



# WORLD BANK BONDS FOR SUSTAINABLE DEVELOPMENT



# ROADMAP

**What is the World Bank?**

**Why invest with the World Bank?**

**What investment products does the World Bank offer?**

**How is the World Bank engaging with investors on the Sustainable Development Goals?**

**Annex: Project stories**

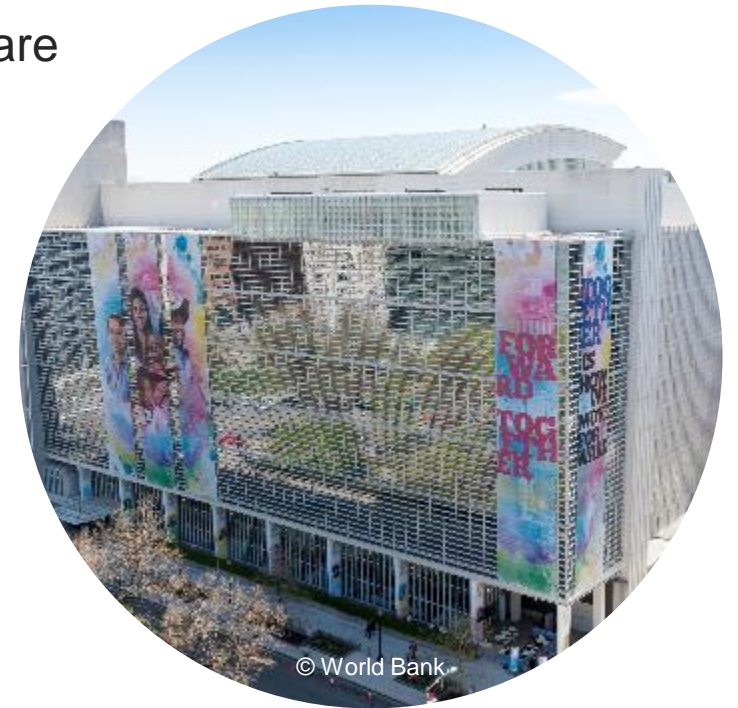


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# WHAT IS THE WORLD BANK?

# WORLD BANK INTRODUCTION

- International organization **owned by 189 member countries** – its owners are its clients.
- Purpose is to **end extreme poverty on a livable planet**. These goals align with the Sustainable Development Goals.
- The world’s largest source of development finance and expertise – 75+ years of financing development projects.
- About \$260 billion in loans outstanding to 78 countries.
- Nearly 12,000 staff in 136 offices. Headquarters in Washington, DC.
- Largest shareholders: US, Japan, China, Germany, France, and the UK.
- International Bank for Reconstruction and Development – **IBRD**, known as **“World Bank”** in the capital markets, is rated AAA/Aaa based on its capital, reserves and prudent financial policies.

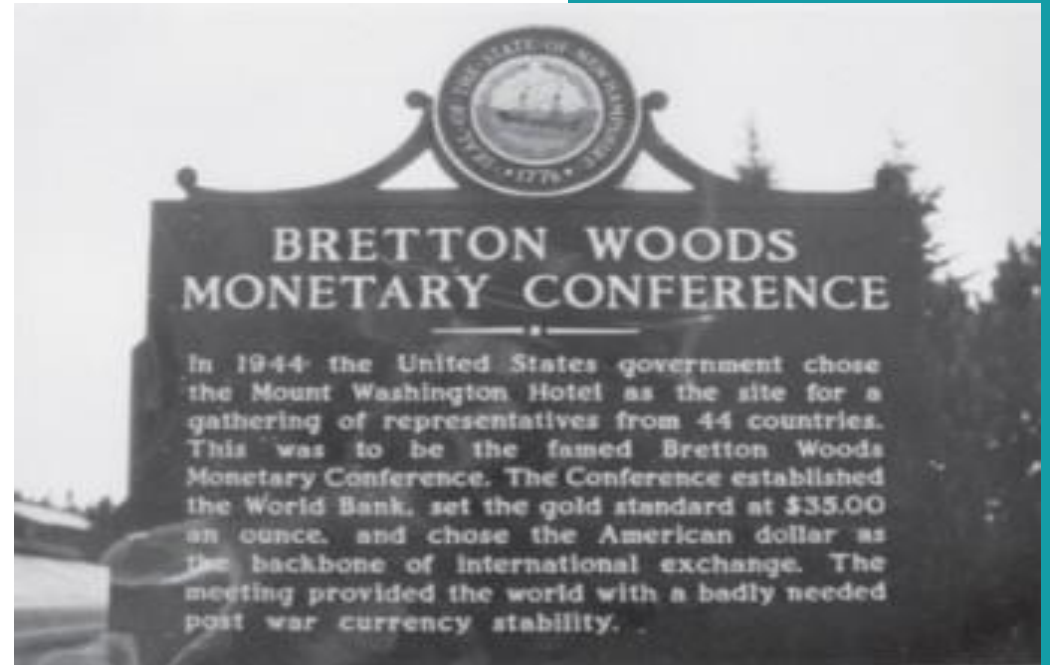


**World Bank Headquarters  
Washington, DC**

# HISTORY OF THE WORLD BANK

**IBRD was created in 1944** to rebuild Europe after World War II and was **soon referred to as the “World Bank”**.

- IBRD was designed to be **financially self-sustaining** and earn income to support its development activities.
- First loans were made to developed countries for **reconstruction** purposes.
- IBRD's focus shifted towards **poverty alleviation** in the 1960s and it continued to lend to countries that were creditworthy and could borrow at market-based rates.
- In the 2020s an explicit focus on global public goods led to adding “**on a livable planet**” to the vision.



# OVERVIEW



## IBRD

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND  
DEVELOPMENT

Provides loans to  
governments of middle-  
income countries.



**Issuer of World Bank  
(IBRD) Bonds**



## IDA

INTERNATIONAL  
DEVELOPMENT  
ASSOCIATION

Provides loans and grants  
to governments of lower-  
income countries.



**Funds raised from  
donors and IDA Bonds  
144A/RegS**



## IFC

INTERNATIONAL  
FINANCE  
CORPORATION

Promotes development by financing  
private sector enterprises in  
developing countries.



**Issuer of IFC Bonds**



## MIGA

MULTILATERAL  
INVESTMENT  
GUARANTEE AGENCY

Promotes foreign direct  
investment into developing  
countries by offering political  
risk insurance (guarantees)  
to investors and lenders.



## ICSID

INTERNATIONAL CENTRE  
FOR THE SETTLEMENT OF  
INVESTMENT DISPUTES

Provides international  
facilities for conciliation and  
arbitration of investment  
disputes.

IBRD, IDA and IFC are all three rated AAA/Aaa. They share the same overall development goals, but are legally separate entities. Each has its own risk profile and capital structure.  
**The World Bank Treasury is the treasury for IBRD and IDA.**

# SUSTAINABLE DEVELOPMENT BONDS

All World Bank bonds support sustainable development. They offer investors the opportunity to invest in financial products with a high credit rating while supporting projects with positive impact



**Goals of the World Bank Group**



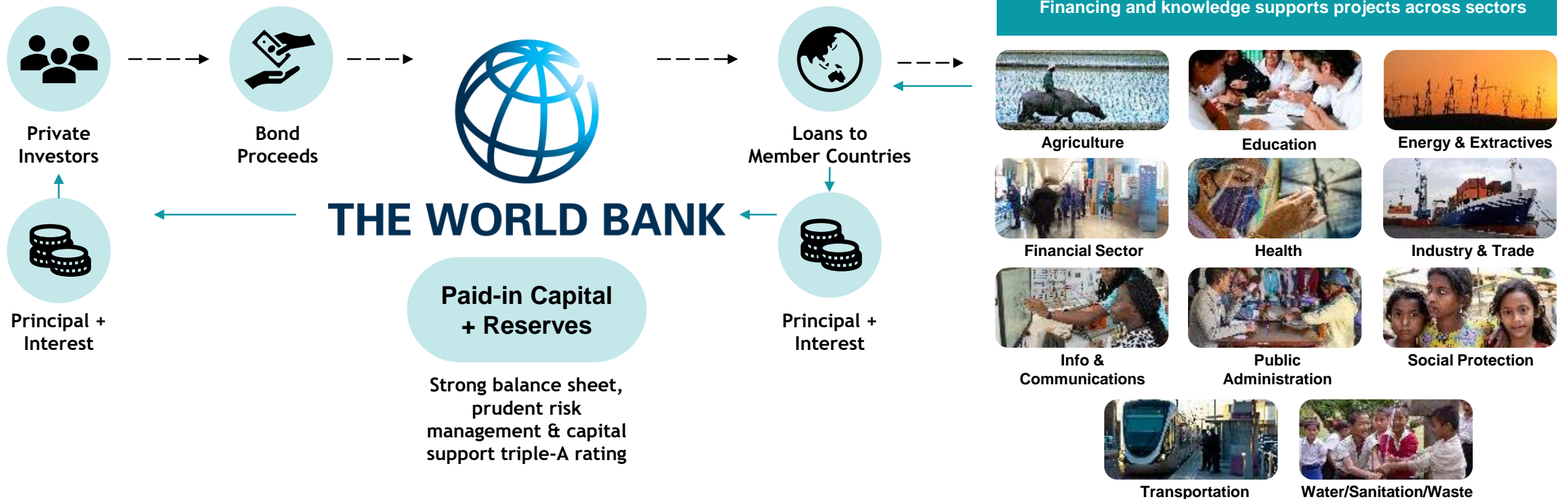
**Project Results**



**Sustainable Development Goals (SDGs)**

# THE WORLD BANK BUSINESS MODEL

## How World Bank Projects are Financed



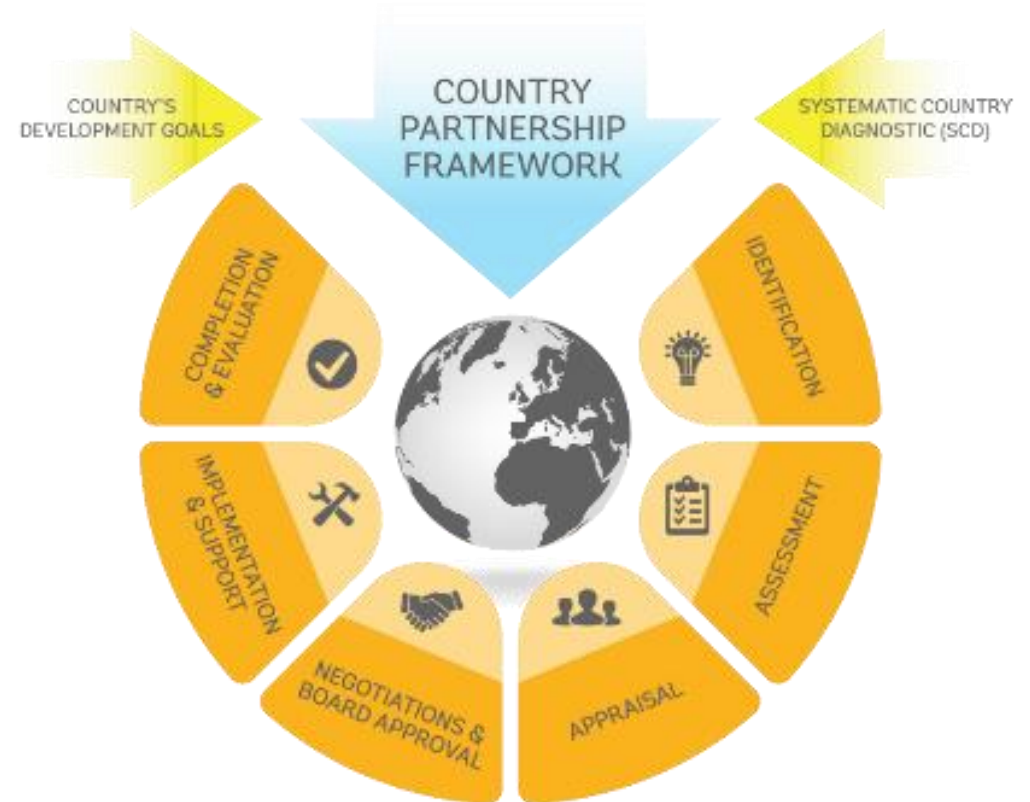


# PROJECTS MUST MEET STRICT STANDARDS

The World Bank works with its member countries to design projects that meet their **sustainable development needs**.

All projects are designed to:

- Address country-identified priorities
- Contribute to World Bank goals
- Meet environmental and social standards
- Make a positive impact



# OVERLAPPING CRISES

The World Bank is responding with impact, speed and scale to help member countries

Shocks have had both a deep direct human and economic impact as well as long-term adverse spillovers on developing countries, threatening to reverse decades of development gains.



**Impacts of  
climate change**



**Lingering  
pandemic effects**



**Commodity shocks,  
food insecurity**



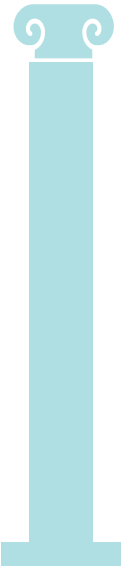
**Wars and  
persistent fragility**

# EVOLUTION PROCESS

## Transforming the World Bank to Leverage its Impact

The World Bank and other Multilateral Development Banks (MDBs) are increasingly important in addressing global challenges such as poverty, shared prosperity, inclusion, resilience, sustainability, and cross-border issues like climate change, pandemics, and conflict and violence.

The three building blocks of the World Bank's Evolution Process:



### Vision & Mission

Our new vision is to create a **world free of poverty on a livable planet** and our new mission is to **end extreme poverty and boost shared prosperity on a livable planet** by strengthening inclusion, resilience, and sustainability.



### Operating Model

We are introducing enhancements to our country engagement model, analytics, financing instruments, and incentives, to focus more on outputs rather than inputs.



### Financial Model

While maintaining the triple-A credit rating that allows us to efficiently leverage shareholder equity, we have been making available more resources through balance sheet optimization and we are attracting more funds for increasing our equity (e.g. through hybrid capital), as well as more resources for concessional funding.

# FOCUS ON GLOBAL CHALLENGES

## The World Bank's shareholders support focus on global goals

There are clear interlinkages between global, regional, and country development outcomes. **Achieving countries' development needs and tackling global challenges** are both urgently needed and mutually reinforcing.

The World Bank is committed to addressing the most pressing global challenges faced by our member countries. Our focus areas encompass a wide range of critical issues:

[Video: Global Challenges Explained](#)



# WORLD BANK GROUP'S CLIMATE CHANGE ACTION PLAN

## Aligning with the Paris Agreement, increasing Climate Finance

World Bank is Paris Aligned since July 1, 2023

### Definition

Provision of support to clients that is consistent with pathways towards equitable, sustainable, low-carbon, and climate-resilient development



### Country Circumstances

Paris Agreement gives countries latitude in the pathways they choose based on country circumstances in integrating climate and development

### Adaptation

Ensuring physical risk mitigation measures are fully embedded in project design

### Mitigation

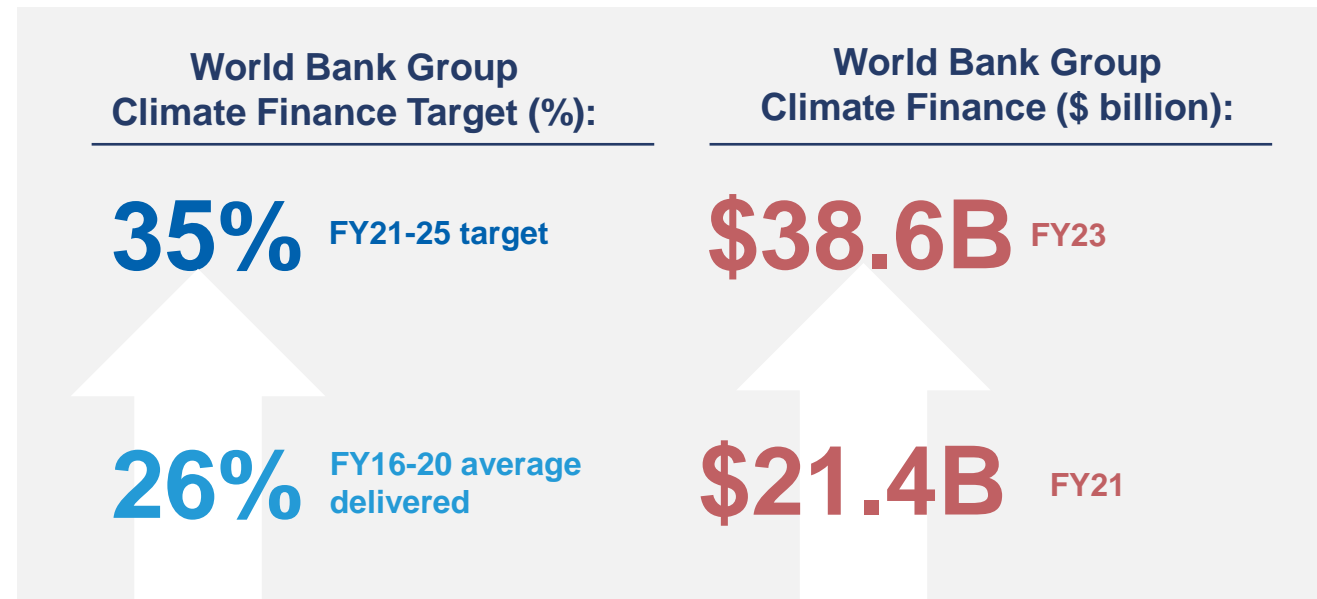
Ensure investments support limiting global warming to well below 2 degrees, recognizing that peaking of GHG emissions will take longer for developing countries



Learn more about the World Bank's Climate Change Action Plan ([link](#))

World Bank Group to Increase Overall Flows to Climate

*With at least 50% of climate financing going to adaptation*



\*Institutions of the World Bank Group that contribute climate benefits include: IBRD, IDA, IFC and MIGA and averaged together.

# CLIMATE ACTION CUTS ACROSS SECTORS



**100%** of all IBRD projects are screened for climate risk and impact

**92%** of all IBRD projects (by #) had climate financing in FY23, representing

**41%** of all commitments (by dollar value)

**45%** of all commitments as new Climate Finance target for FY25 (by dollar value)\*

## Climate Results Cut Across all World Bank Sectors

Energy & Extractives

Agriculture

Urban Resilience & Land

Transport

Water

Environment, Natural Resources & Blue Economy

Social Sustainability & Inclusion

Finance & Competitiveness

Governance

Trade

Poverty & Equity

Education

Health, Nutrition and Population

Social Protection

Digital Development



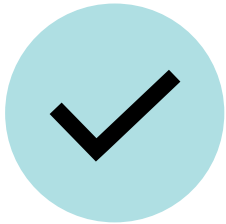
\*WBG target



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# WHY INVEST WITH THE WORLD BANK?

# KEY FEATURES OF WORLD BANK BONDS



## Decades in capital market, wide range of products

- Issuing debt since 1947; triple-A rating since 1959
- Fixed income products in multiple currencies, structures and maturities



## Special Features

- 0% Basel II and III risk weighting minimizes capital requirements
- Liquid bonds are classified as “Level 1 HQLA” (high quality liquid assets)



## Safety

- Strong balance sheet as a result of prudent financial policies
- Funds only for sovereigns/sovereign-guaranteed projects



## Development Mandate

- The World Bank’s sustainable development programs aim to achieve positive social and environmental impacts in member countries



# WHY INVEST? SECURITY

## AAA/Aaa Credit rating



### Conservative Financial Policies

- States only as borrowers
- Limits for individual countries
- Borrowers are also shareholders
- Preferred creditor status



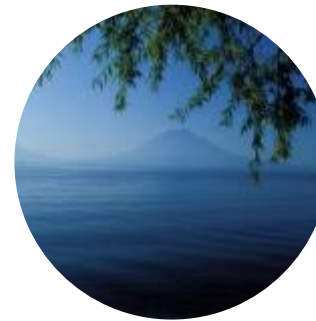
### Conservative Risk Management

- Fixed credit limits
- Equity to loans ratio granted only takes into account the equity paid in
- Strict and conservative investment policy



### Solid Capital Structure

- Equity US\$64 bn (FY24)
- Callable capital US\$301 bn (FY24)
- 189 government shareholders
- 2018 capital increase of US\$7.5 bn increases borrowing capacity

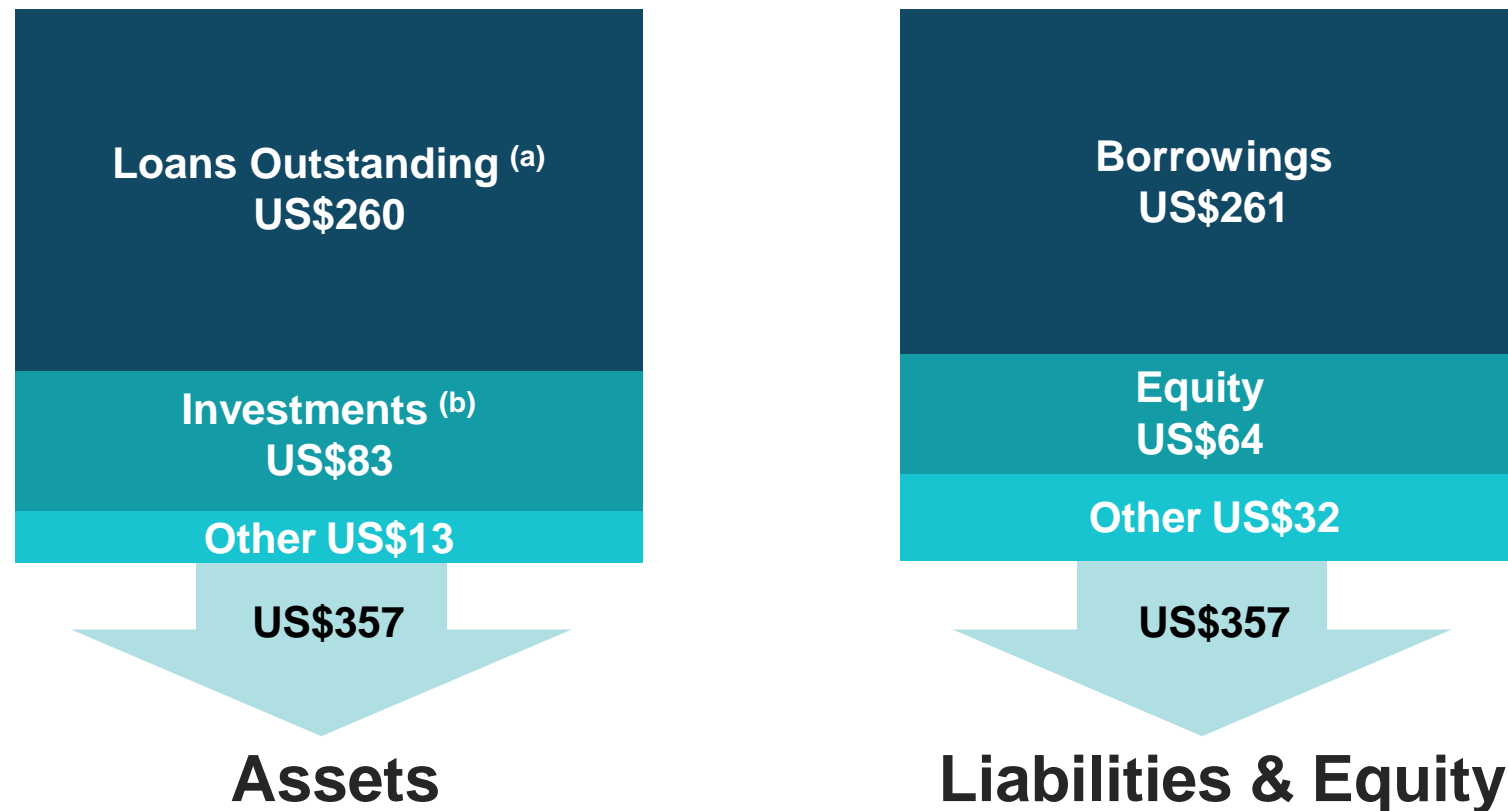


### High Liquidity

- Target liquidity level is 12 months coverage (US\$59 bn in FY24)
- Actual liquidity exceeds target (US\$79 bn in FY24)
- Bond portfolio with securities rated AAA/AA

# BALANCE SHEET STRUCTURE

Key Balance Sheet Items (as of June 30, 2024, in billions US\$)



(a) Net of accumulated loan loss provision and deferred loan income

(b) Investments and due from banks; of this amount, the liquidity portfolio is US\$79 billion

# WORLD BANK'S STRONG CREDIT QUALITY

## DIVERSIFIED SHAREHOLDER BASE

## QUALITY LOAN PORTFOLIO

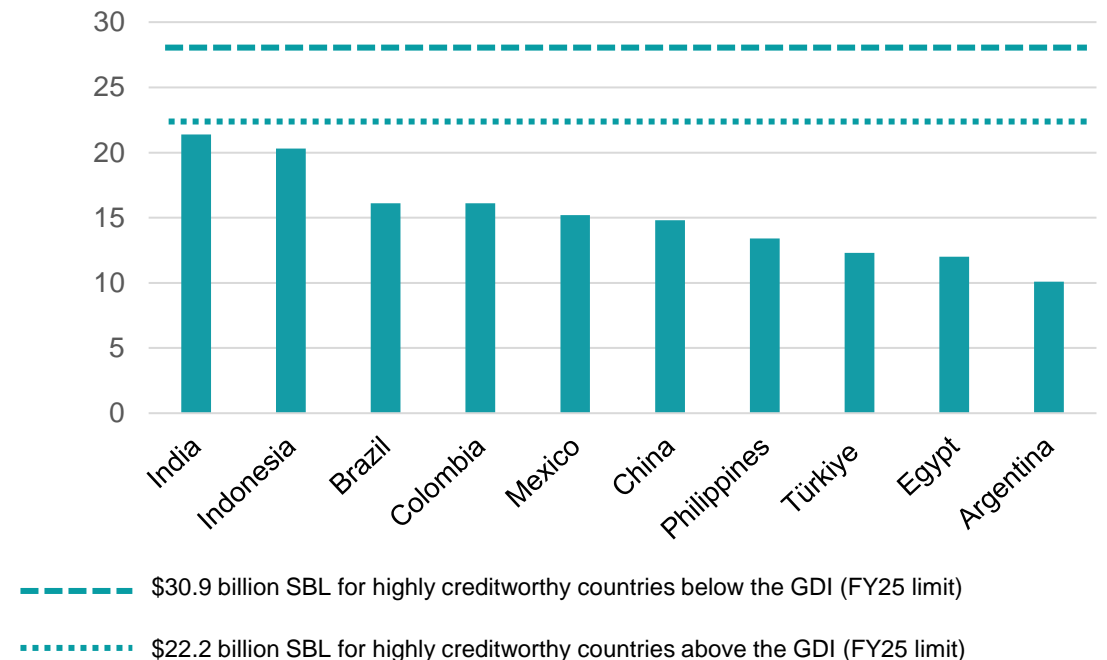
## PRUDENT RISK MANAGEMENT

## SUBSTANTIAL LIQUIDITY

- Global diversification
- Lending only to sovereign or sovereign-guaranteed projects
- Borrowing clients are also shareholders; increased incentive to repay
- Preferred creditor treatment – borrowing clients prioritize financial obligations to the World Bank – recognized by rating agencies and financial market participants
- Policy of freezing additional lending if payments not on time
- Single Borrowing Limits (SBL) for individual countries
- Graduation Discussion Income (GDI) is the level of per capita income of a member country above which graduation from IBRD starts being discussed.

### Top 10 Country Exposures for IBRD

(as of June 30, 2024, US\$ billions)



# WORLD BANK'S STRONG CREDIT QUALITY

DIVERSIFIED SHAREHOLDER BASE

QUALITY LOAN PORTFOLIO

PRUDENT RISK MANAGEMENT

SUBSTANTIAL LIQUIDITY

## Shareholder Support

- IBRD bonds are supported by the strength of its balance sheet and support of its 189 sovereign shareholders

## Largest Shareholders

- United States, 16.37%
- Japan, 7.46%
- China, 6.23%
- Germany, 4.43%
- France, 4.06%
- United Kingdom, 4.06%

*By percentage of total subscription as of June 30, 2024*

### Total Subscribed Capital

US\$ billions as of June 30, 2024

Paid-in Capital	US\$22.5
Callable Capital	US\$300.6
<b>Subscribed Capital</b>	<b>US\$323.1</b>

## Callable Capital

- The World Bank's financial policies are designed to minimize the need for a call on capital and key management tools like the Equity-to-Loans ratio targets do not take callable capital into account.
- No call has ever been made on a callable capital.
- Callable capital can only be called to satisfy debt obligations. Shareholders are responsible for the full amount of their callable capital subscription regardless of ability to fulfill their obligations.

# WORLD BANK'S STRONG CREDIT QUALITY

DIVERSIFIED  
SHAREHOLDER BASE

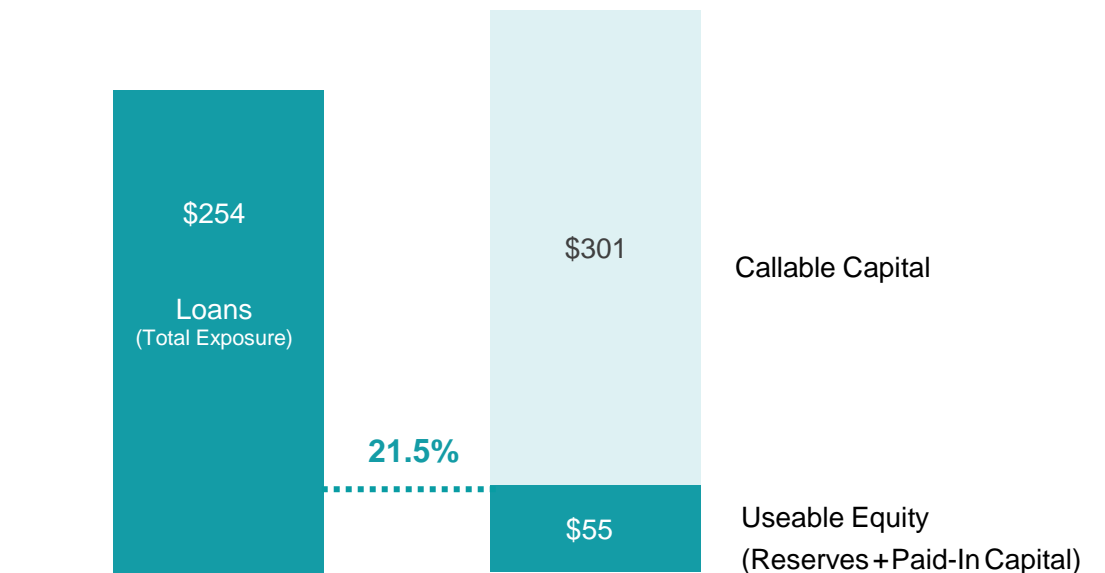
QUALITY LOAN PORTFOLIO

PRUDENT RISK MANAGEMENT

SUBSTANTIAL  
LIQUIDITY

- **Conservative financial policies** are designed to minimize the need for a call on capital.
- Key risk management indicators do not factor in **callable capital (\$301 billion)** to determine IBRD's risk-bearing capacity.
- The key risk tolerance indicator, **Equity-to-Loans Ratio** is set at a policy minimum of 19%. As of June 30, 2024, the total outstanding amount of loans made by IBRD was \$254 billion to useable equity of \$55 billion (**E/L Ratio of 21.5%**).
- FX and interest rate risks managed carefully to minimize risks.

**Equity-to-Loans Ratio**  
(US\$ billions; FY24)



# WORLD BANK'S STRONG CREDIT QUALITY

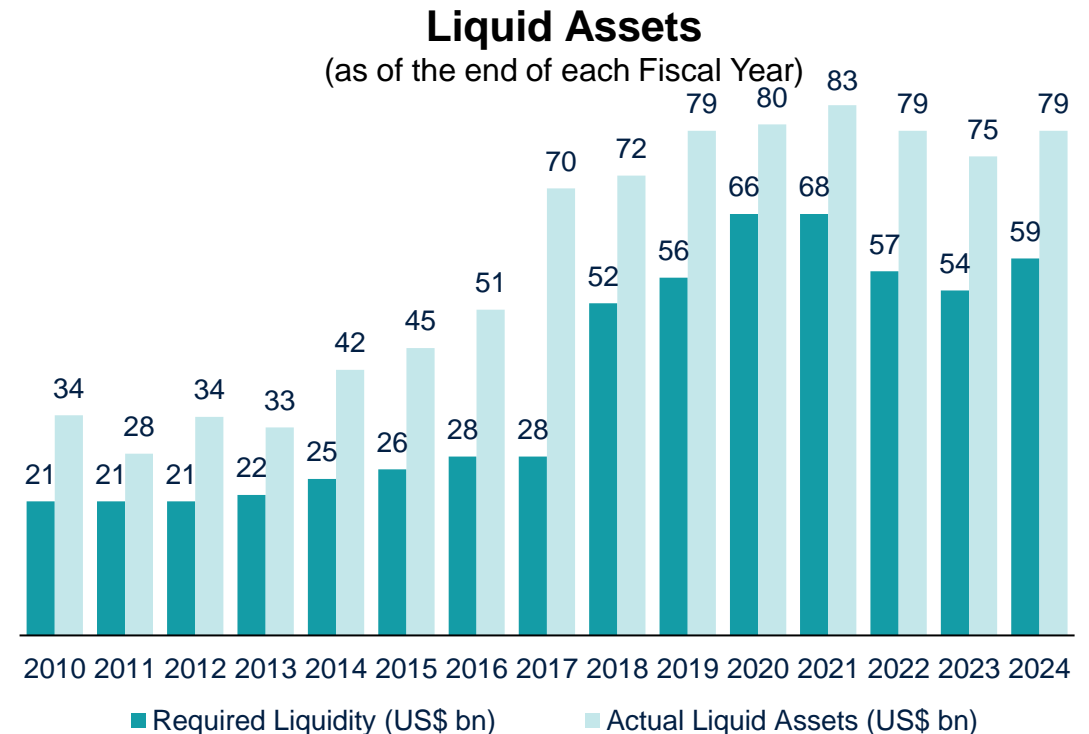
DIVERSIFIED SHAREHOLDER BASE

QUALITY LOAN PORTFOLIO

PRUDENT RISK MANAGEMENT

SUBSTANTIAL LIQUIDITY

- The target liquidity level represents 12 months coverage as calculated at the beginning of every fiscal year.
- Actual liquidity exceeds the estimated liquidity requirement to provide financial flexibility in the timing of new debt issuance while meeting obligations. The FY24 target liquidity level was set at US\$59 billion, US\$5 billion higher than FY23 Target Liquidity Level due to higher projected debt service for FY24.
- Liquidity portfolio is conservatively managed against strict guidelines. Eligible investments are highly rated fixed income securities rated AA- or better for governments and agencies, and AAA for corporates and ABS.





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# WHAT INVESTMENT PRODUCTS DOES THE WORLD BANK OFFER?

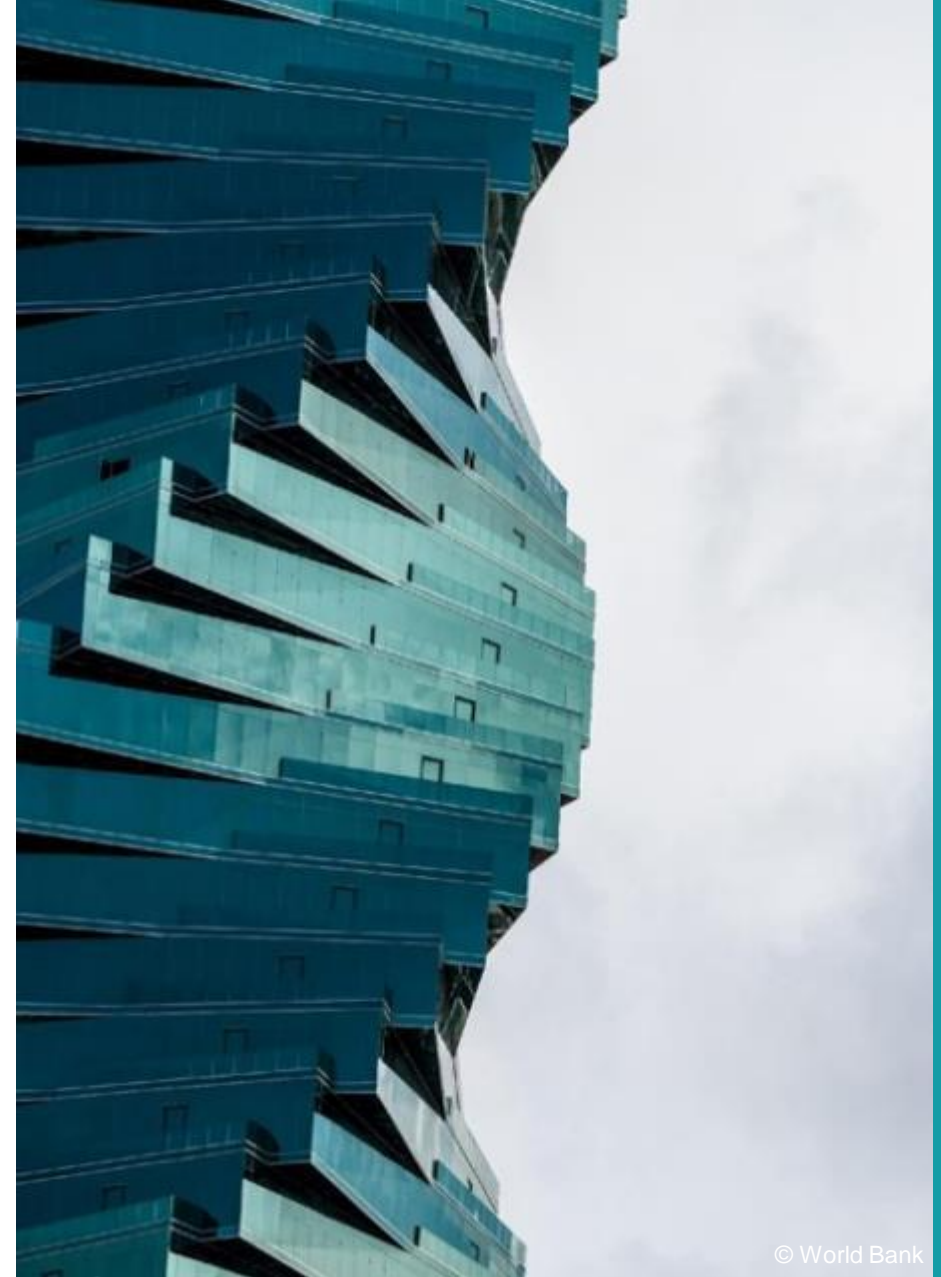
# FUNDING STRATEGY

## Meet Investors' Needs

- Offer a wide range of debt instruments from a AAA/Aaa issuer, with various characteristics including flexible structures, size, liquidity and maturities.
- Customize products to meet investor preferences
- Maturities up to 50 years.
- A 0% Basel II and III risk weighting minimizes capital requirements.
- Liquid bonds are considered level 1 HQLA (high quality liquid assets).
- Bonds have 'green' or 'sustainability' bond tag in Bloomberg

## High Execution Standards

- Broad sponsorship from underwriters with solid primary placement with a diversified investor base.
- Strong aftermarket spread performance for liquid bonds.

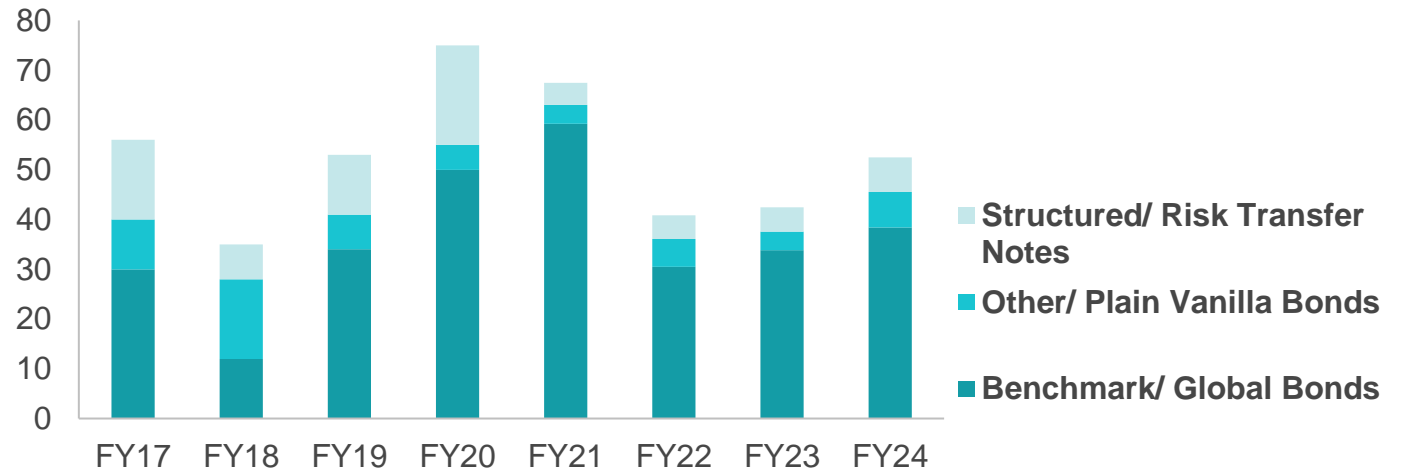
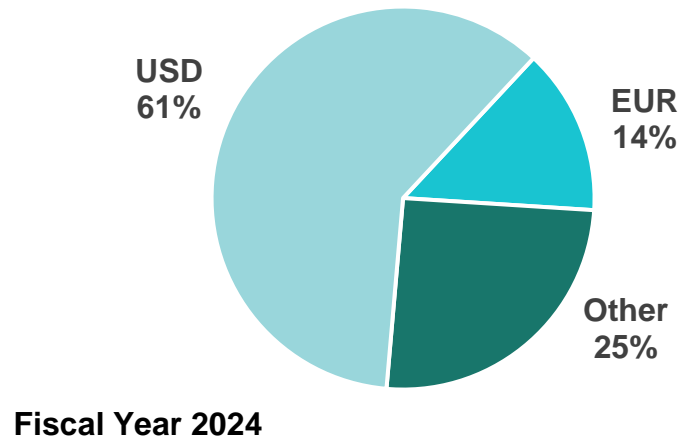
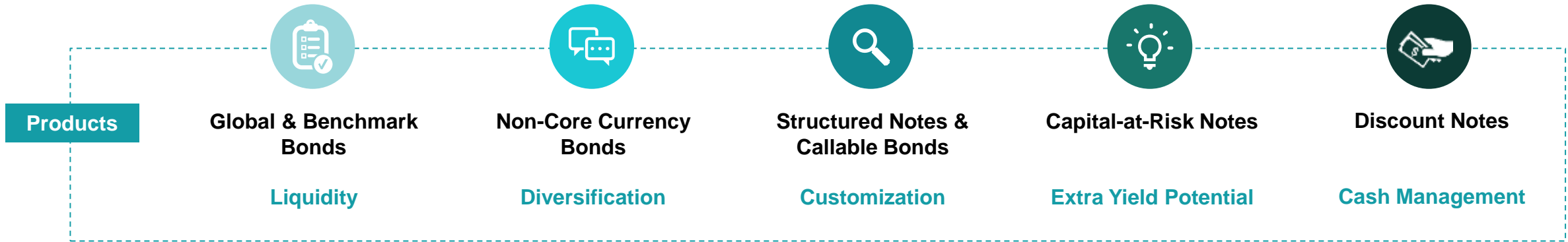


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# FUNDING PROGRAM

Investors have a wide choice of products to choose from



# SUSTAINABLE DEVELOPMENT BONDS

## Connecting Investment with Purpose

World Bank bonds provide investors with an opportunity to do well by doing good.



**Bond proceeds support the financing of green and social projects**



**World Bank supports sustainable development**



**Environmental & Social Standards**



**Project Cycle**



**17 Sustainable Development Goals**



**World Bank Sustainable Development Bonds and Green Bonds are:**

- ✓ aligned with the Green, Social and Sustainability Bond Principles (ICMA)
- ✓ tagged sustainability bonds on Bloomberg
- ✓ displayed on the Luxembourg Green & Sustainable Exchange

# IBRD USE OF PROCEEDS

## Supporting Sustainable Development in IBRD Member Countries

**World Bank Sustainable Development Bonds support the financing of a combination of green and social, i.e., “sustainable development”, projects, programs, and activities in IBRD member countries.**

Each project is designed intentionally to achieve both positive social and environmental impacts and outcomes in line with the **World Bank mission to end extreme poverty and boost prosperity on a livable planet.**

The World Bank’s [Sustainable Development Bond Framework](#) describes the process for selecting, evaluating, and reporting on eligible Sustainable Development Projects and contains descriptions and examples of such eligible projects.

**Target Populations:** World Bank projects aim to protect and empower vulnerable groups, including women and girls, the poor, disabled people, and youth to reduce poverty, improve living standards, and raise income and productivity.

### 5 Key Themes



**People:** Health, Skills/Education, Gender, Social Protection, and Inclusion



**Prosperity:** Economic Policies, Institutions, Prosperity, Finance, Competition, and Investment



**Planet:** Agriculture, Water, Climate, Environment



**Infrastructure:** Green Transport, Energy, and Livable Cities



**Digital:** Infrastructure and Services

# GLOBAL BONDS

The World Bank offers global bonds in a variety of currencies and maturities through strategic offerings designed to meet investor demand.

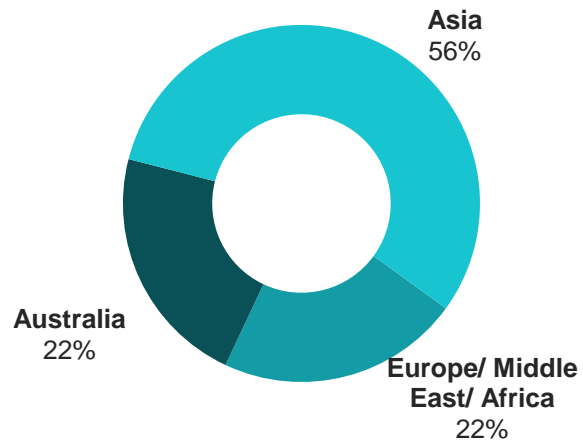
- **Global Bonds provide:**
  - Investors with liquidity and strong dealer commitment to secondary market support
  - Diversification among triple-A holdings and benefit from a rarity value in the marketplace
- **Characteristics:**
  - Issue size is typically US\$1-4 billion, or benchmark size for each market; largest benchmark was US\$8 billion
  - Maturities generally range between 2-10 years
  - Denominated in a variety of currencies, incl. USD, EUR, GBP, CAD, AUD, NZD
- World Bank bonds are represented in **major indices**
- **Pricing** and other bond details: Bloomberg: IBRD <Govt> <Go> or IBRD <Go>

# GLOBAL BOND EXAMPLE

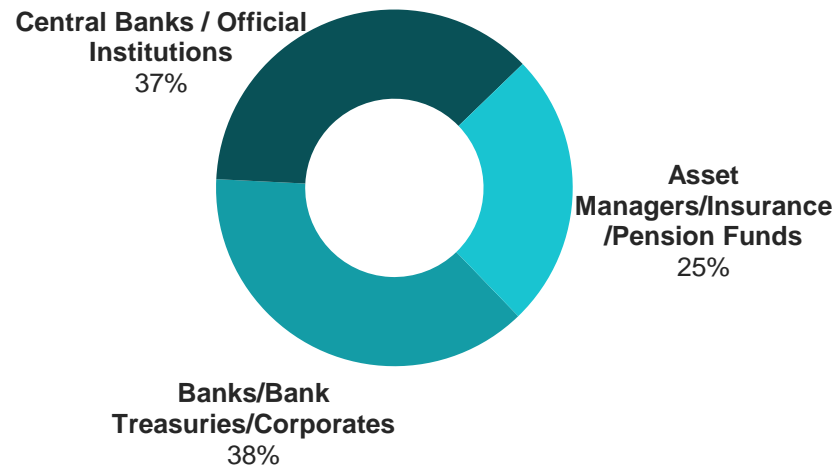
## AUD 2 Billion 5-year Sustainable Development Bond

On January 3, 2024, the World Bank (IBRD) priced its first benchmark of 2024 – an Australian dollar 2 billion 5-year bond due January 10, 2029. The transaction attracted over 50 orders totaling more than AUD 2.4 billion from investors drawn to IBRD’s high credit quality while supporting the World Bank’s mission.

**Distribution by Geography**



**Distribution by Investor Type**



**AUD 2 billion 5-year bond**

**Summary Terms and Conditions**

Issuer Rating:	Aaa/AAA
Maturity:	5-year
Total Amount:	AUD 2 billion
Settlement Date:	01/10/2024
Maturity Date:	01/10/2029
Coupon:	4.30% p.a. payable semi-annually
Joint Lead managers:	Deutsche Bank, JP Morgan, Nomura International plc, RBC Capital Markets

[AUD 2 Billion 5-year Sustainable Development Bond](#)

*Net proceeds of the bonds described herein are not committed or earmarked for lending to, or financing of, any particular projects or programs, and returns on the bonds described herein are not linked to the performance of any particular project or program.*

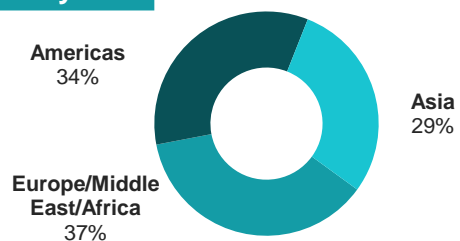
# GLOBAL BOND EXAMPLE

## USD 6 Billion Dual Tranche Sustainable Development Bonds

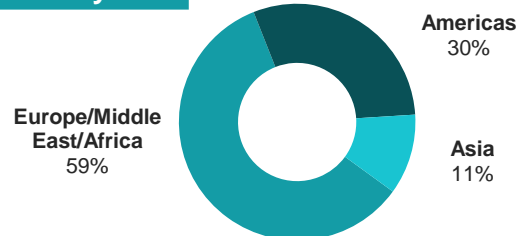
On April 3, 2024, the World Bank (IBRD) priced two Sustainable Development Bonds, a USD 3 billion 2-year bond maturing in April 2026 and a USD 3 billion 7-year bond maturing in April 2031. The bonds raised USD 6 billion from investors seeking to support the World Bank’s work to end extreme poverty and boost prosperity on a livable planet.

### Distribution by Geography

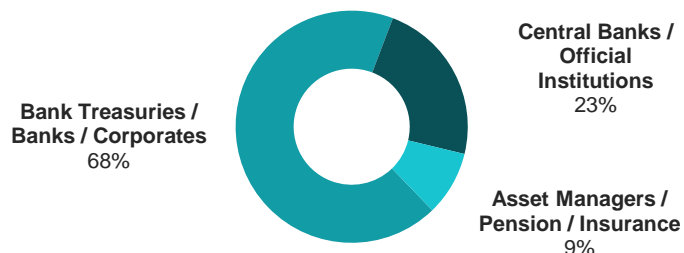
#### USD 3 billion 2-year



#### USD 3 billion 7-year



### Distribution by Investor Type



### USD 2.7 billion 2-year and 7-year Bonds

#### Summary Terms and Conditions

Issuer Rating:	Aaa/AAA	
Maturity:	2-year	7-year
Total Amount:	USD 3 billion	USD 3 billion
Settlement Date:	04/10/2024	
Maturity Date:	04/10/2026	04/10/2031
Coupon:	4.75% p.a., payable semi-annually	4.50% p.a., payable semi-annually
Leads:	Merrill Lynch International, HSBC Bank, J.P. Morgan Securities, Wells Fargo Securities, LLC	

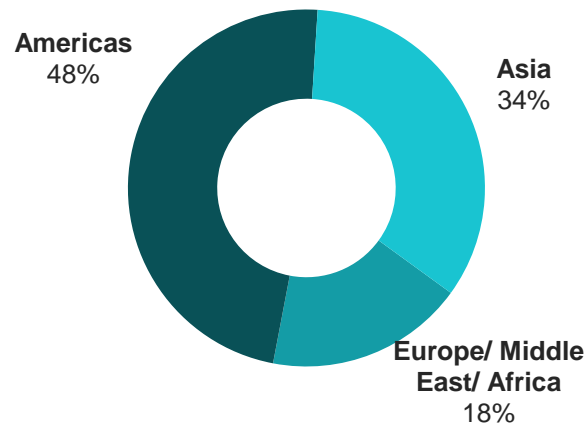
### USD 6 billion Dual Tranche Sustainable Development Bonds

# GLOBAL BOND EXAMPLE

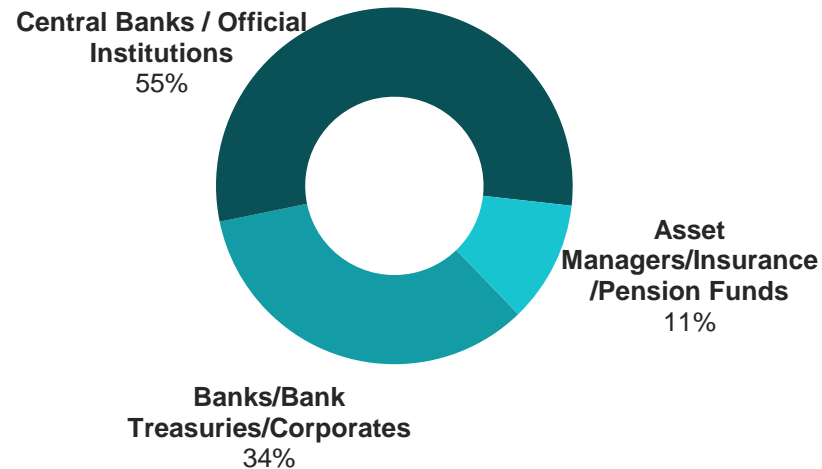
## CAD 1.4 Billion 5-year Sustainable Development Bond

On January 3, 2024, the World Bank (IBRD) priced a new 5-year CAD 1.4 billion benchmark that matures in January 2029.

**Distribution by Geography**



**Distribution by Investor Type**



**CAD 1.4 billion 5-year bond**

**Summary Terms and Conditions**

Issuer Rating:	Aaa/AAA
Maturity:	5-year
Total Amount:	CAD 1.4 billion
Settlement Date:	01/12/2024
Maturity Date:	01/12/2029
Coupon:	3.50% p.a.
Joint Lead managers:	CIBC, RBC Capital Markets, National Bank Financial Inc., TD Securities

[CAD 1.4 Billion 5-year Sustainable Development Bond](#)

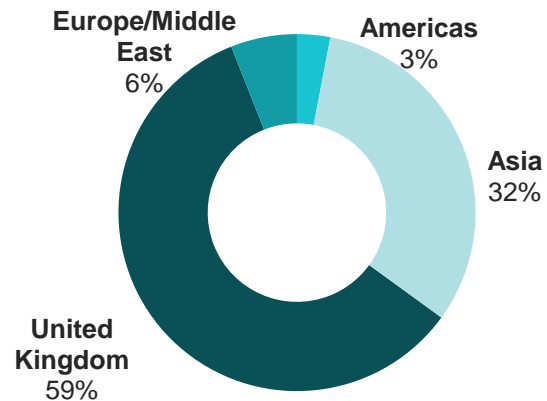
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# GLOBAL BOND EXAMPLE

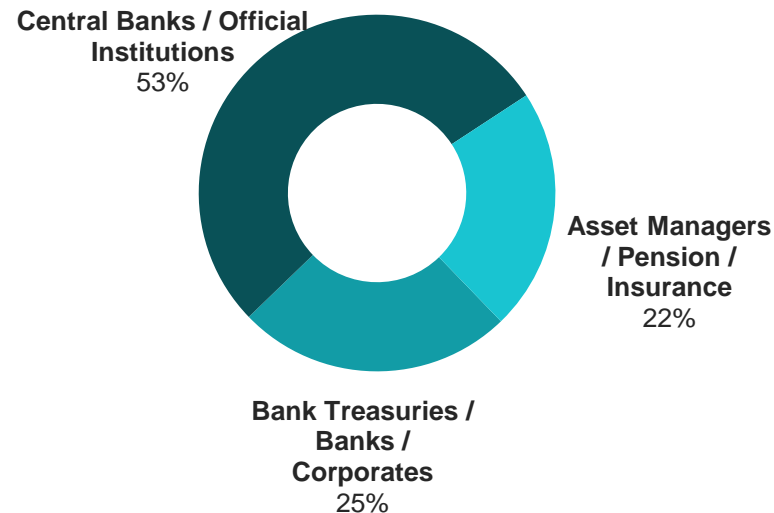
## GBP 1.5 billion 5-year Sustainable Development Bond

On January 4, 2024, the World Bank (IBRD) priced a 5-year British pound sterling (GBP) benchmark bond due October 2028. The Sustainable Development Bond raised an impressive size of GBP 1.5 billion from investors to support the financing of the World Bank’s work to fund sustainable development solutions in its member countries.

### Distribution by Geography



### Distribution by Investor Type



### GBP 1.5 billion 5-year Bond

#### Summary Terms and Conditions

Issuer Rating:	Aaa/AAA
Maturity:	5-year
Total Amount:	GBP 1.5 billion
Settlement Date:	01/11/2024
Maturity Date:	10/02/2028
Coupon:	3.875% p.a.
Leads:	Citigroup, NatWest Markets, Santander and TD Securities

[GBP 1.5 billion 5-year Global Benchmark Bond](#)

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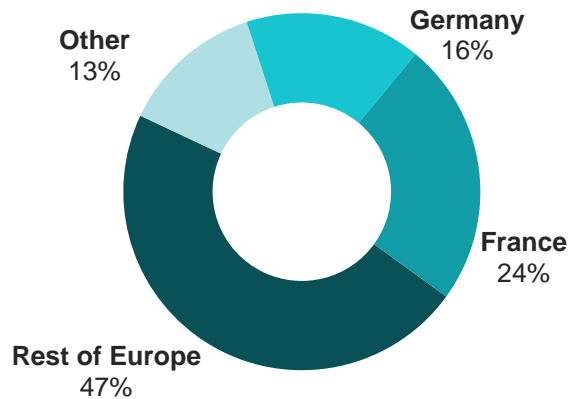


# GLOBAL BOND EXAMPLE

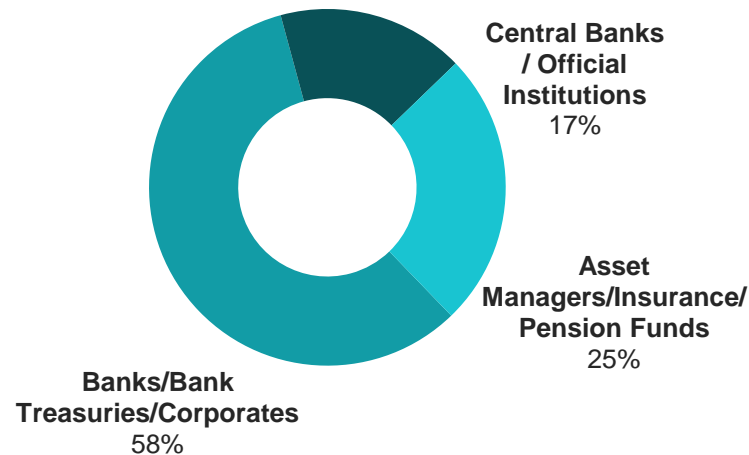
## EUR 3 billion 10-year Sustainable Development Bond

On February 6, 2024, the World Bank (IBRD) priced a EUR 3 billion 10-year Sustainable Development Bond. This transaction attracted over 100 orders totaling Euro 4.7 billion from European and global investors seeking high credit quality and an investment that supports sustainable development at the longer end of the EUR curve.

**Distribution by Geography**



**Distribution by Investor Type**



**EUR 3 billion 10-year Bond**

**Summary Terms and Conditions**

Issuer Rating:	Aaa/AAA
Maturity:	10-year
Total Amount:	EUR 3 billion
Settlement Date:	02/14/2024
Maturity Date:	02/14/2034
Coupon:	2.9% p.a.
Leads:	BNP Paribas, NatWest Markets, Nomura, TD Securities

[EUR 3 billion 10-year Sustainable Development Bond](#)

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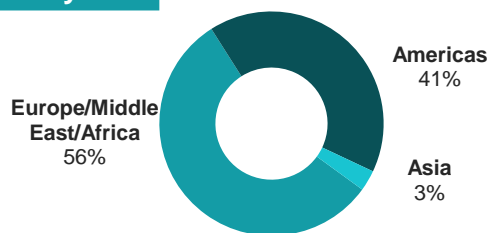
# GLOBAL BOND EXAMPLE

## SOFR-Linked Floating Rate Bonds

On July 17, 2024, the World Bank (IBRD) priced a dual tranche transaction consisting of USD 2 billion and USD 0.7 billion tranches. Both Sustainable Development Bonds are linked to the Secured Overnight Financing Rate (SOFR). The transaction attracted over 110 orders totaling USD 4.7 billion from a diverse set of investors seeking a high credit quality investment while supporting sustainable development.

### Distribution by Geography

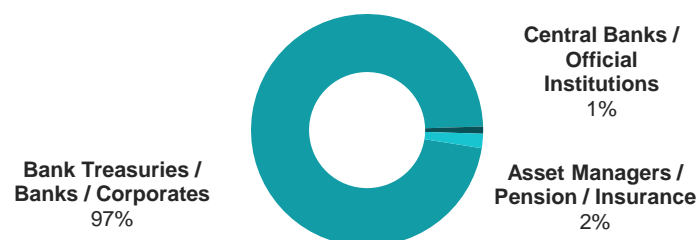
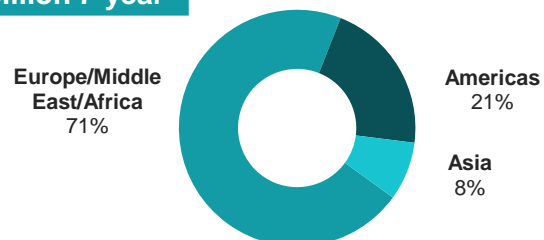
#### USD 2 billion 3-year



### Distribution by Investor Type



#### USD 0.7 billion 7-year



### USD 2.7 billion 3-year and 7-year Bonds

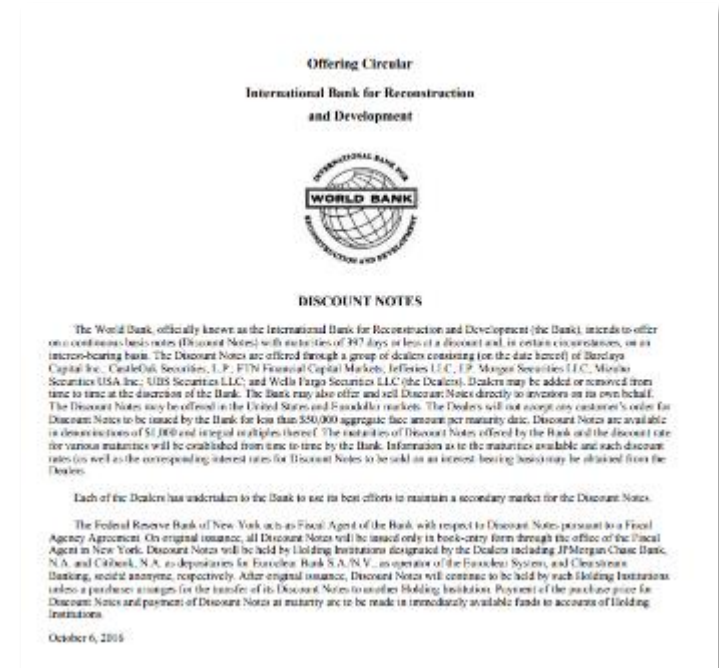
#### Summary Terms and Conditions

Issuer Rating:	Aaa/AAA	
Maturity:	3-year	7-year
Total Amount:	USD 2 billion	USD 0.7 billion
Settlement Date:	07/24/2024	
Maturity Date:	06/15/2027	02/11/2031
Coupon:	Compounded Daily SOFR + 27 basis points	Compounded Daily SOFR + 37 basis points
Leads:	HSBC Bank, Scotia Bank, and Wells Fargo Securities	

#### USD 2.7 billion SOFR-Linked Floating Rate Bond

# DISCOUNT NOTES

- The World Bank offers flexible and customized short-term debt instruments through its USD Discount Notes Program using simple documentation (Offering Circular).
- Discount Notes are offered in the United States and Eurodollar markets.
- Rates for World Bank Discount Notes are posted on Bloomberg's "ADN" page under the World Bank option ("WBDN").
- Discount Notes characteristics:
  - maturities of 397 days (13 months ) or less
  - aggregate face amounts of US\$50,000 and higher per maturity date



# BUYBACK PROGRAM



World Bank Headquarters, Washington, DC

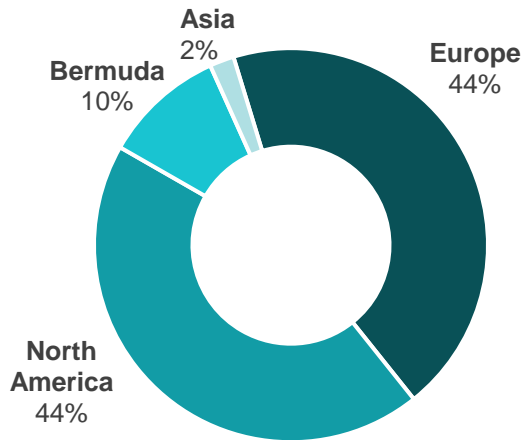
- The World Bank buys back its own bonds through dealers on a reverse enquiry basis
- Program is designed to offer backstop liquidity to investors and covers vanilla and structured IBRD notes, as well as benchmarks
- Repurchased notes are retired from the market
- The program has been operational 20+ years, including the 2008-2009 financial crisis and the 2020 COVID-19 crisis with average volumes of roughly US\$1 billion annually
- Confidential execution as requested
- Execution remains at the discretion of IBRD

# CATASTROPHE BOND EXAMPLE

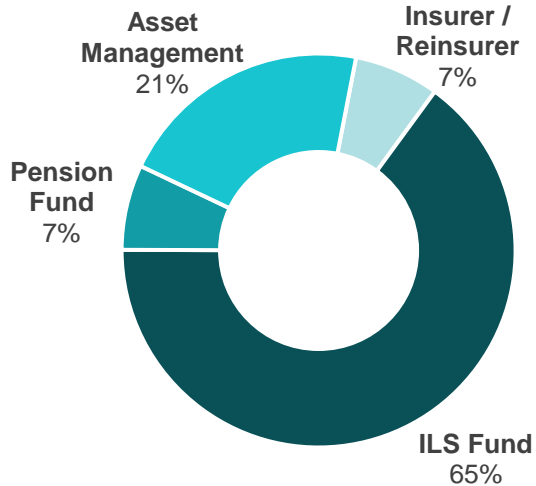
## Provides Insurance to Mexico for Earthquake Events and Atlantic storms

On April 17, 2024, the World Bank (IBRD) issued three catastrophe bond that provide **USD 420 million** of insurance against earthquakes and named Atlantic storms to the Government of Mexico for four years. The cat bonds replace and increase by USD 60 million Mexico's previous cat bonds for these natural disasters.

Distribution by Geography



Distribution by Investor Type



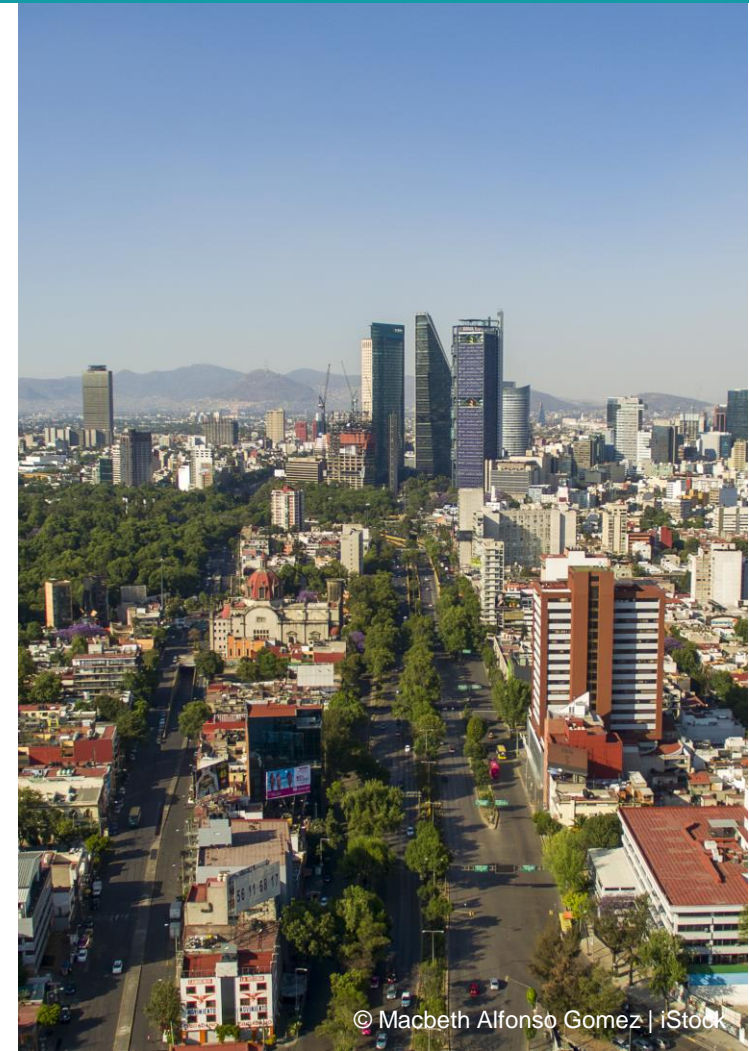
*Net proceeds of the bonds described herein are not committed or earmarked for lending to, or financing of, any particular projects or programs, and returns on the bonds described herein are not linked to the performance of any particular project or program."*

### USD 420 million 4-year Cat Bond

#### Summary Terms and Conditions

Issuer Rating:	Aaa/AAA
Maturity:	4-year
Total Amount:	USD 420 million
Settlement Date:	04/17/2024
Maturity Date:	04/24/2028
Bond Coupon:	Compounded SOFR + Funding Margin + Risk Margin
Risk Margin (risk period):	Class A: 4%. Class B: 11%. Class C: 13.5%
Funding Margin:	+0.022% p.a.
Covered Perils:	Earthquakes (Class A + B) and Atlantic storms (Class C)
Trigger:	Parametric, per occurrence
Leads:	Aon Securities, GC Securities, Munich Re

[Mexico Cat Bond Press Release](#)



# OUTCOME BOND EXAMPLE

## Wildlife Conservation Bond to Protect Black Rhinos and Support Local Communities in South Africa

On March 31, 2022, the World Bank (IBRD) issued the first **Wildlife Conservation Bond**, a principal protected outcome bond, that channels additional private capital for conservation outcomes.

- Investors foregone regular coupons **fund conservation investment** in two parks in South Africa, while also providing environmental and social benefits to local communities.
- In addition to return of principal and a small guaranteed return, investors potentially receive a **conservation success payment** at maturity (funded by the Global Environment Facility) based on rhino population growth rates.
- Nuveen was the lead investor in the transaction which included other **institutional investors and individual investors** from both Credit Suisse and Citi private banking.

[WCB Press Release](#)

USD 150 million 5-year Bond	
Summary Terms and Conditions	
Rating:	AAAp
Maturity:	5-year
Total Amount:	USD 150 million
Settlement Date:	03/31/2022
Maturity Date:	03/31/2027
Issue Price:	94.84%
Conservation Investment Payment:	Issuer will make payments totaling ZAR 152 million to the Park Managers to finance rhino conservation activities.
Conservation Success Payment:	Paid to investors at maturity based on rhino growth rates in two Parks. Maximum payment is US\$13.76 million
Sole Structurer:	Credit Suisse
Bookrunners:	Credit Suisse and Citibank, NA



# OUTCOME BOND EXAMPLE

## Helping Communities Remove and Recycle Plastic Waste

On January 24, 2024, the World Bank (IBRD) issued a [Plastic Waste Reduction-Linked Bond](#), a principal protected outcome bond, that channels private capital to a project with positive climate and development impacts.

- Investors forego regular coupon payments to provide up-front financing for [projects that aim to reduce and recycle plastic waste in vulnerable communities](#) in Ghana and Indonesia.
- Projects help to reduce plastic pollution, create improvements in local pollution and air quality, reduce associated health impacts, and create jobs in marginalized communities.
- In addition to return of principal and a small guaranteed return, investors receive variable [coupons linked to Plastic Waste Collection Credits, Plastic Waste Recycling Credits and Voluntary Carbon Units](#) expected to be generated by two projects.
- Investors include: Velliv Pension, Skandia, Mackenzie Investments, T. Rowe Price, Muzinich & Co

USD 100 million 7-year Bond	
Summary Terms and Conditions	
Rating:	AAAp
Maturity:	7-year
Total Amount:	USD 100 million
Settlement Date:	01/31/2024
Maturity Date:	01/31/2031
Issue Price:	100%
Plastic & VCU-Linked Interest Payment:	Linked to the number of Plastic Credits and Verified Carbon Units (VCUs) issued from the projects, each subject to a cumulative ceiling
Minimum coupon:	1.75% per Specified Denomination
Lead Manager:	Citibank

### [Plastic Waste Reduction Bond Press Release](#)

*Net proceeds of the bonds described herein are not committed or earmarked for lending to, or financing of, any particular World Bank projects or programs. Payments on the bonds are not funded by any particular World Bank project or program.*





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# HOW IS THE WORLD BANK ENGAGING WITH INVESTORS ON THE SDGs?



# BUILDING SUSTAINABLE CAPITAL MARKETS



World Bank's first green bond catalyzed the green bond market and spearheaded disclosure and impact reporting standards for green and other sustainable assets.

A revolution sparked by green bonds has the potential to drive more data-driven sustainable/ impact investing.

The green bond model for project selection, second party opinion, and impact reporting has expanded to World Bank Sustainable Development Bonds.



A global development institution focused on the reduction of poverty and inequality.



Issuer of sustainable development bonds and green bonds.



Engagement with investors and others on sustainable and impact investments.



Partnering with others to:

- leverage our issuance and development experience
- increase awareness for thematic investment and sustainable capital flows
- support transparency and data availability as a global public good.



## Sustainable Development Bonds

Today, most World Bank bonds are labeled as Sustainable Development Bonds.

The Sustainable Development Bond label highlights how proceeds support the financing of projects with both green and social goals and emphasizes the holistic approach that the World Bank takes to mainstream climate action in all operations.

# PIONEERING THE GREEN BOND MARKET



- The **World Bank's first green bond catalyzed the green bond market** and spearheaded disclosure and impact reporting standards for green and other sustainable assets.
- Green bonds carry the same financial terms and risk as other World Bank bonds.
- The World Bank is **advising member countries** on green finance and green bond issuance, e.g., through a [guide for a national taxonomy](#).



**10,950,000 tons**  
of municipal wastewater  
collected and treated annually in  
**Lebanon**



**6,0200,000 tons**  
of CO<sub>2</sub> eq emissions reduced  
due to sustainable agricultural  
practices in **India\***



**1,825,000 tons**  
Of waste reduced, reused or  
recycled annually in **Pakistan**



**9,200,000 GWh**  
in annual  
energy savings across  
Green Bond project portfolio

Result indicators reflect expected results of selected active Green Bond projects in FY23. Please see [Impact Report 2023](#) for further information on the indicators.

\*Results aggregated across several projects reporting on the same indicator.

# MEETING INVESTOR DEMAND

## For Sustainable Investment Products

- All **World Bank bonds** aim to achieve **positive social and environmental impact** in line with the SDGs.
- Investors are factoring environmental and social risks and sustainability considerations into decision-making.
- World Bank bonds are **natural fit for investors seeking positive impact and thematic investment**.
- Investors are **focusing investments on special themes and the SDGs** like climate action, gender equality, good health and well-being, equitable social services, and sustainable transport.
- World Bank Treasury is cultivating a long-term **partnership with the private sector** driving growth in green and sustainability bonds and innovation to mobilize financing for sustainable development.

### SUSTAINABLE DEVELOPMENT GOALS



# SUSTAINABLE DEVELOPMENT BONDS

IBRD issues two types of labeled bonds

## Sustainable Development Bonds | Commitments & Disbursements

Table 1. Fiscal Year  
\$ millions

Total
Public Administration
Health
Agriculture, Fishing & Forestry
Social Protection
Energy & Extractives
Transportation
Water, Sanitation & Sewerage
Financial Sector
Education
Industry, Trade & Services
Information & Communications



**World Bank Sustainable Development Bonds** aligned with **Sustainability Bond Guidelines** published by ICMA

## Green Bonds Commitments & Allocations\*

US\$18 billion has been committed  
US\$12.5 billion allocated net

Commitments & Allocations by Sector

Sectors
1. Renewable Energy and Energy Efficiency
2. Clean Transportation
3. Water and Wastewater
4. Solid Waste Management
5. Biodiversity
6. Agriculture, Land Use, Forestry, and Ecosystems
7. Resilient Infrastructure, Built Environment
Total
Percentage



**World Bank Green Bonds** aligned with **Green Bond Principles** published by ICMA

# GREEN BONDS



Read the [2023 World Bank \(IBRD\) Impact Report](#)

## FY23 GREEN BOND PROJECT RESULTS

**13** CLIMATE ACTION  
**27.3** million tCO<sub>2</sub>eq  
GHG emissions avoided/reduced annually  
**27.5** million people  
benefitted from green bond projects

**7** AFFORDABLE AND CLEAN ENERGY  
**9.2** billion MWh  
annual energy savings  
**4,876** MW  
of renewable energy capacity added

**3** GOOD HEALTH AND WELL-BEING  
**11** SUSTAINABLE CITIES AND COMMUNITIES  
**12** RESPONSIBLE CONSUMPTION AND PRODUCTION  
**3.3** million tons  
of waste prevented, minimized, reused or recycled annually

**2** ZERO HUNGER  
**14** LIFE BELOW WATER  
**15** LIFE ON LAND  
**7.8** million ha  
of area under sustainable management practices

**11** SUSTAINABLE CITIES AND COMMUNITIES  
**202** km  
of rail tracks/BRT/public transport/  
pedestrian walkways constructed/  
rehabilitated

**6** CLEAN WATER AND SANITATION  
**11** SUSTAINABLE CITIES AND COMMUNITIES  
**12** RESPONSIBLE CONSUMPTION AND PRODUCTION  
**44** million m<sup>3</sup>  
of annual water savings  
**23** million m<sup>3</sup>  
of wastewater treated, reused,  
or avoided annually

# SUSTAINABLE DEVELOPMENT BONDS

## Holistic Approach Uses SDGs as a Framework

### Sustainable & Inclusive Growth



**6.7 million people**  
with enhanced access to  
transportation services



**1.1 MW**  
of generation capacity of energy  
constructed or rehabilitated



**4 million people**  
with new/improved electricity service



**101,513 people**  
with new/enhanced access to broadband  
internet



**4.9 million students**  
with direct interventions to  
enhance learning



**8.9 million beneficiaries**  
of job-focused interventions



**2 million people and  
141,423 businesses**  
benefiting from financial services



**487,502 farmers**  
adopting improved agricultural technology



**273,138 ha**  
with new/improved irrigation or  
drainage services



**690 projects  
supported**

**\$38.6 billion in  
lending  
committed**

Read the [2023 World Bank \(IBRD\) Impact Report](#)

# WORLD BANK SUMMARY

- The World Bank's purpose is to **end extreme poverty** and **promote shared prosperity on a livable planet**.
- World Bank bonds fund sustainable development activities.
- **AAA/Aaa rating** is based on its strong balance sheet and capital, conservative financial policies and risk management, and support from 189 member countries.
- **Wide range of products** ranging from benchmark bonds to tailor-made notes designed to suit specific investor needs.
- All bonds are labeled as 'sustainability' or 'green' bonds designed to achieve positive impact.
- **Outcome-based structured bonds** allow investors to take on other risks for additional impact.





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# ANNEX: PROJECT STORIES

Disclaimer: Examples of projects herein are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by IBRD anytime in the future. Net proceeds of IBRD securities are not committed or earmarked for lending to, or financing of, any particular projects or programs, and returns on IBRD securities are not linked to the performance of any particular project or program.





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# COLOMBIA

## Access and Quality in Higher Education

**Development Challenge:** The participation of young people from socioeconomically disadvantaged backgrounds in tertiary education in Colombia is very low. In 2014, only 10% of young people in the poorest quintile enrolled in a higher education program, compared to 59% of the richest quintile. That same year, only 13% of the rural population enrolled in a tertiary education program, as compared to 60% in the main cities. Half of the students who enter tertiary education drop out before finishing their studies.

**Purpose:** Improve the quality of tertiary education in participating institutions and increase enrollment of students from disadvantaged socioeconomic backgrounds in quality programs. The project provides financing for students to attend tertiary and postgraduate education through student loans and scholarships. The project also provides financing for institutions to carry out quality improvements to obtain accreditation through competitive research grants and loans.

- Expected Results (include):**
- 1,222,876 students from disadvantaged backgrounds enrolled in tertiary education
  - 46,080 students from low socioeconomic groups who obtain a loan
  - 322,000 students benefiting from direct interventions to enhance learning
  - 6.2% of new student loans given to victims of violence; 7.5% to indigenous, afro-Colombians, and Roma people; 7% of loans to new students in 'remote areas'

For more information:  
<https://projects.worldbank.org/en/projects-operations/project-detail/P160446>

**IBRD Financing:** \$160 million

**Closing:** 2025



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For more information:

<https://projects.worldbank.org/en/projects-operations/project-detail/P172548>

# EGYPT

## Greater Cairo Air Pollution Management and Climate Change Project

**Development Challenge:** Despite significant improvements in air quality in recent years, Greater Cairo's air pollution levels far exceed international standards. Pollution management is key to providing safe living conditions for communities while reducing the health burden, fiscal strain, and economic costs from environmental degradation. Air pollution and adverse climate impacts threaten the longevity of Egypt's draw for tourism (a sector that contributes about 12% to GDP) by degrading Egypt's rich cultural heritage and creating conditions that discourage tourists from visiting altogether.

**Purpose:** Reduce air and climate emissions from critical sectors and increase resilience to air pollution in Greater Cairo. In response to COVID-19, the project is working to improve healthcare waste management systems and introduce prevention measures in municipal waste operations. This will focus on under-served hospitals to provide waste sterilization equipment and personal protective gear, alongside the provision of technical assistance and training on the safe handling, transportation and disposal of healthcare waste.

### Expected Results (include):

- Increase the number of women employed in the solid waste chain by 10%, following training and capacity building
- Reduce GHG emissions from public buses by 23%
- Reduce GHG emissions from municipal solid waste by 30%

**IBRD Financing:** \$200 million

**Closing:** 2026



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For more information:

<https://projects.worldbank.org/en/projects-operations/project-detail/P173927>

# GABON

## COVID-19 Strategic Preparedness and Response

**Development Challenge:** Although Gabon has two laboratories capable of diagnosing COVID-19, samples must be transported either by air, facing logistical constraints, or by road, which is far from the capital. These two centers do not have enough capacity to provide the laboratory testing Gabon needs during the COVID-19 pandemic and financial support is needed for laboratory equipment and acquisition of kits and laboratory reagents.

**Purpose:** Prevent, detect, and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in Gabon. The project received additional financing to support the country's National Vaccination and Deployment Plan, to enable affordable and equitable access to COVID-19 vaccines, providing 945,255 doses.

### Expected Results (include):

- 23 laboratories provided with COVID-19 diagnostic equipment, test kits, and reagents
- Increase the percentage of health staff equipped with appropriate PPE for infection prevention and control to 80%
- Provide 26 ambulances to transport COVID-19 patients
- 60% of population vaccinated, of which 50% are women
- Distribute gender sensitive educational communication materials on COVID-19 vaccines

**IBRD Financing:** \$21 million

**Closing:** 2025



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# GUATEMALA

## Creceer Sano: Guatemala Nutrition and Health Project

**Development Challenge:** Guatemala faces a crisis as a result of the spread of COVID-19, both in terms of public health and the economy. COVID-19 has worsened the country’s economic situation, leading to a rise in malnutrition along with food shortages and an increase in food prices. Approximately 47% of Guatemalan children suffer from stunting – one of the highest rates in the world. The capacity of the country’s health infrastructure to respond to the crisis is limited due to high demand and insufficient human resources, equipment, and financing.

**Purpose:** Improve selected practices, services, and behaviors known to be key determinants of chronic malnutrition (with an emphasis on the first 1,000 days of life) and respond to the threat posed by COVID-19, in selected intervention areas. In response to the COVID-19 pandemic, the project was restructured to reallocate \$20 million of original project financing to increase capacity for COVID-19 testing and expand temporary and mobile medical pavilions to cope with the increasing demand for health services.

**Expected Results (include):**

- 680,000 people reached with essential health, nutrition, and population services including:
  - 400,000 children under 5 years old receiving immunizations
  - 280,000 women and children under 5 years old receiving basic nutrition services
- Train 5,000 health staff in COVID-19 infection prevention and control
- Build and equip 2 temporary hospitals for COVID-19 treatment

**IBRD Financing:** \$100 million

**Closing:** 2026

For more information:  
<http://projects.worldbank.org/P159213?lang=en>



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# INDIA

## Innovate for Inclusiveness

**Development Challenge:** While India is recognized as a leading global manufacturer of high-quality generic drugs, industry gaps and market failures constrain its innovation capabilities, limiting its competitiveness and ability to address its disease burden. Diseases that disproportionately affect low- and middle-income countries are largely ignored as companies tend to allocate resources to high-profit markets, leading to a growing concern of getting affordable healthcare in India.

**Purpose:** Facilitate innovation in biopharmaceutical products and medical devices that address public health priorities. Strengthen and accelerate the pilot-to-market innovation ecosystem for low-cost vaccines, biopharmaceuticals, diagnostics, and medical devices funding for the government of India’s Biotechnology Industry Research Assistance Program (BIRAC). The project will provide grant funding to companies, research and academic institutions, and practitioners to support early-stage bio-manufacturing, clinical development, training, and technology transfer.

**Expected Results (include):**

- 50 products addressing public health priorities advance at least one step on the product development pathway
- 23 technologies licensed for manufacturing or commercialization
- 14 international publications
- 6,295 people trained

**IBRD Financing:** \$125 million

**Closing:** 2025

For more information:  
<https://projects.worldbank.org/en/projects-operations/project-detail/P156241?lang=en>



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# ANGOLA

## Climate Resilience and Water Security-RECLIMA

**Development Challenge:** In Angola, only 57% of the population has access to basic water and sanitation services, with a significant divide between urban and rural areas. Only 42% of households have access to piped water, in rural areas this number drops to 8%. Urban informal settlements, home to half of the urban population, are frequently exposed to flooding. Conversely, rural communities lack access to adequate water and sanitation services and face intensified water shortages due to droughts. Women in rural areas are disproportionately affected by water-fetching duties, the lack of water and sanitation services, and the impacts of climate change.

**Purpose:** The project aims to improve access to water by financing the expansion, rehabilitation, and maintenance of water supply infrastructure in urban and rural areas. It also supports institutional development activities to increase water security and climate resilience.

**Expected Results (include):**

- 550,000 people in urban and peri-urban areas provided with access to improved water services
- 310,000 people in rural areas provided with access to a reliable water source
- 12,388,000 m<sup>3</sup>/year of groundwater resources newly mobilized
- 110,000 new piped household water connections

**IBRD Financing:** \$300 million

**Closing:** 2028

For more information:

<https://projects.worldbank.org/en/projects-operations/project-detail/P177004>



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# SERBIA

## Enabling Digital Governance Project

**Development Challenge:** The Serbian government wanted to digitalize services to quickly respond to the COVID-19 crisis and prepare for the second wave of the pandemic. While Serbia has placed a strong emphasis on e-government services, efforts have been uncoordinated and only partially funded. Many registries and information data bases are fragmented, imposing an additional burden in terms of time and costs to citizens and businesses when engaging with the government.

**Purpose:** Improve access to and efficiency of online government services. Two activities have been introduced in response to the COVID-19 pandemic: (1) a business continuity assessment for government institutions to help guide the transition to providing digital services, and (2) the development of software solutions to enable mobile access to government services.

### Expected Results (include):

- Increase the number of government services digitized and available online to 30, from a baseline of 4
- Provide 2,000,000 people with access to online services
- Increase user satisfaction with online services by 50%

**IBRD Financing:** \$50 million

**Closing:** 2026

For more information:

<https://projects.worldbank.org/en/projects-operations/project-detail/P164824>



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# TURKEY

## Energy Efficiency in Public Buildings

**Development Challenge:** Energy efficiency is critical for Turkey to sustain its economic growth while meeting its commitments for climate change and environmental sustainability. As energy use per capita in Turkey rises, its energy intensity is expected to grow. This high intensity negatively impacts energy security as Turkey’s energy imports account for almost 19% of the country’s total imports. It also has a negative impact on the environment, with the energy sector accounting for 72.2% of the country’s greenhouse gas (GHG) emissions.

**Purpose:** Reduce energy use in central government buildings and inform the development of sustainable financing mechanisms to support a scaled-up, national program for energy efficiency in public buildings. The project supports the renovation of central government and central-government affiliated buildings (i.e., public buildings including schools and hospitals); and strengthens technical assistance to support project implementation to ensure its sustainability and scale-up.

**Expected Results (include):**

- 315 GWh of annual energy savings
- 225,000 tons of CO2 equivalent reduced annually
- 620 buildings commissioned
- US\$18,000,000 of energy costs savings annually

**IBRD Financing:** \$150 million

**Closing:** 2025

For more information:

<https://projects.worldbank.org/en/projects-operations/project-detail/P162762>



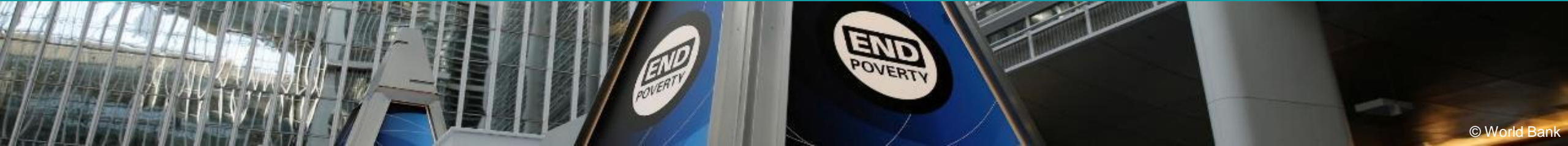
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<b>Pricing Sources</b>	
<b>Bloomberg</b>	IBRD <Govt> <Go> or IBRD <Go>
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