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CASE STUDY
December 2025

World Bank Outcome Bond Expands Access to Clean Cooking Technologies

In December 2025, the World Bank issued a $200 million Clean Cooking Outcome Bond. The bond mobilized $30.5 million to support cleaner cookstove projects in Ghana, providing investors with a return linked to Internationally Transferred Mitigation Outcomes (ITMOs) generated by the projects.

Overview

More than 2 billion people, many living in Sub-Saharan Africa, lack access to cleaner cooking fuels and technologies. This negatively impacts health, gender equity and the environment.

A World Bank outcome bond enables high grade fixed-income investors to support two clean cooking projects with expected positive environmental and social outcomes. The projects aim to distribute over 400,000 cleaner cooking devices, making cleaner cooking accessible to more than a million people in Ghana. The Clean Cooking Outcome Bond is the first outcome bond linking investor returns to the generation of ITMOs.

Clean Cooking Projects

The cleaner cookstove projects implemented by UpEnergy, an East-Africa based private company, aim to expand access to energy-efficient improved charcoal stoves and electric cookstoves for residential households in Ghana. The projects are expected to reduce carbon emissions, generating ITMOs, through reduced reliance on biomass and avoided deforestation.

ITMOs are units representing verified greenhouse gas emission reductions that can be transferred internationally between countries or jurisdictions under Article 6 of the Paris Agreement. The UpEnergy projects have been authorized by the governments of Ghana and Switzerland and, KliK Foundation[1] in Switzerland has committed to purchase the ITMOs under an offtake agreement.

In addition to reducing emissions, cleaner cooking is expected to reduce household fuel costs, improve indoor air quality, create local jobs, and save households time thereby allowing women in particular to engage in other social and professional activities.

[1] The KliK Foundation is responsible for implementing Switzerland's legal mandate to offset carbon emissions from the Swiss fuel industry by supporting national and international emission reduction projects.

Image Source: *UpEnergy* (*https://www.upenergygroup.com/press/upenergy-supported-by-first-clean-cooking-outcome-bond-in-ghana*)

Financial Transaction

In connection with the issuance of the $200 million outcome bond, the World Bank entered into a forward flow agreement with Standard Chartered Bank (SCB), which in turn entered into an intermediation agreement with UpEnergy. The transaction structure, shown on the next page, includes key features as follows:

- Bond investors receive return of the bond principal at maturity and an annual coupon that includes a fixed component of 1.093% plus a variable component tied to production of ITMOs from the project.
- An amount of $30.5 million that would otherwise have been paid to bond investors as part of a vanilla World Bank bond coupon is frontloaded, through an interest rate swap with SCB, and directed to support the cleaner cookstove projects. This amount is disbursed to UpEnergy in four tranches, subject to the achievement of agreed milestones. Any undisbursed amount is returned to bond investors in June 2028.
- In exchange for the disbursements, UpEnergy pledges a portion of the expected future ITMO revenue from KliK Foundation to the outcome bond (through SCB) which funds the variable component of the bonds coupon and offers investors a potential to earn an enhanced return over vanilla World Bank bonds. If UpEnergy underperforms in stoves distribution and/or the cookstoves generate fewer-than-expected ITMOs, investors will earn a lower than expected return.

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Outcome

The outcome bond enables private investors to finance clean cooking projects in Ghana while providing $200 million funding to support the World Bank's sustainable development activities. In return for taking risk on UpEnergy's cleaner cookstove projects, investors are rewarded with a higher-than-normal World Bank return if the projects achieve the expected outcomes.

This transaction establishes a new way for financing ITMO generating projects and responds to increasing investor interest in delivering measurable social and environmental impact through fixed-income instruments. More than ten institutional investors across North America, Europe and Africa, including insurance, pension funds and asset managers, invested in the bond.

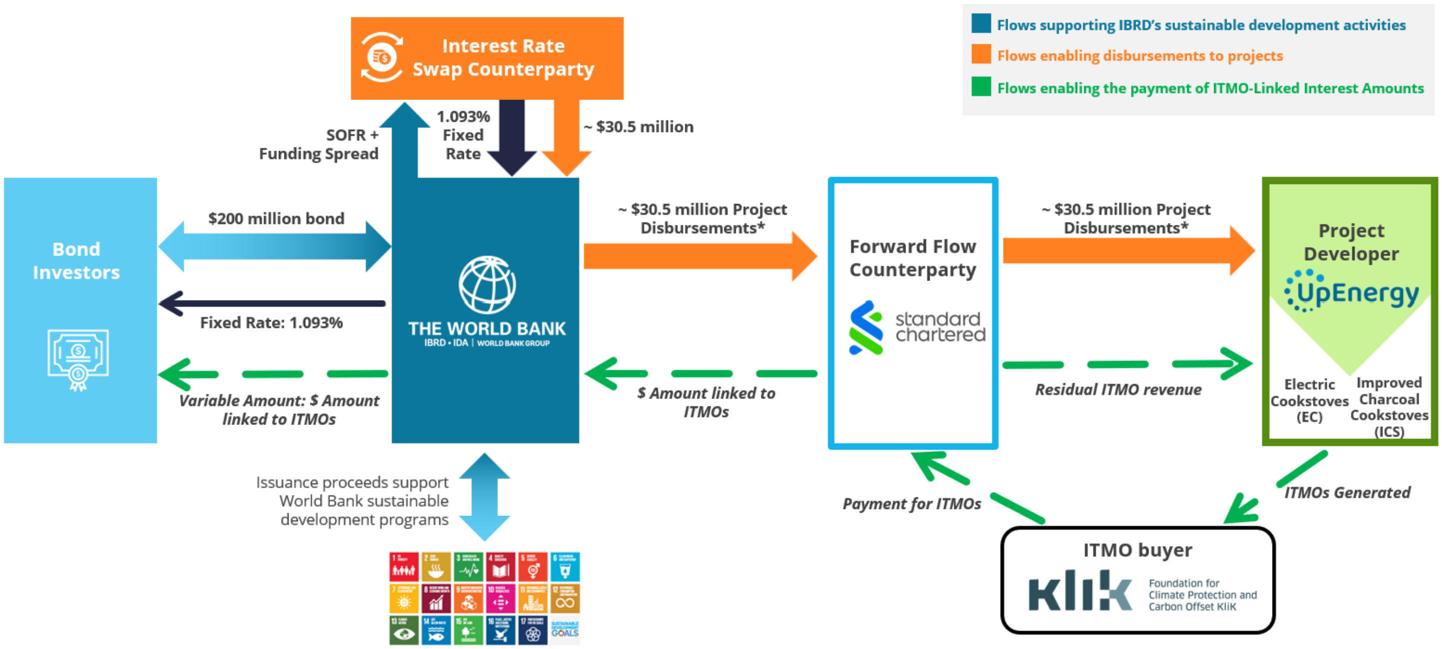
In addition to reducing carbon emissions, the clean cooking projects are expected to reduce pollution, improve health, support local job creation, and save time for women in particular who shoulder the main burden of cooking.

Key Terms

Size / Maturity	USD 200 million / Long 6-year
Issue Price	100%
Specified Denomination	USD 100,000
Redemption Amount	Redemption at Par
Issue Date	December 5th, 2025
Maturity Date	March 31st, 2032
Interest Payments	Fixed Interest Amount of 1.093% + ITMO-Linked Interest Amount, paid annually
Lead Manager	Standard Chartered Bank

Overview of Transaction Structure

Financial Structure and Flow of Funds



**Any amount not disbursed to UpEnergy by 12 June 2028 is returned to bond investors*

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