

# Green Bonds Factsheet

Investing for a greener and more sustainable future

IFC, a member of the World Bank Group, is the **largest global development institution focused exclusively on the private sector**. IFC helps developing countries achieve sustainable growth by financing private sector investments, 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 as well as being at the forefront of impact investing in emerging markets.

## Climate Action: A Vast Opportunity

**Combating climate change** is one of the greatest challenges of our time, requiring trillions of dollars in investments. This opens vast opportunities for scaling climate-smart investments which are needed to address this global priority.

IFC is well-positioned to work with private enterprises to grow climate-smart businesses and to green the financial sector.

In June 2021, the World Bank Group approved the [Climate Change Action Plan](#) (2021 – 2025) that outlines the institution's collective response to align financial flows with the goals of the [Paris Agreement](#).

## IFC's Green Bond Program

IFC's Green Bond Program combines an attractive investment proposition with an opportunity to support climate-related projects. **IFC issued the market's first global US dollar benchmark-sized green bond in 2013** which set a precedent as the largest green bond in the market at time of issuance and helped solidify the market. IFC offers green bonds in various currencies, including emerging market currencies, such as South African rand, Philippine peso and Indian rupee and offers tenors up to 30 years.

IFC is a **founding member of the Green Bond Principles** and is a member the Executive Committee to establish guidelines and procedures that aid the development of the green bond market.

Since 2015, IFC publishes its annual **Green Bond Impact Report** based on the [IFI Harmonized Framework Template for Impact Reporting](#). All of IFC's Green Bond Impact Reports can be found [here](#).

In December 2022, IFC obtained a renewed [Second Party Opinion](#) from CICERO, the Center for International Climate and Environmental Research.

IFC's green bonds as of FY22-end

**\$10.5 billion** issued

**178** green bonds

**20** currencies

## IFC's Value Proposition

- **Owned by governments of 186 member countries** with the US being the majority shareholder. More than 50% of capital held by AAA/AA sovereigns
- **Consistently rated AAA/Aaa** (stable outlook) by S&P and Moody's
- **Strong financial profile** with substantial capital and high liquidity
- **Highly diversified global portfolio** with debt and equity exposure in more than 119 countries and over 1,800 companies
- 0% risk weighting under Basel Framework

## IFC's Climate Business

Between 2005 and June 2022, IFC invested about \$36 billion in climate-smart financing and mobilized \$29 billion through partnerships with investors. Large and growing sectors include **green buildings**, **climate-smart cities** and **green finance**.

## IFC's Green Bond Proceeds

All proceeds from IFC green bonds are set aside in a designated sub-portfolio within IFC's Treasury that are invested in accordance with IFC's liquid asset management investment guidelines. This sub-portfolio is linked to lending operations for climate-related projects in developing countries. Disbursements for select eligible climate projects take place in accordance with IFC's established policies and procedures, and they are often made over a period of time, depending on project milestone.

## What Are Eligible Projects?

**IFC's green bonds fund a diverse range of climate projects.** IFC's criteria for projects funded under green bonds are certified by CICERO. Eligible projects include the following sectors:

- **Energy efficiency:** Investments in equipment, systems and services which result in a reduced use of energy per unit of product or service generated
- **Renewable energy:** Investments in equipment and systems which enable the use of energy from solar, wind, hydro, biomass, geothermal, tidal and other renewables
- **Other:** Resource efficiency, cleaner technology production, green lending through financial intermediaries, transportation, climate adaptation, waste and wastewater treatment, climate-related products, nonenergy GHG reductions, agriculture, sustainable forestry and land use.

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



## Featured Green Bond Project Financing Green Buildings

An IFC investment in financial services group BBVA Perú will help jump-start Peru's underdeveloped green building finance market—helping to lessen the impact of climate change from buildings.

The \$60 million loan will strengthen BBVA's ability to structure green building financing following international best practices. It will support the group's efforts to develop its green building business line by financing homebuyer's green mortgages and providing advisory services through EDGE, IFC's green building certification program.

Cities in emerging markets are expanding at a fast pace to keep up with high population growth and rapid urbanization. During the next decade, green buildings represent a significant low-carbon investment opportunity in emerging markets.

EDGE—which stands for Excellence in Design for Greater Efficiencies—is a global green building certification system which shows the most cost-effective options for verifying the resource efficiency of new construction or existing buildings.

Read more project stories at [www.ifc.org/investors](http://www.ifc.org/investors)

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