IFC International Finance Corporation WORLD BANK GROUP

Creating Markets, Creating Opportunities

Social Bond Factsheet

Financing Projects for Positive Social Outcomes

IFC, a member of the World Bank Group, is the **largest global development institution focused exclusively on the private sector**. IFC helps developing countries achieve sustainable growth by financing private sector investments, mobilizing capital in international financial markets, and providing advisory services to businesses and governments. We play a **catalytic role** by demonstrating the profitability of investments as well as being at the forefront of impact investing in emerging markets.

Promoting Sustainable Development

Today, if you want to advance social, economic, and gender equality – and help achieve the United Nations Sustainable Development Goals (SDGs) – you can invest to make it happen. As the largest development finance institution supporting the private sector in emerging markets, IFC is well-positioned to work with private enterprises to create opportunities for investors to achieve returns while creating impact.

IFC's social bonds offer investors an opportunity to finance IFC projects that benefit under-served populations in emerging markets including women and low-income communities with limited access to essential services such as basic infrastructure and finance.

IFC's social bonds as of FY22-end

$4.9 billion issued

73 social bonds

13 currencies

IFC's Social Bond Program

IFC's Social Bond Program was launched in 2017 when it issued its **first-ever US dollar social bond global benchmark.** Since then, IFC has been a frequent issuer of social bonds in public and private markets, in various currencies and tenors. The program aligns with the Social Bond Principles published by the International Capital Market Association (ICMA). In FY22, IFC issued the **first social Secured Overnight Financing Rate (SOFR) floating rate note** worth $500 million. **IFC was** [awarded](#) **"Social Bond of the Year"** in 2022 by Environmental Finance for this trade. Another notable issuance was a benchmark 5-year social bond, raising 500 million Canadian dollars.

All of IFC's Social Bond Impact Reports can be found here: www.ifc.org/investors

IFC's Value Proposition

- **Owned by governments of 186 member countries** with the US being majority shareholder. More than 50% of capital held by AAA/AA sovereigns
- **Consistently rated AAA/Aaa** (stable outlook) by S&P and Moody's
- **Strong financial profile** with substantial capital and high liquidity
- **Highly diversified global portfolio** with debt and equity exposure in more than 119 countries and over 1,800 companies
- 0% risk weighting under Basel Framework

What Are Eligible Projects?

IFC's social bonds fund a diverse range of social projects. Proceeds from IFC's social bonds support projects that involve:

- Lending to financial intermediaries with the requirement that the proceeds of IFC's loan be on-lent to women-owned enterprises
- Lending to companies that incorporate people at the "Base of the Economic Pyramid" into their value chain as suppliers, distributors, or customers
- Lending to projects that meet the criteria stipulated in the Social Bond Principles and that aim to achieve positive social outcomes especially, but not exclusively, for a target population

What Is "Inclusive Business" and "Banking on Women"?

Inclusive business is a private sector approach to expanding access to goods, services, and income opportunities for people at the 'Base of the Economic Pyramid' (who earn less than $8 per day or who do not have access to basic goods and services).

IFC's **Banking on Women** program provides financing and expertise to a network of financial institutions to help them acquire women-owned SME and retail customers and provide high-quality services to women customers.

IFC's Social Bond Proceeds

The net proceeds of IFC's social bonds, which may be converted into US dollars, are allocated within IFC's Treasury to a designated sub-portfolio that is invested in accordance with IFC's liquid asset management investment guidelines. So long as the bonds are outstanding, the balance of the sub-portfolio will be reduced by amounts matching disbursements made by IFC to projects that are eligible for social bond funding. Eligible projects will be selected from all projects funded, in whole or in part, by IFC.

Nobel Ilac, Dulce, Turkiye Photo © Pınar Gediközer

Featured Social Bond Project

Supporting Pharmaceutical Production in Turkiye

COVID-19 wreaked havoc on supply chains across the globe. In the pharmaceutical sector, curbs on exports of essential ingredients to produce drugs delayed shipments and disrupted supplies of life-saving drugs.

An investment by IFC in Nobel İlaç, one of Turkiye's leading pharmaceutical manufacturers, helped the company sustain operations and continue to supply medicines at home and abroad. Nobel İlaç manufactures pharmaceuticals, including hard-to-make injectables, that are distributed to 50 countries around the world.

IFC's €10 million loan provided much needed working capital to support the company's funding needs and free up cash for investments in addition to research and development.

Since Nobel İlaç sells its drugs to many countries where there are no local pharmaceutical production facilities, the investment has helped ensure a steady supply of generic drugs at affordable prices.

Read more project stories at www.ifc.org/investors

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