



WORLD BANK BONDS FOR

Sustainable Development

Investor Newsletter | December 2021

Inside:

- Green, Resilient and Inclusive Recovery | **2**
- Impact Report | **2**
- 2021 Funding Summary & Key Transactions | **3**
- Mainstreaming Climate Action | **4**
- Raising Awareness for the SDGs | **4**
- Other News and Resources | **5**

Who We Are

- The World Bank Treasury serves as treasury for both the World Bank (International Bank for Reconstruction and Development, IBRD) and the International Development Association (IDA).¹ Both are members of the World Bank Group.²

Green, Resilient, and Inclusive Recovery

- IBRD deployed US\$46 billion and IDA US\$53 billion, to [fight the health, economic, and social impacts of the pandemic](#) from April 2020 to June 2021. The World Bank continues to work with countries to develop and implement their COVID crisis response and recovery while mainstreaming climate action in development strategies.

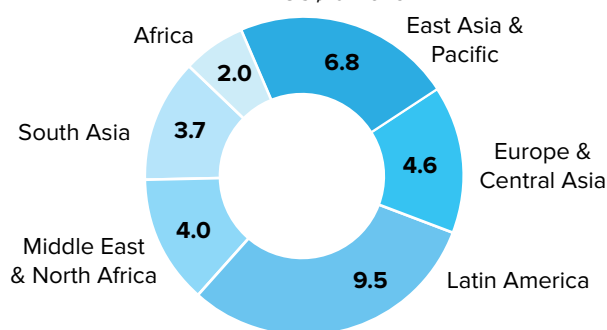
In September 2021, the World Bank launched an [initiative](#) to issue US\$eq.10 billion, ultimately [raising US\\$12 billion](#), in Sustainable Development Bonds while highlighting the urgency to integrate climate change considerations in all activities and to highlight the World Bank’s approach to mainstreaming climate action. The updated World Bank Group [Climate Change Action Plan](#), explains how the World Bank helps countries integrate climate change into development strategies and apply climate financing to achieve the most positive impact. The World Bank screens 100% of projects for climate and disaster risks and in fiscal year (FY) 2021, 95% of IBRD projects included climate components accounting for one-third of all financing.



IBRD Lending Highlights

- In FY21 (July 1, 2020-June 30, 2021), IBRD mobilized record lending volumes: US\$31 billion in new commitments and US\$24 billion disbursements.
- New commitments are supporting the financing of sustainable development activities through 125 new projects in middle income countries.

FY21 IBRD Lending by Region
in US\$ billions



\$31 billion 125 projects 95% of projects with climate components 33% of financing directed to climate action

Impact Report

Sustainable Development Bonds & Green Bonds

The [FY20 World Bank Impact Report](#) covers all World Bank (IBRD) bond issuance and the entire portfolio of World Bank financed projects and programs. It looks at achieved and expected results from the project portfolio.³ To support IBRD’s holistic approach to sustainable development, reporting on the World Bank’s Green Bond project portfolio is for the first time included in the 2020 Impact Report alongside the reporting on the Sustainable Development Bond project portfolio.

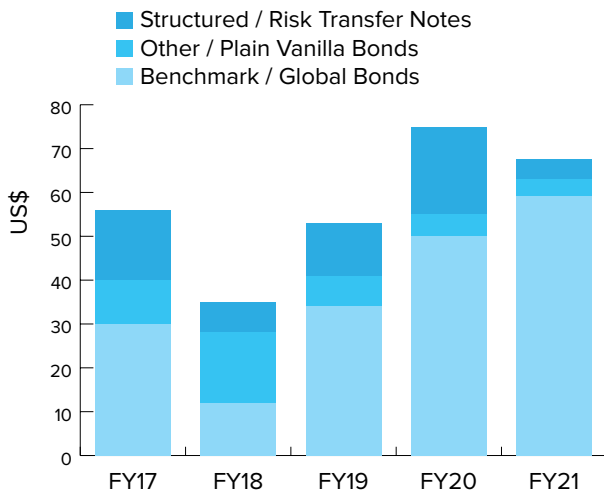


¹ Information about IDA’s funding program can be found at: <https://treasury.worldbank.org/en/about/unit/treasury/ida>
² The “World Bank” refers to IBRD. The World Bank Group consists of five organizations: International Bank for Reconstruction and Development, International Development Association, International Finance Corporation, Multilateral Investment Guarantee Agency and International Centre for Settlement of Investment Disputes.
³ 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 **FY21**, IBRD drew on its triple-A credit rating and strong standing in the markets to raise **US\$eq.68 billion** to support the financing of the World Bank’s development activities, including clients’ response to the COVID-19 pandemic and increasing resilience to the effects of climate change. IBRD plans to raise US\$eq.50-55 billion for the FY22 funding program ending June 30, 2022.

Annual Issuance



Key Transactions

Extending Maturities

In FY21, IBRD issued a [EUR 2 billion 40-year Sustainable Development Bond](#)—the first in the tenor. In the US dollar market, IBRD issued a [US\\$5 billion 10-year Sustainable Development Bond](#). The extended maturities help align IBRD’s funding with its long-term sustainable development programs in its member countries.

Developing LIBOR Alternatives

In February 2021, IBRD issued a [US\\$600 million 10-year floating rate bond](#)—the longest maturity floating rate benchmark to date for the Secured Overnight Financing Rate (SOFR). This transaction supports the development of the SOFR market, boosting alternatives to the US-dollar London Inter-Bank Offered Rate (LIBOR), and helps ensure the efficient functioning of the global financial system.

Setting a New Record in the Kauri Market

The [NZ\\$1.5 billion 5-year benchmark due Nov. 2026](#) was the largest non-government bond issued in the New Zealand dollar-market.

Building Resilience to Natural Disasters

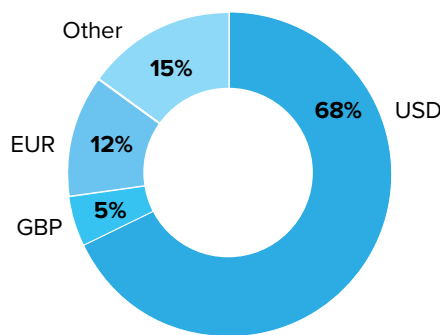
Jamaica became the first Caribbean country and small island state to independently sponsor a catastrophe bond. The [US\\$185 million catastrophe bond](#) provides Jamaica with financial protection against losses from named storm events for three hurricane seasons ending in December 2023.

Using Financial Innovation to Accelerate COVID-19 Support

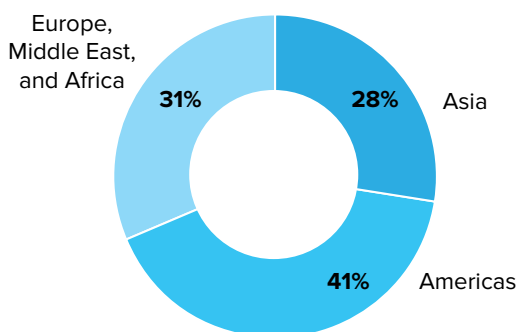
The World Bank supported United Nations Children’s Fund (UNICEF)’s activities to address the pandemic’s impact on children through IBRD’s issuance of a [US\\$100 million five-year bond](#). The issuance frontloads an amount equivalent to half of the total proceeds of the bond, US\$50 million, to UNICEF to support its pandemic response programs for children around the world over the 5-year period.

[More transactions](#)

FY20 Breakdown by Currency



FY20 Breakdown by Investor



Mainstreaming Climate Action

- In FY21, the World Bank Group’s climate finance totaled over US\$26 billion, it’s largest year of climate finance ever (25% above FY20, which also exceeded targets).

The updated [Climate Change Action Plan](#) for 2021-2025 aims to integrate climate and development goals and commits 35% of World Bank Group financing to climate, on average, over the next five years, with at least 50% of World Bank climate finance supporting adaptation.

By July 1, 2023, the World Bank will align its financing with the goals of the Paris Agreement, while helping client countries meet their Paris commitments.



Listen to The [Development Podcast](#) to learn more about the World Bank’s Climate Change Action Plan

Green Bonds Update

- In FY21, 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\$16 billion in 185 green bonds and 23 currencies. As of June 30, 2021, there were approx. US\$eq.8 billion in World Bank Green bonds outstanding.

Key Transactions

Responding to investor demand, IBRD issued an [SEK 2 billion 8-year green bond](#) and [AU\\$274 million and NZ\\$241 million green bonds](#) to support the financing of low carbon and climate resilient growth in IBRD member countries.



Raising Awareness for the SDGs

- World Bank Sustainable Development Bonds raise awareness for certain development challenges and SDGs, using World Bank projects as examples. Below are examples of themes and SDGs highlighted, including a selection of transactions executed in 2021 by IBRD. All SDBs issued while raising awareness for specific themes or SDGs follow the World Bank’s [Sustainable Development Bond Framework](#).



Nutrition

[10-year AU\\$130 million Sustainable Development Bond](#) issued while highlighting the importance of good nutrition to build human capital.

Gender Equality

[CA\\$1.5 billion 5-year benchmark](#), [NOK 5 billion 5-year floating rate benchmark](#), [CA\\$25 million 5-year Sustainable Development Bond](#), and [NOK and SEK denominated Sustainable Development Bonds](#) issued while raising awareness for the World Bank’s strategy, projects and programs that focus on gender equality, highlighting the disproportionate impacts that COVID-19 has on women.



Clean Water and Marine Resources

[COP 37 billion 5-year Sustainable Development Bond](#) and a [EUR 200 million 30-year callable bond](#) issued while raising awareness for the vital role of the world’s freshwater and marine resources and the importance of addressing water and ocean pollution.



Sustainable Cities & Communities

[US\\$185 million catastrophe bond](#) provides the Government of Jamaica with financial protection against losses from named storm events for three hurricane seasons ending in December 2023.



Responsible Production & Consumption

[CNH 500 million 2-year Sustainable Development Bond](#) issued while engaging with investors to raise awareness for the importance of combatting food loss and waste.



Climate Action

[EUR 2 billion 25-year benchmark](#), [dual tranche AU\\$800 million kangaroo bonds](#), [US\\$5 billion 10-year benchmark](#) and a [US\\$2 Billion SOFR Index-Linked Sustainable Development Bond](#) issued as part of the World Bank’s initiative to issue Sustainable Development Bonds while highlighting the urgency of mainstreaming climate action.



IDA Update



- IDA's funding program doubled in FY21 to almost US\$eq.10 billion.
- For more information on IDA's funding program please visit: <https://treasury.worldbank.org/en/about/unit/treasury/ida>



EVENTS & PUBLICATIONS

- [Bloomberg Live](#), Canadian Fixed Income Conference 2021 and SEB [NextGen Finance](#) podcast: Heike Reichelt speaks about sustainable finance
- [Kanga News](#), SSAs Lead by Example: Andrea Dore talks about market developments and the pandemic
- [Environmental Finance Global Developments for GSSS Bonds Conference](#) and [Swedbank Annual ESG Conference](#): Colleen Keenan talks about how IBRD bonds are contributing to a sustainable recovery
- [Institutional ESG Investment North America Summit 2021](#): Scott Cantor talks about the importance of mainstreaming climate considerations into all financial decision making
- [Sustainabonds](#), "World Bank connects investors with impact amid Covid-19", July 2021
- [The International Debt Capital Markets Handbook 2022](#), 25th Ed., "The appeal of fixed income markets in China for foreign investors", Euromoney
- [ESGInvesting](#), "What You Need to Know About Sustainable Development Bonds", 2021

Frameworks for Issuing Sustainable Development Bonds

IBRD and IDA published Sustainable Development Bond Framework in 2021. The frameworks for IBRD and IDA provide investors with information on how [IBRD](#) and [IDA](#) bonds support sustainable development, including examples of the types of projects and programs that each institutions' bond proceeds support through the financing of loans to member countries.

Finding IBRD & IDA Bonds on Market Platforms



IBRD Sustainable Development Bonds & Green Bonds and IDA Sustainable Development 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**

AWARDS



GlobalCapital

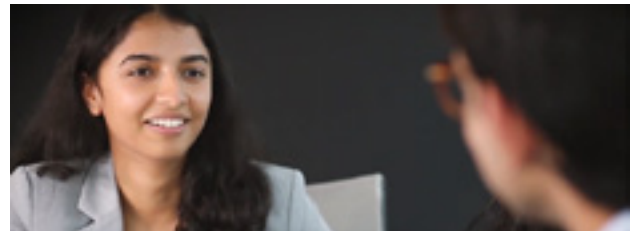
- Most Innovative SSA Issuer
- Most Impressive SSA MTN Issuer
- Most Impressive Supranational Funding Officer, [Andrea Dore](#)

CMDportal

- Best ESG Bond Issuer 2021
- Best GBP Bond Issuer 2021
- Top Deal 2021: NOK 5 billion ESG bond

KangaNews

- Kauri Bond Deal of the Year—NZ\$1.5 billion 2.875% November 2026



2022 Summer Internship Global Recruitment Program

The World Bank Treasury is recruiting globally for its Summer Internship Program. College students interested in working at the nexus of finance, development, and impact can apply until January 2, 2022.

Learn more at:

<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.

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.