WORLD BANK BONDS FOR SUSTAINABLE DEVELOPMENT
ROADMAP

What is the World Bank?
Why invest with the World Bank?
What investment products does the World Bank offer?
How is the World Bank engaging with investors on the Sustainable Development Goals?
Annex: Project stories
WHAT IS THE WORLD BANK?
WORLD BANK INTRODUCTION

- International organization **owned by 189 member countries** – its owners are its clients.

- Purpose is to **end extreme poverty on a livable planet**. These goals align with the Sustainable Development Goals.

- The world’s largest source of development finance and expertise – 75+ years of financing development projects.

- About $240 billion in loans outstanding to 77 countries.

- Nearly 12,000 staff in 136 offices. Headquarters in Washington, DC.

- Largest shareholders: US, Japan, China, Germany, France, and the UK.

- International Bank for Reconstruction and Development – **IBRD**, known as “**World Bank**” in the capital markets, is rated AAA/Aaa based on its capital, reserves and prudent financial policies.
HISTORY OF THE WORLD BANK

IBRD was created in 1944 to rebuild Europe after World War II and was soon referred to as the “World Bank”.

- IBRD was designed to be financially self-sustaining and earn income to support its development activities.
- First loans were made to developed countries for reconstruction purposes.
- IBRD’s focus shifted towards poverty alleviation in the 1960s and it continued to lend to countries that were creditworthy and could borrow at market-based rates.
- In the 2020s an explicit focus on global public goods led to adding “on a livable planet” to the vision.
IBRD, IDA and IFC are all three rated AAA/Aaa. They share the same overall development goals, but are legally separate entities. Each has its own risk profile and capital structure. The World Bank Treasury is the treasury for IBRD and IDA.
All World Bank bonds support sustainable development. They offer investors the opportunity to invest in financial products with a high credit rating while supporting projects with positive impact.
THE WORLD BANK BUSINESS MODEL
How World Bank Projects are Financed

Private Investors → Bond Proceeds → THE WORLD BANK

Principal + Interest

Paid-in Capital + Reserves

Strong balance sheet, prudent risk management & capital supports triple-A rating

Financing for Borrowing Member Countries

Principal + Interest

Financing and knowledge supports projects across sectors

Agriculture
Education
Energy & Extractives
Financial Sector
Health
Industry & Trade
Info & Communications
Public Administration
Social Protection
Transportation
Water/Sanitation/Waste
PROJECTS MUST MEET STRICT STANDARDS

The World Bank works with its member countries to design projects that meet their **sustainable development needs**.

All projects are designed to:
- Address country-identified priorities
- Contribute to World Bank goals
- Meet environmental and social standards
- Make a positive impact
OVERLAPPING CRISES
The World Bank is responding with impact, speed and scale to help member countries

Shocks have had both a deep direct human and economic impact as well as long-term adverse spillovers on developing countries, threatening to reverse decades of development gains.

Impacts of climate change
Lingering pandemic effects
Commodity shocks, food insecurity
Wars and persistent fragility
EVOLUTION PROCESS
Transforming the World Bank to Leverage its Impact

The World Bank and other Multilateral Development Banks (MDBs) are increasingly important in addressing global challenges such as poverty, shared prosperity, inclusion, resilience, sustainability, and cross-border issues like climate change, pandemics, and conflict and violence.

The three building blocks of the World Bank’s Evolution Process:

**Vision & Mission**
Our new vision is to create a world free of poverty on a livable planet and our new mission is to end extreme poverty and boost shared prosperity on a livable planet by strengthening inclusion, resilience, and sustainability.

**Operating Model**
We are introducing enhancements to our country engagement model, analytics, financing instruments, and incentives, to focus more on outputs rather than inputs.

**Financial Model**
While maintaining the triple-A credit rating that allows us to efficiently leverage shareholder equity, we have been making available more resources through balance sheet optimization and we are attracting more funds for increasing our equity (e.g. through hybrid capital), as well as more resources for concessional funding.
The World Bank’s shareholders support focus on global goals

The World Bank is committed to addressing the most pressing global challenges faced by our member countries. Our focus areas encompass a wide range of critical issues:
WORLD BANK GROUP’S CLIMATE CHANGE ACTION PLAN
Aligning with the Paris Agreement, increasing Climate Finance

Definition
Provision of support to clients that is consistent with pathways towards equitable, sustainable, low-carbon, and climate-resilient development

Country Circumstances
Paris Agreement gives countries latitude in the pathways they choose based on country circumstances in integrating climate and development

Mitigation
Ensure investments support limiting global warming to well below 2 degrees, recognizing that peaking of GHG emissions will take longer for developing countries

Adaptation
Ensuring physical risk mitigation measures are fully embedded in project design

World Bank to be Paris Aligned by July 1, 2023

Institutions of the World Bank Group that contribute climate benefits include: IBRD, IDA, IFC and MIGA and averaged together.

Learn more about the World Bank’s Climate Change Action Plan (link)

World Bank Group to Increase Overall Flows to Climate

With at least 50% of climate financing going to adaptation

World Bank Group Climate Finance Target (%): 35% FY21-25 target 26% FY16-20 average delivered

World Bank Group Climate Finance ($ billion): $38.6B FY23 $21.4B FY21

*Institutions of the World Bank Group that contribute climate benefits include: IBRD, IDA, IFC and MIGA and averaged together.
CLIMATE ACTION Cuts Across Sectors

100% of all IBRD projects are screened for climate risk and impact

92% of all IBRD projects (by #) had climate financing in FY23, representing

41% of all commitments (by dollar value)

<table>
<thead>
<tr>
<th>Climate Results Cut Across all World Bank Sectors</th>
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<tbody>
<tr>
<td>Energy &amp; Extractives</td>
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<tr>
<td>Agriculture</td>
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<td>Urban Resilience &amp; Land</td>
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<tr>
<td>Transport</td>
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<tr>
<td>Water</td>
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<tr>
<td>Environment, Natural Resources &amp; Blue Economy</td>
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<td>Social Sustainability &amp; Inclusion</td>
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<td>Finance &amp; Competitiveness</td>
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<td>Governance</td>
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<td>Trade</td>
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<tr>
<td>Poverty &amp; Equity</td>
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<tr>
<td>Education</td>
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<tr>
<td>Health, Nutrition and Population</td>
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<tr>
<td>Social Protection</td>
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<tr>
<td>Digital Development</td>
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WHY INVEST WITH THE WORLD BANK?
KEY FEATURES OF WORLD BANK BONDS

Decades in capital market, wide range of products
- Issuing debt since 1947; triple-A rating since 1959
- Fixed income products in multiple currencies, structures and maturities

Special Features
- 0% Basel II and III risk weighting minimizes capital requirements
- Liquid bonds are classified as “Level 1 HQLA” (high quality liquid assets)

Safety
- Strong balance sheet as a result of prudent financial policies
- Funds only for sovereigns/sovereign-guaranteed projects

Development Mandate
- The World Bank’s sustainable development programs aim to achieve positive social and environmental impacts in member countries
WHY INVEST? SECURITY
AAA/Aaa Credit rating

Conservative Financial Policies
• States only as borrowers
• Limits for individual countries
• Borrowers are also shareholders
• Preferred creditor status

Solid Capital Structure
• Equity US$60 bn (FY23)
• Callable capital US$296 bn (FY23)
• 189 government shareholders
• 2018 capital increase of US$7.5 bn increases borrowing capacity

Conservative Risk Management
• Fixed credit limits
• Equity to loans ratio granted only takes into account the equity paid in
• Strict and conservative investment policy

High Liquidity
• Target liquidity level is 12 months coverage (US$59 bn in FY24)
• Actual liquidity exceeds target (US$75 bn in FY23)
• Bond portfolio with securities rated AAA/AA
BALANCE SHEET STRUCTURE
Key Balance Sheet Items (as of June 30, 2023, in billions US$)

Loans Outstanding (a)
US$241

Investments (b)
US$80

Other US$12
US$333

Assets

Borrowings
US$237

Equity
US$60

Other US$36
US$333

Liabilities & Equity

(a) Net of accumulated loan loss provision and deferred loan income
(b) Investments and due from banks; of this amount, the liquidity portfolio is US$75billion
WORLD BANK’S STRONG CREDIT QUALITY

- Global diversification
- Lending only to sovereign or sovereign-guaranteed projects
- Borrowing clients are also shareholders; increased incentive to repay
- Preferred creditor treatment – borrowing clients prioritize financial obligations to the World Bank – recognized by rating agencies and financial market participants
- Policy of freezing additional lending if payments not on time
- Single Borrowing Limits (SBL) for individual countries
- Graduation Discussion Income (GDI) is the level of per capita income of a member country above which graduation from IBRD starts being discussed.

Top 10 Country Exposures for IBRD
(as of June 30, 2023, US$ billions)

- $28 billion SBL for highly creditworthy countries below the GDI
- $21.2 billion SBL for highly creditworthy countries above the GDI
WORLD BANK’S STRONG CREDIT QUALITY

Shareholder Support
- IBRD bonds are supported by the strength of its balance sheet and support of its 189 sovereign shareholders

Largest Shareholders
- United States, 16.64%
- Japan, 7.59%
- China, 5.88%
- Germany, 4.50%
- France, 4.12%
- United Kingdom, 4.12%

By percentage of total subscription as of June 30, 2023

Callable Capital
- The World Bank’s financial policies are designed to minimize the need for a call on capital and key management tools like the Equity-to-Loans ratio targets do not take callable capital into account.
- No call has ever been made on a callable capital.
- Callable capital can only be called to satisfy debt obligations. Shareholders are responsible for the full amount of their callable capital subscription regardless of ability to fulfill their obligations.
### Conservative financial policies
Conservative financial policies are designed to minimize the need for a call on capital.

### Key risk management indicators
Key risk management indicators do not factor in callable capital ($296 billion) to determine IBRD’s risk-bearing capacity.

### Key risk tolerance indicator
The key risk tolerance indicator, **Equity-to-Loans Ratio**, is set at a policy minimum of 19%. As of June 30, 2023, the total outstanding amount of loans made by IBRD was $241 billion to useable equity of $53 billion (**E/L Ratio of 22%**).

### FX and interest rate risks
FX and interest rate risks managed carefully to minimize risks.

**Equity-to-Loans Ratio**
(US$ billions; FY23)

<table>
<thead>
<tr>
<th>Outstanding Loans</th>
<th>Equity-to-Loans Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>$241</td>
<td>22%</td>
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</table>

<table>
<thead>
<tr>
<th>Callable Capital</th>
<th>Useable Equity</th>
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<tbody>
<tr>
<td>$296</td>
<td>$53</td>
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</table>

**THE WORLD BANK**
The target liquidity level represents 12 months coverage as calculated at the beginning of every fiscal year.

Actual liquidity exceeds the estimated liquidity requirement to provide financial flexibility in the timing of new debt issuance while meeting obligations. The FY24 target liquidity level was set at US$59 billion, US$5 billion higher than FY23 Target Liquidity Level due to higher projected debt service for FY24.

Liquidity portfolio is conservatively managed against strict guidelines. Eligible investments are highly rated fixed income securities rated AA- or better for governments and agencies, and AAA for corporates and ABS.
WHAT INVESTMENT PRODUCTS DOES THE WORLD BANK OFFER?
FUNDING STRATEGY

Meet Investors’ Needs
• Offer a wide range of debt instruments from a AAA/Aaa issuer, with various characteristics including flexible structures, size, liquidity and maturities.
• Customize products to meet investor preferences
• Maturities up to 50 years.
• A 0% Basel II and III risk weighting minimizes capital requirements.
• Liquid bonds are considered level 1 HQLA (high quality liquid assets).
• Bonds have ‘green’ or ‘sustainability’ bond tag in Bloomberg

High Execution Standards
• Broad sponsorship from underwriters with solid primary placement with a diversified investor base.
• Strong aftermarket spread performance for liquid bonds.
FUNDING PROGRAM

Investors have a wide choice of products to chose from

- Global & Benchmark Bonds
- Non-Core Currency Bonds
- Structured Notes & Callable Bonds
- Capital-at-Risk Notes
- Discount Notes

Products

- Liquidity
- Diversification
- Customization
- Extra Yield Potential
- Cash Management

Fiscal Year 2023

USD 65%
EUR 15%
Other 20%

Note: Trade date FX rates used for converting non-USD currencies to USD equivalents.
SUSTAINABLE DEVELOPMENT BONDS
Connecting Investment with Purpose

World Bank bonds provide investors with an opportunity to do well by doing good.

World Bank Sustainable Development Bonds and Green Bonds are:
- aligned with the Sustainability Bond Guidelines
- tagged sustainability bonds on Bloomberg
- displayed on the Luxembourg Green & Sustainable Exchange

Bond proceeds support the financing of green and social projects
World Bank supports sustainable development
Environmental & Social Standards
Project Cycle
17 Sustainable Development Goals
World Bank Sustainable Development 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 intentionally 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’s Sustainable Development Bond Framework describes the process for selecting, evaluating and reporting on eligible Sustainable Development Projects and contains descriptions and examples of such eligible projects.

**Target Populations:** World Bank 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.
The World Bank offers global bonds in a variety of currencies and maturities through strategic offerings designed to meet investor demand.

- **Global Bonds provide:**
  - Investors with liquidity and strong dealer commitment to secondary market support
  - Diversification among triple-A holdings and benefit from a rarity value in the marketplace

- **Characteristics:**
  - Issue size is typically US$1-4 billion, or benchmark size for each market; largest benchmark was US$8 billion
  - Maturities generally range between 2-10 years
  - Denominated in a variety of currencies, incl. USD, EUR, GBP, CAD, AUD, NZD

- World Bank bonds are represented in **major indices**

- **Pricing** and other bond details: Bloomberg: IBRD <Govt> <Go> or IBRD <Go>
On January 3, 2024, the World Bank (IBRD) priced its first benchmark of 2024 – an Australian dollar 2 billion 5-year bond due January 10, 2029. The transaction attracted over 50 orders totaling more than AUD 2.4 billion from investors drawn to IBRD’s high credit quality while supporting the World Bank’s mission.

Net proceeds of the bonds described herein are not committed or earmarked for lending to, or financing of, any particular projects or programs, and returns on the bonds described herein are not linked to the performance of any particular project or program.*
On January 3, 2024, the World Bank (IBRD) priced a 7-year benchmark bond that matures in January 2031. The Sustainable Development Bond raised USD 5 billion from investors seeking to support the World Bank’s work to end extreme poverty and boost prosperity on a livable planet.

**Distribution by Geography**
- Americas: 26%
- Europe/ Middle East/ Africa: 56%
- Asia: 18%

**Distribution by Investor Type**
- Central Banks / Official Institutions: 35%
- Asset Managers/Insurance /Pension Funds: 16%
- Banks/Bank Treasuries/Corporates: 49%

**USD 5 billion 7-year Bond**

<table>
<thead>
<tr>
<th>Summary Terms and Conditions</th>
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<tbody>
<tr>
<td>Issuer Rating:</td>
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<tr>
<td>Maturity:</td>
</tr>
<tr>
<td>Total Amount:</td>
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<tr>
<td>Settlement Date:</td>
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<tr>
<td>Maturity Date:</td>
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<tr>
<td>Coupon:</td>
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<tr>
<td>Leads:</td>
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</tbody>
</table>

*Net proceeds of the bonds described herein are not committed or earmarked for lending to, or financing of, any particular projects or programs, and returns on the bonds described herein are not linked to the performance of any particular project or program.*
On January 3, 2024, the World Bank (IBRD) priced a new 5-year CAD 1.4 billion benchmark that matures in January 2029.

**Distribution by Geography**
- Americas: 48%
- Asia: 34%
- Europe/ Middle East/ Africa: 18%

**Distribution by Investor Type**
- Central Banks / Official Institutions: 55%
- Banks/Bank Treasuries/Corporates: 34%
- Asset Managers/Insurance/Pension Funds: 11%

**Summary Terms and Conditions**
- Issuer Rating: Aaa/AAA
- Maturity: 5-year
- Total Amount: CAD 1.4 billion
- Settlement Date: 01/12/2024
- Maturity Date: 01/12/2029
- Coupon: 3.50% per annum
- Joint Lead managers: CIBC, RBC Capital Markets, National Bank Financial Inc., TD Securities

Net proceeds of the bonds described herein are not committed or earmarked for lending to, or financing of, any particular projects or programs, and returns on the bonds described herein are not linked to the performance of any particular project or program.*
On January 4, 2024, the World Bank (IBRD) priced a 5-year British pound sterling (GBP) benchmark bond due October 2028. The Sustainable Development Bond raised an impressive size of GBP 1.5 billion from investors to support the financing of the World Bank’s work to fund sustainable development solutions in its member countries.

**Distribution by Geography**
- **Europe/Middle East**: 6%
- **United Kingdom**: 59%
- **Asia**: 32%
- **Americas**: 3%

**Distribution by Investor Type**
- **Central Banks / Official Institutions**: 53%
- **Bank Treasuries / Banks / Corporates**: 25%
- **Asset Managers / Pension / Insurance**: 22%
- **Central Banks / Official Institutions**: 53%

**Summary Terms and Conditions**
- **Issuer Rating**: Aaa/AAA
- **Maturity**: 5-year
- **Total Amount**: GBP 1.5 billion
- **Settlement Date**: 01/11/2024
- **Maturity Date**: 10/02/2028
- **Coupon**: 3.875% p.a.
- **Leads**: Citigroup, NatWest Markets, Santander and TD Securities

Net proceeds of the bonds described herein are not committed or earmarked for lending to, or financing of, any particular projects or programs, and returns on the bonds described herein are not linked to the performance of any particular project or program."
On February 6, 2024, the World Bank (IBRD) priced a EUR 3 billion 10-year Sustainable Development Bond. This transaction attracted over 100 orders totaling Euro 4.7 billion from European and global investors seeking high credit quality and an investment that supports sustainable development at the longer end of the EUR curve.

**Distribution by Geography**
- Rest of Europe: 47%
- France: 24%
- Germany: 16%
- Other: 13%

**Distribution by Investor Type**
- Banks/Bank Treasuries/Corporates: 58%
- Central Banks / Official Institutions: 17%
- Asset Managers/Insurance/Pension Funds: 25%

**Summary Terms and Conditions**

<table>
<thead>
<tr>
<th>EUR 3 billion 10-year Bond</th>
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<tbody>
<tr>
<td><strong>Issuer Rating:</strong></td>
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<tr>
<td><strong>Maturity:</strong></td>
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<tr>
<td><strong>Total Amount:</strong></td>
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<tr>
<td><strong>Settlement Date:</strong></td>
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<tr>
<td><strong>Maturity Date:</strong></td>
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<tr>
<td><strong>Coupon:</strong></td>
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<tr>
<td><strong>Leads:</strong></td>
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</tbody>
</table>

Net proceeds of the bonds described herein are not committed or earmarked for lending to, or financing of, any particular projects or programs, and returns on the bonds described herein are not linked to the performance of any particular project or program.*
On February 15, 2024, the World Bank (IBRD) priced a USD 1.25 billion Sustainable Development Bond linked to the Secured Overnight Financing Rate (SOFR). The transaction attracted over 30 orders totaling USD 1.4 billion from a diverse set of investors seeking a high credit quality investment while supporting sustainable development.

**Distribution by Geography**
- Americas: 50%
- Europe/Middle East/Africa: 32%
- Asia: 18%

**Distribution by Investor Type**
- Bank Treasuries / Banks / Corporates: 49%
- Central Banks / Official Institutions: 35%
- Asset Managers / Pension / Insurance: 16%

**Summary Terms and Conditions**
- **Issuer Rating:** Aaa/AAA
- **Maturity:** 3-year
- **Total Amount:** USD 1.25 billion
- **Settlement Date:** 02/23/2024
- **Maturity Date:** 02/23/2027
- **Coupon:** Compounded Daily SOFR + 28 basis points
- **Leads:** Wells Fargo Securities, BMO Capital Markets, Scotiabank

Net proceeds of the bonds described herein are not committed or earmarked for lending to, or financing of, any particular projects or programs, and returns on the bonds described herein are not linked to the performance of any particular project or program.*
The World Bank offers flexible and customized short-term debt instruments through its USD Discount Notes Program using simple documentation (Offering Circular).

Discount Notes are offered in the United States and Eurodollar markets.

Rates for World Bank Discount Notes are posted on Bloomberg's “ADN” page under the World Bank option (“WBDN”).

Discount Notes characteristics:
- maturities of 397 days (13 months) or less
- aggregate face amounts of US$50,000 and higher per maturity date
BUYBACK PROGRAM

- The World Bank buys back its own bonds through dealers on a reverse enquiry basis
- Program is designed to offer backstop liquidity to investors and covers vanilla and structured IBRD notes, as well as benchmarks
- Repurchased notes are retired from the market
- The program has been operational 20+ years, including the 2008-2009 financial crisis and the 2020 COVID-19 crisis with average volumes of roughly US$1 billion annually
- Confidential execution as requested
- Execution remains at the discretion of IBRD
On March 17, 2023, the World Bank (IBRD) issued a joint catastrophe bond and swap transaction that provides a total of USD 630 million of earthquake insurance to the Government of Chile for three years, consisting of USD 350 million of catastrophe bonds and USD 280 million of catastrophe swaps. The bond is IBRD’s 19th cat bond and the first listed on the Hong Kong Exchange (HKEX).

**Distribution by Geography**

- Europe: 54%
- North America: 40%
- Asia: 6%
- Bermuda: 2%

**Distribution by Investor Type**

- ILS Fund: 76%
- Pension Fund: 6%
- Asset Management: 15%
- Insurer/Reinsurer: 3%

**Summary Terms and Conditions**

- **Issuer Rating:** Aaa/AAA
- **Maturity:** 3-year
- **Total Amount:** USD 350 million
- **Settlement Date:** 03/24/2023
- **Maturity Date:** 03/31/2026
- **Bond Coupon:** Compounded SOFR + Funding Margin + Risk Margin
- **Risk Margin:** +4.75% p.a.
- **Funding Margin:** +0.04% p.a.
- **Covered Perils:** Earthquake
- **Trigger:** Parametric, per occurrence
- **Leads:** Aon Securities, GC Securities and Swiss Re Capital Markets

Net proceeds of the bonds described herein are not committed or earmarked for lending to, or financing of, any particular projects or programs, and returns on the bonds described herein are not linked to the performance of any particular project or program.®
OUTCOME BOND EXAMPLE
Wildlife Conservation Bond to Protect Black Rhinos and Support Local Communities in South Africa

On March 31, 2022, the World Bank (IBRD) issued the first Wildlife Conservation Bond, a principal protected outcome bond, that channels additional private capital for conservation outcomes.

- Investors foregone regular coupons fund conservation investment in two parks in South Africa, while also providing environmental and social benefits to local communities.
- In addition to return of principal and a small guaranteed return, investors potentially receive a conservation success payment at maturity (funded by the Global Environment Facility) based on rhino population growth rates.
- Nuveen was the lead investor in the transaction which included other institutional investors and individual investors from both Credit Suisse and Citi private banking.

### USD 150 million 5-year Bond

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<tr>
<th>Summary Terms and Conditions</th>
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<tr>
<td>Rating: AAAP</td>
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<tr>
<td>Maturity: 5-year</td>
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<tr>
<td>Total Amount: USD 150 million</td>
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<tr>
<td>Settlement Date: 03/31/2022</td>
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<tr>
<td>Maturity Date: 03/31/2027</td>
</tr>
<tr>
<td>Issue Price: 94.84%</td>
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<tr>
<td>Conservation Investment Payment: Issuer will make payments totaling ZAR 152 million to the Park Managers to finance rhino conservation activities.</td>
</tr>
<tr>
<td>Conservation Success Payment: Paid to investors at maturity based on rhino growth rates in two Parks. Maximum payment is US$13.76 million</td>
</tr>
<tr>
<td>Sole Structurer: Credit Suisse</td>
</tr>
<tr>
<td>Bookrunners: Credit Suisse and Citibank, NA</td>
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</table>

WCB Press Release

Net proceeds of the bonds described herein are not committed or earmarked for lending to, or financing of, any particular projects or programs, and returns on the bonds described herein are not linked to the performance of any particular project or program.
On January 24, 2024, the World Bank (IBRD) issued a Plastic Waste Reduction-Linked Bond, a principal protected outcome bond, that channels private capital to a project with positive climate and development impacts.

- Investors forego regular coupon payments to provide up-front financing for projects that aim to reduce and recycle plastic waste in vulnerable communities in Ghana and Indonesia.

- Projects help to reduce plastic pollution, create improvements in local pollution and air quality, reduce associated health impacts, and create jobs in marginalized communities.

- In addition to return of principal and a small guaranteed return, investors receive variable coupons linked to Plastic Waste Collection Credits, Plastic Waste Recycling Credits and Voluntary Carbon Units expected to be generated by two projects.

- Investors include: Velliv Pension, Skandia, Mackenzie Investments, T. Rowe Price, Muzinich & Co

### USD 100 million 7-year Bond

<table>
<thead>
<tr>
<th>Summary Terms and Conditions</th>
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<tr>
<td>Rating: AAa</td>
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<tr>
<td>Maturity: 7-year</td>
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<tr>
<td>Total Amount: USD 100 million</td>
</tr>
<tr>
<td>Settlement Date: 01/31/2024</td>
</tr>
<tr>
<td>Maturity Date: 01/31/2031</td>
</tr>
<tr>
<td>Issue Price: 100%</td>
</tr>
<tr>
<td>Plastic &amp; VCU-Linked Interest Payment: Linked to the number of Plastic Credits and Verified Carbon Units (VCUs) issued from the projects, each subject to a cumulative ceiling</td>
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<tr>
<td>Minimum coupon: 1.75% per Specified Denomination</td>
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<tr>
<td>Lead Manager: Citibank</td>
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</tbody>
</table>

**Plastic Waste Reduction Bond Press Release**

*Net proceeds of the bonds described herein are not committed or earmarked for lending to, or financing of, any particular World Bank projects or programs. Payments on the bonds are not funded by any particular World Bank project or program.*
HOW IS THE WORLD BANK ENGAGING WITH INVESTORS ON THE SDGs?
BUILDING SUSTAINABLE CAPITAL MARKETS

World Bank’s first green bond catalyzed the green bond market and spearheaded disclosure and impact reporting standards for green and other sustainable assets.

A revolution sparked by green bonds has the potential to drive more data-driven sustainable/impact investing.

The green bond model for project selection, second party opinion, and impact reporting has expanded to World Bank Sustainable Development Bonds.

A global development institution focused on the reduction of poverty reduction and inequality.

Issuer of sustainable development bonds and green bonds.

Engagement with investors and others on sustainable and impact investments.

Partnering with others to:
- leverage our issuance and development experience
- increase awareness for thematic investment and sustainable capital flows
- support transparency and data availability as a global public good.

Sustainable Development Bonds

Today, most World Bank bonds are labeled as Sustainable Development Bonds.

The Sustainable Development Bond label highlights how proceeds support the financing of projects with both green and social goals and emphasizes the holistic approach that the World Bank takes to mainstream climate action in all operations.
POINEERING THE GREEN BOND MARKET

- The World Bank’s first green bond catalyzed the green bond market and spearheaded disclosure and impact reporting standards for green and other sustainable assets.
- Green bonds carry the same financial terms and risk as other World Bank bonds.
- The World Bank is advising member countries on green finance and green bond issuance, e.g., through a guide for a national taxonomy.

Examples of projects herein are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by IBRD anytime in the future. Net proceeds of IBRD securities are not committed or earmarked for lending to, or financing of, any particular projects or programs, and returns on IBRD securities are not linked to the performance of any particular project or program.

- 4,800,000 tons of untreated wastewater prevented from flowing into rivers annually in China
- 6,000,000 tons of CO₂ emissions reduced due to reforestation in Mexico
- 774,600 hectares of forest restored or reforested in China & Mexico
- 51,462 GWh in annual energy savings
MEETING INVESTOR DEMAND
For Sustainable Investment Products

- All World Bank bonds aim to achieve positive social and environmental impact in line with the SDGs.
- Investors are factoring environmental and social risks and sustainability considerations into decision-making.
- World Bank bonds are natural fit for investors seeking positive impact.
- World Bank Treasury is cultivating a long-term partnership with the private sector driving growth in green and sustainability bonds and innovation to mobilize financing for sustainable development.
- Investors are focusing investments on special themes and the SDGs like climate action, gender equality, good health and well-being, equitable social services, and sustainable transport.
SUSTAINABLE DEVELOPMENT BONDS

IBRD issues two types of labeled bonds

World Bank Sustainable Development Bonds aligned with Sustainability Bond Guidelines published by ICMA

World Bank Green Bonds aligned with Green Bond Principles published by ICMA
GREEN BONDS

FY22 GREEN BOND PROJECT RESULTS

Biodiversity
- 7.3 million ha under sustainable landscape management practices

Clean Transportation
- 1.2 million people benefiting from enhanced access to transportation services
- 323 new cleaner-fuel vehicles procured
- 46 km of bus rapid transit routes operated

Resilient Infrastructure
- 25 years of return period for which roads are designed to withstand a flood event

Sustainable Agriculture
- 134,420 clients adopting improved agricultural technology
- 43,836 t of annual pollution load (COD) and 6,031 t of annual nutrient load to waterways reduced
- 37,594 ha provided with new/improved irrigation or drainage services

Renewable Energy & Energy Efficiency
- 675,023 MWh of heat and electricity generated from renewable biomass
- 105,571 MWh of annual energy savings
- 179 MW of renewable capacity added

Read the 2022 World Bank (IBRD) Impact Report
SUSTAINABLE DEVELOPMENT BONDS

Holistic Approach Uses SDGs as a Framework

- 680 projects supported
- $33.1 billion in lending committed

Read the 2022 World Bank (IBRD) Impact Report
• The World Bank’s purpose is to end extreme poverty and promote shared prosperity.
• World Bank bonds fund sustainable development activities.
• AAA/Aaa rating is based on its strong balance sheet and capital, conservative financial policies and risk management, and support from 189 member countries.
• Wide range of products ranging from benchmark bonds to tailor-made notes designed to suit specific investor needs.
• All bonds are labeled as ‘sustainability’ or ‘green’ bonds designed to achieve positive impact.
• Outcome based structured bonds allow investors to take on other risks for additional impact.
ANNEX: PROJECT STORIES

Disclaimer: Examples of projects herein are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by IBRD anytime in the future. Net proceeds of IBRD securities are not committed or earmarked for lending to, or financing of, any particular projects or programs, and returns on IBRD securities are not linked to the performance of any particular project or program.
COLOMBIA
Access and Quality in Higher Education

Development Challenge: The participation of young people from socioeconomically disadvantaged backgrounds in tertiary education in Colombia is very low. In 2014, only 10% of young people in the poorest quintile enrolled in a higher education program, compared to 59% of the richest quintile. That same year, only 13% of the rural population enrolled in a tertiary education program, as compared to 60% in the main cities. Half of the students who enter tertiary education drop out before finishing their studies.

Purpose: Improve the quality of tertiary education in participating institutions and increase enrollment of students from disadvantaged socioeconomic backgrounds in quality programs. The project provides financing for students to attend tertiary and postgraduate education through student loans and scholarships. The project also provides financing for institutions to carry out quality improvements to obtain accreditation through competitive research grants and loans.

Expected Results (include):
• 1,222,876 students from disadvantaged backgrounds enrolled in tertiary education
• 46,080 students from low socioeconomic groups who obtain a loan
• 322,000 students benefiting from direct interventions to enhance learning
• 6.2% of new student loans given to victims of violence; 7.5% to indigenous, afro-Colombians, and Roma people; 7% of loans to new students in 'remote areas'

IBRD Financing: $160 million
Closing: 2023

For more information: https://projects.worldbank.org/en/projects-operations/project-detail/P160446
**EGYPT**

**Greater Cairo Air Pollution Management and Climate Change Project**

**Development Challenge:** Despite significant improvements in air quality in recent years, Greater Cairo’s air pollution levels far exceed international standards. Pollution management is key to providing safe living conditions for communities while reducing the health burden, fiscal strain, and economic costs from environmental degradation. Air pollution and adverse climate impacts threaten the longevity of Egypt’s draw for tourism (a sector that contributes about 12% to GDP) by degrading Egypt’s rich cultural heritage and creating conditions that discourage tourists from visiting altogether.

**Purpose:** Reduce air and climate emissions from critical sectors and increase resilience to air pollution in Greater Cairo. In response to COVID-19, the project is working to improve healthcare waste management systems and introduce prevention measures in municipal waste operations. This will focus on under-served hospitals to provide waste sterilization equipment and personal protective gear, alongside the provision of technical assistance and training on the safe handling, transportation and disposal of healthcare waste.

**Expected Results (include):**
- Increase the number of women employed in the solid waste chain by 10%, following training and capacity building
- Reduce GHG emissions from public buses by 23%
- Reduce GHG emissions from municipal solid waste by 30%

**IBRD Financing:** $200 million

**Closing:** 2026

For more information: [https://projects.worldbank.org/en/projects-operations/project-detail/P172548](https://projects.worldbank.org/en/projects-operations/project-detail/P172548)
GABON
COVID-19 Strategic Preparedness and Response

Development Challenge: Although Gabon has two laboratories capable of diagnosing COVID-19, samples must be transported either by air, facing logistical constraints, or by road, which is far from the capital. These two centers do not have enough capacity to provide the laboratory testing Gabon needs during the COVID-19 pandemic and financial support is needed for laboratory equipment and acquisition of kits and laboratory reagents.

Purpose: Prevent, detect, and respond to the threat posed by COVID-19 and strengthen national systems for public health preparedness in Gabon. The project received additional financing to support the country’s National Vaccination and Deployment Plan, to enable affordable and equitable access to COVID-19 vaccines, providing 945,255 doses.

Expected Results (include):
• 23 laboratories provided with COVID-19 diagnostic equipment, test kits, and reagents
• Increase the percentage of health staff equipped with appropriate PPE for infection prevention and control to 80%
• Provide 26 ambulances to transport COVID-19 patients
• 60% of population vaccinated, of which 50% are women
• Distribute gender sensitive educational communication materials on COVID-19 vaccines

IBRD Financing: $21 million
Closing: 2024

For more information: https://projects.worldbank.org/en/projects-operations/project-detail/P173927
Development Challenge: Guatemala faces a crisis as a result of the spread of COVID-19, both in terms of public health and the economy. COVID-19 has worsened the country’s economic situation, leading to a rise in malnutrition along with food shortages and an increase in food prices. Approximately 47% of Guatemalan children suffer from stunting – one of the highest rates in the world. The capacity of the country’s health infrastructure to respond to the crisis is limited due to high demand and insufficient human resources, equipment, and financing.

Purpose: Improve selected practices, services, and behaviors known to be key determinants of chronic malnutrition (with an emphasis on the first 1,000 days of life) and respond to the threat posed by COVID-19, in selected intervention areas. In response to the COVID-19 pandemic, the project was restructured to reallocate $20 million of original project financing to increase capacity for COVID-19 testing and expand temporary and mobile medical pavilions to cope with the increasing demand for health services.

Expected Results (include):

- 680,000 people reached with essential health, nutrition, and population services including:
  - 400,000 children under 5 years old receiving immunizations
  - 280,000 women and children under 5 years old receiving basic nutrition services
- Train 5,000 health staff in COVID-19 infection prevention and control
- Build and equip 2 temporary hospitals for COVID-19 treatment

IBRD Financing: $100 million

Closing: 2024
Development Challenge: While India is recognized as a leading global manufacturer of high-quality generic drugs, industry gaps and market failures constrain its innovation capabilities, limiting its competitiveness and ability to address its disease burden. Diseases that disproportionately affect low- and middle-income countries are largely ignored as companies tend to allocate resources to high-profit markets, leading to a growing concern of getting affordable healthcare in India.

Purpose: Facilitate innovation in biopharmaceutical products and medical devices that address public health priorities. Strengthen and accelerate the pilot-to-market innovation ecosystem for low-cost vaccines, biopharmaceuticals, diagnostics, and medical devices funding for the government of India’s Biotechnology Industry Research Assistance Program (BIRAC). The project will provide grant funding to companies, research and academic institutions, and practitioners to support early-stage bio-manufacturing, clinical development, training, and technology transfer.

Expected Results (include):

- 50 products addressing public health priorities advance at least one step on the product development pathway
- 23 technologies licensed for manufacturing or commercialization
- 14 international publications
- 6,295 people trained

IBRD Financing: $125 million

Closing: 2023

For more information: https://projects.worldbank.org/en/projects-operations/project-detail/P156241?lang=en

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LEBANON
Greater Beirut Urban Transport Project

Development Challenge: Lebanon has one of the highest population densities in the world. About 87% of the resident population lives in urban areas, with more than half in the Greater Beirut Area. The economic cost of traffic congestion in Lebanon is estimated above US$2 billion, between 5% and 10% of national GDP. A growing population, including an increase in Syrian refugees, has increased traffic levels by as much as 25%.

Purpose: Improve the speed, quality, and accessibility of public transport for passengers in Greater Beirut and at the city of Beirut’s northern entrance. The project will provide needed infrastructure to reduce the traffic burden, create jobs, and stimulate the economy while increasing mobility and ensuring security for vulnerable groups including the poor, women, and youth.

Expected Results (include):
• Create 2 million labor days in construction jobs for low-income Lebanese and Syrians
• Attract more than 300,000 passengers per day while halving commute times between Beirut and the northern suburbs
• Reduce traffic congestion
• 60,000 tons of CO2 equivalent reduced annually

IBRD Financing: $225.2 million
Closing: 2023

SERBIA
Enabling Digital Governance Project

Development Challenge: The Serbian government wanted to digitalize services to quickly respond to the COVID-19 crisis and prepare for the second wave of the pandemic. While Serbia has placed a strong emphasis on e-government services, efforts have been uncoordinated and only partially funded. Many registries and information data bases are fragmented, imposing an additional burden in terms of time and costs to citizens and businesses when engaging with the government.

Purpose: Improve access to and efficiency of online government services. Two activities have been introduced in response to the COVID-19 pandemic: (1) a business continuity assessment for government institutions to help guide the transition to providing digital services, and (2) the development of software solutions to enable mobile access to government services.

Expected Results (include):
- Increase the number of government services digitized and available online to 30, from a baseline of 4
- Provide 2,000,000 people with access to online services
- Increase user satisfaction with online services by 50%

IBRD Financing: $50 million
Closing: 2024

For more information: https://projects.worldbank.org/en/projects-operations/project-detail/P164824
TURKEY
Energy Efficiency in Public Buildings

Development Challenge: Energy efficiency is critical for Turkey to sustain its economic growth while meeting its commitments for climate change and environmental sustainability. As energy use per capita in Turkey rises, its energy intensity is expected to grow. This high intensity negatively impacts energy security as Turkey’s energy imports account for almost 19% of the country’s total imports. It also has a negative impact on the environment, with the energy sector accounting for 72.2% of the country’s greenhouse gas (GHG) emissions.

Purpose: Reduce energy use in central government buildings and inform the development of sustainable financing mechanisms to support a scaled-up, national program for energy efficiency in public buildings. The project supports the renovation of central government and central-government affiliated buildings (i.e., public buildings including schools and hospitals); and strengthens technical assistance to support project implementation to ensure its sustainability and scale-up.

Expected Results (include):
• 315 GWh of annual energy savings
• 225,000 tons of CO2 equivalent reduced annually
• 620 buildings commissioned
• US$18,000,000 of energy costs savings annually

IBRD Financing: $150 million
Closing: 2025

For more information: https://projects.worldbank.org/en/projects-operations/project-detail/P162762

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CONTACT US

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