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IFC, Amundi Launch \$2B Bond Strategy to Support Green, Resilient, Inclusive Recovery

GLASGOW, Nov. 3, 2021—Addressing the dual challenges of inequality and climate change, IFC, a member of the World Bank Group, and Amundi, Europe’s largest asset manager, have agreed to establish a new fund to mobilize up to \$2 billion in private investment into emerging market sustainable bonds that support COVID-19 relief efforts and promote a green, resilient, and inclusive recovery from the pandemic.

Unveiled on the sidelines of the 26th U.N. Climate Change Conference of the Parties (COP26) in Glasgow, Scotland, the Build-Back-Better Emerging Markets Sustainable Transaction (“BEST”) strategy will be managed by Amundi. The \$2 billion strategy will channel capital from institutional investors into anchor investments in sustainable bond issuances from corporates and financials in developing countries. This in turn will enable even more funding for such transactions, further strengthening the asset class and deploying greater resources in priority areas, such as climate and gender.

The new IFC-Amundi initiative is designed to help expand the availability of and demand for other segments of the sustainable bond market, which still has room to grow compared to green bonds. The BEST strategy, which will have an anticipated life of 10 years, will contribute to IFC’s commitments under the World Bank Group’s Climate Change Action Plan. It follows two IFC-sponsored climate bond funds—the Amundi Planet Emerging Green One Fund focused on green bonds issued by financial sector institutions and the HSBC Real Economy Green Investment Opportunities (REGIO) Fund, which is focused on green bonds issued by non-financial firms. This initiative is in line with the Crédit Agricole Group’s societal commitment.

“The COVID-19 pandemic and climate change pose dire—and interrelated—threats to developing countries. Urgent action is needed to prevent millions more from sinking into poverty, to protect jobs, and to ensure a greener future,” said IFC Managing Director Makhtar Diop. “Innovative capital markets initiatives can play a vital role in the world’s response to these emergencies—by spurring private investment, igniting fresh interest in sustainable assets, and supporting economic revival.”

COVID-19 has inflicted a high cost on emerging markets and developing economies, increasing poverty, slowing economic growth, and limiting governments’ ability to provide fiscal support. Growth in private sector issuance of sustainable bonds, alongside increased green bond investment activity, can help to address financing gaps in emerging markets.

In addition to mobilizing much needed capital, this initiative will provide a new model for other asset managers and institutional investors to replicate, amplifying its impact.

“We’re proud to continue growing our partnership with IFC, following the successful launch of Amundi Planet Emerging Green One in 2018,” said Amundi Chief Executive Valérie Baudson. “This new initiative will help create a market for sustainable bond funds in emerging markets. It also demonstrates Amundi’s

leading role in responsible finance and is a great example of the benefits of public private partnerships for investors and the whole economy.”

IFC will require that BEST strategy investments comply with global standards governing sustainable bonds and will implement a review mechanism to ensure such investments are well aligned with the strategy’s goals. To extend the strategy’s reach into low-income countries, the International Development Association’s Private Sector Window (IDA PSW) is considering the provision of a partial credit guarantee through its Blended Finance Facility. The BEST strategy will also be accompanied by a Technical Assistance Facility¹ designed to increase the quality and quantity of sustainable bond issuance in emerging markets.

About IFC

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2021, IFC committed a record \$31.5 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of the COVID-19 pandemic. For more information, visit www.ifc.org.

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About Amundi

Amundi, the leading European asset manager, ranking among the top 10 global players², offers its 100 million clients - retail, institutional and corporate - a complete range of savings and investment solutions in active and passive management, in traditional or real assets. With its six international investment hubs³, financial and extra-financial research capabilities and long-standing commitment to responsible investment, Amundi is a key player in the asset management landscape. Amundi clients benefit from the expertise and advice of 4,800 employees in more than 35 countries. A subsidiary of the Crédit Agricole group and listed on the stock exchange, Amundi currently manages nearly €1.8 trillion of assets.⁴

Amundi, a trusted partner, working every day in the interest of its clients and society



About the IDA Private Sector Window

As part of the 19th replenishment of the International Development Association (IDA), the World Bank Group is continuing the IDA Private Sector Window (PSW) created under IDA18 to catalyze private sector investment in the poorest and most fragile countries. Recognizing the key role of the private sector in achieving IDA’s objectives and the World Bank Group’s twin goals, the window provides a source of co-investment funding and guarantees to de-risk private investments supported by IFC and the Multilateral Investment Guarantee Agency (MIGA). The IDA PSW is an option when there is no commercial solution and the World Bank Group’s other tools and approaches are insufficient. For more information, visit:

<http://ida.worldbank.org/psw>

¹ An IFC-managed and administered program to create markets for sustainable and green bonds in developing countries.

² Source: IPE “Top 500 Asset Managers” published in June 2021, based on assets under management as at 31/12/2020

³ Boston, Dublin, London, Milan, Paris and Tokyo

⁴ Amundi data as of 30/06/2021

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