

# 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.

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

# 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.



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



**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**



# 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