotion of high integrity market standards. As part of this approach IFC developed "deal acceptance criteria" to be used as an evaluation tool for future IFC carbon credit transactions to support impactful projects. IFC is also working closely with the World Bank and MIGA to help implement the [World Bank Engagement Roadmap for High-Integrity Carbon Markets](#) that was announced in December 2023.

### Biodiversity finance and nature-based solutions

In FY24, IFC continued to expand its *Biodiversity Finance Reference Guide*, which was launched in 2023, and is the world's first guidance on eligible investment activities that constitute biodiversity finance. IFC released a *Catalog of Nature-based Solutions for Infrastructure Projects* in the water, mining, and renewable energy sectors. The catalog provides examples of nature-based solutions that private infrastructure companies can integrate into their core business operations and articulates the business case for doing so. The intent is to scale the incorporation of nature-based solutions into core business operations of private companies to meet biodiversity targets as well as climate mitigation and adaptation goals.

IFC played an active role in the development and release of the World Bank Group's Nature Finance Tracking Methodology. The methodology was developed in accordance with a commitment under the International Development Association's 20th replenishment and provides a framework to identify the volume of committed finance that supports the nature positive goal embodied in the Kunming Montreal Global Biodiversity Framework. IFC collaborated with the International Capital Markets Association (ICMA) and other partners to develop and publish *Bonds to Finance the Sustainable Blue Economy: A Practitioners' Guide*, which draws on IFC's own Blue Finance Guidelines.

IFC is represented in the UN Secretariat of the Convention on Biological Diversity Advisory Committee on Resource Mobilization, the Task Force on Nature-related Financial Disclosures Forum, and the World Economic Forum Sustainable Finance Advisory Committee. The World Bank Group committed to begin formal tracking of nature finance on July 1, 2024.

## RISK MANAGEMENT

### What's New?

- Physical and transition risk aspects incorporated into the Paris Alignment assessment of all investments through the Transaction-based and Counterparty-based approaches.
- IFC updated its definition of climate risk, which encompasses the actual or potential negative effects of climate-related conditions and events on IFC's investments, corporate operations, reputation, or consolidated financial statements.
- IFC has created a dedicated second-line climate-risk management function within the Corporate Risk Management Department.

### Enhancing IFC's Climate Risk-Management Capacity.

IFC continues to strengthen capacity-building initiatives to enhance staff knowledge in climate-related risk management, opportunities, strategy, and reporting. IFC has created a dedicated second line climate risk management function within the Corporate Risk Management Department and has undertaken various initiatives to enhance the sustainability of its operations and IFC's ability to effectively manage climate risk.

In FY24, IFC updated its definition of climate risk to the following: "Climate Risk encompasses the actual or potential negative effects of climate-related conditions and events on IFC's investments, corporate operations, reputation, or consolidated financial statements. There are two primary climate-related risk categories: (1) physical risks and (2) transition risks, which could carry financial and non-financial implications for IFC.

"Physical risks include both 'acute' and 'chronic' physical risks to business operations. Acute physical risks are event-driven, stemming from short-term extreme weather events like hurricanes, floods, tornadoes, wildfires, storms, drought, or heatwaves. Chronic physical risks emerge from longer-term shifts in climate patterns, such as progressive changes in precipitation and temperature, which could lead to rising sea levels, alteration of ecosystems, desertification, water scarcity, soil degradation, and deterioration of marine ecology.

"Transition risks are attributable to the global shift toward a lower-carbon economy. These risks are multifaceted and arise from changes in law or regulation, public policies, technological breakthroughs, shifts in investor and public sentiment, and disruptive innovations in business models aimed at addressing climate change.

"These risks could carry financial and non-financial implications for IFC."

### Integrating Risk Assessment in Paris Alignment Frameworks.

The Climate Business Department conducts and supports investment teams in the assessment of key aspects of physical climate and transition risks in investment projects. In FY24, IFC continued to operationalize and mainstream its Paris Assessment process and approach. IFC's systems support the documentation, calculation, and reporting to its Board of climate volume, as well as the documentation of the results of Paris Alignment transaction-based and counterparty assessments of physical and transition risks for all real sector and financial intermediary and funds projects. *For additional details, please refer to the Governance section and Implementation of the Paris Alignment Commitment in the Strategy section of this report.*

**Physical Risk.** During project appraisal, IFC's project teams assess potential direct and indirect effects that climate-related impacts may have on the project's financial, environmental, and social performance. Potential risks are further explored and, where necessary, addressed and mitigated by IFC clients through a variety of measures that may include operational or CAPEX interventions. Physical risk screening for IFC's projects has been integrated into the adaptation and resilience component of Paris Alignment. Assessment screening includes questions on exposure to climate risk and potential opportunities, measures for climate risk mitigation, levels of residual risk after adaptation, potential for maladaptation, and consistency with national contexts for climate resilience. IFC has developed general guidance and sectoral notes for the assessment of physical risk and alignment with the adaptation and resilience component of the Paris Agreement, for all projects with defined use of proceeds across all sectors.

IFC is operationalizing Paris Alignment through IFC's proprietary Climate Risk Portal, a one-stop-shop platform used by IFC teams to identify the exposure and vulnerabilities of potential projects to physical climate risks. The portal comprises the GeoViewer and Sectoral Climate Risk Screening tools that are used to assess over 400 new investments annually.

**Transition Risk.** The World Bank Group no longer finances thermal coal power generation or upstream oil and gas<sup>4</sup>, which has limited IFC's exposure to fossil fuels, coal-power generation, and upstream oil and gas investments. IFC continues to invest in pathways to transition with the ultimate goal of reducing investments in fossil fuels. IFC's exposure to fossil fuels may stem from its direct investments in sectors such as gas-to-power, thermal plants, oil and gas, fossil fuel distribution, and captive power. In FY24, IFC's commitment in these sectors was \$228 million.

IFC continues to implement its **Green Equity Approach (GEA)** that was first introduced in 2020. Under the GEA, IFC works with clients with whom it has equity or equity-like exposures to increase their climate lending and reduce their exposure to coal-related projects. In 2023, IFC introduced an update to the GEA, requiring a commitment from FI clients to not originate and finance any new coal projects from the time IFC becomes a shareholder.

IFC calculates and discloses in the Environment and Social Review Summary (ESRS) the **emissions** for all real-sector projects with annual emissions of over 25,000 metric tons of carbon dioxide equivalent (mtCO<sub>2</sub>e). Since May 2018, a **carbon price** has been included in IFC's economic analysis of project finance and corporate loans with defined use of proceeds in the cement, chemicals, and thermal power generation sectors, where estimated annual project emissions are over 25,000 tons of carbon dioxide equivalent. IFC includes the impact of the carbon price on the project's economic performance and viability in its Board papers. To maintain consistency across the World Bank Group, price levels used by IFC are guided by the High-Level Commission on Carbon Prices<sup>5</sup>. Where applicable, carbon pricing is also integrated into IFC's Anticipated Impact Measurement and Monitoring framework and will become a standard part of Paris Alignment assessments for mitigation for all projects with

annual emissions greater than 25,000 tons of carbon dioxide equivalent.

IFC assesses certain aspects of transition risk in its investments through the **Mitigation component** of its Paris Alignment process. IFC has mapped **decarbonization pathways for hard-to-abate sectors** such as chemicals and mining and continues this work for other carbon-intensive sectors.

**Enhancing Clients' Climate Risk-Management Capacity.** IFC continues to provide access to its Climate Assessment for Financial Institutions (CAFI)<sup>6</sup> platform to client financial institutions so they can assess the climate eligibility of investments and estimate the development impact of climate-related activities. In FY24, IFC added functionality to the CAFI tool, through the addition of a dedicated module for reporting on Climate Smart Agriculture projects, to improve calculation and reporting of individual electric and hybrid vehicle leases. These efforts to support investment clients' risk management and climate finance indirectly reduce IFC's exposure to climate risk.

## METRICS AND TARGETS

### What's New?

- In FY24, IFC exceeded its commitment to have 85 percent of its investment commitments Paris Aligned.
- In FY24, IFC exceeded its CCAP target to have 35 percent climate finance business as a percentage of its average total own-account long-term finance commitments.
- Climate investments comprised 43 percent of IFC's FY24 own-account long-term finance commitments.

**Climate Finance Methodology.** At IFC, the recognition of the climate finance component of its investments is done in compliance with the **Joint MDB Methodology for Climate Finance Tracking**, which is regularly updated to account for the evolving market context to limit climate-related risks and take advantage of new climate opportunities. This includes the **Common Principles for Climate Mitigation Finance Tracking**, last updated in 2023, and the **Joint MDB Methodology for Adaptation Finance**, last updated in 2022. IFC is involved in the development and updating of the methodologies for both mitigation and adaptation alongside other MDBs. In FY24, IFC and the World Bank also contributed to the development of the MDB Joint Principles for Tracking Nature Positive Finance released at COP28.

**Climate Finance Targets & Results.** In FY24, IFC's climate investments<sup>7</sup> comprised 43 percent of its total own-account long-term finance commitments, exceeding the corporate target of 35 percent. IFC's average climate finance business as a percentage of its total own-account long-term finance commitments for the period FY21-24 is 39.9 percent, ahead of the CCAP target of 35 percent. *For additional details, please refer to the Strategy section of this report.* The IFC corporate target is translated to departmental and regional climate business targets. In institutional departmental scorecards, IFC reports against the 35 percent target of climate projects as a percentage of own-account long-term finance commitments.

**Paris Alignment Targets & Results.** In FY24, IFC exceeded its CCAP target to have 85 percent of its investment commitments Paris Aligned. *For additional details, please refer to Implementation of the Paris Alignment Commitment in the Strategy section of this report.*

4 World Bank Group Announcements at One Planet Summit - <https://www.worldbank.org/en/news/press-release/2017/12/12/world-bank-group-announcements-at-one-planet-summit>

5 Carbon Pricing Leadership Coalition - <https://www.carbonpricingleadership.org/report-of-the-highlevel-commission-on-carbon-prices>

6 IFC, with donor support, created the CAFI platform, a transparent algorithm harmonized with other MDBs to support the tracking of growing climate finance volumes of IFC client banks and other MDBs to which IFC selectively licenses the tool.

7 IFC's Definitions and Metrics for Climate-Related Activities identifies projects and sectors that qualify as climate investments; these definitions are harmonized with other multilateral development banks. [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/climate+business/resources/ifc-climate-definition-metrics](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/climate+business/resources/ifc-climate-definition-metrics)

**New World Bank Group Corporate Scorecard FY24-FY30.** The new World Bank Group Scorecard is designed as a strategic management tool to help Management and the Board translate World Bank Group vision into action. The scorecard is organized around Outcome Areas, one of which is “Green and blue planet and resilient populations.” It captures the impact of World Bank Group’s financing operations to enhance the resilience of beneficiaries to climate risks and support low-carbon transition, biodiversity, and ecosystem services.

**MDB Common Approach to Climate Impact Measurement.** In FY24, in collaboration with the World Bank Group and other MDBs, IFC introduced the Common Approach to Measuring Climate Results<sup>8</sup>. It is the first common structure to define, measure, and link global progress on climate mitigation and adaptation with MDB.

**Investment Disclosure.** IFC reports climate finance commitments in its annual report and in the [Joint Report on Multilateral Development Banks’ Climate Finance](#). In IFC’s annual [Green and Social Bond Impact Report](#), IFC also reports on the expected environmental impact of projects financed through the green bonds that IFC issues. The IFC Green Bond Program follows the Green Bond Principles, a voluntary set of guidelines for transparency and disclosure. IFC’s Green Bond Program has been reviewed by the Center for International Climate and Environmental Research at the University of Oslo (CICERO), now a part of the S&P Global Index, which provided a second opinion on IFC’s framework and guidance for assessing and selecting eligible projects for green bond investments. As a signatory of the Principles for Responsible Investment (PRI), IFC also reports under PRI’s indicators.

**IFC Corporate Activities.** IFC’s Corporate Sustainability program identifies and implements initiatives designed

to reduce its direct and indirect GHG emissions, improve energy efficiency and climate resiliency, promote responsible waste management, and create healthy workspaces for staff.

**Corporate GHG Emissions.** Building operations and travel constitute the largest sources of GHG emissions for IFC’s current corporate carbon footprint. IFC calculates both direct (Scope 1) and indirect (Scope 2) GHG emissions for its corporate operations.

## IFC Scope 1 and 2 GHG Emissions (tCO<sub>2</sub>eq)<sup>9</sup>

GHG EMISSIONS	FY20 <sup>10</sup>	FY21	FY22	FY23
Scope 1	1,058	970	1,022	1,026
Scope 2	8,669	7,275	7,386	7,428

IFC Scope 1 and Scope 2 emissions have been subject to a Limited Assurance review by EY provided for the World Bank Group for Scope 1 and Scope 2 emissions.

IFC also measures indirect (Scope 3) GHG emissions globally from business air travel, contractor-owned vehicles, and GHG emissions related to food purchased at its headquarters, calculated through the [World Resource Institute’s Cool Food Pledge](#). Scope 3 GHG emissions for corporate operations does not include emissions from IFC’s financing activities. For methodology details and data, please see [The World Bank Group Greenhouse Gas Emissions Inventory Management Plan for Internal Business Operations](#).

**Carbon Reduction Targets.** In 2018, IFC set its first-ever global corporate carbon emissions reduction

science-based target to reduce its facility-related carbon emissions (Scope 1 and 2) by 20 percent between 2016 and 2026.

To offset its annual GHG emissions, IFC purchases carbon offsets in accordance with the [WBG-wide carbon offset purchasing guidelines](#).

For more information, visit: [www.ifc.org/en/about/corporate-responsibility](http://www.ifc.org/en/about/corporate-responsibility).

**GHG Emissions from IFC investments.** IFC continues to estimate and report aggregate GHG emissions reductions from IFC investments (IFC’s investment Scope 3 emissions). Through the International Financing Institutions (IFI) GHG Accounting Group, IFC works with the United Nations Framework Convention on Climate Change (UNFCCC), other MDBs, some commercial banks, and bilateral DFIs to harmonize Standards for GHG accounting. This includes development of GHG accounting methodologies and standard emission factors for power grid GHG emissions in more than 100 countries. IFC applies the IFI Harmonized Approach to GHG Accounting and IFI sector-specific approaches, where available, to estimate absolute, baseline, and relative ex-ante GHG emissions where use of proceeds is defined. IFC estimates gross GHG emissions for all real sector projects with emissions over 25,000 metric tons of carbon dioxide equivalent in accordance with its Policy for Environmental and Social Sustainability and Performance Standards, and net emissions for climate-related projects<sup>11</sup>. IFC continues to disclose ex-ante estimated project level gross GHG emissions when emissions are greater than 25,000 tCO<sub>2</sub>e per year through the publicly available [Environmental and Social Review Summary](#),<sup>12</sup> under IFC’s Access to Information Policy. In FY24, IFC anticipates 16.2 million tons of GHG emissions reduction from its projects.

<sup>8</sup> Common Approach announcement link: <https://documents1.worldbank.org/en/publication/documents-reports/documentdetail/099041924212042943>

<sup>9</sup> Data lag by one fiscal year due to timing of data collection.

<sup>10</sup> Data is for all IFC facilities worldwide and includes Scope 1, Scope 2, and Scope 3 business travel and headquarters’ food purchase-related emissions. Scope 3 business air travel emissions include radiative forcing. FY20 onward includes the addition of Cool Food Pledge emissions from IFC HQ food purchases. Details have been captured in the Inventory Management Plan.

<sup>11</sup> This refers to projects with activities considered climate finance eligible according to the Common Principles for Climate Mitigation Finance Tracking. For CSC methodology, visit <https://scorecard.worldbank.org/content/dam/sites/scorecard/doc/methodology/RESULTS-Institutional-Net-Emissions-Clean.pdf>

<sup>12</sup> IFC Project Information & Data Portal. <https://disclosures.ifc.org/#/landing>

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# Essential Information

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## OUR PEOPLE & PRACTICES

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## Compensation and Benefits

Ensuring competitive compensation and benefits, IFC applies the World Bank Group's compensation framework. Competitive compensation is essential to attract and retain a highly qualified, diverse staff. Salaries for staff recruited in Washington, D.C. are based on the U.S. market. Salaries for staff hired outside the U.S. are based on local competitiveness as determined by independent local market surveys. Given the World Bank Group's status as a multilateral organization, staff salaries are determined on a net-of-tax basis.

As of June 30, 2024, the salary structure (net of tax) and annual average net salaries/benefits for World Bank Group staff were as follows:

### Staff Salary Structure and Benefits (Washington, D.C.)

GRADES	REPRESENTATIVE JOB TITLES	MINIMUM (US\$)	MIDPOINT (US\$)	MAXIMUM (US\$)	STAFF AT GRADE LEVEL (%)	AVERAGE SALARY/ GRADE (US\$)	AVERAGE BENEFITS <sup>a</sup> (US\$)
GA	Office Assistant	32,400	46,200	60,100	0.01%	46,680	24,325
GB	Team Assistant, Information Technician	38,400	54,800	71,300	0.04%	49,928	26,018
GC	Program Assistant, Information Assistant	46,900	67,100	87,200	4.40%	69,474	36,203
GD	Senior Program Assistant, Information Specialist, Budget Assistant	55,900	79,900	103,800	5.63%	85,364	44,484
GE	Analyst	76,600	109,500	142,300	9.03%	100,777	52,516
GF	Professional	101,700	145,300	189,000	23.80%	131,521	68,537
GG	Senior Professional	131,900	188,500	245,000	39.59%	184,145	95,959
GH	Manager, Lead Professional	177,600	253,800	330,000	14.87%	257,328	134,096
GI	Director, Senior Advisor	268,700	335,900	403,100	2.20%	336,847	175,534
GJ	Vice President	326,700	384,400	442,100	0.37%	387,988	202,184
GK	Managing Director, Executive Vice President, Senior Vice President	363,300	427,400	491,500	0.07%	441,109	202,612

**Note:** Because WBG staff, other than U.S. citizens, usually are not required to pay income taxes on their WBG compensation, the salaries are set on a net-of-tax basis. These salaries are generally equivalent to the after-tax take-home pay of the employees of the comparator organizations and firms from which WBG salaries are derived. Only a relatively small minority of staff will reach the upper third of the salary range.

a. Includes medical, life, and disability insurance; accrued termination benefits; and other non-salary benefits. Excludes tax allowances.

### EXECUTIVE COMPENSATION

The salary of the President of the World Bank Group is determined by the Board of Directors. The salary of the IFC Managing Director is determined based on the U.S. WB salary structure and positioned in the salary range for the GK grade. The executive salary structure is reviewed annually and updated based on the U.S. labor market movement or the IMF's projected U.S. CPI movement, whichever is lower.

The compensation of our executive leadership is transparent. IFC MD Makhtar Diop received an annual salary of \$452,570 net of taxes.

## Financial Commitments to IFC Trust Funds (ADVISORY & UPSTREAM, US\$ MILLION EQUIVALENT)

Summary	FY24	FY23
Governments	97.26	155.75
Institutional/Multilateral Partners	11.73	7.70
Corporations, Foundations, and NGOs	2.92	7.11
<b>Grand Total</b>	<b>111.91</b>	<b>170.56</b>
<b>Governments</b>	<b>FY24</b>	<b>FY23</b>
Australia	0.00	3.86
Austria	3.27	5.22
Belgium	1.05	0.00
Canada	4.05	4.35
Czechia	0.00	1.00
Denmark	5.32	0.00
France	0.00	2.10
Germany	4.18	0.00
Ireland	0.53	1.82
Italy	0.00	0.27
Japan	15.42	28.35
Korea, Republic of	3.00	20.00
Luxembourg	0.00	8.76
Netherlands	31.97	1.00
New Zealand	2.14	2.68
Spain	0.00	3.92
Sweden	2.49	2.33
Switzerland	8.64	52.10
United Kingdom	15.20	14.99
United States	0.00	3.00
<b>Total</b>	<b>97.26</b>	<b>155.75</b>
<b>Institutional/Multilateral Partners</b>	<b>FY24</b>	<b>FY23</b>
European Commission (EC)	9.23	4.77
Global Financing Facility (GFF)	0.63	0.00
Global Infrastructure Facility (GIF)	1.87	2.93
<b>Total</b>	<b>11.73</b>	<b>7.70</b>

Corporations, Foundations, and NGOs	FY24	FY23
Bill & Melinda Gates Foundation	2.92	7.11
<b>Total</b>	<b>2.92</b>	<b>7.11</b>

## Financial Commitments to IFC Trust Funds (BLENDED FINANCE, US\$ MILLION EQUIVALENT)

Governments	FY24	FY23
Canada	69.51	68.23
Germany	0.00	31.97
Korea, Republic of	0.00	10.00
Netherlands	35.00	44.23
Switzerland	0.00	10.00
United Kingdom	27.66	31.07
<b>Total</b>	<b>132.17</b>	<b>195.50</b>
<b>Institutional/Multilateral Partners</b>	<b>FY24</b>	<b>FY23</b>
European Commission (EC)	537.82	0.00
<b>Total</b>	<b>537.82</b>	<b>0.00</b>
<b>Corporations, Foundations, and NGOs</b>	<b>FY24</b>	<b>FY23</b>
Total	0.00	0.00
<b>Grand Total</b>	<b>669.99</b>	<b>195.50</b>



## Funding

IFC raises funds in the international capital markets for private sector lending and to safeguard IFC's triple-A credit ratings by ensuring adequate liquidity. Issuances include benchmark bonds in core currencies such as U.S. dollars, thematic issuances to promote strategic priorities such as addressing climate change, and issuances in emerging-market currencies to support the development of capital markets. Most of IFC's lending is denominated in U.S. dollars, but we borrow in many currencies to diversify access to funding, reduce borrowing costs, and encourage the growth of local capital markets.

CURRENCY		AMOUNT (US\$ EQUIVALENT)	%
U.S. dollar	USD	5,745,000,000	43.96%
Australian dollar	AUD	2,529,932,720	19.36%
British pound	GBP	2,429,488,750	18.59%
Hong Kong dollar	HKD	141,942,030	1.09%
New Zealand dollar	NZD	306,750,000	2.35%
Swedish Krona	SEK	236,209,089	1.81%
Canadian dollar	CAD	745,990,302	5.71%
Norwegian Krone	NOK	186,915,888	1.43%
Chinese yuan (Renminbi)	CNY	204,737,182	1.57%
Romanian Leu	RON	-	0.00%
Brazilian Real	BRL	-	0.00%
Hungarian forint	HUF	-	0.00%
Uzbekistani so'm	UZS	8,615,491	0.07%
Mexican peso	MXN	37,698,784	0.29%
Other		494,507,359	3.78%
<b>Total</b>		<b>13,067,787,595</b>	<b>100.00%</b>

## Financial Performance Summary

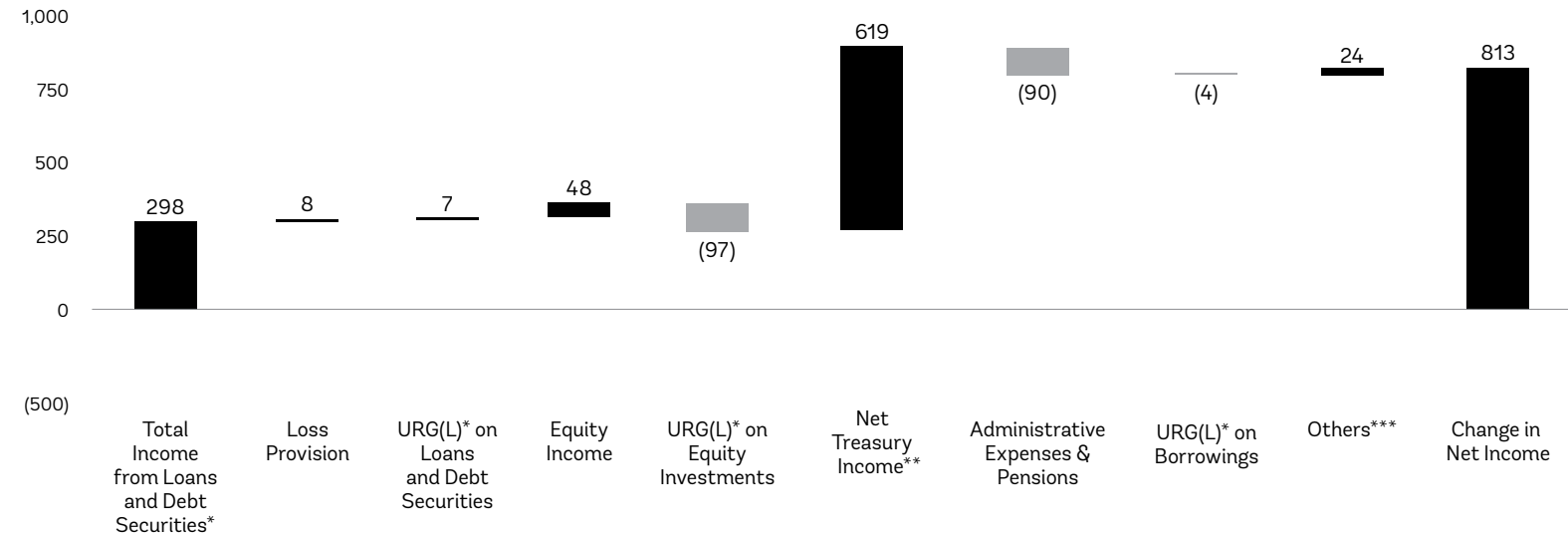
The overall market environment has a significant influence on IFC's financial performance. The main elements of IFC's net income and other comprehensive income, and influences on the level and variability of net income and other comprehensive income from year to year, are:

### Main Elements of Net Income and Other Comprehensive Income

ELEMENTS	SIGNIFICANT INFLUENCES
<b>Net income:</b>	
Yield on interest earning assets (principally loans)	Market conditions including spread levels and degree of competition. Nonaccruals and recoveries of interest on loans formerly in nonaccrual status, and income from participation notes on individual loans, are also included in income from loans.
Liquid asset income	Realized and unrealized gains and losses on the liquid asset portfolio, in particular the portion of the liquid asset portfolio funded by net worth, which are driven by external factors such as the interest rate environment and liquidity of certain asset classes within the liquid asset portfolio.
Income from the equity investment portfolio	Global climate for emerging markets equities, fluctuations in currency markets, and company-specific performance for equity investments. Overall performance of the equity portfolio.
Provision for losses on loans, guarantees, and available-for-sale debt securities	Risk assessment of borrowers, probability of default, loss given default, and expected balance at default considering prepayment and disbursement assumption used to estimate expected utilization rates.
Other income and expenses	Level of advisory services provided by IFC to its clients, the level of expense from the staff retirement and other benefits plans, the approved and actual administrative expenses, and other budget resources.
Gains and losses on other non-trading financial instruments accounted for at fair value	Principally, differences between changes in fair values of borrowings, excluding IFC's credit spread and associated derivative instruments and unrealized gains or losses associated with the investment portfolio including puts, warrants, and stock options, which in part are dependent on the global climate for emerging markets. These securities may be valued using internally developed models or methodologies, utilizing inputs that may be observable or non-observable.
<b>Other comprehensive income:</b>	
Unrealized gains and losses on debt securities accounted for as available-for-sale	Global climate for emerging markets, fluctuations in currency and commodity markets and company-specific performance, and consideration of the extent to which unrealized losses are considered a credit loss. Debt securities may be valued using internally developed models or methodologies, utilizing inputs that may be observable or non-observable.
Unrealized gains and losses attributable to instrument-specific credit risk on borrowings at fair value under the Fair Value Option	Fluctuations in IFC's own credit spread measured against reference rate, resulting from changes over time in market pricing of credit risk. As credit spreads widen, unrealized gains are recorded, and when credit spreads narrow, unrealized losses are recorded.
Unrecognized net actuarial gains and losses and unrecognized prior service costs on benefit plans	Returns on pension plan assets and the key assumptions that underlay projected benefit obligations, including financial market interest rates, staff expenses, past experience, and management's best estimate of future benefit cost changes and economic conditions.

IFC's net income was \$1.5 billion for the year ended June 30, 2024 (FY24), as compared to \$672 million for the year ended June 30, 2023 (FY23). The increase in net income was mainly driven by higher treasury income and strong net interest income on loans and debt securities in FY24. The \$813 million increase in FY24, when compared to FY23, was principally a result of the following factors:

### Change in Net Income FY24 vs FY23 (US\$ IN MILLIONS)



\* Total income from loans and debt securities and net treasury income are net of allocated charges on borrowings.

\*\* URG(L) refers to Unrealized Gains (Losses).

\*\*\* Others mainly represents foreign exchange gains/losses, service fees, and net advisory service expenses.

Income from loans and guarantees, including realized gains and losses on loans and associated derivatives, for FY24 amounted to \$3.2 billion. This represents an increase of \$914 million compared to \$2.3 billion in FY23, primarily due to higher interest income from increased interest rates and portfolio growth. IFC recorded a net provision for losses on loans, available-for-sale debt securities, off-balance-sheet credit exposures, and other receivables of \$21 million in FY24 (provision of \$29 million in FY23). Included in the FY24 provision was a reduction of qualitative overlay of \$110 million, which was reduced from \$135 million as of June 30, 2023 to \$25 million as of

June 30, 2024, since the original circumstances requiring the overlay are now broadly reflected in the credit ratings and loss reserves.

Equity investment portfolio returned \$142 million in FY24, compared to \$191 million in FY23, which included dividends of \$128 million in FY24 (\$164 million for FY23).

IFC reported income of \$860 million on liquid assets in FY24, net of allocated charges on borrowings, compared to \$241 million in FY23. The year-over-year increase of \$619 million was mainly attributable to higher net income

from the Net Worth Funded Portfolio, as U.S. Treasury yields stabilized in FY24, while rose sharply in FY23.

IFC's administrative expenses were \$1.3 billion in FY24, compared to \$1.2 billion in FY23, an increase of \$137 million primarily driven by higher staff costs. Pension expenses decreased by \$47 million to \$167 million in FY24, from \$214 million in FY23.

IFC's net income or loss for the past three fiscal years ended June 30, 2024 are presented below:

### IFC's Net Income (Loss) FY22-FY24 (US\$ MILLIONS)

2022		(464)
2023		672
2024		1,485

IFC uses Income Available for Designations (a non-U.S. GAAP measure) as a basis for designations of retained earnings. Prior to FY24, Income Available for Designations comprise net income excluding unrealized gains and losses on investments and borrowings<sup>1</sup> as well as grants to the International Development Association (IDA), which were suspended in FY20 following the conclusion of the IDA Eighteen Replenishment of Resources (IDA18). In FY24, IFC updated the calculation of Income Available for Designations to exclude income from Post-retirement Contribution Reserve Fund (PCRF), aligning it with its intended use for post-retirement contributions. This change, approved by the Board in June 2024, is effective from FY24 and is reflected in the table below.

### Reconciliation of Net Income (Loss) to Income Available for Designations

(US\$ IN MILLIONS) FOR THE YEAR ENDED JUNE 30	2024	2023	2022
<b>Net income (loss)</b>	<b>\$ 1,485</b>	<b>\$ 672</b>	<b>\$ (464)</b>
Adjustments to reconcile Net income (loss) to Income Available for Designations			
Unrealized losses (gains) on investments	49	(41)	740
Unrealized losses on borrowings	54	50	106
PCRF Income	(30)	-	-
<b>Income Available for Designations</b>	<b>\$ 1,558</b>	<b>\$ 681</b>	<b>\$ 382</b>

In October 2024, the Board of Directors approved a designation of \$107 million to the Creating Markets Advisory Window (CMAW) and \$152 million to the Funding Mechanism for Technical Assistance and Advisory Services (FMTAAS). This designation is expected to be noted with approval by the Board of Governors in October 2024. Additionally, the Board of Directors recommended to the Board of Governors that \$100 million of IFC's FY24 net income be allocated to the Surplus Account, which is being established to seed the Frontier Opportunities Fund, a fund of concessional finance to spur equity investment mostly targeted to middle-income countries, including for the cutting-edge climate initiatives. This recommendation will be discussed by the Board of Governors in late October 2024.

<sup>1</sup> Unrealized gains and losses on investments and borrowings presented in the table includes unrealized gains and losses from associated derivatives.

## Summary of Financial Results

(US\$ IN MILLIONS)  
FOR THE YEAR ENDED JUNE 30

2024 2023 2022

### Consolidated statements of operations highlights:

Income from loans and guarantees, including realized gains and losses on loans and associated derivatives	\$ 3,204	\$ 2,290	\$ 1,156
Provision for losses on loans, off-balance-sheet credit exposures, and other receivables	(9)	(22)	(126)
Income from equity investments and associated derivatives	142	191	208
Income from debt securities, including realized gains and losses on debt securities and associated derivatives	811	518	414
Provision for losses on available-for-sale debt securities	(12)	(7)	(14)
Income (loss) from liquid asset trading activities	2,391	1,464	(413)
Charges on borrowings	(3,815)	(2,598)	(302)
Other income	587	518	419
Other expenses	(1,827)	(1,721)	(1,653)
Foreign currency transaction (losses) gains on non-trading activities	(115)	(86)	76
<b>Income (loss) before net unrealized gains and losses on non-trading financial instruments accounted for at fair value and grants to IDA</b>	<b>\$ 1,357</b>	<b>\$ 547</b>	<b>\$ (235)</b>
Net unrealized gains (losses) on non-trading financial instruments accounted for at fair value	128	125	(229)
<b>Net income (loss)</b>	<b>\$ 1,485</b>	<b>\$ 672</b>	<b>\$ (464)</b>

(US\$ IN MILLIONS)  
AS OF THE YEAR ENDED JUNE 30

2024 2023

### Consolidated balance sheets highlights:

Total assets	\$ 108,187	\$ 110,547
Liquid assets <sup>a</sup>	37,734	40,120
Investments	58,747	51,502
Borrowings outstanding, including fair value adjustments	55,755	52,443
<b>Total capital</b>	<b>37,472</b>	<b>35,038</b>
of which		
Undesignated retained earnings	13,133	11,589
Designated retained earnings	162	221
Accumulated other comprehensive income (loss) (AOCI)	957	632
Paid-in capital	23,220	22,596

a. Net of securities sold under repurchase agreements, payable for cash collateral received and associated derivatives.

## Key Financial Ratios

(US\$ BILLIONS, EXCEPT RATIOS)  
AS OF THE YEAR ENDED JUNE 30

	2024	2023
Overall liquidity ratio <sup>a</sup>	81.0%	103.8%
Debt-to-equity ratio <sup>b</sup>	1.7	1.6
Total reserve against losses on loans to total disbursed portfolio <sup>c</sup>	2.9%	3.7%
Capital measures:		
Capital available <sup>d</sup>	36.6	34.8
Capital required <sup>e</sup>	22.2	21.1
Capital utilization ratio <sup>f</sup>	60.5%	60.7%

a Overall Liquidity Policy states that IFC would at all times maintain a minimum level of liquidity, plus undrawn borrowing commitments from the International Bank for Reconstruction and Development (IBRD), such that it would cover at least 45% of the next three years' estimated net cash requirements. IFC's overall liquidity as a percentage of the next three years' estimated net cash needs stood at 81% as of June 30, 2024, above the minimum requirement of the Board of 45%.

b Debt-to-equity (leverage) ratio is defined as outstanding borrowings plus committed guarantees divided by total capital, comprising paid-in capital, retained earnings, and Accumulated other comprehensive income (loss). IFC's debt-to-equity ratio as of June 30, 2024 was well within the maximum of 4 required by the policy approved by IFC's Board of Directors.

c Total reserve against losses on loans to total disbursed loan portfolio is defined as reserve against losses on loans as a percentage of the total disbursed loan portfolio.

d Capital Available: Resources available to absorb potential losses, calculated as: IFC's balance sheets capital minus designated retained earnings minus Pension surplus of each pension plan minus PCRF assets.

e Capital Required: Aggregate minimum Economic Capital required to maintain IFC's AAA rating.

f Capital Utilization Ratio (CUR) is defined as Capital Required divided by Capital Available.

## COMMITMENTS

Investment Commitments include Long-Term Finance and Short-Term Finance Commitments, from both IFC's Own Account and Core Mobilization. Investments made by IFC from its own account utilize its own borrowings or capital. Core Mobilization refers to non-IFC financing or risk sharing arranged on commercial terms due to the active and direct involvement of IFC for the benefit of a client. IFC mobilizes such finance from other private and public entities through a number of means. Own Account investments supported 365 LTF projects in FY24 (325 in FY23).

The table below outlines a comparative breakdown of IFC's Long-Term and Short-Term Finance Commitments, including Own Account and Core Mobilization in FY24 and FY23:

### Total Commitments (Own Account and Core Mobilization)

(US\$ IN MILLIONS) FOR THE YEAR ENDED JUNE 30	2024	2023
<b>Total Commitments (Own Account and Core Mobilization)</b>	<b>\$56,087</b>	<b>\$ 43,729</b>
Long-Term Finance Own Account	21,458	16,677
Long-Term Finance Core Mobilization	22,504	15,029
Short-Term Finance Own Account	10,196	11,027
Short-Term Finance Core Mobilization	1,929	996

**Back Cover Photo:** Cairo's new Grand Egyptian Museum, one of only a handful of museums worldwide to receive IFC's EDGE Advanced Green Building Certification. The recognition acknowledges the museum's climate-smart design and construction, significantly reducing energy and water use.

IFC 2024  
ANNUAL REPORT

LEADERSHIP PERSPECTIVES

RESULTS

STRATEGY IN ACTION

CRITICAL FUNCTIONS



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