Early Warning System

IFC-44671

IFC BEST Bond Fund

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Quick Facts

Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2021-10-28
Borrower	AMUNDI ASSET MANAGEMENT SAS
Sectors	Finance
Investment Type(s)	Equity, Loan
Investment Amount (USD)	$ 240.00 million
Loan Amount (USD)	$ 100.00 million

Project Description

The project involves IFC sponsoring the Build-Back-Better Emerging Markets Social, Sustainability, and Sustainability-linked Transaction Bond Fund (the “Fund”) with a target size of US$1 - 2 billion, managed by Amundi Asset Management (“Amundi” or “the Asset Manager”). The Fund will mobilize international investor funding for investments in social, sustainability, sustainability-linked and green bonds issued by emerging market real sector firms, financial institutions, projects, and sub-sovereigns, where the relevant transactions support COVID-19 relief efforts and/or promote an inclusive and resilient recovery from the pandemic while at the same time consolidating market standards for these nascent asset classes. The Fund will have a capital structure that transforms risk associated with a portfolio of mostly sub-investment grade emerging market bonds into a senior tranche characterized by risk that is well in investment grade territory and a subordinated tranche which provides credit-enhancement for the latter. The project is expected to be supported by IDA19 Private Sector Window Blended Finance Facility as described in the Blended Finance Section.

People Affected By This Project

The
main project-level outcome is improved access to private sector capital for issuers of Sustainable Bonds in EMDEs through mobilization of capital from institutional investors to specifically invest in Sustainable Bonds issued by EMDE entities. This is expected to encourage increased issuances of Sustainable Bonds by EMDE issuers. Beyond this outcome, IFC anticipates the proposed investment will catalyze change in the market through increased issuance of Sustainable Bonds in EMDEs and thereby promote greater integration in the market via innovation, demonstration, and replication channels.

Investment Description

- International Finance Corporation (IFC)

IFC's investment, as approved by the Board: 100 million USD (loan); 140 million USD (equity).

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Amundi Asset Management (Financial Intermediary)

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org