

Social Bond Impact Report

FINANCIAL YEAR 2018





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FY18 Highlights

COMMITMENTS AND DISBURSEMENTS OF SOCIAL BOND ELIGIBLE PROJECTS

(USD millions)

TOTAL COMMITMENTS

FY17	FY18	Total
619	717	1,336

TOTAL DISBURSEMENTS

FY17	FY18	Total
323	615	938

\$407

MILLION RAISED through

13 SOCIAL BONDS IN 6 CURRENCIES

38

NEW PROJECTS committed across

8 SECTORS

 including:

Agribusiness



Education



Foods



Health



ICT*



**Gender
finance**



**Housing
finance**



Microfinance

Over the **next 4 years, PROJECTS SUPPORTED**
in FY18 by **IFC's social bonds** are expected to:



Reach
1,313,414
Farmers



Support
137,441
Students



Supply ICT
Services to
42,780,000
People



Provide
1,545,191
Microloans



Distribute
88,161
Loans For
Women



Provide
37,391
Housing Loans

Management Corner

Hans Peter Lankes

*IFC Vice President,
Economics and Private
Sector Development*



Socially responsible investing has captured the interest of many investors. At IFC, we welcome this evolution, which goes to the heart of our mission. We invest in the people and places that need it most—to deliver sustainable and inclusive growth, build human capital, and strengthen resilience. We are committed to gender-smart investing and reaching the poor and those affected by fragility and conflict. And, our investment clients share our commitment.

Within this context, we are pleased to bring you the latest IFC Social Bond Impact Report. The projects funded through IFC's social bond proceeds go beyond our requirements for environmental and social sustainability. They also bring positive change to women and the underserved and are accelerating progress towards the United Nations Sustainable Development Goals.

This year's projects have a direct and meaningful impact on those whom we consider our ultimate clients. For example, they increase access to essential products such as clean cookstoves for women in Africa, provide irrigation solutions to small farmers and offer affordable, high-quality tertiary education to students. In fragile and conflict-affected situations, they bring access to finance, expand online connectivity, and help small farmers boost their yields. They generate change and impact that is desperately needed.

As a leader in this space, we must continue to move the industry forward and towards greater impact. We hope this report provides you deeper insights into our Social Bond Program and inspires you to join the conversation on the contribution of socially responsible investing to development to ending poverty and boosting shared prosperity.

“The social bond market is developing robustly, and demand is strong. But it is still nascent. It is therefore of utmost importance that we maintain the integrity and transparency of the market as it grows. IFC is proud to collaborate with the International Capital Markets Association and serve on the Executive Committee of the Green and Social Bond Principles. As a co-chair of the Executive Committee’s Social Bond Working Group, we took a significant first step last year by releasing a report, *Working Towards a Harmonized Framework for Impact Reporting for Social Bonds*, to catalyze discussion on this topic among issuers and investors.”

Tom Ceusters

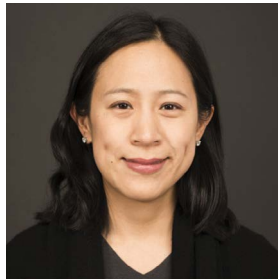
Director, IFC Treasury Market Operations

Q&A with Flora Chao

Flora Chao

Global Head of Funding, IFC

Flora Chao heads IFC's global funding team responsible for IFC's public and private debt capital markets borrowings. Since 2017, IFC has issued social bonds as part of its overall funding program. Flora outlines the recent trends from an issuer perspective.



How has IFC's Social Bond Program developed since its launch in March 2017?

Since IFC issued its inaugural social bond in March 2017, we have seen a boost in demand for our social bonds from a larger and broader investor base. This increase is clearly reflected in the growth of IFC's Social Bond Program. We extended the Program into the private placement market and have accommodated expanding interest from Japanese retail investors for social bonds in Uridashi format. We also saw excellent, high-quality participation in the order books of our two benchmark social bonds. For example, we recently reopened our Kangaroo social bond 2023 line and raised an additional AUD 400 million with strong demand from central banks and official institutions, some of which have expressed explicit preference for Environmental, Social and Governance (ESG) investments. With IFC's commitment to doubling its investment portfolio

by 2030 and its focus on three cross-cutting priority areas (climate, gender and fragility), we see a potential for growth in the project pipeline.

IFC's Social Bond Program made several debut trades in FY18, bringing diversity and size to the growing social bond market. We also invested in a gender bond issued by Turkey's Garanti Bank—the first ever offered by a corporate issuer in an emerging market. This is an important development—less than 10 percent of small and medium enterprises in Turkey are owned by women, who face a credit gap of \$5 billion. All financing raised through the issue is earmarked for on-lending to women-owned small businesses.

What have you noticed from your interactions with IFC's bond investors?

Investors are key in directing the flow of social bond growth and shaping a more sustainable world for future generations. Interestingly, IFC's traditional investors are increasingly asking questions about IFC's impact. We have also noticed a transition to more dedicated portfolios for socially responsible investing, and ideally, we would like to see investors set up more funds for social bonds to really grow the market.

We have active dialogue with investors in IFC's social bonds and green bonds. I find that during investor meetings, we are more often holding in-depth discussions where we go through the Social Bond Impact Report in detail, discussing projects, measurement methods and management of proceeds with as much focus as we are on credit. Investors are engaged, curious and keen to understand the details.

Looking ahead, what do you think will boost the growth of the social bond market?

Even though social bonds are still a nascent product, the market has started to grow significantly in the last two years. I believe this is due to the growing interest in the UN's Sustainable Development Goals as well as an increased push for incorporating ESG at a corporate level across industries and sectors. The Social Bond Principles (SBP), published in 2017, have provided guidance for issuers in shaping their social bond programs and helped mitigate uncertainty regarding the target population and eligible project types. To provide much needed liquidity to the market and expand the diversity of issuers, we should also encourage issuances from the corporate sector and sovereigns. This would send a strong signal to the market and aid the liquidity of social bonds.

IFC looks to be an influencer and active participant in developing the market not only through its issuance activities. We are on the Executive Committee of the Green and Social Bond Principles and participated in the development of the Principles. As co-chair of the Social Bond Working Group, we were instrumental in the drafting of the "Harmonized Framework for Impact Reporting for Social Bonds", which outlines parameters for reporting on eligible projects. Frameworks, standards, principles and metrics for applying ESG and impact investing should be sufficiently flexible to allow investors to customize their approach.

Overview of IFC's Social Bond Program

IFC's Social Bond Program funds projects that have a direct focus on those who are underserved,

be it a woman-owned small business that lacks access to finance, a low-income household that lacks access to quality health care or a small farmer with no market for his crop. These projects tackle access gaps across the globe by delivering basic goods and services and improving livelihoods—thereby advancing a range of the UN SDGs.

- **Increasing Access to Goods and Services:**

Including access to water, power and sanitation services; access to broadband and mobile service; access to affordable housing; and improving food security.

- **Improving Livelihoods and Building**

Human Capital: Including access to finance—especially for women-owned businesses and microentrepreneurs; access to markets for entrepreneurs and small farmers; and access to quality health care and education.

The Social Bond Program consists of IFC's Banking on Women program and our thematic focus on Inclusive Business.

IFC's Banking on Women provides financing and expertise to an extensive network of financial institutions to help them acquire and serve women-owned SME and retail customers. To date, IFC's

Banking on Women business has invested, mobilized investment and provided advisory expertise to 76 financial institutions in 43 countries to catalyze financial services for women-owned SMEs.

IFC provides a full range of senior and subordinated debt, bonds, equity, credit enhancements and risk-mitigation products to financial institutions, which, in turn, provide a suite of financial services to women-owned SMEs. With \$276 million in new commitments in FY18, the cumulative committed portfolio has reached \$1.84 billion as of June 30, 2018—all of which are specifically earmarked for on-lending to women-owned SMEs. Seventy investments have been committed with 59 financial institutions in 37 countries.

Banking on Women advisory projects have launched dynamic programs for banks in the SME and retail segments. As of June 30, 2018, 40 Banking on Women advisory projects have been implemented: 13 in Sub-Saharan Africa, 10 in East Asia and the Pacific, eight in South Asia, five in the Middle East and North Africa, and four in Latin America and the Caribbean. These projects are aimed at helping financial institutions seize the business opportunity of the women's market and supporting them to design strategies and launch value propositions for women customers.

Inclusive Business creates opportunities for low-income and underserved women and men in ways that make commercial sense and that are financially self-sustaining. This private sector approach represents a critical link to the World Bank Group's twin goals. The hallmark of the inclusive business approach is its dual focus—achieving both commercial viability and developmental impact.

This approach expands access to quality goods and services, enabling a wide ranging of impacts that tackle poverty and improve well-being.

On the supply side, companies using inclusive business models to integrate the poor and underserved into value chains of productive enterprises. Benefits also flow to the companies, for example, by helping them secure more loyal suppliers through their work with entrepreneurs or smallholder farmers. On the demand side, they offer affordable products and solutions that directly address access gaps. They often look to fulfill pent-up demand from low-income customers, frequently engaging mom-and-pop retailers.

The inclusive business approach is cross-cutting, and projects therefore span a variety of industries—including finance, agribusiness, health, education, power delivery, water/sanitation service, and technology—as well as regions. In FY18, IFC committed over \$1.8 billion in debt and equity to 84 projects that were classified as an inclusive business. Geographically, the regions with the highest volume were South Asia (34 percent), Sub-Saharan Africa (19 percent), and Latin America and the Caribbean (17 percent).

IFC provides a range of advisory services and research support from across the institution to help inclusive business companies better understand base of the pyramid markets and identify opportunities to develop, innovate, or expand their inclusive business model.

IFC Social Bond Program:

FY18 ISSUANCES

Financial year 2018 was a groundbreaking year for IFC's Social Bond Program. It signified the first full calendar year of IFC's Social Bond Program since its launch in March 2017. During the year, IFC issued several inaugural trades, which brought diversity and size to the social bond market and reached a wide variety of investors.

In sum, **IFC issued 13 social bonds for a total of \$407 million through six currencies** (US dollars (USD), Australian dollars (AUD), Brazilian real (BRL), Mexican peso (MXN), Turkish lira (TRY) and South African rand (ZAR) in FY18¹. This brings IFC's cumulative social bond issuance to \$919 million across 16 bonds in six currencies since the program's inception.

IFC began FY18 by extending its Social Bond Program into the private placement market when we placed a 10-year \$100 million social bond with Nippon Life Insurance Company. The **inaugural private placement under IFC's Social Bond Program** provided the investors with a tailor-made structure and carried a coupon of 2.38 percent.

¹ The issuances described in this section reflect the activity in the 2018 financial year (July 1, 2017 – June 30, 2018). The previous Social Bond Impact Report reported IFC's issuance on the calendar year.

One month later, we issued our **first social bond private placement in the United States** in response to a reverse inquiry from U.S. municipal accounts. The three-year, \$25-million bond provided an innovative product to U.S. state and sub-state investors looking to diversify into the supranational asset class and socially-responsible investment products.

In March 2018, IFC's Social Bond Program returned to the public market for the first time since its inaugural \$500 million issuance one year prior—this time to place the **first-ever Kangaroo social bond**. The five-year AUD 300 million social bond, with a 2.70 percent coupon, was bought by more than 15 institutional investors across the world, including official institutions, pension funds and fund managers. Over 35 percent of these investors were

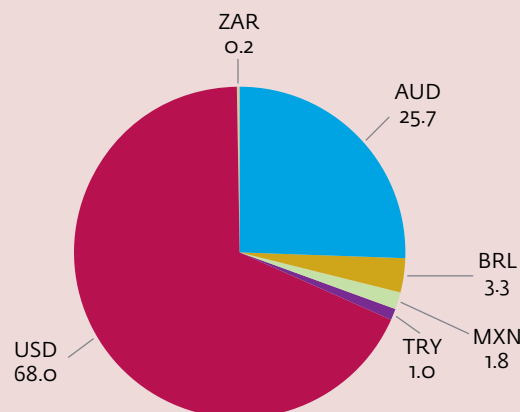
new to IFC. The bond issuance was in response to investor appetite for responsible-investment labeled bonds in the Australian market. The transaction provided IFC with further investor diversification, attracting a broad range of accounts that had not previously participated in IFC's funding program.

Throughout FY18, Japanese retail investors remained a key investor base for IFC's Social Bond Program. IFC issued **ten social bonds in Uridashi format** in a variety of currencies—TRY, AUD, BRL, MXN and ZAR—with a total volume of \$48 million over the course of the financial year. The strong support of Uridashi houses, which focus on offering impact investing opportunities to retail investors, enables IFC to continue to finance projects that help improve social outcomes for target populations.

IFC Cumulative Social Bond Issuance

Volume	\$919 million
Number of social bonds issued	16

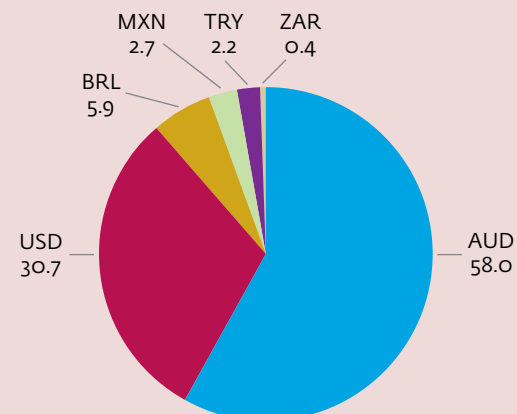
IFC Cumulative Social Bond Issuance by Currency (percent)



IFC FY18 Social Bond Issuance

Volume	\$407 million
Number of social bonds issued	13

IFC FY18 Social Bond Issuance by Currency (percent)



Five-minute chat with IFC Client: BIX Capital

COOKSTOVES IN SUB-SAHARAN AFRICA

Jeroen Blüm

Managing Director,
BIX Capital

In May 2018, IFC committed a \$3.5 million loan to BIX Capital. This loan is eligible for funding from proceeds from IFC's social bonds. IFC's leadership and its rigor in structuring the deal on a commercial basis have provided additional credibility to the BIX model.



How is BIX Capital impacting people at the base of the pyramid?

Three billion people worldwide rely on open fires or traditional cookstoves—which burn biomass and coal—to cook their meals and heat their homes. At least two billion people lack access to safely managed drinking water services, and one billion lack access to electricity. These factors contribute to several health issues, not the least of which is premature death caused by indoor air pollution. And because women and children are usually the ones who must spend hours gathering fuel, wood and water, they are disproportionately affected. This also

has negative impacts on the environment because of greenhouse gas emissions and deforestation.

At BIX, our solution is to enhance the accessibility and the affordability of products, such as clean cookstoves, water purification systems and biogas digesters—products that improve the everyday lives of people at the base of the pyramid.

Tell us more about your innovative solution.

Through a results-based finance structure, we provide debt financing to small and medium-sized enterprises (SMEs) that manufacture and distribute high-impact, climate-smart appliances, primarily in Sub-Saharan Africa.

We started with a pilot to pre-finance an U.S.-based cookstove manufacturer that produces and distributes cookstoves designed for low-income customers in the base of the pyramid. Our objective was to build a revolving facility by monetizing the carbon credits that the cookstoves generate once they were sold and installed in people's homes. By financing against future revenues from carbon credits—generated by the appliances instead of the borrowers' balance sheets—we were able to address a key obstacle to the supply and affordability of clean appliances—lack of financing to achieve sustainable scale. The pre-financing helped scale the route-to-market of these products by addressing the affordability and availability barriers in the value chain. As a result, more cookstoves reached market, which in turn generated more carbon credits. This cycle eventually led to a significant income stream for the business—we call it our “flywheel” for impact-based pre-finance.

Can you describe one of the companies BIX has financed?

We currently have a portfolio of five companies, all of which offer a clean cooking solution for base-of-the-pyramid households in Sub-Saharan Africa. We provide financing that no one else offers—an income participation debt instrument, without any direct collateral on the business and with a combination of capitalized interest and upside-share on the carbon revenue realized. Our sole collateral is the revenue from the sale of carbon credits to willing buyers.

One of our clients is C-Quest Capital, or CQC for short. CQC has a carbon program and a contracted offtake of carbon credits with creditworthy carbon buyers. We have been pre-financing their climate- and socio-economic impact since 2016 and have helped them scale their work with local partners in Nigeria, Zambia and Malawi to provide efficient cookstoves to very poor customers.

What impact have you seen so far?

Improving environmental and social outcomes for base-of-pyramid households and communities remain core to BIX's mission. Our ambition is to grow the market for high-impact, climate-smart appliances and move the needle on UN SDG 6—Clean Water and Sanitation—and 7—Affordable and Clean Energy. To date, our portfolio companies have strengthened their position in the market and sold more than 100,000 products through pre-financing. These efforts have positively affected the lives of around half a million individuals and contributed to significant reductions in carbon emissions. Through IFC support, we are also in the process of piloting a new method of quantifying the health and socio-economic benefits experienced by end-users of these clean appliances.

STORY OF IMPACT

Timalize is one of many in Zambia who was able to purchase a clean cookstove, thanks to CQC and its local partner. Timalize says that her new cookstove has given her back her life. Since she can now use lower amounts of fuel, Timalize can collect firewood near her house instead of traveling long distances to collect large logs. Cooking on her improved stove is also much easier and faster compared to the open fire she had used before. The stove is easy to maintain and produces less smoke and hazardous pollutants. Timalize hopes that the project will expand, particularly to very poor households in Zambia, so that their lives, like hers, "can be restored."*



*Credit: CQest Capital

Advancing the Social Bond Market:

EXTERNAL ENGAGEMENT

In June 2017, the **Social Bond Principles**, a voluntary set of transparency and disclosure guidelines, were published by the International Capital Markets Association (ICMA). IFC has been instrumental in drafting the principles as co-chair of the ICMA Social Bond Working Group (SBWG) and has maintained its role within the Working Group for 2018/2019. The SBWG is tasked with enhancing the “Harmonized Framework for Impact Reporting on Social Bonds”, published in June 2018, to further ensure integrity of the market through increased transparency.

IFC believes a strong and engaged private sector is indispensable to ending extreme poverty and boosting shared prosperity, a belief in line with the UN SDGs. As an active member of the Executive Committee (EXCOM) for the Green Bond and Social Bond Principles, IFC actively participated in the development of a framework, “A High-Level Mapping to the Sustainable Development Goals”, by which issuers, investors and bond market participants can evaluate the financing objectives of a given Green, Social or Sustainability Bond Program against the UN SDGs.

A concrete demonstration of IFC’s social bond engagement was its \$75 million investment in a gender bond issue by Turkey’s Garanti Bank, the first of its kind issued by the private sector in emerging markets. With IFC’s support, Garanti Bank aligned its bond with international Social Bond Principles and is allocating the proceeds to financing enterprises and companies owned by women. The investment is supported by the Women Entrepreneurs Opportunity Facility (WEOF), launched by IFC through its Banking on Women Program and Goldman Sachs’ 10,000 Women program, a global initiative that fosters economic growth by providing women entrepreneurs around the world with a business and management education, mentoring, networking and access to capital.



COMMITMENTS AND DISBURSEMENTS OF SOCIAL BOND ELIGIBLE PROJECTS BY REGION

(USD millions)

As of June 30, 2018, there were cumulatively 69 social bond eligible projects supported by IFC social bonds proceeds. The total committed amount for these projects is \$1.3 billion, of which \$938 million has been disbursed.

LATIN AMERICA AND THE CARIBBEAN

	FY17	FY18
Commitments	42	108
Disbursements	8	86

EUROPE AND CENTRAL ASIA

	FY17	FY18
Commitments	109	177
Disbursements	107	154

SUB-SAHARAN AFRICA

	FY17	FY18
Commitments	155 ²	104
Disbursements	102	79

MIDDLE EAST AND NORTH AFRICA

	FY17	FY18
Commitments	12 ³	106
Disbursements	7	5

SOUTH ASIA

	FY17	FY18
Commitments	165	151
Disbursements	100	122

EAST ASIA AND THE PACIFIC

	FY17	FY18
Commitments	137	71
Disbursements	0	168

² One eligible project committed in FY17 is no longer included in the regional and sector totals due to confidentiality issues.

³ The figures above reflect IFC's regional re-mapping of Pakistan from MENA to South Asia. Any FY17 projects have been reclassified retroactively.

⁴ Gender Finance includes Banking on Women projects. Microfinance projects with a gender emphasis are included in the Microfinance sector.

COMMITMENTS AND DISBURSEMENTS OF SOCIAL BOND ELIGIBLE PROJECTS BY SECTOR

(USD millions)

AGRIBUSINESS

	FY17	FY18
Commitments	119	56
Disbursements	104	41

EDUCATION

	FY17	FY18
Commitments	0	5
Disbursements	0	1

FOODS

	FY17	FY18
Commitments	29	37
Disbursements	3	15

HEALTH

	FY17	FY18
Commitments	0	68
Disbursements	0	0

ICT

	FY17	FY18
Commitments	0	137
Disbursements	0	31

GENDER FINANCE⁴

	FY17	FY18
Commitments	0	241
Disbursements	0	189

HOUSING FINANCE

	FY17	FY18
Commitments	0	20
Disbursements	0	20

MICROFINANCE

	FY17	FY18
Commitments	449	150
Disbursements	204	316

INFRASTRUCTURE

	FY17	FY18
Commitments	20	0
Disbursements	13	0

OTHER FINANCE

	FY17	FY18
Commitments	0	4
Disbursements	0	0

OTHER

	FY17	FY18
Commitments	3	0
Disbursements	0	1

Featured Project

SUPPORTING AFGHANISTAN'S RAISIN FARMERS: AFGHAN SAMOON COMPANY

Afghanistan's climate—a favorable combination of arid and hot weather—makes it one of the world's best locations to grow raisins. Afghan raisins are internationally sought after for their natural and distinctive taste. Through the 1970s and 1980s, raisin production was a cornerstone of Afghanistan's economy, with the country commanding approximately 20 percent of the global raisin market.

But years of conflict and political instability disrupted Afghanistan's once-flourishing raisin industry. Quality declined, and local farmers struggled to export their products. Many homes and vineyards were destroyed, and farmers were forced to sell their product at low prices. In a country where agribusiness supports more than 80 percent of the population, the decline in raisin exports directly impacted the livelihoods of a large part of the population. Afghanistan's economy suffered as raisin processing moved to neighboring countries. Today, less than 40 percent of Afghan raisins are exported.

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. The Shamali region—where the new plant has been built—is on the front lines of conflict. The new facility will source from an estimated 3,000 local farmers who work farms of one hectare or less and will

provide a boost to the country's economy. More than half of the full-time jobs created by the facility are expected to be filled by women.

"Our supply depends on small, landholding farmers," said Mase Rikweda, the company's CEO. "That's the nature of landholding in Afghanistan." The Rikweda family has been actively trading Afghan raisins for 25 years and understands the challenges facing the sector, as well as the opportunities.

Local farmers lack the key inputs they need for commercial success, such as water irrigation systems, trellises and drying mats. Trellises, for instance, could enable farmers to produce 40 percent more grapes per tree. Irrigation systems could decrease water usage while improving quality. IFC will provide complementary advisory services to develop the local supply chain and help small farmers improve their farming practices, thereby increasing yields and, ultimately, farmer incomes. IFC will also help the company strengthen its financial management capacity and adopt best industry standards for food safety.

The project was structured with a first-loss guarantee from the Global Agriculture and Food Security Program (GAFSP) Private Sector Window—an innovative financing solution designed to fund projects and catalyze private investments in the agribusiness sector. IFC's portion of the loan is eligible to be funded with proceeds from IFC's social bonds. The project includes political insurance coverage from the Multilateral Investment Guarantee Agency (MIGA) against the risk of war and civil disturbance. It also complements efforts by the World Bank-managed Afghanistan Reconstruction Trust Fund, which is working

alongside to enhance farmers' agricultural practices, introduce new technologies and link farmers to markets.

The project will also support global climate change efforts. By adopting commercial grade processing standards, the Afghan Samoon Company will reduce grape losses, helping it avoid up to 3,000 tons of carbon dioxide emissions annually once the facility is at full production. The company has also planted 30,000 trees in the local area.

The project is an important step towards restoring access to markets for farmers and revitalizing the country's raisin industry. "Afghanistan was once famous around the world for its raisins," said Mase Rikweda, the company CEO. "We hope this project will put the country back on the map."



A FARMER'S STORY

Haji Mallum was once a part-time school teacher in Afghanistan. But when his school was burned down, he was forced to rely on grape farming to support his five children. Mallum now works a half hectare of the extended family's three-hectare farm.

Mallum experimented on his own using a trellis to support his grape vines—a practice that can significantly boost productivity—but did not have enough money to extend the trellis across the whole farm or install a drip irrigation system.

With the construction of Afghan Samoon Company's new raisin processing facility nearby, Mallum says his prayers have been answered. Now, he no longer has to worry about finding a buyer for his grapes.

The Rikweda family wants to help growers like Mallum produce a better product and earn fair trade prices. "We want farmers to earn more and be able to afford what many people take for granted," says Afghan Samoon Company CEO Mase Rikweda. "Things like nutritional food, education and healthcare."



Featured Project

AN BINH BANK

Vietnam is seeing robust economic growth and rising incomes, having become a middle-income country within 30 years of economic reforms that opened it up to the world. SMEs form the backbone of the economy, accounting for about half of all jobs, and a substantial 98 percent of all businesses, with women making up about 21 percent of the ownership of formal businesses.

The majority of women-owned businesses (57 percent) are microenterprises, while 42 percent are SMEs, with only 1 percent classified as large enterprises. One common problem they have faced is a lack of access to finance, with only 30 percent reporting that they have access to the capital necessary for growth. IFC estimates the finance gap for women-owned businesses alone is around \$1.2 billion per annum, making the transition from microenterprises to SMEs even more challenging.

To help plug this gap, through its Banking on Women business, IFC and its partners provided a \$150 million syndicated loan package to An Binh Bank (ABBank) Vietnam. ABBank was established in the 1990s as a rural commercial bank and transformed into an urban commercial bank in 2004.

One businesswoman who encountered challenge was Mrs. Nguyen Thi Thuong, 57, from Dan Phuong district, Hanoi. She set up a company in 2010 that bought and sold raw wood, with just five employees. She explained that, "In 2017, I decided to expand into furniture production and sought a 2 billion VND (\$ 90,000 equivalent) bank loan from ABBank to purchase wood molding machines and expand the workshop. I hired 10 new workers to produce wooden furniture to supply to retailers in surrounding neighborhoods. Production has been stable, and I hope I can increase capacity further this year."

Mr. Nguyen Thanh Phong, Deputy Head of SME at ABBank, explained the bank's approach that, "Women-owned SMEs (WSMEs) are one of the priority segments at ABBank, given the growth potential and high credit quality which has been observed, both in the market as well as at our bank. Thanks to the long-term funding from IFC, as of December 2018, ABBank has provided about 3,500 loans to WSMEs, representing a 36 percent year-on-year growth of lending to this segment. The NPL ratio of this portfolio—at only 2 percent—is remarkable. ABBank has committed to achieve a 30 percent annual credit growth to WSMEs over the next five years. To reach this target, we will continue to ramp up our branding as 'The Bank for Women Enterprises', focus on market research to determine customers' needs and design and deliver distinctive products and excellent services to clients in this target segment."

This approach has worked well for Mrs Nguyen, who said that, "ABBank was efficient and helpful in evaluating my loan application. The disbursement was very quick, allowing me to put up a new production line just in time to catch the high seasonal market demand. This was a positive start to the new business."

Of this \$150 million financing package, IFC contributed \$40 million from its own account, while the remaining \$110 million comes from a consortium of international and regional lenders. In the package, \$45 million of the funding was exclusively earmarked for WSMEs. The project is supported by the Women Entrepreneurs Opportunity Facility (WEOF), a global facility dedicated to expanding access to capital for women entrepreneurs, aiming to help close the estimated \$285 billion credit gap for women-owned businesses around the world. The WEOF was launched in 2014 as a partnership between IFC's Banking on Women program and the Goldman Sachs 10,000 Women initiative. Since then, it has made more than \$1.1 billion in commitments to 42 financial institutions in 31 countries to spur lending to women entrepreneurs.

IFC provided ABBank with a trade line under its Global Trade Finance Program in 2009 before it became the bank's foreign investor with a 10 percent equity stake in 2013. Along with financing, IFC has helped ABBank strengthen its corporate governance and build up its SME banking capacity. Going forward, IFC will continue advising the bank on segmenting, developing and enhancing its value proposition for women entrepreneurs.



Spotlight on Environmental, Social and Governance Practices at IFC

INTERVIEW WITH

John Graham

IFC Chief Environmental Specialist



While Social Bond eligible projects must meet the requirements for IFC's focus on Inclusive Business or Banking on Women, they must also comply with IFC's Environmental and Social (E&S) Performance Standards, which apply to all IFC investments.

John Graham is IFC's Chief Environmental Specialist and a member of the Environment, Social and Governance (ESG) Solutions Department leadership team. We talked with John for an inside look at the team of Environmental and Social Specialists at IFC and reflection on IFC's journey in the development of ESG practices.

John—please tell us about your career at IFC and your current role:

I recently celebrated my 18th anniversary at IFC. I started my career as an Industry Specialist, working on Cleaner Production issues. After one year, I moved to the Environmental Department and have worked there ever since. Now, I manage the quality and consistency of IFC's environmental and social appraisal portfolio of approximately 400 proposed new investments annually and oversee IFC's E&S supervision of its investment portfolio of about 2,000 clients. This supervision supports clients' achievement of IFC's environmental and social requirements.

Why should ESG matter for businesses and investors?

Good ESG practices help manage risks to businesses, communities and the environment. Ignoring these non-financial risks can have significant financial implications for business. Good ESG practices also enhance reputation, reduce costs and create new revenue streams. Breaches of environmental regulations or human rights abuses, for example, can result in significant costs and damage reputations. IFC recognizes that protection of local communities and the environment go hand-in-hand with its goals of financial return and economic development. Hence, IFC works with its clients to ensure good practice and integrate ESG considerations into business operations.

How does IFC manage ESG risks in its investment operations?

IFC does a risk screening and preliminary categorization for all its investment projects. Unless a project has minimal or zero risk, our team prepares an E&S appraisal to review how the client manages project E&S risks, so as to meet IFC's requirements. The Specialist's review takes several forms, according to the complexity of the project, and can include preliminary desk review and client meetings, including site visits and stakeholder consultation for high-risk or complex projects. For investments through financial intermediaries, we assess the quality of the intermediary's systems to manage E&S risks in its pipeline and portfolio.

Questions we look to answer vary widely by sector. For example, was there any forced child labor? Are the right protective HR policies in place? For public access buildings, we would be extremely concerned about the standard of fire protection. For an all-female, somewhat isolated workforce, we would look at policies in place to manage gender-based violence.

The results of the due diligence at project appraisal are subject to review and are made publicly available in the form of an **Environmental and Social Review Summary** for direct investments and the **Summary of Investment Information** when we invest through financial intermediaries. The **Environmental and Social Action Plan** articulates the actions agreed with the client to close gaps between client performance and IFC's Performance Standards.

How has IFC's approach to E&S due diligence evolved over time?

IFC's work in ESG dates to the 1990s, when IFC first required the achievement of good ESG practices from its private sector clients. We began incorporating lessons learned from projects in environmental reviews of each investment., which led to the first set of "Safeguards". Through the reviews, we learned that not just environmental but also social issues can undermine the success of a project. Hence, in 1998, IFC revised the Safeguards and published its set of Environmental and Social Safeguard Policies.

The year 2006 was another milestone for IFC. We launched the **Sustainability Framework** that included the first **Environmental and Social Performance Standards**. This was very radical at the time. The eight Performance Standards, which stress outcomes rather than processes, describe the environmental and social issues that private sector companies across a range of sectors might face and the expectation of good industry practice that IFC clients in emerging markets should seek to achieve. This approach has been adopted by multiple multilateral institutions and private banks, many of whom have developed their own standards based on IFC standards.

We updated the Sustainability Framework in 2012 to address emerging issues and themes relevant to the global community. Topics like climate change, human rights, gender issues, Indigenous Peoples, and biodiversity and ecosystem services were better incorporated to reflect issues of importance to emerging markets.

How is IFC's ESG team set up?

IFC's ESG team consists of about 80 environmental and social specialists, reporting to four regional managers, equally distributed between headquarters in Washington, D.C., and IFC's regional offices. The team is comprised of industry sector specialists, specialists in cross-cutting issues, such as labor standards and also regional specialization. I ensure the team behaves as a global institution rather than four separate regions and oversee quality control and consistency of our work product.

Looking ahead, how do you see ESG at IFC develop?

We are working to enhance practices and more deeply embed the skills of specialists to identify risks related to climate change and gender-based violence. We are also changing our due diligence process and developing a rating tool to systematically evaluate projects and assign ratings. If we get that right, it will make our work more rigorous and efficient. We are also developing approaches to build E&S considerations into macro-level planning. For example, we should think about how wind power can be developed in a way that is benign to biodiversity or social issues, instead of working around these issues at a late stage of development. Ideally, we also look to understand E&S issues in parts of the world where IFC plans to develop business, by doing preliminary work to understand the issues and navigate around them.

What IFC ESG publications are not to miss?

Learnings developed through our team's work are captured and disseminated through IFC's publication of **Good Practice Notes** and **Environmental, Health and Safety Guidelines**, and they inform IFC's approaches to issues such as pollution control, climate risk, gender-based violence and modern slavery.

IFC Social Bond Program Process

The IFC Social Bond Program follows best market practices and is compliant with the Social Bond Principles.

USE OF PROCEEDS

Net proceeds from IFC's social bonds are allocated to a sub-portfolio that is linked to lending operations for social bond eligible projects. Only the loan portions of projects are eligible for funding via Social Bond proceeds—equity investments and guarantees are ineligible.

Eligible projects are funded, in whole or in part, by IFC and meet the requirements of either IFC's Banking on Women or Inclusive Business programs.

EVALUATION AND SELECTION

In addition to meeting social bond eligibility criteria, all projects financed undergo a rigorous due diligence process. Eligible projects comply with IFC Performance Standards on Environmental and Social Sustainability and the IFC Corporate Governance Framework. Projects are subject to ongoing monitoring and supervision.

MANAGEMENT OF 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.

The Social Cash Account tracks the difference between the balance of outstanding social bonds and outstanding Eligible Project loans. The Social Cash Account balance decreases as disbursements are made towards Eligible Projects or the social bonds mature and increases as new social bonds are issued or Eligible Projects are repaid. Disbursement requests for Eligible Projects take place in accordance with established IFC policies and procedures and are often made over a period of time, depending on project milestones.

In some cases, the social-related component of a project supported by social bonds forms part of a larger investment. In such instances, the social bond portfolio only finances the eligible portion of the project. Monitoring and supervision of Eligible Projects comprise of regular reports by the investee company on project activities and performance throughout the lifetime of investment.

IFC is rated triple-A by Standard & Poor and Moody's. The payment of interest and the principal of the Social Bonds is strictly based on the credit quality of IFC and is not directly affected by the result of the underlying investments that IFC makes.

REPORTING

IFC's Social Bond Impact Report follows best practice and the Social Bond Principles' guidance for reporting, "Working Towards a Harmonized Framework for Impact Reporting for Social Bonds", which aims to ensure integrity of the market through increased transparency.

The report provides a list of projects that are eligible to receive funding from social bond proceeds and,

subject to confidentiality considerations, provides a brief description of each project, the eligible loan amount and the expected social impact. The report only covers projects eligible for social bond financing.

For more information on IFC's Social Bond Program, visit www.ifc.org/socialbonds.

What projects are eligible?

Eligible projects meet IFC requirements for one of the following themes:

BANKING ON WOMEN:

Projects that lend to financial intermediaries with the requirement that IFC loan proceeds be on-lent to women-owned micro, small, and medium enterprises.

INCLUSIVE BUSINESS:

Projects with companies that integrate underserved people at the base of the pyramid into a company's value chain. For example, projects that:

- Provide health or education services
- Develop affordable housing
- Expand access to telecommunications, such as broadband or mobile phones
- Provide electricity or water services
- Source from small farmers
- Offer access to finance
- Sell through small mom-and-pop retailers

IFC's Impact Reporting Approach

Reporting on impact is fundamental for IFC and our Social Bond Program.

ALIGNING TO THE SUSTAINABLE DEVELOPMENT GOALS

The “High-Level Mapping to the Sustainable Development Goals”⁵, released by ICMA in 2018, provides a broad frame of reference of how Green, Social, and Sustainable Bond Programs can align to the SDGs.

As part of the World Bank Group, IFC has two overarching goals—ending extreme poverty by 2030 and boosting shared prosperity. Both of these high-level goals align with the SDGs, especially SDGs 1 and 10: No Poverty and Reduced Inequality. IFC’s mandate is to tackle difficult development challenges by creating markets and mobilizing private capital. The Anticipated Impact Measurement and Monitoring (AIMM) system, which IFC introduced in 2018, enables IFC to maintain a clear line of sight from this mandate to the SDGs.

At the strategic sector level, IFC’s projects in infrastructure, agriculture, financial inclusion, health and education align with SDGs 2, 3, 4, 6, 7, and 9. Across sectors, IFC promotes employment

creation and economic growth, gender equality, environmental and social sustainability, and climate-change adaptation and mitigation—aligning with SDGs 8, 5, 12, and 13, respectively. Furthermore, IFC’s partnerships with private investors to mobilize new sources of finance aligns with SDG 17.

Included in the Eligible Project section of this report is an indication of how Social Bond eligible projects align to specific SDGs. More information about how IFC contributes to the SDGs is available online at <https://www.ifc.org/sdgalignment>.

SELECTING IMPACT METRICS

For the past decade, IFC and other multilateral and bilateral development institutions have worked to identify common development indicators for investment projects. These efforts led to the Harmonized Indicators for Private Sector Operations (HIPSO), which have been agreed upon by 26 international finance institutions. The HIPSO indicator list is primarily comprised of sector-level outcome indicators.

To report on the impact of our Social Bond Program, IFC uses many of the sector-specific indicators⁶ agreed upon in the HIPSO partnership, incorporating additional indicators as needed.

IDENTIFYING TARGET POPULATIONS

IFC’s Social Bond Program, as mentioned, targets individuals who are underserved—those who lack access to the basic goods and services that are important aspects of well-being, be it a women-owned small business that lacks access to finance, a low-income household that lacks access to quality health care, or a small farmer with no market for his/her crop. Investments in financial intermediaries ensure that financial services are available to those that IFC cannot reach directly, such as micro, small, and medium enterprises.

As recommended by the Social Bond Principles in the “Working Towards a Harmonized Framework for Impact Reporting for Social Bonds”⁸ guidance document, the Eligible Project section of this report provides a description of the target population by sector.

Real Sector	Financial Sector
Farmers reached	Number of outstanding loans to women-owned SMEs ⁷
Number of mobile subscriptions (people reached)	Number of outstanding microfinance loans
Patients served	Number of outstanding housing loans
Power distribution (people reached)	
Students reached	

⁵ See: <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Mapping-SDGs-to-Social-and-Sustainability-Bonds-Final-030818.pdf>

⁶ The full list of HIPSO indicators can be found here: <https://indicators.ifcpartnership.org/indicators/>

⁷ Number of outstanding loans to women-owned SMEs is not a HIPSO indicator.

⁸ See: <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2018/Framework-for-Social-Bond-Reporting-Final-140618v3.pdf>

INTERPRETING INDICATORS

Wherever possible, IFC strives to quantify impact per sector. In instances where such indicators are unavailable or cannot be disclosed for confidentiality reasons, impact may be described qualitatively.

Impact indicators are tracked on a client-level basis and based on company-reported data. Indicators have not been prorated for the portion of IFC's contribution.

Social Bond Program reporting allows for quantification of a core indicator per sector, but it is important to appreciate the limitations of data reported. The main considerations to interpret results are:

- **Scope of results:** Reporting is based on “ex-ante” estimates at the time of project approval and mostly for direct project effects.
- **Uncertainty:** An important consideration in estimating impact indicators is that they are often based on a number of assumptions. Actual impact of projects may diverge from initial projections.
- **Comparability:** Caution should be taken in comparing projects, sectors, or whole portfolios because baselines (and base years) may vary. In addition, sector and country context should also be taken into consideration.
- **Omissions:** Projects may have impact across a much wider range of indicators than captured in the reporting and may have other important development impacts. Furthermore, there may be some projects for which the core indicator is not applicable or the data are not available.

IFC Access to Information Policy

The Access to Information Policy is the cornerstone of the IFC Sustainability Framework and articulates our commitment to transparency.

We seek to provide accurate and timely information regarding our investment and advisory activities to clients, partners and stakeholders, and we disclose relevant information pertaining to project, environmental and social implications, as well as expected development impact prior to consideration by our Board of Directors.

This commitment applies to projects funded by the Social Bond Program.



Social Bond Eligible Project Commitments for FY18

The Impact Assessment table that follows lists selected expected results from projects that are eligible to be funded with IFC Social Bond proceeds. Organized by sector, the tables include projects committed in FY18 and indicate alignment to the UN SDGs.⁹

Projects eligible for Social Bond funding do business with women-owned enterprises and with people living at the base of the pyramid in emerging markets. These companies have a direct impact on low-income people, including farmers, patients, students, micro-loan borrowers, micro-retailers, customers and others.

Reporting is based on “ex-ante” estimates at the time of project appraisal. Because the Impact Assessment table includes the estimated results of projects that are still in the construction or implementation phase, there is no guarantee that these results will ultimately materialize. Thus, the reporting is not intended to provide actual results achieved in a specific year or reporting period.




⁹ Due to confidentiality issues, not all eligible projects are listed. Not all projects listed contribute to the aggregate indicator due to indicator availability. Projects with a repeat client are listed but do not contribute to the aggregate indicator to avoid duplication of previous reporting. The social bond-eligible loan amount may not reflect the total project size.



REAL SECTOR

Spanning a range of sub-sectors, eligible projects in the real sector include a focus on increasing access to goods, services and markets for people who are low-income and/or underserved. Target populations in FY18 include:

- Smallholder farmers who often lack access to key inputs and financial resources, typically very poor with limited access to market for their products
- Youth with limited options for quality and affordable education/training that will lead to employment opportunities
- Small mom-and-pop shops and other lower-income retailer and distributors
- Patients who lack sufficient access to quality, affordable health products and/or services, including those who are low-income
- People who lack sufficient access to broadband and other information and communication technology (ICT) services, often residing in rural areas



IMPACT HIGHLIGHTS



Indicators ¹⁰		Baseline	Target
Farmers Reached (Agribusiness)		1,036,343	1,313,414
Students Reached (Education)		86,874	137,441
Number of Subscribers (ICT)		32,555,000	42,780,000

Sustainable Development Goals	Sector	Institution Name	Project ID	Country or Region	Description	Eligible Loan Commitment ⁹ (USD M)
 	Agribusiness	Global Tea	38327	Malawi	Global Tea is the largest coffee producer and a leading macadamia producer in Malawi. The project will expand the company's operations in Malawi, including planting more macadamia trees, replanting and increasing the yield of existing coffee plantations on smallholder farmers' land and developing a coffee out-grower program to support smallholder farmers.	0.30
	Agribusiness	Jain Irrigation Systems	40251	India	Jain Irrigation Systems is one of India's largest integrated agribusiness players, developing high-tech agri-inputs and end-to-end solutions for smallholder farmers. The project will expand the company's operations in micro-irrigation systems, plastic pipes, tissue culture and solar products in India. Adoption of micro irrigation systems and better farming technique improves farmer incomes at the base of the pyramid and leads to improved water efficiency.	39.93

¹⁰ Sectors not included in the Impact Highlights table describe expected impact qualitatively in the project table.

REAL SECTOR

Sustainable Development Goals	Sector	Institution Name	Project ID	Country or Region	Description	Eligible Loan Commitment ⁹ (USD M)
	Agribusiness	PRAN Group	40929	Bangladesh	PRAN Group is the leading branded food and beverage group and the largest agro-processor in Bangladesh. PRAN helps increase the availability of affordable, quality food products that source inputs directly from small farmers. The project will expand several existing food products, as well as its network of smallholder farmer suppliers and micro, small and medium enterprise (MSME) distribution chain.	15.00
	Agribusiness	Rikweda Fruit Processing Company (Afghan Samoon Company)	39718	Afghanistan	Rikweda is a raisin-processing company based just outside Kabul. The project will support the development of a new raisin processing plant in Afghanistan and build the company's capacity to develop and grow their food safety systems, financial management procedures, and supply chain. The project seeks to improve livelihoods for smallholder farmers in remote, rural areas by strengthening their access to markets and promoting roles for women in agriculture.	1.00
 4 QUALITY EDUCATION	Education	Anima	37083	Brazil	Anima is a Brazilian education company that operates private universities, executive education and distance learning in various segments and regions of the national market. The investment expanded quality and affordable education for more students in Brazil, particularly those from low- and middle-income families. The project financed the company's expansion plans, including the establishment of new campuses and/or acquisition of existing education companies.	3.00
	Education	Ashesi University	39192	Ghana	Ashesi University College is a private, not-for-profit education provider in Ghana, with a focus on diversity and inclusiveness. Initially operating out of leased facilities since inception in 2002, Ashesi was able to construct a permanent campus in Berekuso, Ghana, in 2009 through IFC financing. The additional investment enables Ashesi to deliver on its expansion plans through the construction of additional facilities, allowing Ashesi to double its enrollment and increase access to high quality, affordable education for students in the country.	1.89
 2 ZERO HUNGER	Foods	Nabati	40460	Indonesia	Nabati is a producer of wafers, biscuits, and snacks, based in Indonesia. The project will enable the construction of a new factory in West Java. The project will generate new job opportunities and positive economic impacts throughout the company's value chain, especially downstream among Nabati's extensive network of distributors including micro, small and medium enterprises. The project is also expected to contribute to food security for base-of-the-pyramid consumers.	37.40

Sustainable Development Goals	Sector	Institution Name	Project ID	Country or Region	Description	Eligible Loan Commitment ⁹ (USD M)
	Health	Biological E	39488	India	Biological E Limited is an Indian vaccines-and-pharmaceuticals manufacturing company that supplies vaccines to low- and middle-income countries in Asia, the Middle East, and Latin America either directly or through the United Nations Children's Fund (UNICEF)/Global Alliance for Vaccines and Immunization (GAVI). Through the project, the company will launch four new vaccines, finance a new manufacturing facility in Hyderabad and increase access to quality, affordable vaccines in India and other developing countries. The project is expected to help reduce infant and child mortality levels throughout India by increasing the availability of affordable vaccines that can prevent potentially fatal childhood diseases.	60.00
	Health	UCL Pharma	39904	Kenya	UCL Pharma is a pharmaceutical manufacturer based in Nairobi, Kenya, producing low-cost and high-quality pharmaceutical products for some of Africa's most underdeveloped, low-income pharmaceutical markets. The project seeks to increase the availability of quality pharmaceutical products in the region to combat the prevalence of counterfeit and fake drugs and promote access to more affordable products. The project is expected to enhance cost competitiveness and increase access to more affordable products while ensuring quality as UCL achieves further economies of scale in the market.	7.80
	ICT	Cabo Telecom	37968	Brazil	Cabo Telecom is a "triple play" operator of broadband networks, located in the Northeast region of Brazil, providing cable television, telephony and internet services. The project will help the company promote broadband coverage penetration in frontier regions (North and Northeastern regions), thereby supporting regional economic development and expanding access to information.	36.82
	ICT	Zain Iraq	39715	Iraq	Zain Iraq is a leading mobile network operator in Iraq. The project will help Zain Iraq enhance the capacity and quality of its 3G network to increase broadband accesses, reconstruct the 2G and 3G networks that were damaged during the conflict with ISIS and expand coverage to currently unserved areas.	100.00


FINANCIAL SECTOR

Social Bond eligible projects in the financial sector focus on improving low-cost access and availability of financial products and services. Sub-sectors include: gender finance, housing finance, microfinance, and other finance, reaching un-underserved groups. Target populations in FY18 include:


- Women-owned micro, small and medium enterprises
- Home buyers who lack access to affordable mortgages, often in areas with a housing deficit
- Micro-loan borrowers who lack access to affordable financial services from traditional banks or lending institutions, often low-income or living in remote areas
- Poor customers who lack access to safe, quality, and affordable cookstoves

IMPACT HIGHLIGHTS



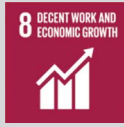
Indicators ¹²	Baseline	Target
Women-Owned MSME Loans Outstanding (Gender Finance/Banking on Women)	40,618	88,161
Housing Loans Outstanding (Housing Finance)	10,016	37,391
Micro Loans Outstanding (Microfinance)	1,030,199	1,545,191

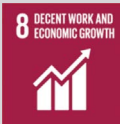


Sustainable Development Goals	Sector	Institution Name	Project ID	Country or Region	Description	Eligible Loan Commitment ⁹ (USD millions)
	Gender Finance/ Banking on Women	An Binh Bank	40081	Vietnam	An Binh Bank is a Vietnamese commercial bank. At least a third of the \$150 million syndicated senior loan will be dedicated towards women-owned SMEs. Through this project, ABBank aims to almost quadruple the size of its lending to women-owned SMEs over a five-year period.	33.5
	Gender Finance/ Banking on Women	Garanti Bank	40713	Romania	The project comprises a senior loan, which, along with a parallel loan to Garanti Leasing Romania, is part of an overall loan package to Garanti Group Romania to help finance SMEs. Half of the funding is earmarked for supporting companies owned or managed by women. It would help Garanti Romania boost financial inclusion and expand its SME reach, with a focus on women entrepreneurs.	14.80
	Gender Finance/ Banking on Women	First Rand	40511	South Africa	FirstRand's retail and commercial franchise, First National Bank, is a leading player in South Africa's SME segment. The project comprises a senior loan of up to \$100 million, half of which will be allocated for on-lending to women-owned SMEs. It launched the broader "SME Push Program" in South Africa, aimed at expanding SME lending and bolstering support for SMEs by the formal banking sector, via partnerships with the country's largest banks to significantly ramp-up their lending to unserved and underserved segments of the SME market, the largest source of employment in the country.	50.00

¹² Sectors not included in the Impact Highlights table describe expected impact qualitatively in the project table.

Sustainable Development Goals	Sector	Institution Name	Project ID	Country or Region	Description	Eligible Loan Commitment ⁹ (USD millions)
	Gender Finance/ Banking on Women	Garanti Leasing	40788	Romania	The project comprises a senior loan, which, along with a parallel loan to Garanti Bank Romania, is part of an overall loan package to Garanti Group Romania to help finance SMEs. Half of the funding is earmarked for supporting companies owned or managed by women. It would help Garanti Leasing Romania boost financial inclusion and expand its SME reach, with a focus on women entrepreneurs.	4.14
	Gender Finance/ Banking on Women	Senkadagala Finance	40668	Sri Lanka	Senkadagala Finance PLC is a licensed finance company in Sri Lanka. The project marked the first IFC intervention in Sri Lanka, targeted exclusively at women entrepreneurs to boost female participation in the economy. The five-year Sri Lankan Rupee-denominated senior loan of \$15 million equivalent will support access to affordable financing for women-owned SMEs over a five-year period.	15.00
	Gender Finance/ Banking on Women	Sanasa Development Bank PLC	40660	Sri Lanka	Sanasa was established as a microfinance/retail bank, funded by over 4,500 cooperative societies. It has since transformed itself into a SME/retail bank. The Sri Lankan Rupee-denominated senior loan of \$15 million equivalent will support the expansion of Sanasa's SME portfolio, with 25 percent of the financing earmarked for women-owned SMEs.	3.75
	Gender Finance/ Banking on Women	BCN Cape Verde	39745	Cape Verde	BCN is the only wholly-local bank in Cape Verde. The project consists of a five-year senior loan of up to EUR 5 million of which 25 percent will be carved out for financing to women-owned SMEs. It will allow scale-up of credit extension to 3,000 additional SMEs, of which 600 will be women-owned.	1.53
	Gender Finance/ Banking on Women	Garanti Bankasi	40886	Turkey	Garanti Bank is Turkey's second largest privately-owned bank. The transaction entails the issuance of the first private sector gender bond in emerging markets dedicated to financing women-owned/managed enterprises and companies. The proceeds will be used to support Garanti's lending operations to finance working capital needs of women-owned small enterprises in Turkey, and is expected to triple the number of loans to this client base over the next five years.	75.00
	Gender Finance/ Banking on Women	CAL Bank Ltd	41047	Ghana	CAL Bank is a Ghana-based universal bank. The proposed investment consists of a \$50 million senior loan to CAL Bank, and will be directed towards its lending to SMEs. Portions of the loan will be targeted at growing CAL Bank's gender and climate lending.	0.40
	Gender Finance/ Banking on Women	ABI Holding	40243	Benin, Burkina Faso, Côte D'Ivoire, Mali, Niger, Senegal, Togo	Atlantic Business International ("ABI") is the central entity of Banque Atlantique group, a leading regional banking group in nine countries in West and Central Africa. The project is an investment in a social bond issued by ABI. The proceeds raised will be used to finance and/or refinance eligible social projects—including supporting women-owned SMEs—across ABI subsidiaries in Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal and Togo.	26.28
	Gender Finance/ Banking on Women	National Development Bank	41285	Sri Lanka	National Development Bank PLC ("NDB") is a mid-sized licensed commercial bank in Sri Lanka. The Project will support the expansion of NDB's SME portfolio related to the agriculture sector, with an emphasis on financing climate-smart agriculture solutions and women-owned enterprises. The proposed project is part of IFC's Sri Lanka Agriculture Finance Program, which aims to provide a holistic solution to bridge an estimated agriculture financing gap of \$2 billion.	11.19

FINANCIAL SECTOR

Sustainable Development Goals	Sector	Institution Name	Project ID	Country or Region	Description	Eligible Loan Commitment ⁹ (USD millions)
 5 GENDER EQUALITY	Gender Finance/ Banking on Women	Alliance Finance	41271	Sri Lanka	Alliance Finance Company PLC ("Alliance") is a mid-sized licensed finance company in Sri Lanka. The project will support the expansion of Alliance's SME portfolio related to the agriculture sector, with an emphasis on financing climate-smart agriculture solutions and women-owned enterprises. The proposed project is part of IFC's 'Sri Lanka Agriculture Finance Program', which aims to provide a holistic solution to bridge an estimated agriculture financing gap of \$2 billion.	2.00
	Gender Finance/ Banking on Women	Central Finance	41293	Sri Lanka	Central Finance Company PLC ("CF") is a licensed finance company in Sri Lanka. The project will support the expansion of CF's SME portfolio related to the agriculture sector, with an emphasis on financing climate-smart agriculture solutions and women-owned enterprises. The proposed project is part of IFC's 'Sri Lanka Agriculture Finance Program', which aims to provide a holistic solution to bridge an estimated agriculture financing gap of \$2 billion.	3.00
 11 SUSTAINABLE CITIES AND COMMUNITIES	Housing Finance	Caisse Régionale de Refinancement Hypothécaire (CRRH)	40549	Western Africa	Caisse Régionale de Refinancement Hypothécaire (CRRH) is a regional mortgage refinancing company that seeks to address the need for affordable housing in the West African Economic and Monetary Union (UEMOA) zone. The project supports CRRH's local currency bond issuance program, in order to contribute to the development of the housing market in the UEMOA and deepen the regional capital markets.	9.02
	Housing Finance	Lafise Bancentro	41273	Nicaragua	Lafise Bancentro, based in Nicaragua, is the largest banking subsidiary of Lafise Group. The project will boost access to credit for SMEs and increase access to housing loans for low- and middle-income families to help reduce the housing deficit in the country.	11.40
 8 DECENT WORK AND ECONOMIC GROWTH	Microfinance	Accion Nigeria	39519	Nigeria	Accion Microfinance Bank Ltd. is a leading microfinance institution based in Lagos, which lends to over 39,000 customers. This project aims at supporting the bank's expansion of lending to micro and small enterprises in Nigeria.	2.84
	Microfinance	Agency for Finance in Kosovo (AFK)	41012	Kosovo	Agency for Finance in Kosovo (AFK) is the country's fourth largest microfinance institution. The project will support the expansion of AFK's lending program to micro and small businesses, as well as small farmers and agri-businesses, with a particular focus on rural and semi-urban areas.	0.74
	Microfinance	Camesa	40066	Mexico	Camesa is a microfinance company that provides financial services through its 256 branches, over 20 percent of which are in frontier states. The company is focused on high density sub-urban areas where financial access is low. The proceeds from the project will be used for on-lending to micro enterprises in Mexico.	9.66
	Microfinance	Fedecredito	37719	El Salvador	Fedecredito is a cooperative of 48 credit unions and seven workers' banks in El Salvador. Fedecredito's system supports the growing loan portfolio of the workers' banks to individuals and micro, small and medium enterprises. The project is intended to support Fedecredito's growing portfolio of consumer loans, micro, small and medium enterprise loans and housing loans.	8.70

Sustainable Development Goals	Sector	Institution Name	Project ID	Country or Region	Description	Eligible Loan Commitment ⁹ (USD millions)
	Microfinance	Genesis	39578	Guatemala	Fundación Genesis Empresarial (Genesis) is Guatemala's largest non-profit microfinance institution, serving more than 100,000 clients of whom 90 percent live in rural areas. The proceeds will finance the growth of Genesis's micro and small loan portfolio and expand its reach to underserved borrowers, particularly to women and indigenous people in rural areas.	5.70
	Microfinance	KEP	40428	Kosovo	KEP is a leading microfinance institution in Kosovo. The project will support the expansion of its lending program to individuals and micro and small enterprises, including micro agricultural farms and very small agri-processing companies in Kosovo.	1.55
	Microfinance	KMF	40476	Kazakhstan	KMF is a leader in the Kazakh microfinance sector. The project will support local currency financing of micro and small enterprises, including women entrepreneurs and customers in rural areas of Kazakhstan.	79.05
	Microfinance	Konfio	40491	Mexico	Konfio is an online lending platform for micro, small and medium enterprises in Mexico, founded to address the lack of credit for the vast creditworthy, but underserved, entrepreneurial segment in Mexico. The project will support the company's continued expansion.	4.30
	Microfinance	KRK	39885	Kosovo	KRK is the leading lender to micro, small and medium enterprises in Kosovo with a special focus on agriculture and agri-processing. This second tranche investment will increase lending to farmers, rural entrepreneurs and other micro, small and medium enterprises in Kosovo that are typically underserved by traditional commercial banks.	1.85
	Microfinance	Los Héroes	40295	Chile	Caja de Compensación Los Héroes is a non-profit organization based in Chile, focused on distributing social security benefits and fostering financial inclusion through other social financial products. The project will support the company's social credit lending program, focused on low-income individuals who are currently underserved by the traditional financial system in Chile.	28.80
	Microfinance	Tamweelcom	40533	Jordan	Tamweelcom is a microfinance institution in Jordan, which serves approximately 86,000 clients through its network of 36 branches across the country. The project will increase Tamweelcom's lending to individual entrepreneurs and micro and very small enterprises, thus expanding access to finance to underserved segments of the country's economy, including women entrepreneurs.	6.37
 	Other Finance	BIX Capital	35168	Sub-Saharan Africa	BIX Capital is an impact investment vehicle that seeks to increase access to and affordability of essential household products, primarily targeting sub-Saharan African countries. The initiative will provide working capital financing to manufacturers and distributors of climate-smart household appliances using the revenues generated from carbon credits. The project will help bring clean cook stoves, water purification systems, biogas digesters and other appliances to low-income African households and improve the health and sanitation of poor consumers.	3.50

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