



News + Views SRI Edition

IFC Funding, Issue 12, April 2019

IFC Green Bonds



A Sizzling Idea for a Hot Planet

Watch the Funding team explain how IFC's Green Bond Program works for a cooler planet and a sustainable future [here](#).

"Doing good business – being ethical, being transparent, being caring, implementing values in your business – makes a difference, and you make money at the same time."

- Shari Arison, philanthropist

IFC Social Bonds

IFC has issued 10 social bonds totaling close to USD 500 million in FY19 year to date. In January 2019, IFC more than doubled the outstanding volume of its Kangaroo social bond through a **tap**. The final book totaled AUD 520 million and was eventually capped at AUD 400 million, which attests to strong demand for themed bonds and increased product recognition in this market.

This trade was the first tap following the **inaugural Kangaroo social bond** issuance in March 2018. This was a five-year AUD 300 million trade with 2.70 percent coupon and bought by more than 15 institutional investors across the world.

Since launching the Social Bond Program, IFC has issued social bonds in Uridashi format in a variety of currencies, such as TRY, AUD, BRL, MXN and ZAR, that are bought by Japanese retail investors. IFC also continues to issue social bonds through private placements.

Financial year (FY) 2019 year to date, IFC has issued close to USD 1.6 billion in green bonds through 32 trades. We have had a steady flow through private placements in USD, MXN, JPY, ZAR, SEK, and more recently, EUR. IFC also enjoyed increased volumes for its green retail programs in the US, Japan and Italy.

Days into FY19, IFC issued its **inaugural Sterling green bond**: a 5-year GBP 350 million with a 1.25 percent coupon. The trade was the first green bond launched by a multilateral development bank in the Sterling market since 2015 and attracted strong investor interest, with 52 percent of demand coming from UK-based investors. We tapped this line in October 2018, taking the total outstanding to GBP 500 million.

Read more about IFC's FY18 green bond issuances [here](#).

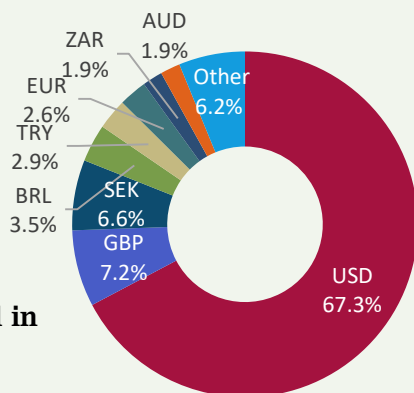
IFC Green Bonds

Cumulative issuance as of March 31, 2019

Volume
\$9.1 billion

Number of green bonds issued
142

Number of currencies issued in
16



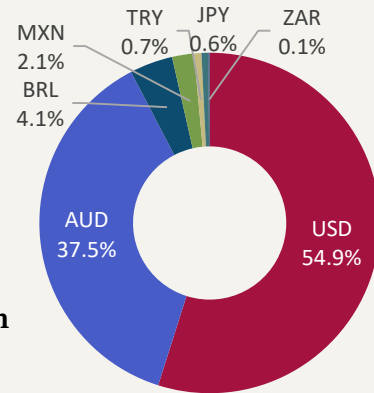
IFC Social Bonds

Cumulative issuance as of March 31, 2019

Volume
\$1.4 billion

Number of social bonds issued
26

Number of currencies issued in
7



FY18 Social Bond Impact Report

IFC published its **FY18 Social Bond Impact Report** in March 2019. Proceeds from IFC social bonds supported 38 new eligible projects for a total committed amount of USD 717 million. The impact of these projects is expected to reach over 1 million farmers, support over 100,000 students, provide over 1.5 million microloans, and more. View the full report [here](#).

Curious about IFC's **FY18 Green Bond Impact Report**? View the report [here](#).



A Partnership for Sustainable Capital Markets

In April 2019, the World Bank Group (WBG) and Japan's Government Pension Investment Fund (GPIF) expanded their partnership to grow markets for sustainable investing. As part of a broader effort to integrate environmental, social and governance (ESG) considerations, GPIF asset managers are investing in green, social and sustainable development bonds issues by IFC and IBRD. Initial investments have surpassed the equivalent of USD 500 million in AUD, EUR and GBP.

Earlier, the WBG and GPIF published a **joint report on incorporating ESG factors into fixed income investment strategies**. View the report [here](#).

Others News

- » **John Gandolfo** was appointed as IFC Vice President & Treasurer in January. John moved from his role as Director and Chief Investment Officer of the Pension and Endowments Department at the World Bank.
- » IFC launched the **Operating Principles for Impact Management** at the WBG-IMF Spring Meetings on April 12, 2019. The Principles bring greater transparency, credibility and discipline to the impact investing market. Learn more about the Principles [here](#).

Stories of Impact

Wind Energy Powers New Possibilities for the Dominican Republic

The Dominican Republic's has historically depended heavily on fossil fuel imports to supply energy for the country, which led to high electricity prices.

In August 2018, IFC provided an USD 80 million financing package for the construction and operation of a grid-connected, 50-megawatt wind farm, called Pecasa. IFC's portion of the loan is eligible to be funded with proceeds from IFC's green bonds.



The new wind farm will ease the country's dependence on imported fossil fuels.

Read the full story [here](#).

Awards

- » In March 2019, IFC was named **Green Bond Development Bank of 2018** by the Climate Bonds Initiative for its global leadership, best practice and innovation in green finance.



- » A panel of 30 judges made up of the world's largest green, social and sustainability bond investors awarded IFC's Social Bond Impact Report 2018 as **Impact Report of the Year** in the 2019 Environmental Finance Bond Awards.
- » mtn-i recognized IFC's social bond issuances in the Uridashi market by awarding us the **Power Performer: Social Bond Issuer** award.

Supporting Afghanistan's Raisin Farmers

Afghan raisins are internationally sought after for their natural and distinctive taste. Years of conflict have decreased exports in the once flourishing raisin industry, impacting livelihoods of the population.

In June 2018, IFC provided a loan to the newly established Afghan Samoon Company to support its new, state-of-the-art raisin processing plant. IFC's portion of the loan is eligible to be funded with proceeds from IFC's social bonds.

The new facility will source from an estimated 3,000 local farmers and provide a boost to the economy.

Read the full story [here](#).

