



Basic Facts About IFC

The International Finance Corporation (IFC) promotes sustainable private sector investment in developing countries as a way to reduce poverty and improve people's lives.

IFC is a member of the [World Bank Group](#) and is headquartered in Washington, DC. It shares the primary objective of all World Bank Group institutions: to improve the quality of the lives of people in its developing member countries. [IFC Mission Statement](#).

Established in 1956, IFC is the largest multilateral source of loan and equity financing for private sector projects in the developing world. It promotes sustainable private sector development primarily by:

- Financing private sector projects located in the developing world.
- Helping private companies in the developing world mobilize financing in international financial markets.
- Providing advice and technical assistance to businesses and governments.

Read more about IFC's [Products and Services](#).

To find information about existing and proposed IFC projects, search [IFC project documents](#).

Ownership and Management

IFC has 178 [member countries](#), which collectively determine its policies and approve investments. To join IFC, a country must first be a member of the IBRD. IFC's corporate powers are vested in its [Board of Governors](#), to which member countries appoint representatives. IFC's share capital, which is paid in, is provided by its member countries, and voting is in proportion to the number of shares held. IFC's authorized capital is \$2.45 billion.

[Statement of Capital Stock and Voting Power](#). 

The Board of Governors delegates many of its powers to the [Board of Directors](#), which is composed of the Executive Directors of the IBRD, and which represents IFC's member countries. The Board of Directors reviews all projects.

The [President of the World Bank Group](#), Paul Wolfowitz, also serves as IFC's president. IFC's [Executive Vice President](#), Lars Thunell, is responsible for the overall management of day-to-day operations.

Although IFC coordinates its activities in many areas with the other institutions in the World Bank Group, IFC generally operates independently as it is legally and financially autonomous with its own [Articles of Agreement](#), share capital, [management](#) and staff.

Funding of IFC's Activities

IFC's equity and quasi-equity investments are funded out of its net worth: the total of paid in capital and retained earnings. Strong shareholder support, triple-A ratings, and the substantial paid-in capital base have allowed IFC to raise funds for its lending activities on favorable terms in the international capital markets.



Doing Business with IFC

The International Finance Corporation (IFC) is a member of the World Bank Group. It promotes sustainable **private sector** investment in **developing countries** as a way to reduce poverty and improve peoples lives.

There is no standard application form for IFC financing. A company or entrepreneur, foreign or domestic, seeking to establish a new venture or expand an existing enterprise can approach IFC directly. This is best done by reading [How to Apply for IFC Financing](#), which describes IFC's investment criteria, and by submitting an [Investment Proposal](#).

IFC operates on a commercial basis. It invests exclusively in for-profit projects and charges market rates for its products and services, which cover three broad areas:

FINANCIAL PRODUCTS

IFC's traditional and largest activity is to finance private sector projects in developing countries. IFC provides loans, equity finance and quasi-equity. It also offers financial risk management products and intermediary finance.

To find information about existing and proposed IFC projects, search [IFC projects documents](#).

ADVISORY SERVICES

IFC provides advice and technical assistance to private businesses and governments in developing countries. These services cover a broad spectrum including advice on privatization, business related public policy and industry-specific issues.

RESOURCE MOBILIZATION

IFC helps companies in developing countries tap into international capital markets. The cornerstone of the mobilization effort is the loan participation program which arranges syndicated loans from banks. IFC also mobilizes financing from international financial institutions through investment funds, underwriting, securitization, private placement and other innovative approaches. By acting as a catalyst, IFC leverages its limited resources to a maximum.

IFC's Added Value

Although IFC lends on market terms, it does not compete with, but rather complements, private capital. IFC invests in projects that meet its investment criteria, but which cannot get financing and/or technical expertise elsewhere on reasonable terms.

IFC's presence is beneficial to a project from a financial as well as a technical and political standpoint. Foreign investors seek IFC's participation because of the Corporation's extensive hands-on knowledge of how to do business in developing countries and because of its excellent relationships with developing country governments. IFC's status as an independent international organization reassures both foreign investors and host countries, and the Corporation can provide added comfort by helping companies and sponsors negotiate with host governments.

Since IFC's role is to help their developing country members, governments trust IFC. At the same time, companies know that IFC understands private sector needs.