

*Mission: To promote sustainable private sector investment in developing countries, helping to reduce poverty and improve people's lives*



# IFC AND LIBERIA

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# IFC: Part of the World Bank Group

*IFC is owned by 178 member countries, which collectively determine policies.*



**International Bank for Reconstruction and Development, 1945**



**International Finance Corporation, 1956**



**International Development Association, 1960**



**International Centre for Settlement of Investment Disputes, 1966**



**Multilateral Investment Guarantee Agency, 1988**

# World Bank Group Institutional Roles

- **IBRD** lends to governments of middle-income developing countries.
- **IDA** provides concessional loans to governments of the poorest developing countries.
- **MIGA** provides guarantees to foreign investors against political risk.
- **IFC** supports sustainable private sector development through investments and advisory services.

# MIGA Support

- As with IFC, MIGA only supports projects that are environmentally, socially, & developmentally sound
- MIGA support specifically focused on taking on the political risks faced: Private investors are more capable of managing the commercial side
- Specific political risks MIGA can take:
  - Imposition of currency controls
  - Risk of expropriation
  - Loss from breach of contract with government entity
  - Loss due to damage from war or civil disturbance

# IFC's Investment Policies

IFC's investments complement and support projects which ...

- Are driven by the private sector
- Are commercially viable and sustainable
- Have a clear development impact
- Meet Sound International Environmental and Social Standards

# IFC's Products and Services ...

## Financial Products

- Loans
- Equity and Quasi-equity
- Risk Management

## Resource Mobilization

- Syndicated Loans
- Structured Finance

## Advisory Services

- Environment
- Small and Medium Enterprises
- Corporate Governance
- Investment Climate
- Private Sector Participacion

# IFC Advisory Services

- Capacity Building via the Private Enterprise Partnership for Africa Facility
  - Sectoral orientation - Agribusiness (Oil Palm)
  - Leverage TA with Investments - Infrastructure
  - Provide upstream support to projects - SME-EDI
  - Investment climate
- Implement Public-Private Partnership in Power



# Areas of interest in Liberia...

- Financial Markets –  
Banking, SME Finance / Microfinance
- Infrastructure –  
Power, Ports, Airports, Telecom
- Agribusiness –  
Rubber, Oil Palm, Forestry
- Mining –  
Gold, Iron Ore
- Tourism –  
Hotels

# IFC's track record in Liberia...

- **Financial Markets/SME/Microfinance**

- Founding Shareholder in LBDI (Currently 17%)
- LBDI - \$2M Trade Finance Facility & TA To upgrade operational capacity
- Considering other Banks for Trade Finance
- Microfinance Bank with Procredit (During 2007)
- LBDI - TA to grow SME/Microfinance Business

- **Advisory Services**

- Mandate to advise and implement Public-Private Partnership in Power sector

- **Business Environment**

Work has already commenced on:

- Reducing Barriers to formalization
- Improving Investment Policies: Legislation and Institutions
- Establishing a Public-Private forum

THANK YOU

# IFC Looks for...

- Experienced, committed sponsors and management
- Commercially strong/cost-competitive projects
- Robust financing plans/appropriate financing structure
- Appropriate sharing of risks and rewards
- Sound environmental and social practices

# IFC Role: Beyond Financing

- Honest broker between public-private sectors
- Reputation and standing to help negotiations
- Broad experience across countries and sectors
- Catalyst for other investors and lenders
- Environmental and social standards reassure communities and stakeholders