

Treasury

Green Bond

FACT SHEET

BACKGROUND

Climate change affects all of us. But it is expected to hit developing countries the hardest. Its potential effects on temperatures, precipitation patterns, sea levels, and frequency of weather-related disasters pose risks for agriculture, food, and water supplies. At stake are recent gains in the fight against poverty, hunger and disease, and the lives and livelihoods of people in developing countries.

Tackling this immense challenge must involve both **mitigation** to avoid the unmanageable—and **adaptation**—to manage the unavoidable—all while maintaining a focus on its social dimensions.

Addressing climate change requires unprecedented global cooperation across borders. The World Bank Group is helping support developing countries and contributing to a global solution, while tailoring our approach to the differing needs of developing country partners. We are strengthening and building climate change partnerships with our member governments and a wide array of organizations.

In 2008, the World Bank launched its "Strategic Framework for Development and Climate Change" to help stimulate and coordinate public and private sector activity in this area. The World Bank Green Bond is an example of the kind of innovation the World Bank is trying to encourage within this framework.



GOALS

The World Bank Green Bond raises funds from fixed income investors to support World Bank lending for eligible projects that seek to mitigate climate change or help affected people adapt to it. The product was designed in partnership with Skandinaviska Enskilda Banken (SEB) to respond to specific investor demand for a triple-A rated fixed income product that supports projects that address the climate challenge. Since 2008, the World Bank has issued approximately USD 8.5 billion in Green Bonds.

World Bank Green Bond Project Selection Criteria

Eligible projects are selected by World Bank environment specialists and meet specific criteria for low-carbon development.

Examples of eligible mitigation projects are the following:

- · Solar and wind installations;
- Funding for new technologies that permit significant reductions in greenhouse gas (GHG) emissions;
- Rehabilitation of power plants and transmission facilities to reduce GHG emissions;
- Greater efficiency in transportation, including fuel switching and mass transport;
- Waste management (methane emissions) and construction of energy-efficient buildings;
- Carbon reduction through reforestation and avoided deforestation.

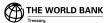
Examples of eligible adaptation projects are the following:

- Protection against flooding (including reforestation and watershed management);
- Food security improvement and implementing stressresilient agricultural systems (which slow down deforestation);
- Sustainable forest management and avoided deforestation.

These criteria underwent an independent review with the Center for International Climate and Environmental Research at the University of Oslo (CICERO). CICERO concurred that, combined with the governance structure of the World Bank and safeguards for its projects, these activities provided a sound basis for selecting climate-friendly projects.

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GREEN BOND ISSUES

ISSUER

The World Bank (International Bank for Reconstruction and Development, IBRD), rated Aaa/AAA (Moody's/S&P), is an international organization created in 1944. It operates as a global development cooperative owned by 188 nations. It provides its members with financing, expertise and coordination services so they can achieve equitable and sustainable economic growth in their national economies and find effective solutions to pressing regional and global economic and environmental problems. The overriding goal is to achieve major, sustainable improvements in standards of living worldwide.

The World Bank has been issuing bonds in the international capital markets for over 60 years to fund its activities. World Bank bonds are issued as liquid benchmark bonds, plain vanilla, local currency bonds, and as structured notes.

INVESTORS

The World Bank develops products that meet investors' specific demand. Many investors are concerned with the effects of climate change, and, with their investments, they want to specifically make a difference by supporting climate change related projects. The urgency of this issue has led to the emergence of a climate asset class to which institutional and retail investors are increasing allocations.

For investors, World Bank Green Bonds are an opportunity to invest in climate solutions through a triple-A rated fixed income product. The credit quality of the Green Bonds is the same as for any other World Bank bonds. Repayment of the bond is not linked to the credit or performance of the projects, and investors do not assume the specific project risk. Investors benefit from the AAA/Aaa credit of the World Bank, as well as from the due diligence process of the World Bank for its activities.

Amount	Coupon	Issue Date	Maturity Date
USD 550 million	0.375%	2013	2015
USD 550 million	FRN	2014	2015
EUR 20 million	2.25%	2011	2016
EUR 550 million	0.250%	2014	2017
BRL 135 million	9.5%	2010	2017
HUF 7.950 billion	5.5%	2010	2017
NOK 400 million	3.75%	2010	2017
TRY 75 million	10%	2010	2017
ZAR 850 million	8.75%	2010	2017
NZD 50 million	5.625%	2010	2017
AUD 280 million	6%	2010	2017
RUB 750 million	6.5%	2012	2019
MYR 23 million	2.5%	2012	2019
AUD 300 million	3.5%	2014	2019
SEK 1.5 billion	1.375%	2014	2019
COP 180 million	8%	2010	2020
USD 7.69 million	2.5% / FLT	2011	2021
CAD 10 million	3%	2011	2021
AUD 42.2 million	0.5%	2012	2022
ZAR 150 million	7%	2013	2023
RUB 529.2 million	6.75%	2013	2023
ZAR 300 million	7%	2013	2023
USD 30 million	Step-up	2014	2024
USD 600 million	2.125%	2015	2025
USD 50 million	Equity Index-Linked	2015	2025
EUR 30 million	1.0325%	2015	2045

LIST OF SELECT INVESTORS

Aberdeen Asset Management ACTIAM (Formerly SNS AM) Adlerbert Research Foundation Aegon Asset Management AMP Capital AP2, AP3, and AP4 - Swedish National Pension Funds Australia Local Government Super Australian Ethical Investment Ltd Barclays Treasury BlackRock **Breckinridge Capital Advsiors** Caisse Centrale de Reassurance California State Treasurer's Office CalSTRS **Calvert Investments** Church of Sweden Colonial First State Global AM Deutsche Asset & Wealth Management **Everence Financial** FMO (Netherlands Dev. Fin.) Ikea Group LF Liv Mirova

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MISTRA Natixis Asset Management New York Common Retirement Fund Nikko Asset Management Nippon Life Insurance Pax World Balanced Fund Pictet **QBE Insurance Group Ltd** Rathbone Greenbank Sarasin SEB Ethos rantefund / SEB Fonden / SEB TryggLiv Skandia Liv Sonen Standish Mellon Asset Management State Street Global Advisors The Nobel Foundation **TIAA-CREF Trillium Asset Management** UN Joint Staff Pension Fund UniSuper WWF-Sweden ZKB (Zürcher Kantonalbank) Zurich Insurance Zwitserleven

Links to information on the World Bank web site: http://treasury.worldbank.org/greenbonds http://www.worldbank.org/climatechange

INVESTOR RELATIONS | CAPITAL MARKETS DEPARTMENT | WORLD BANK TREASURY 1818 H Street NW MSN C7-710 Washington DC 20433 USA E debtsecurities@worldbank.org T +1 (202) 477 2880 W http://treasury.worldbank.org



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