

# Resources



Construction worker for the Panama Canal expansion project

# Impact Reporting Approach

The intention of impact reporting is to help investors develop a more detailed understanding of the results from World Bank-financed projects eligible for funding through World Bank Sustainable Development Bonds and Green Bonds. Key results indicators have been selected and, where possible, quantified, but it is important to appreciate the inherent limitations of data reported. The main considerations to adequately interpret results of the SDB program and the Green Bond program are described below:

## Sustainable Development Bonds

**RESULTS INDICATORS** The indicators used in the project tables of this report have been selected from among other expected development results and are intended to illustrate the type and scale of expected results in a variety of sectors and country contexts. The results indicators presented for aggregated Impact Highlights are drawn from the World Bank Corporate Scorecard, Tier 2 results and Corporate Results Indicators. These are sector outcome or output indicators that can be measured and monitored at the project level and aggregated across operations and countries. More information on the definition of each “Tier 2” indicator can be found at <https://scorecard.worldbank.org/>.

**SCOPE OF RESULTS** Unless otherwise indicated, reporting is based on ex-ante estimates of impacts at the time of project appraisal and mostly for direct project effects. The project Impact Highlights in this report include selected results that are aggregated where possible and do not represent all countries or regions where the World Bank supports the financing of projects. Project Impact Highlights should not be considered a comprehensive accounting of results. Additional project results are presented in the Project-by-Project section of the report and the full set of project results can be found at <http://projects.worldbank.org>.

**UNCERTAINTY** An important consideration in estimating impact indicators and projecting results is that they are based on assumptions. While technical experts aim to make sound and conservative assumptions that are reasonable based on the information available at the time,

the actual impact of projects generally diverges from initial projections. In general, behavioral changes or shifts in baseline conditions can cause deviations from projections.

**COMPARABILITY** Caution should be taken in comparing projects, sectors, or whole project portfolios because baselines (and base years) and calculation methods may vary significantly. In addition, the cost structures between countries will also vary, so that developing cost-efficiency calculations (such as results per dollar invested) could, for example, place smaller countries with limited economies of scale at a disadvantage and will not take into consideration the country-specific context.

## Omissions and Qualitative Results

Because the selected projects aim to provide social and developmental benefits as well as climate and environmental ones, they will have impacts across a much wider range of indicators than were captured in the previous section. Therefore, exclusively focusing on the reported indicators will leave out other important development impacts. Where quantitative data is unavailable, qualitative indicators have been included to illustrate other beneficial impacts. The intention of impact reporting is to help investors develop a more detailed understanding of the results from World Bank financed projects. Several key results indicators have been selected and, where possible, quantified, but it is important to appreciate the inherent limitations of data reported.

**PERIOD OF INCLUSION IN REPORT** Projects are added to the impact report in the fiscal year of approval. Due to the size of the dataset, the detailed project tables are available on the World Bank Treasury website.

**REPORTING FOR CO-FINANCED PROJECTS** The World Bank often co-finances projects with the client country and/or other lenders. The results for the individual project are based on the total project including all financiers. The World Bank’s share of the total financing is included for each project.

**AGGREGATIONS OF GHG ESTIMATES** When reported in the “Project Appraisal,” “Implementation Status and Results,” and/or “Implementation Completion and Results” reports, the GHG emission reductions for projects are reported in tons of CO<sub>2</sub> equivalent. The World Bank, in conjunction with other international finance institutions, developed a harmonized approach for GHG accounting. At the same time, the World Bank developed internally consistent GHG accounting methodologies to track ex-ante gross and net emissions in investment projects across relevant sectors and over their economic lifetime. Starting in FY19, the World Bank Group began reporting aggregated annual net GHG emissions reductions in the 2019 Corporate Scorecard. Given these recent developments in GHG accounting, the basis for estimating CO<sub>2</sub> equivalent emission reductions for projects approved prior to FY19 may vary.

**ALL REPORTED RESULTS ARE FROM PUBLICLY AVAILABLE SOURCES** Reporting is based on publicly available impacts for the projects disclosed in “Project Appraisal,” “Implementation Status and Results,” and “Implementation Completion and Results” reports. To facilitate comparability of the reported results, the reporting units have been converted where such conversion is based on a standard conversion factor. For a broader country context on developmental impacts of projects, view the full set of project documentation available on the World Bank website at <http://projects.worldbank.org>.

## Green Bonds

The World Bank issued its first Green Bond Impact Report in 2015, and impact reporting continues to evolve from year to year. The initial reporting template and set of indicators presented were the product of engagement with investors, which benefited from the efforts of multilateral development banks to harmonize metrics for GHG accounting<sup>23</sup> and reporting on climate finance activities. The World Bank led a collaborative initiative with other issuers to create the first harmonized template with core indicators for the Renewable Energy and Energy Efficiency sectors which was published in March 2015. The template has since evolved and been adopted by many other issuers. This consultative process of developing harmonized impact reporting templates has advanced under the auspices of the Green Bond Principles and its working groups and continues to evolve to cover other indicators and relevant sectors.

The indicators for this report have been selected among other expected development results and are intended to illustrate the type and scale of expected results in a

variety of sectors and country contexts. To better reflect individual country challenges, demands, and resources, the report focuses on presenting a diverse set of countries, projects and sectors rather than cumulative impacts.

### World Bank Green Bond Eligible Projects

This impact report is organized according to the sectors represented in the World Bank’s Green Bond eligible projects portfolio. Where projects cover multiple sectors, the project is included in the main sector only, but target results will include all components of the project.

- Renewable Energy and Energy Efficiency
- Clean Transportation
- Water and Wastewater Management
- Solid Waste Management
- Biodiversity
- Agriculture, Land Use, Forests and Ecological Resources
- Resilient Infrastructure, Build Environment and Other

The reporting framework adopted identifies core indicators in the following sectors: (1) Renewable Energy and Energy Efficiency, (2) Clean Transportation, (3) Water and Wastewater, (4) Solid Waste Management, and (5) Biodiversity. Where information covering the proposed core indicators is publicly available, it is included. However, for some projects quantitative estimates for these indicators are either not available or not applicable. A few other indicators that are considered relevant for green bond investors are also provided.

The World Bank uses the *Handbook: Harmonized Framework for Impact Reporting*<sup>24</sup> published by ICMA and related templates in its impact report. These templates, organized by sector, are designed for harmonization of impact reporting and the proposed indicators may not fully reflect the purpose of the World Bank-financed projects in the sectors presented above. It is important to view the “other indicators” offered. Moreover, as the consultative process for developing harmonized impact reporting templates advances, the core indicators might be subject to changes. Projects categorized in the remaining sectors are more heterogeneous. The report provides project-specific indicators based on available information on the scale of results.

<sup>23</sup> See the Joint Report on Multilateral Development Banks’ Climate Finance at <https://thedocs.worldbank.org/en/doc/9234bfc633439d0172f6a6eb8dfb881-0020012021/original/2020-Joint-MDB-report-on-climate-finance-Report-final-web.pdf>

<sup>24</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2021-100621.pdf>

## Key Assumptions and Approach

The following key assumptions and approach were used in preparing this report.

**EX-ANTE PROJECTIONS** Quantitative estimates for target results represent ex-ante projections developed during project design mostly for direct project impacts once projects are at normal operating capacity. The target results include expected results for projects approved by the Board but still in the implementation phase. The impact report thus serves as an illustration of expected results made possible through Green Bond eligible projects, but it is not intended to and does not provide actual results achieved in a specific year or reporting period. Target results have been updated with actual results at project completion. Where the amounts are based on actual results, this is noted in the tables.

**PERIOD OF INCLUSION IN THE REPORT** Impact reporting will be provided for projects for so long as they are part of the World Bank Green Bond project portfolio. This means that projects are added to the impact report once Green Bond proceeds have been allocated to support the financing of disbursements to the project and removed once the client has repaid the respective loan. Projects may also be removed from future reports if the World Bank decides to remove a project from its Green Bond project portfolio<sup>25</sup>. In the latter case, any Green Bond proceeds previously allocated to support the financing of disbursements to that project will be credited back to the Special Account for Green Bond proceeds and allocated to support the financing of disbursements to other Green Bond eligible projects as part of the routine allocation process.

**REPORTING FOR CO-FINANCED PROJECTS** The World Bank often co-finances projects with the

client country and/or other lenders. The results for the individual project are based on the total project including all financiers. The World Bank's share of the total financing is included for each project.

**PARTIAL PROJECT ELIGIBILITY** In cases where a project is only partially Green Bond eligible, the committed amount reported reflects only that portion that is Green Bond eligible. Allocations to support disbursements to such projects are made on a pro rata basis.

**AGGREGATION OF GHG ESTIMATES** When reported in the "Project Appraisal," "Implementation Status and Results," and/or "Implementation Completion and Results" reports, the GHG emission reductions for projects are reported in tons of CO<sub>2</sub> equivalent. The World Bank, in conjunction with other International Finance Institutions, developed a harmonized approach for GHG accounting<sup>26</sup>. At the same time, the World Bank developed internally consistent GHG accounting methodologies to track ex-ante gross and net emissions in investment projects across relevant sectors and over their economic lifetime. Starting in FY19, World Bank is reporting aggregated annual net GHG emissions reductions in the 2019 Corporate Scorecard<sup>27</sup>. Given these recent developments in GHG accounting, the basis for estimating CO<sub>2</sub> equivalent emission reductions for projects approved prior to FY19 may vary.

**ALL REPORTED RESULTS ARE FROM PUBLICLY AVAILABLE SOURCES** Reporting is based on publicly available impacts for the projects disclosed in "Project Appraisal," "Implementation Status and Results," and "Implementation Completion and Results" reports. To facilitate comparability of the reported results, the reporting units have been converted where such conversion is based on a standard conversion factor.

<sup>25</sup> As part of the World Bank's due diligence in monitoring projects included in its Green Bond project portfolio, it may elect to remove a project. Possible reasons for removing a project from the Green Bond project portfolio include, but are not limited to, cancellation of the project or significant implementation delays.

<sup>26</sup> For more information on the harmonization framework, see [https://www.worldbank.org/content/dam/Worldbank/document/IFI\\_Framework\\_for\\_Harmonized\\_Approach%20to\\_Greenhouse\\_Gas\\_Accounting.pdf](https://www.worldbank.org/content/dam/Worldbank/document/IFI_Framework_for_Harmonized_Approach%20to_Greenhouse_Gas_Accounting.pdf)

<sup>27</sup> <https://scorecard.worldbank.org/>

# Alignment With Market Standards

## Sustainable Development Bond Process

World Bank Sustainable Development Bonds are consistent with the **Sustainability Bond Guidelines**,<sup>28</sup> coordinated by the International Capital Market Association.

### Use of Proceeds

All World Bank bonds support the financing of a combination of green and social, i.e., “sustainable development” projects, programs, and activities in IBRD member countries. Each project is designed to achieve both positive social and environmental impacts and outcomes in line with the World Bank Group’s twin goals of eliminating extreme poverty and promoting shared prosperity.

The World Bank works in every major area of development in partnership with member governments to find sustainable solutions to local and global development challenges. The list below provides examples of projects that meet the eligibility criteria to be supported by the World Bank’s Sustainable Development Bonds and we have classified projects as social or green to show alignment with the Sustainability Bond Guidelines.

Examples of projects, programs and activities, that can be classified as “social projects” include, but are not limited to those which aim to:

- Improve health care, nutrition, and childhood development
- Improve equitable access to education, raise students’ retention and completion rates, improve learning conditions in schools, train teachers and improve their foundational skills
- Advance food security
- Strengthen social security, pension, and legal systems
- Improve access for individuals and businesses to affordable financial products and services

such as transactions and payment services, savings, credit, and insurance

- Support and improve access to affordable housing through regulatory and policy reform and improving access to finance
- Create more and higher-quality jobs, and connect disadvantaged people to jobs by eliminating barriers and building skills
- Improve the effectiveness of formal technical and vocational training, short-term skills development, and apprenticeship programs
- Provide financial, technical and advisory support to countries that have decided to transition from coal to cleaner sources of energy

Examples of projects, programs and activities that can be classified as “green projects” include, but are not limited to those which aim to:

- Advance climate-smart agriculture, improve agricultural infrastructure and support services, strengthen food value chains, and increase market access for smallholder farmers
- Manage water holistically for sustained water resource utilization, improved delivery of services and building resilience
- Address biodiversity conservation and challenges of pollution and natural resource degradation
- Help resource-rich developing countries benefit from the increasing demand for minerals and metals, while ensuring that mining is managed to minimize the environmental and climate footprint
- Prepare national plans and legislation to protect the environment and manage disaster risk
- Contribute to climate mitigation (solar and wind installations, new technologies that reduce GHG emissions, rehabilitation of power plants and transmission facilities to reduce emissions, clean transportation, sustainable waste management,

<sup>28</sup> <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

carbon reduction through reforestation and prevention of deforestation) and climate adaptation (protection against flooding, improvements in food security, climate-resilient agriculture, sustainable forest management, and prevention of deforestation).

The foregoing classification of the examples as either social or green is for convenience only. Many of the projects, programs and activities described above include social and green components by design and will produce a mix of green and social outcomes. Additional examples of eligible projects, programs, and activities can be found at: <https://www.worldbank.org/en/topic>.

### Target populations:

World Bank-financed projects aim to protect and empower vulnerable groups, including women and girls, the poor, disabled people, and youth to reduce poverty, improve living standards, and raise income and productivity.

## Process for Evaluation & Selection of Eligible Operations

All World Bank operations are designed to achieve positive environmental and social impacts and outcomes consistent with the World Bank Group's twin goals. Operations are approved after an extensive internal review process which integrates sustainability policies and environmental and social requirements. This is complemented by comprehensive project disclosure, portfolio management and review processes that are designed to provide timely feedback to enhance, improve and, if necessary, adjust operations to achieve positive impacts in line with desired outcomes.

## Management of Proceeds

The proceeds of all World Bank bonds are invested in accordance with IBRD's liquidity asset management investment policy. Disbursement requests for eligible operations take place in accordance with IBRD's established policies and procedures. Disbursements are often made over a period of several years, depending on when each project/program milestone is reached. The use of the net proceeds is tracked by IBRD on a continuous basis and IBRD reports on the use of proceeds on an annual basis.

## Reporting

The World Bank is committed to producing an annual impact report within one year following the close of the fiscal year (June 30) describing the operations supported by the financing generated by World Bank bonds issued during the previous fiscal year. This report provides information on allocation of bond proceeds and reports on results across a range of measurable outcomes, highlighting a selection of project development indicators. Impact reports are available on the World Bank Treasury website: <http://treasury.worldbank.org>.

## Green Bond Process

World Bank Green Bonds are consistent with the **Green Bond Principles**,<sup>29</sup> coordinated by the International Capital Market Association. The World Bank's green bond eligibility criteria were independently reviewed by the Center for International Climate and Environmental Research at the University of Oslo (CICERO).

The World Bank Green Bonds are a subset of its Sustainable Development Bond Program. This means that Green Bonds follow the same rigorous process as all World Bank bonds and are subject to additional step to select green bond eligible projects that promote the transition to low-carbon and/or climate resilient growth in World Bank client countries.

## Use of Proceeds

World Bank Green Bonds support the funding of eligible projects that promote the transition to low-carbon and climate resilient growth in IBRD member countries. Eligible projects may include those that target mitigation of climate change including investments in low-carbon and clean technology programs, such as energy efficiency and renewable energy programs and projects or adaptation to climate change, including investments in climate-resilient growth.

Examples of climate mitigation projects include, without limitation:

- Rehabilitation of power plants and transmission facilities to reduce greenhouse gas emissions
- Solar and wind installations

<sup>29</sup> <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp>

- Funding for new technologies that permit significant reductions in GHG emissions
- Greater efficiency in transportation, including fuel switching and mass transport
- Waste management (methane emission) and construction of energy-efficient buildings
- Carbon reduction through reforestation and avoided deforestation

Examples of climate adaptation projects include, without limitation:

- 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

## Process for Evaluation & Selection of Eligible Operations

Green Bond eligible projects – go through a rigorous review and approval process to ensure that they align with the World Bank Group’s mission and meet countries’ development priorities. The process includes: (i) screening to identify potential environmental or social impacts and designing policies and concrete actions to mitigate any such impacts; (ii) approval by the Board of Executive Directors – a resident Board with 25 chairs representing its member countries; and (iii) regular monitoring and evaluation. Additionally, World Bank environmental

specialists screen all projects to assess climate co-benefits. This assessment is integral to identifying projects that meet World Bank Green Bond project eligibility criteria.

## Management of Proceeds

Green Bond proceeds are credited to a special cash account and invested in accordance with IBRD’s liquidity asset management investment policy until used for the support of the World Bank’s financing of eligible Green Bond Projects. Disbursement requests for eligible projects take place in accordance with IBRD’s established policies and procedures. Disbursements are often made over a period of several years, depending on when each project milestone is reached. As disbursements are made for Green Bond Projects, corresponding amounts from the special account are allocated to the general lending pool at least on a quarterly basis.

## Reporting

The World Bank has published an impact report since 2015 and before that used its investor newsletter to report results. The World Bank is committed to producing an annual impact report within one year following the close of the fiscal year (June 30) describing the operations supported by the financing generated by World Bank Green Bonds issued during the previous fiscal year. This report provides information on allocation of bond proceeds and reports on results across a range of measurable outcomes, highlighting a selection of individual project development indicators. Impact reports are available on the World Bank Treasury website: <http://treasury.worldbank.org>.

# World Bank Annual & Sustainability Reporting



The [Annual Report](#) provides insights and financial data on the World Bank's activities and contributions to development progress for the fiscal year. Information and results are presented thematically and by region and fiscal year data is presented separately for IBRD and IDA.



The [Corporate Scorecard & Results Yearbook](#) provide an overarching view of the results and performance indicators of three World Bank Group institutions: the World Bank (IBRD and IDA), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). The Scorecards, which should be read with the [Data and Definitions](#) supplement, are critical tools for monitoring the World Bank Group's performance in key global and institutional priority areas.



This [2021 World Bank GRI Index](#) is an inventory of the sustainability considerations used in World Bank lending and analytical services as well as its corporate practices. This sustainability disclosure index was prepared in accordance with the Core option of the GRI Standards. The GRI Index covers activities carried out during fiscal year 2021 (July 1, 2020, to June 30, 2021). The COVID-19 pandemic affected the World Bank's operations and staff activities through reduced travel, an extended shutdown of its offices, and a shift in staff health services. Where significant, these impacts have been noted in the report.



The [Sustainability Review 2021](#) provides insights into World Bank activities undertaken between July 1, 2019, and June 30, 2021, to manage the environmental, social, and economic impacts of internal business operations. The content and data in this document relate to IBRD and IDA, which together form the World Bank. This Review complements the World Bank GRI Index 2021.

More information on how the World Bank manages its internal operations to safeguard the wellbeing of staff, ecosystems, communities, and the economies in which we work is available on the World Bank's [corporate responsibility](#) website.

# Accountability Mechanisms

Several key groups hold the World Bank accountable to its clients and shareholders, ensure the highest performance standards in development effectiveness, protect the integrity of the projects financed, and continually improve the efficacy of its internal operations.

**The Accountability Mechanism (AM)** was established by the World Bank's Board of Directors in 2020. It is independent from Bank management reporting directly to the Board, and houses both the **Inspection Panel (IPN)** and the new **Dispute Resolution Service (DRS)**, which was also created in 2020. The Accountability Mechanism is headed by a Secretary, who is tasked with overseeing the processing of complaints, which may be addressed through a compliance investigation carried out by the Inspection Panel, or a dispute resolution process facilitated by the Dispute Resolution Service. The Accountability Mechanism provides an avenue for individuals and communities who believe that they have been or are likely to be harmed by a project funded by IBRD or IDA to express their concerns and have them reviewed and addressed. The Inspection Panel's annual reports are available online at [inspectionpanel.org](https://inspectionpanel.org).

The **Independent Evaluation Group (IEG)** aims to strengthen the World Bank Group's development effectiveness through evaluations that assess results and performance and provide recommendations for improvements. IEG's evaluations contribute to accountability and learning, helping inform the World Bank Group's directions, policies and procedures, and country partnership frameworks. IEG reports are available online at [ieg.worldbankgroup.org](https://ieg.worldbankgroup.org).

The **Integrity Vice Presidency (INT)** investigates allegations of fraud, corruption, collusion, coercion, and obstruction in World Bank Group-financed projects, including those involving World Bank Group staff and corporate vendors.

INT's annual report is available online at [worldbank.org/en/about/unit/integrity-vice-presidency](https://worldbank.org/en/about/unit/integrity-vice-presidency).

The **Grievance Redress Service (GRS)** is an avenue for individuals and communities to submit complaints directly to the World Bank management if they believe that a World Bank-supported project has or is likely to have adverse effects on themselves, their community, or their environment. The GRS enhances the World Bank's responsiveness and accountability by enabling individuals and communities to engage with the World Bank and borrowing countries to address issues that have not been resolved by project-level grievance mechanisms. Its annual reports are available online at <https://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>.

The **Group Internal Audit (GIA)** provides independent, objective, and insightful risk-based assurance and advice to protect and enhance the value of the World Bank Group. GIA provides senior management and the Board with an independent view and reasonable assurance that processes for managing and controlling risks—as well as their overall governance—are adequately designed and functioning effectively. GIA's annual and quarterly reports are available online at [worldbank.org/internalaudit](https://worldbank.org/internalaudit).

The World Bank monitors IBRD's operational performance through the **World Bank Corporate Scorecard** and regular opportunities to discuss progress on operations with the World Bank's Executive Directors. The World Bank Corporate Scorecard is available online at [scorecard.worldbank.org](https://scorecard.worldbank.org).

**Boards of Directors'** work programs, calendars, and meeting minutes are available at [worldbank.org/en/about/leadership/directors](https://worldbank.org/en/about/leadership/directors).

# Disclaimer

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Any examples provided in this document are provided for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by the World Bank during the term of a specific World Bank bond.

Net proceeds of a specific World Bank bond are not committed or earmarked for lending to, or financing of, any particular project, program, or activity and returns on a specific World Bank bond are not linked to the performance of any particular project, program, or activity.

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