

# IFC Green Bond Framework Investor FAQ

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## About the Framework

### 1. What is IFC's Green Bond Framework?

IFC's Green Bond Framework sets out how proceeds from IFC Green Bonds are allocated to finance eligible green projects in emerging markets. It also explains how IFC's Green Bond Program is aligned with the four core components of the Green Bond Principles (Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting).

### 2. How does the 2026 Green Bond Framework relate to previous versions?

As market standards continue to evolve, IFC periodically updates its Green Bond Framework to reflect market developments and best practice. The previous update was published in 2022. The 2026 Framework supersedes and replaces all previous versions of IFC's Green Bond Framework.

### 3. What are the main changes in the updated Framework?

The key updates include:

- Updated guidance for nature finance and blue finance.
- Introduction of circular economy eligibility.
- Introduction of green enabling projects and the emphasis on just transition.
- Reorganization of eligible projects according to the Green Bond Principles project categories.
- Mapping to the Sustainable Development Goals (SDGs).

## Eligible Projects

### 4. What types of projects can be financed under the Framework?

The Framework includes eligible projects across 11 Green Bond Principles project categories, such as renewable energy, energy efficiency, clean transportation, green buildings, sustainable water and wastewater management, climate adaptation, biodiversity, circular economy, and green enabling projects.

### 5. What types of projects are excluded?

Projects that are excluded under [IFC's Exclusion List](#) or that do not satisfy IFC's applicable environmental and social requirements will not be allocated Green Bond proceeds. In addition, green bond proceeds will not be allocated to finance projects dedicated to:

- Fossil fuel extraction, production or transport;
- Projects where the core source of energy is fossil fuels;
- Hydropower;
- Power generation above 100 gCO<sub>2</sub>e/kWh;
- Passenger cars and light commercial vehicles above 50 gCO<sub>2</sub>e/km; or
- Ruminant livestock.

## Governance, External Review and Reporting

### **6. Has the Framework received an independent external review, and what were the conclusions?**

Yes. IFC engaged S&P Global Ratings to provide an independent Second Party Opinion on the Framework. S&P Global concluded that the Framework is aligned with the Green Bond Principles (2025) and the ICMA Green Enabling Projects Guidance. It found IFC's project selection processes to be robust, its governance to be strong, identified no material weaknesses, and assigned an overall "Medium Green" assessment to the Framework.

### **7. How does IFC report on its Green Bonds?**

IFC publishes an annual Green and Social Bond Impact Report describing how Green Bond proceeds have been allocated and the expected environmental impact of the projects financed. Depending on the project, reported metrics may include greenhouse gas emissions reduced, renewable energy capacity, beneficiaries with enhanced climate resilience, and terrestrial and aquatic areas under enhanced conservation or management.

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