

Foreword





A Message from Anshula Kant, Managing Director and World Bank Group Chief Financial Officer

As we begin to emerge from the pandemic – back to the office or school in many places – we are finding a new and different path forward colored by our experiences of the last two plus years. At the World Bank, we have been reconnecting in person with client countries and investors. Overshadowing these activities and meetings is the increasingly complex global situation, but we are motivated now more than ever to work together with our member countries to create a greener, more inclusive and resilient future, particularly for the poor and vulnerable.

"As a leader in sustainable finance, we are contributing to initiatives that increase transparency through global sustainable finance and reporting standards, and working with partners to help maximize finance from capital markets to sustainable activities."

As we recover from the pandemic, we are faced with numerous challenges. Low vaccination rates in low-income countries are increasing the risk of new variants. Inflation and rising interest rates add to the uncertainty, and more than half of low-income countries are experiencing debt distress. In addition to the growing human and economic costs, the war in Ukraine is adding to the factors slowing global growth, fragmenting trade, increasing

inflationary pressures, roiling energy and commodity prices, and threatening the food security of millions.

We will continue to put the full force of the World Bank balance sheet to work as we support member countries in facing these challenges. This means connecting private capital to development challenges using our bond issuance program and guiding the power of investment toward sustainable development. It also means we will continue to innovate and develop new financial structures. And we will manage our resources to preserve our financial strength and ensure we can continue creating value for member countries.

At the same time, we will continue promoting the development of sustainable capital markets necessary to channel funds to sustainable purposes both by expanding the transparency and disclosure around our bond issuance programs and by leveraging technology and partnerships to improve reporting through automation. As a leader in sustainable finance, we are contributing to initiatives that increase transparency through global sustainable finance and reporting standards, and working with partners to help maximize finance from capital markets to sustainable activities.



Anshula Kant

Managing Director and World Bank Group Chief
Financial Officer

A Message from Jorge Familiar, Vice President and Treasurer

I am pleased to share our third annual impact report covering all World Bank (IBRD) bond issuances. The report is an important tool to update investors on their investments in World Bank Sustainable Development Bonds and Green Bonds. It also allows us to communicate the World Bank's development strategy and goals and how we are supporting member countries amid multiple, unprecedented challenges – conflict, fragility, climate change, food insecurity, pandemic, rising debt levels and inflation. The issuance of World Bank bonds along with the transparency around the use of proceeds is central to channeling finance to sustainable development activities that support the poor and vulnerable, particularly in these complex times.

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In 2015, we began systematically explaining how we use IBRD bond proceeds to support sustainable development in member countries and in 2018 began applying the same level of disclosure to all bonds we issue as we were doing with World Bank Green Bonds. If we are to make progress toward the Sustainable Development Goals and support our member countries toward the goals of the Paris Agreement, especially in the face of development setbacks and crises, we need a holistic view that looks at all investments to ensure we integrate climate actions across the balance sheet. We cannot separate green from social and vice-versa. We need to understand not only the value, but also the risks and

impact of all financing if we are to meet these global goals and channel financing where it is needed most.

This holistic approach can be applied not just to organizations and economies. It can and should be brought to the capital markets to make sure that all capital flows align with sustainable objectives. We have gone further toward our whole-of-market approach to sustainability, by capturing the power of capital markets through our Sustainable Development Bonds. We issued US\$68 billion in Sustainable Development Bonds in FY21. Sustainability is at the core of what we do at the World Bank. The sustainability bond label reflects our global work in development, but also the fact that all our bonds meet the strictest standards of sustainability in our member countries, supporting positive impact around the globe.

The gravity of the situation at hand means we must act holistically – as people, communities, and organizations, all sharing one planet. If we think climate can only be addressed by investments in traditional climate sectors, or in one slice of the capital markets, we are not seeing the full picture. Climate action must be integrated into everything we do, and we will continue to play our role in bringing sustainable development and financial markets closer together. The task at hand is urgent and for all.

We are at an inflection point in sustainable finance where disclosure and transparency play a crucial role. I am pleased to present this report aimed to show our contributions toward building a more resilient and sustainable future.



Jorge Familiar
Vice President & Treasurer
