

ASSESSMENT

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Corporación Andina de Fomento (CAF)

Second Party Opinion – Sustainable Finance Framework
Assigned SQS2 Sustainability Quality Score

Summary

We have assigned an SQS2 sustainability quality score (very good) to Corporación Andina de Fomento's (CAF) sustainable finance framework dated February 2025. The issuer has established a use-of-proceeds framework with the aim of financing projects across 10 eligible green and blue categories, and seven eligible social categories. The framework is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1) and Social Bond Principles (SBP) 2023. The framework demonstrates a high contribution to sustainability. In addition, the framework is aligned with the International Finance Corporation's (IFC) Blue Finance Guidelines and Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide, September 2023, as detailed in Appendix 4 to this report.

Sustainability quality score

SQS5
Weak

SQS4
Intermediate

SQS3
Good

SQS2
Very good

SQS1
Excellent

SQS2

Alignment with principles
USE OF PROCEEDS

Overall alignment

Not aligned

Partially aligned

Aligned

Best practices

FACTORS	ALIGNMENT
Use of proceeds	
Evaluation and selection	
Management of proceeds	
Reporting	

Contribution to sustainability

Final contribution to sustainability

Poor

Limited

Moderate

Significant

High

Preliminary contribution to sustainability
Relevance and magnitude

Additional considerations **No adjustment**

POINT-IN-TIME ASSESSMENT

Scope

We have provided a second party opinion (SPO) on the sustainability credentials of CAF's sustainable finance framework dated December 2024, including the framework's alignment with the ICMA's GBP 2021 (with June 2022 Appendix 1) and SBP 2023. Under its framework, the company plans to issue use-of-proceeds sustainable financing instruments to finance projects across 17 eligible green, blue and social categories, as outlined in Appendix 3 of this report.

We have also provided a supplementary opinion on the framework's alignment with the IFC's Guidelines for Blue Finance 2022 (IFC Blue Finance Guidelines) and 'Bonds to Finance the Sustainable Blue Economy: a Practitioner's Guide, September 2023', developed by Asian Development Bank, ICMA, IFC, United Nations Environment Programme – Finance Initiative (UNEP FI) and United Nations Global Compact (UNGC). The assessment is solely based on information provided or confirmed by the issuer. Our supplementary opinion does not constitute a verification, certification, or audit; is distinct from the Alignment with Principles Score; and has no influence on the expressed Sustainability Quality Score.

Our assessment is based on the last updated version of the framework received on 22 January 2025, and our opinion reflects our point-in-time assessment¹ of the details contained in this version of the framework, as well as other public and non-public information provided by the company.

We produced this SPO based on our [Assessment Framework: Second Party Opinions on Sustainable Debt](#), published in November 2024.

Issuer profile

CAF is a multilateral financial institution whose mission is to support the sustainable and inclusive development of its shareholder countries and the regional integration of Latin America and the Caribbean (LAC). CAF's shareholders are 22 member countries and 13 private banks in the region. Its member countries are Argentina, Bahamas, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Honduras, Jamaica, Mexico, Spain, Panama, Paraguay, Peru, Portugal, Trinidad and Tobago, Uruguay and Venezuela.

The bank serves both the public and private sectors and aims to be the green bank for sustainable and inclusive growth in the LAC region. It also seeks to establish the region as an important contributor to innovative solutions for global challenges. CAF's top five geographic exposures — Argentina, Ecuador, Colombia, Brazil and Bolivia — account for 58% of its portfolio. Most of CAF's loans are to sovereigns (92%), with non-sovereign loans making up the remaining 8% of the portfolio.

Strengths

- » Eligible project categories address a wide range of environmental and social objectives that are highly relevant to the bank's lending activities and the region in which it operates
- » Comprehensive mechanism in place to assess potential environmental and social risks associated with the loans provided under the framework
- » High likelihood of timely and consistent reporting for future issuances given the bank's track record of post-issuance reporting for its previous sustainable bonds

Challenges

- » No minimum thresholds set for drinking water infrastructure, which represents a material share of CAF's project portfolio
- » Some negative environmental externalities may be present in new buildings, road and airport infrastructure, and livestock farming projects despite their overall benefits

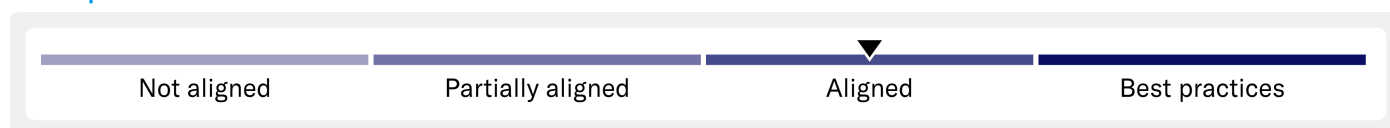
This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Alignment with principles

CAF's sustainable finance framework is aligned with the four core components of the ICMA's GBP 2021 (with June 2022 Appendix 1) and SBP 2023. For a summary alignment with principles scorecard, please see Appendix 1. Additionally, the framework is aligned with the IFC's Blue Finance Guidelines and Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide, September 2023, as detailed in Appendix 4 to this report.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Green Bond Principles (GBP) | <input type="checkbox"/> Green Loan Principles (GLP) |
| <input checked="" type="checkbox"/> Social Bond Principles (SBP) | <input type="checkbox"/> Social Loan Principles (SLP) |
| <input type="checkbox"/> Sustainability-Linked Bond Principles (SLBP) | <input type="checkbox"/> Sustainability Linked Loan Principles (SLLP) |

Use of proceeds



Clarity of the eligible categories – ALIGNED

CAF has clearly communicated the nature of spending, eligibility criteria for the majority of projects to be financed, and exclusion list for the project categories at the framework level. However, some categories lack granular details on the thresholds that eligible projects must meet. The framework has 10 eligible green and blue categories, and seven eligible social categories. The target populations for the social categories are defined in the framework. The bank is present in 22 countries across LAC and Europe, and the eligible projects will be located in countries where CAF operates.

CAF has communicated that eligible expenditures may also be allocated to equity investments through investments in funds. The bank has clarified that these funds must have a clearly defined investment strategy, and all funds and associated revenue must comply with the eligibility criteria outlined in CAF's framework. Furthermore, legal documents associated with the funds will stipulate an obligation to monitor and report predefined key impact indicators related to the expected sustainability benefits. CAF anticipates that it will dedicate only a very minor portion of proceeds to equity investments for future issuances under the framework, and at this time it has only identified one opportunity for potential proceeds allocation, an impact fund exclusively focused on reforestation projects.

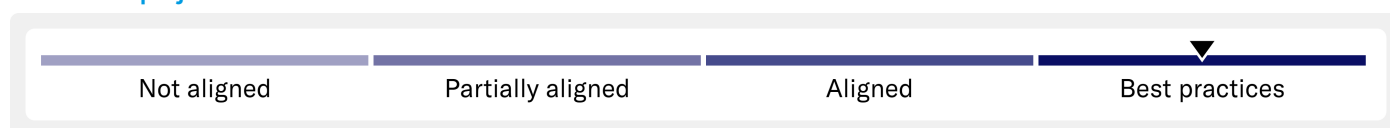
Clarity of the environmental or social objectives – BEST PRACTICES

CAF has clearly outlined the environmental and social objectives associated with all eligible categories. All eligible categories are relevant to the respective environmental or social objectives to which they aim to contribute. The bank has referenced the United Nations' (UN) Sustainable Development Goals (SDGs) in articulating the objectives of the eligible categories (see Appendix 2).

Clarity of expected benefits – BEST PRACTICES

CAF has identified clear expected environmental and social benefits for all eligible categories, and these are relevant based on the projects likely to be financed under each category. The benefits are measurable for all project categories, and the bank will quantify them in its post-issuance report. The bank has committed to provide an estimated share of refinancing before each issuance, and the lookback period for refinancing will be a maximum of 24 months.

Process for project evaluation and selection



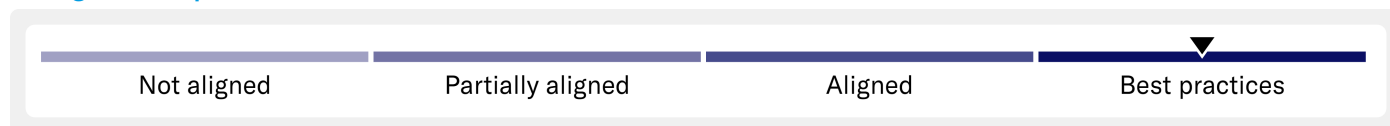
Transparency and clarity of the process for defining and monitoring eligible projects – BEST PRACTICES

CAF has established a clear decision-making process for determining the eligibility of projects. This process is disclosed in the framework, which will be publicly available. Eligible projects under the framework go through the various stages of evaluation and due diligence procedures established by CAF. The bank has a sustainable finance task force in place, which comprises individuals with

relevant expertise from different areas of the bank. The task force is in charge of supporting the entire process of issuing, managing and monitoring of sustainable labeled transactions.

At least on annual basis, the task force meets to oversees projects' selection and monitoring. In the event that a project is no longer compliant with the eligibility criteria and there is the need to replace a project in the eligible portfolio of loans, CAF may substitute the project and find a new project that meets the eligibility criteria. Moreover, all projects must follow CAF's environmental and social safeguards (ESS) during their full life cycle. CAF's ESS is a publicly available document.

Management of proceeds

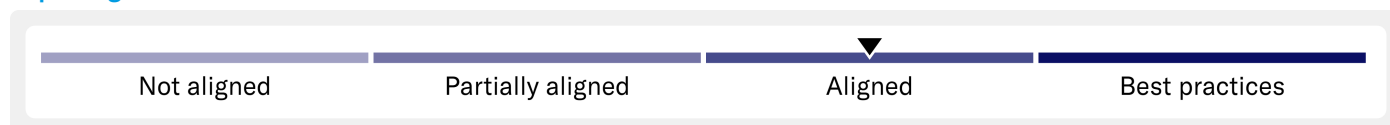


Allocation and tracking of proceeds – BEST PRACTICES

The bank has defined a clear process for the management and allocation of proceeds in its framework. The proceeds will be deposited in the bank's general account and earmarked for allocation to eligible projects, according to their label. The proceeds will be tracked through a dedicated register and managed separately.

The task force will oversee the allocation of proceeds and their proper link to eligible assets. The allocation of net proceeds to eligible projects will be matched at least annually. The bank intends to fully allocate the net proceeds of each transaction within 24 months from the date of issuance. Unallocated proceeds will be invested in cash and other liquid instruments, or be used for the repayment of short-term debt. Additionally, CAF will not have unallocated proceeds invested in activities included in the exclusion list as defined by CAF's ESS document.

Reporting



Reporting transparency – ALIGNED

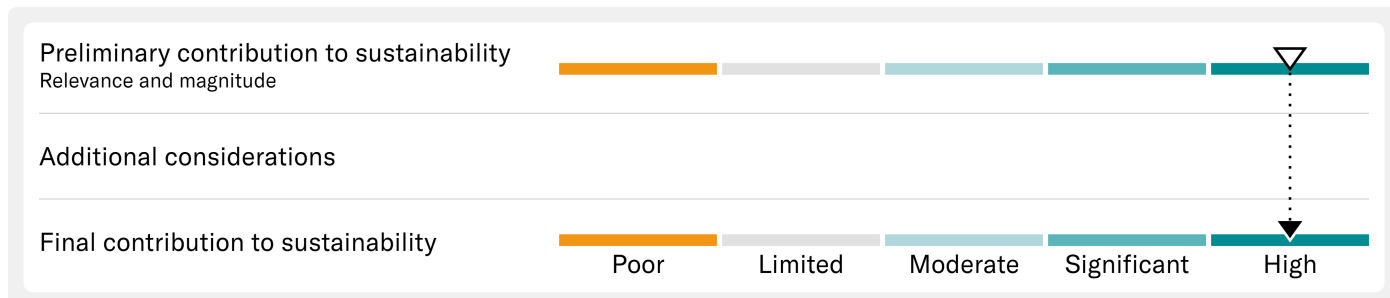
On an annual basis, and until the maturity of the instruments, CAF will report on the financial indicators, including the amount disbursed, the balance of unallocated proceeds and the share of net proceeds allocated to financing or refinancing. This reporting will be made publicly available on its website.

CAF has also identified relevant environmental and social reporting indicators for each eligible category in the framework and has clearly disclosed these indicators in its framework. The bank commits to disclose the underlying methodologies and assumptions used for quantifying environmental and social impacts. The bank will employ an independent external auditor to verify the tracking and allocation of funds. This review will occur until the full allocation of funds. However, there is no commitment to have the reported environmental and social metrics of financed projects externally verified.

The bank has been publishing timely annual post-issuance reports in line with the commitments in its previous green and social bond frameworks, indicating a high likelihood of continued timely and consistent reporting for future issuances.

Contribution to sustainability

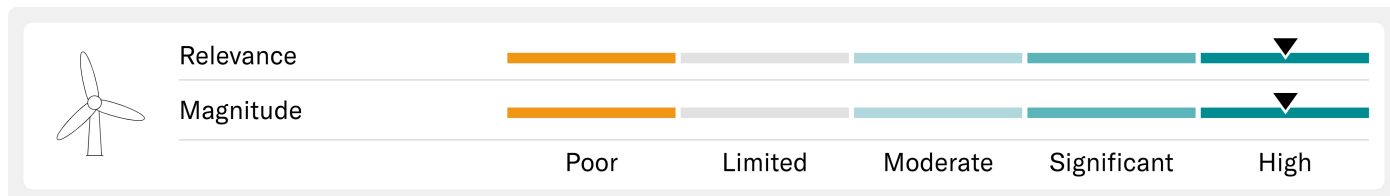
The framework demonstrates a high overall contribution to sustainability. This reflects a preliminary contribution to sustainability score of high, based on the relevance and magnitude of the eligible project categories, and we have not made an adjustment to the preliminary score based on additional contribution to sustainability considerations.



Preliminary contribution to sustainability

The preliminary contribution to sustainability is high, based on the relevance and magnitude of the eligible project categories. Based on the bank's historical data, we have assigned a higher weight to the renewable energy, sustainable water and wastewater management, clean transportation, climate change adaptation, access to essential services and access to basic infrastructure categories. A detailed assessment by eligible category is provided below.

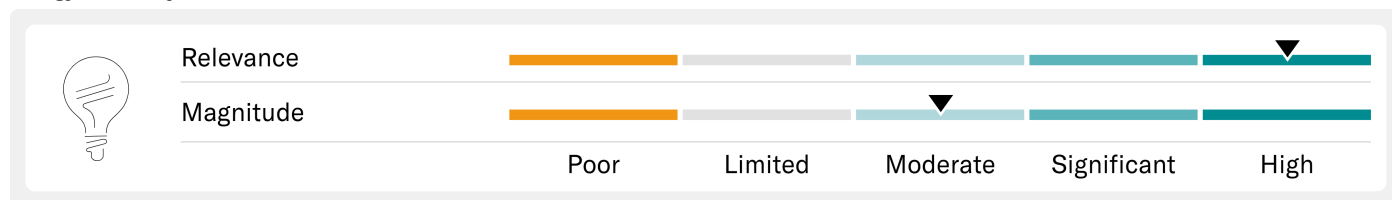
Renewable energy



The relevance of this category is high because it reflects the importance of reducing greenhouse gas (GHG) emissions in the energy sector. In 2022, the LAC region had one of the cleanest electricity mixes in the world, with renewables accounting for over 60% of electricity generation. Hydropower alone contributes 45% of the electricity supply.² Nevertheless, the use of fossil fuels in some countries in the region is still substantial. For example, natural gas accounts for 49% of Argentina's electricity generation,³ and fossil fuels represent 31.8% of Colombia's electricity generation mix.⁴

The magnitude of the eligible category is high, reflecting that most of the projects to be financed will use of the best available technologies and adhere to stringent technical emissions thresholds. It is likely that most of the projects to be financed will be wind and solar energy projects, which meet recognized international standards. Hydropower requirements are also in line with the most stringent international standards. Eligible projects also include electricity transmission and distribution infrastructure, aiming for reduction in energy losses. The category includes the production of hydrogen, however, the carbon intensity threshold for these projects is higher than the most stringent market standards. Nevertheless, we expect a small portion of proceeds will be dedicated to hydrogen projects, based on information shared by the issuer.

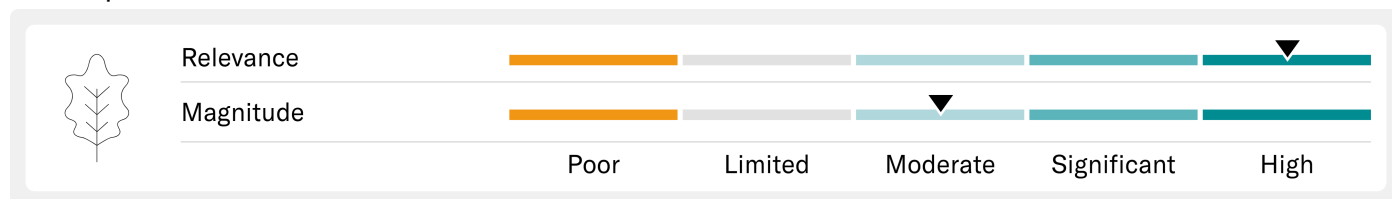
Energy efficiency



The relevance of the category is high. As mentioned in the renewable energy category analysis, emissions associated with electricity consumption are an important driver of GHG emissions in the region. Therefore, energy efficiency is an important measure for reducing GHG emissions and mitigating the impact of climate change.⁵

The magnitude of the projects is moderate. Projects financed in this category aim to achieve 15% energy savings in industrial energy-efficiency performance. As reference, this threshold is in line with the net zero emissions (NZE) by 2030 scenario set by the International Energy Agency. The category also includes measures that will contribute to the achievement of energy savings goals, such as smart meters, LED lighting, HVAC systems, heat recovery systems, among others. Although a positive contribution is likely, there is limited visibility into the final energy savings that several projects to be financed under this category will achieve.

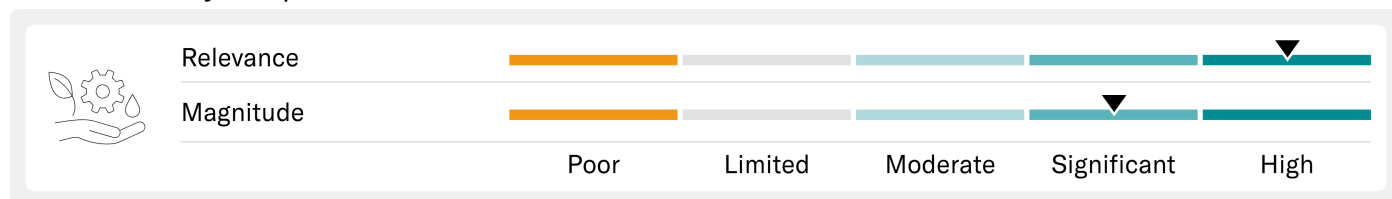
Pollution prevention and control



Pollution prevention and control is a highly relevant issue for the region, because waste generated is an important source of emissions and may harm the region's biodiversity. In terms of GHG emissions, for example, according to Climate Watch Data,⁶ as of 2021 12.8% of Ecuador's GHG emissions were attributed to waste. Moreover, it is likely that waste generated in the LAC region will increase at least 25% by 2050.⁷ Preventing waste generation is crucial for the region's rich biodiversity, as a reduction in waste will help maintain healthy ecosystems.

The magnitude of the projects is moderate. This category includes different type of projects to prevent air, water and soil pollution. In terms of waste management, the issuer aims to enhance the capacities to implement a circular economy in the region, promoting production of energy from waste, for example, through anaerobic digestion projects and landfill gas capture. Although positive benefits are likely, the issuer has not established minimum performance thresholds for these projects. The category will also finance projects to reduce industrial pollution. Yet, there is no further visibility into the minimum improvements that these projects are expected to generate.

Environmentally sustainable management of living natural resources and land use: agriculture, land use, livestock activity, fishing, mariculture, forestry and aquaculture



Promoting sustainable land use in the region is highly relevant given the identified environmental challenges in the region. Agriculture in the region uses over one-third of the region's land area and consumes nearly three-quarters of the region's fresh water.⁸ Therefore, the implementation of sustainable agricultural practices is crucial to maintaining a sustainable environment in the region. In addition, deforestation is a critical issue in countries with rich biodiversity in the region, including Brazil, Colombia, Peru, among others.⁹

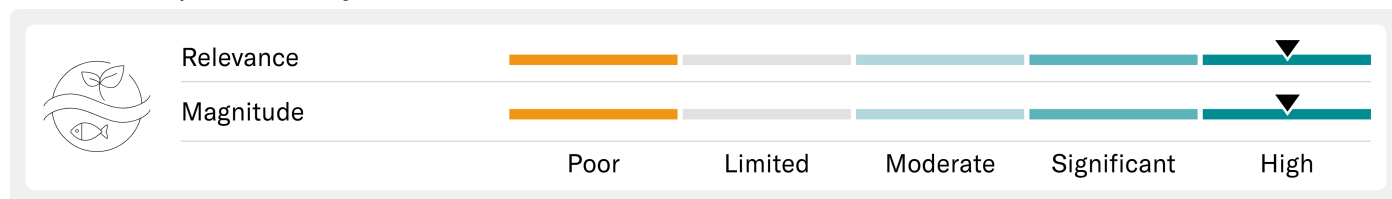
Projects in this category will have a significant impact because they will follow recognized international standards, but certain externalities may be present in the projects. Agriculture projects will be focused on promoting good practices, including organic and regenerative certified agricultural practices and the Food and Agriculture Organization's (FAO) recommendations for smart agriculture.¹⁰

The issuer has established different actions to finance the reduction in GHG emissions associated with livestock in the region. Although livestock activities aiming to reduce emissions intensity in the livestock sector are eligible, these projects could still result in an overall increase in GHG emissions. According to a sample set of projects likely to be financed by the issuer, however, a small portion of funding in this category is likely to be directed toward livestock projects.

Additionally, the category includes promoting sustainable forestry activities through relevant certifications. Such practices can promote positive externalities associated with afforestation and reforestation, especially in areas that were previously degraded.¹¹ Although we acknowledge the benefits associated with the promotion of sustainable forestry practices, commercial forestry operations could be subject to risks during forest development and harvesting, including biodiversity risks.¹²

Finally, the category also includes projects associated with the blue economy, involving recognized international certifications and practices to enhance the control of the marine business in the region to avoid unsustainable practices in fisheries.

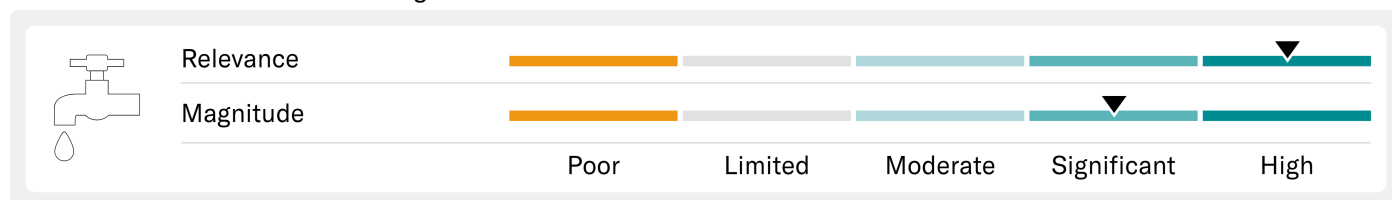
Terrestrial and aquatic biodiversity conservation



Given the rich biodiversity in the LAC region, projects in this category are highly relevant for the protection and restoration of such biodiversity and ecosystems. The LAC region hosts about 60% of the biodiversity and about one-quarter of the tropical forest of the world.¹³

Projects in this category are likely to have a high impact because of their substantial contribution to the protection and conservation of land and marine environments and their biodiversity. The category includes several measures to conserve and regenerate terrestrial and water ecosystems. These measures include the creation of protected areas, restoration and protection of terrestrial and marine ecosystems, rewilding, species reintroduction, and monitoring programs, which ultimately help support the effective protection of the ecosystems.

Sustainable water and wastewater management



Addressing the water challenges that the region faces is highly relevant in the LAC region. Wastewater treatment is a relevant issue in the region, as 60%-70% of collected wastewater across the Latin American countries goes untreated, generating pollution in local water bodies and affecting local ecosystems. While 81% of the population had access to drinking water in urban areas in LAC in 2020, only 53% of the rural population had such access¹⁴ and only 51% of the population had access to drinking water through pipelines or public networks.¹⁵ In addition to the need for more infrastructure for clean drinking water, the region needs more efficient systems for distribution of this water, since the average water loss in the region is more than 40%, and in some countries in LAC it exceeds 50%.¹⁶

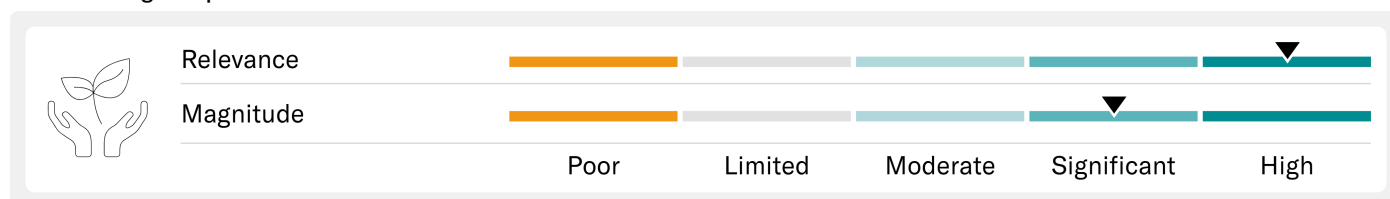
Projects in this category are likely to have a significant magnitude, which balances the substantial benefits expected against some projects to be financed lacking specific thresholds. The category includes projects related to wastewater treatment, which are likely to

enhance the quality of water discharged into the environment. Although material benefits are likely, there is no visibility as to whether the treatment plants will have biogas recovery in most cases.

Water conservation infrastructure and assets, including monitoring systems, water recycling, rainwater harvesting and urban drainage, are actions that will positively contribute to water management in the region. Although drinking water infrastructure projects are expected to reduce water losses, which are relatively high in the LAC region, the eligibility criteria established do not include thresholds related to energy efficiency or water loss performance.

The category also includes projects related to water-efficient irrigation systems (drip irrigation), which normally achieve higher water efficiency than surface irrigation systems.¹⁷

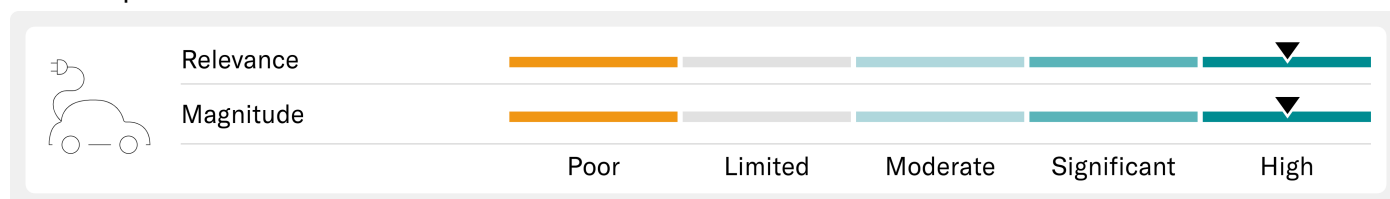
Climate change adaptation



The relevance of the category is high, because the region is highly exposed to physical climate risk. Countries in the LAC region face different consequences of climate change, including more frequent and severe floods, landslides and droughts. In addition, South American states are more exposed to the impacts of climate change on agriculture, which is an important economic activity in the region. Moreover, Caribbean countries appear to be among the most affected by the impacts of climate change worldwide, and are specifically the most affected in terms of damage from storms and hurricanes.¹⁸

This category will make a significant contribution, given the relevant measures in place to reduce the impact of climate events. The category aims to finance infrastructure projects that will help mitigate the effects of natural disasters, including nature-based solutions and early-warning systems for preventing and mitigating the impacts of climate-related events. However, because of the lack of details on specific projects to be financed, it is unclear if the most effective approaches will be consistently deployed to address the identified climate risks. Agriculture-related projects will likely incorporate best-in-class approaches following the FAO's recommendations for smart agriculture,¹⁹ which include the efficient use of water and the selection of stress-resistant crops. Moreover, the infrastructure financed for climate adaptation purposes will be fueled by renewable energy.

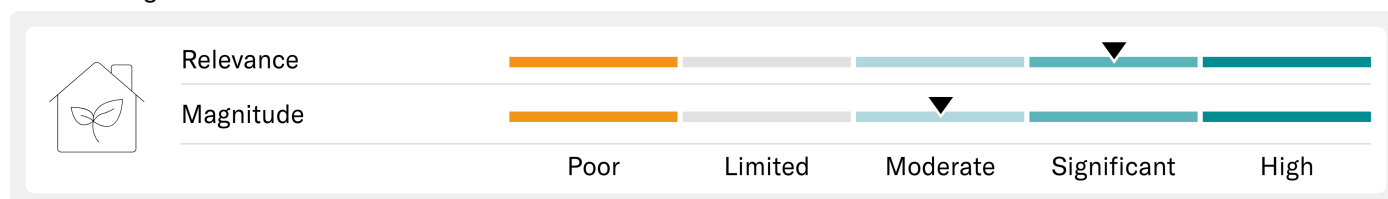
Clean transportation



This category is highly relevant to emissions reduction in the LAC region, given its substantial share of total emissions. The transport sector is the greatest source of GHG emissions in the LAC region, representing almost 39% of total emissions.²⁰ Globally, the transportation sector is one of the largest contributors to GHG emissions, and its transition to a low-carbon model is crucial for decarbonization and climate change mitigation.²¹

The magnitude is high because the category will finance the best available technologies, including vehicles with zero tailpipe emissions and supporting infrastructure. Eligible investments are likely to be dedicated mostly to public transportation, including electric buses and subways, which are likely to reduce the current carbon footprint of land transportation substantially. The criteria for freight transportation are in line with international standards. Hybrid technologies are excluded from this category. For marine transportation, the bank aims to promote low-carbon maritime transport in line with International Maritime Organization (IMO) recommendations, including implementation of measures that will improve water and waste management and ballast water strategy, and promote the design of eco-ports in high-value environmental marine and land areas.

Green buildings

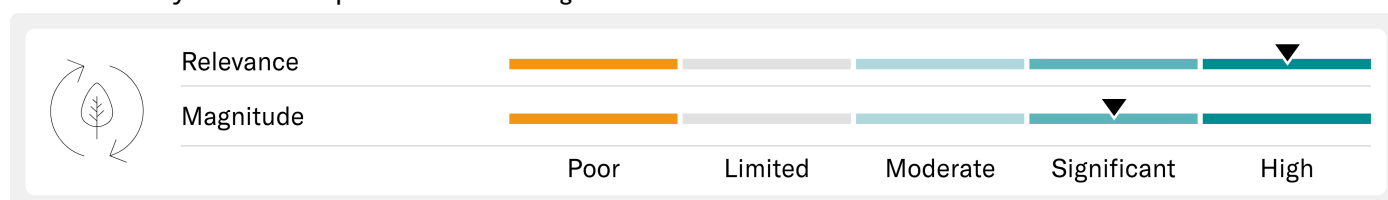


The relevance of the projects in the category is significant. The buildings sector is a significant source of GHG emissions in the region, though the sector is smaller than other sectors. In 2022, the buildings sector was a major energy consumer globally, accounting for 30% of the final energy demand.²² However, in the LAC region, most of the emissions are associated with agriculture, land use change, transportation and electricity generation.²³

The projects in this category will have a moderate magnitude. The category includes recognized measures to promote energy efficiency or increase the carbon sink in new and existing buildings. While the category relies on internationally recognized certifications that will likely yield positive benefits overall, buildings will not necessarily be certified with the highest level for each standard, and the bank has not established a threshold for minimum energy-efficiency performance in these buildings. In addition, constructing new buildings tends to pose more environmental and social risks than refurbishing existing buildings.

The category also includes financing of data centers in the region. Although the category aims to address several challenges that data centers face, including energy and water consumption, the bank has not established minimum thresholds for these projects.

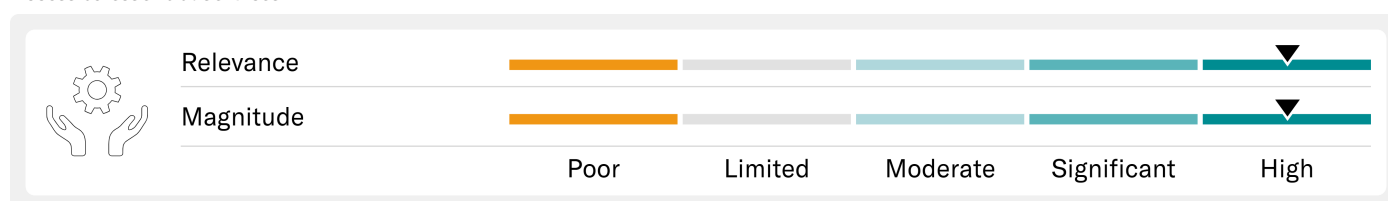
Circular economy - eco-efficient products and technologies



Enhancing circular economy in the region is highly relevant. The LAC economies are highly reliant on raw materials including biomass and metal ores. Although the raw materials produced in the region have a large potential to be cycled back into use, the region's secondary material consumption is less than 1%. This is well below the rate of circularity for the global economy, currently estimated at 7.2%.²⁴

Projects in this category are likely to make a significant contribution by balancing the positive contribution expected and some challenges for certain projects. The category aims to enhance the circular economy in the region, by promoting reuse and recycling and substitution of use of virgin material. Although the projects to be financed are likely to make a positive contribution, plastic manufacturing projects may still include a small percentage of potential single-use plastics.

Access to essential services

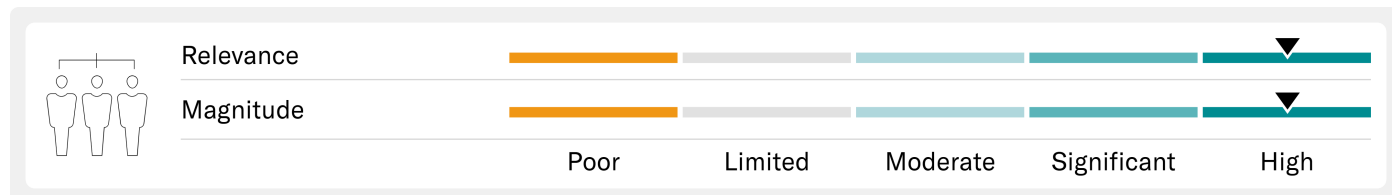


The project category has high relevance because the LAC region faces substantial access and quality challenges related to education and health. For example, in terms of health, on average in LAC, there are two physicians per 1,000 people, while the OECD average is 3.5. Similarly, LAC has on average 3.6 nurses per 1,000 people, while the OECD average is 10.3.²⁵ Regarding educational challenges in the region, while 84.6% of students from the highest income quintile completed secondary education in 2021, the proportion drops to 44.1% for the lowest income quintile. On the other hand, 66.6% of the urban population completed upper secondary education,

compared with just 46.4% in rural areas,²⁶ demonstrating a significant gap in the region, especially among the most vulnerable populations.

The magnitude of this category is high. Investments in this category will be disbursed mostly to improve public health care and education services for the most vulnerable populations in the region. For both education and health care, the spending will be related to the development of infrastructure and enhancements in the quality of services provided, aiming to reduce the gaps identified in the region. In addition, it is likely that a minor portion of the proceeds in this category will support financial inclusion in the region, to enhance the access of the underserved population to basic financial services.

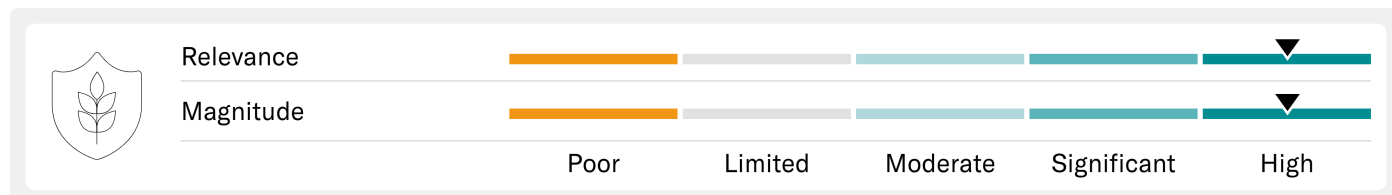
Employment generation



The relevance of the project category is high. One of the primary issues facing employment generation in the LAC region is the high level of informal employment, which leads to job insecurity and lack of access to social protections. For example, regional informal employment was 48% in 2023. Additionally, there are significant gender gaps in the labor market, with women facing more barriers to employment and lower wages than men.²⁷

The magnitude of this category is high. Projects under this category aim to enhance the labor market conditions, for example, by providing training to the target populations to help them access better-quality jobs, thereby reducing informal employment in countries in the region. The issuer has shared a sample set of projects likely to be financed, demonstrating that projects to be financed under this category are likely to deliver substantial positive contribution with long-term benefits for the target population.

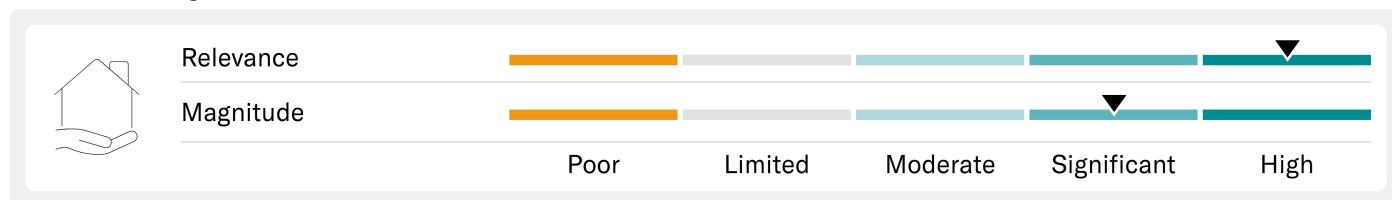
Food security and sustainable food systems



The relevance of the project category is high because it is likely to improve food access for populations vulnerable to food insecurity and provide resources for smallholder farmers to participate in the market. The prevalence of food insecurity is higher in the LAC region than the world average. In 2021, 40.6% of the region's population faced moderate or severe food insecurity, compared with 29.3% for the world.²⁸

The magnitude of this category is high because of the long-term social benefits expected and the incorporation of criteria to address potential inherent environmental challenges. Free and subsidized food and water programs are likely to ensure proper nutrition and improvements in the quality of life for the vulnerable populations. In addition, this eligible category will provide financial support to smallholder farmers, aiming to increase this group's productivity. Additionally, to mitigate environmental concerns related to agricultural activities, the issuer will apply the environmental criteria in the framework related to land use projects for this category as well.

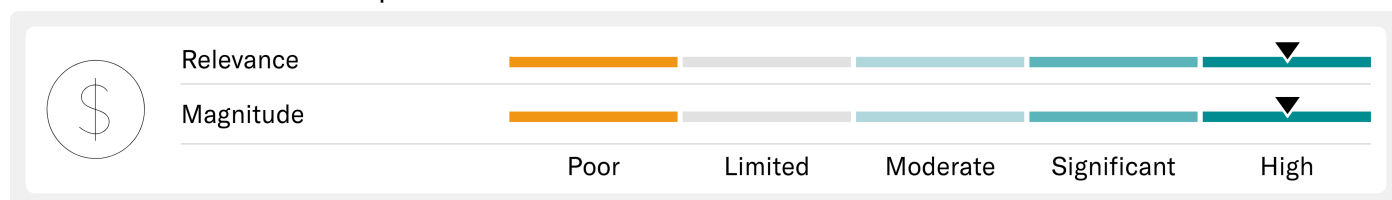
Affordable housing



The relevance of the projects in this category is high. It is estimated that the quantitative housing deficit in the LAC region affects more than 23 million people, and the qualitative deficit (i.e. deficiencies in materials, amount of basic services that reach the home, among others) affects more than 46 million people. The issue is especially critical in urban areas, where a third of the population resides and demand often outstrips supply, increasing prices and making it difficult to create more affordable housing options.²⁹

The magnitude of this category is significant. This eligible category will finance affordable housing solutions for the target population in line with the governments' social housing policies and regulations in place. However, these programs may not necessarily primarily support the most vulnerable populations in the context of programs financed, as some national affordable housing programs may include a relevant share of middle-income population. The category not only covers new homes for target populations but also renovations and improvements to housing, both aiming to enhance the quality of life for the target populations.

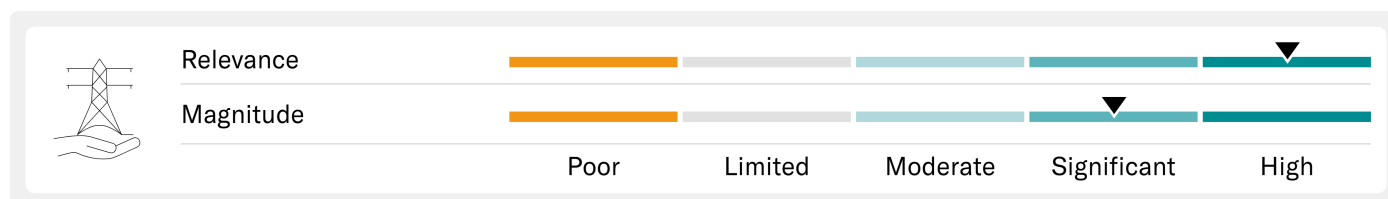
Socioeconomic advancement and empowerment



The relevance of this category is high. In Latin America, micro, small and medium-sized enterprises (MSMEs) represent more than 99.5% of the business fabric and are responsible for around 60% of formal productive employment.³⁰ According to the SME Finance Forum, 41% of formal MSMEs in developing countries have unmet financing needs, with the MSME finance gap estimated to be around \$5 trillion.³¹

The magnitude of this category is high because the benefits are likely to be long term and the target population is the most vulnerable in the context. Programs in this category support financial inclusion for MSMEs, with a particular focus on micro businesses, which are considered the most vulnerable. Additionally, the category includes programs focused on equipping the target populations with new skills and knowledge, thereby empowering the vulnerable populations with new capabilities. The bank also confirmed that the exclusion list presented in its ESS will apply to the MSMEs financed under the category.

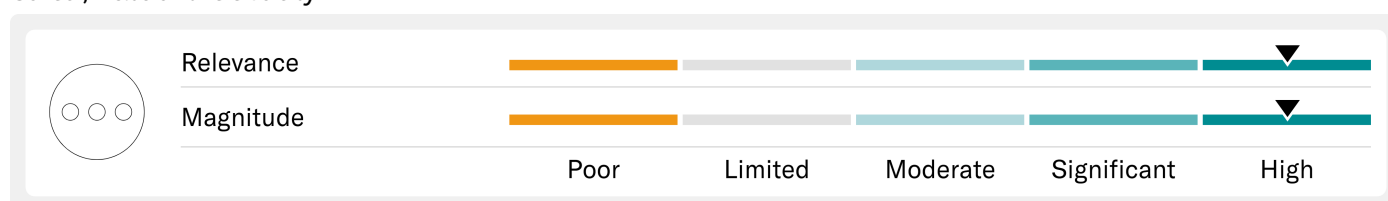
Access to basic infrastructure



The relevance of this category is high. In the LAC region, around 20 million homes still lack access to drinking water and most of these are found in rural areas. The proportion of the rural population with access to piped water is about 55%, while less than 10% of the rural population has access to sewage systems.³² In terms of transportation, the LAC region faces relevant challenges. For example, less than 20% of the length of rural roads in the region is in good condition and, in countries like Peru, only 5% of the secondary and tertiary road network (departmental and local) is paved.³³ Access to electricity is also a relevant issue for the region. This lack of access is correlated to income, geographical and ethnic issues. For example, 15% of the population living in precarious housing has no access to electricity, and the proportion of the indigenous and Afro-descendant population without access to electricity is, on average, double and, in some cases, triple the proportion of the non-indigenous and non-Afro-descendant population without access to electricity.³⁴ Regarding digital connectivity, according to World Bank data,³⁵ despite the progress made in the last decade, countries in the region still have material gaps. For example, in Colombia, Brazil and Peru, just 73%, 81% and 75% of the population had access to internet in 2022, respectively.

The magnitude of this category is significant because projects financed in this category enhance the access of the target population to relevant basic infrastructure services. Projects related to drinking water and sanitation systems are likely to contribute significantly to the quality of life of the underserved population. However, CAF has not set energy- or water-efficiency thresholds for these projects. Energy projects are in line with the criteria established in the renewable energy category. Projects related to road infrastructure aim to increase users' physical connectivity, likely improving access to basic services and the socioeconomic development of the areas in which the projects are located. Although such connectivity projects typically carry positive benefits, they may pose affordability risks, especially for toll roads and telecommunications. The issuer communicated that airport infrastructure projects will be for small projects where a high social need is identified. Although GHG emissions from aircraft operations may increase, it is likely to be a relatively small increase given the nature of the specific contemplated projects.

Gender, inclusion and diversity



The relevance of this category is high. According to the Gender Equality Observatory for Latin America and the Caribbean (GEO), in 2021 at least 12 women per day died in the region because of gender-based violence.³⁶ In addition, in countries like Brazil, Costa Rica, Ecuador, Mexico and Uruguay, people with disabilities are 24% less likely to complete primary education, on average; this figure increases to 30% if they also belong to an ethnic-racial minority.³⁷ Indigenous people are another vulnerable group that experience high levels of inequality and exclusion in regular life. Around 15% of the world's extreme poor are indigenous people and they also have life expectancy that is up to 20 years lower than that of non-indigenous people worldwide.³⁸

The magnitude of this category is high. The category aims to finance programs and initiatives to reduce inequalities in different aspects, including gender, people with disabilities and ethnic diversity. Depending on the local needs identified for the target population, projects may be focused on topics such as supporting programs for prevention of violence and discrimination, inclusive education and adapted infrastructure, strategies to promote the access of indigenous populations and ethnic groups to basic services, educational programs, among others. We consider these programs will enhance the inclusion of minority groups in society and support the protection of their fundamental rights. Based on a sample set of projects likely to be financed, we expect that the benefits delivered to the target population will be long-term.

Additional contribution to sustainability considerations

We have not made an adjustment to the preliminary contribution to sustainability score based on additional considerations.

CAF has robust environmental and social risk management systems in place for all its operations. CAF has a well-established set of procedures to assess and monitor environmental and social projects, including a complete set of safeguards aiming to meet any country-specific regulation to take all the needed precautions to avoid potential negative social and environmental impacts. Depending on the nature of the project and potential risks associated, CAF's ESS will address different safeguards in the due diligence of the projects to be financed, including the sustainable use of natural resources, biodiversity, pollution prevention, cultural heritage, ethnic groups and cultural diversity, community resettlements, labor conditions and gender equality. For all these safeguards, CAF has set clear requirements and procedures.

The framework is consistent with the sustainability strategy of the issuer. Projects to be financed under CAF's framework align with the bank's overall sustainability objectives and ESG strategy. Since 2022, CAF is a member of the Sustainable Blue Economy Principles Initiative led by UNEP FI. As a signatory to these principles, the bank commits to restore, protect and maintain the diversity and health of marine ecosystems. Furthermore, the bank has a commitment to reach 40% green financing by 2026. Social category projects under the framework also align with CAF's mission, financing activities around inclusive social well-being, diversity and gender.

Appendix 1 - Alignment with principles scorecard for CAF's sustainable finance framework

Factor	Sub-factor	Component	Component score	Sub-factor score	Factor score
Use of proceeds	Clarity of the eligible categories	Nature of expenditure	A	Aligned	Aligned
		Definition of content, eligibility and exclusion criteria for nearly all categories	A		
		Location	A		
		BP: Definition of content, eligibility and exclusion criteria for all categories	No		
	Clarity of the objectives	Relevance of objectives to project categories for nearly all categories	A	Best practices	
		Coherence of project category objectives with standards for nearly all categories	A		
		BP: Objectives are defined, relevant and coherent for all categories	Yes		
	Clarity of expected benefits	Identification and relevance of expected benefits for nearly all categories	A	Best practices	
		Measurability of expected benefits for nearly all categories	A		
		BP: Relevant benefits are identified for all categories	Yes		
		BP: Benefits are measurable for all categories	Yes		
		BP: Disclosure of refinancing prior to issuance and in post-allocation reporting	Yes		
		BP: Commitment to communicate refinancing look-back period prior to issuance	Yes		
	Process for project evaluation and selection	Transparency and clarity of the process for defining and monitoring eligible projects	Clarity of the process	A	
Disclosure of the process			A		
Transparency of the environmental and social risk mitigation process			A		
BP: Monitoring of continued project compliance			Yes		
Management of proceeds	Allocation and tracking of proceeds	Tracking of proceeds	A	Best practices	Best practices
		Periodic adjustment of proceeds to match allocations	A		
		Disclosure of the intended types of temporary placements of unallocated proceeds	A		
		BP: Disclosure of the proceeds management process	Yes		
Reporting	Reporting transparency	Reporting frequency	A	Aligned	Aligned
		Reporting duration	A		
		Report disclosure	A		
		Reporting exhaustivity	A		
		BP: Allocation reporting at least until full allocation of proceeds, and impact reporting until full bond maturity or loan payback	Yes		
		BP: Clarity and relevance of the indicators on the sustainability benefits	Yes		
		BP: Disclosure of reporting methodology and calculation assumptions	Yes		
		BP: Independent external auditor, or other third party, to verify the tracking and allocation of funds	Yes		
		BP: Independent impact assessment on environmental and social benefits	No		
Overall alignment with principles score:					Aligned

Legend: BP - Best practice, A - Aligned, PA - Partially aligned, NA - Not aligned

Appendix 2 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The 17 eligible categories included in CAF's framework are likely to contribute to 16 of the United Nations' Sustainable Development Goals (SDGs), namely:

UN SDG 17 Goals	SDG Targets	
GOAL 1: No Poverty	- Access to essential services	1.3: Implement social protection systems and measures for all, and achieve substantial coverage of the poor and the vulnerable
	- Affordable housing	1.4: Ensure all have equal rights to economic resources, access to basic services, property ownership and finance
GOAL 2: Zero Hunger	- Food Security and Sustainable Food Systems	2.1: End hunger and ensure access by all people to safe, nutritious and sufficient food all year round
	- Environmentally sustainable management of living natural resources and land use	2.2: End all forms of malnutrition and address nutritional needs of children, pregnant and lactating women and older persons
		2.3: Double agricultural productivity and incomes of small-scale farmers through equal access to resources and opportunities
		2.4: Ensure sustainable food production systems that improve productivity and support ecosystems and climate change adaptation
		2.A: Enhance agricultural capacity in emerging markets through investment in rural infrastructure, research and technology
GOAL 3: Good Health and Well-being	- Access to essential services	3.8: Achieve universal health coverage with access to quality and affordable essential health-care services and medicines for all
		3.B: Support the R&D of and provide access to vaccines and medicines for diseases that primarily affect emerging markets
		3.C: Increase health financing and promote the recruitment, development and training of the health workforce in emerging markets
GOAL 4: Quality Education	- Access to essential services	4.1: Ensure that all children complete quality primary and secondary education leading to relevant and effective outcomes
	- Employment generation	4.2: Ensure that all children have access to quality early childhood development, care and preprimary education
	- Socioeconomic Advancement and Empowerment	4.3: Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education
	- Gender, Inclusion and Diversity	4.4: Increase the number of youth and adults with technical and vocational skills for employment and entrepreneurship
		4.5: Eliminate gender disparities in education and ensure equal access to education and training for vulnerable persons
		4.A: Build and upgrade education facilities that provide safe and effective learning environments for all
		4.C: Increase the supply of qualified teachers, including through international cooperation for teacher training in emerging markets

UN SDG 17 Goals		SDG Targets
GOAL 5: Gender Equality	-Socioeconomic Advancement and	5.1: End all forms of discrimination against all women and girls everywhere
GOAL 6: Clean Water and Sanitation	- Pollution prevention and control	6.1: Achieve universal and equitable access to safe and affordable drinking water for all
	- Environmentally sustainable management of living natural resources and land use	6.2: Achieve access to adequate sanitation and hygiene for all and end open defecation
	- Sustainable Water and Wastewater Management	6.3: Improve water quality by reducing pollution, eliminating dumping and minimizing hazardous chemicals and materials
	- Access to basic infrastructure	6.4: Increase water-use efficiency across all sectors and ensure sustainable supply of freshwater to reduce water scarcity
GOAL 7: Affordable and Clean Energy	- Renewable energy	6.B: Support and strengthen the participation of local communities in improving water and sanitation management
	- Energy efficiency	7.1: Ensure universal access to affordable, reliable and modern energy services
	- Green buildings	7.2: Increase substantially the share of renewable energy in the global energy mix
	- Access to basic infrastructure	7.3: Double the global rate of improvement in energy efficiency
GOAL 8: Decent Work and Economic Growth		7.B: Expand infrastructure and upgrade technology for sustainable energy services to all in emerging markets
	- Access to essential services	8.3: Promote policies that support productivity, job creation, entrepreneurship, innovation, and encourage the growth of SMEs
	- Employment generation	8.5: Achieve full, productive employment and decent work for all women and men, and equal pay for work of equal value
	- Food security and sustainable food systems	8.6: Substantially reduce the proportion of youth not in employment, education or training
GOAL 9: Industry, Innovation and Infrastructure	- Socioeconomic advancement and empowerment	8.10: Strengthen the capacity of domestic financial institutions to expand access to insurance and financial services for all
	- Energy efficiency	9.1: Develop sustainable infrastructure to support economic development and human well-being, focusing on equitable access
	- Pollution prevention and control	9.3: Increase SMEs' access to finance, and their integration into value chains and markets, particularly in emerging markets
	- Food security and sustainable food systems	9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with all countries taking action
	- Socioeconomic advancement and empowerment	9.A: Facilitate sustainable infrastructure development in emerging markets through financial and technical support
	- Access to basic infrastructure	9.C: Increase access to information and communications technology and provide universal and affordable access to the Internet

UN SDG 17 Goals	SDG Targets
GOAL 10: Reduced Inequality - Food security and sustainable food systems - Gender, inclusion and diversity	10.2: Empower and promote the social, economic and political inclusion of all
GOAL 11: Sustainable Cities and Communities - Pollution prevention and control - Terrestrial and aquatic biodiversity conservation - Climate change adaptation - Clean transportation - Green buildings - Circular economy - Eco-efficient products and technologies - Access to essential services - Food security and sustainable food systems - Affordable housing - Access to basic infrastructure	11.1: Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums 11.2: Provide access to safe, affordable, accessible and sustainable transport systems for all 11.5: Reduce deaths, people affected and economic losses caused by disasters, particularly for people in vulnerable situations 11.6: Reduce the adverse per capita environmental impact of cities, with special attention to air quality and waste management 11.7: Provide universal access to safe and inclusive green and public spaces for all 11.A: Support economic, social and environmental links between urban and rural areas by strengthening development planning 11.B: Increase number of cities with plans towards inclusion, resource efficiency, and climate change and disaster resiliency 11.C: Support least developed countries, including through financial and technical assistance, in building sustainable buildings using local materials
GOAL 12: Responsible Consumption and Production - Pollution prevention and control - Environmentally sustainable management of living natural resources and land use - Circular economy - Eco-efficient products and technologies	12.2: Achieve the sustainable management and efficient use of natural resources 12.4: Achieve environmental management of chemicals and all wastes, and reduce their release to air, water and soil 12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse
GOAL 13: Climate Action - Environmentally sustainable management of living natural resources and land use - Climate change adaptation	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.2: Integrate climate change measures into national policies, strategies and planning 13.B: Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries

UN SDG 17 Goals	SDG Targets	
GOAL 14: Life Below Water	- Pollution prevention and control	14.1: Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities
	- Environmentally sustainable management of living natural resources and land use	14.2: Sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts
	- Terrestrial and Aquatic Biodiversity Conservation	14.5: Conserve at least 10% of coastal and marine areas, consistent with national and international law and scientific data
	- Sustainable Water and Wastewater Management	14.6: Prohibit certain forms of fisheries subsidies contributing to overfishing and eliminate subsidies leading to unregulated fishing
		14.A: Increase R&D to improve ocean health and enhance the contribution of marine biodiversity to the development of emerging markets
		15.1: Ensure the conservation and sustainable use of terrestrial and inland freshwater ecosystems and their services
GOAL 15: Life on Land	- Environmentally sustainable management of living natural resources and land use	15.2: Promote the implementation of sustainable management of all types of forests
	- Terrestrial and aquatic biodiversity conservation	15.5: Reduce the degradation of natural habitats and biodiversity loss, and prevent the extinction of threatened species
		15.8: Prevent entry and reduce the impact of invasive alien species on land and water ecosystems, and control the priority species
		15.A: Mobilize and increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems
		15.B: Mobilize resources to finance sustainable forest management and provide adequate incentives to emerging markets to advance such
		16.1: Significantly reduce all forms of violence and related death rates everywhere
GOAL 16: Peace and Justice Strong Institutions	- Gender, inclusion and diversity	

The United Nations' Sustainable Development Goals (SDGs) mapping in this SPO considers the eligible project categories and associated sustainability objectives/benefits documented in the issuer's financing framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

Appendix 3 - Summary of eligible categories in CAF's framework

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Renewable energy	<p>Financing the design, construction, maintenance, and operation of generation, distribution, and/or transmission of energy from renewable energy sources as well as renewable energy-related appliances and products including:</p> <ul style="list-style-type: none"> - Solar photovoltaic and concentrated solar power - Onshore wind generation facilities - Small-scale, run-of-river hydro without artificial reservoir or low storage capacity - Bioenergy including biomass, biogas, and biofuels using sustainable feedstocks - Geothermal energy - Low-carbon hydrogen production, storage, or usage - Energy storage or measures to improve grid stability that increase the share of low-carbon energy in the system - Greenfield transmission of electricity that increases the efficiency of the system and plans to reduce energy losses (technical and non-technical) compared with the national losses average - Greenfield distribution of electricity that increases the efficiency of the system and reduces energy losses (technical and non-technical) by more than 5% - Efficiency improvement or reduction of CO₂e emissions in transmission or distribution of electricity <p>Blue projects</p> <ul style="list-style-type: none"> - Ocean power (offshore wind, offshore and coastal solar photovoltaic, wave, tidal, and salinity gradient) - Low-carbon hydrogen production, storage or usage (from seawater or coastal aquifers) 	<ul style="list-style-type: none"> - Climate change mitigation 	<ul style="list-style-type: none"> - Installed generation capacity added to the national electrical system (MW) - Annual electricity generation (MWh) - Transmission and distribution lines installed or rehabilitated (Km) - People benefiting from new or improved energy infrastructure (#) - Annual GHG emissions reduction or avoided with support from CAF interventions (annual tons of CO₂ equivalent)
Energy efficiency	<p>Financing the design, construction, maintenance, and operation of energy efficiency systems, equipment and processing to obtain an energy efficiency improvement including:</p> <ul style="list-style-type: none"> - Industrial energy-efficiency improvement by more than 15% relative to a calculated previous baseline - Commercial and collection loss reduction in the distribution of electricity, or measures aimed at demand-side management - Improving energy efficiency in existing facilities with smart meters, smart grids, and upgraded equipment (including LED lighting, HVAC systems, and heat recovery systems) - Information, communications and digital technologies ("ICT") including energy management systems, AI for energy optimization, demand response systems, smart meters 	<ul style="list-style-type: none"> - Climate change mitigation - Natural resource conservation 	<ul style="list-style-type: none"> - Annual energy savings MWh/GWh - Annual reduction of energy consumption in % or in MWh from a baseline - Annual energy saved in MWh/GWh (electricity) and GJ/TJ (other energy savings)/annum - Annual GHG emissions reduction or avoided with support from CAF interventions (annual tons of CO₂ equivalent)

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Pollution prevention and control	<p>Financing the design, construction, maintenance, and operation of systems to reduce or eliminate pollution and waste including:</p> <ul style="list-style-type: none"> - Industrial pollution control, different than conventional solid waste management and wastewater treatment (includes reduction of air pollutants) - Solid waste treatment plants - Systems for collection, transportation, storage, transfer, classification, recycling, reuse and final disposal of waste - Reuse of products and recovery of materials from solid waste - Recovery and valorization of biowaste - Waste-to-energy projects - Treatment of mixed residual waste - Landfill gas capture, reduction and utilization <p>Blue projects</p> <ul style="list-style-type: none"> - Pollution prevention systems specified above must be located in or near a coastal area and generate a positive impact on the ocean by improving water environmental quality - Waste management and pollution prevention projects specified above that generate a positive impact on the ocean or nearby coastal areas 	<ul style="list-style-type: none"> - Pollution prevention and control 	<ul style="list-style-type: none"> - Waste that is prevented, minimized, reused or recycled before and after the project in % of total waste and/or in absolute amount in tons p.a - Annual absolute (gross) amount of waste that is separated and/or collected, and treated (including composted) or disposed of (in tons p.a. and in % of total waste) - Annual GHG emissions reduction or avoided with support from CAF interventions (annual tons of CO₂ equivalent) - Energy recovered from waste in MWh/GWh/KJ of net energy generated p.a

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Environmentally sustainable management of living natural resources and land use: agriculture, land use, livestock activity, fishing, mariculture, forestry and aquaculture	<p>Financing the design, construction, maintenance, and operation of systems, technologies, and processes that contribute to maintaining or improving the productivity of land-based economic activities including:</p> <p>Sustainable Agriculture</p> <ul style="list-style-type: none"> - Certified Organic Agriculture under recognized international standards. Accepted standards include UTZ Certified, Roundtable on Sustainable Biomaterials (“RSB”) and the International Federation of Organic Agriculture Movements (“IFOAM”), National Certification schemes, Fairtrade Certification, Rainforest Alliance Certification, USDA Organic, or the European Organic Standard (EC Regulation 034/2007) - Projects that improve the productivity of agricultural, livestock, fishing, mariculture or marine or continental aquaculture systems threatened by climate hazards - Institutional support/funding programs related to enhancing traceability in livestock production - Climate smart agriculture and farming projects including effective irrigation and water stewardship, diversified cropping systems, no-till practices, reduction in pesticide use, nutrient cycling - Regenerative agriculture practices that improve existing carbon pools and soil health including rehabilitation of degraded land, rangeland management, and the collection and treatment/remediation of hazardous waste and contaminated soil - Livestock projects that reduce methane and other GHG emissions, including manure management with the use of biodigesters, improved feeding practices to reduce methane emissions, grazing rotation, electric fences, living fences, bio-input production - Traceability systems to ensure sustainability of operations, facilities, and supply chains <p>Sustainable Forestry</p> <ul style="list-style-type: none"> - Sustainable management of natural forests and forest plantations, through afforestation, reforestation, restoration of productive landscapes and restoration of high conservation value forests. These activities must be aligned with recognized forest certification standards, such as the Forest Stewardship Council (“FSC”) and the Programme for the Endorsement of Forest Certification (“PEFC”), as well as evaluation and implementation as a mechanism to ensure the sustainability and competitiveness of productive or restoration activities - Agroforestry and silvopastoral projects under the certification schemes mentioned above - Evaluation and implementation of the eco-efficiency of the forestry industry to ensure the sustainability and competitiveness of value-added production processes, including sawing, peeling, bioenergy, and pulp macroprocesses 	<ul style="list-style-type: none"> - Sustainable use of resources - Biodiversity conservation 	<ul style="list-style-type: none"> - Land area benefiting from new and/or rehabilitated irrigation infrastructure (has) - Annual GHG emissions reduced or avoided with support from CAF interventions (annual tons of CO₂ equivalent) Sustainable Agriculture: - Carbon footprint of agricultural activities (kg CO₂e/ton of product): - Quantity of water used in irrigation (m³/Ha or m³/ton) - Efficiency in the use of fertilizers - balance of fertilizers applied vs. absorbed by plants (kg/ha) - Impact on local flora and fauna (number of species affected or area of habitat affected) - Agricultural productivity in the cultivated area (tons/Ha or kg/plant) Livestock: - Annual methane and nitrous oxide emissions reduced or avoided (kg CH₄ or N₂O per animal unit) - Soil degradation (hectares affected): level of erosion and loss of soil nutrients (has). - Quantity of water used for animal consumption and maintenance (liters/animal) - Feed efficiency conversion (kg of feed per kg of meat or milk produced) Sustainable Forestry - Annual GHG emissions reduced or avoided with support from CAF interventions (annual tons of CO₂ equivalent) - Amount of sequestered GHG emissions (tons of CO₂/ha/year) - Area under certified sustainable forest management (in ha and % of total area; increase in %) - Change in land use (Area has. reforested with native species (in ha and % of total area; increase in %)) - Biodiversity and forest cover (Increase in species richness and relative abundance of priority biodiversity species (in number)); impact on the ecosystem and biodiversity). - Water quality indicators (temperature, nutrient, pH, dissolved solids indices) - Participation in conservation programs (number of projects)

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Environmentally sustainable management of living natural resources and land use: agriculture, land use, livestock activity, fishing, mariculture, forestry and aquaculture	<p>Blue projects</p> <p>Sustainable Agriculture – Fisheries and Mariculture</p> <ul style="list-style-type: none"> - Sustainable production and waste management and reduction measures that meet, keep, or exceed the Marine Stewardship Council, Aquaculture Stewardship Council, or equivalent - Traceability systems to ensure sustainability of operations, facilities, and supply chains - Projects that prevent illegal, unreported, and unregulated fishing - Technology transfer towards artisanal sustainable fishing and/or prevention of illegal fishing practices - Recovery of overexploited fish stocks 		<ul style="list-style-type: none"> - Globally over-exploited marine fisheries in recovery or under moved to more sustainable levels (metric tons) - Area of marine habitat under (excluding protected areas) (has) - Reduction, disposal/destruction, phase out, elimination and avoidance of chemicals of global concern and their waste in the environment and in processes, materials and products (metric tons of toxic chemicals reduced) - Annual GHG emissions reduced or avoided with support from CAF interventions (annual tons of CO₂ equivalent) - Certified sustainable seafood products produced/traded/retailed (in t/y and % of total; increase in %)
Terrestrial and aquatic biodiversity conservation	<p>Financing the design, construction, maintenance, and operation of projects and initiatives that promote the protection or restoration of terrestrial ecosystems, habitats, and nature-based solutions including:</p> <ul style="list-style-type: none"> - Conservation, restoration, afforestation of and reforestation of terrestrial ecosystems and native vegetation - Restoration of natural forests of high conservation value forests through enrichment strips and assisted natural regeneration - Restoration of degraded lands with forest plantations of native species and genetic material from the vicinity - Restoration of wetlands and mangroves through hydrological rehabilitation, reforestation with native species and genetic material from the vicinity, control of invasive species, sediment management and use of natural barriers - Urban forests and public green spaces, which involve urban trees, green infrastructure - Biological corridors and nature-based solutions such as urban watershed restoration and mangrove restoration (including those activities in urban spaces) - Prevention and control programs for invasive species, essential for preserving ecological balance and avoiding the loss of biodiversity - Establishing and managing Protected Areas (PA) and Other Effective Area-Based Conservation Measures (OECM) - Biotrade, Bioeconomy, and Bio businesses projects & Program activities. - Implementation of activities related to the Nagoya and Cartagena Protocols - Implementation of biodiversity and ecosystem solutions to reduce vulnerability and physical climate risk - Rewilding, species reintroduction, and monitoring programs - Biodiversity data platforms and /or IoT-based habitat monitoring 	- Biodiversity conservation	<ul style="list-style-type: none"> - Area of land restored or rehabilitated (in ha and % of total area; increase in %) - Area of land and water protected (in km; increase in %) - Maintenance/ safeguarding/ increase of protected area/ OECM/habitat (ha²) - Increase in species richness and relative abundance of priority biodiversity species (in number) - Annual GHG emissions reduced or avoided with support from CAF interventions (annual tons of CO₂ equivalent) - Area covered by nature-based solution (in ha and % of total area under land management practices and/or infrastructure area; increase in %) - Wildlife crossings / corridors created (in number and ha; increase in %) (number of wildlife species populations connected – Size of these wildlife populations)

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Terrestrial and aquatic biodiversity conservation	<p>Blue projects</p> <ul style="list-style-type: none"> - Restoration, protection, and conservation of coastal and marine ecosystems such as wetlands, coral reefs, mangroves, seagrass - Establishing and managing Marine Protected Areas (MPA) - Marine spatial planning - Rewilding, species reintroduction, and monitoring programs - Invasive marine species prevention programs 	<ul style="list-style-type: none"> - Pollution prevention and control - Sustainable use of water resources 	<ul style="list-style-type: none"> - Annual absolute (gross) water use before and after the project in m3 /a, reduction in water use in % - Drinking water pipes installed (km) - New drinking water connections (#) - Sewerage networks built or improved (km) - New sewerage connections (#) - Installed wastewater treatment capacity (m3/year) - Wastewater treatment plants built or improved (#) - Drinking water treatment plants built or improved (#) - Watercourse or body control infrastructure built or rehabilitated (#) - Land area benefited by new and/or rehabilitated irrigation infrastructure (has) - Drinking water treatment plants built or improved in indigenous territories or communities (#) - Annual GHG emissions reduced or avoided with support from CAF
Sustainable water and wastewater management	<p>Financing the design, construction, maintenance, and operation of systems and equipment that contribute to improving access and/or efficient use of water, and wastewater management including:</p> <ul style="list-style-type: none"> -Water conservation infrastructure such as monitoring systems, early warning systems for floods and droughts, drip irrigation, water recycling systems - Water storage and distribution infrastructure such as urban drainage, stormwater management systems and rainwater harvesting systems - Infrastructure for reduction of losses and consumption - Infrastructure for drinking water treatment - Wastewater collection and treatment systems including sewerage systems, and water treatment infrastructure <p>Blue Projects</p> <ul style="list-style-type: none"> - Wastewater management located in or near a coastal area, or that and generates a positive impact on the ocean by improving the environmental quality of the water 	<ul style="list-style-type: none"> - Pollution prevention and control - Sustainable use of water resources 	<ul style="list-style-type: none"> - Annual absolute (gross) water use before and after the project in m3 /a, reduction in water use in % - Drinking water pipes installed (km) - New drinking water connections (#) - Sewerage networks built or improved (km) - New sewerage connections (#) - Installed wastewater treatment capacity (m3/year) - Wastewater treatment plants built or improved (#) - Drinking water treatment plants built or improved (#) - Watercourse or body control infrastructure built or rehabilitated (#) - Land area benefited by new and/or rehabilitated irrigation infrastructure (has) - Drinking water treatment plants built or improved in indigenous territories or communities (#) - Annual GHG emissions reduced or avoided with support from CAF

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Climate change adaptation	<p>Financing the design, construction, operation, and maintenance of infrastructure and measures that build resiliency and adaptation to climate-related natural hazards, such as drought, floods, wildfires, and hurricanes, including:</p> <ul style="list-style-type: none"> - Climate change adaptation infrastructure for natural disasters (e.g. flood prevention and wildfire mitigation and management) - Upgrade of built infrastructure and/or integration of nature-based solutions to enhance community climate resiliency, including urban green systems - Information systems, weather and climate analytics, remote sensing-based tools, and early warning systems designed for analyzing physical climate risk exposure and protecting against extreme events - Disaster response and recovery platforms including tracking relief efforts, coordination of resources and mapping impacted areas through real-time data - Interventions in public spaces (squares, parks, linear parks, urban forests.) - Urban roads with the concept of complete streets which include green adaptation component and social component too - Measures to strengthen climate resilience of energy systems and digital infrastructure address climate adaptation risks <p>Blue projects</p> <ul style="list-style-type: none"> - Upgrade of built infrastructure and/or integration of nature-based solutions to enhance community climate resiliency to hurricanes and storm surges located in coastal areas or small islands - Development of coastal-zone management plans and coastal erosion prevention plans - Upgrade of built infrastructure and/or integration of nature-based solutions to enhance community climate resiliency - Projects that contribute to increasing the resilience of marine and coastal ecosystems to climate change - Smart water management systems 	- Climate change adaptation	<ul style="list-style-type: none"> - Reduction in number of operating days lost or repair costs due to weather-related disruptions - Number of beneficiaries benefiting from climate change adaptation solutions and/or newly implemented warning systems (#) - Value of economic savings generated by improvements in climate change adaptation (USD) - Number of kms of road, rail or other infrastructure adapted

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Clean transportation	<p>Financing the design, acquisition, manufacture and upgrade, purchase, leasing, expansion of, and/or operation of low carbon transport assets and supporting infrastructure including:</p> <ul style="list-style-type: none"> - Public low carbon land transport such as electric rail, metros, trams and electric buses with direct emissions <50g CO₂e/p-km - Freight rail with direct emissions <25g CO₂e/t-km - Low carbon vehicles such as electric, non-motorized or any other non-fossil fuel transportation with respective direct emissions <50g CO₂e / vkm - Infrastructure for clean energy vehicles and reduction of harmful emissions (e.g. charging infrastructure upgrades, batteries, fuel cells, electric charging ports, and hydrogen fueling stations) - Charging infrastructure with smart grid integration - Public transportation and dedicated infrastructure for multimodal transport (public walking or cycling infrastructure) - Traffic and demand management control systems (land, air and aquatic) - Smart – digital traffic management systems - Fleet management technologies and systems - Smart parking systems <p>Blue projects</p> <ul style="list-style-type: none"> - Climate adaptation of marine ports and shipping canals in climate obsolescence due to changing climate patterns - Projects based on the decarbonization of maritime transport streamline with IMO recommendations. - Implementation of green corridors initiatives. - Low-carbon marine fuel bunkering facilities - Investments in shipping in the research, design, development, and implementation of water and waste management and ballast water strategy - Supporting innovative design and construction of eco ports in high-value environmental marine and land areas - Energy efficient port terminals. - Shore to ship power (cold ironing) - Port city and port territory projects based on the principles of blue economy, fostering. - Marine passenger transport and tourism in sustainable coastal areas (low emissions, zero pollution, and/or low noise) 	- Climate change mitigation	<ul style="list-style-type: none"> - Number of clean vehicles deployed - Estimated reduction in fuel consumption - Travelers in new or improved sustainable modes of transport (#) - Annual GHG emissions reduced or avoided with support from CAF interventions (annual tons of CO₂ equivalent) - Savings in travel times (minutes) - Investments in R&D for clean transport systems (shipping, ballast water management systems, etc.)

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Green buildings	<p>Financing the acquisition, design, retrofit, construction, leasing, and/or maintenance of green building solutions including:</p> <ul style="list-style-type: none"> - Measures that reduce net energy consumption, resource consumption or CO₂e emissions, or increase plant-based carbon sinks in greenfield and brownfield buildings and associated grounds (e.g. use of building materials with low embedded GHG emissions, construction of building structures for high energy efficiency, such as advanced thermal protection of the building envelope, windows with low thermal conductivity/low-emissivity façade glazing, passive energy design, green roofs and green walls partially or completely covered with vegetation, thermal mass storage systems, and active or passive façade shading elements) - Residential, commercial, and industrial buildings that have the following certifications: <ul style="list-style-type: none"> EDGE Level 2 or Level 3 LEED Gold or Platinum DGNB Gold or Platinum certification BREEAM Excellent or Outstanding ENERGY STAR: score of 85 or above Properties in the top 15% Energy Performance Certification (“EPC”) rating categories by city - Newly constructed greenfield data centers that consider: <ul style="list-style-type: none"> Energy efficiency: maximizing processor performance to reduce the need for underutilized servers Efficient cooling: liquid cooling systems and/or hot and cold aisle containment to optimize temperature management Renewable energy to power the data center or strategies to reduce the reliance on fossil fuels Water efficiency: recycling of water for cooling systems/rainwater collection for sustainable water management Circular economy: capture and reuse residual heat from servers for heating systems or urban networks 	- Climate change mitigation	- Annual GHG emissions reduced or avoided with support from CAF interventions (annual tons of CO ₂ equivalent)

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Circular economy, Eco-efficient products and technologies	<p>Financing the research, design, construction, development, procurement, and operation of technologies and processes that promote circular economy activities aimed at reducing, redesigning, and reusing materials/waste including:</p> <ul style="list-style-type: none"> - Production of products that can be recycled or composted where the input feedstock is from recycled/reused waste - Production of end-use plastic products with (i) at least 90% of recycled, renewable and/or bio-based input, (ii) at least 90% is not intended for single use consumer products, and iii) all products are recyclable - Substitution of virgin raw materials with 100% secondary (recycled or reused waste) materials (fabrics, metals, fibers, wood and recycled plastics) in manufacturing and industrial processes - Development, manufacturing and distribution of sustainable packaging certified by a recognized third-party certification such as the FSC - Smart/digital waste management and recycling platforms or solutions - ICT-enabled circular supply chain management systems 	- Promotion of circular economy	<ul style="list-style-type: none"> - Annual GHG emissions reduced or avoided with support from CAF interventions (annual tons of CO₂ equivalent) - % of energy used reduced/avoided - Number of Green Buildings that are certified

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Access to essential services	<p>Financing initiatives and programs that provide and enhance accessibility to basic services to target populations including:</p> <p>Financial Inclusion - Expansion, construction, upgrade, studies or operation of:</p> <ul style="list-style-type: none"> - Banks and other financial intermediaries to promote financial inclusion - Programs and initiatives dedicated to expanding access to free and/or discounted financial products and microfinance - Programs and initiatives to expand financial education and literacy programs - Digitalized finance platforms - Programs and initiatives that promote the adaptation of services to the cultural and linguistic particularities of ethnic groups <p>Health - Expansion, design, studies, construction, upgrade, or operation of:</p> <ul style="list-style-type: none"> - Public health facilities that guarantee access to target populations - Production and expansion of access to medicines, and vaccines for epidemics and pandemics affecting target populations or geographical regions - Programs, initiatives, and research and development to support the modernization and operational efficiency of healthcare and health services - Programs and initiatives that expand access to education and care on sexual and reproductive health <p>Education - Financing initiatives, design, studies, and programs that provide and enhance accessibility to education and learning opportunities including:</p> <ul style="list-style-type: none"> - Learning spaces including preschools, primary and secondary public schools, technical and vocational education institutions, universities, and libraries - Facilities, equipment, educational materials and digital content to support learning spaces - Financing and scholarships to enhance access to tuition for schooling and universities, and other educational services - Professional development to improve teaching and learning processes through technical training and capacity building for educational staff - Vocational training for affected target populations including skills development, recruitment and job placement, and trade schooling - Inclusive education programs for persons with disabilities - Programs and initiatives that actively promote non-racial discrimination and the recognition of cultural diversity 	<ul style="list-style-type: none"> - Access to essential services 	<p>Financial Inclusion</p> <ul style="list-style-type: none"> - SMEs benefiting from CAF operations through intermediaries (#) - Microentrepreneurs benefited by a microcredit (#) - Students benefited by education projects (#) - Women's MSMEs benefited by innovation services financed by CAF (#) <p>Health</p> <ul style="list-style-type: none"> - Children under 5 years of age served by early childhood care programs (#) - Pregnant women who have received prenatal care (#) - Patients reached from built or provided medical sources / programs / infrastructure (#) - Surface area of healthcare infrastructures (m2) <p>Education</p> <ul style="list-style-type: none"> - Educational infrastructure built or rehabilitated (m2) - Students benefited by education projects (#) - Teachers trained (#) - Indigenous and afro descendent teachers trained (#) - Projects with a focus on early childhood care (#) - Indigenous and afro descendent peoples trained (#) - Post-training employment rate (%)

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Employment generation	<p>Financing initiatives, studies, and programs designed to deliver long-term benefits to alleviate unemployment, preserve job opportunities, facilitate job placement, and/or retrain/reskill target populations that:</p> <ul style="list-style-type: none"> - Suffered from significant socioeconomic crises and economic losses due to significant events such as climate-related natural disasters and pandemics - Experienced a loss of jobs due to climate transition projects - Experienced a loss of jobs due to automatization - Are located in areas where economic opportunities are limited with a high incidence of poverty - Experienced discrimination or inequality to access the labor market and specific productive sectors - Have not completed secondary education and are in vulnerable segments of the labor market (informal, short-term employments, low wages, in small firms with no in-house mechanisms of upskilling) - Are located in areas with limited education and training opportunities 	- Employment generation	<ul style="list-style-type: none"> - Proportion of jobs, hired by the operation, occupied by women (%) - Direct and indirect jobs created (#) - Increase in average family income (%) or target population - Reduction in unemployment rate (%) in areas of intervention
Food security and sustainable food systems	<p>Financing initiatives, studies and programs that expand access to food and nutrition, and support robust food systems for target populations including:</p> <ul style="list-style-type: none"> - Free and subsidized access to food and water programs for target populations that are experiencing or threatened by food insecurity - Transformation of food systems, including technologies for production, logistics, and short circuits - Emergency readiness and response to target emergencies that involve agriculture, food systems and food security - Agricultural health, food, and water safety services as well as access to supplies that promote food and water safety - Enhancement of technical capabilities through equipment and machinery, and educational and skill building programs to support smallholder farmers to increase nutritional capacity of food and enhance productivity and adaptation to climate change, extreme weather, drought, flooding and other disasters - Social protection and insurance programs for farmers to build climate adaptation and risk management 	- Food security	<ul style="list-style-type: none"> - Increase in sustainable food production (%) - Increase in access to food programs (%) - Reduction in food waste (%) - Number of producers served by programs to strengthen small producers or family farming (#) - Number of people provided with increased access to food and nutrition
Affordable housing	<p>Financing related to the design, construction, development, expansion, acquisition, procurement, maintenance, and operation of safe, affordable, adequate housing units including:</p> <ul style="list-style-type: none"> - The purchase of new or existing facilities (new/used homes or apartments, social housing, shelters, transitional housing, subsidized housing projects) that ensure access to safe and affordable housing for the target populations - Social housing projects and programs targeted towards the target population and supporting rural housing developments - Renovation, maintenance and improvements of social housing projects 	- Affordable housing	<ul style="list-style-type: none"> - People living in neighborhoods benefited by improvements in their habitat environment (#) - People benefiting from affordable housing solutions (#) - Affordable housing units built or improved (#) - Women directly benefited by CAF interventions (#) - Indigenous and afro descendent people directly benefited by CAF interventions (#, %)

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Socioeconomic advancement and empowerment	<p>Financing programs and initiatives that provide advancement and empowerment of target populations including:</p> <ul style="list-style-type: none"> - Initiatives and financing that support enhanced access to affordable, non-discriminatory financial services for target populations, specifically for MSMEs and particularly MSMEs owned by women and/or ethnic groups - Financial education, free and subsidized financial services, access to credit, supply chain financing, and other wealth building capacities and services - Educational, vocational, and professional training and skill development, recruitment and other economic opportunities 	- Socioeconomic development	<ul style="list-style-type: none"> - Women's MSMEs benefited by innovation services financed by CAF through knowledge-generating entities and/or development banks (#) - Number of beneficiaries of social protection programs (#) - Increase in per capita income in target communities (%)
Access to basic infrastructure	<p>Financing related to the design, construction, development, expansion, maintenance, and operation of facilities, services, systems, or equipment for target populations and/or communities that have unsafe, inadequate, or limited access to infrastructure including:</p> <p>Energy</p> <ul style="list-style-type: none"> - Expansion and/or rehabilitation of newly connected or reliable energy and heating services and infrastructure <p>Water and Sanitation</p> <ul style="list-style-type: none"> - Construction and maintenance of adequate drinking water and sanitation services through increased water treatment and supply systems, sewerage systems, urban waste collection, treatment, and disposal systems <p>Transport</p> <ul style="list-style-type: none"> - Enhancing transport connectivity through road infrastructure, bridges, tunnels, public transportation and metro networks, airports, and ports - Providing access to safe, accessible, inclusive and sustainable transport systems <p>Telecommunications Connectivity</p> <ul style="list-style-type: none"> - Expansion and/or rehabilitation of newly connected or reliable telecommunications, mobile broadband, and internet services, equipment, and infrastructure 	- Access to basic infrastructure	<ul style="list-style-type: none"> - People benefiting from new or improved energy infrastructure (#) - People benefited by a new or improved drinking water and/or sewerage connection (#) - People benefited by infrastructure for controlling watercourses or bodies of water built or rehabilitated (#) - People benefited by new and/or rehabilitated irrigation infrastructure in rural and vulnerable areas (#) - New or rehabilitated road infrastructure in Indigenous and Afro-descendant territories - Beneficiaries served by new infrastructures (same as new or rehabilitated) (#)

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Gender, inclusion and diversity	<p>Financing programs, studies and initiatives that address social inequalities and favor equal opportunities, rights and conditions for target populations, including:</p> <p>Gender</p> <ul style="list-style-type: none"> - Comprehensive care systems - Comprehensive care services for women's rights - Prevention and support for victims of gender-based violence - Prevention of all forms of violence and discrimination - Prevention and support related to pregnancy for girls and teens' <p>Inclusion of Persons with Disabilities</p> <ul style="list-style-type: none"> - Universal accessibility projects (including public spaces, and transportation) - Social protection programs and support/care policies - Inclusive education (infrastructure, teacher training, technology) - Adapted sports infrastructure (equipment, facilities, etc.) - Mental health programs with a rights-based approach (including deinstitutionalization and primary care) - Inclusive tourism (including tourist services and accessibility) <p>Ethnic and Cultural Diversity</p> <ul style="list-style-type: none"> - Strengthening and innovating agricultural practices of Indigenous peoples and adaptation to climate change - Promoting community strategies and access to basic services, training, and employment for ethnic groups - Initiatives that promote culturally appropriate healthcare services - Environmental, tourism and productive management of Indigenous territories - Promoting access to digital and technological infrastructure, equipment and training for ethnic groups - Initiatives for language preservation, intercultural and multilingual education - Courses and training to develop a deeper awareness of the social and historical roots of racism to equip educators with strategies to create more inclusive and equitable classrooms. 	- Social inclusion	<ul style="list-style-type: none"> - Pregnant women who have received prenatal care (#) - Gender responsive budget (USD) - Measures to reduce insecurity or fear of crime by women (#) - Surface area of care infrastructures (m2) - Surface area of infrastructures built for comprehensive care of women's rights (m2) - Surface area of universally accessible infrastructures (m²) - Persons with disabilities directly benefited by support/care policies (#) - Users with disabilities of accessible sports facilities (#) - New users of community-based mental health services (#) - Beneficiaries with disabilities of social protection programs (#) - Users with disabilities of accessible tourism services (#) - Surface area of infrastructure built for Indigenous and Afro-descendent peoples (m2)

Appendix 4 - Alignment with the IFC's Blue Finance Guidelines and Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide

Aligned

We have provided a supplementary opinion on the framework's alignment with the IFC's Blue Finance Guidelines and Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide, September 2023, as defined in the Scope section of this report. This Appendix covers requirements in the IFC Blue Finance Guidelines and Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide, September 2023 that extend beyond the requirements in the GBP (the "Requirements"). Commensurate requirements that exist in both have been assessed in the Alignment with Principles section of this report.

As detailed below, we consider the framework to be aligned with the IFC's Blue Finance Guidelines and Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide, September 2023.

Use of proceeds

- » In line with the Requirements, the issuer has committed to labeling only those green bonds that are exclusively earmarked for ocean-related projects and critical clean water resources protection as "blue bonds."
- » In its framework, the issuer has clearly identified and defined clear eligibility criteria for blue eligible projects contributing to SDG 6 and 14 across seven eligible categories, namely: renewable energy, pollution prevention and control, environmentally sustainable management of living natural resources and land use, terrestrial and aquatic biodiversity conservation, sustainable water and wastewater management, climate change adaptation, and clean transportation.

Exclusion criteria

- » In line with the Requirements, the proceeds will not be allocated to projects that meet the illustrative exclusionary criteria referenced in the IFC's Blue Finance Guidelines and Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide, September 2023.
- » In addition to the exclusion list presented in the issuer's environmental and social safeguards guidelines, the issuer has committed to exclude the activities listed in the Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide. Additionally, we consider that eligible blue projects will not affect the development of other SDGs, as established by the IFC's Blue Finance Guidelines.

Identification and management of material ESG risks

- » In line with the Requirements, the issuer has adequate measures in place to identify, manage and monitor the material environmental and social risks associated with the selected projects.
- » As mentioned in the additional contribution to sustainability considerations section, the bank's ESS is a formal document that provides guidance for environmental and social risk management, establishing guidelines to identify, assess and mitigate environmental and social impacts from eligible projects, including projects in blue eligible categories.

Endnotes

- 1 Point-in-time assessment is applicable only on the date of assignment or update.
- 2 International Energy Agency, [Latin America Energy Outlook](#)
- 3 International Energy Agency, [Argentina](#)
- 4 International Energy Agency, [Colombia](#)
- 5 International Energy Agency, [Energy efficiency](#)
- 6 Climate Watch Data, [Ecuador](#)
- 7 UNEP, [Waste Management Outlook for Latin America and the Caribbean](#)
- 8 World Bank, [Future Foodscapes: Re-imagining Agriculture in Latin America and the Caribbean](#)
- 9 WWF, [Deforestation fronts - Drivers and responses in a changing world](#)
- 10 FAO, [Climate-smart agriculture and the sustainable development goals](#)
- 11 UNESCO, [Antecedentes de la relación masa forestal y disponibilidad hídrica en Chile](#)
- 12 Science Direct, [FSC forest certification effects on biodiversity: A global review and meta-analysis](#)
- 13 PNUMA, [Estado de la biodiversidad en América Latina y el Caribe](#)
- 14 Agence Française de développement, [ODS 6](#)
- 15 Inter American Development Bank, [Water access in Latin America and the Caribbean: Definitions and Data](#)
- 16 PNUD, [Guía básica para la reducción de agua no contabilizada](#)
- 17 InTeGrate, [Irrigation efficiency](#)
- 18 European investment bank, [Climate risks for Latin America and the Caribbean](#)
- 19 FAO, [Climate-smart agriculture and the sustainable development goals](#)
- 20 UNDP, [Why low-emissions transport is key for Latin America and the Caribbean](#)
- 21 Our World in Data, [Which form of transport has the smallest carbon footprint?](#)
- 22 UNEP, [Beyond foundations Mainstreaming sustainable solutions to cut emissions from the building sector](#)
- 23 CEPAL, [Economics of climate change in Latin America and the Caribbean](#)
- 24 Circle Economy Foundation, [The circularity gap report - Latin America and the Caribbean](#)
- 25 OECD, [Health at a glance - Latin America and the Caribbean 2023](#)
- 26 UNESCO, [Education in Latin America and the Caribbean at a crossroads: regional monitoring report SDG4 - Education 2030](#)
- 27 ILO, [2023 Labour overview](#)
- 28 FAO, [Regional overview of food security and nutrition in Latin America and the Caribbean](#)
- 29 CAF, [Affordable housing in Latin America and the Caribbean](#)
- 30 UNDP, [Yes, there is hope for MSMEs, in the region and beyond](#)
- 31 SME Finance Forum, [MSME Finance Gap 2019](#)
- 32 Wilson Center, [Latin America Must Prioritize Infrastructure to Spur Economic Growth](#)
- 33 CAF, [Paving and maintenance of rural roads in Latin America to guarantee the economic and social progress of communities](#)
- 34 OECD, [Latin American Economic Outlook 2022](#)
- 35 World Bank, [World Bank Open Data](#)
- 36 CEPAL, [At Least 4,473 Women Were Victims of Femicide in Latin America and the Caribbean in 2021](#)
- 37 World Bank, [Inclusion of Persons with Disabilities is Crucial for the Sustainable Development of Latin America and the Caribbean](#)
- 38 World Bank, [Everyone Equal: Making Inclusive Growth a Priority for Ethnic Minorities](#)

Moody's assigns SPOs in alignment with the main tenets of the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews and the LSTA/LMA/APLMA Guidance for Green, Social and Sustainability-Linked Loans External Reviews, as applicable; Moody's practices may however diverge in some respects from the practices recommended in those documents. Moody's approach to assigning SPOs is described in its Assessment Framework, and is subject to the ethical and professional principles set forth in the Moody's Investors Service Code of Professional Conduct.

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