Social Bond Fact Sheet
Financing projects for positive social outcomes through IFC’s Social Bonds

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. We help developing countries achieve sustainable growth by financing private sector investment, mobilizing capital in international financial markets, and providing advisory services to businesses and governments. We play a catalytic role by demonstrating the profitability of investments in emerging markets.

Promoting Sustainable Development

Today, if you want to advance social, economic, and gender equality – and help achieve the United Nations Sustainable Development Goals (SDGs) – you can invest to make it happen.

As the largest development finance institution supporting the private sector in emerging markets, IFC is well positioned to work with private enterprises to create opportunities for investors to achieve returns while creating impact.

IFC’s social bonds offers investors an opportunity to finance IFC projects that focus on underserved people in developing countries and address issues relating to access to essential goods, services, and income generation.

IFC Social Bond Program

IFC’s Social Bond Program was launched in 2017 when IFC issued the first-ever USD social bond global benchmark. The program combines an attractive investment proposition with an opportunity to have a positive impact on the lives of people living in developing countries. IFC also issues through private placements and its retail channel.

Following the World Bank Group’s announcement of its COVID-19 response package, IFC issued a USD 1 billion social bond in March 2020; it’s largest to date.

IFC helped to establish the Social Bond Principles (SBP) in 2016 and currently serves as chair of the Steering committee of the SBP. IFC’s annual Social Bond Impact Report follows best practices and won the 2018 Best Impact Report by Environmental Finance.

IFC Social Bonds as of FY20 end

$3.07 billion
39 Social Bonds
10 currencies

IFC’s Value Proposition

- A supranational with fully paid-in capital
- Owned by governments of 185 member countries with more than 50% of capital held by AAA/AA sovereigns
- Strong financial profile with substantial capital and high liquidity
- Highly diversified global portfolio with debt and equity exposure in more than 120 countries and over 2,000 companies
- 0% risk weighting under Basel Framework
- Consistently rated AAA/Aaa (stable outlook) by S&P and Moody’s
What are eligible Projects?

IFC Social Bonds fund a diverse range of social projects. Proceeds from IFC’s Social Bonds support projects that involve:

- lending to financial intermediaries with the requirement that the proceeds of IFC’s loan be on-lent to women-owned enterprises, or
- lending to companies that incorporate people at the “Base of the Economic Pyramid” into its value chain as suppliers, distributors, or customers as part of such company’s core business in a commercially viable and scalable way
- lending to projects that meet the criteria stipulated in the Social Bond Principles and that aim to achieve positive social outcomes especially, but not exclusively, for a target population

What is "Inclusive Business" and "Banking on Women"

Inclusive business is a private sector approach to expanding access to goods, services, and income opportunities for people at the ‘Base of the Economic Pyramid’ (who earn less than $8 per day or who do not have access to basic goods and services).

IFC’s Banking on Women program provides financing and expertise to a network of financial institutions to help them acquire women-owned SME and retail customers and provide high-quality services to women customers.

IFC Social Bond Proceeds

All proceeds from IFC social bonds are set aside in a designated Social Cash Account and are invested in accordance with IFC’s conservative liquidity policy until disbursement to eligible projects. This sub-portfolio is linked to financing projects with social issues and to support projects that aim to achieve positive social outcomes especially, but not exclusively, for a target population. So long as the bonds are outstanding, the balance of the sub-portfolio will be reduced by amounts matching disbursements made by IFC respect of select eligible projects from IFC’s loan portfolio. Eligible projects will be selected from all projects funded, in whole or in part, by IFC.

COVID-19 Feature

As countries around the world battle the corona virus pandemic, a troubling gap has emerged: too few face masks, ventilators and test kits, especially in developing countries. In July 2020, The World Health Organization estimated the demand for face masks was four times the world’s manufacturing capacity, for ventilators it was 10 times over-capacity and there was a worldwide shortage of approximately 300 million test kits.

To close the gap in COVID-19 supplies, IFC has launched a $4 billion financing platform to increase the access of developing countries to critical healthcare supplies required to fight the pandemic, including masks, ventilators, test kits and, eventually, vaccines.

This Global Health Platform will provide finance to healthcare manufacturers to boost productions of vital medical supplies, equipment and services.

Contact IFC Funding & Investor Relations

**Washington DC**

Flora Chao  
Global Head of Funding  
+1 202 629 6353  
fcha@ifc.org

Zauresh Kezheneva  
Associate Financial Officer  
+1 202 473 4659  
zkezheneva@ifc.org

**Singapore**

Esohe Denise Odaro  
Head, Investor Relations  
+1 202 473 0954  
edodaro@ifc.org

Sophie Peeters  
Investor Relations Analyst  
+1 202 473 7225  
jepeeters@ifc.org

**London**

Elena Panomarenko  
Head of Funding – Europe  
+44 207 592 8532  
epanomarenko@ifc.org

Samer Ibrahim  
Financial Analyst  
+44 207 592 8022  
sibrahim5@ifc.org

**Tokyo**

Maki Yasui  
Senior Financial Officer  
+81 3 3597 6692  
myasui@ifc.org

**Contact IFC Funding & Investor Relations**

**Washington DC**

Flora Chao  
Global Head of Funding  
+1 202 629 6353  
Fcha@ifc.org

Zauresh Kezheneva  
Associate Financial Officer  
+1 202 473 4659  
zkezheneva@ifc.org

**Singapore**

Esohe Denise Odaro  
Head, Investor Relations  
+1 202 473 0954  
edodaro@ifc.org

Sophie Peeters  
Investor Relations Analyst  
+1 202 473 7225  
jepeeters@ifc.org

**London**

Elena Panomarenko  
Head of Funding – Europe  
+44 207 592 8532  
epanomarenko@ifc.org

Samer Ibrahim  
Financial Analyst  
+44 207 592 8022  
sibrahim5@ifc.org

**Tokyo**

Maki Yasui  
Senior Financial Officer  
+81 3 3597 6692  
myasui@ifc.org

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