International Finance Corporation
WORLD BANK GROUP

Creating Markets, Creating Opportunities

Green Bond Impact Report

Financial Year 2020

10 Years of IFC Green Bonds
10TH
ANNIVERSARY

An Award-Winning Program

2015 Green Bond of the Year
500 million renminbi-denominated green bond ★

CMD portal Issuer Awards 2015

Best Local Currency Green Bond
IFC South African Rand 1 Billion Bond

2016 EMEA Finance Awards

First billion-dollar green bond ★
Development Bank Pioneer

2016 Green Bond Awards, Climate Bond Initiative

Best SRI Bond
IFC $700 million 2.125%
April 2016 green bond

2016 SSA Deals of the Year, Global Capital

Best Green Bond Facility
IFC 3.1 billion rupees green infrastructure bonds

The Asset Asia Infrastructure Awards 2016

Best Green Bond Impact Report

Environmental Finance Green Bond Awards 2017

Green Development Bank of the Year
2018 ★

2019 Green Bond Pioneer Awards, Climate Bond Initiative

Deal of the Year
EUR 20 million
40-year callable green NSV bond

2019 mtn-i MTN Awards, Digital Markets Category

"Climate change is the single greatest threat to a sustainable future but, at the same time, addressing the climate challenge presents a golden opportunity to promote prosperity, security and a brighter future for all."

Ban Ki-Moon
Former Secretary-General of the United Nations

About IFC

IFC – a sister organization of the World Bank and member of the World Bank Group – is the largest global development institution focused on the private sector in emerging markets. We work with more than 2,000 businesses worldwide, using our capital, expertise, and influence to create markets and opportunities where they are needed most. In fiscal year 2019, we delivered more than $19 billion in long-term financing for developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity. For more information, visit *www.ifc.org*.

Table of Contents

FY20 Highlights

A pivotal year:

- **IFC surpassed \$10 billion of green bond issuances and \$10 billion of climate finance investments in emerging markets.**
- **IFC has now founded two active green bond funds, raising over \$2.5 billion, for investment in financial institutions and the real sector.**
- **IFC was elected as the Chair of the Steering Committee of the Green Bond Principles[1] based on its standing in the green bond market as a pioneering issuer, investor, mobilizer, and provider of advisory services.**

CO_2

Expected to reduce

Greenhouse gas emissions by **3.4 million metric tons** of CO_2-equivalent per year, equivalent to CO_2 emissions from 387 million gallons of gasoline consumed[2]

24 green bonds totaling **\$1.2 billion** in **9 currencies**

21 projects committed across **8 sectors**

- Wind Energy
- Solar Energy
- Biomass
- Green Buildings
- Green Banking
- Transport
- Industrial Efficiency
- Agribusiness and Forestry

1 A 1-year term leading the governing body of the 300+ members of the Green, Social and Sustainability-Linked Bond Principles
2 https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

Expected to produce

4,984,550 megawatt hours in renewable energy, sufficient to power the country of Moldova in Europe, for one year[3]

Expected to construct

1,622 megawatts in renewable energy capacity

Expected to save

28,228,159 kilowatt hours of annual energy, equivalent to CO_2 emissions from 22 million pounds of coal burned[4]

Expected to green

488,249 square meters of buildings, equivalent to 8 times the Louvre Museum in Paris, France, the world's largest art museum[5]

$1,000

invested in IFC green bonds in FY20 is expected to

=

reduce greenhouse gas emissions by 2.8 metric tons of CO_2-equivalent per year

equivalent to CO_2 emissions from 3,085 pounds of coal burned[6]

+

produce 4.2 megawatt hours in renewable energy

sufficient to charge 378,716 smartphones[7]

3 https://www.worlddata.info/europe/moldova/energy-consumption.php
4 https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator
5 https://www.livescience.com/31935-louvre-museum.html
6 https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator
7 https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

2010	2011	2012	2013	2014
• IFC issues its first green bond: a $200 million private placement in response to demand from niche investors	• IFC issues first green bonds in currencies other than the US dollar	• IFC issues $500 million green bond • IFC issuances account for 27% of global green bond volume in 2012[8] • IFC launches the Sustainable Banking Network to advance sustainable finance in line with international best practices	• IFC issues the largest green bonds in history – two $1 billion green bonds representing 17% of total green bond volume in 2013 • First corporates start issuing green bonds	• Launch of the Green Bond Principles • IFC hosts first meeting of the Green Bond Principles in the USA • Total green bond issuance volume more than triples to $37 billion in 2014[9]

A Decade of Harvesting Green Returns

Over the last decade, IFC's Green Bond Program has been transformative in setting precedents in benchmark issuance, currency diversification, and impact reporting.

10 Years of IFC Green Bonds
10TH ANNIVERSARY

172 green bonds
totaling
$10.4 billion
in
20 currencies

221 projects
committed totaling
$8.4 billion

Impact Summary[12]

Expected to reduce

Greenhouse gas emissions by
21.8 million metric tons
of CO_2-equivalent per year, equivalent to CO_2 emissions from 2.5 billion gallons of gasoline consumed[13]

8 https://ec.europa.eu/commission/presscorner/detail/en/IP_16_4217
9 https://www.climatebonds.net/resources/reports/year-2014-green-bonds-final-report

12 *IFC's Green Bond Program began in 2010 and although IFC had previously been reporting on the use of proceeds for its Green Bond Program, in FY14 we began reporting in accordance with the **Harmonized Framework for Impact Reporting**. This change represented a response to investor requests for more robust reporting. IFC set a precedent by upholding a higher standard of transparency through the provision of more data points and information per project.*
13 https://www.epa.gov/greenpower/green-power-equivalency-calculator

2015

- The International Capital Market Association (ICMA) publishes The Harmonized Framework for Impact Reporting authored by IFC, IBRD, EIB and AfDB
- Multiple green bond indices are launched, providing a benchmark for investors
- COP 21, the 2015 UN Climate Change Conference, takes place and negotiates the Paris Agreement
- IFC issues first offshore green bond in Indian rupee, named “Masala bond”, for direct onlending to an IFC client

2016

- Green bond volume grows by 92% versus the previous year
- The first sovereign issuer comes to market as Poland issues a green bond

2017

- IFC, IBRD and Japan’s Government Pension Investment Fund of Japan (GPIF) announce partnership to collaborate on initiatives that promote strategies for including environmental, social and governance criteria in investment decisions across different asset classes

2018

- The World Bank Group announces a major new set of climate targets for 2021-2025: it doubles its current 5-year investments to around $200 billion to support countries as they take ambitious climate action
- ICMA publishes Green, Social and Sustainability Bonds: A High-Level Mapping to the SDGs, co-authored by IFC
- Annual green bond issuances reach $167.3 billion in 2018[10]
- IFC becomes first development institution to make TCFD disclosure on climate risk
- IFC implements carbon pricing for project finance in the thermal power generation, chemical production, and cement production sectors
- IFC and Amundi launch the Amundi Planet Emerging Green One Bond Fund, the world’s largest green bond fund in emerging markets

2019

- ICMA publishes Green Project Mapping
- GPIF managers start making investments in green and social bonds issued by IFC
- IFC and HSBC Global Asset Management launch the Real Economy Green Investment Opportunity Fund to increase access to climate finance for non-financial companies
- Anual green bond issuances reach $257.7 billion[11] in 2019, representing a 51% increase versus 2018
- Milestone for IFC: Green Bond Program crosses $10 billion in issuances and IFC surpasses $10 billion in climate finance investments in financial institutions in emerging markets

2020

- IFC is elected as Chair of the Steering Committee of the Green,Social, and Sustainability-Linked Bond Principles

to produce

25,453,443 megawatt hours in renewable energy, sufficient to power the country of Nigeria for one year[14]

Expected to construct

9,180 megawatts in renewable energy capacity

Expected to save

749,450,118 kilowatt hours of annual energy, equivalent to 89,714 U.S. homes electricity use for one year[15]

Expected to green

598,685 square meters of buildings, equivalent to the Pentagon, the world’s largest office building which houses 26,000 personnel and has a total of 17.5 miles (28.2 kilometers) of corridors[16]

10 CBI 2018 Green Bond Market Summary
11 CBI 2019 Green Bond Market Summary

14 https://www.worlddata.info/africa/nigeria/energy-consumption.php
15 https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator
16 https://www.livescience.com/23020-pentagon.html

Welcome Message

Stephanie von Friedeburg
IFC Chief Operating Officer

The COVID-19 pandemic is an immediate threat and at the same time a huge opportunity for the transition to a low-carbon economy and the fight against the climate crisis.

But the crisis has also revealed how hard it will be to reach zero net greenhouse gas emissions by the middle of the century. The modest 7% drop in emissions observed since the beginning of the year is the result of a precipitous recession. When growth resumes – and unless we make systemic changes to our economic model – emissions are likely to be back with a vengeance.

And although many institutions and companies are planning to decouple the recovery from fossil fuels, only a tiny portion of the fiscal stimulus approved around the world can be classified as "green".

Still, many investors are viewing the crisis as a wake-up call for climate-smart investing. The business case is unmistakable. Global markets for climate-smart businesses and technologies have grown to $1 trillion annually. Analysis by IFC shows that 21 emerging market economies alone hold $23 trillion in climate-smart investment opportunities through 2030. It is estimated that the wind and solar sectors can create millions of jobs over the next decade globally, exceeding the number of jobs lost in the transition out of the fossil fuel industry during the same period.

Although the pace of green bond sales slowed around the world after the global pandemic was declared, green bonds continue to offer a reliable pathway to help developing and emerging economies raise capital, helping them make climate-smart investments and holding the promise of fueling a more resilient recovery.

During fiscal year 2020, as we marked the ten-year anniversary of our green bond program, IFC issued $1.2 billion in green bonds through 24 trades that spanned the globe. The proceeds of those bonds will go towards 21 projects committed across 8 sectors, including wind energy, biomass, green banking, solar energy, green buildings, transport, and agribusiness and forestry. As this report reveals, those projects are expected to reduce greenhouse gas emissions by 3.4 million metric tons of CO_2 – equivalent per year.

IFC also broke through the $10 billion threshold in cumulative green bond issuance in fiscal year 2020 and I was proud to join colleagues on our trading floor in Washington, D.C. to help mark this milestone trade with the Government Pension Investment Fund (GPIF) of Japan.

As the largest development finance institution supporting the private sector in emerging markets, IFC is uniquely positioned to build new markets for climate business. We invest directly in climate-smart sectors, mainstreaming climate business in high-growth sectors - opening new markets in key areas such as clean energy, sustainable cities, climate-smart agriculture, energy efficiency, green buildings, and green finance.

This year we saw the third closing of the HSBC Real Economy Green Investment Opportunity GEM Bond Fund (REGIO), which has raised $474 million of new financing to support climate mitigation investments across emerging markets in spite of prevailing market turmoil.

We look forward to seeing green bonds play a growing role in raising the capital needed to make those urgently needed investments.

A Letter from the Treasurer

John Gandolfo
IFC Vice President and Treasurer

Over the past few months, our world has transformed and our roles as issuers, investors, underwriters, and data providers of sustainable finance products have become even more necessary and critical.

To meet the world's development goals by 2030 we have a huge funding gap and the pandemic has exacerbated this.

Among the many challenges facing emerging and developing economies, climate change looms larger than ever, especially among the world's poorest in developing and emerging markets.

Our mission is urgent!

This means turning the billions now invested in sustainable, or green and socially responsible finance, into the trillions required.

That is where the growing market for sustainable bonds, among them green bonds, come in. A decade ago, green bonds were virtually non-existent. Last year, they brought in nearly $170 billion to fund climate investments.

Green bonds give investors the opportunity to contribute positively to climate-smart business solutions, while gaining financial returns.

During the past fiscal year IFC passed the $10 billion milestone of cumulative green bond issuance, and the ten-year mark since we launched our green bond program. The proceeds of our green bonds are invested exclusively in climate-smart projects in emerging markets.

As IFC works to catalyze markets for climate business and climate finance beyond the boundaries of its own investments, we are also working to shape and expand the green bond market and increase climate lending by local financial intermediaries.

In FY20, we became the first bond issuer to explicitly include Environmental, Social, Governance (ESG) considerations into our underwriter selection process. IFC's Funding program can be a tool for ESG engagement both up and down its supply chain. In other words, beyond offering sustainable bonds to investors, we will now ask of underwriter banks to show us that they are practicing these values.

As we mark a decade of IFC's Green Bond program, we reflect on the foundational role IFC has played in the development of the green bond market in several ways. Over the last 10 years our issuance program has brought volume and currency diversity to investors and set a benchmark precedent for green bonds. We have also been at the forefront of thought leadership and standard setting as an active and founding member of the principles governing green bonds, culminating in our election in 2020 as the Chair of the Green, Social and Sustainability-Linked Bonds Steering Committee. During our tenure, our mission is to collaborate with the Committee towards significantly increasing the representation of the private sector in the use of green bonds, growing the portion of the capital markets currently flowing to environmental projects, and deliberately ensuring that this growth comes with integrity.

As we launch the Green Bond Impact report for 2020, we look forward to collaborating with all our partners in financing progress towards environmental and social sustainability – while providing frameworks for integrity and transparency.

A Chat with Alzbeta Klein

Alzbeta Klein
IFC Climate Business Director

Restarting the economy on a climate-smart path

The pandemic arrived without warning this year and quickly altered every aspect of our lives, shattering economies, destroying jobs, and plunging millions of families into poverty. It has revealed how fragile our global systems are to major threats such as climate change, and it has highlighted disparities between the developed and developing world and between the rich and poor within all countries in their abilities to withstand shocks.

Climate change is slower moving but equally, if not more, dangerous, and as with Covid-19, failure to respond now will result in higher human and economic costs in the future.

Warming global temperatures are already having an adverse impact on biodiversity and are projected to become a bigger threat in the next decade. There is a growing recognition that nature and biologically diverse eco-systems play a critical role in our economies, health, and climate change resilience.

We know that to avoid severe and irreversible climate change impacts, the world must dramatically change course. The pandemic has given us a momentous opportunity to restart the economy on a climate-smart path by investing in a future that is environmentally, biologically and economically sustainable, more resilient overall, adapted to deal with shocks, and more equitable. The financial challenge is that public budgets are stretched, and it will be essential to leverage and mobilize private finance.

The green bond has become a kind of green swan of the capital markets. It has moved billions of dollars into green investments; it has changed investor behavior, and capital markets have evolved from a market where investors knew little about what their investments were supporting, to one where purpose matters more than ever.

Financial institutions and corporations see green bonds as a way to enhance their franchise value and communicate their sustainability strategy, green their operation and meet their climate commitments.

Governments, major financial centers, central banks and banking supervisors are greening the financial systems by developing green bond guidance, green taxonomies, regulation, and reporting guidelines. It helps investors to better understand the climate risk exposure in their portfolios and to move capital to more climate-smart investments; it builds the resilience of the financial system.

We owe it to the green bond that sustainable finance today is considered the financial future.

Getting to know you

10-Year Anniversary Special

IFC has issued green bonds since 2010 and the bond issuance team comprises a diverse group of professionals committed to embedding sustainability in their daily lives.

"Next up: solar panels for the roof!"

Flora Chao
Global Head of Funding

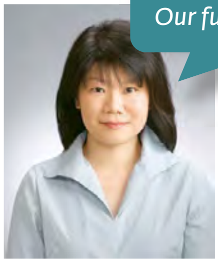
Flora has been renovating and furnishing her LEED-certified home with eco-friendly updates, including dining chairs made from recycled Coca-Cola bottles. She is also the proud owner of an electric car.

"Each individual should accept our collective and personal role to prevent the collapse of civilization and the extinction of much of the natural world. It's time for us to be good again!"

Elena Panomarenko
Head of Funding for Europe

Elena uses green energy to power her home and buys her meats and vegetables from the local organic farms.

"Our actions, and those of future generations, are critical in fighting climate change. Our future depends on it."



Maki Yasui
Senior Investor Relations Officer

Maki takes the issue of food waste seriously and ensures that her grocery shopping is just enough to limit food loss and reduce waste.

"Climate change is undoubtedly a challenge we owe future generation to curb."

Tom Ceusters
Director of Treasury Market Operations

Tom is an avid biker in in his effort to reduce the carbon footprint of his commute. He installed solar panels on his house in 2015.

We would like our kids to enjoy this planet just as much as we do. This is a civilizational challenge that requires long-term thinking and immediate action."

Marcin Bill
Head of Funding for Asia Pacific

Marcin's family recently got rid of their car to rely mainly on public transportation.

"Our approach to sustainability is the maturity test of our generation. Can we honestly say to our future selves that we have done the utmost we could?"

Zauresh Kezheneva
Associate Funding Officer

Zauresh started an experiment to avoid buying trash bags, repurposing delivery packages from the office and her apartment.

"The Millennial and Gen Z generations have grown up with more exposure to the effects of global warming, but it's in our hands to drive change."

Sophie Peeters
Investor Relations Analyst

Sophie minimizes the use of plastic, water and electricity. She is Treasury's climate anchor, promoting sustainability on the trading floor.

"We play our role for a green future for our children."

Yuri Kuroki
Funding Officer

Yuri and family are loyal users of eco bags and choose to use fans instead of air conditioning at home in tropical Singapore.

"There is no question that our planet's natural resources are finite, it is therefore only logical that we preserve it and actions to the contrary will in time be considered absolute folly."

Esohe Denise Odaro
Head of Investor Relations

Denise and her children grow vegetables and herbs on her balcony in the city realizing a farm to table concept.

"Nature is the greatest gift from the earth. We should always appreciate and coexist with it."

Hiroyasu Hirano
Associate Funding Officer

Hiro relies heavily on e-books to collect information and uses recycled paper to write memos, reducing the use of paper in daily life.

IFC Climate Business Overview for FY20

Since 2005, IFC has invested $28 billion in climate smart financing and directly mobilized $22.3 billion through partnerships with investors for climate-related projects, including renewable power, energy efficiency, sustainable agriculture, green buildings, waste and private sector adaptation to climate change.

IFC's investment and climate business teams identify low-carbon investment opportunities through industry sector experts, metrics specialists, climate finance professionals, and strategists. The Climate business team supports analysis of climate risk through tools such as carbon pricing and assessment of physical climate risk in investment projects.

IFC's country-level work supports client countries to attract private investment to help implement their Nationally Determined Contributions. Governments recognize that much of the financing needed to meet their climate pledges will have to come from the private sector. IFC will continue to help emerging economies turn climate pledges into business opportunities and work with them to guide their regulatory environment, provide financing and create innovative solutions that mobilize external capital and create sustainable markets for climate-smart investments.

IFC's third consecutive disclosure under the guidelines recommended by the Task Force on Climate-related Financial Disclosures reflects IFC's continued commitment to maintain and strengthen our climate-related financial risk assessment, management, and reporting practices.

During FY20, 30 percent of IFC's total own-account commitments were climate-related. This translates to $3.3 billion in climate-smart investments for IFC's own-account while an additional $3.5 billion was realized through core mobilization efforts. IFC's new climate business targets for the FY21-25 are to invest on average 35 percent of its own-account investments in climate business.

IFC continues to develop new areas of climate business. IFC is targeting new growth areas such as energy storage, transportation logistics, distributed renewables, and offshore wind, among other promising industry sectors that promote low-carbon growth.

IFC reports climate finance commitments in this annual report. The following sectors comprise the bulk of IFC's FY20 climate investments[17]: renewable energy ($529 million), green buildings ($362 million), industrial and commercial resource efficiency ($288 million), climate-smart agribusiness ($147 million), and climate investments through financial institutions ($1.4 billion).

17 The following numbers are own account and do not include core mobilization.

IFC Green Bond Program Overview for FY20

In a fiscal year dominated with helping clients deal with the socio-economic consequences of the pandemic, IFC forged ahead with its Green Bond Program expanding to new markets and currencies, consequently delivering several headline trades. This year's program brings IFC's cumulative volume of green bonds raised to $10.4 billion from 172 bonds in 20 currencies.

Since IFC's premier green bond issuance in April 2010 – a $200 million private placement that was executed in response to niche demand from investors concerned about climate change —IFC's green bonds have become a well-established product offering for fixed income investors looking to support climate-friendly projects. In September 2019, IFC reached an milestone when it crossed the $10 billion threshold in cumulative green bond issuances through a trade with the Government Pension Investment Fund (GPIF) of Japan, the world's largest pension fund. This iconic trade was marked on the trading floor at IFC's headquarters in Washington, DC. Stephanie von Friedeburg, IFC's Chief Operating Officer formally executed the transaction.

At the start of the fiscal year, in July and August 2019, IFC issued five green bonds in Swedish krona (SEK) in public markets and in private placement format. Demand for green bonds in Scandinavian currencies remained high throughout the year, and IFC executed six additional trades in SEK and two debut green trades in Norwegian krona (NOK) for a total of $360 million equivalent.

In addition to NOK, IFC broadened its currency offerings with a debut green trade in Canadian dollar in early September. The five-year 750 million Canadian dollar issuance, which pays a coupon of 1.375 percent, also marks the largest deal denominated in Canadian dollar ever issued by IFC and priced at the tightest spread to the Canadian Mortgage Bond curve ever by an international sovereign, agency or supranational issuer. The final orderbook spanned 36 investors based in Canada (50 percent), Asia (26 percent), EMEA (16 percent), and the Americas (8 percent).

Later in September, IFC closed a busy month in the public green bond market with a landmark trade that took IFC across the cumulative 10 billion dollars issuance line: a British Pound sterling 150 million bond in September placed with GPIF. This trade followed IFC's inaugural green bond issued in the Sterling market in fiscal year 2019. The bond matures in December 2023 and pays a 1.250 percent coupon.

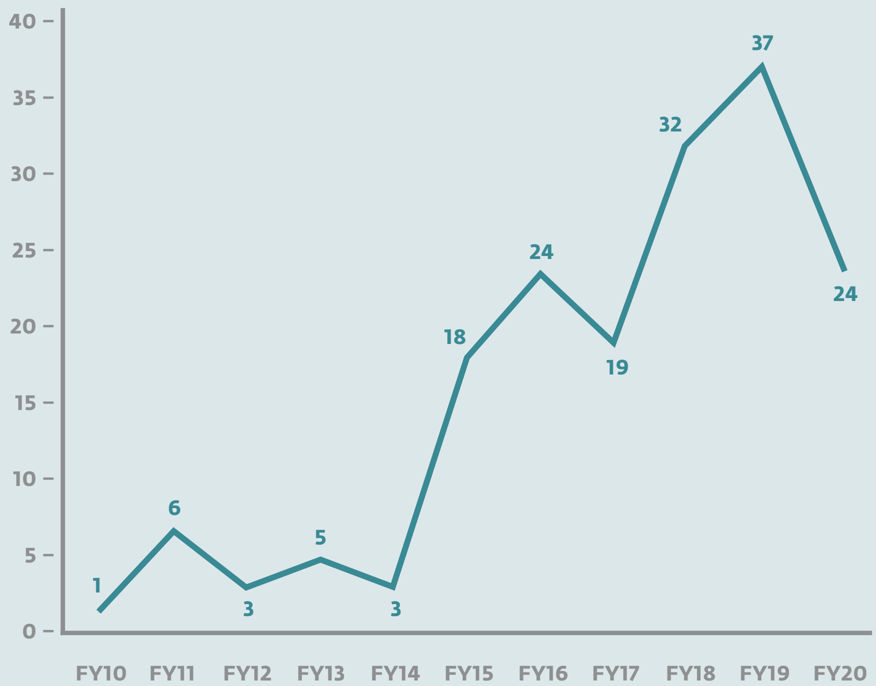
In response to strong demand from German institutional investors for long-dated green bonds in NSV ("Namensschuldverschreibung") format, IFC issued its debut euro-denominated green NSV bond for a total of $22.2 million equivalent in October. The 40-year notes carry a coupon of 1.027 percent and are embedded with an issuer's call right after ten years. This transaction demonstrates how IFC mobilizes innovative finance, offering maturities to attract diverse institutional investors such as those in the long-dated NSV market, to meet the UN Sustainable Development Goals, and the transaction was awarded '2019 MTN Deal of the Year' by mtn-i.

As part of its strategy to offer green bonds in the retail format, IFC continued its retail programs in Japan and the United States. Through its Green Impact Notes Program for U.S. retail investors, IFC sold three green notes in step-up, callable format for a total of $27.9 million. Throughout the year, IFC issued a number of green bonds in private placement format in currencies such as Japanese yen, Brazilian real and Swedish Krona.

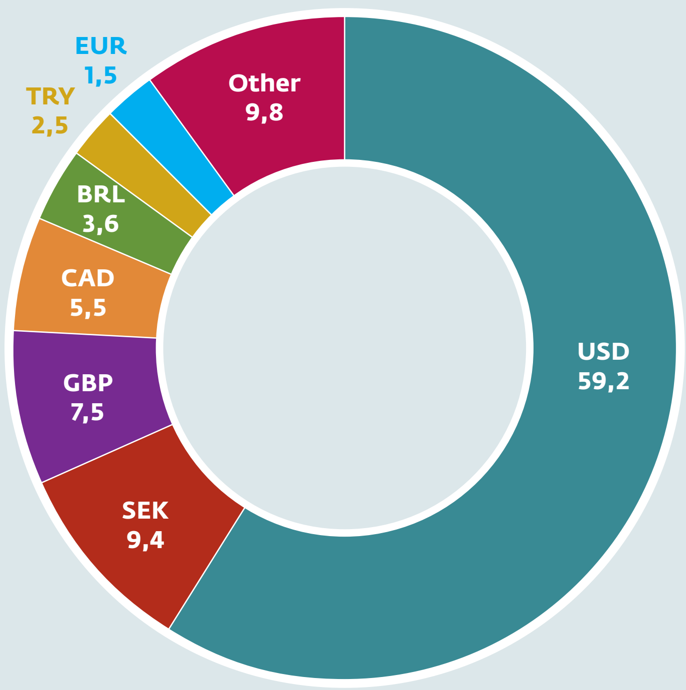
As of June 30, 2020, IFC's outstanding green bonds totaled about $5.9 billion.

IFC Green Bond Program Overview for FY20

IFC Historical Green Bond Issuance by Year
Number of green bond issuances



IFC Cumulative Green Bond Issuance by Currency
in percent %



'Other' includes:

ZAR	1.6
AUD	1.6
IDR	1.3
NZD	1.2
PHP	0.9
NOK	0.8
CNH	0.8
MXN	0.5
INR	0.5
JPY	0.2
PEN	0.1
HKD	0.1
COP	0.1

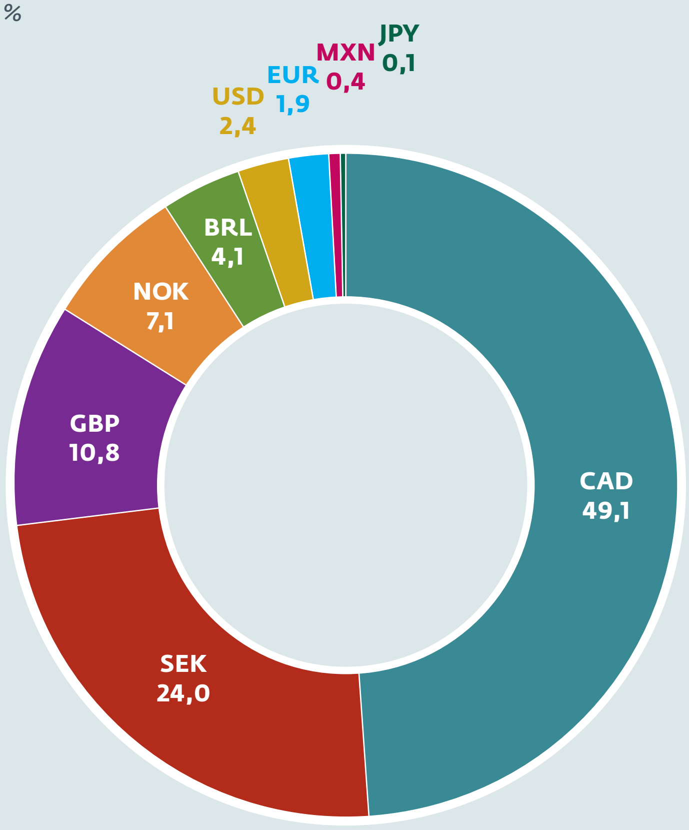
IFC Cumulative Green Bond Issuance

Volume	$10.4 billion
Number of green bonds issued	172 bonds
Number of currencies	20

IFC FY20 Green Bond Issuance

Volume	$1.2 billion
Number of green bonds issued	24 bonds
Number of currencies	9

IFC FY20 Green Bond Issuance by Currency
in percent %



Featured Project

Power of the Sun

IFC's first certified Green Loan in Mexico finances a portfolio of solar power projects to help Mexico reduce carbon emissions and provide sustainable infrastructure

With a population of almost 130 million and abundant natural resources, ***Mexico has the 11th largest economy*** in the world. The country is one of the ***10 largest oil producers in the world*** and Latin America's second largest energy consumer. In 2018, nearly 80 percent of the country's energy supply was generated by thermal power.[18] The significant size and reliance on fossil fuels in the energy sector has created challenges for Mexico. The country is currently ***the world's 12th highest emitter of greenhouse gasses***, while in addition facing an infrastructure investment gap of around $100 billion over the next 15 years in the power sector alone.[19]

With its increasingly competitive cost, solar power generation has the potential to become one of the lowest-cost options for Mexico to meet its energy needs, while in parallel underpinning the country's energy security. Accordingly, IFC has sought to partner with the key players in the sector. During 2019 and 2020, IFC structured and mobilized a $541 million, 15-year Green Loan facility to support Infraestructura Energetica Nova (IEnova).

The green loan will finance the construction of five solar plant projects in Mexico with a total installed capacity of 526 MW. These solar projects will displace carbon-intensive thermal generation in the country and therefore contribute to reduce approximately 793 thousand tons of carbon emissions per year.

By financing IEnova's first solar power generation projects, IFC is seeking to support IEnova's transition towards a greener business model. Following IEnova's adoption of the Green Loan Principles (issued by the Loan Market Association), this investment is also the first certified IFC Green Loan in Mexico.

This investment is part of IFC's 20-year engagement in the Mexican power sector, which has (among other objectives) sought to demonstrate the bankability of renewable energy technologies and related contractual frameworks. To date, IFC has mobilized financing for around 1GW of solar power generation capacity in Mexico.

18 *Prodesen 2018-2032, pg. 23.* ***https://base.energia.gob.mx/prodesen/PRODESEN2018/PRODESEN18.pdf***
Prodesen 2019-2033, pg. 27. ***https://www.gob.mx/cms/uploads/attachment/file/475497/PRODESEN_V.pdf***
19 *Prodesen 2018-2032, pg. 135.* ***https://base.energia.gob.mx/prodesen/PRODESEN2018/PRODESEN18.pdf***

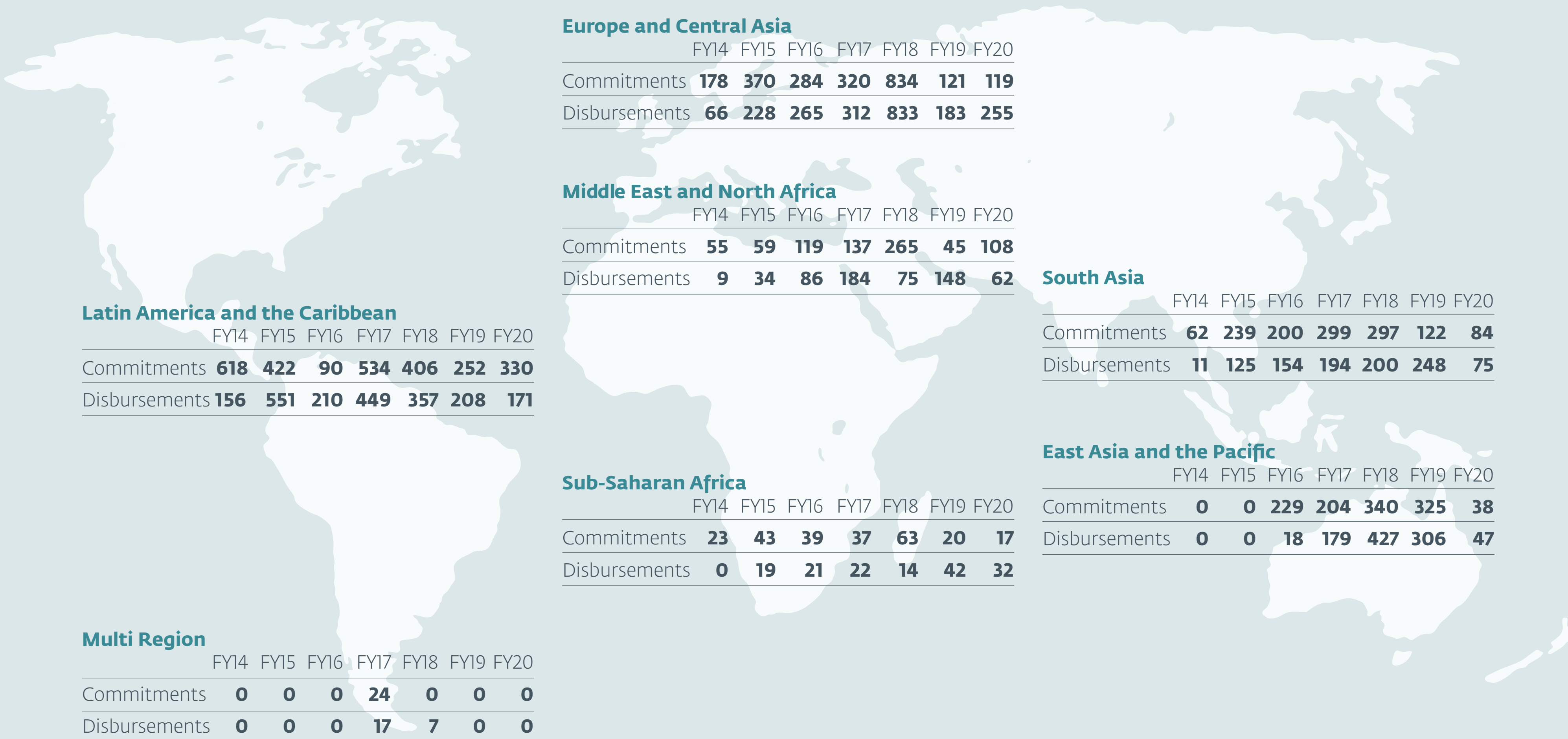
IEnova's solar plants in Mexico

IFC Green Bond Commitments **by Region**

(USD millions)

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	**Total**
Commitments	**936**	**1133**	**961**	**1555**	**2205**	**885**	**695**	**8369**
Disbursements	**242**	**956**	**754**	**1356**	**1914**	**1135**	**642**	**6999**

As of June 30, 2020, IFC green bond proceeds supported 221 green bond eligible projects. The total committed amount for these projects is $8.4 billion, of which $7 billion has been disbursed.



Europe and Central Asia

	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Commitments	**178**	**370**	**284**	**320**	**834**	**121**	**119**
Disbursements	**66**	**228**	**265**	**312**	**833**	**183**	**255**

Middle East and North Africa

	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Commitments	**55**	**59**	**119**	**137**	**265**	**45**	**108**
Disbursements	**9**	**34**	**86**	**184**	**75**	**148**	**62**

Latin America and the Caribbean

	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Commitments	**618**	**422**	**90**	**534**	**406**	**252**	**330**
Disbursements	**156**	**551**	**210**	**449**	**357**	**208**	**171**

South Asia

	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Commitments	**62**	**239**	**200**	**299**	**297**	**122**	**84**
Disbursements	**11**	**125**	**154**	**194**	**200**	**248**	**75**

East Asia and the Pacific

	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Commitments	**0**	**0**	**229**	**204**	**340**	**325**	**38**
Disbursements	**0**	**0**	**18**	**179**	**427**	**306**	**47**

Sub-Saharan Africa

	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Commitments	**23**	**43**	**39**	**37**	**63**	**20**	**17**
Disbursements	**0**	**19**	**21**	**22**	**14**	**42**	**32**

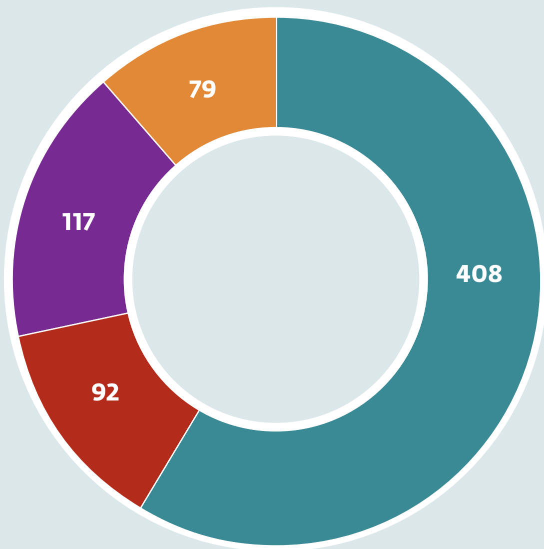
Multi Region

	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Commitments	**0**	**0**	**0**	**24**	**0**	**0**	**0**
Disbursements	**0**	**0**	**0**	**17**	**7**	**0**	**0**

IFC Green Bond Eligible Project Commitments **by Sector**

FY 20

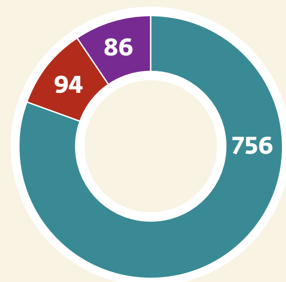
Total M$ 695



Renewable Energy
Energy Efficiency
Other Mitigation
Adaptation

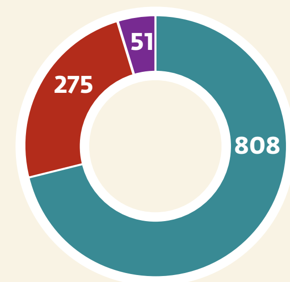
FY 14

Total M$ 936



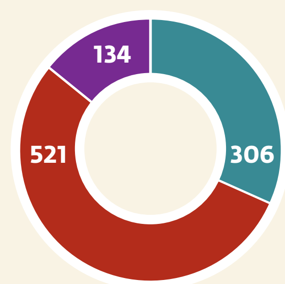
FY 15

Total M$ 1134



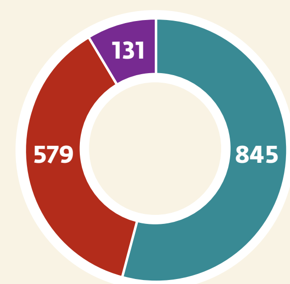
FY 16

Total M$ 961



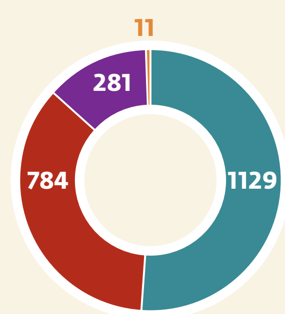
FY 17

Total M$ 1555



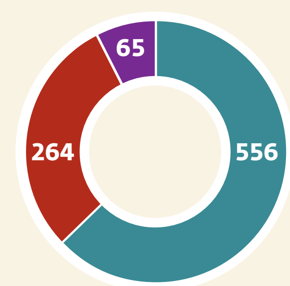
FY 18

Total M$ 2205



FY 19

Total M$ 885



Featured Project

Greening the health sector

Private sector investments that build resilience to both climate change and the Covid-19 pandemic have the potential to create new markets in Ghana

Ghana has experienced strong economic growth over the past three years and was one of the world's fastest growing economies in 2019. However, hit by falling oil prices and the coronavirus pandemic, west Africa's second biggest economy is forecasted to grow at its slowest pace in 37 years. At a time when the healthcare industry and key economic drivers need to be the strongest, Ghana is committing to improve health services and refocus growth efforts.

Increasing the role of the private sector to promote innovation in the health sector has the potential to create new markets for Ghana. With this pandemic, the government also knew it was the moment to launch the development of a National Adaptation Plan (NAP) to focus on a sustainable future and build a nationwide resilience to climate change. The goal is to use the process of developing the NAP to ensure investments post-COVID-19 are climate proof. It highlights another way the private sector can create markets which support the country's resilience to climate change.

Responding to this opportunity, IFC saw the chance to crowd in the private sector and build resilience to the impacts from both climate change and COVID-19 in tandem. IFC provided Nyaho, a leading healthcare provider in Ghana, with a $5.2 million loan. This will be used to support the expansion of Nyaho outside Accra and to upgrade its existing hospital to better serve its patients.

IFC advisory services will help Nyaho secure EDGE certification in the main hospital and ensure all facilities comply with IFC's Environmental and Social standards. With high costs of energy and frequent water shortages EDGE certification provides hospital builders with a solution that offers resource efficient ways to reduce costs and be competitive. In addition, resource efficiency leads to better patient care. Operational savings can be rechanneled into creating a more nurturing environment that improves the wellbeing of patients and can even saves lives.

The Nyaho clinic in Ghana

IFC Green Finance Market Engagement

A key strategy for IFC is promoting sustainable capital market development through actively engaging with peers, issuers, investors, underwriters and other market participants.

Stepping up on Accountability

On an annual basis, IFC ranks its bond underwriters on coverage provided in the year for its funding program in an underwriter scorecard. This includes an assessment of arbitrage funding provided, quality of coverage, investor relations efforts, environmental, social and governance (ESG) standing, and ancillary services. The scorecard has been enhanced by the launch of IFC's ESG Dealer Survey in June to assess banks on ESG matters, making IFC the first issuer to systematically integrate such considerations into choosing its bookrunners.

The survey was created as an enhanced and standardized annual ESG evaluation to feed into the annual scorecard ranking and was sent to over 60 underwriters. It is to stand as an independent channel of in-depth engagement on ESG matters beyond products offered by the banks. IFC formulated a list of questions to elicit information on internal practices as well as the level of significance ESG holds in the banks' corporate strategy. The 21 questions cover topics such as the institution's exposure to certain sectors, whether they have internal policies related to wellbeing, safety, and diversity of staff, and what type of sustainability products they offer.

The ranking is used as a basis to engage and provide feedback to the dealers as well as to form input into selection for transaction mandates.

Steering Sustainable Bond Development

IFC's mandate is linked to the goals that green, social and sustainability bonds raise financing to achieve. After six years of being a founding and active member of the Executive Committee of the Green, Social, and, – more recently – Sustainability Bond Principles, IFC was elected to chair the Committee in June 2020. IFC, represented by Head of Investor Relations Esohe Denise Odaro, will steer the further expansion of green, social, sustainability and sustainability-linked bonds beyond the supranational and sovereign sector to corporates. Over the next year, IFC will lead the committee to promote the use of these products to finance progress towards environmental and social sustainability while providing frameworks for integrity and transparency.

Japan's Green Horizon

In Japan, ESG investing has become a major trend. Since Japan has limited natural resources and relies heavily on imports, people are highly conscious of energy and water savings. Additionally, in recent years, people have become more aware of the environmental consequences resulting from climate change, such as the occurrence of disasters due to unseasonable weather.

In the capital markets, institutional investors who have a strong interest in environmental issues, such as life insurance companies, have been present in the green bond market. Additionally, in June 2018, the Ministry of Environment started to subsidize external reviews and consulting work to support green bond issuances. With this aid from the investor community and the Ministry of Environment, the number and amount of green bonds issued by Japanese companies and local governments have increased from six bonds for a total of 74.8 billion Japanese yen (~$680 million equivalent) in 2016 to 58 bonds for a total of 823.8 billion Japanese yen (~$7.5 billion equivalent) in 2019.

Since 2019, the Government Pension Investment Fund and other major Japanese asset managers have entered the green bond market. IFC's Green Bond Program has enjoyed support from both Japanese institutional and individual investors for green bonds issued in the public markets, in private placement format and Uridashi. IFC also hosted an inaugural ESG seminar for its annual Japan Investor Forum in Tokyo in 2019 to further promote responsible investing among Japanese investors and securities companies.

Awards

IFC wins MTN Deal of the Year for EUR 20mn green NSV bond

IFC's first euro-denominated green NSV bond was awarded "Deal of the Year" in the digital market's category of the mtn-i MTN Awards. The 20 million euro bond with a 40-year maturity was issued in response to demand for long-dated paper by German institutional investors in October 2019 and facilitated by DZ Bank's innovative InGen platform.

Elena Panomarenko and Flora Chao from IFC's Funding team accepted the award together with DZ Bank.
London, February 2020

IFC wins Editor's Award for collaboration with the Government Pension Investment Fund (GPIF) of Japan

In March 2019, IFC and IBRD'spartnership with GPIF to mobilize capital markets for sustainable investments came to fruition when GPIF bought IFC's green bonds for the first time. This followed GPIF's change in its internal investment guidelines to allow external asset managers to actively include ESG bond, which has the potential to change the approach of other pension funds and asset managers amounting to $73.1 trillion. The partnership received the"Editor's Award" by the 2019 mtn-i Uridashi and Asia-Pacific Awards.

Hiroyasu Hirano from the Funding team based in Singapore accepted the award on behalf of IFC, October 2019

IFC's Esohe Denise Odaro wins EF's Personality of the Year Award

Denise, Head of Investor Relations, has managed IFC's Green Bond Program and represented the institution on the Executive Committee of the Green Bond Principles since inception. In March 2020, she was selected as"Personality of the Year" for her efforts developing the green, social and sustainability bond market and educating investors.

Events

IFC-Milken Institute Capital Markets Event 2020

In Africa, corporates, governments and policymakers are increasingly interested in how to access the capital markets to finance a sustainable future. IFC Funding and Investor Relations led a session with a focus on green bonds and on related opportunities and implementation challenges specific to emerging markets.

Japan and Asia: Developments in Green, Social, and Sustainability (GSS) Bond Markets

On October 9, 2019, IFC's Maki Yasui spoke at a panel dedicated to the role of SDGs in the capital markets. She discussed the stumbling blocks for issuers to issue thematic bonds and what steps first-time GSS borrowers can take as they enter the market.

Celebrating $10 billion of IFC green bonds

IFC crossed the $10 billion threshold in cumulative green bond issuances after a breakthrough trade supported by GPIF. COO Stephanie von Friedeburg joined the trading floor in Washington, D.C., for a confirmation of the terms of the historic bond issuance with the underwriter.

Elena Panomarenko discussed Covid-19-related bonds during the Environmental Finance Build Back Better webinar on June 23, 2020

Going for Growth with a UK Green Bond

On June 30, Esohe Denise Odaro discussed how the UK government can issue a green bond to drive investment into low-carbon projects that would boost growth, jobs and productivity in the country on a panel organized by the All Party Parliamentary Group on Sustainable Finance.

Biodiversity Matters

Investors worldwide are waking up to the importance of incorporating biodiversity as part of ESG risk assessments. This is due in part to the increasing focus on this topic since the United Nation's Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services produced its landmark Global Assessment Report on Biodiversity and Ecosystem Services in May 2019, casting the spotlight on the alarming declines of biodiversity worldwide.

The report also made incontestable the fact that accelerating impacts on biodiversity jeopardizes not only nature, but also the success of the Sustainable Development Goals especially those related to poverty, hunger, health, water, cities, climate, oceans and land.

To conservation scientists, this news was unsurprising. Fortunately, corporations, asset owners and asset managers from across the spectrum are responding to the growing concern of accelerating biodiversity loss and a plethora of initiatives has emerged (e.g., biodiversity-specific indicators, rating systems and methodologies) designed to measure portfolio-wide biodiversity-related risks and dependencies. Even prior to the report's findings, the focus on "conservation finance," a sub-set of "green finance" that targets investments that benefits biodiversity, has been gaining momentum for some years, for example with the Coalition for Conservation Finance and the Conservation Finance Alliance.

Biodiversity loss can result in critical reductions in the resources provided by the earth's ecosystems, which contribute to economic prosperity and human development. This is especially relevant in developing countries where natural resource-based livelihoods are often prevalent. Protecting and conserving biodiversity, maintaining ecosystem services and managing living natural resources adequately are fundamental to sustainable development.

At IFC, we have been accounting for biodiversity risk in our investments for more than a decade. In 2012, IFC revised Performance Standard 6, Biodiversity Conservation, and Sustainable Management of Living Natural Resources after three years of extensive consultation with stakeholders from conservation organizations, businesses, academics, governments, and financiers. IFC has fully mainstreamed biodiversity risk management into its lending operations and we were the first financial institution to assist in the development of and to apply the Integrated Biodiversity Assessment Tool in 2009, a critical tool used to screen biodiversity risks worldwide. IFC's biodiversity team of almost 20 professionals screen projects against the assessment tool globally at the earliest stages of investment and work with clients and partners to tailor project-specific risk management measures. Moving businesses forward in emerging markets in a sustainable way and balancing the trade-offs requires determination, strategy, and innovation. IFC brings this unique combination of skills to the table with investment officers working side-by-side with conservation professionals. For us, the responses are not straightforward but rather require experience and understanding from various disciplines and backgrounds.

While IFC's focus has traditionally been on project finance, biodiversity priorities are now centerstage in our emerging work on sector-wide planning, notable in the renewables energy sector. IFC's landscape-scale planning work with stakeholders and government entities in Pakistan, Myanmar and Jordan has paved the way for more sustainable investments in the energy sector in these countries. One of our new focus areas is on the capital markets, where we hope to introduce an innovative set of biodiversity-specific indicators to integrate ESG performance into issuer analysis. This will help address growing investor interest for projects to better manage biodiversity impacts or for broader impact investing strategies focused on environmental protection. While there is still a long road to travel, IFC is committed to exploring how financiers are a key part of the solution.

from left to right:

Ms.Amena Arif
Country Manager of Sri Lanka and Maldives, IFC

Mr. Archil Mestvirishvili
Deputy Governor, National Bank of Georgia

Mr. Ethiopis Tafara
Vice President, MIGA

Ms. Lay Rachana
Sustainable Finance Committee Chair,
Association of Banks in Cambodia,
Deputy General Manager/ Chief Risk Officer of FTB

Dr. P Nandalal Weerasinghe
Senior Deputy Governor, Central Bank of Sri Lanka

Ms. Serey Chea
Director General, National Bank of Cambodia

Mr. Jan Van Bilsen
Senior Manager, IFC

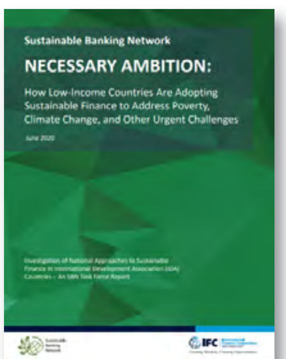
Mr. Kyle Kelhofer
Country Manager of Cambodia, IFC

Sustainable Banking Network Global Meeting, 2019

A Short Guide to the Sustainable Banking Network

Through the Sustainable Banking Network (SBN), IFC works upstream with financial sector regulators, banking associations, and capital market authorities to deepen the development and implementation of national sustainable finance frameworks across emerging markets and enable sustainability-focused investments, especially green bond issuance. As of July 2020, SBN represents 55 institutions from 40 countries and over $43 trillion, or 86 percent, in banking assets in emerging markets. SBN members have identified green bond market development and green bond issuance as priorities as well as the development of green finance taxonomies.

SBN's 2019 Global Progress Report, assessing developments in 38 markets, found that green bonds have emerged as a key driver of national climate-focused and green finance market development. Fourteen SBN countries have developed green bond guidelines that substantially align with or directly reference international standards.



Similarly, SBN's June 2020 special report on trends in IDA countries – ***"Necessary Ambition: How Low-Income Countries Are Adopting Sustainable Finance to Address Poverty, Climate Change, and Other Urgent Challenges"*** – confirmed that green finance, and particularly green bond development, is recognized by SBN International Development Association[20] countries as a priority for future action and a powerful strategy to attract investment for urgent national development needs. Four of the eight countries profiled in the report – Bangladesh, Kenya, Mongolia, and Nigeria – are at the forefront of introducing green bond frameworks, providing incentives, issuing sovereign green bonds, developing taxonomies, and building capacity to stimulate private sector issuance.

SBN has also supported peer-to-peer knowledge sharing and country-level initiatives following the 2018 SBN Green Bond Working Group report "Creating Green Bond Markets" and in collaboration with the Amundi Planet Emerging Green One (EGO) Fund technical assistance program. This included several features: a webinar in February 2020 on "Trends in Taxonomy Development and Lessons from Emerging Markets" featuring the Climate Bonds Initiative and the Mongolian Sustainable Finance Initiative; input to IFC's country-level assistance in Colombia, Georgia, Mongolia, and South Africa; and a peer-to-peer virtual learning exchange between Georgia and South Africa in June 2020 on green taxonomy development.

These reports and knowledge exchanges directly support emerging markets to transform their financial sectors to better respond to climate change and build market resilience. The findings and tools were especially timely and welcomed by members as they inspired SBN countries to leverage sustainable finance strategies and accelerate their green bond market developments as ways to respond and rebuild following the COVID pandemic.

Moving forward, SBN will expand its focus to cover green, social, and sustainability-linked bonds based on growing interest and demand from members for knowledge about these emerging trends. It has started updating the Measurement Framework for the third biennial Global Progress Report in 2021 to incorporate the expansion of sustainable finance instruments beyond green bonds to include social and sustainability bonds, as well as other financial sustainability instruments.

20 IDA stands for the International Development Association, an international financial institution under the World Bank Group that offers concessional loans and grants to the world's poorest developing countries. For the full list of IDA countries and other information, please visit: ***http://ida.worldbank.org/about/borrowing-countries***

Creating Impact: An Update on the Amundi Planet EGO Fund

The EGO Fund in short

The Amundi Planet Emerging Green One (EGO) Fund is the world's largest green bond fund in emerging markets, launched in February 2018. The fund, managed by Amundi, invests in emerging market green bonds issued by financial institutions. It closed at $1.42 billion, with a $256 million investment from IFC, and it is expected to deploy $2 billion over its seven-year investment lifetime. The fund aims to increase the capacity of emerging market banks to fund climate-smart investments and increase the scale and pace of climate finance in emerging markets.

FY20 Highlights

The EGO Fund is well-diversified with 101 holdings by 96 issuers in 43 countries, which includes one supranational issuer, and it offers a yield of 4.59 percent. The ratio of green bonds in the portfolio is close to 40 percent, or $571 million, of total assets under management of $1.45 billion. The portfolio consists of 25 green bonds issued by emerging market financial institutions, and it includes 17 banks and three non-bank financial institutions[21].

In total, the fund has attracted 16 investor groups including leading pension funds, insurance companies, asset managers, international development banks, and other institutions that committed a total of $1.42 billion (including $256 million by IFC) to be invested in emerging markets green bonds.

The proceeds are used to finance projects concentrated in five sectors: renewable energy, energy efficiency, green transport, green buildings, and water management. For those green bonds issued in Mexico, Costa Rica and Brazil, 100 percent of the use of proceeds are dedicated to renewable energy. For the United Arab Emirates, the largest share is in green buildings (62 percent), whereas in India and China it is green transport (49 percent and 54 percent, respectively)[22].

Second cohort of the executive training program in Stockholm

Principles for Responsible Investment Award

In fiscal year 2020, the IFC-Amundi partnership received the *Principles for Responsible Investment (PRI) Award* for the category "Real World Impact Initiative of the Year 2019". This marked the sixth global award that the Amundi-IFC partnership has received, decided by independent judges.

Executive Education Program on Green Bonds and Sustainable Finance

As part of the IFC's Green Bond Technical Assistance Program, IFC implements a five-day Executive Education Program on Green Bonds and Sustainable Finance in Stockholm, hosting the program twice in 2019.

The Executive Education Program was jointly designed by Stockholm School of Economics, International Capital Market Association and IFC with the support of the Luxembourg Stock Exchange, to deliver insights on green bond issuances and the underlying drivers in sustainable finance, including products such as green loans. The program had 61 participants from 20 financial institutions across nine countries. Participants included senior executives responsible for green bond issuances from different departments, including treasury, sustainability, credit, and corporate/retail lending.

Research Report

In fiscal year 2020, two research reports were published: a joint IFC-Amundi publication on ***Emerging Market Green Bonds***, which addresses the issues unique to green bonds in emerging markets versus developed markets, and an IFC publication on ***Emerging Market Hard Currency Bonds*** to promote green bond issuances from emerging market financial institutions.

21 Data as of June end, 2020
22 Data as of December end, 2019

Making Green Real: An Update on the REGIO Fund

IFC and HSBC Global Asset Management at the virtual signing to raise an additional $324 million for the REGIO Fund in May, 2020

IFC and HSBC Global Asset Management launched the Real Economy Green Investment Opportunity (REGIO) Fund on June 4, 2019, with the goal of increasing access to climate finance for the real sector as well as promoting the development of the green bond market in emerging markets. IFC and HSBC provided $75 million each as an anchor investment. The total duration of the fund will be a maximum of 15 years, including a seven-year investment period. REGIO draws on IFC's leadership in the green bond market – as an issuer, investor, and standard setter. In this regard, IFC will also offer a technical assistance facility.

Following the two anchor investments, the REGIO Fund raised $324 million on May 20, 2020, from seven private investors who joined the third closing of the fund with others expected to commit later this year. This brings the cumulative investment to about $474 million. With an additional $100 million pending approval from other investors, about $570 million will be flowing into emerging market corporate green bonds in the coming months. An estimated 80 percent of the Fund must be invested in US dollar bonds or hedged to US dollars but the rest can be in local currencies and in local and regional governments, as well as companies.

Emerging market countries have been hit by some of the worst impacts of climate change and many are insufficiently equipped to address them. REGIO is designed to attract investments into these economies, enabling their energy transition and helping them limit the effects of climate change. The goal is to increase access to climate finance and promote the further development of green bond markets in emerging market by focusing on the real sector, which represents an untapped opportunity in the global green bond market. The fund's backers have been keen to invest in emerging markets especially during this period when these markets have faced capital flight due to the economic shocks caused by the COVID-19 pandemic. This is an opportune time to take secondary market positions and inject a substantial amount of liquidity into instruments that are now considered relatively illiquid as it will send a strong signal to the market.

As the first global green bond fund to target non-financial companies in emerging markets, the REGIO fund will provide new opportunities for this important class of borrowers. This will be achieved by increasing access to capital to build climate change mitigation capacity in emerging market economies and the focus will be on the "real economy" companies operating in the industry, agribusiness, services, and infrastructure sectors. Most of the fund's impact would come through addressing some of the challenges faced by corporates in emerging markets that would like to issue green bonds through facilitation of issuance by having an anchor investor on board. The emerging market non-financial corporate and local authority green bonds out in the market, which have not matured, amount to 275 deals, totaling $65 billion. Of these, 68 percent, or 207 deals, are from North Asia, specifically China, while the remaining 68 green bonds are from outside North Asia, totaling $21 billion, including $7 billion from South Asia, $5.6 billion from Latin America, $3.7 billion from Europe and $2.7 billion from Southeast Asia.

By partnering in this innovative, diversified fund solution, HSBC and IFC are sending a clear message to the market on the importance of mobilizing capital needed to make meaningful progress towards achieving the Sustainable Development Goals.

Green Bond Eligible Project Commitments for FY20

The Impact Assessment table lists expected climate results from projects eligible to be funded, in whole or in part, with IFC green bond proceeds.

The table includes only the projects committed in FY20. The projects are organized by sector and categorized by project type as renewable energy (RE), energy efficiency (EE), climate mitigation projects that do not fall under RE and EE (Other Mitigation), and Adaptation. Adaptation means reducing the vulnerability of human or natural systems to climate change and climate variability-related risks by maintaining or increasing adaptive capacity and resilience.

Reporting is based on ex-ante estimates at the time of project appraisal. Because the Impact Assessment table includes the estimated results of projects that are still in the construction or implementation phase, there is no guarantee that these results will ultimately materialize. Thus, the reporting is not intended to provide actual results achieved in a specific year or reporting period.

Green bond climate sector	Project short name	Project ID	Country	Type	Project description	Climate loan committed *USD millions*	Annual energy produced *MWh*	Annual energy savings *kWh*	RE capacity constructed/ rehabilitated *MW*	Green building impact *M²*	Other impact	Expected annual reduction in GHG emission *tCO2eq/ year*	Sustainable development goals
Wind	**Din Energy**	38475	Pakistan	RE	IFC's loan will finance the development, construction, operation and maintenance of six wind power projects with a total capacity of 310 MW in Pakistan that will deliver cleaner and cheaper power to meet the country's critical demand for energy and reduce reliance on expensive imported fossil fuels.	**12.95**	**177,700**	**N/A**	**50**	**N/A**	-	**106,265**	7, 8, 13
Wind	**Artistic Wind**	40966	Pakistan	RE		**12.76**	**171,000**	**N/A**	**50**	**N/A**	-	**102,258**	7, 8, 13
Wind	**Gul Ahmed Wind 2**	40974	Pakistan	RE		**12.75**	**185,100**	**N/A**	**50**	**N/A**	-	**110,690**	7, 8, 13
Wind	**Metro Wind Power**	40975	Pakistan	RE		**19.44**	**240,800**	**N/A**	**60**	**N/A**	-	**143,998**	7, 8, 13
Wind	**Tricom Wind**	40976	Pakistan	RE		**13.04**	**163,700**	**N/A**	**50**	**N/A**	-	**97,893**	7, 8, 13
Wind	**ACT II Wind**	42613	Pakistan	RE		**12.81**	**158,400**	**N/A**	**50**	**N/A**	-	**91,793**	7, 8, 13
Wind	**Lekela EG Wind 1**	40137	Egypt	RE	IFC's loan will finance the development, financing, construction, operation and maintenance of a 250 MW wind farm in Egypt's Gulf of Suez area. The project will help bolster the production of clean energy and lower generation costs, thereby reducing reliance on natural gas and diversifying the country's energy mix.	**26.28**	**1,094,000**	**N/A**	**250**	**N/A**	-	**517,309**	7, 8, 13

Green bond climate sector	Project short name	Project ID	Country	Type	Project description	Climate loan committed *USD millions*	Annual energy produced *MWh*	Annual energy savings *kWh*	RE capacity constructed/ rehabilitated *MW*	Green building impact *M²*	Other impact	Expected annual reduction in GHG emission *tCO2eq/ year*	Sustainable development goals
Solar	**FCS RE Massader**	40641	West Bank and Gaza	RE	IFC's loan will finance the development, financing, construction, and operation of small solar installations on the roofs of approximately 500 public schools. Most of the electricity generated from the solar panels will feed into local distribution systems at a competitive tariff, providing clean, reliable power for residents and businesses.	**8.7**	**23,000**	**N/A**	**28**	**N/A**	Fiscal benefits to the government equals 3.1 million New Israeli shekels ($0.9 million equivalent)	**24,900**	4 Quality Education 7 Affordable and Clean Energy 8 Decent Work and Economic Growth 13 Climate Action
Solar	**IEnova Corp.**	42260	Mexico	RE	IFC loan will fund the company's expansion into the solar power generation segment, including the financing of five solar power generation plants, thereby contributing to diversifying the country's energy supply. This is IFC's first financing in Mexico certified under the Green Loan Principles.	**100.00**	**1,577,394**	**N/A**	**526**	**N/A**	-	**793,429**	7 Affordable and Clean Energy 8 Decent Work and Economic Growth 13 Climate Action
Solar	**Masrik Solar**	41106	Armenia	RE	IFC's loan will finance the development, construction, operation and maintenance of a PV plant located in the municipality of Mets Masrik, Armenia. The project is the first grid scale photovoltaic project in Armenia and will reduce GHG emissions by increasing the share of electricity supply from renewable sources, improve energy security and lower generation costs by reducing the country's reliance on imported fuels for power generation.	**8.85**	**128,000**	**N/A**	**55**	**N/A**	-	**40,771**	7 Affordable and Clean Energy 8 Decent Work and Economic Growth 11 Sustainable Cities and Communities 13 Climate Action

Green bond climate sector	Project short name	Project ID	Country	Type	Project description	Climate loan committed *USD millions*	Annual energy produced *MWh*	Annual energy savings *kWh*	RE capacity constructed/ rehabilitated *MW*	Green building impact *M²*	Other impact	Expected annual reduction in GHG emission *tCO2eq/ year*	Sustainable development goals
Solar	**Linyang Energy**	41370	China	RE	IFC's loan will finance the construction of the first grid-parity* solar projects in China which will help to reduce GHG emissions and meet increased electricity demand.	**11**	**368,456**	**N/A**	**299**	**N/A**	-	**273,989**	7, 8, 13
Biomass	**Amadeus JV**	42202	Brazil	RE/Other Mitigation/ Adaptation	IFC's loan will finance the construction of a dissolving wood pulp mill and the installation of a cogeneration plant. This will produce feedstock for wood-based cellulose fibers and feed 40 percent of excess bioelectricity generated on site as green energy into the public grid. The project will also sustainably plant and manage about 70,000 hectares of eucalyptus plantations.	**200**	**676,000**	**N/A**	**144**	**N/A**	70,000 hectares of forest area under sustainable management	**653,500**	7, 8, 12, 13, 15
Green buildings	**WDP Romania**	42730	Romania	EE/RE	IFC's loan will finance the construction of resource-efficient semi-industrial and logistics properties across Romania. The project is expected to contribute to the reduction of GHG emissions, water consumption and energy consumption with the installation of rooftop solar photovoltaic and making the properties EDGE certified.	**110**	**21,000**	**23,029,000**	**10**	**336,000**	-	**21,638**	7, 8, 9, 13

** Grid parity occurs when an alternative energy source can generate power at a levelized cost of electricity that is less than or equal to the price of power from the electricity grid. The term is most commonly used when discussing renewable energy sources, notably solar power and wind power.*

Green bond climate sector	Project short name	Project ID	Country	Type	Project description	Climate loan committed *USD millions*	Annual energy produced *MWh*	Annual energy savings *kWh*	RE capacity constructed/ rehabilitated *MW*	Green building impact *M²*	Other impact	Expected annual reduction in GHG emission *tCO2eq/ year*	Sustainable development goals
Green buildings	**FCS RE SEEMA Hos**	39533	Iraq	EE	IFC's loan will finance the construction of a 161-bed general hospital that will include design improvements for efficiencies in energy, water consumption and materials. The project is committed to obtain EDGE certification.	**14.44**	**N/A**	**1,798,700**	**N/A**	**23,356**	-	**760**	3 GOOD HEALTH AND WELL-BEING 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 13 CLIMATE ACTION
Green buildings	**Humania**	42285	MENA Region	EE	IFC's loan will finance the development of green buildings for a network of multi-specialty hospitals and healthcare assets that will respond to increasing demand for medical services. The project has committed to obtain EDGE certification.	**17.5**	**N/A**	**3,400,000**	**N/A**	**123,693**	-	**1,730**	3 GOOD HEALTH AND WELL-BEING 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 13 CLIMATE ACTION
Green buildings	**Nyaho**	43161	Ghana	EE	IFC's loan will finance the renovation of a main hospital that will include design improvements for efficiencies, the establishment of additional primary and urgent care satellite clinics and a health hub in strategic locations to implement a hub-and-spoke model. The main hospital is committed to obtain EDGE certification.	**5.20**	**N/A**	**459.3**	**N/A**	**5,200**	-	**167**	3 GOOD HEALTH AND WELL-BEING 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 13 CLIMATE ACTION
Green banking	**Lionbridge Green**	41378	China	Other mitigation	IFC's loan will finance expansion of leasing finance services for electric vehicles to truck drivers. This will enable the reduction of GHG emissions through the promotion of leasing finance for environmentally friendly electric trucks.	**20**	**N/A**	**N/A**	**N/A**	**N/A**	-	**122,419**	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

Green bond climate sector	Project short name	Project ID	Country	Type	Project description	Climate loan committed *USD millions*	Annual energy produced *MWh*	Annual energy savings *kWh*	RE capacity constructed/ rehabilitated *MW*	Green building impact *M²*	Other impact	Expected annual reduction in GHG emission *tCO2eq/ year*	Sustainable development goals
Transport	**Bog Transmicable**	39772	Colombia	Other mitigation	IFC's loan will finance the construction of an aerial cableway connecting a local-income neighborhood to the city's mass-transit system. This will result in reduced congestion and increased frequency of service. Users are expected to save about 6.2 million travel hours per year which results in savings for users of about $14.7 million per year.	**30**	**N/A**	**N/A**	**N/A**	**N/A**	Reduction of travel time by an average of 57 minutes per direction (84% total reduction) for about 20,000 passengers per day.	**134**	8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 13 Climate action
Transport	**Casa Tramway**	41818	Morocco	Other mitigation	IFC's loan will finance two new tramway lines that will provide improved and expanded tramway services and interconnectivity, adding 25.5 kilometers of tracks, 39 stations and 44 tramway vehicles to Casablanca's network. This will reduce travel time by up to 40 percent, add more efficient and environmentally friendly transportation to the surrounding urban area, and help alleviate some of the traffic congestion in a particularly densely populated part of the city.	**40.6**	**N/A**	**N/A**	**N/A**	**N/A**	-	**4,000**	8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 13 Climate action

** *Eutrophication is the process by which a body of water becomes enriched in dissolved nutrients that stimulate the growth of aquatic plant life (i.e., algae blooms) usually resulting in the death of animal life from lack of oxygen.*

Green bond climate sector	Project short name	Project ID	Country	Type	Project description	Climate loan committed *USD millions*	Annual energy produced *MWh*	Annual energy savings *kWh*	RE capacity constructed/ rehabilitated *MW*	Green building impact *M²*	Other impact	Expected annual reduction in GHG emission *tCO2eq/ year*	Sustainable development goals
Industrial efficiency	**RSK-Rider Kumasi**	42860	Ghana	Other mitigation	IFC's loan will finance the construction of a steel manufacturing plant that will use 100 percent scrap steel as the raw material to manufacture 240,000 tons per year of steel products. The local steel production will lead to the elimination of up to 240,000 tons of steel imports and will contribute to the abatement of pollution and GHG emissions due to greater use of steel scrap in the production process as opposed to primary steel production from iron ore.	**12**	**N/A**	**N/A**	**N/A**	**N/A**	-	**331,909**	8 Decent work and economic growth 9 Industry, innovation and infrastructure 12 Responsible consumption and production 13 Climate action
Agri-business and forestry	**Alpha Feed**	41835	China	Adaptation	IFC's loan will finance the aquaculture industry upgrades through the expansion of the extrusion technology-based aquafeed capacity in response to the increasing risk of eutrophication** due to higher water temperatures. This alternative process for aquaculture feed production will increase digestibility and functional properties of the aquaculture feed, such as water stability and floatability.	**7**	**N/A**	**N/A**	**N/A**	**N/A**	N/A	**-**	8 Decent work and economic growth 14 Life below water 15 Life on land

IEnova's solar plants in Mexico

Appendix A

IFC Green Bond Program Process

IFC's Green Bond Program follows best market practice and complies with the Green Bond Principles.

1

Use of Proceeds

Proceeds from IFC Green Bonds are allocated to a sub-portfolio that is linked to lending operations for climate-related projects ("Eligible Projects"). Only the loan portions of the projects are eligible for funding via Green Bond proceeds (equity investments and guarantees are ineligible).

Eligible Projects are selected from IFC's climate-related loan portfolio, which comprises projects that meet IFC Definitions and Metrics for Climate-Related Activities. In a few cases of back-to-back financing, net proceeds from IFC Green Bonds are on-lent by IFC directly to an individual Eligible Project.

Projects eligible for Green Bond financing include the following sectors:

- **Energy efficiency (EE)**
  investments in equipment, systems, and services, which result in a reduced use of energy per unit of product or service generated, such as waste heat recovery, cogeneration, building insulation, and energy loss reduction in transmission and distribution;
- **Renewable energy (RE)**
  investments in equipment, systems, and services, which enable the productive use of energy from renewable resources such as wind, hydro, solar, and geothermal production;
- **Resource efficiency**
  investments to improve industrial processes, services, and products that enhance the conversion efficiency of manufacturing inputs (energy, water, raw materials) to saleable outputs, including reduction of impact at source;
- **Cleaner technology production**
  investments in manufacturing of components used in energy efficiency, renewable energy, or cleaner production, such as solar photovoltaics, manufacture of turbines, and building insulation materials;
- **Financial intermediaries**
  lending to financial intermediaries with the requirement that IFC investments are on-lent to specific climate projects that fit IFC's green bond eligibility criteria; and
- **Sustainable forestry**

2

Evaluation and Selection

In addition to meeting the green bond eligibility criteria, all projects financed by IFC comply with IFC's Performance Standards for environmental and social issues and IFC's Corporate Governance Framework, and they have undergone a rigorous due diligence process. The Center for International Climate and Environmental Research at the University of Oslo has reviewed IFC's project evaluation and selection criteria. Its Second Opinion is published on IFC's website.

3

Management of Proceeds

All proceeds from IFC Green Bonds are set aside in a designated Green Cash Account and are invested in accordance with IFC's conservative liquidity policy until disbursement to Eligible Projects (except several cases when the proceeds are on-lent directly to an Eligible Project). The Green Cash Account tracks the difference between the balance of outstanding Green Bonds and outstanding Eligible Project loans. The Green Cash Account balance decreases as disbursements are made towards Eligible Projects or the Green bonds mature, and it increases as new Green bonds are issued or Eligible Projects are repaid. Disbursement requests for Eligible Projects take place in accordance with IFC's established policies and procedures, and they are often made over a period of time, depending on project milestones.

In some cases, the climate-related component of a project supported by Green Bonds may be a part of a larger investment. In such cases, the Green Bond portfolio only finances the eligible portion of the project.

Monitoring projects includes regular reports by the investee company on project activities and performance throughout the lifetime of investment.

4

Reporting

IFC Green Bond Impact Report follows the Green Bond Principles' framework for reporting "Working Towards a Harmonized Framework for Green Bond Impact Reporting," which aims to ensure integrity of the market through increased transparency.

The report provides a list of projects that received funding from Green Bond proceeds and subject to confidentiality considerations. It also provides a brief description of each project, the climate loan amount, and the expected environmental impact. The report only covers projects eligible for Green Bond financing.

For more information on IFC's climate business, please visit ***www.ifc.org/climatebusiness***

Appendix B

IFC Impact Reporting Approach

IFC Access to Information Policy

The Access to Information Policy is the cornerstone of the IFC Sustainability Framework and articulates our commitment to transparency.

We seek to provide accurate and timely information regarding our investment and advisory activities to clients, partners, and stakeholders, and we strive to disclose the relevant information pertaining to project, environmental, and social implications, as well as expected development impact prior to consideration by our Board of Directors.

This commitment also applies to projects funded by the Green Bond Program.

Impact indicators

IFC reports on a number of core indicators for projects included in the Green Bond Program in accordance with the Harmonized Framework for Impact Reporting developed by a group of multilateral development banks, including IFC.

The four core indicators are:

1. **Annual energy savings**
2. **Annual greenhouse gas emissions reduced or avoided**
3. **Annual renewable energy produced**
4. **Capacity of renewable energy plant(s) constructed or rehabilitated**

Interpreting impact indicators

The impact indicators are tracked on a project-level basis and have not been pro-rated for the portion of IFC's contribution. Investments in financial intermediaries ensure that climate finance is available for smaller clients that IFC cannot reach directly, such as small and medium enterprises. It is important to IFC that our partner financial intermediaries assess climate impacts of their investment portfolio, and therefore, IFC has developed the application Climate Assessment for Financial Institution Investment, which enables financial intermediary clients to monitor results for relevant climate-related investments.

IFC's Greenhouse Gas Methodology and Climate-Related Definitions and Metrics are available at the IFC Climate Business website.[23]

Reporting allows for quantification of a few core indicators, but it is important to appreciate the limitations of data reported.

The main considerations to adequately interpret results are:

- **Scope of results:** Reporting is based on ex-ante estimates at the time of project appraisal and mostly for direct project effects.
- **Uncertainty:** An important consideration in estimating impact indicators is that they are often based on a number of assumptions. While technical experts aim to make sound and conservative assumptions that are reasonably based on the information available at the time, the actual environmental impact of the projects may diverge from initial projections. In general, behavioral changes or shifts in baseline conditions can cause deviations from projections.
- **Comparability:** Caution should be taken in comparing projects, sectors, or whole portfolios, because baselines (and base years) and calculation methods may vary significantly. In addition, cost structures between countries will also vary, so that developing cost-efficiency calculations (results per unit of amount invested in eligible projects) could place smaller countries with limited economies of scale at a disadvantage and will not take into consideration country specific context.
- **Omissions:** Projects may have impact across a much wider range of indicators than captured in the Impact Assessment table and may have other important impacts on development. Furthermore, there may be some projects for which the proposed core indicator is not applicable or the data are not available.

While IFC takes efforts to improve the consistency and availability of reported metrics over time, projects with climate impact can span over a wide diversity of sectors and sub-sectors, making complete harmonization of reporting metrics challenging.

23 https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_external_Corporate_Site/Climate+Business

Appendix C

IFC Green Bond Commitments Reconciliation

In FY18 and FY19, we have undertaken an internal review and reconciliation of commitments and disbursements towards a portfolio of FY14-FY17 Green Bond Eligible Projects. Here, we outline corrections and adjustments to commitment and disbursement numbers reported by IFC in prior years (FY15, FY16, and FY17). IFC Green Bond Commitments by Region and IFC Green Bond Commitments by Sector breakdowns on page xx and page xx of this report reflect these corrections and adjustments.

Adjustments to Commitments

FY17

- Commitments to Renewable Energy sector and Commitments to Energy Efficiency sector: corrected to $845 million and $579 million, respectively. FY17 Green Bond Impact Report has the labels reversed.
- Commitments to Multi Region: corrected to $24 million
- Commitments to Middle East and North Africa region and South Asia region: corrected to $137 million and $299 million, respectively, due to Pakistan's reclassification to South Asia.

FY16

- Commitments to Latin America and the Caribbean region, Commitments to Renewable Energy sector and Total Commitments: corrected to $90 million, $306 million, and $961 million, respectively. FY17 Green Bond Impact Report included a potential project, not originally included in the Eligible portfolio in FY16 Green Bond Impact Report and not considered an Eligible Project at any time afterwards.

FY15

- Commitments to Europe and Central Asia region, Commitments to Energy Efficiency sector and Total Commitments: adjusted from $382 million to $370 million; from $296 million to $284 million; and from $1,155 million to $1,143 million, respectively, due to a subsequent commitment reduction for project #35012.
- Commitments to World region, Commitments to Energy Efficiency sector and Total Commitments: corrected to $0, $275 million and $1133 million, respectively, due to a project change from loan to equity.
- Commitments to Middle East and North Africa region and South Asia region: corrected to $59 million and $239 million, respectively, due to Pakistan's reclassification to South Asia.

Adjustments to Disbursements

FY18

- Disbursements to Middle East and North Africa region and South Asia region: corrected to $75 million and $200 million, respectively, due to Pakistan's reclassification to South Asia.

FY17

- Total disbursements: corrected to $1,356 million. FY17 Green Bond Impact Report included only a subset of disbursements for newly-committed projects in the same year ($899 million). The total amount of disbursements for FY17 towards Green Bond Eligible Projects is $1.356 million.
- Disbursements to Middle East and North Africa region and South Asia region: corrected to $184 million and $194 million, respectively, due to Pakistan's reclassification to South Asia.

FY16

- Disbursements to Multi Region: corrected to reflect zero disbursement. he disbursement of $18 million for FY16 reported in FY17 Green Bond Impact Report relates to disbursement in East Asia and the Pacific region in the same year.
- Disbursements to Middle East and North Africa region and South Asia region: corrected to $86 million and $154 million, respectively, due to Pakistan's reclassification to South Asia.

Authors

This report was prepared by IFC's Funding & Investor Relations team.

The authors are Esohe Denise Odaro and Sophie Peeters, with input from Berit Lindholdt-Lauridsen, Olga Khlebinskaya, Francisco Avendano and Maria Antonia Paraan of the Climate Business Department.

Our appreciation goes to Lamin Trawally, Sofia Bonaya, Elena Gex, Atiyah Curmally, Bing Bing Yuliawati, Asra Quratul Ain Nomani, Alan Lukoma and Emma-Kate Symons for their data and editorial review.

Disclaimer

This report has been prepared for information purposes only. IFC does not make any warranties or representations as to the completeness or reliability of the information, opinions or conclusions expressed herein. The reports and any other information contained or otherwise accessible through the websites mentioned in this report are historical and only speak as of their respective date. IFC is under no obligation to update these materials.

This report is not intended to provide the basis for the evaluation of any securities issued by IFC. This report should not be construed and does not constitute an invitation, recommendation or offer to subscribe for or purchase any of IFC's securities. Under no circumstances shall IFC or its affiliates be liable for any loss, damage, liability or expense incurred or suffered which is claimed to have resulted from use of this report, including without limitation any direct, indirect, special or consequential damages, even if IFC has been advised of the possibility of such damages.

For additional information concerning IFC, please refer to IFC's current Information Statement, financial statements and other relevant information available at **www.ifc.org/investors**.

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

Email: investors@ifc.org
Twitter: @IFC_Investors

ifc.org/investors

October 2020

IFC | International Finance Corporation
WORLD BANK GROUP

Creating Markets, Creating Opportunities