

## IFC 3.0. CREATING MARKETS

In 2016, IFC marked its 60th anniversary, celebrating our commitment to bringing jobs, infrastructure, food and energy where they are most needed. Despite all our progress, there are still more than 1 billion people without electricity and another 700 million worldwide, who do not have access to safe drinking water.

The next chapter in our history, what we call IFC 3.0., will require us to work with partners and governments more proactively to unlock private investments now on the sidelines. Three components of this strategy include creating new markets, developing innovative ways to mobilize capital and mitigate risk, especially in the poorest and most conflict-prone countries, and implementing a private sector-first approach at the World Bank Group level. This strategy leads to the kinds of projects upon which the SRI bond market is founded.

## LAUNCHING IFC'S SOCIAL BOND PROGRAM

In FY17, IFC launched a new Social Bond Program, which offers investors an opportunity to finance IFC's select projects that address socio-economic challenges for underserved target populations in developing countries.

Earlier in June 2016, the Green Bond Principles Executive Committee, where IFC acts as a co-chair of the working group on Social Bonds, released Social Bond Guidance, a voluntary set of guidelines for transparency and disclosure, which created momentum to further growth of the social bond market. IFC responded with streamlining its socially responsible bond programs by merging two existing products - **Banking on Women** and **Inclusive Business Bond Programs** - into a new Social Bond Program aligned with the Guidance.

With the new Social Bond Program, IFC aims to provide more supply to the nascent market through more liquid sized Social Bonds in the public market as well as tailored privately placed issues.

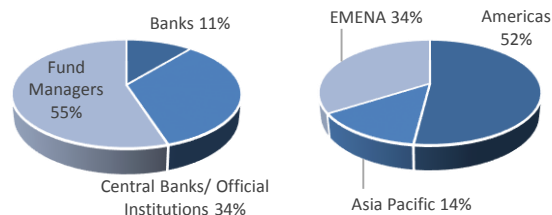
### PROJECTS THAT:

- ! Benefit low-income people
  - ✓ support to smallholder farmers
  - ✓ affordable healthcare, education, housing
  - ✓ access to basic utilities
  - ✓ access to telecom and banking
  - ✓ access to goods and services
- ! Support women entrepreneurs

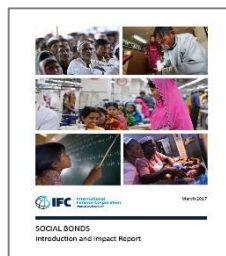
What  
projects are  
eligible?

## SOCIAL BOND DEBUT

In March 2016, IFC issued a debut US\$500 million three-year Social Bond. The bond priced at mid swaps -5bps equating to a spread of +22.3bps over the 1.625% March 2020 US Treasury. The bond was 1.4x oversubscribed and received strong support from more than 40 institutional investors across the world as shown in the charts below. Almost 20% of the order book were investors new to IFC.



## INAUGURAL IMPACT REPORT



IFC announced the Social Bond Program through the release of its inaugural Social Bond Impact Report, providing an overview and the development impact expected from the underlying programs merged to create the Social Bond Program.

In FY15-16, Inclusive Business Bond (IBB) proceeds were disbursed to 13 eligible projects, totaling US\$298 million. Similarly, since inception the Banking on Women (BoW) bonds supported 14 projects in total volume of US\$168 million. IFC uses its Development Outcome Tracking System (DOTS) system to monitor industry-specific development indicators of each investment (e.g. number of farmers reached). Read more on the aggregate target impact:

[IFC's Social Bond Impact Report](#)

## Inclusive Business Feature Project:

IFC is working with partners to help the Ugandan dairy sector, a source of both household nutrition and income for Ugandans, to achieve its full potential. IFC's investment of US\$8 million in Pearl Dairy will support the operation of its milk processing plant helping facilitate milk collection from remote smallholder farms. [READ MORE >>](#)





[WATCH VIDEO](#) of IFC's client bank top executives on BOW experience

## BANKING ON WOMEN BUSINESS

Today, about **one-third** of registered SMEs in emerging markets are owned by women, but just 10% of these women entrepreneurs have access to the financial services. IFC's Banking on Women business provides financing and expertise to emerging market financial institutions to expand services for women business owners, with the view that **providing financial services to women customers generates bottom line value for banks.**



[READ STORIES OF IMPACT](#) on the lives of women entrepreneurs

## CLIMATE BUSINESS AT IFC



At IFC, we are focused on helping the private sector confront climate change through investments, innovative financing, and advisory services. Since starting to track the climate-smart components of its investments and advisory services in 2005, IFC has invested about **\$15.3 billion in long-term financing** for renewable power, energy efficiency, sustainable agriculture, green buildings and private sector adaptation to climate change. An additional **\$10.1 billion of core mobilization** has been raised alongside IFC's investments.

[IFC's Analysis of Climate Investment Opportunities in EMs >>](#)

## GREEN CORNERSTONE BOND FUND

In April 2017, IFC and Amundi agreed to create the largest green-bond fund dedicated to emerging markets—a US\$2 billion initiative that aims to deepen local capital markets and expand financing for climate investments.

IFC will invest up to US\$325 million in the new Green Cornerstone Bond Fund, which will buy green bonds issued by banks in Africa, Asia, the Middle East, Latin America, Eastern Europe, and Central Asia. Amundi will raise the rest of the US\$2 billion from institutional investors worldwide and will provide its services in managing emerging-market debt. [CONTINUE READING>>](#)



## SUSTAINABLE APPROACH TO INVESTING IN JORDAN'S WIND-POWER INDUSTRY

Millions of birds soar through Jordan as they travel on the world's second-largest migration flyway. So when IFC started financing large-scale wind energy projects in Jordan, protecting these birds was one of IFC's top concerns.

IFC came up with a plan to minimize the impact on birds, bringing together the stakeholders and launching a regional-scale study for the first time. Some key measures included identifying the best wind-farm layouts, monitoring highly threatened birds, and shutting down turbines when birds are flying at relevant heights. Our latest investment is construction of a 50-megawatt solar plant that will power more than 40,000 homes at a cost that is among the lowest for solar energy worldwide.

[READ MORE >>](#)

## FY17 CLIMATE-FOCUSED ISSUANCE HIGHLIGHTS

In FY17 YTD, starting in July 2016, IFC continued strong issuance in SRI space, raising approx. US\$650 million through 18 green bonds, including the following highlighted trades:

- **Reopening of April 2016 10-year global Green Bond:** IFC reopened in July its longest Green offering by US\$500 million, bringing total size to US\$1.2 billion. The tap was allocated to more than thirty accounts.

- **Green Retail Program:** Starting from this year, IFC issues almost exclusively in green format under the Impact Note retail program in the US, responding to investor demand.

- **November 2021 Forest Bond:** In October 2016, IFC issued a first-of-its-kind Forest Bond that gives investors the option of getting repaid in either carbon credits or cash, raising \$152 million to support private sector

development and prevent deforestation in developing countries. The five-year bond was sold to major global institutional investors—including CalSTRS, Treehouse Investments LLC, TIAA-CREF, and QBE. Proceeds will support IFC's private sector lending in emerging markets. The bond is listed on the London Stock Exchange.



IFC received the "Best Green Bond Impact Report" award from Environmental Finance magazine following a competitive voting process by important players in the green bond market globally. This award is a recognition of IFC's high reporting standards, which provide investors an opportunity to see what projects their investments have supported and how the projects support climate change mitigation. [READ MORE >>](#)