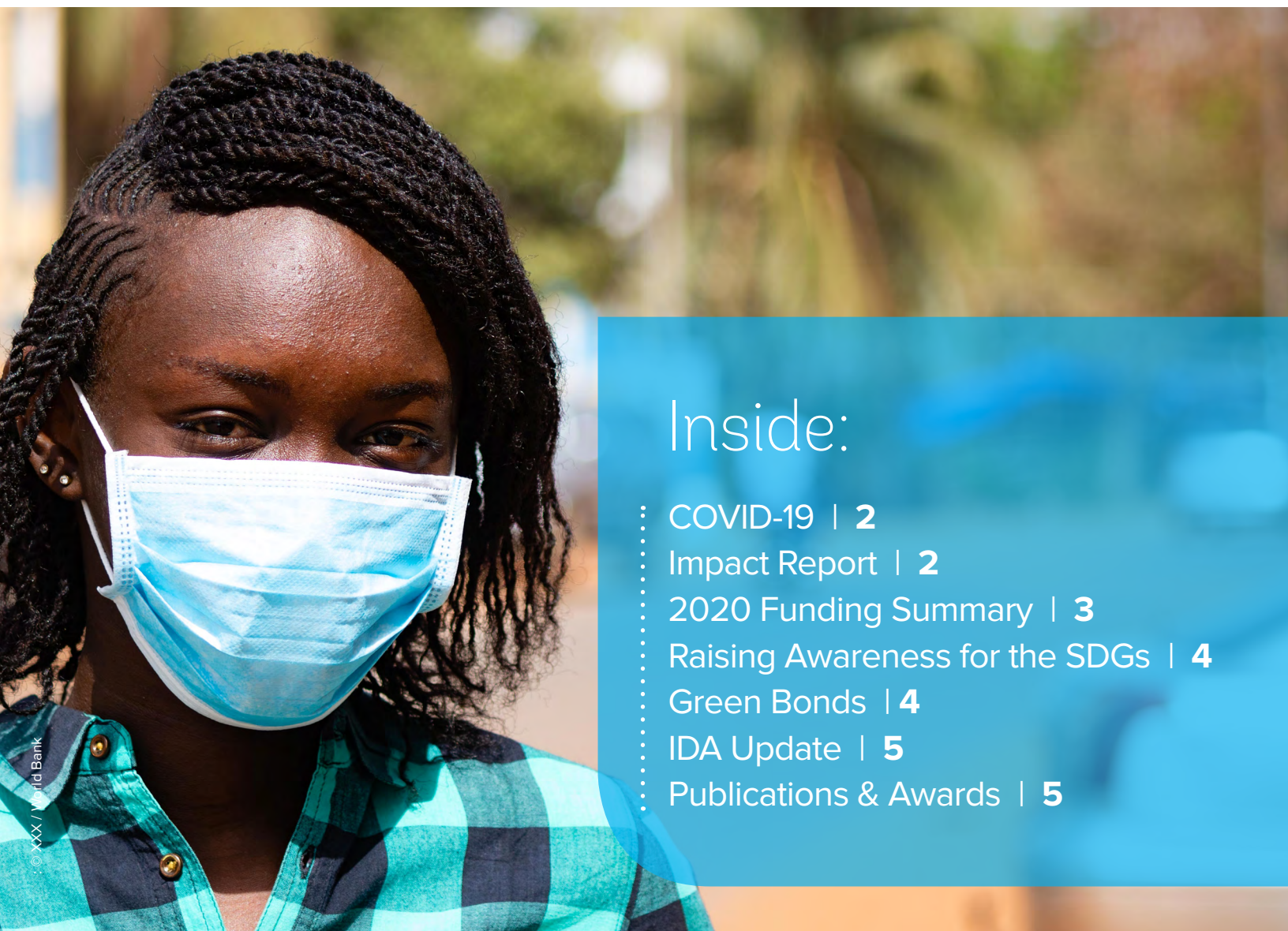




WORLD BANK BONDS FOR

# Sustainable Development

Investor Newsletter | December 2020



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# Who We Are

- The World Bank Treasury serves as treasury for both the World Bank (IBRD) & IDA (International Development Association), both are members of the World Bank Group (WBG).<sup>1</sup>

# COVID-19

- The World Bank Group has been taking fast, comprehensive action to tackle the biggest challenge of our generation: SARS-CoV-2, the virus which causes COVID-19 (coronavirus). We are focusing on saving lives, protecting the poor and vulnerable, ensuring sustainable business growth, and rebuilding better.

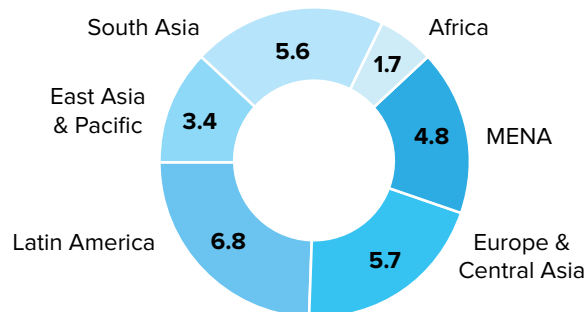
Across the World Bank Group, we are making available up to \$160 billion in financing over a 15-month period ending June 2021 (with approximately \$50 billion from IBRD and \$50 billion from IDA), including delivering emergency health support to over 100 countries. As we deploy resources to address impacts of COVID-19 in our member countries, we are working to ensure these investments support a robust, sustainable, and resilient recovery.



# IBRD Lending Highlights

- In FY20, IBRD committed \$28 billion through 152 new projects to fund sustainable development activities in middle-income countries. In response to COVID-19, disbursements have accelerated, totaling \$15.4 billion from April to September 2020.

**FY20 IBRD Lending by Region**  
in \$ billions



**\$28 billion**

**+** 100+ COVID-19 Response Projects in 100+ countries (WBG)

**28%** Directed to financing climate action

**49%** For lower-middle income countries

# Impact Report

## World Bank's First Sustainable Development Bond Impact Report

The first World Bank Sustainable Development Bond Impact Report covers all World Bank bond issuance and the entire portfolio of World Bank development activities. It looks at achieved and expected results from the portfolio.<sup>2</sup>

Project results achieved through 71 projects which closed in FY19 are aggregated and mapped to the Sustainable Development Goals (SDGs). Additionally, expected results for 84 projects approved over the last two fiscal years are summarized and reported.

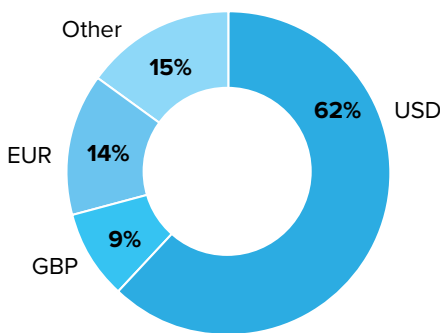


<sup>1</sup> The "World Bank" refers to IBRD. The World Bank Group consists of five organizations: International Bank for Reconstruction and Development, International Development Association, International Finance Corporation, Multilateral Investment Guarantee Agency and International Centre for Settlement of Investment Disputes.  
<sup>2</sup> Net proceeds of World Bank bonds are not committed or earmarked for lending to, or financing of, any particular projects or programs, and returns on World Bank bonds are not linked to the performance of any particular project or program.

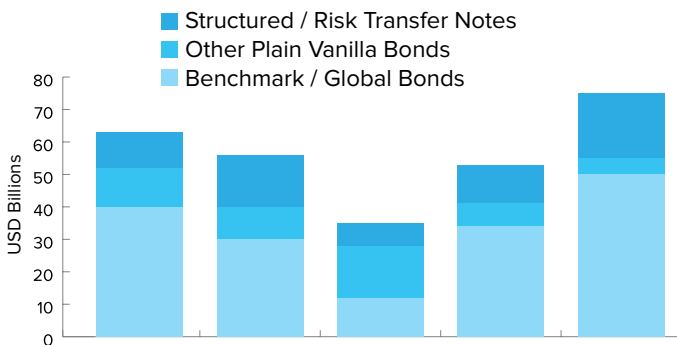
# World Bank Funding Summary

In fiscal year 2020 (FY20, July 2019-June 2020), the World Bank issued a record \$75 billion equivalent in 27 different currencies through 349 transactions to support its sustainable development projects and programs. In the spring and summer of 2020, the World Bank issued several benchmarks to raise awareness for our projects and programs that provide support to member countries in response to the health, social and economic impacts of COVID-19. For the World Bank, this included an \$8 billion 5-year transaction which set the record as the largest SSA bond.

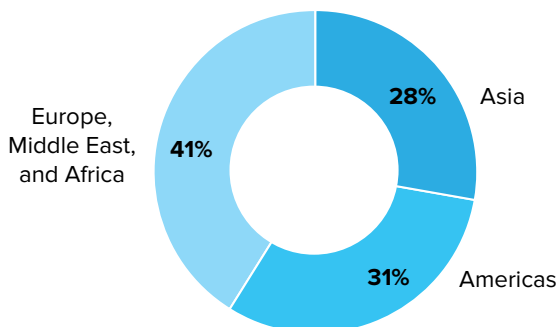
**FY20 Breakdown by Currency**



**Annual Issuance**



**FY20 Breakdown by Investor**



## Key Transactions

### Record-Breaking \$8 Billion

The World Bank issued a \$8 billion 5-year global benchmark bond in April 2020 - the largest ever US dollar denominated bond issued by a supranational. The bond issuance reflects the World Bank's commitment to increase financing to support its member countries in their efforts to address the human and economic impacts of COVID-19. Investors demonstrated their support of the World Bank mission with an orderbook of \$12.5 billion, with about 190 investor orders.

### Dual Tranches: AUD, CAD, NZD, NOK, SEK, USD

Fiscal year 2020 and the first half of fiscal year 2021 has provided a series of dual tranche bond issuances from the World Bank. The dual tranche format allowed World Bank to meet investor demand at different points on the yield curve and in a variety of currencies. A November 2021 3-year and 7-year dual tranche format in US dollars raised \$8 billion with over 300 orders.

### Inaugural Bond in Rwandan Franc

The World Bank issued its first bond in Rwandan franc in January 2020. This bond is the seventh Sub-Saharan African currency that the World Bank has issued in or linked to. Through this transaction, the World Bank contributed to the development of the country's local capital market and provided an opportunity for international investors to purchase a World Bank bond while gaining exposure to the growing Rwandan economy through the currency.



# Raising Awareness for the SDGs

The World Bank takes a portfolio approach to issuing and labeling its bonds: bond proceeds contribute to the entire balance sheet supporting the entire mandate of the institution to eradicate extreme poverty and boost shared prosperity.

# Green Bonds

In 2008, the World Bank issued the world's first Green Bond that created the blueprint for what is today a \$1 trillion market.

In FY20, the World Bank issued \$1 billion in green bonds, bringing its total issued since inception of the green bond market to over \$14 billion in 164 green bonds and 22 currencies.

## World Bank Sustainable Development Bonds Raise Awareness with Investors for SDGs

*Examples of dedicated themes, total volumes issued to-date*

**2 ZERO HUNGER**  
**3 GOOD HEALTH AND WELL-BEING**

**Nutrition & Human Capital**  
**>\$100 million**  
**COVID-19**  
**>\$19 billion**

**1 NO POVERTY** **4 QUALITY EDUCATION** **8 DECENT WORK AND ECONOMIC GROWTH** **10 REDUCED INEQUALITIES**

**11 SUSTAINABLE CITIES AND COMMUNITIES**

**Sustainable Cities**  
**\$260 million**

**3 GOOD HEALTH AND WELL-BEING**  
**5 GENDER EQUALITY**

**Women & Girls' Empowerment**  
**>\$1 billion**  
**Women & Children's Health**  
**>\$2 billion**

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**  
**2 ZERO WASTE**  
**13 CLIMATE ACTION**

**Responsible Consumption & Production**  
**>\$2 billion**

**6 CLEAN WATER AND SANITATION**  
**14 LIFE BELOW WATER**

**Water & Oceans**  
**\$5 billion**

**13 CLIMATE ACTION**

**Green Bonds**  
**>\$14 billion**

**6 CLEAN WATER AND SANITATION** **7 AFFORDABLE AND CLEAN ENERGY** **11 SUSTAINABLE CITIES AND COMMUNITIES** **12 RESPONSIBLE CONSUMPTION AND PRODUCTION** **14 LIFE BELOW WATER** **15 LIFE ON LAND**

World Bank Sustainable Development Bonds raise awareness for certain SDGs and development challenges, using World Bank projects as examples. Dedicated themes have allowed for bonds to raise awareness around topics such as food loss and waste; gender equality/health and nutrition of women and children; water and oceans; and sustainable cities.

# IDA Update



- Following its capital market debut in 2018 in US dollars, IDA (AAA/Aaa)
- has expanded its issuances to include Euros, British pounds, and Swedish krona.

With US dollar issuances at 7-year and 10-year points on the yield curve in the fall of 2020, IDA has further efforts to build out full liquid curves in the major benchmark currencies.

In FY20, IDA commitments totaled \$30 billion through 305 new projects to fund sustainable development activities in low-income countries. In response to COVID-19, disbursements have accelerated, totaling \$16.4 billion from April to September 2020.

## New platform to discover and analyze sovereign ESG data



## Publication for Sovereign Debt Managers



In November 2020, the World Bank published a guide for Sovereign debt managers called [Engaging with Investors on Environmental, Social, and Governance Issues](#) to support communication between sovereign issuers and investors.

## AWARDS

### GlobalCapital Annual Bond Awards

- Most Impressive SSA Issuer Funding Strategy During Covid-19 Pandemic
- Most Impressive SSA MTN Issuer
- Supranational Dollar Bond of the Year (\$8 B 5-Year)
- Risk-Free Rate Bond of the Year (\$700M SOFR 7-Year)

### MTN-i 2020 Awards

- 14th Americas Awards-Callable Issuer of the Year
- Deal of the Year-\$1 billion 2.3% 5NC3M/3M Fixed Rate MTNs due October 2024

### CMDportal

- Best ESG Bond Issuer 2021
- Best GBP Bond Issuer 2021



## The World Bank Treasury launches an unprecedented global hiring campaign

The global recruitment campaign aims to attract the best and brightest talent. Our recruitment for over 40 positions offers an unprecedented opportunity to work for the World Bank Treasury.

<https://treasury.worldbank.org/en/about/unit/treasury/about/careers>

**About the World Bank:** The World Bank (International Bank for Reconstruction and Development, IBRD), rated Aaa/AAA (Moody's/S&P) operates as a global development cooperative owned by 189 member countries. The World Bank has two main goals: to end extreme poverty and promote shared prosperity. It provides its members with financing, expertise and coordination services so they can achieve equitable and sustainable economic growth in their national economies and find effective solutions to pressing regional and global economic and environmental problems.

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