“Water is critically related to climate change. If carbon is the currency of climate change, water is the teeth. Fights over water and food are going to have significant direct impacts on climate change in the next five to 10 years.”

Jim Yong Kim
President
The World Bank Group

“Energy efficiency will be critical to the competitiveness of cities as well as to their economic profile. Finding ways to achieve efficiency in transport, energy and real estate will make cities cleaner and more livable and will help attract jobs and investment.”

Rachel Kyte
Climate Change Vice President and Special Envoy
The World Bank Group
Green Bonds

Neat Bank Green Bond

Issuance Reaches $6.4 billion

as Green Bond Market Soars

The World Bank had a record year for green bond issuances, raising a total of almost $3 billion in FY14 (July 2013 to June 2014). With its first green bond issued for FY15—a green bond linked to a sustainable equity index—World Bank’s total issuance reached $6.4 billion through 68 bonds in 17 currencies, supporting 62 projects in 20 countries. Recent issues also include more than $1 billion issued through two U.S. dollar transactions, an inaugural World Bank Euro 550 million 3-year benchmark, and the Australian market’s first AUS$300 million “Kangaroo” Green Bond.

The strong demand for World Bank green bonds comes in tandem with a significant increase in the overall green bond market. By July 2014, green bond issuances well exceeded $20 billion—twice the amount as those issued in 2013. This growth comes as more issuers and investors are joining the market.

Several developments and initiatives underway are adding more clarity for investors as corporate entities have started to join the existing green bond issuers. These developments include the Green Bond Principles; efforts by Standard & Poors recently launched a Green Bond Index, and a MSCI/Barclays index, and work by the Expert Network on Second Opinions, or ENSO, launched by Cicero; and the Climate Bonds Initiative (CBI). The strong demand for World Bank green bonds comes in tandem with the Green Bond Index is coming soon.

In addition to its own green bonds, the World Bank is also supporting initiatives to further develop the green bond market. The World Bank has announced a new Green Bond Risk Mitigation Facility (GBRMF) in partnership with the World Bank’s facilities for climate change mitigation and adaptation, the Multilateral Investment Guarantee Agency, and the International Finance Corporation.

Green Project Approved Amounts

<table>
<thead>
<tr>
<th>Sector</th>
<th>Approved Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water &amp; Wastewater Systems</td>
<td>$3.3 billion</td>
</tr>
<tr>
<td>Renewable Energy</td>
<td>$3.5 billion</td>
</tr>
<tr>
<td>Sustainable Transport</td>
<td>$2 billion</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>$1.8 billion</td>
</tr>
<tr>
<td>Agriculture &amp; Ruralization</td>
<td>$1.4 billion</td>
</tr>
<tr>
<td>Infrastructure, Energy &amp; Built Environment</td>
<td>$0.5 billion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Approved Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>$1 billion</td>
</tr>
<tr>
<td>East Asia &amp; Pacific</td>
<td>$1.5 billion</td>
</tr>
<tr>
<td>Europe &amp; Central Asia</td>
<td>$1.1 billion</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>$0.2 billion</td>
</tr>
<tr>
<td>Middle East &amp; North Africa</td>
<td>$0.5 billion</td>
</tr>
<tr>
<td>South Asia</td>
<td>$0.2 billion</td>
</tr>
<tr>
<td>Total as of June 30, 2014</td>
<td>$10.3 billion</td>
</tr>
</tbody>
</table>

World Bank Green Projects in the News

CNBC, “A scarce global resource fighting climate change” by Consolance Gutjke (July 1, 2014).

The Economist, “Green grow the markets, O” (July 5, 2014).


Video on YouTube: World Bank Green Bonds.
What makes a World Bank Green Bond "Green"?

All World Bank bonds support sustainable development, poverty reduction and inclusive growth. They fit well with investment strategies that incorporate Environmental, Social and Governance factors into the decision-making process. The World Bank’s Green Bonds are a subset of our sustainable investment opportunities focused specifically on climate change mitigation and adaptation. The World Bank Green Bond symposium helped focus on the characteristics of the green bond market that are most important to investors including the key characteristics of our Green Bond’s summarized below. For more information about other sustainable investment opportunities offered by the World Bank see: http://treasury.worldbank.org/documents/IBRDInvestorPresentation.pdf

Project Selection Criteria

Examples of Eligible Projects

Mitigation
- Solar and wind installations;
- Funding for new technologies that permit significant reductions in greenhouse gas (GHG) emissions;
- Rehabilitation of power plants and transmission facilities to reduce GHG emissions;
- Greater efficiency in transportation, including fuel switching and mass transport;
- Waste management (methane emissions) and construction of energy-efficient buildings;
- Carbon reduction through reforestation and avoided deforestation.

Adaptation
- Protection against flooding (including reforestation and watershed management);
- Food security improvement and stress-resilient agricultural systems (which slow down deforestation);
- Sustainable forest management and avoided deforestation.

List of Select World Bank Green Bond Investors

- Aberdeen Asset Management
- ACTIAM (Formerly SNS AM)
- Adlerbert Research Foundation
- Aegon Asset Management
- AMP Capital
- AP2 and AP3 – Swedish National Pension Funds
- Australia Local Government Super
- Australian Ethical Investment Ltd
- Barclays Treasury
- BlackRock
- Breckenridge Capital Advisors
- Caisse Centrale de Reassurance
- California State Treasurer’s Office
- CalSTRS
- Calvert Investments
- Church of Sweden
- Colonial First State Global AM
- Deutsche Asset & Wealth Management
- Everence Financial
- FMO (Netherlands Dev. Fin.)
- IKEA Group
- LF Liv
- Mirova
- MISTRA
- Natixis Asset Management
- New York Common Retirement Fund
- Nikko Asset Management
- Pex World Balanced Fund
- Pictet
- QBE Insurance Group Ltd
- Rathbone Greenbank
- Sarasin
- SEB Ethos rantefund / SEB Fonden / SEB TryggLiv
- Skandia Liv
- Sonen
- Standish Mellon Asset Management
- State Street Global Advisors
- TIAA-CREF
- Trillium Asset Management
- UN Joint Staff Pension Fund
- UniSuper
- WWF-Sweden
- ZKB (Zürcher Kantonalbank)
- Zurich Insurance
- Zwitserleven

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 188 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 green bonds.

What Investors Said

"In line with its mission and vision, ACTIAM is very committed to responsible investment and green bond investing in particular. ACTIAM is very pleased to participate in this particular World Bank deal to continue to assist its clients like Zwitserleven in their search for responsible investments."

Erik Jan van Bergen, Chief Investment Officer

"The green bond issued by the World Bank fits within our existing mandate guidelines and our impact investing approach in which we select investments that meet our existing risk and return requirements, but also have the intent to create a measurable social or environmental impact."

Hendrik Jan Tuch, Senior Portfolio Manager
Aegon Asset Management

"UniSuper welcomes the partnership with the World Bank for this inaugural Australian dollar green bond. This transaction demonstrates the World Bank’s leadership role in further developing the green bond and SRI debt markets overall. UniSuper is committed to the sustainable finance effort and is proud to contribute to it through this transaction."

Talieh Williams, Manager, Governance and Sustainable Investment

UniSuper