

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.

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.



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.

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.

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

UNLOCKING CAPITAL







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.



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.

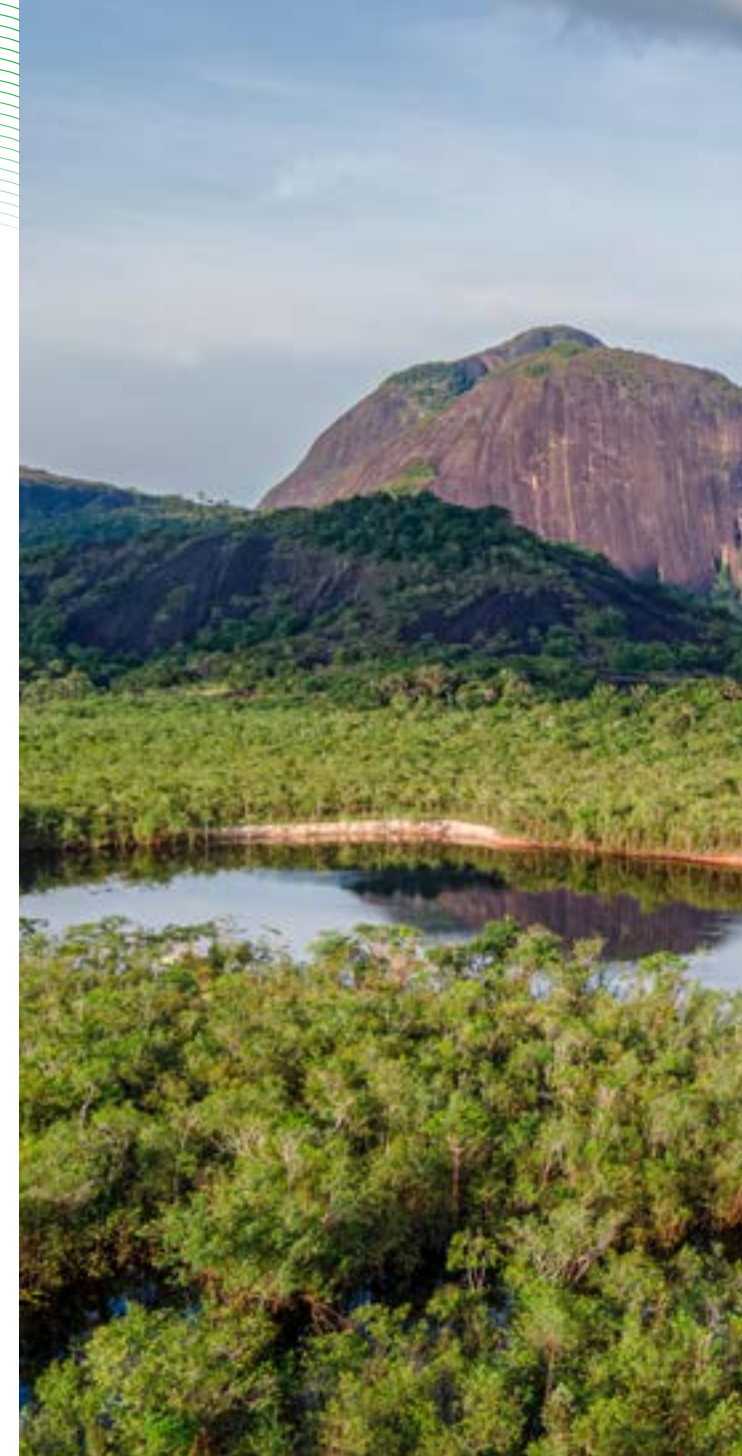
The Managed Co-lending Portfolio Program (MCP) One Planet, launched at COP26, has already attracted \$2.5 billion in financing from a range of private and public sector investors, nearly all of which has been allocated to transactions. In fiscal year 2024 alone, \$1.07 billion was committed to investment 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.





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.

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 Kalobeyi 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-Kalobeyi 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-Kalobeyi 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.

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



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

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.

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

PATHWAYS TO PROSPERITY



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.





एचडीएफसी बँक
HDFC BANK

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.

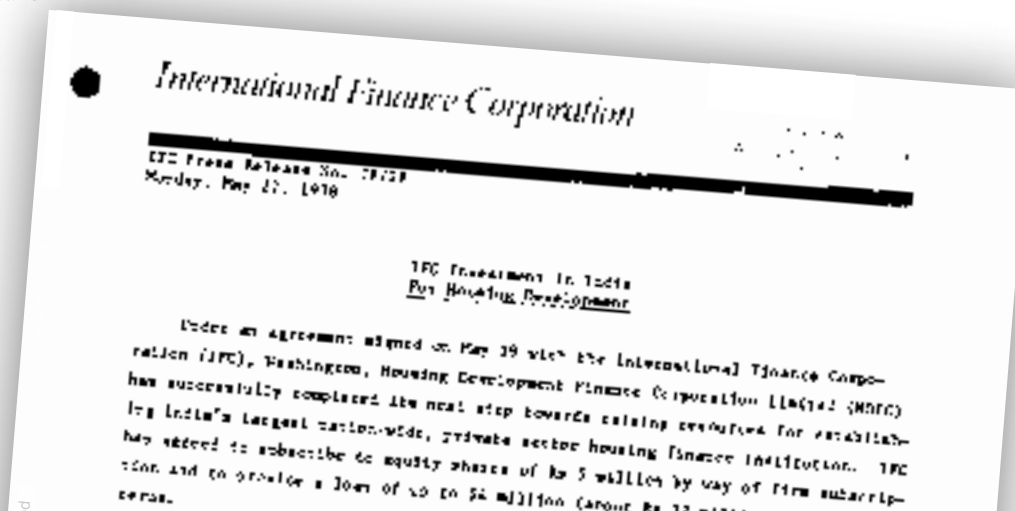
In 1978, IFC was an early investor in India's first housing finance company, Housing Development Finance Corporation (HDFC) Ltd., which pioneered the country's now vast home-loan market. This began a relationship that continues today and has enabled millions of Indians to own homes.

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.



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.



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.





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.





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.

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.

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.

REIMAGINING DEVELOPMENT FINANCE



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.





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.

