



Unity Housing Company

Primary impact area:
Social

Impact area:
Financial Inclusion

Commencement date:
2020

Geographic location of impact:
Global

SDG alignment:



International Finance Corporation Social Bond

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector.

The proceeds of IFC's Social Bonds support vulnerable communities and help people gain access to essential services, including healthcare and microfinance as well as creating opportunities for women and small business owners.

IFC was the first issuer to bring a social bond to market after COVID-19 began to spread globally, pricing a USD 1 billion benchmark global bond - its largest ever social bond - on the same date that the World Health Organisation declared the virus a pandemic. Despite market volatility, the deal gathered exceptional investor interest of over USD 3.4 billion, demonstrating that investors are keenly interested in supporting social outcomes in this environment. Since its inaugural issuance in 2017, IFC has now raised a total of USD 3 billion through 30 social bonds across 10 currencies.

As coronavirus disrupts emerging markets/developing countries, social bonds can offer an avenue for public and private sectors to access vital capital for healthcare sustaining jobs, and economic recovery. Improving access to finance, technology and markets for women is a key focus for IFC, with proceeds of social bonds going to projects and lending that address barriers for participation by women in the economy. In many parts of the world, good-quality jobs and access to assets are out of reach for millions of women. Lack of safe and affordable transport, violence and disproportionate care responsibilities can restrict access to jobs and hinder prosperity. The disruptions of COVID-19 amplify many of these existing inequalities. For women entrepreneurs, access to finance is a strong enabler of success.

IFC has been a lamplighter in the sustainable bonds market through its legacy issuances as well as efforts to create best practices and market standards. Since 2016, IFC has chaired the Social Bond Working Group which governs updates to the Social Bond Principles.

In addition, with overwhelming interest about financing avenues for corporates during these difficult times, IFC published a Social Bonds Case study to illustrate how issuers from various industries in the private sector can use social bonds to raise financing to combat the crisis. This additional guidance demonstrates that the Social Bonds Principles are immediately applicable to efforts addressing the COVID-19 pandemic.

IFC is proactively educating investors of the benefits of changing capital markets towards achieving positive social and environmental impact through these financial products. IFC is leading dialogue about frameworks and transparency about impact reporting to investors, including, with the support of the International Capital Market Association and private sector partners, as the new Chair of the Green, Social and Sustainability Bonds Steering Committee.

In light of COVID-19 and the worldwide social and economic challenges of the coronavirus, social bonds are now front and center of the thematic bond market. Demand is higher than ever as social bonds hold the keys to unlocking the benefits for under-served communities in the developing world.

Case study: Mali Shi (Inclusive Finance and Agribusiness 2019)



Building agricultural productivity is critical for Mali, which ranked 182nd out of 188 countries on the 2018 United Nations Human Development Index. Ninety percent of poor people in Mali live in rural areas, and drought, instability and conflict have increased the incidence of poverty.

Mali Shi is a nut processing company in Mali that produces shea butter. The project is expected to increase the incomes of the individual women nut collectors that will supply the company

Mali is the world's second-largest producer of the shea nut and accounts for approximately 20 percent of the global supply of shea. Shea butter is used as an alternative to cocoa butter in the cosmetics and food industries. A lack of technology and modern industry means that Mali produces virtually no industrial shea butter. Most of Mali's shea nuts are sold raw or processed locally into low-quality artisanal shea butter, keeping the country on the fringes of the lucrative and fast-growing industrial shea butter market. For a conflict-affected country like Mali, where over 42 percent of the population lives in poverty, this is an opportunity lost - especially for the approximately one million mostly poor, rural women who work in Mali's shea value chain.

IFC and program partners provided a loan of EUR 2.5 million to Mali Shi - a shea nut processing company based on the outskirts of Mali's capital, Bamako. Together, the financing will enable Mali Shi to build the country's first active modern shea butter processing plant, increasing incomes for the 120,000 shea producers who supply nuts to the company. Over 95 percent of these producers are women, for whom the secure livelihood is critical. The income provides families with critical funds for school fees for children and household expenses.

As part of IFC's work towards strengthening Mali's ability to produce industrial shea butter locally, IFC will offer training in business skills, finance, and management to members of 100 women-led cooperatives that work with Mali Shi. IFC will also help the company improve energy efficiency, environmental and social management, traceability of its products and international food safety standards.

About Premiums4Good

Premiums4Good is an innovative initiative that sees QBE invest everyday premiums to make an extraordinary difference to communities across the globe.

Through Premiums4Good, we invest customers' premiums into investments that have additional social or environmental benefits at no extra cost to the customer.

These investments include social impact bonds, social bonds, green bonds and infrastructure, supporting a range of projects and programs that seek to create change.

From renewable energy initiatives and sustainable infrastructure, to social services and programs to support vulnerable people and communities - Premiums4Good helps us, together with our customers and partners, make a difference.