



# Social Bond Impact Report 2018

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## About IFC

We work with the private sector in developing countries to create markets that open up opportunities for all.

IFC – a sister organization of the World Bank and a member of the World Bank Group – is the largest global development institution focused exclusively on the private sector in developing countries.

We utilize and leverage our products and services – as well as products and services of other institutions in the World Bank Group – to provide development solutions customized to meet the needs of clients.

We apply our financial resources, technical expertise, global experience, and innovative thinking to help our partners overcome financial, operational, and political challenges.

Clients view IFC as a provider and mobilizer of scarce capital, knowledge, and long-term partnerships that can help address critical constraints in areas such as finance, infrastructure, employee skills, and the regulatory environment.

IFC is also a leading mobilizer of third-party resources for its projects.

Our willingness to engage in difficult environments and our leadership in crowding-in private finance enable us to extend our footprint with a development impact well beyond our direct resources.

For more information, visit [www.ifc.org](http://www.ifc.org)

# FY17 Highlights

← 30 →  
new projects

Expected to reach

243,367

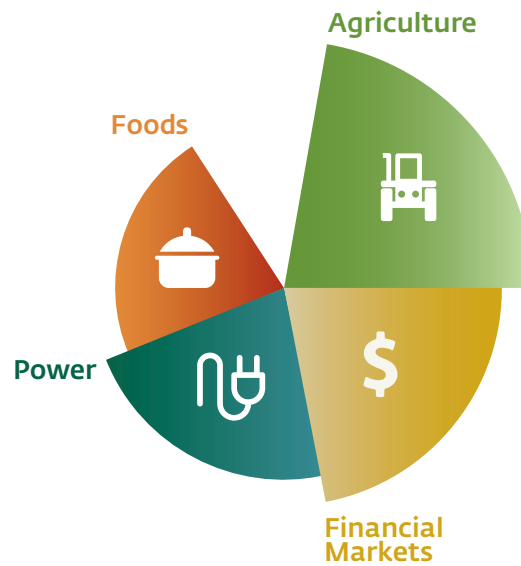
farmers by 2021  
from 151,690 farmers



Expected to provide

7,442,420

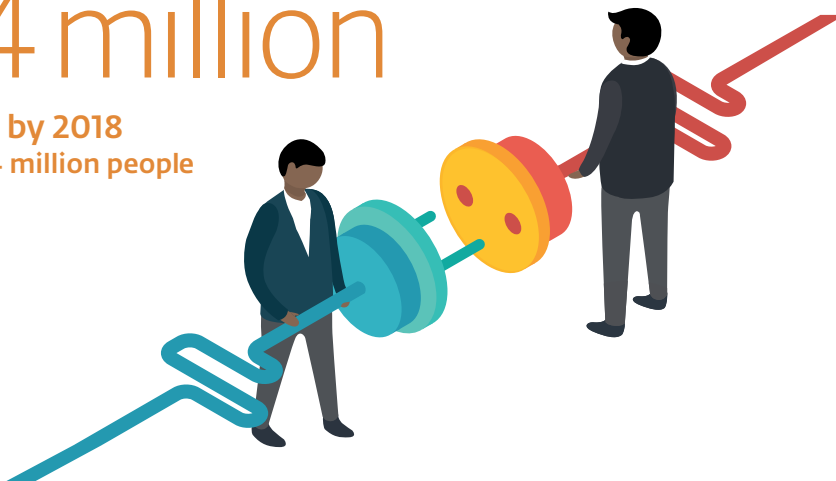
microloans by 2022  
from 4,114,466 microloans



Expected to supply power to

5.4 million

people by 2018  
from 3.4 million people



Expected to distribute

6,091,151

loans for women by 2022  
from 3,319,077 loans for women

# Foreword from IFC Chief Operating Officer

It is my pleasure to present to you IFC's **Social Bond Impact Report 2018**, for projects committed in financial year 2017.

**Today, if you want to advance social, economic, and gender equality – and help achieve the United Nations Sustainable Development Goals – you can invest to make it happen.**

IFC's Social Bond Program gives investors the opportunity to have a positive impact on the lives of people living in developing countries – and at the same time enjoy a financial return on their investment. Launched in **March 2017**, with a \$500 million global benchmark bond, the Social Bond Program attracted central banks, official institutions, pension funds, and fund managers and was **1.4 time oversubscribed**. Since then, IFC's social bond issuances have had very strong responses.

As the only multilateral development finance institution exclusively focused on the private sector, IFC's strategy calls for finding innovative ways to create markets and opportunities for people living in the poorest and most challenging countries, including fragile and conflict-affected states. One exciting initiative has been to help build a rigorous and transparent market for social bonds. In addition to the inaugural social bond, IFC serves as co-chair of the industry-wide Social Bond Working Group and helped to establish the Social Bond Principles in 2017.

The proceeds of IFC's social bonds go toward private sector projects that benefit women-owned enterprises and low-income people in emerging markets. They expand access to electricity. They help smallholder farmers make a living. And they promote access to quality healthcare.

The financing raised supports women like **Iman Hamoud Al Juneid**, an enterprising mother of three children, who escaped with her family to Lebanon from the conflict in northern Syria in 2012, leaving behind a fledgling beauty salon business. Through a \$400 loan from IFC client Al Majmoua (the Lebanese Development Association), Iman set up a hair salon in her tent home. As the family struggled to survive on her husband's meager farmworker earnings, Iman was able to buy essential foods and clothes for her children. It is **inspirational stories** like these that lie at the heart of our Social Bond Program.

The projects funded by IFC social bonds demonstrate that investing for good is not only possible – it's also good business. The dynamic entrepreneurs and companies profiled in this report are creating profound change in their communities and around the world. As you read this report, we hope you will be encouraged to learn more about the Social Bond Program, as well as consider investing in future IFC issuances.

“ The proceeds of IFC Social Bonds go towards projects that benefit women-owned enterprises and low-income people in emerging markets. ”

**Stephanie von Friedeburg**

*IFC Chief Operating Officer*

March 2018



# IFC Social Bond Program



# IFC Social Bond Program Summary

Since the launch of the IFC Social Bond Program in March 2017, IFC has issued eight social bonds in public and private markets across four different currencies, amounting to a total volume of \$667 million. IFC's Banking on Women and Inclusive Business Bond programs were merged into the IFC Social Bond Program and renamed. Including our original issuances, IFC's social-themed bonds now total \$1,231 million.

IFC's inaugural social bond, a \$500 million issuance, in March 2017 was recognized as the first-ever social bond global benchmark in U.S. dollars. In July 2017, IFC placed a 10-year \$100 million bond exclusively with Nippon Life, one of Japan's leading life insurers, offering the investor a tailor-made transaction which offered exposure to a new impact investment product.

IFC also expanded the product into the retail market in July 2017 via a three-year dual-tranche bond in Brazilian real and Mexican peso – providing an opportunity for Japanese retail investors to participate in the new, expanding market for Environmental, Social, and Governance-themed bonds.

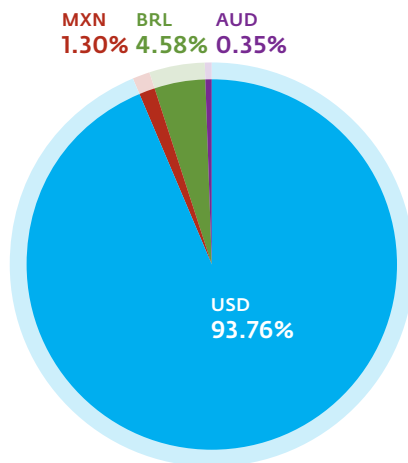
In August, IFC issued a three-year \$25 million bond, placed with two municipal accounts in the United States. This was the first social bond private placement the IFC offered in the United States.

## IFC Social Bond Issuance

Volume \$667 million

Number of social bond issues 8

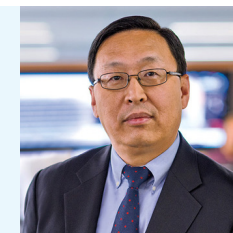
## IFC Social Bond Issuance by currency



## Five-minute chat with

### Jingdong Hua

IFC Vice President and Treasurer



#### What was the impetus for creating the Social Bond Program?

IFC launched its Banking on Women bond program in 2013, to create opportunities for women entrepreneurs in emerging markets. Two bonds were launched in 2013 and 2014, raising \$268 million that has so far supported 16 projects.

We then went a step further in October 2014 by introducing our Inclusive Business Bond program – the first debt offering to exclusively back businesses, which include low-income communities in their value chain.

Five bonds were issued, raising \$296 million, helping to finance 13 projects. The streamlining of both these programs into the Social Bond Program allows us the scope to issue more liquid benchmark-sized social bonds, along with private placement and retail issues.

The issues support IFC projects that provide access to credit for women entrepreneurs, as well as poorer communities in emerging markets. In addition to providing liquidity, we have used the launch of this product to engage with investors and share information with them regarding this new and expanding asset class.

#### From an issuer perspective, how would you like to see the social bond market develop?

The social bond market has a great model to follow in its sister market – green bonds. Some similarities are developing between these two themed bond markets, even if social bonds are a much newer product.

The launch of the Social Bond Principles in June 2017 by the International Capital Markets Association (ICMA) – IFC spearheaded the Social Bond Working Group within ICMA – was a milestone. IFC is committed to achieving more efficient and self-sustaining financing in emerging markets through the broader use of innovative capital-markets tools.

Our social bond creates an attractive alternative for investors seeking triple-A rated impact-investment products. We will continue to bring innovation and transparency to the Environmental, Social, and Governance bond market, unlocking additional funding for development. I see IFC going forward playing a catalytic role in educating and guiding investors on the benefits of sustainable investing and thus helping grow the market.

#### What do you see as the future for the social bond market?

We believe that as more investors begin to include ESG standards in their investment decisions, this will create greater demand for social bonds, and an ever-more robust and high-profile asset class. IFC looks forward to playing a pivotal role in creating markets and opportunities for people living in developing countries through its Social Bond Program.



# IFC Inclusive Business Summary

**Inclusive business** is a private sector approach to expanding access to goods, services, and income opportunities for people at the base of the pyramid. These companies extend last-mile water, power, and mobile phone service to customers in rural areas, train and create markets for smallholder farmers, provide access to finance for women entrepreneurs, treat low-income patients, and provide education to low-income students. These are the types of projects funded by IFC's Social Bond Program.

Since 2005, IFC has invested over \$16 billion in long-term financing from its own account to more than 530 inclusive businesses spanning over 90 countries across sectors and regions. This makes IFC the **largest global investor** in inclusive business among international finance institutions. Last year, IFC's inclusive business clients reached over 220 million people.

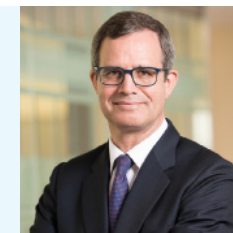
IFC works closely with a range of partners to increase awareness, share knowledge, and advance inclusive business globally. It supported the G20 in its adoption of an *Inclusive Business Framework* and its release of the *G20 Leaders' Call on Inclusive Business*. IFC is also piloting direct support to companies with inclusive business models to help them gather business insights on base-of-the-pyramid markets, develop product and service offerings, and expand their engagement with people at the base of the pyramid.



Five-minute chat with

## Hans Peter Lankes

Vice President,  
Economics and Private Sector Development



### Tell us about the new *Maximizing Finance for Development* approach.

Achieving the UN Sustainable Development Goals and ending extreme poverty by 2030 will require trillions annually, far more than multilateral development banks or donors can provide by themselves. To face this challenge, we have adopted the *Maximizing Finance for Development* approach, which entails working with governments and other stakeholders to identify and crowd in private-sector solutions while optimizing the use of scarce public resources. This approach is guided by the Hamburg Principles adopted by the G20 in 2017 and builds on the substantial expertise and experience across the World Bank Group.

### Why is the social bond important in this context?

The social bond offers investors an attractive opportunity to support projects that address a range of sustainable development issues. There are currently 400 million people who lack access to essential healthcare; 202 million secondary school-age children are out of school; 2 billion people are unbanked; 1.1 billion lack access to electricity; and 1.6 billion lack access to adequate and affordable housing – just to name a few<sup>1</sup>. IFC's social bond funds inclusive projects that are helping to close these global access gaps. They engage women entrepreneurs and low-income people at the base of the pyramid and provide access to basic goods, services, and income opportunities.

By combining development impact with profitability these companies are creating sustainable change in their communities and around the world.

### Why is IFC introducing a new development impact framework?

IFC's strategy firmly places development impact at the heart of what we do. Measuring the results of our work is critical to understanding how well we are doing. IFC has been at the forefront of results measurement, and we are one of the few international financial institutions that set corporate targets – not only for investment volume but also for direct development impact.

IFC is now using the Anticipated Impact Measurement and Monitoring system to estimate, measure, and monitor the expected development impact of each IFC project before commitment and throughout its life-cycle. The system assesses:

- 1. Project outcomes**, which include a project's direct effects on stakeholders, its indirect effects on the economy and society, and its effect on the environment; and
- 2. Market outcomes**, which refers to changes that a project catalyzes in the market beyond those affected by the project through forward and financial linkages. The objective is to generate systemic changes in market competitiveness, resilience, integration, inclusiveness, and sustainability.

<sup>1</sup> For health figures, see: World Health Organization (WHO) and the World Bank. 2015. *Tracking Universal Access to Health Coverage: First Global Monitoring Report*. Geneva, Switzerland: World Health Organization. [http://www.who.int/healthinfo/universal\\_health\\_coverage/report/2015/en/](http://www.who.int/healthinfo/universal_health_coverage/report/2015/en/)  
For education figures, see: World Bank. 2018. *World Development Report 2018: Learning to Realize Education's Promise*. Washington, DC: World Bank. doi:10.1596/978-1-4648-1096-1. License: Creative Commons Attribution CC BY 3.0 IGO  
For finance figures, see: Demircuc-Kunt, Asli, Leora Klapper, Dorothe Singer, and Peter Van Oudheusden. 2015. *The Global Findex Database 2014: Measuring Financial Inclusion around the World*. Policy Research Working Paper 7255, World Bank, Washington, DC.  
For electricity figures, see: Organisation for Economic Co-operation and Development (OECD) and the International Energy Agency (IEA). 2017. *Energy Access Outlook 2017: From Poverty to Prosperity*, IEA Publishing. License: [www.iea.org/t&c](http://www.iea.org/t&c). [https://www.iea.org/publications/freepublications/publication/WEQ2017SpecialReport\\_EnergyAccessOutlook.pdf](https://www.iea.org/publications/freepublications/publication/WEQ2017SpecialReport_EnergyAccessOutlook.pdf)  
For housing figures, see: UN News Centre. 2017. *Affordable housing key for development and social equality*, UN says on World Habitat Day [Press Release]. <http://www.un.org/apps/news/story.asp?NewsID=57786#.WjQTf3mos2x>

# Social Bond Engagement and Awards

IFC works closely with financial institutions, international standard setters, and regulatory bodies engaged in transparent finance that promotes sustainable development around the world. In FY17, as a member of the International Capital Markets Association Executive Committee, IFC co-chaired the Social Bond Working Group, which successfully published the Social Bond Principles.

The initiative was awarded “Most Valuable Innovation for the Green/SRI Bond Market,” by GlobalCapital. IFC was honored to have co-chaired the working group, along with Credit Agricole.

The Social Bond Principles, a voluntary set of transparency and disclosure guidelines published in June 2017, has gained market acceptance as international good practice, driving disclosure and accountability in the burgeoning social bond market. IFC’s Social Bond Program follows these global market best practice standards and is compliant with ICMA Social Bond Principles.





# Social Bond Commitments and Disbursements by Region FY17

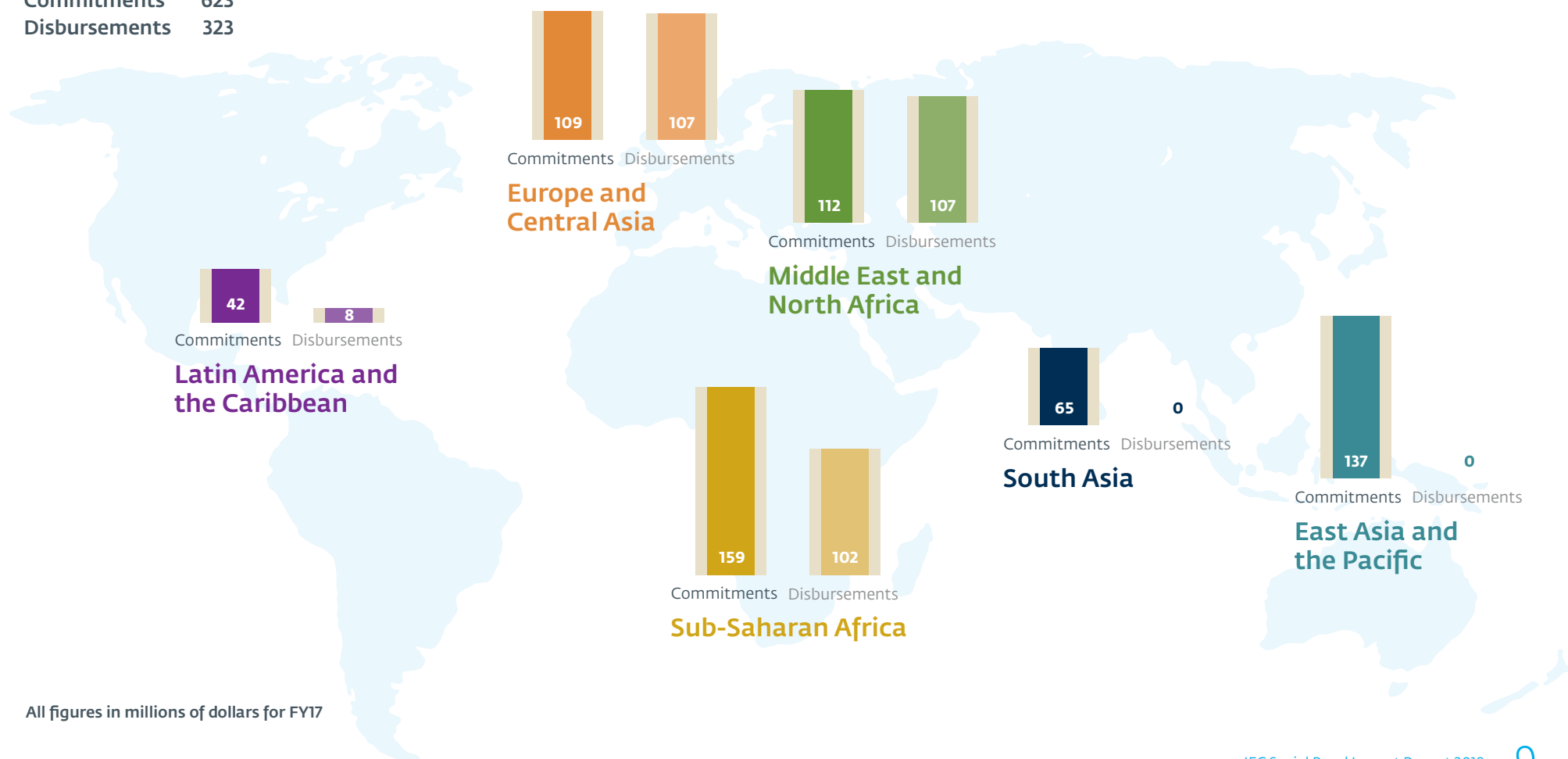
As of June 30, 2017, there were **30 new social bond eligible projects** supported by IFC social bond proceeds this year. The total committed amount for these projects is \$623 million, of which \$323 million has been disbursed.

The current pipeline of undisbursed commitments to social bond eligible projects is **\$300 million**.

## Total FY17

*in millions of dollars*

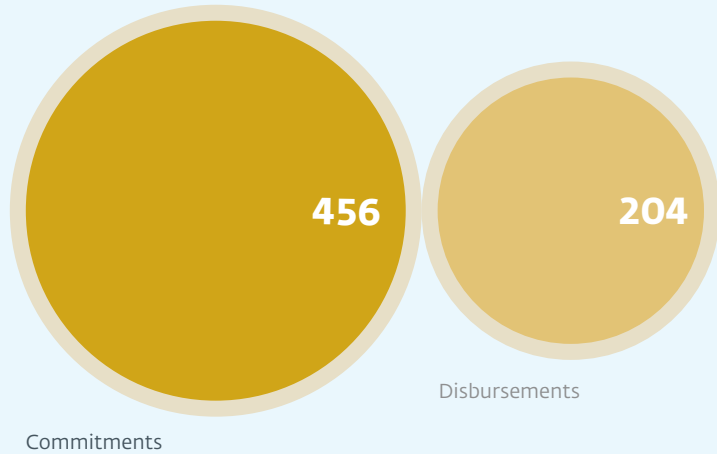
**Commitments 623**  
**Disbursements 323**



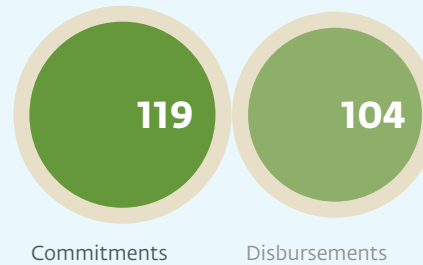
All figures in millions of dollars for FY17

# Social Bond Commitments and Disbursements by Sector FY17

## Financial Markets



## Agribusiness



## Infrastructure



## Other



All figures in millions of dollars for FY17

“ The social bond offers investors an attractive opportunity to support projects that address a range of sustainable development issues. ”

Hans Peter Lankes

# Featured Projects



# Featured Project: Nespresso Sustainability Innovation Fund (ID: 36083)

For centuries, the lush, green lands of the Regional State of Oromia in central Ethiopia – “the cradle of coffee” – have been home to the country’s greatest forest cover with wild *coffea arabica* trees sprouting from the fertile soil. But, in recent generations, local Ethiopians have witnessed widespread deforestation, increasing the vulnerability of local communities to soil degradation and the impacts of climate change.

In September 2016, IFC provided a \$3 million loan to the **Nespresso Sustainability Innovation Fund** of Nestlé Nespresso SA, a Zurich, Switzerland-based leader in the premium coffee market. The landmark project supports coffee farmers and producers’ wet mill businesses in Oromia and neighboring Kenya to build social and environmental sustainability. The **BioCarbon Fund Initiative for Sustainable Forest Landscapes**, managed by the World Bank, provided an additional \$3 million grant.

The mission of this innovative collaboration is to bring smallholder coffee farmers on-the-ground training that boosts productivity, improves local socio-economic conditions, and builds climate resilience. The goals include teaching farmers a “greener” approach to planting and processing to make the coffee industry in Ethiopia stronger in the face of climate change. By supporting farmers’ investment in tree replanting and offering advisory support, the project will contribute to improving coffee quality and output and boosting farmer incomes.

**TechnoServe**, a long-time nonprofit partner of Nespresso and the IFC, set out to work with 20,000 smallholder coffee farmers in the Oromia region, providing technical and financial support to help them increase sustainable practices and plant shade trees on their land. The aim is to increase the productivity of high-quality beans by 50 percent within four years. Reforestation of this kind helps to make farms better equipped for the challenges posed by climate change.



The long-term goal is to reduce deforestation and greenhouse gas emissions caused by forest degradation through land use, so forests are managed in ways to reduce poverty and drive sustainable development locally, while safely storing carbon in trees rather than the atmosphere.

**IFC Director of Climate Business Alzbeta Klein** says projects like this one are “game-changers” for smallholder farmers, “giving them the opportunity to invest in their coffee plantations, become more productive and sustainable, and become part of a global supply chain.”

Agribusiness is a priority for IFC, because of its potential for promoting rural incomes and food security. Collaborations like the Nespresso Sustainability Innovation Fund combine investments and advice to help the sector address demand in an environmentally-sustainable and socially-inclusive way, so that people on the ground, like the farmers of Oromia region and their families, can live **more secure lives**.

<http://www.technoserve.org/blog/coffee-farmers-combat-climate-change>



# Featured Project: Al Majmoua

(ID: 39075)

In 2012, when **Rana Mansour**, a mother of six, fled the nascent civil war in Syria, with her husband and children, they faced a difficult life across the border in Lebanon. Three in every four refugees in Lebanon live below the poverty line of \$3.84 per day, and a majority live in extreme poverty, at less than \$2.87 per day. Rana and her family had fled the increasingly unsafe Yarmouk camp, home to the largest Palestinian refugee community in southern Syria, near Damascus. Unable to find a job in Lebanon, her husband shuttled back-and-forth across the border for two years to work in Syria, where he died suddenly of a stroke. Alone with her children in the Shatila refugee camp in southern Beirut, the widow started making **Syrian food and embroidery**, her older sons helping her sell to neighbors. Except, with no capital, she didn't know how to expand her business.

Then, one day, she learned about a respected local nonprofit organization and IFC partner: **Al Majmoua**, "The Group" in Arabic. Also called the Lebanese Association for Development, Al Majmoua has been operating since 1998 to promote sustainable development for the country's most vulnerable, both from the local Lebanese community and the country's refugees. **Since its launch, Al Majmoua has disbursed more than 500,000 loans to micro-entrepreneurs, totalling more than \$700 million.**

The entrepreneur Rana and three of her female friends applied for a group loan. They each received a \$500 loan, which Rana used to grow her business, paying for her children's school tuition from the income. "I hope our situation will get better soon," she says.

IFC's partnership with Al Majmoua began in 2014 when it provided the nonprofit a \$2 million loan to expand its portfolio to include more low-income small business owners and female entrepreneurs, like Rana. Then in 2017, IFC extended a \$5 million loan to Al Majmoua to support the development of micro-businesses, called the "Very Small Enterprise," and the small-scale production of goods, dubbed "Very Small Equity." **Al Majmoua lending to Very Small Enterprises targets local Lebanese entrepreneurs, helping refugees by default, and the Very Small Equity loans assist both locals and refugees.**

One Very Small Equity project is the Aghabani Embroidery Value Chain Project, in which Lebanese women worked with Syrian refugees at a workshop, learning

tradecraft and a special style of Syrian embroidery, called Aghabani. Working with Al Majmoua, they are now developing goods for a local nonprofit handicraft company, Artisans du Liban, which purchases the women's handicrafts, providing the women artisans steady income.

In another investment, Al Majmoua provided a loan to Syrian mother, **Iman Hamoud Al Juneid**, a hardworking 28-year-old who had a dream of restarting the hair and makeup business she had launched in her hometown of Idlib, Syria. "My husband and I decided to start from bottom, from scratch," she says. Iman bought a hair dryer, straightener set, hairbrushes, cosmetics, and basic makeup tools. She established her new salon in a corner of a tent that her family called home in Lebanon's Bekaa valley. Neighbors, refugees, and friends started arriving in a steady stream, brides paying her \$50 for their special day and regular customers giving her \$15 each. With the money, Iman was able to buy sheets for the family's beds, new clothes for her children, and food. "A very humble amount of money has done magic," says Iman. "I have never thought that anyone would give me a loan as I am a refugee."

Not far away, a Syrian widow, **Zakia Khodr Al Askar**, used an Al Majmoua loan to buy a sewing machine and start a tailoring business. Her two daughters call her sewing machine "al hasana al jariya," or "the consistent good deed" in Arabic. And, also in Lebanon, Syrian refugee **Khesfe Mohammad Al Hamdan** received a \$1,500 loan from Al Majmoua that she used to buy a cow that helped her and her husband grow their fledgling dairy farm business. With the sales, they can afford to send their six-year-old son to school. "We were forced to leave everything back in Syria," says Khesfe, "but today I am proud to say that this is a new beginning."

With creativity and enterprise, the important work of IFC's partner in Lebanon – Al Majmoua – uplifts Lebanon's most vulnerable, from the women of the Aghabani embroidery enterprise to refugee entrepreneurs named Rana, Iman, Zakia and Khesfe.



# Social Bond Eligible Project Commitments FY17



# Social Bond Eligible Project Commitments FY17







The Impact Assessment table below lists selected expected results from projects eligible to be funded with IFC Social Bond proceeds. The table includes projects committed in FY17. Reach targets are calculated prior to the project being committed and represent expected results.

Projects eligible for Social Bond funding do business with women-owned enterprises and with people living at the base of the pyramid in emerging markets. These companies have a direct impact on low-income people, including farmers, patients, students, micro-loan borrowers, micro-retailers, customers, and others. Projects in the table align with a number of the UN Sustainable Development Goals and are organized by sector.<sup>1</sup>



Aligns to SDG:

## Agribusiness

	Sector	Country or Region	Project ID	Institution Name	Description	Eligible Loan Commitment (USD millions)
	Agribusiness	Pakistan	38150	Friesland Campina NV	Friesland Campina is a leading global dairy processor. The project will acquire a controlling stake in Engro Foods, one of the largest dairy processors in Pakistan. It will enhance supply-chain efficiencies in milk collection, increase benefits to smallholder dairy farmers, and improve food safety and food security.	\$100.0
	Agribusiness	Eastern Africa	36083	Nespresso Sustainability Innovation Fund	Nespresso is a global leader in the premium coffee market, as well as a leader in promoting sustainable development, environmental preservation, and farmer livelihoods. The project will support smallholder coffee farmers and producer wet mill businesses in Ethiopia and Kenya.	\$3.0
	Agribusiness	Kenya	36568	Fertiplant East Africa Limited	Fertiplant East Africa Limited is a sister-company to MEA Limited, the leading fertilizer distributor in East Africa. The project will develop a new fertilizer plant in Kenya. In addition to fertilizers, the company also offers farmers education and extension support services to help farmers optimize crop yields on small plots of land and maximize their incomes.	\$5.0
	Agribusiness	Senegal	39269	Societe Industrielle Agro-Alimentaire S.A.	Societe Industrielle Agro-Alimentaire S.A. is a Senegal-based beverage producer of primarily mineral water, juice drinks and ultra-high temperature processing milk. The project will support rural livelihoods through the development of local fruit and milk value chains and increase the availability of quality and affordable beverages.	\$3.3
	Agribusiness	Mauritania	33704	Tiviski Sarl	Tiviski Sarl is a leading dairy company in Mauritania that sources milk from 2,000 livestock herders through its two main collection centers. The project will support the renovation of an existing milk plant, the development of two additional milk collection centers in the eastern part of Mauritania, and diversification into new product areas.	\$4.7
	Agribusiness	Kenya	38225	Tropical Heat Limited	Tropical Heat Limited is a leading manufacturer of cooking spices, herbs, and savory snacks. The company sources inputs from local farmers, including smallholder potato farmers. The project will support a new state-of-the-art factory in Limuru, Kenya.	\$3.0
						<p><b>Aggregate baseline farmers reached:</b> 151,690</p> <p><b>Aggregate target farmers reached (2018-2021):</b> 243,367</p>

1. Not all eligible projects are listed due to confidentiality issues. Not all projects listed contribute to the aggregate indicator due to indicator availability. Projects with a repeat client are listed but do not contribute to the aggregate indicator to avoid duplication of previous reporting.

# Social Bond Eligible Project Commitments FY17

## Financial Markets

Aligns to SDG:



	Sector	Country or Region	Project ID	Institution Name	Description	Eligible Loan Commitment (USD millions)
	Financial Markets / Gender	Senegal	39371	Union Des Mutuelles Alliance de Credit et d'Epargne pour la Production	UM-ACEP is a microfinance institution in Senegal that provides loans to micro, small and medium enterprises and smallholder farmers. The project will support the expansion of UM-ACEP's lending operations in these areas.	\$2.0
	Financial Markets / Gender	Lebanon	39075	The Lebanese Association for Development (Al Majmoua)	Al Majmoua is a leading microfinance institution in Lebanon founded with the mission to promote sustainable development by improving the economic and social conditions of low-income individuals, especially micro-entrepreneurs and women. Approximately 57 percent of its clients are women. The project will help Al Majmoua expand its outreach to very small enterprises and micro entrepreneurs, including in communities impacted by the influx of refugees.	\$5.0
	Financial Markets	Montenegro	37435	Alter Modus D.O.O.	Alter Modus is the leading microfinance lender in Montenegro. The project will enable Alter Modus to provide access to finance for the market segments that are underserved by traditional commercial banks, particularly micro and small enterprises.	\$4.5
	Financial Markets / Gender	Panama	38805	Banco Delta S.A.	Banco Delta is a leading microfinance institution in Panama with ten branches throughout the country. The project will increase the financing available to micro and small enterprises and improve microfinance penetration in Panama.	\$8.0
	Financial Markets / Gender	Bangladesh	39516	BRAC Bank Limited	BRAC Bank is the second largest private lender for the small and medium enterprise segment in Bangladesh. The project will increase access to finance for women-owned small and medium enterprises in the country.	\$50.0
	Financial Markets / Gender	Indonesia	38934	PT. Bank Tabungan Pensiunan Nasional Tbk	BTPN is a commercial bank in Indonesia with a business model that centers around financial inclusion. The bank focuses on low-income pensioners, micro small and medium enterprises, and women entrepreneurs at the base of the pyramid. The project will increase the bank's ability to finance women borrowers, micro, small, and medium enterprises, and customers in remote areas.	\$100.0
	Financial Markets / Gender	Mexico	38960	CEGE Capital S.A.P.I. de C.V. SOFOM, E.N.R.	Contigo is a non-bank financial institution specialized in microfinance. The project will reach women micro-entrepreneurs in Mexico and provide financial services to the low-income segments in suburban and rural areas that have limited credit opportunities.	\$6.8
	Financial Markets / Gender	Myanmar	40106	Early Dawn Microfinance Company Limited	Dawn is one of the leading microfinance institutions in Myanmar. The project will support financial inclusion for those who are marginalized and enable the institution to serve more urban and rural clients throughout Myanmar.	\$6.0



# Social Bond Eligible Project Commitments FY17

## Financial Markets

Aligns to SDG:



	Sector	Country or Region	Project ID	Institution Name	Description	Eligible Loan Commitment (USD millions)
	Financial Markets / Gender	Colombia	38847	Banco Mundo Mujer	Banco Mundo Mujer is the largest private provider of microfinance in terms of assets in Colombia. The project will support the growth of the bank's microenterprise loan portfolio and help it to incorporate new entrepreneurs into Colombia's formal financial sector.	\$27.2
	Financial Markets	Turkey	38428	Sekerbank T.A.S.	Sekerbank Tas is a diversified bank in Turkey which defines its mission as "Community Banking", primarily financing the micro, small and medium enterprise segment. The project will provide greater access to finance for the micro, small and medium enterprises in Turkey, including the underserved agricultural sector and frontier regions.	\$58.0
	Financial Markets / Gender	Kenya	38419	Equity Bank Kenya Limited	Equity Bank Kenya Limited is a commercial bank with a specific focus on underserved populations in Kenya. In addition to traditional outlets, the bank has rolled out multiple delivery channels including digital and mobile banking services, ATMs, agency banking, cash back services and points of service in order to increase access to financial services. The project will diversify the bank's funding sources and help it to grow its lending to small and medium enterprises and women entrepreneurs.	\$82.5
	Financial Markets / Gender	West Bank and Gaza	35149	Palestine For Credit and Development (Faten)	Faten is the largest microfinance institution in the West Bank and Gaza, with an established network of 35 branches. The project is expected to support Faten's micro, small and medium enterprise portfolio and expand its reach to low and middle-income Palestinians.	\$2.5
	Financial Markets / Gender	Myanmar	40103	Fullerton Finance Myanmar Company Limited	Fullerton Finance is a microfinance institution incorporated in Myanmar in 2013. The project will support financial inclusion for those who are marginalized and enable the institution to serve more urban and rural clients throughout Myanmar.	\$6.0
	Financial Markets	Cambodia	39167	Hattha Kaksekar Limited	HKL is a microfinance institution in Cambodia. The project will improve access to finance for micro-entrepreneurs and allow more rural households to obtain formal financial services, such as savings and mobile banking.	\$5.0
	Financial Markets/ Health	Kenya	37873	The Medical Credit Fund	MCF is a financing and technical assistance vehicle with a mandate to improve access to quality healthcare for underserved populations in Sub-Saharan Africa. The project will support the scale-up of MCF's activities to serve more small and medium healthcare enterprises.	\$2.5
	Financial Markets/ Gender	Kazakhstan	35747	Microfinance Organization KMF LLC	KMF, formerly KazMicroFinance LLC, is a leading microfinance institution in Kazakhstan. KMF's extensive network enables it to have deep outreach in rural areas. The project will support KMF's growth through new product offerings to its micro and small business clients, including women entrepreneurs.	\$44.0

# Social Bond Eligible Project Commitments FY17

## Financial Markets

Aligns to SDG:



	Sector	Country or Region	Project ID	Institution Name	Description	Eligible Loan Commitment (USD millions)
	Financial Markets/ Gender	Kosovo	39206	Kreditimi Rural I Kosoves LLC	KRK is a leading lender to micro and small enterprises in Kosovo with a special focus on agriculture and agri-processing. The project seeks to expand the company's financing of micro and small enterprises and individuals in rural and suburban areas – areas which are typically underserved by traditional commercial banks.	\$2.1
	Financial Markets / Gender	Indonesia	38586	PT. Radana Bhaskara Finance Tbk	Radana is a non-bank financial institution in Indonesia primarily focused on motorcycle financing. The project will support Radana to diversify its offerings to multipurpose, working capital and investment financing for low and middle-income clients, including micro and small and medium enterprises. The proceeds will finance i) micro, small and medium enterprises; ii) individuals utilizing the loans for productive purposes; iii) home renovations; iv) student loans and (v) women borrowers.	\$20.0
	Financial Markets/ Gender	India	39454	RGVN Microfinance Limited	RGVN is a microfinance institution focused primarily on the Northeast region of India where financial inclusion is amongst the lowest in the country. The project will help expand microfinance to borrowers who have little or no access to formal sources of financing.	\$15.0
	Financial Markets/ Gender	Lebanon	38049	Vitas SAL	Vitas is a leading microfinance institution in Lebanon, targeting segments and geographies underserved by the financial system. Over 42 percent of the institution's client base are women. The project will increase access to finance for micro entrepreneurs and low-income people in Lebanon.	\$4.0
					Aggregate baseline microloans outstanding:	4,114,466
					Aggregate target microloans outstanding (2019-2022):	7,442,420
					Aggregate baseline micro, small and medium enterprise loans to women outstanding:	3,319,077
					Aggregate target micro, small and medium enterprise loans to women outstanding (2019-2022):	6,091,151

# Social Bond Eligible Project Commitments FY17

## Infrastructure

Aligns to SDG:



Sector	Country or Region	Project ID	Institution Name	Description	Eligible Loan Commitment (USD millions)
Power	Uganda	38598	Umeme Ltd. (Umeme)	Umeme is a regulated electricity distribution company in Uganda supplying customers mainly located in semi-urban areas. The project will support increased access to electricity, the connection of additional customers to the grid, and improve the overall quality of service for end users.	\$20.0
				<p><b>Baseline customers:</b> 3.4 million customers</p> <p><b>Target customers (2018):</b> 5.4 million customers</p>	

## Other

Aligns to SDG:



Sector	Country or Region	Project ID	Institution Name	Description	Eligible Loan Commitment (USD millions)
Foods	Kenya	37870	Insta Products Limited	Insta Products Limited is a leading producer of ready-to-use therapeutic food, a high calorie fortified peanut paste-based food product consumed by individuals suffering from acute malnutrition. Relief organizations distribute Insta's RUTF products to affected individuals in conflict-affected areas and other emergency zones. The project will help Insta to expand its RUTF production capacity.	\$3.5
Foods	Nigeria	37143	Promasidor Nigeria Limited	Promasidor Nigeria Limited is a fast-moving consumer goods food processing company. The project will increase the availability and access to quality, more affordable, nutritious food products for base of the pyramid customers in Nigeria, thereby improving diet and nutrition.	\$25.0

# IFC Social Bond Program Process

## Use of proceeds

Net proceeds of Social Bond issues will support Social Bond Eligible Projects.

Eligible projects are funded, in whole or in part, by IFC that involve:

- 1) lending to financial intermediaries with the requirement that IFC loan proceeds be on-lent to women-owned enterprises<sup>1</sup> or
- 2) lending to companies that incorporate people at the "base of the economic pyramid," defined as people who earn less than the equivalent of \$8 per day<sup>2</sup> or who do not have access to basic goods and services, into its value chain as suppliers, distributors, or customers, as part of such company's core business in a commercially viable and scalable way.

Examples of eligible projects include investments in<sup>3</sup>:

- Companies that source directly from smallholder farmers;
- Utilities, such as electricity, gas, and water, that provide low-income households with better access to services;
- Companies that provide health services, education services, or housing to low-income populations in more affordable ways
- Companies that provide goods and services to low-income populations
- Companies that provide access to telecommunication and payment platforms in markets that include the low-income segment

## Evaluation and selection

The Social Bond Eligible Projects are selected from a scrutinized loan portfolio of IFC, with equity investments and guarantees ineligible for funding via Social Bonds.

Eligible Projects follow IFC's investment process and are implemented in consistency with IFC's Sustainability Framework, including the Performance Standards and World Bank Group Environmental, Health, and Safety Guidelines, IFC's Corporate Governance Framework, and disclosure requirements of the IFC Access to Information Policy.

All projects have undergone a rigorous ESG due diligence process and are subject to ongoing monitoring and supervision.

## Management of proceeds

All proceeds from IFC Social Bonds are set aside in a designated Social Cash Account and are invested in accordance with IFC's conservative liquidity policy until disbursement to Eligible Projects.

Disbursement requests for Eligible Projects take place in accordance with IFC's established policies and procedures and are often made over a period of time depending on project milestones.

IFC is rated triple-A by Standard & Poor and Moody's. The payment of interest and the principal of the Social Bonds is strictly based on the credit quality of IFC and is not directly affected by the result of the underlying investments that IFC makes.

## Reporting

IFC Social Bond Impact Report follows best practice and the Social Bond Principle, a voluntary guidance on transparency and disclosure.

IFC follows best reporting practices and the Social Bond Guidance, a voluntary guidance on transparency and disclosure.

The report provides a list of projects that received funding from Social Bond proceeds and subject to confidentiality considerations. It also provides a brief description of each project, the loan amount, and the expected impact. The report only covers projects eligible for Social Bond financing. For more information on IFC-financed projects, visit [www.ifc.org/projects](http://www.ifc.org/projects).

IFC makes available information concerning its activities according to the AIP. The AIP sets out IFC's policy regarding the scope of information that it makes available to the public either as a routine matter or upon request. The full policy can be found at [www.ifc.org/aip](http://www.ifc.org/aip).

<sup>1</sup> For purposes hereof, a women-owned enterprise is (a) a business that is at least 51 percent owned by a woman or women, or (b) a business in which a woman or women hold at least 20 percent of the ownership interests; and has at least one woman of the senior executive roles (e.g. Chief Executive Officer, Chief Operation Officer, President, Vice-President); and women hold at least 30 percent of seats on the board of directors where a board exists.

<sup>2</sup> The \$8/day income threshold is in purchasing power parity terms. PPP terms adjust the real figure to equate the relative purchasing powers in different countries.

<sup>3</sup> The above examples of Eligible Projects are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by IFC during the term of the notes.

# Disclaimer

This document has been prepared for informational purposes only, and the information herein may be condensed or incomplete. IFC specifically does not make any warranties or representations as to the accuracy or completeness of these materials. IFC is under no obligation to update these materials.

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IFC Investor Relations  
International Finance Corporation  
2121 Pennsylvania Avenue NW  
Washington, D.C. 20433

Email: [investors@ifc.org](mailto:investors@ifc.org)  
Twitter: @IFC\_Investors

[ifc.org/investors](http://ifc.org/investors)

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