



WORLD BANK BONDS FOR

Sustainable Development

Investor Newsletter | October 2019

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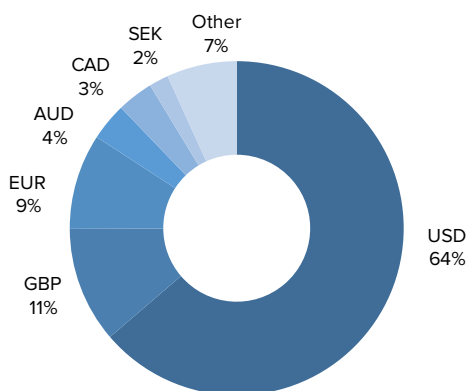
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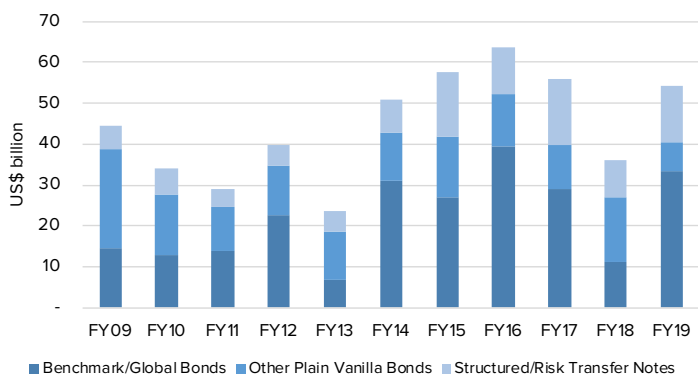
Funding Highlights

- In fiscal year 2019 (FY19), the World Bank (IBRD) issued US\$54 billion in 27 different currencies through 440 transactions to support its sustainable development projects and programs.

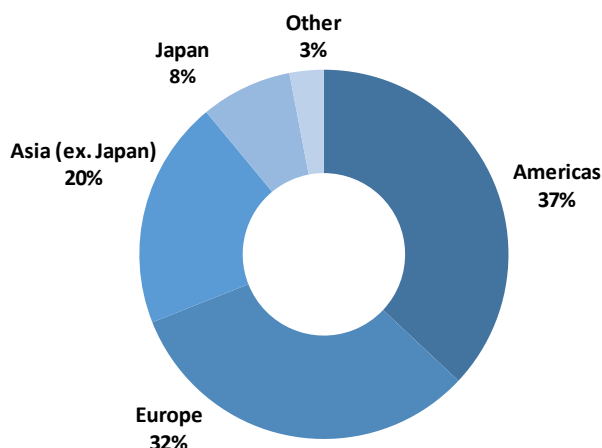
FY19 Breakdown by Currency



Annual Issuance



FY19 Breakdown by Investor



Key Transactions

Breaking Boundaries with Blockchain

The World Bank partnered with Commonwealth Bank of Australia to issue “[bond-i](#)” – a blockchain operated new debt instrument, in August 2018. This was the world’s first bond to be created, allocated, transferred and managed through its life cycle using distributed ledger technology. In May 2019, the partners enabled [secondary market trading recorded on blockchain](#), and in August 2019, bond-i was tapped to [increase liquidity and broaden market participation](#). The bond is part of World Bank’s broader strategic focus to harness the potential of disruptive technologies for development.

Responding to Demand for High Quality Liquid Assets and LIBOR Alternatives

The World Bank issued its [first Secured Overnight Financing Rate \(SOFR\) bond](#), in August 2018. The 2-year USD-denominated benchmark bond raised USD 1 billion. This was the first SSA-issued SOFR-linked bond and the second transaction in the market. This bond responds to investor demand for high quality assets and helps develop the market for SOFR – a rate based on transactions in the US Treasury repurchase market and an alternative reference rate to USD LIBOR.

Introducing SONIA

The World Bank issued its [first Sterling Overnight Index Average \(SONIA\) bond](#), in September 2018. The GBP 1.25 billion, five-year benchmark is the largest in this market. With this bond, the World Bank became the first issuer in two LIBOR alternative reference rates. Both issuances reflect the World Bank’s commitment to supporting the developing of a market for LIBOR alternatives and offering investors high quality, liquid assets in those markets. Like other World Bank bonds, the proceeds of these bonds will support the World Bank’s global efforts to end poverty and create opportunity.

Green Bonds

On November 16, 2018 the World Bank celebrated the 10th anniversary of the first Green Bond that created the [blueprint](#) for what is today a US\$500+ billion market.

In FY19, the World Bank issued US\$2.7 billion in green bonds, bringing its total issued since inception of the green bond market to over US\$13 billion in 158 green bonds and 21 currencies. For more information, the Green Bond Impact Report 2019 will be published [here](#).

Other Updates

IBRD bonds are now accepted as collateral for margin calls, as required by regulation for centrally cleared OTC derivative trades.

[London Clearing House \(LCH\)](#) added eligible IBRD bonds to its list of acceptable collateral in Sept. 2018, and [CME Clearing](#) followed in June 2019. For CME Clearing, IBRD is the first supranational issuer added to the list of acceptable collateral providers. These changes expand the universe of high-quality liquid bonds that investors can use to meet margin requirements.

SUSTAINABLE DEVELOPMENT GOALS



July 2018

World Bank [CAD 1 billion benchmark bond](#) highlights the benefits of investing in women and young people



August 2018

World Bank issues a [SEK 1 billion 7-year bond](#), the first in a series of Sustainable Development Bonds issued to raise awareness for the critical role that water and ocean resources play in development around the world



September 2018

The World Bank issues [US dollar-denominated sustainable development notes](#) that provide investors return exposure to the environmental, social and governance (“ESG”) performance of UN Global Compact signatories through the Global Sustainability Signatories Index 7.5% VC ER working with UBS



October 2018

World Bank joins forces with Skandia, SEB Life & Investment Management, Handelsbanken Fonder, and Church of Sweden to [raise awareness for Sustainable Development Goal 11: Sustainable Cities and Communities](#)



November 2018

World Bank marks the [10-year anniversary of the green bond market with a landmark USD 1.3 billion issuance](#) bringing its green bond program to USD 13 billion



January 2019

World Bank issues a [CAD 1.5 billion Sustainable Development bond, the largest bond issued by an SSA \(sovereign, supranational agency\) in the Canadian market](#), to raise awareness for the long-lasting benefits of investing in the health and nutrition of women, children, and adolescents



March 2019

World Bank launches the [first Sustainable Development Bond to raise awareness for food loss and waste](#), focusing on the challenges outlined by Sustainable Development Goal 12.3. The Folksam Group was the sole investor in the three-year, USD 300 million bond.



May 2019

World Bank lists its [first bond on Euronext Dublin, a 10-year global sustainable development bond](#), raising EUR 1.5 billion from dedicated sustainability investors.



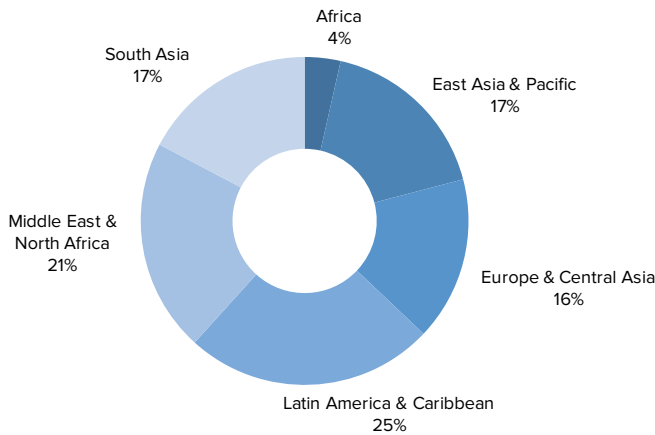
June 2019

[Luxembourg Stock Exchange began displaying all World Bank bonds on the Luxembourg Green Exchange](#) or LGX, the exchange’s platform dedicated to green, social and sustainable financial instruments. The event was marked with a ceremony at the Sustainable Finance Forum in Luxembourg.

Lending Highlights

- In FY19, IBRD committed US\$23.2 billion through 100 new projects to fund sustainable development activities in middle-income countries.

FY19 Loan Commitments by Region



\$23 billion



54% for lower middle-income countries



57% have a gender focus*



31% have climate co-benefits

*As a percentage of total new projects committed

PODCASTS, PUBLICATIONS & AWARDS



BMO's Sustainability Leaders: [World Bank: Mobilizing Capital Markets for Sustainable Finance](#), August 2019

Euromoney's Financing a Sustainable Planet: [Episode 2 "Greening the Economy"](#), July 2019



"[Beyond Green: Building Sustainable Capital Markets](#)," Financing the UN Development System: Opening Doors, September 2018

IDA Funding Update

- Almost a year after its [inaugural benchmark bond](#), IDA Launched its first short-term debt instruments for investors through the [IDA Bills Program](#). The IDA program had an outstanding balance of around \$2 billion on June 30, 2019.
- IDA re-entered the market in October 2019 with its first [EUR-denominated benchmark bond](#). The 7-year bond raised EUR 1.25 billion.

World Bank Sovereign ESG Data Portal

The new platform to discover and analyze sovereign ESG data.



<http://esgdata.worldbank.org>

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.

About the World Bank Group: The World Bank Group consists of five separate legal organizations working towards a common mission to eradicate extreme poverty and promote shared prosperity. It includes International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID). Both IBRD and IFC are issuers of bonds.

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