

THE WORLD BANK

International Bank for Reconstruction and Development

# Sustainable Development Bonds

Investor Newsletter | December 2024

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## Who We Are: World Bank Treasury

The World Bank Treasury manages the issuance programs for the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA)<sup>1</sup>. This newsletter is focused on IBRD bond issuance. IBRD provides loans, guarantees, and advisory services to middle-income countries to support sustainable development. IBRD has been issuing bonds in the international capital markets for over 75 years to finance lending that supports our mission of ending extreme poverty and boosting shared prosperity on a livable planet.


The [World Bank's impact report](#) describes how bond investors support the World Bank's sustainable development activities.

## Responding to Global Challenges

IBRD's financing supports sustainable development activities in member countries, including efforts to address the most pressing global challenges.

The World Bank's [Global Challenge Programs](#) are central to achieving impact at scale and moving the needle on the eight global challenges, and by extension, on one or more of the Sustainable Development Goals.



 Watch for more information: [Global Challenges Explained](#)

## An Evolving World Bank







The World Bank Group is [evolving](#) to become better equipped to meet the growing development needs of its borrowing member countries as they face multiple, intertwined crises.

New financial instruments and reforms are helping to boost lending capacity. For example, a new hybrid capital investment product has been introduced for shareholders and IBRD has established a new framework of restoration measures for capital adequacy, which further strengthens the protection for IBRD's triple-A rating. With this framework in place, the minimum equity to loans ratio was reduced to support more lending capacity.

Learn more about these efforts in the World Bank's [Annual Report](#) and recent [financial statements](#).

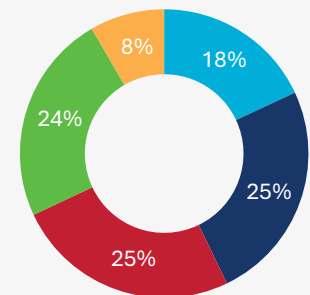
<sup>1</sup> Information about IDA's funding program can be found at: <https://treasury.worldbank.org/en/about/unit/treasury/ida>

## IBRD Lending Highlights | FY24

-  **\$37.6 billion**  
new commitments
-  **\$33.5 billion**  
loan disbursements
-  **126**  
new projects
-  **100%**  
of projects screened for climate risk
-  **46%**  
of financing directed to climate action
-  **94%**  
of projects with climate components

## IBRD Lending by Region | FY24

US\$37.6 billion (commitments)



- East Asia and Pacific
- Europe and Central Asia
- Latin America and the Caribbean
- Middle East and Africa
- South Asia

## IBRD Funding Program | 2024

In fiscal year 2024 (July 1, 2023 – June 30, 2024), IBRD raised US\$eq.52 billion in 22 currencies to support sustainable development activities in member countries. IBRD plans to raise US\$eq.50-55 billion for the fiscal year 2025 funding program ending on June 30, 2025.

### Highlights

#### Meeting diverse demand with dual tranche USD bonds

The World Bank continues to supply large fixed and floating rate USD bonds across different tenors to meet demand of a globally diverse base of USD investors. In July 2024, the World Bank issued [two benchmarks linked to the SOFR index, raising USD 2.7 billion](#) through a USD 2 billion 3-year SOFR bond and a USD 700 million tap of a 7-year SOFR bond. Then in August, the World Bank raised a total of [USD 6.5 billion from a dual-tranche transaction](#) with a USD 3 billion 2-year bond and a USD 3.5 billion 10-year bond.

#### First CHF digital bond issued by an international issuer

The World Bank (IBRD) issued the first CHF digital bond by an international issuer, which settled using Swiss Franc wholesale Central Bank Digital Currency (wCBDC) provided by the Swiss National Bank. This [7-year CHF 200 million digital bond](#), the largest World Bank CHF bond issuance since 2009, uses Distributed Ledger Technology (DLT) and advances the digitalization of capital markets while also supporting the financing of World Bank's sustainable development activities.

#### Cat bonds finance new insurance coverage for Mexico

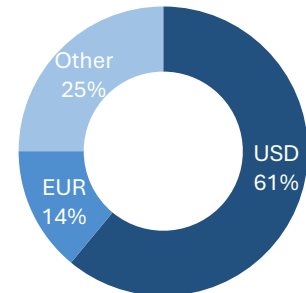
The World Bank issued [three catastrophe \(cat\) bonds to finance USD 420 million of insurance coverage for the Government of Mexico](#) against named storm events along the Atlantic coast of Mexico and earthquake events. The cat bonds replace and increase by \$60 million the coverage provided by previous cat bonds for these perils.

#### Amazon Reforestation-Linked Bond

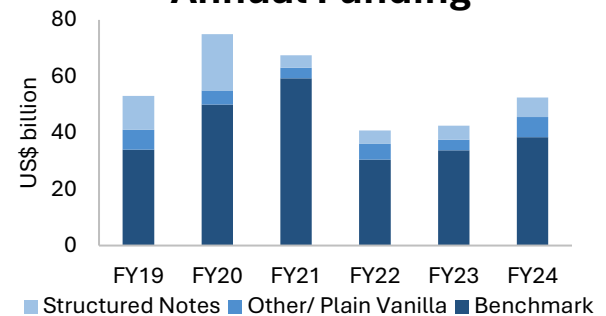
The World Bank issued a [9-year USD 225 million, principal-protected Amazon Reforestation-Linked Bond](#). The largest World Bank outcome bond priced to date provides investors with a coupon that includes a fixed coupon component and a variable component linked to the generation of Carbon Removal Units (CRUs) from reforestation projects in the Amazon rainforest regions of Brazil. It is the first bond linking investors' financial return to the removal of carbon from the atmosphere, differing from past transactions linked to the sale of carbon credits from avoided emissions.

[Click here for more transactions](#)

## IBRD Issuance by Currency | FY24



## Annual Funding



## The World Bank as Treasury Manager

The World Bank Treasury is the treasury manager for the [Climate Investment Funds \(CIF\) Capital Markets Mechanism \(CCMM\)](#), which will issue bonds to mobilize financing for clean technology solutions in developing countries. In November 2024, CCMM [announced the listing of its issuance program](#) on the London Stock Exchange.

The World Bank Treasury is also the treasury manager for the [IFFIm \(International Finance Facility for Immunisation\)](#) which issues bonds to fund critical vaccine research and immunization programs in low-income countries through Gavi, the Vaccine Alliance. In October 2024, IFFIm issued a [USD 1 billion 3-year fixed rate bond](#). IFFIm has issued close to US\$eq. 10 billion in bonds in 8 currencies.



## Resources for Investors



### Framework 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](#) and [Green Bond Principles](#) coordinated by ICMA
- Tagged as “sustainability bonds” or “green bonds” on [Bloomberg](#)
- Displayed on the [Luxembourg Green Exchange](#)

## Publications



### World Bank Impact Report

The [FY23 IBRD Impact Report](#) was published in June 2024. 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, 2023, along with bond issuance, commitment, and allocation figures.

Bennett, M. & Jain, A. [Artificial Intelligence: Applications for Debt Capital Market Development](#), LinkedIn, 8 October 2024.

Hussain, F. & Joseph, A. [Trends in Allocation & Impact Reporting: Ensuring Transparency in Emerging Market Sovereign Green, Social, and Sustainability Bonds](#), World Bank, June 2024.

[The World Bank Scaling Private Investments to Tackle Food Insecurity](#), YouTube. June 2024.

**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's goal is to end extreme poverty and boost prosperity on a livable planet. 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.

## Events & Recognition



### Government Borrowers Forum

In June 2024, the World Bank Treasury hosted the 41st annual Government Borrowers Forum, in Pristina, Kosovo. The forum gathers sovereign debt managers and financial market experts to discuss challenges and opportunities to leverage capital markets to ensure stability and create a more sustainable future.

From left: Jorge Familiar, World Bank Vice President and Treasurer; and Hekuran Murati, Minister of Finance of Kosovo.

### CMD Portal

[2024 Best Investor Relations Team Award](#)

### Environmental Finance

[Award for Innovation - Bond Structure \(Sustainability Bond\)](#)

### GlobalCapital

[Most Impressive SSA Issuer Across Multiple Markets](#)  
[Most Impressive SSA MTN Issuer](#)

### KangaNews

[SSA Kangaroo Bond Deal of the Year](#)  
[Kangaroo Issuer of the Year](#)

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