DEVELOPMENT BANK OF LATIN AMERICA AND THE CARIBBEAN

2023 Green Bond Report

December 2024

CAF's Green Bond Portfolio

- CAF has a mandate to promote sustainable development, with a strong track record of advancing green investments in its shareholder countries across Latin America and the Caribbean. As part of its goals for 2026, CAF aims for 40% of its annual loan approvals to qualify as green financing.

- In November 2019, CAF issued its inaugural public Green Bond, raising EUR 750 million with a 5-year maturity. Since then, CAF has successfully issued multiple Green Bonds through both public and private placements, attracting significant participation from socially responsible investors.

- As of December 31, 2023, CAF has raised approximately USD 2 billion through eleven Green Bond transactions since the creation of its Green Bond Framework in 2018. These issuances have been denominated in CHF, COP, JPY, USD, and EUR.

- CAF plans to launch a new Sustainable Finance Framework, introducing a broader range of eligible project categories that address both social and environmental challenges in the region. Consistent with its commitment to increasing social and environmental financing, CAF intends to issue sustainable bonds regularly.

Characteristics of CAF's Green Bond Portfolio

Amount Issued	COP 254,200 MM	EUR 700 MM	CHF 350 MM	CHF 350 MM	USD 59 MM	USD 36 MM	JPY 5 BN	CHF 110 MM
Issue Date	25-may-18	20-nov-19	04-sep-20	24-feb-22	31-mar-23	20-jun-23	03-oct-23	25-oct-23
Maturity	25-may-28	20-nov-26	04-sep-25	24-feb-27	31-mar-28	20-jun-28	03-oct-33	25-oct-29
Rating	Aa3/AA-/AA	Aa3/AA-/AA	Aa3/AA-/AA	Aa3/AA-/AA	Aa3/AA-/AA	Aa3/AA-/AA	Aa3/AA-/AA	Aa3/AA-/AA
ISIN	XS1824248899	XS2081543204	CH0553331882	CH1151526238	XS2606327109	XS2637242830	XS2698771115	CH1300948796

**Total amount equivalent of green bond proceeds is equal to USD 1,918,438,152.34*

Eligible Green Project Categories and Criteria

A project is classified green when it meets one or more of the following characteristics:

- Reduces Greenhouse gas emissions
- Removes Greenhouse gases from the atmosphere
- Promotes climate resilience and/or adaptation
- Encourages the efficient use of resources
- Values ecological services

Net proceeds from the notes are allocated towards financing and/or refinancing of new and existing eligible green projects that fall under one or several of the following eligible green project categories:

- Renewable energy
- Clean transportation
- Sustainable management of living natural resources and land use
- Waste management
- Water management and projects
- Energy efficiency

For more details on CAF's Green Bond program and the project selection process, please visit the Investors section on CAF's website and refer to the Green Bond Framework.

CAF´S Role and Sustainability Strategy

The challenges posed by the climate crisis and external shocks, such as the COVID-19 pandemic, have underscored the importance of building resilience and sustainability in Latin America and the Caribbean. Addressing these priorities requires increased investments and fiscal resources to support the decarbonization of consumption and production models, diversification of energy matrices, and a strengthened focus on biodiversity and ecosystem services in urban, marine, and coastal environments.

Adopting the UN Sustainable Development Goals (SDGs) as a guiding framework, CAF is committed to supporting Latin American and the Caribbean countries in their transition toward a more inclusive, low-carbon, and resilient society. To this end, CAF has developed a strategic agenda aimed at mobilizing financial resources to promote investments in infrastructure, energy, social development, environmental sustainability, and climate change.

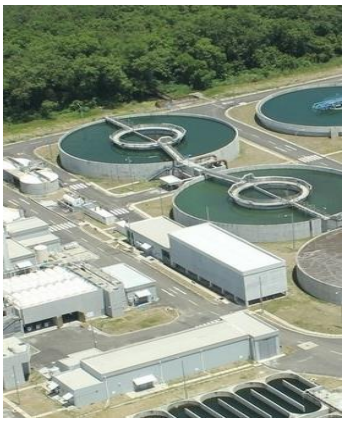
Complementing this overarching strategy, CAF's Green Bond Program targets specific environmental objectives aligned with the following Sustainable Development Goals:

- Sustainable Transport and Cities
- Clean energy and Distribution
- Water and Sanitation systems
- Climate resilience and environmental protection

Examples of Loans Granted from the Green Bonds

1. **Country:** Panama **Category:** Water Management and Projects **CAF Loan:** USD 90 MM

Wastewater treatment plant, Panama City and Panama Bay



The wastewater treatment project is the second stage of the overall sanitation program for Panama City and the Panama bay. The project plans to build and improve the collector systems of Panama City and surrounding areas, separate the sanitary and rainwater flows from the combined sewerage systems of the Calidonia, Bella Vista and Chanis areas. In addition to strengthen the operational capacities of the coordinator unit to secure the proper operation and maintenance of the infrastructure.

Expected impact: implementing an aerobic water treatment and an anaerobic digester for the sludge treatment, the project will serve 626.000 inhabitants and a potential GHG reduction of 46,120-ton CO2/year.

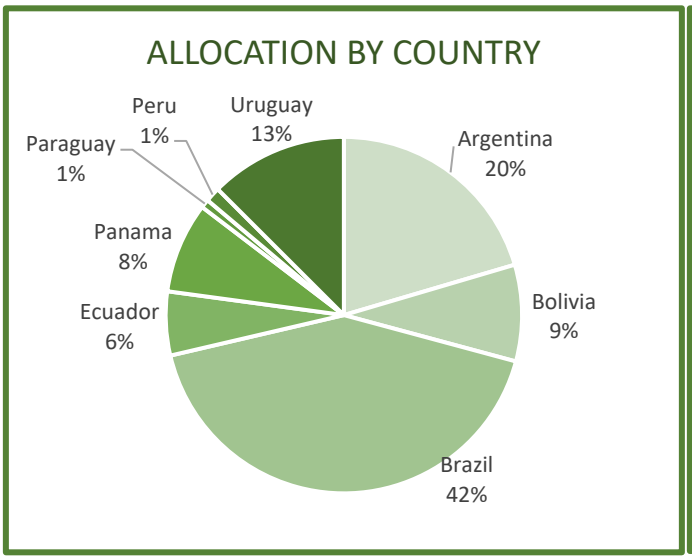
2. **Country:** Brazil **Category:** Clean Transportation **CAF Loan:** USD 296 MM

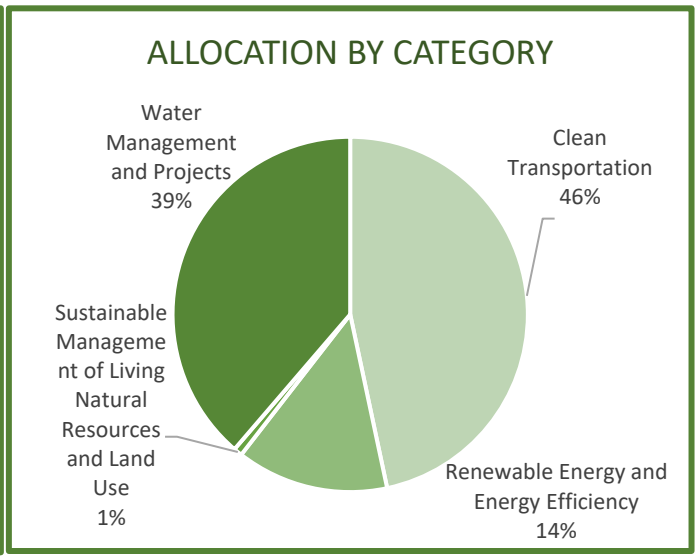
Line 17, São Paulo Subway System

The project's main objective is to improve access and urban mobility in the southern part of the city of Sao Paulo through the construction of Line 17-Oro and its integration to the subway system. Construction includes 7.7 km of elevated structures, eight stations, acquisition of subway carts and the construction of a train yard.

Expected impact: Will benefit 185,000 passengers commute on a daily basis and a potential GHG reduction of 43,300-ton CO2/year.

Green Bond Allocation by Sector and Country





Allocation Information on the Green Bond Program	
# Countries	8
Number of Projects	25
Eligible Categories	4
Total Amount Allocated USD	1,918,438,152.34

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Green Bond Harmonized Impact Report 2023 – Eligible projects by sector

Renewable Energy and Energy Efficiency

#	Project Name and Description	Country	Loan Amount (MM USD)	Allocation (MM USD)	Project Life	Indicator 1	Results 1	Indicator 2	Results 2	Indicator 3	Results 3	Indicator 4	Results 4	Indicator 5	Results 5	Indicator 6	Results 6
1	**Small hydro-plants Angel I, II, and III** Project consists of three hydro plants, each with an installed capacity of 20 MW and the corresponding transmission lines to connect with the national electrical network (FY 2014).	Peru	343	266	15	Annual Energy Produced (MWh)	393,135	Annual GHG Emissions Avoided/ Reduced (Tons of CO2)	242,674								
2	**Uruguay Electricity Sector Strengthening Program - Phase III** This program aims to increase the reliability of the electrical system by reducing the number and duration of supply outages, minimizing energy losses, alleviating congestion in the transmission networks in the center of the country, and increasing the energy transfer capacity with neighboring countries (FY 2021).	Uruguay	300	240	18	Transmission system reliability index (% of time)	99.81	Total outage time per customer (minutes)	6	Average interruption frequency per customer (#)	0.29	Energy not supplied (parts per million of total energy demanded)	19.62	Global losses of electrical energy in distribution networks (% energy)	17.9	Electrification coverage (% of households with availability)	99.8

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Clean Transportation

#	Project Name and Description	Country	Loan Amount (MM USD)	Allocation (MM USD)	Project Life	Indicator 1	Results 1	Indicator 2	Results 2	Indicator 3	Results 3	Indicator 4	Results 4	Indicator 5	Results 5
1	**Renovation Project of Branch M - Tapiales to Marinos del Crucero General Belgrano Sur Railway - Phase II** The project involves the comprehensive renovation of Branch M, including: (i) track renovation (47 km), (ii) track duplication (6 km), (iii) comprehensive signaling (23 km), (iv) drainage work renewal (29 culverts), (v) renovation or improvement of 25 level crossings, (vi) construction of a railway viaduct eliminating the crossing with the Roca Railway, (vii) remodeling of Marinos del Crucero Gral. Belgrano Station, and (viii) urban area improvement around Aldo Bonzi Station (18,000 m² of sidewalks, streets, and green spaces) (FY 2020).	Argentina	150	68	15	Renovated roads in service (km)	47 Km	Duplicated tracks in service (km)	6 Km	Renovated or improved level crossings	25	Level crossings built	1	Comprehensive road signage (%)	100%
2	**Sao Paulo Metro Line 17** Improve access and urban mobility in the southern part of the city of Sao Paulo through the construction of Line 17-Oro and its integration with the subway system (FY2019).	Brazil	296	172	20	Passengers (#)	185,000 per day	Km of metro line construction	7.7 km of elevated construction	Annual GHG Emissions avoided/reduced (tons of CO2)	43,300	Stations built	8		
3	**Extension of São Paulo Metro Line 2 - Green Line** Improve access and urban mobility in the city of Sao Paulo with the extension of	Brazil	550	550	23	Passengers (#)	320,000	Km of metro line construction	8.3	Annual GHG Emissions avoided/reduced	18,580	Number of trains acquired	22		

	the line 2 with an additional 8,3 km (FY 2022).									(tons of CO2)					
4	**Quito Metro Line One** Improvement urban mobility in the city of Quito improving public transport and reduce emissions of pollutants and GHG (FY2015).	Ecuador	210	105	15	Passengers (#)	296,000 - 400,000 per day	Km of metro line construction	22	Annual GHG Emissions avoided/reduced (tons of CO2)	82,285	Reduction in average travel time	40%		

Sustainable Management of Living Natural Resources and Land Use

#	Project Name and Description	Country	Loan Amount (MM USD)	Allocation (MM USD)	Project Life	Indicator 1	Results 1	Certifications
1	**SA Impact Forestry Fund (SAIFF)** Aimed at funding a 60,000-hectare (148,000-acre) forestry plantation project in southern Paraguay. The project includes a conservation area to preserve and restore native fauna and flora (FY 2022).	Paraguay	15	15	NA	Reforestation area (ha)	60,000	• Forest Stewardship Council • Verified Carbon Standard (VCS) Verra

Water Management and Projects

#	Project Name and Description	Country	Loan Amount (MM USD)	Allocation (MM USD)	Project Life	Indicator 1	Results 1	Indicator 2	Results 2	Indicator 3	Results 3	Indicator 4	Results 4
1	**Program of Basic Works for Drinking Water AYSA - Phase I** The objective of the Program is to improve access, quality, and delivery of drinking water services in municipalities located in the southwestern area of the metropolitan region of Buenos Aires (FY 2014).	Argentina	121	65	15	Potential beneficiaries of improved drinking water service (#)	2,000,000	Potential beneficiaries of new drinking water service in urban context (#)	500,000				
2	**Program of Basic Works for Drinking Water AYSA - Phase II** Includes the expansion of the water treatment capacity at the General Belgrano water treatment plant from 1,900,000 m^3/day to 2,250,000 m^3/day, through the construction of three new treatment modules, the repowering of the raw water pumping station at the plant, and the construction and installation of a high-voltage power supply system; and the implementation of measures to rationalize water consumption and increase the efficiency of potable water supply services (FY 2016).	Argentina	120	83	15	Drinking water treatment plants built or improved (#)	350,000 m^3/day. The drinking water service will be improved for more than 2.2 million inhabitants of the Buenos Aires metropolitan area.	Drinking water pipes installed (km)	13 km of underground river				

3	**Program of Basic Works for Drinking Water AYSA - Phase IV** The general objective of the Program is to contribute to the expansion and improvement of the efficiency of drinking water supply services in the districts of the south-west region of Greater Buenos Aires, in order to improve safe and quality access to drinking water. The Program provides for the construction of: (i) a new reinforced concrete intake on the Río de la Plata and a 3,000 m pipeline; (ii) the second stage of the pumping station, which will achieve the final pumping capacity of 3 million m³/day; and (iii) pumping pipes, networks and other interventions necessary to improve the supply of drinking water in the Southern Water System, approximately 31,253 m in length (FY 2022).	Argentina	245	33	15	Increase in raw water collection capacity through construction of a new collection system (m³/h)	125,000 m³/h	Increase in drinking water pumping capacity through new water pumping stations (m³/h)	25,500 m³/h	New drive lines (km)	34 km		
4	**Integral Rehabilitation Project for the Los Molinos Canal - Córdoba** The funds were allocated to finance mainly the construction and rehabilitation of the Los Molinos Canal, the primary source of potable water for the provincial capital, the city of Córdoba (FY 2016).	Argentina	49	22	12	People benefiting from a new or improved drinking water and/or sewerage connection (#)	A population of 702,000 inhabitants will be covered, up from 470,000 before the project (increase of 49%).	Sewerage networks built or improved (km)	31 km of pipelines	Land area benefited by new and/or rehabilitated irrigation infrastructur e (Ha)	The total number of hectares under irrigation is expected to increase by 50% (from 10,000 to 15,000)		

5	**Implementation of the Comprehensive Management Plan for the Luján River Basin - Phase I and II** This project constitutes the first phase and includes the implementation of structural measures, such as works and studies aimed at increasing the river's carrying capacity by enlarging its cross-section and expanding bridges in several sections of the lower and middle basin (FY 2017).	Argentina	220	77	15	People benefiting from climate change adaptation (#)	2.8 million people, representing 17% of the total population of the Province of Buenos Aires	Value of economic savings generated by improvements in adaptation to climate change (USD)	Damage avoided under the most likely flood recurrence scenario (every 2 years with a 50% probability) is USD 52.4 MM.				
6	**Potable water treatment plant in the regions of La Plata, Berisso y Ensenada** Construction of plant in addition to the diagnosis of quality of subterranean water, rehabilitation of distribution networks and reduction of water loss (FY 2018).	Argentina	119	15	15	Annual amount of wastewater treated/reused/ avoided	10,000 m^3/h	People benefitting from this project	800				
7	**Construction of the Río Colorado-Bahía Blanca Project - Phase II** This project aims to rehabilitate existing water infrastructure and improve system efficiency to enhance supply security. The objective is to ensure a reliable water supply for the population and industry of Bahía Blanca and nine neighboring towns in southern Buenos Aires Province (FY 2020).	Argentina	130	28	15	Drinking water treatment plants built or improved (#)	1 water treatment plant with intake from the stream built	People benefiting from a new or improved drinking water and/or sewerage connection (#)	360,000 beneficiaries, residents of Bahía Blanca and surrounding towns	Drinking water pipes installed (km)	43.5 km of pipelines		

8	**Mi Agua Program: IV, IV phase 2, and V.** Multi-stage national program in Bolivia with the goal of providing access to drinkable water to the whole country population. The various phases indicated contemplate over 500 small projects with low complexity for providing potable water and 18 water sanitation projects (FY 2016-2018).	Bolivia	177	131	15	Annual amount of wastewater treated/reused/ avoided	183,960 m^3/year	People benefitting from this project	296,000 families will benefit from this project.	New connections of potable water	100,000		
9	**Dams Program** The investments included in the program consist of dams, reservoir works, protection works for the water sources of the reservoirs, and main systems for the conveyance and distribution of water to irrigation systems managed by communities and irrigation associations (FY 2017).	Bolivia	61	36	15	Expansion of land area benefiting from new and/or rehabilitated irrigation infrastructure	It is estimated at 8,240 incremental hectares	People benefited by irrigation infrastructure (#)	The program will benefit 12,000 beneficiaries (3,000 families) with new and/or rehabilitated irrigation infrastructure in rural and vulnerable areas	Reservoirs with monitoring equipment and safety protocols in service	10	Incremental Water Storage	50 hm^3
10	**Desenvolvimento Socioambiental de Sobral Program - PRODESOL** Project is to extend and rehabilitate the drainage and sanitation system in the city of Sobral (FY2018).	Brazil	50	44	16	People benefitting from this project	Up to 205,000	New wastewater treatment plants	3	Existing wastewater treatment plants rehabilitated	8	Pumps repaired or replaced	32
11	**SANEAR Program** The program includes (a) Construction of approximately seven underground micro-reservoirs in the Guarará stream basin; (b) Upgrading	Brazil	50	29	18	Infrastructures for controlling water courses or bodies of	110 flood control infrastructures built and/or rehabilitated (7 micro	People benefiting from infrastructures for controlling water courses or bodies of	160,000 inhabitants in the area of direct influence	People benefited by sanitation solutions (#)	748,919 inhabitants of the Municipality of Santo André		

	the stormwater pumping station in the Vila América neighborhood; (c) Canalization of 3,000 meters of watercourses crossing the urban area of the municipality; and (d) Accessory and complementary works for the macro-drainage interventions (FY 2019).					water built or rehabilitated (#)	flood control reservoirs; retrofitting of 1 stormwater pumping station; and construction of 2 channeling works comprising approximately 3 km of open, expanded and rehabilitated channels)	water built or rehabilitated (#)					
12	**Program Mais Mogi Ecotiete - Municipality Mogi Das Cruzes - Water Sanitation** Modernization and improvement of wastewater treatment plant Leste. Installation of 5 new water pumps as well as the renovation of the existing network to support the new derange (FY 2020).	Brazil	35	14	18	Annual amount of wastewater treated/reused/ avoided	Increase of the capacity of the plant to 0.29 m^3/s	People benefitting from this project	300,000				
13	**Plan for the Sustainable Development and Management of the Central Urban Area of the City of Loja (REGENERATE)** Renovation of underground public service networks (drinking water, sewerage, electricity, and communications), improvement in the quality-of-service delivery, and renewal of the central area of the city. This will be achieved through the execution of a series of	Ecuador	23	6	12	Sewerage networks built or improved (km)	Includes the replacement of 34.5 km of combined sewer service networks in the city center and 31.8 km of the storm sewer system in the city center.	Installed capacity for wastewater treatment (m^3/year)	Construction of a wastewater treatment plant with secondary treatment and disinfection for a flow rate of 900 l/s, which will meet the needs of	Drinking water pipes installed (km)	Replacement of 31.9 km of drinking water networks that have exceeded their useful life, seeking to improve the quality and continuity of service	People benefiting from a new or improved drinking water and/or sewerage connection (#)	521,154

	infrastructure works and social and environmental plans that ensure the efficient use of public spaces (FY 2014).								the entire drainage basin of the city of Loja		in the city center		
14	**Panama Bay Sanitation Project - Phase 2** Includes sewer networks, interceptor tunnels, household connections, and a collector for the sanitation of Panama Bay and Panama City (FY 2014).	Panama	104	50	16	Sewerage networks built or improved (km)	135 km	People benefited by sanitation solutions (#)	approx. 63,000				
15	**Third Phase of Sewer Networks in San Miguelito and North Panama Project** Construction of sewer networks and household connections in the districts of San Miguelito and North Panama (FY 2015).	Panama	30	11	16	Sewerage networks built or improved (km)	35 km	New sewer connections (#)	5,452	Emissions	approx. 30,000		
16	**Third Phase of Sewer Networks in San Miguelito and North Panama Project II** Construction of sewer networks and household connections in the districts of San Miguelito and North Panama (FY 2016).	Panama	45	23	16	Sewerage networks built or improved (km)	54 km	New sewer connections (#)	9,880	People benefited by sanitation solutions (#)	approx. 50,000		
17	**Wastewater Treatment Plant, Panama City and Panama Bay** Build and improve the collector systems of Panama City and surrounding areas, separate the sanitary and rainwater flows from the combined sewerage systems of the Calidonia, Bella Vista and Chanis areas (FY2015).	Panama	90	38	16	Annual amount of wastewater treated/reused/ avoided	2.9 m^3/s	Annual GHG emissions avoided/reduced (Tons of CO2)	46,120	People benefitting from this project	626,000		

18	**Wastewater Management Project for Burunga and Arraiján Cabecera** Construction of sewer networks, collectors, and a wastewater treatment plant (WWTP) in the district of La Chorrera (FY 2017).	Panama	95	36	16	Sewerage networks built or improved (km)	260 km	New sewer connections (#)	21,989	Installed capacity for wastewater treatment (m^3/year)	470 l/s or 0.47 m^3/s or 14.82 million m^3/year	Wastewater treatment plants built or upgraded (#)	1

About CAF

Founded in 1970, CAF is a development bank currently owned by 22 countries including 20 in Latin America and the Caribbean, Spain and Portugal as well as 13 private banks in the region. CAF's main mission is to promote a sustainable development and regional integration with the goal of improving the quality of life for Latin American and Caribbean people.

CAF offers financial and related services to the governments of, and public and private institutions, corporations and joint ventures operating in, its shareholder countries. Primarily, CAF provides short, medium and long-term loans and guarantees; to a lesser extent, CAF also participates as a limited equity investor in corporations and investment funds, and provides technical and financial assistance, as well as administrative services for certain regional funds.

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