

In Washington, D.C.:

John McNally
Phone: +1 (202) 458-0723
E-mail: jmcnally@ifc.org

In Paris

Natacha Andermahr-Sharp
Phone : +33 1 76 37 86 05
natacha.andermahr-sharp@amundi.com

IFC, Amundi Successfully Close World's Largest Green Bond Fund

Paris, March 16, 2018 — IFC, a member of the World Bank Group, and Amundi, Europe's largest asset manager, today announced the successful launch of the world's largest targeted green bond fund focused on emerging markets, the Amundi Planet Emerging Green One (EGO). The fund, which closed at \$1.42 billion, is expected to deploy \$2 billion into emerging markets green bonds over its lifetime, as proceeds are reinvested during 7 years. With a \$256 million cornerstone commitment from IFC, the fund aims to increase the capacity of emerging market banks to fund climate-smart investments.

The formation of the Amundi Planet EGO marks the end of a successful fundraising campaign, bringing together a large diversified network of institutional investors across Europe and the Middle East. The long timescale and large size of the fund, which will actively invest in emerging market green bonds issued by financial institutions through to 2025, is expected to significantly increase the scale and pace of climate finance in emerging markets by crowding in capital from investors and creating new markets. The fund is listed on the Luxembourg Stock Exchange.

Yves Perrier, Amundi CEO said: *"This landmark transaction with IFC contributes to Amundi's innovative and leading role in the climate finance space. Leveraging on Amundi's emerging market debt investment capabilities, our commitment to ESG, and IFC's unique outreach in emerging countries, Amundi Planet is a one-of-a-kind example of the potential that public private partnerships can bring to investors and to the society."*

Philippe Le Houérou, IFC CEO added *"The global market for green bonds has expanded rapidly in recent years—totaling more than \$155 billion in 2017, but few banks in developing countries have issued such bonds. IFC and Amundi expect this new fund to encourage more local financial institutions to issue green bonds, by increasing global demand and building local markets."*

The fund is the first of its kind to take a holistic approach, by investing in emerging market green bonds, while also supporting the creation of a robust green bond market through tailored capacity building activities. An IFC-managed technical assistance program, funded initially by a \$7.5 million grant from SECO (Swiss Secretariat for Economic Affairs) will support the creation of new markets for climate finance by developing green bond policies, providing training programs for bankers, and facilitating the adoption of the Green Bond Principles and international best practices in emerging markets.

The committed investor base consists of capital raised from leading pension funds (Alecta, AP3, AP4, APK Pensionkasse, APK Vorsorgekasse AG, ERAFP, MP Pension), insurance companies (Crédit Agricole Assurances, LocalTapiola General Mutual Insurance Company, LocalTapiola Mutual Life Insurance Company), asset managers, international development banks, and other institutions. For all institutional investors, this marks a strong commitment to green finance and, for some, a first move into emerging markets and/or green bonds.

Participation from IFC as an anchor investor, and other development finance entities such as the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and Proparco reflects the consolidation of support for green finance initiatives focused on combatting climate change and the ambition of the fund to set high standards of integrity for emerging markets green bonds.

“The EIB is very proud to become a cornerstone investor in the first emerging market green bond fund with a \$100 million investment” commented EIB Vice-President Ambroise Fayolle. “This exciting new initiative will transform sustainable investment in countries that are the most vulnerable to climate change, and enable local financial institutions to issue green bonds. Through its investment, the EIB will help accelerate emerging markets towards a green economy, while supporting growth and employment. The EU bank remains committed to mobilising private investors and financing projects to deliver on the Sustainable Development Goals (SDGs) and the Paris COP 21 climate agreement.”

EBRD President Sir Suma Chakrabarti said: “With around \$500 million worth of issuance by private sector financial institutions to date, green capital markets in the EBRD’s countries of operations are still in a nascent stage. This new fund is expected to contribute to significantly increasing the availability of green finance in the EBRD regions, raising awareness among domestic investors for green capital market products and supporting local financial institutions in issuing green bonds in line with the Green Bond Principles.”

Gregory Clemente, CEO of Proparco: “Amundi Planet EGO is an exemplary initiative as it capitalizes on both IFC and Amundi’s complementary expertises in climate finance to support the green transition in emerging and developing countries. Proparco is proud to be the largest contributor in Amundi Planet EGO mezzanine tranche as this investment plays a key role in catalyzing investments from institutional investors with a lower knowledge of emerging and developing countries, thereby creating the biggest climate finance fund operating in these markets.”

To meet the fund’s goal of setting the market standard through the environmental and social requirements of the fund’s ESG policy, a scientific committee consisting of green finance experts from development institutions is being set up to advise Amundi as fund manager. The fund’s ESG policy reflects IFC’s 2012 Performance Standards and IFC’s Excluded Activities

Achieving the Paris Agreement will create significant investment opportunities. A recent analysis by IFC shows that 21 emerging market economies alone hold \$23 trillion in climate-smart investment opportunities through 2030. The fund’s positive reception demonstrates the increasing appetite for climate investment. This transaction illustrates both IFC’s commitment to increase its climate investments to 28% from its own account, and mobilize an additional \$13 billion a year in private financing by 2020, as well as Amundi’s commitment to sustainable finance and leadership in offering attractive green investment solutions to investors across all asset classes.

About Amundi

Amundi is Europe’s largest asset manager by assets under management and ranks in the top 10¹ globally. Thanks to the integration of Pioneer Investments, it now manages 1.4 trillion² euros of assets across six main investment hubs³. Amundi offers its clients in Europe, Asia-Pacific, the Middle-East and the Americas a wealth of market expertise and a full range of capabilities across the active, passive and real assets investment universes. Headquartered in Paris, and listed since November 2015, Amundi is the 1st asset manager in Europe by market capitalization⁴.

Leveraging the benefits of its increased scope and size, Amundi has the ability to offer new and enhanced services and tools to its clients. Thanks to its unique research capabilities and the skills of close to 5,000 team members and market experts based in 37 countries, Amundi provides retail, institutional and corporate clients with innovative investment strategies and solutions tailored to their needs, targeted outcomes and risk profiles.

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¹ Source IPE “Top 400 asset managers” published in June 2017 and based on AUM as of end December 2016.

² Amundi figures as of December 31, 2017

³ Investment hubs: Boston, Dublin, London, Milan, Paris and Tokyo

⁴ Based on market capitalization as of December 31, 2017

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 in the toughest areas of the world. In FY17, we delivered a record \$19.3 billion in long-term financing for developing countries, leveraging the power of the private sector to help end poverty and boost shared prosperity. For more information, visit www.ifc.org.

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