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 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 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 offer 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. Projects also include those under IFC's COVID-19 Fast-Track Facility, which supports existing clients that demonstrate a clear impact on their businesses from the pandemic.

IFC's 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 – its largest to-date.

IFC is a founding member of the Social Bond Principles and chairs the Executive Committee to establish guidelines and procedures that aid the development of the social bond market.

All of IFC's Social Bond Impact Reports can be found here.
What are eligible projects?

IFC’s 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
- 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’s Social Bond Proceeds**

All proceeds from IFC’s 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.

Eligible projects will be selected from all projects funded, in whole or in part, by IFC. Only the loan portions of the projects are eligible for funding via social bond proceeds.

In a few cases of back-to-back financing, net proceeds from a social bond may be on-lent by IFC directly to an individual eligible project.

In sub-Saharan Africa, where the World Bank Group is predicting the first recession in 25 years, IFC has invested almost $1.1 billion through the fast-track COVID-19 facility to shore up the trade and liquidity needs of the private sector.

This includes loans totaling $300 million to major financial institutions in Kenya and Nigeria. Equity Bank in Kenya, and Zenith, Access and FCMB banks in Nigeria will use the bulk of IFC’s funding to on-lend to thousands of small and medium-sized enterprises (SMEs) facing working capital and trade-finance shortfalls because of disruptions caused by COVID-19.

Supporting Africa’s smaller businesses with these and other investments during the crisis is essential because of the vital contribution they make to employment, business activity, and the provision of goods, services and technology.

Read more project stories in IFC’s FY20 Social Bond Impact Report.