IMPACT INVESTING WITH THE WORLD BANK
How can you turn a one-dollar investment into $8 of life-changing results for people in developing countries? By investing in the World Bank’s brand new Hybrid Capital product.

From instruments that address specific needs like conservation or emission reduction to our hybrid capital product, the organizations of the World Bank Group offer ways for you to make a difference in areas that are most pivotal to people’s lives and livelihoods and that are aligned with your development priorities.

The World Bank Group’s vision is ambitious: a world free of poverty on a livable planet. The investment opportunities we offer are geared toward achieving that vision. The world’s development challenges are too urgent and too big for any of us to tackle alone. But together, greater progress and impact is possible.

Thanks to our proven leveraging power, investments in products from the organizations of the World Bank Group are stretched for maximum impact and turbocharged with our unparalleled knowledge. That means more jobs, better schools and hospitals, healthy food, much-needed help for countries struggling with the devastation wrought by climate change, and so much more.

For nearly 80 years, our initiatives have supported projects and programs that have been a lifeline for millions of people in developing countries, especially the world’s poorest. For example, in just one year, projects financed through the International Bank for Reconstruction and Development (IBRD) covered nearly 35 million people with social safety net programs, provided 17 million people with essential health, nutrition, and population-based services, enhanced learning for 29 million school children, and improved water for 7 million.

IBRD’s triple-A-rated securities are supported by the strength of its balance sheet and the support of 189 sovereign shareholders.

The case is clear: Low risk, high impact. That’s value. That’s a win-win proposition.

There is no better way for investors to deliver results for a world facing intertwined crises — from climate change and pandemics to food insecurity, fragility, and conflict.

**Groundbreaking Instruments**

As the world’s largest source of development finance and expertise, the World Bank Group isn’t just a safe investment. We provide a chance to invest in products that achieve social and environmental impact—to make a difference in areas like health, nutrition, education, climate mitigation and adaptation.

**New hybrid capital:**

- This year, the IBRD is pioneering a new hybrid capital product that’s being offered to development partners for the first time.
- This opportunity is unique: it’s a bond that pays a coupon but includes features that allow it to be considered as equity. That treatment lets us quickly increase our financing capacity.
- Hybrid capital can be used to incentivize projects focused on global challenges such as climate and biodiversity by allowing investors to direct proceeds to priority areas.
- The coupons that investors receive can be directed to provide grants and low-interest loans for global challenges.
- For every one-dollar investment in hybrid capital, we can increase lending by up to $8 over a decade by crowding in funding from private investors, philanthropists, foundations, and others.

**Livable Planet Fund:**

- We are launching a Livable Planet Fund, which will offer governments, philanthropies, and other partners an opportunity to contribute to our concessional resources for middle income countries. With this, we hope to amplify our ambition and impact.

**Outcome bonds:**

- Outcome bonds allow investors to support individual development projects and fund specific project outcomes aligned with priorities. They are also an effective way to channel finance to initiatives that don't often have access to funding or capital markets.
- Investors take on the risk of a project’s performance and get rewarded if it is successful. That means investors get a direct link to a positive development outcome—but in a relatively safe structure supported in part by IBRD’s ‘ triple-A credit strength.
- Foundations and philanthropic organizations also have an opportunity to be “outcome donors,” supporting a project without taking on implementation risk, which is covered by investors. Outcome donors only pay when a project achieves specific successful results—such as the generation of carbon credits. Donors can also support outcome bonds by providing grants to cover transaction costs, which are typically higher than for plain vanilla bonds.
**Clean Drinking Water in Vietnam**

A $50 million emission-reduction-linked bond is helping to provide clean drinking water to millions of children in Vietnam.

By forgoing regular coupon payments, investors are providing up-front financing to make and distribute 300,000 water purifiers to around 8,000 schools and institutions in Vietnam. Instead of ordinary coupons, investors will receive semi-annual coupon payments linked to the issuance of verified carbon credits by the water purifier project.

Investors will receive their principal investment back at maturity plus a minimum return from IBRD—regardless of the carbon units issued by the project.

The project is expected to make clean water available to around two million children and reduce greenhouse gas emissions by almost three million tons of carbon dioxide over five years.

**Black Rhinos and Local Communities in South Africa**

A $150 million Wildlife Conservation Bond is channeling private capital to black rhino conservation activities—a first-of-its-kind transaction.

Together with funding from the Global Environment Facility, the bond transfers project risk from donors to investors. The structure creates an opportunity for private investment in conservation, supported by quantifiable metrics and models.

Investors don’t receive coupon payments. Instead, IBRD makes conservation investment payments in South Africa’s Addo Elephant National Park and Great Fish River Nature Reserve, while also providing environmental and social benefits to local communities.

Investors stand to receive a success payment at maturity, linked to the growth rate of the black rhino population. That’s an innovative way to secure and grow the black rhino population, support jobs for the local community, and improve land management.

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**Footnote:** 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. The World Bank Group’s vision is a world free of poverty on a livable planet. We provide countries with financing, expertise, and coordination services so they can achieve equitable and sustainable economic growth and find effective solutions to pressing regional and global challenges. The products described in this brochure are from the International Bank for Reconstruction and Development (IBRD), rated Aaa/AAA (Moody’s/S&P), which is owned by 189 member countries. For more information, visit: [https://treasury.worldbank.org/en/about/unit/treasury/ibrd](https://treasury.worldbank.org/en/about/unit/treasury/ibrd)