



WORLD BANK BONDS FOR

Sustainable Development

Investor Newsletter | December 2022

Inside:

Responding to Overlapping Crises | 2

Impact Report | 2

2022 Funding Summary & Key
Transactions | 3

Raising Awareness for SDGs | 4

A Focus on Biodiversity | 4

Other News & Awards | 5



Who We Are: World Bank Treasury

The World Bank Treasury manages the issuance programs for both the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA)¹. This newsletter is focused on IBRD bond issuance. IBRD provides loans, guarantees, and advisory services to member countries to support sustainable development. IBRD has been issuing bonds in the international capital markets for over 70 years to support lending in line with the World Bank Group's² twin goals of ending extreme poverty and boosting shared prosperity.

Responding to Overlapping Crises

IBRD's financing supports sustainable development activities in its member countries. In fiscal year 2022 (July 1, 2021 - June 30, 2022), this included efforts to tackle overlapping crises that developing countries are facing — from war, surging food and energy prices, to the effects of climate change. These shocks have had both a deep direct human and economic impact as well as long-term adverse spillovers that threaten to reverse decades of economic gains.



Impacts of climate change



Lingering COVID pandemic



Commodity shocks & food insecurity



Wars & persistent fragility

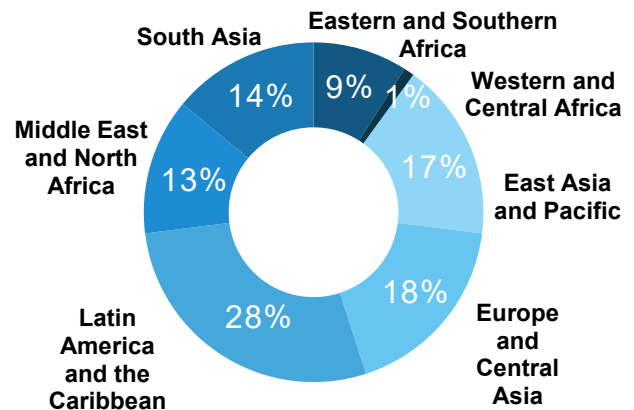
IBRD Lending Highlights

In FY22, IBRD provided \$33 billion in new commitments, the highest annual amount in a decade, and \$28 billion in loan disbursements to support the financing of sustainable development activities in middle income countries.

\$33 billion 136 projects
 38% of financing directed to climate action 90% of projects with climate components

IBRD Lending by Region

FY22, US\$33 billion (commitments)



World Bank Impact Report

The [2021 Impact Report](#) was published in June 2022. The report covers both IBRD Sustainable Development Bonds and Green Bonds and highlights the results achieved by IBRD-financed project over the fiscal year that ended June 30, 2021 along with bond issuance, commitment, and allocation figures³.



¹ Information about IDA's funding program can be found at: <https://treasury.worldbank.org/en/about/unit/treasury/ida>

² 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.

³ Net proceeds of World Bank bonds are not committed or earmarked for lending to, or financing of, any particular projects or programs.

World Bank Funding Summary

In FY22, IBRD drew on its triple-A credit rating and strong standing in the markets to raise US\$eq.41 billion to support sustainable development activities in member countries. IBRD plans to raise US\$eq.40-45 billion for the FY23 funding program ending June 30, 2023.

Key Transactions & Milestones

Wildlife Conservation Bond Supports Biodiversity in South Africa

In March 2022, The World Bank supported South Africa’s efforts the critically endangered black rhino species through the issuance of a [five-year US\\$150 million Wildlife Conservation Bond](#) (WCB). The WCB is a first of its kind, outcome-based bond that links investment returns to project outcomes. As well as directly supporting South Africa’s biodiversity effort, the WCB contributes to the country’s economy by attracting tourists and creating jobs for local communities.

World Bank’s Bond Payments Mobilize Private Sector to Reduce Methane Emissions

In FY22, the World Bank made a [bond payment worth \\$3.2 million](#) as part of the repayment of bonds issued in connection with the [Pilot Auction Facility for Methane and Climate Change Mitigation](#). The payment supports the reduction of methane emissions at landfill project sites in Brazil and Malaysia, representing 1.6 million tons worth of eligible emission reductions.

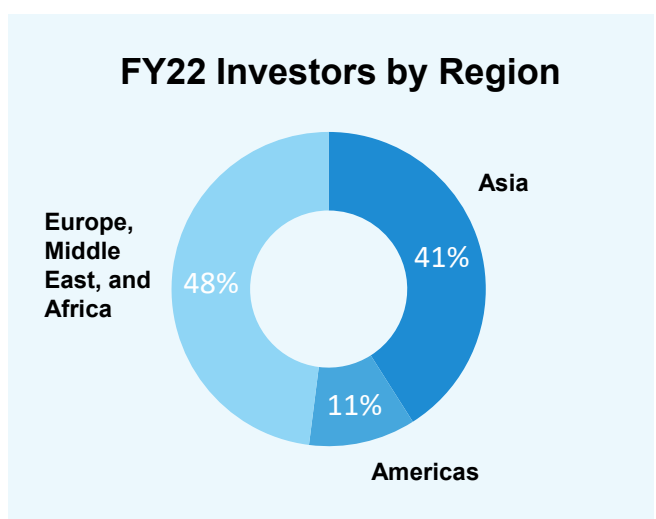
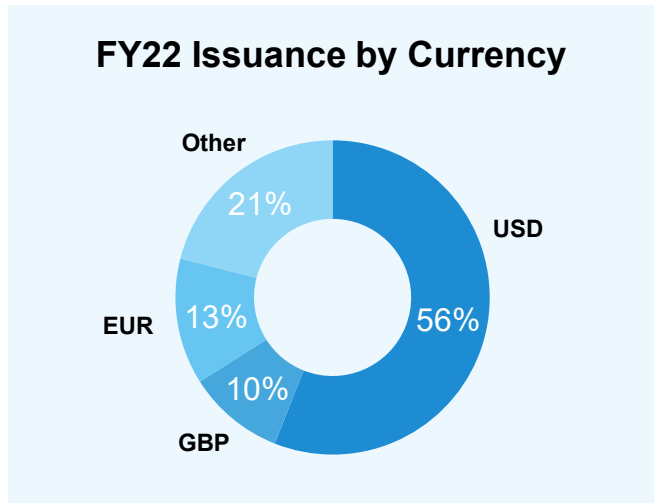
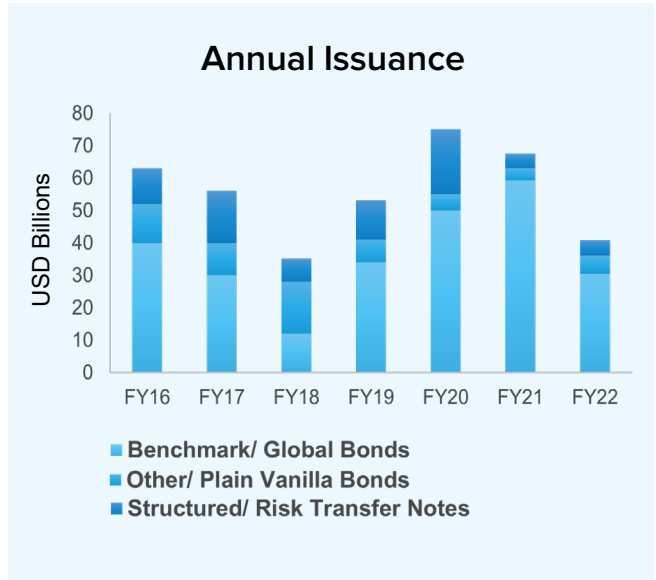
Offering Floating Rate and Fixed Rate Bonds

In September 2022, IBRD offered a dual tranche benchmark combining a [4-year SOFR-linked and 7-year fixed rate](#) for the first time. By offering SOFR-index linked and fixed rate tranches at the same time, IBRD was able to reach a wider range of globally diverse investors and raise US\$4.5 billion. It was the first time an issuer in the Sovereign, Supranational and Agency (SSA) market offered both a floating and fixed rate tranche simultaneously.

Largest SSA Benchmarks

In 2022, IBRD priced the largest Sovereign, Supranational, and Agency (SSA) benchmark transaction in three markets: NOK, GBP and CAD. The [CAD 1.5 billion Sustainable Development Bond](#) raised awareness for the World Bank’s strategy, projects and programs that focus on strengthening health systems. [The NOK 5 billion](#) raised awareness for the World Bank’s biodiversity and ecosystem services projects and programs. [The GBP 1.5 billion](#) was IBRD’s first transaction of 2022.

[More transactions](#)





Raising Awareness for the SDGs

World Bank Sustainable Development Bonds raise awareness for certain development challenges and SDGs, using World Bank projects as examples⁴. Below are examples of themes and SDGs highlighted, including a selection of transactions executed in FY22 under the World Bank's [Sustainable Development Bond Framework](#).



Nutrition

[3-year 100 million Peruvian sol-denominated Sustainable Development Bond](#) engages investors on the importance of good nutrition to build human capital.



Good Health and Wellbeing

[5-year CAD 1.5 billion Sustainable Development Bond](#) highlights health and COVID-19 response.



Gender Equality

[CNH 1.5 billion Sustainable Development Bond](#) raises awareness for the importance of investing in women and girls to accelerate economic development.



Sustainable Cities and Communities

[AU\\$50 million Sustainable Development Bond](#) raises awareness for the importance of road safety in developing countries.



Life on Land

[5-year US\\$150 million bond](#) contributes to protecting and increasing black rhino populations in the Addo Elephant National Park and the Great Fish River Nature Reserve in South Africa.



Climate Action

[8-year AUD 516 million Sustainable Development Bond](#) supports holistic approach to climate action.

Focus on Biodiversity

The World Bank is engaging with investors on its support for [biodiversity](#) and ecosystem services. This includes the financing of projects that improve biodiversity and integrating biodiversity considerations across operations and sectors while working with countries to value nature as an asset. IBRD issued a [10-year A\\$315 million Sustainable Development Bond](#) raising awareness for World Bank biodiversity conservation efforts. It was purchased by a group of Japanese investors including Fukoku Mutual Life Insurance Company and Meiji Yasuda Life Insurance Company. The World Bank also issued a [NOK5 billion floating rate](#) note for Norwegian investors, while highlighting biodiversity.

Green Bonds Update

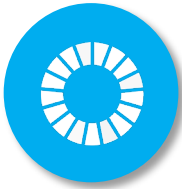
In FY22, the World Bank issued US\$1.6 billion in green bonds, bringing its total issuance since the inception of the green bond market to over US\$18 billion in 207 green bonds and 25 currencies. As of June 30, 2022, there were approximately US\$eq. 9 billion in World Bank Green bonds outstanding. Responding to investor demand, IBRD issued a [6-year SEK 4 billion green bond](#) and highlighted how the World Bank is supporting the financing of low carbon and climate resilient growth in IBRD member countries.

Promoting Models for Sustainable Capital Markets

In October 2022, the World Bank and the Stockholm Environment Institute (SEI) published a [methodology for SDG mapping](#). This methodology is the result of a three-year collaboration made possible with the support of the World Bank Group's SDG Partnership Fund and contributes to the World Bank's effort to build models for transparency and disclosure to promote sustainable capital markets.



⁴ Net proceeds of the bonds described herein are not committed or earmarked for lending to, or financing of, any projects or programs, and returns on the bonds described herein are not linked to the performance of any particular project or program.



Frameworks for Issuing Sustainable Development Bonds

IBRD's [Sustainable Development Bond Framework](#) provides investors with information on how World Bank bonds support sustainable development, including examples of the types of projects and programs that bond proceeds support through the financing of loans to member countries.



Finding IBRD Bonds on Market Platforms

IBRD Sustainable Development Bonds & Green Bonds are:

- Aligned with the **Sustainability Bond Guidelines** or **Green Bond Principles**
- Tagged as “sustainability bonds” or “green bonds” on **Bloomberg**
- Displayed on the **Luxembourg Green Exchange**

Podcasts & Publications



[The Development Podcast](#), Gen Connors discusses World Bank Group's new agenda on addressing climate adaptation and mitigation over the next decade



[ICMA Podcast](#), Colleen Keenan moderates a discussion about social and sustainability bonds



[Man Group Podcast](#), A Sustainable Future, Heike Reichelt speaks on the Power of Capital Markets and Multilateral Impact



[Sovereign Green, Social and Sustainability Bonds](#): Unlocking the Potential for Emerging Markets

Awards

Global Capital

- [Most Impressive SSA Issuer across Multiple Markets](#)

Environmental Finance

- [Green Bond of the Year - Supranational](#)
- [Sustainability Bond of the Year - Supranational](#)

Trading Risk

- [Closing the Protection Gap Initiative of the Year: IBRD CAR 130](#)

IFLR Europe

- [Deal of the Year - Debt & Equity-linked: World Bank UNICEF Sustainable Bond](#)

CMD Portal

- [Best SSA Issuer 2022](#)
- [Best ESG Issuer 2022](#)

2023 Summer Internship Global Recruitment Program

The World Bank Treasury is recruiting globally for its Summer Internship applications. College students interested in working at the nexus of finance, development, and impact can apply until January 9, 2023. Learn more at www.treasury.worldbank.org/unit/treasury/about/student-and-graduate-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.

Disclaimer: This investor update has been prepared by the World Bank (International Bank for Reconstruction and Development, IBRD) for information purposes only, and the IBRD makes no representation, warranty, or assurance of any kind, express or implied, as to the accuracy or completeness of any of the information contained herein. This newsletter may include information relating to certain IBRD securities. Any such information is provided only for general informational purposes and does not constitute an offer to sell or a solicitation of an offer to buy any IBRD securities. The securities mentioned herein may not be eligible for sale in certain jurisdictions or to certain persons.