



# Creating Markets in Forced Displacement Contexts

## Private Sector Solutions for the Displaced and Their Hosts



*Creating Markets, Creating Opportunities*

- A member of the World Bank Group
- Provides investment, advice, resource mobilization
- Triple-A credit rating; owned by 184 countries
- Present in nearly 100 countries

*IFC is the largest global development institution focused on the private sector in emerging markets.*

# IFC: a Member of the World Bank Group



# About IFC

- A member of the World Bank Group
- AAA credit rating
- Over 60-year history in Emerging Markets
- Largest global development institution focused exclusively on the private sector in developing countries
- A global institution, now owned by 185 member countries
- 100+ offices in 95+ countries worldwide
- ~3,700 staff (54% are based outside Washington DC)



**~2,000**  
Private Sector Clients



Global Presence in  
Nearly **100** Countries



A Network of Over  
**900** Financial  
Institutions

# The World Bank Group's Twin Goals



Major opportunities for mobilizing private capital to:



**End Poverty**



**Boost Shared Prosperity**

# The WBG Unique Positioning to Meet Development Goals

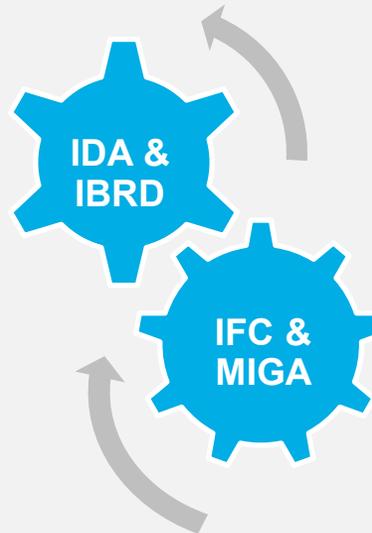


## The World Bank Group's Unique Positioning

**The World Bank Group is uniquely positioned to mobilize domestic resources, attract private capital, and create markets.**

### Use of public sector solutions helps to

- Establish a supportive investment climate to mobilize private capital for investment in development
- Address market failures and reduce risks.
- Improve domestic resource mobilization, from tax revenues to capital markets
- Enhance management of public expenditures



### Use of private sector solutions helps to

- Create jobs in a sustainable manner
- Improve access to services, innovation and technology
- Demonstrate commercial viability of new markets
- Strengthen financial intermediation and expand local capital markets
- Generate tax revenues
- Mobilize third-party capital
- Increase competition, set standards, and improve sector performance

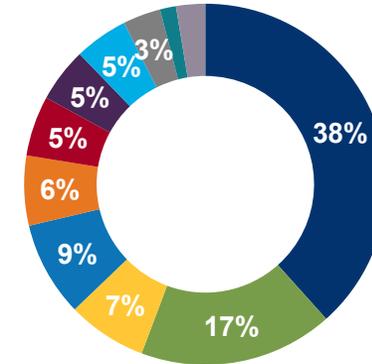
# IFC Holds \$60bn Active Portfolio as of FY2020

<b>S&amp;P, Moody's</b>	<b>AAA, Aaa</b>
<b>Active Portfolio as of FY19</b>	<b>\$58.9 bn</b>
<b>FY20 Commitments<sup>1</sup></b>	<b>\$22.0 bn</b>
- Syndicated	\$10.8 bn
- Own Account	\$11.2 bn
<b>Number of projects</b>	<b>280</b>
<b>Investments in IDA/FCS Countries</b>	<b>\$2.8 bn</b>
<b>Investments in Climate</b>	<b>\$3.2 bn</b>

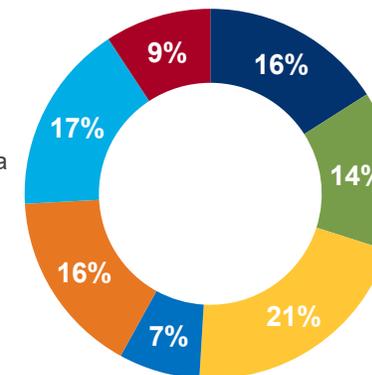
- Largest multilateral source of loan and equity financing for the private sector in emerging markets; owned by 184 countries
- Takes market risk with no sovereign guarantees
- Promoter of environmental, social, and corporate governance standards
- Resources and know-how of a global development bank + flexibility of a merchant bank
- Portfolio of over 2,000 companies worldwide

## Active Portfolio as of FY20: \$60bn

- Financial Markets
- Infrastructure
- Agribusiness & Forestry
- Funds
- Manufacturing
- Tourism, Retail and Property
- Health and Education
- Trade Finance
- Natural Resources
- TMT
- Others



- East Asia and the Pacific
- Europe and Central Asia
- Latin America and the Caribbean
- Middle East and North Africa
- South Asia
- Sub-Saharan Africa
- Global



# Examples of IFC's current engagement in Forced Displacement

## Examples



Direct investments: loan and equity



Refugee focused advisory interventions



Market assessments and feasibility studies



Partnerships

- **Al Majmoua (Lebanon):** a \$3 million senior loan to extend microfinance loans to both host-communities and refugees. Al Majmoua now provided loans to more than 8,500 Syrian refugees and over 80% of these refugees are women.
- **Luminus Group (Jordan):** 11 million equity investment to a leading private vocational and technical training provider in Jordan serving over 4,500 Jordanian students and Syrian refugees. 70-80% of Luminus's refugee students find employment and, in some sectors, like hospitality, all of them do.
- **Kakuma Kalobeyei Challenge Fund:** Leveraging the report "Kakuma as a Marketplace"'s finding, the FCS Africa team designed a \$27 million advisory project aimed at attracting private businesses to Kakuma Kalobeyei refugee hosting area in Turkana County, Northern Kenya. It is the largest IFC advisory project and the first refugee-and-host community focused project in Sub-Saharan Africa.
- **Bancamia (Colombia):** In parallel to a Seed diagnostic of the regulatory, market and practical challenges of providing financial services to FDP, the FIG team (in collaboration with WeFi) has partnered with Bancamia, to develop targeted offerings to FDP.
- **Ureed.com:** Received advisory service from IFC on how to improve its online business model and grow its demand for services in Jordan and Lebanon.
- **"Kakuma as a Marketplace" report (2017)** investigated the market opportunities and quantify the market size in Kakuma refugee camp and its neighboring town Kalobeyei in Northern Kenya in order to attract private sector investments.
- **Consumer and market study of moringa and fruit value chain assessments in refugee-hosting areas in Uganda.**
- **The PROSPECTS:** a EUR 500M+ partnership funded by the Netherlands and implemented by IFC, WB, UNHCR, UNICEF and the ILO. The Prospects Partnership enables IFC to engage in eight countries in Africa (Egypt, Kenya, Uganda, Ethiopia and Sudan) and Middle East (Jordan, Lebanon and Iraq) to develop private sector initiatives and deliver investments supported by the blended concessional finance to address the market opportunities that benefits both host communities and FDPs/refugees. IFC's programs and commitments in the Partnership include advisory, upstream and blended finance efforts as well as the global advocacy, knowledge and learning for promoting private sector solutions in the FDP/refugee contexts.

# The Rationale for a growing IFC engagement in Forced Displacement contexts



Bringing private sector solutions to refugees and host communities fits well with the IFC Strategy that aims to stimulate private sector interventions in challenging geographies and to under-served target groups.