

20– 09 – 2022

News: FM urges World Bank arm IFC to rise lending to India

- Finance Minister Nirmala Sitharaman has urged the World Bank's private sector investment arm, the International Finance Corporation (IFC), to increase lending to India to more than \$2 billion in the next two years and to \$3-3.5 billion over the next three four years.

International Finance Corporation (IFC)

- International Finance Corporation (IFC) is an international financial institution that offers investment, advisory, and asset management services to encourage private sector development in developing countries.
- India is a founding member.
- It is a member of the World Bank Group and is headquartered in Washington, D.C., United States.
- It was established in 1956 as the private sector arm of the World Bank Group to advance economic development by investing in strictly for-profit and commercial projects that purport to reduce poverty and promote development.
- The IFC is owned and governed by its member countries, but has its own executive leadership and staff that conduct its normal business operations.

- It is a corporation whose shareholders are member governments that provide paid-in capital and which have the right to vote on its matters.
- IFC is focused exclusively on the private sector in developing countries.
- It lends **money to the private sector companies of its members countries.**
- The interest rate is charged commercial, but comparatively low.
- Since 2009, the IFC has focused on a **set of development goals that its projects are expected to target.** Its goals are to increase sustainable agriculture opportunities, improve health care and education, increase access to financing for micro finance and business clients, advance infrastructure, help small businesses grow revenues, and invest in climate health.
- It offers an array of debt and equity financing services and helps companies face their risk exposures while refraining from participating in a management capacity.
- It advises governments on building infrastructure and partnerships to further support private sector development.