



XUNTA
DE GALICIA

CONSELLERÍA DE
FACENDA E
ADMINISTRACIÓN PÚBLICA

SUSTAINABLE BOND MONITORING REPORT 2021

OCTOBER 2022

CONSELLERÍA DE FACENDA E ADMINISTRACIÓN PÚBLICA Edificios administrativos - San Caetano, s/n 15781
Santiago de Compostela. A Coruña. Spain

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1. INTRODUCTION

1.1 BRIEF BACKGROUND

The sustainable debt market arises as a result of a global context in which citizens demand the roll out of social and environmental policies.

In this context, such a demand reflects the concerns of:

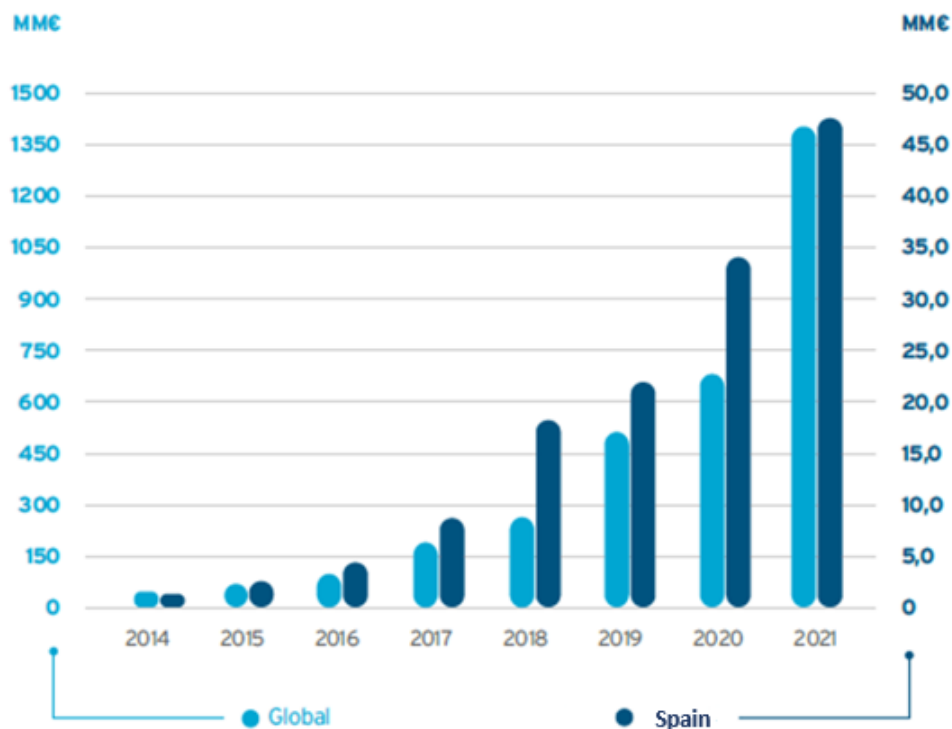
- companies and public administrations seeking to introduce social and environmental policies;
- an increasingly wide range of socially and environmentally conscious investors seeking to ensure that their funds are used to finance social and environmental actions.

This convergence of interests together with the need to finance these policies has led to the market for sustainable bonds, i.e. those issued by public and private bodies whose funds are used exclusively to finance or refinance a combination of Green Projects and Social Projects that help towards securing the Sustainable Development Goals in accordance with the Green Bond Principles (GBP) and the Social Bond Principles (SBP) as established by the International Capital Market Association (ICMA).

Since 2007 when the European Investment Bank issued the first green bond, the sustainable debt market has burst onto the scene and more and more investors are allocating part of their portfolios to supporting sustainable projects in either form, be it green and/or social.

Thus, the global and domestic market for sustainable financing has grown exponentially over recent years, as shown in the following table:

Figure 1. Volume of sustainable financing



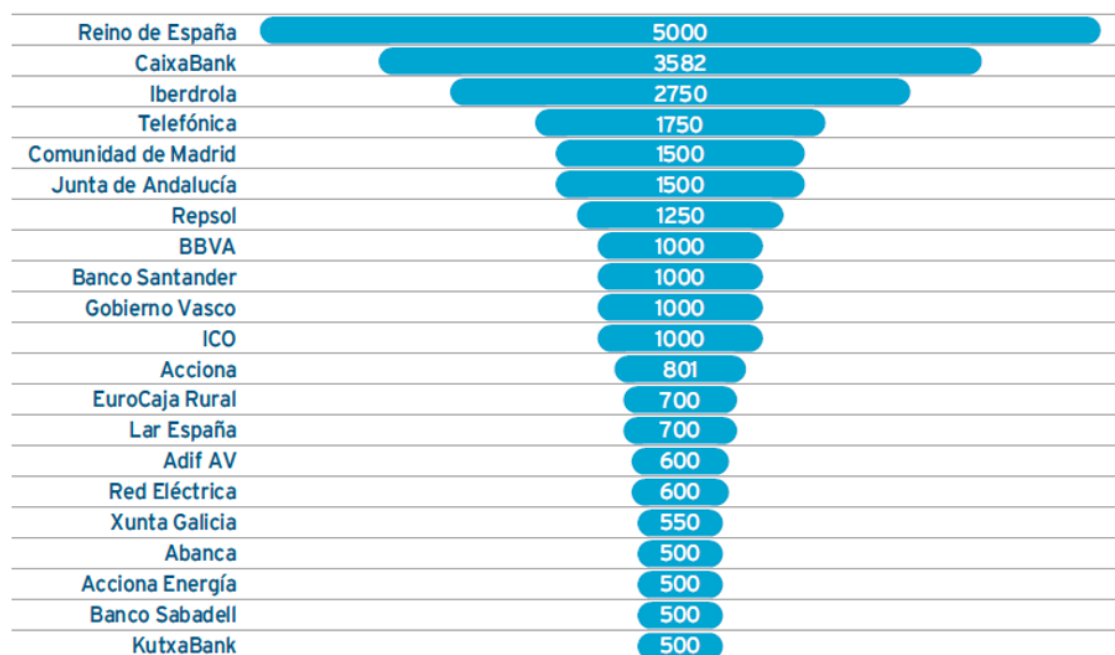
In 2021 the EU launched its first green issue (the largest green bond issue in the world, amounting to €12,000 million). The Treasury has also launched its first green issue.

In Spain, 15 out of every 100 euros issued were sustainable, such that sustainable financing rose in 2021 to €54,951 million.

Excluding data on equity financing and short-term note and promissory note programs, the volume of sustainable financing reached €46,948 million, 42% more than the previous year.

The amount of green, social and sustainable issues made in 2021 was €28,548 million (92% more than in 2020), executed via 62 transactions.

Figure 2. Top issuers 2022

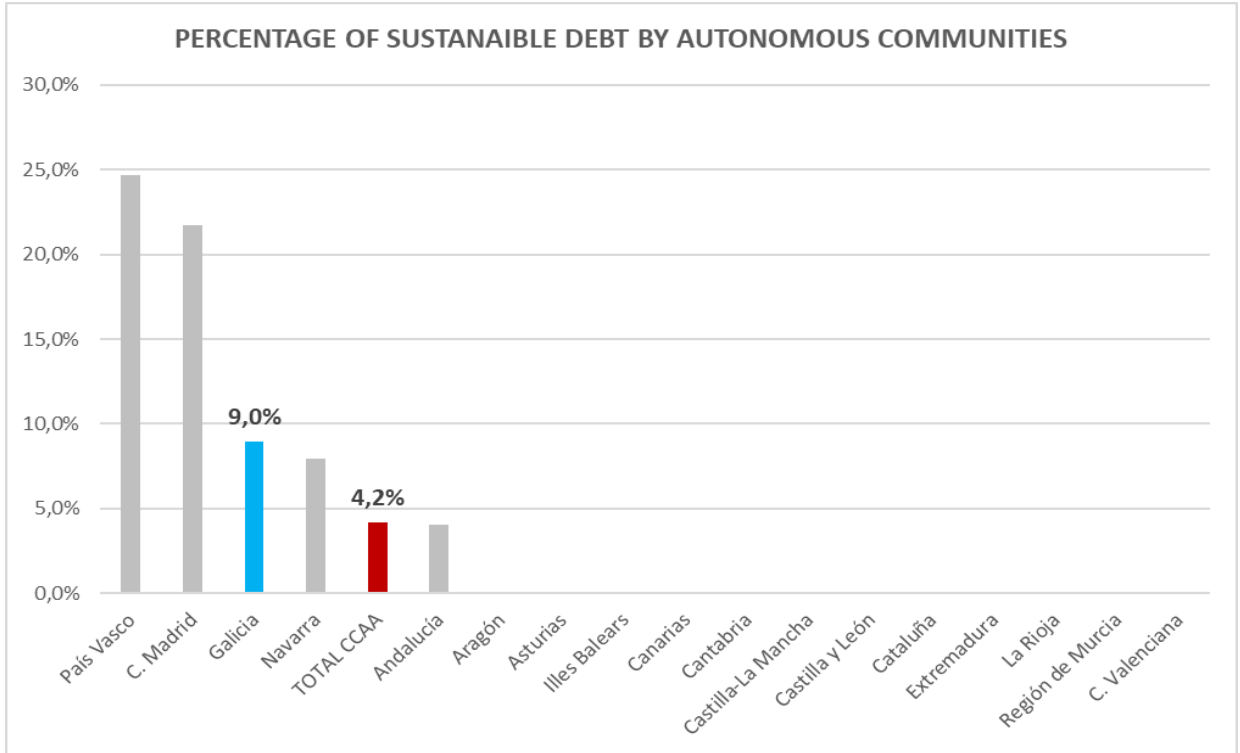


In Spain, five Autonomous Communities have already issued sustainable bonds (the Community of Madrid, the Basque Country, Navarre, Galicia and Andalusia).

The Galician Government launched its first sustainable issue in September 2020, becoming the fourth Autonomous Community to do so. The reasons that prompted the Galician Government to make its first sustainable issue were:

- The Autonomous Community of Galicia allocates a very significant part of its budget to social and green policies;
- Through sustainable financing, the Galician Government shows its commitment to sustainability, reinforcing its reputation as an administration accountable for the achievement of the sustainable development objectives and encouraging other public and private agents to adopt social and environmental commitments;
- In financial terms, the use of sustainable financing broadens the investment base, reducing financial expenditure and contributing to the development of the sustainable emissions market.
- In 2021 sustainable debt accounted for 9% of the Galician Government's outstanding debt.

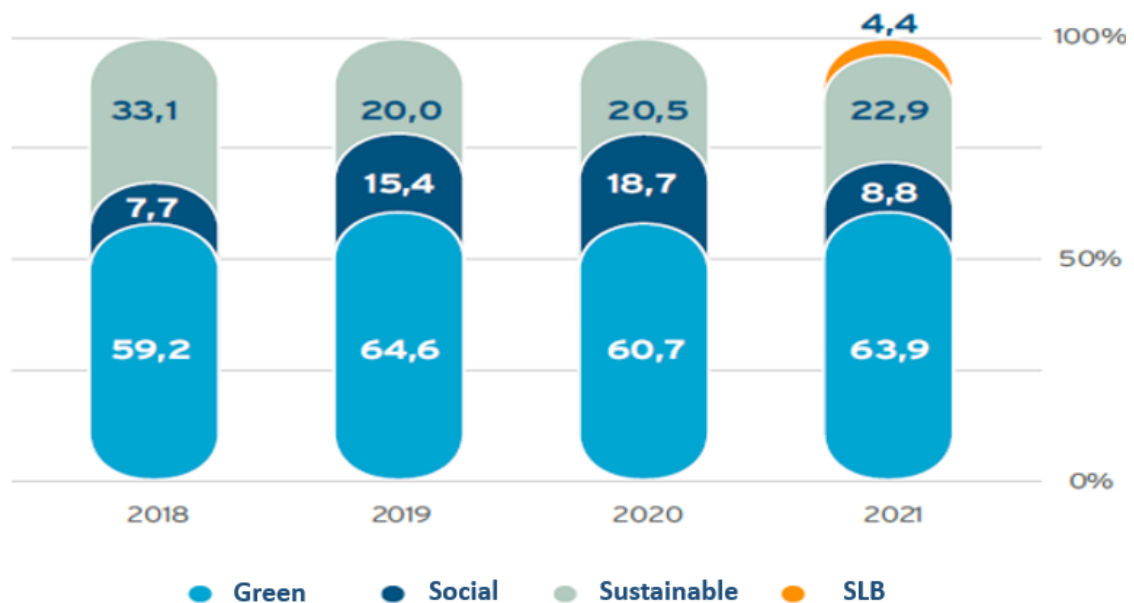
Figure 3. Percentage of sustainable debt by Autonomous Communities



Although most of the bonds issued in Spain are green (63.9%), given the distribution of competences within the Spanish regional public administration, these institutions have a stronger linkage to social rather than green projects (which are also usually financed by other purpose-determined funds, such as the European structural funds), which explains why 92,4% of the sustainable issues made in 2021 by the Galician Government are allocated to social projects and the remaining 7,6% to green projects.

Figure 4. Distribution per category

DISTRIBUTION PER CATEGORY (%) SPAIN - BONDS



1.2 MAIN OBJECTIVES OF THE REPORT AND DESCRIPTION OF THE BOND

In compliance with the Green Bond Principles (ICMA, 2021) and the Social Bond Principles (ICMA, 2021), the report at hand follows the indications outlined in their fourth component: the elaboration of a fund allocation report. Although these principles are not compulsory, they stand as the reference framework in the sustainability debt market. This report has also considered the Harmonized Framework for Impact Reporting (ICMA, 2020).

The purpose of this document is to report on the allocation of funds from the sustainable bond issued by the Galician Government in November 2021 amounting to €500 million, as well as the tap of the sustainable bond issued by the Galician Government in March 2021 amounting to €50 million. The total volume of sustainable issuance made by the Galician Government in 2021 was therefore €550 million.

Figure 5. Xunta de Galicia's Sustainability Bond, Financial Terms and Conditions.

Terms and Conditions

Issuer	Xunta de Galicia. Ratings: A- (Negative), S&P; Baa 1 (Stable), Moody's
Pricing Date	24 th September 2020
Maturity	30 th July 2027
Amount	€500 million
Coupon	0.084%
Reoffer Spread	SPGB 07/27 + 15bps
Listing	AIAF

Source: Santander Post-Mortem

Terms and Conditions

Issuer	Xunta de Galicia. Ratings: A- (Negative), S&P; Baa 1 (Stable), Moody's
Pricing Date	17 th March 2021
Maturity	30 th July 2027
Amount	€50 million
Coupon	0.084%
Reoffer Spread	SPGB 07/27 + 13,5bps
Listing	AIAF

This bond complies with the commitment that Xunta de Galicia published on its Sustainable Finance Framework¹ that follows its Regional Strategic Plan². This plan defines the economic recovery path for Xunta de Galicia for the period 2015-2020. The Strategic Plan is aligned with the Sustainable Development Goals of United Nations. It consists of five priority axis that guide the Xunta de Galicia development path during this period.

A1: Employability and smart growth

A2: Wellbeing of people and families and social cohesion

A3: Sustainable growth, territory, agriculture, farming, sea and forestries

A4: Digital society, culture & reinforcement of Galicia in its socioeconomic setting

A5: Instrumental axis. Modern, efficient & high-quality public administration

On September 2020, Xunta de Galicia published its Sustainable Finance Framework. This framework proposes a gradual alignment of the finance of Xunta de Galicia with the principles of sustainable finance. In this sense, Xunta de Galicia intends to play a significant role in the sustainable finance market as issuer as well as finance promoter in Galicia, in order to tackle the environmental, social and economic challenges of the region.

Following the GBP and the SBP, the Sustainable Finance Framework provides guidance in the form of four core components:

- i.** Use of Proceeds
This section defines the eligibility criteria for sustainable expenditures, both green and social. It also specifies the typology of projects included in each expenditure category.
- ii.** Process for Project Evaluation and Selection
Xunta de Galicia has formed a Sustainable Finance Committee that selects projects and budgetary programmes that are aligned to the sustainable criteria previously mentioned.
- iii.** Management of Proceeds
The total eligible Xunta de Galicia expenditures exceeds the net total proceeds issued. It is a safeguard for whenever eligible projects or programmes are adversely affected.
Proceeds from the issuance of sustainable bonds or any other sustainable finance product were allocated directly to eligible projects at the time of the disbursement date.
- iv.** Reporting
This allocation report responds to the requirements of this fourth component.

The structure of this report is organised in four sections. Section 2 describes the methodology used and the assumptions taken to elaborate this analysis. Section 3 includes the allocation of funds to social and green projects, together with the relevant financial and sustainable impact information. The report also describes qualitative information in relation with the social projects. Finally, Section 4 evaluates the results and outlines prospects.

¹ <http://www.conselleriadefacenda.es/documents/10433/47119/Sustainable-Finance-Framework.pdf/d8ae7cca-c0b2-431a-b02a-e39d08a31521>

² <http://www.planestratexico.gal/es>

2. METHODOLOGY AND ASSUMPTIONS

This section explains how the resources have been allocated and its reasoning. Following the guidelines from ICMA (Harmonized Framework for Impact Reporting), quantitative indicators have been collected for each selected project. In addition, qualitative information regarding the social projects has also been collected. Thus, this analysis has been made project-by-project rather than in a programme level.

Eligible projects are big enough to consider this report a representative sample of the sustainable project execution carried out directly by the Galicia Regional Government or indirectly done by other agents but incentivised with public support.

In many cases, according to the recommendations of ICMA³, the impact of social projects is measured in terms of the number of beneficiaries, while the impact of green projects is measured in terms of the physical improvements (i.e. additional capacity to produce renewable energy, surface of action, etc.).

The ensemble of follow-up indicators have been selected according to their ability to determine and show to what extent an objective has been achieved. In particular, indicators must be:

- **Relevant:** they must allow to analyse the incidence in the socioeconomic environment, through the measurement of the accomplishments or outputs that the funded projects generate.
- **Meaningful:** they must be able to monitor the progress achieved in such a manner that they make possible an easy the communication of results to the main stakeholders.
- **Reliable:** they must allow to quantify and update the information as it evolves on time. The reliability of the indicators depends on how the supporting information is collected and processed, on the credibility of sources, and on information quality control processes.

In all cases, the value of each indicator corresponds to the realised value. All the results described in the following sections are based in these methodology and assumptions.

³ ICMA (2020): Social Bond Principles.

3. ALLOCATION AND IMPACT REPORT

The total value of the eligible projects in Xunta de Galicia in 2021 was €1,179 million. Those projects were, hence, susceptible of being financed with funds raised by the sustainable bond as they fit into eligibility criteria. The amount of the sustainability bond finally issued is €550 million (including tap). Although there have been analysed in depth an ensemble of projects with a total value of €527 million, the amount of each one of them assigned to the bond has been of 96.2%. From the €550 million, €508 million (92.4%) have funded social projects and €42 million (7.6%) green projects. This distribution of funds among social and green projects reflects the growing interest of Xunta de Galicia in financing green projects.

Figure 3. Value of the eligible projects, total amount of money raised.

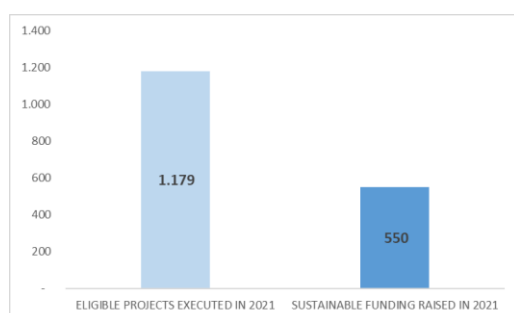
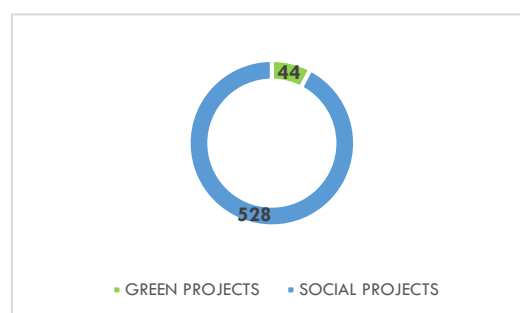


Figure 4. Shares of the social and green projects funded with the Xunta de Galicia's sustainability bond.



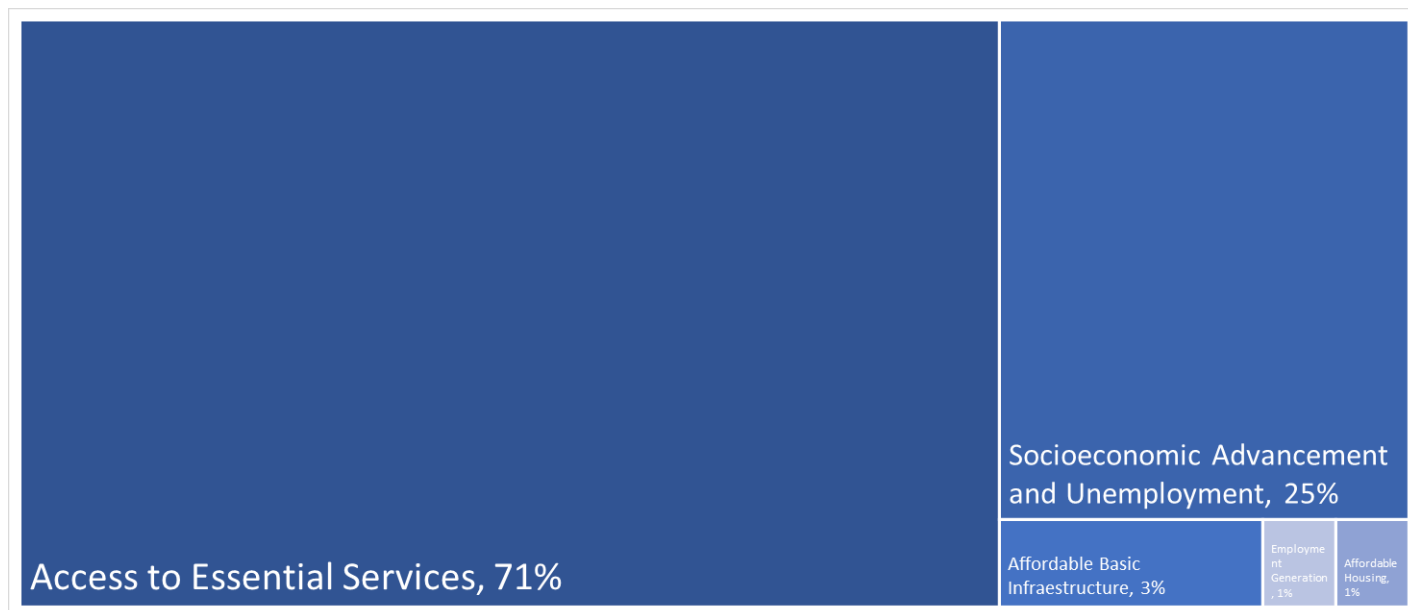
Source: Xunta de Galicia, data in millions of euros

Xunta de Galicia's Sustainable Finance Committee has selected the projects and budgetary programmes that align with the sustainable criteria outlined in the Sustainable Finance Framework. The report informs as well about the alignment of each project with the Sustainable Development Goals.

The proceeds from the sustainability bond issued by Xunta de Galicia have been distributed among 42 eligible projects funded by the 2021 Galicia regional budget. The number of the funded green projects is 23 whereas the number of the funded social projects is 19. The figures (num. 9 to 12) below display the different categories to which proceeds have been allocated.

On the one hand, with regards to **social projects**, the category "Access to Essential Services" accounts for 71% of the total share of social resources. The category "Socioeconomic Advancement and Unemployment" represents 25% of the ensemble. Finally, categories "Affordable Basic Infrastructure", "Affordable Housing" and "Employment Generation and Programs Designs to Prevent and/or Alleviate Unemployment Stemming from Socioeconomic Crises, including through the Potential Effect of SME Financing and Microfinance" have a residual contribution to bond allocation.

Figure 9. Allocation of funding to Social Projects (total= €508 million).



Source: Xunta de Galicia

More generally, the projects (both social –figure 9- and green –figure 11-) are distributed among a series of typologies of expenditures, as described in the Sustainable Finance Framework.

Figure 10. Typologies of expenditures across the different Social Categories.

Category	Typology
Affordable Basic Infrastructure	Subsidies and support for public transports.
	Rural paths upgrading to increase connectivity in rural areas.
Access to Essential Services	Projects related to technological solutions related to education and health
	Construction, repairs, extensions and improvements in hospitals and health centres.
	Subsidies for childhood education, primary and secondary education, special education and vocational training.
	Subsidies for transport, dining, acquisition of textbooks and school supplies.
	Dependency care program.
Affordable Housing	Housing construction and repair projects.
Employment Generation and Programs Designs to Prevent and/or Alleviate Unemployment Stemming from Socioeconomic Crises, Including through the Potential Effect of SME Financing and Microfinance	Self-employment and entrepreneurship promotion.
Socioeconomic Advancement and Unemployment	Actions related to fight against poverty and social exclusion
	Measures for conciliation and demographic dynamism.

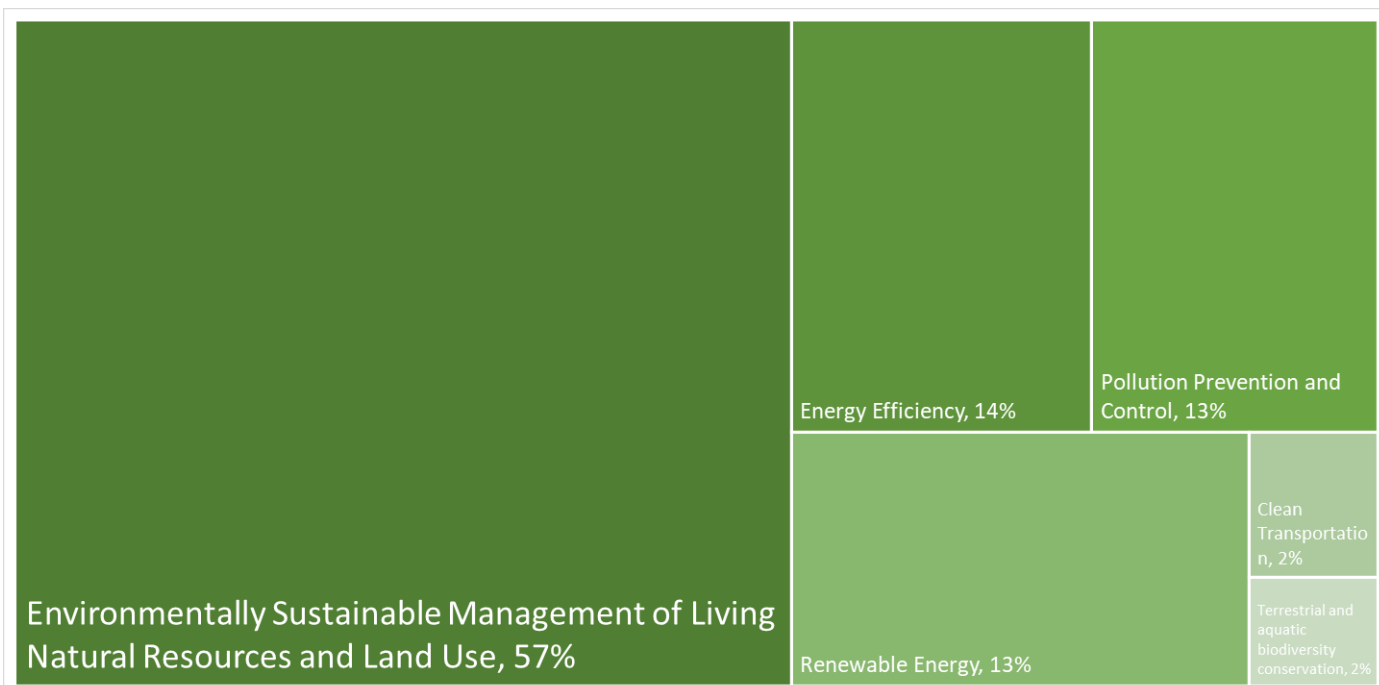
Source: Xunta de Galicia

It has been prioritised the investment on projects related to education facilities and services related to education, as well as projects related with health centres. Projects with technological content in the subcategories of Education and Health have also involved an important amount of the funding.

On the other hand, in relation to **green projects**, the category “Environmentally Sustainable Management of Living Natural Resources and Land Use” accounts for 57% of the total share of green projects funded. The category “Energy Efficiency” lags with 14%. Categories “Pollution Prevention and Control” and “Renewable Energy” represent 13% each. Finally, the categories “Clean Transportation” and “Terrestrial and aquatic biodiversity conservation” account for a residual sum of proceeds allocated.

In the ensemble of funded green projects, the improvement of the management of the natural resources has been greatly supported. Funds have also been allocated at a great extent to the development of the renewable energy sector in the region, with the aim of achieving the greenhouse gas emissions reduction target. Moreover, projects related to the restoration and the protection of the environment from natural disasters (mainly fires) have received a considerable share of the funds.

Figure 11. Allocation of funding to Green Projects (total = €42 million).



Source: Xunta de Galicia

Figure 12. Typologies of expenditures across the different Green Categories.

Category	Typology
Renewable Energy	Subsidies and support for renewable production (solar and wind energy) and technological development in order to increase private individuals and companies demand.
Energy Efficiency	Subsidies and support for residential building retrofitting.
Pollution Prevention and Control	Actions in the environmental field such as recycling of industrial and domestic waste.
	Actions related to forestry conservation.

Environmentally Sustainable Management of Living Natural Resources and Land Use	Operating cost related to nature and biodiversity conservation.
Terrestrial and aquatic biodiversity conservation	Sustainable development of fishing areas (not related with tourism).
Clean Transportation	Acquisition of electric taxi vehicles or other type of vehicles.

Source: Xunta de Galicia

Overall, the sustainability bond of Xunta de Galicia produces positive and measurable socioeconomic and environmental benefits. The socioeconomic impact is mainly related to provide “access to essential services” for different target populations, including:

- dependent people;
- young population between the 12-21 years old, including children with special needs;
- professionals from the healthcare sector;
- universal scope of action. In fact, a considerable part of the projects that fall into the category “Access to essential services” have a universal scope of action, in the sense that their target population is the whole population of Galicia.

With respect to the environmental impact, its benefits are mainly related to achieve a “environmentally sustainable management of living natural resources and land use”. Funds have generally been allocated to projects that have to do with:

- the prevention of damages related to fires and other natural disasters;
- investment in aquaculture;
- sustainable development of fishery areas;
- activities for the maintenance and protection of the environment and management and conservation of biological marine resources.

The following subsections include information regarding the allocation of funds project-by-project, as well as indicators that measure the result generated. It is the case of an ex-post estimation of the green and social impact.

This fund allocation report reflects the quantitative impact of 98.88% of the total investments of the sustainability bond. The other investments are not measured for reasons of availability of information. It should be pointed out that, although the portion of non-measured investments will probably decrease in the forthcoming reports (given the worldwide rise in data availability), some of the socio-economic/environmental impact may not ever be quantifiable. This is especially relevant for the case of social impacts. However, it can be the case that the quantifiable impact is not the most relevant impact generated with the sustainability bond. Thus, we have completed the quantitative data with qualitative information that helps to report on the overall impact of the social proceeds of the bond in the society.

3.1 SOCIAL PROGRAMS

Sections 3.1 (social) and 3.2 (green) describe the list of projects partially or totally funded⁴. In particular, this report introduces information on the project name; the project category and subcategory; the alignment with the SDGs; the amount of social/green bond proceeds allocated

⁴ The type of expenditure in the use of proceeds of this bond is *financing*. There has not existed *refinancing* of projects related to this sustainability bond.

to selected disbursements; the year of signing; and the estimated social or green impact. Furthermore, in the case of social projects, the target population(s) is also indicated.

As can be observed in Figure 13, thanks to the financial resources of the sustainability bond of Xunta de Galicia, it has been possible to develop a wide range of social projects. Especially important have been the projects related to education and health issues, which is reasonable in the context prompted by the Covid-19 crisis.. Finally, the information regarding the population target shows that a wide variety of demographic groups has benefited from the financial support of the bond. Hence, there is not a particular group or cohort of population receiving the largest funding. Finally, figure 14 relates some qualitative information that complements the quantitative indicators summarised in figure 13.

Figure 13. Allocation of resources and impact of the Xunta de Galicia’s Sustainability Bond, Social Projects.

NUMBER	NAME OF PROJECT	TYPE OF PROJECT		SDG (direct impact)	TARGET POPULATION	USE OF PROCEEDS			YEAR	MONITORING					
		CATEGORY	SUBCATEGORY			SELECTED PROJECTS	ASSIGNED PROJECTS	SHARE OF TOTAL BONDS		INDICATOR	UNIT OF MEASURE	VALUE			
1	Tariff policy of transport plans	Affordable basic infrastructure	Transport infrastructure	9, 13	Firm and workers that provide transport services	7,229,700.03 €	6,958,035.35 €	1.27%	2021	Councils adhered to the metropolitan transport plan	Number	65.00			
2	Rural roads improvements		Other, basic infrastructure	1, 9	Popularion, associations, entities and municipalities of the rural areas in Galicia	7,664,025.69 €	7,376,040.70 €	1.34%	2021	Number of trips in metropolitan transport	Number	10,592,354.00			
3	Vaccination program of Galicia	Access to essential services	Health	3	Universal character	18,386,481.88 €	17,695,587.70 €	3.22%	2021	Rural roads improved or constructed	KM	509.45			
4	TIC projects		Health	3	Workers in the Health Ministry and Health Service of Galicia. The population protected by the social protection schemes.	25,336,733.60 €	24,384,675.35 €	4.43%	2021	Benefited councils	Number	300.00			
5	New Vigo Hospital (chapter 2)		Health	3	Universal character	31,478,664.22 €	30,295,815.53 €	5.51%	2021	Number of (first) vaccine doses administered	Number	313,825.00			
6	New Vigo Hospital (chapter 6)		Health	3	Universal character	40,374,679.60 €	38,857,552.43 €	7.07%	2021	Increase in bandwidth of the communication lines	KBPS	1			
7	New intervention in Health Centres		Health	3	Universal character	2,282,708.65 €	2,196,933.13 €	0.40%	2021	Numbers of e-consultation	Number	225,536.00			
8	Health emergencies 061		Health	3	Universal character	44,251,982.15 €	42,589,160.67 €	7.74%	2021	Hospital centres constructed or improved	Number	1.00			
9	Transport services for scholars		Education	4, 10	Scholars with the right for free transport services	65,713,015.36 €	63,243,769.73 €	11.50%	2021	Hospital centres constructed or improved	Number	1.00			
10	Transport and canteen services for scholars		Education	4, 10	Scholars with the right for free transport and canteen services	79,721,127.95 €	76,725,510.64 €	13.95%	2021	Health centres constructed or improved	Number	10			
11	Care of dependent people		Other, essential services	4, 10	Dependent people (disables, old, other)	64,874,634.49 €	62,436,892.03 €	11.35%	2021	Population covered by medicalised ambulances - basic life support in under 15 minutes	%	99.4			
													Population covered by medicalised ambulances - advanced life support in under 20 minutes	%	75.37
													Scholars with the right of a seat reservation in the regular public transport system of general use	Number	46,399.00
												Scholars that benefit from school transportation services (men)	%	41.54	
												Scholars that benefit from school transportation services (woman)	%	41.54	
												Scholars that benefit from school social canteens (men)	%	31.52	
												Scholars that benefit from school social canteens (women)	%	31.52	
												Participants in the services for dependent people (men)	Number	6,089.00	
												Participants in the services for dependent people (women)	Number	8,020.00	

NUMBER	NAME OF PROJECT	TYPE OF PROJECT		SDG (direct impact)	TARGET POPULATION	USE OF PROCEEDS			YEAR	MONITORING		
		CATEGORY	SUBCATEGORY			SELECTED PROJECTS	ASSIGNED PROJECTS	SHARE OF TOTAL BONDS		INDICATOR	UNIT OF MEASURE	VALUE
12	Construction of home buildings	Affordable Housing	Access to adequate, safe and affordable housing	11	Universal character	4,126,238.77 €	3,971,190.38 €	0.72%	2021	Houses os public promotion	Number	24.00
13	Strategy for the support of self-employed workers	Employment generation	Other, employment generation	8, 12	Unemployed people	4,134,085.71 €	3,978,742.46 €	0.72%	2021	Self-employed workers that recibe aims for their consolidation (men)	Number	1,508.00
										Self-employed workers that recibe aims for their consolidation (women)	Number	835.00
14	Social integration income of Galicia	Socioeconomic advancement and empowerment	Equitable participation and integration into the market and society	1, 5, 10	Low income people under risk of social exclusion	43,095,759.48 €	41,476,384.46 €	7.54%	2021	People receiving "RISGA" (men)	Number	2,803.00
15	Plan for the provision of basic social benefits		Equitable participation and integration into the market and society	1, 5, 10	General population with especial focus on the more vulnerable groups (dependent people, people facing social exclusion, homeless people, minors in risk, victims of gender-based violence...)	9,926,827.34 €	9,553,814.86 €	1.74%	2021	People receiving "RISGA" (women)	Number	4,408.00
										Users of social benefits registered in SIUSS (men)	Number	200,455.00
16	Transfer to the Consortium for equity and welfare services of Galicia. Plan for the revitalisation of the demographic trends		Reduction of income inequality	4, 5, 8	Families, desprotected minors of age, minors of age that have committed crimes	34,115,711.00 €	32,833,772.11 €	5.97%	2021	Users of social benefits registered in SIUSS (women)	Number	286,828.00
										Capacity to care of children or subsidised education infrastructures	Number	8,171.00
17	Medidas para la revitalización de tendencias demográficas		Reduction of income inequality	4, 5, 8	Families, desprotected minors of age, minors of age that have committed crimes	32,629,275.65 €	31,403,191.35 €	5.71%	2021	Capacity to care of children or subsidised education infrastructures	Number	1,555.00
18	Fondo extraordinario para beneficiarios de subsidios y		Reduction of income inequality	4, 5, 8	Low income people under risk of social exclusion	7,332,364.00 €	7,056,841.60 €	1.28%	2021	Household that benefited from the Welcome Card	Number	11,999.00
		Beneficiaries men								Number	12,184.00	
19	Others	Others, socioeconomic advancement and empowerment	4, 5, 8	Universal character	5,555,955.39 €	5,347,183.68 €	0.97%	2021	Beneficiaries (woman)	Number	23,406.00	
									WITHOUT INDICATOR			

Source: Xunta de Galicia

Figure 14. Qualitative information of the selected social projects.

NUMBER	NAME OF PROJECT	BRIEF EXPLANATION	PROJECT CATEGORY
1	Tariff policy of transport plans	This tariff policy has attended, on the one hand, to the population in general (generic tariff system), and on the other hand, to the population under 21-years-old (beneficiary of the "Xente Nova" card). Thanks to discounts on the ticket prices the staff of the public transport services receive a compensation equivalent to the price that the users do not pay.	Affordable basic infrastructure
2	Rural roads improvements	These project is targetted to the population living in rural areas in Galicia. The rural roads that are retrofitted are those servicing the agricultural parcels. The objective of this project is double, to support the people living in rural areas -since this is key for achieving a sustainable utilisation of the land-, and to increase the competitiveness of the agricultural productions. Locals perceive an improvement of basic infrastructure, namely rural roads, that are especially relevant in the rural context in order to connect widely dispersed areas.	
3	Vaccination Program of Galicia	The Vaccination Program of Galicia targets all the residents of Galicia, since it covers the vaccination of children, adults, other groups of risk and international travellers. The universal scope of this project is explained by the need to diminish the incidence and mortality rates of the Covid-19 disease. This project includes the dissemination of relevant information thanks to the participation of health professionals and information campaigns.	Access to essential services
4	TICS projects	This project is targetted to all the health areas in the Health System of Galicia. The project consists of the extension of the usage of TIC technologies. The general objectives are to enhance the accessibility to health services for citizens, to enhance the diagnostic capabilities of the professionals and to optimize their work. This will permit to reduce costs and to adopt environmentally friendly activities (for instance, reducing the use of paper).	
5-6	New Vigo Hospital	The creation of a new hospital in Vigo answers a basic need of the citizens of the Health Area of Vigo (566,270 users). This will create a hospital structure with the equipment and installations that these citizens previously lacked.	

NUMBER	NAME OF PROJECT	BRIEF EXPLANATION	PROJECT CATEGORY
7	New interventions in Health Centres	This project addresses all the population in Galicia. Its purpose is to answer the need to improve the capacities of the service of primary health care of the Health System of Galicia, in terms of multiple issues, namely quality of care, efficiency and sustainability. In particular, new health centres will be constructed and existing centres will be retrofitted.	Access to essential services
8	Health emergencies 061	To offer citizens the most appropriate response at all times to their requests for consultation and urgent outpatient health care in the Autonomous Community of Galicia.	
9	Transport services for scholars	This project, namely the "integrated transportation service", offers a free transportation service for scholars from the Public Education System to their education center. In order to increase efficiency and avoid the duplication of services, this transportation service can also be used by the rest of the population. The general population, though, have to pay the service, and this project contributes to pay for the ensemble of the costs.	
10	Transport and canteen services for scholars	This policy is targetted to the students of the public centres of Galicia (elementary, primary and secondary school). This students normally need transport services and canteen services, and providing them helps the reconciliation of work and private life. Thanks to this project, the students benefit from free transport services from the bus stop closest to their home to the scholar center. The type of aids for the canteen services varies depending on the income of each family.	
11	Care of dependent people	This project aims to attend the disabled people over 16 yeras old, which represents a group with important attention needs all their life long. In this context, the project aims to attend the group, promote their personal autonomy and help them to exercise their citizenship rights. The professionals will provide 24h services in the different areas of disability (intellectual, mental illness, cerebral palsy, etc.).	

NUMBER	NAME OF PROJECT	BRIEF EXPLANATION	PROJECT CATEGORY
12	Construction of home buildings	<p>The construction of houses of public promotion aims to alleviate the obstacles that vulnerable people face when accessing the housing market. Certain parameters (related to the household income) measure the eligibility of the household to become beneficiary. Beneficiaries have access to houses which price is lower than the market price. Moreover, the prices of this sort of houses (whether purchased or rented) is subject to the financial situation of the household.</p> <p>All in all, this project will construct new home buildings and acquire and retrofit existing ones that are abandoned.</p>	Affordable Housing
13	Strategy for the support of self-employed workers	<p>The aim of this project is to support self-employed people that are consolidating their business -a minimum seniority of 42 months is required -. This project is defined in these terms in accordance with the Strategy of Self-Employment 2017-2020 of Xunta de Galicia, that supports the projects that have overcome 3 years of existence, in order to boost their competitiveness. It represents a measure to foster the creation of stable employment.</p> <p>The project is designed in two operating lines. The first one aims to increase the competitiveness by hiring specialised services for activities of planning and research. The second line focuses on promoting investment and the use of more efficient and sustainable resources.</p>	Employment generation
14	Social integration income of Galicia	<p>This project is targetted to people at risk of social exclusion that lack economic resources for subsistence. The ultimate aim is to achieve the social inclusion promoted by the European Union and move forward in the design of legal instruments and services for the citizens that balance 3 basic issues:</p> <ul style="list-style-type: none"> - the access to minimum income in situations of serious poverty and exclusion; - the right to receive financial and advisory support to acquire new capacities; - and the right, linked with the individual responsibility, to not-persist in a situation of chronic dependency on public provisions. <p>The different measures of labor inclusion are a framework of stimulus needed to support the vulnerable groups that face important barriers to access the labour market.</p>	Socioeconomic advancement and empowerment
15	Plan for the provision of basic social benefits	<p>This plan focuses on offering access to the Social Services System, with a special focus on: guaranteeing proximity to the users; offering a social intervention coordinated and integrated; preventing social problems; and promoting solidarity in the communities of action.</p> <p>In accordance with the law of social services, all municipalities of Galicia will have basic social services. Xunta de Galicia will co-fund these services via transfers of targeted character, that will finance (among others) expenses related to the remuneration of the staff of the social centers, expenses related with the training of technicians associated to the social centers and management costs.</p>	

NUMBER	NAME OF PROJECT	BRIEF EXPLANATION	PROJECT CATEGORY
16	Transfers to the consortium for equity and welfare services of Galicia. Plan for the revitalisation of the demographic trends	<p>This project targets all households of Galicia with children between 0 to 3 years-old. This group represents a priority group for Xunta de Galicia, given the noticeable demographic challenge that this region faces.</p> <p>With this project, Xunta de Galicia financially supports the improvement of elementary schools, with at least two objectives: facilitating the work-life balance and guaranteeing high-quality and accessible education. In particular, Xunta de Galicia aims to maintain one of the best elementary school networks (for 0 to 3 years-old children) that exists in Spain, in terms of both, the number of scholars and the experience of the professionals.</p>	Socioeconomic advancement and empowerment
17	Measures for the revitalisation of the demographic trends	<p>This project is related to the objective of Xunta de Galicia of boosting the demographic trends, in a context where families face important challenges to manage the work-life balance. By means of this project, families perceive a direct financial aid from Xunta de Galicia to enroll their children at school (0-3 years-old) or to fund the expenses related with newborns (such as nappies or strollers). This aid is channelled using the card "Benvida" or the bond "Concilia". The financial amount is adjusted according to the level of income of each household.</p>	
18	Extraordinary fund, beneficiaries of subsidies and non-contributory pensions	<p>The beneficiaries of this project, those that benefit from subsidies and non-contributory pensions, are people that typically experience financial vulnerability. Given their low level of income, it is deemed necessary to establish extraordinary funds for them to perceive annually. This financial provision will not exceed 210€ and will comply with the normative requirements established by the Council of Xunta de Galicia.</p>	
19	Other	<p>This investment project provides facilities and installations to all the centres associated to the Department of Social Policy. Given the functions of this Department, that include a broad scope of issues such as elementary schools and nursing homes, the tranche of population that the project covers is wide.</p> <p>The project will fund the improvement and retrofit of the buildings, given that most of them have more than 30 years. Depending on each case, the services may include painting, clean hot water installation, exterior carpentry, etc. Moreover, the quality of the buildings, from a point of view of energy efficiency and confort of the users, will also be taken into account in the restoration works.</p>	

Source: Xunta de Galicia

3.2 GREEN PROGRAMS

Figure 15 shows how the sustainability bond of Xunta de Galicia has prompted a positive impact in the environment and landscape of Galicia. Most importantly, a great share of the proceeds have been devoted to the reduction of greenhouse gas emissions. Furthermore, a considerable part of these green projects has permitted the creation of new job positions and the development of new technologies that offer digital solutions for green development. Last but not least, thanks to this funding the landscape of Galicia will be more resilient to natural disasters, especially to fires that have devastated large surfaces of Galicia in previous years.

Figure 15. Allocation and impact of the Xunta de Galicia's Sustainability Bond, Green Projects.

NUMBER	NAME OF PROJECT	TYPE OF PROJECT		SDG (direct impact)	USE OF PROCEEDS			YEAR	MONITORING		
		CATEGORY	SUBCATEGORY		SELECTED PROJECTS	ASIGNED PROJECTS	SHARE OF TOTAL BONDS		INDICATOR	UNIT OF MEASURE	VALUE
1	Financial support for renewable energy projects in the agricultural sector	Renewable energy	Production	7, 9, 11, 13	1,069,499.61 €	1,029,311.88 €	0.19%	2021	Additional capacity to produce renewable energy	MW	7.83
									Number of aids provided to support the sector of renewable energy	Number	420.00
2	Financial support for renewable energy projects	Renewable energy	Production	7, 9, 11, 13	4,446,496.78 €	4,279,414.31 €	0.78%	2021	Additional capacity to produce renewable energy	MW	18.80
									Number of aids provided to support the sector of renewable energy	Number	1,709.00
3	Enhancement of the energy efficiency and sustainability of home buildings (FCA)	Energy efficiency	New and refurbished building	9, 11	835,352.26 €	803,962.89 €	0.15%	2021	Numbers of aids provided for energy efficiency actions	Number	-
4	Enhancement of the energy efficiency of home buildings (FCA)		New and refurbished building	9, 11	1,697,327.68 €	1,633,548.55 €	0.30%	2021	Numbers of aids provided for energy efficiency actions	Number	20,259.00
5	Aids for the retrofitting of home buildings		New and refurbished building	9, 11	577,419.46 €	555,722.23 €	0.10%	2021	Numbers of aids provided for the retrofitting of home buildings	Number	12.00
6	Actions for energy efficiency and energy saving		New and refurbished building	9, 11	2,793,316.92 €	2,688,354.68 €	0.49%	2021	Hospital Centres constructed and/or retrofitted	Number	2.00
7	Actions in the environment	Pollution prevention and control	Othe, pollution prevention and control	11, 12, 13	5,629,316.98 €	5,417,788.62 €	0.99%	2021	Number of projects of environmental character	Number	8.00
8	Investments in aquaculture diversification and modernization of aquaculture companies	Environmentally sustainable management os living natural resources and land use	Environmentally sustainable fishery and aquaculture	12, 13, 14	928,053.43 €	893,180.71 €	0.16%	2021	Number os projects invested in aquaculture	Number	91.00
									Aids provided in the fishing sector	Number	91.00
9	Sustainable development of fishing areas	Environmentally sustainable management os living natural resources and land use	Environmentally sustainable fishery and aquaculture	12, 13, 14	1,026,966.64 €	988,377.13 €	0.18%	2021	Firms created	Number	36.00
									Aids provided for the sustainable development of fishing areas	Number	189.00
									Employments created (men)	Number	42.00
									Employments created (women)	Number	42.00
									Employments maintained (women)	Number	79.00
									Employments maintained (men)	Number	79.00
10	Prevention of damage caused by fires and natural disasters	Environmentally sustainable management os living natural resources and land use	Environmentally sustainable forestry	9, 13,15	1,714,593.01 €	1,650,165.11 €	0.30%	2021	Number of actions in infrastructure	Number	59.00
									Surface of improvement in forestry areas	Ha	12,928.00
11	Prevention of damage caused by fires and natural disasters	Environmentally sustainable management os living natural resources and land use	Environmentally sustainable forestry	9, 13,15	1,283,042.89 €	1,234,831.01 €	0.22%	2021	New equipments	Number	953.00
									Number of actions in infrastructure	Number	59.00
									Surface of improvement in forestry areas	Ha	12,928.00
12	Actions in forestry areas for the prevention of the damage caused by fires and natural disasters	Environmentally sustainable management os living natural resources and land use	Environmentally sustainable forestry	9, 13,15	1,305,180.40 €	1,256,136.68 €	0.23%	2021	New equipments	Number	953.00
									Surface of action	Ha	3,894.71

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NUMBER	NAME OF PROJECT	TYPE OF PROJECT		SDG (direct impact)	USE OF PROCEEDS			YEAR	MONITORING		
		CATEGORY	SUBCATEGORY		SELECTED PROJECTS	ASIGNED PROJECTS	SHARE OF TOTAL BONDS		INDICATOR	UNIT OF MEASURE	VALUE
13	Financial aids for areas with natural limitations (mountains)	Environmentally sustainable management os living natural resources and land use	Preservation os natural land capes	13, 15	1,617,494.03 €	1,556,714.75 €	0.28%	2021	Surface of action	Ha	98,135.05
14	Global actions for the conservation, replacement and restoration of the environment		Other, sustainable management of natural resources	12, 13, 14, 15	1,153,178.21 €	1,109,846.15 €	0.20%	2021	Number os local entities benefited from these global actions	Number	248.00
15	Global actions for the conservation, replacement and restoration of the environment		Other, sustainable management of natural resources	12, 13, 14, 15	7,306,628.54 €	7,032,073.18 €	1.28%	2021	Number os local entities benefited from these global actions	Number	248.00
16	Especifications actions for protecting the environment		Other, sustainable management of natural resources	12, 13, 14, 15	839,547.72 €	808,000.70 €	0.15%	2021	Number of local entities benefited from these global actions	Number	51.00
17	Analysis, planning and environmental services		Other, sustainable management of natural resources	12, 13, 14, 15	869,747.87 €	837,066.05 €	0.15%	2021	Intervention for study, dissemination and promotion	Number	10.00
18	Conservation and protection of the diversity		Other, sustainable management of natural resources	12, 13, 14, 15	401,825.64 €	386,726.56 €	0.07%	2021	Activities related with the improvement of knowledge and with the ocnervation of habitat and wild species	Number	17.00
19	Maintenance of environmental networks		Other, sustainable management of natural resources	12, 13, 14, 15	584,550.25 €	562,585.07 €	0.10%	2021	Number of environmental projects	Number	6.00
									Number os web views	Number	600.000.00
									Studies of the air quality	Number	3,402,030.00
									Studies of the meteorology	Number	116,341,561.00
20	Operating expenditures related to natural conservation	Other, sustainable management of natural resources	12, 13, 14, 15	4,311,050.87 €	4,149,057.95 €	0.75%	2021	Actions linked to the improvement of knowledge and the state of conservation of habitats and wild species	Number	9.00	
								Number os environmental projects	Number	1.00	
								Aid for nature conservation	Number	1.00	
21	Management and conservation of marine resources	Other, sustainable management of natural resources	12, 13, 14	1,302,460.04 €	1,253,518.54 €	0.23%	2021	Projects for the support of the management of resources	Number	115.00	
22	Investments related to the operation of the services of INTECMAR	Biodiversity conservation	Protection of marine	11, 12, 13, 14	664,796 €	639,816 €	0.12%	2021	Control analyses	%	80.99
									Degree of execution	%	99.00
23	Acquisition of adapted taxis and/or low-emission taxis	Clean transportation	Electric transportation	7, 9, 11, 13	886,000.00 €	852,707.48 €	0.16%	2021	Adapted taxis	Number	28.00
									Electric taxis	Number	11.00
									Low-emission taxis	Number	135.00

Source: Xunta de Galicia

4. EVALUATION OF THE RESULTS

The issuance of sustainability bonds by Xunta de Galicia benefits the socioeconomic structure and to the environmental quality of Galicia region, generating employment and income, and lays the groundwork towards a solid and sustainable growth path. To sum up, figure 16 represents a summary of the main financial figures of the bond and the quantitative impact generated, as measured by the sample of indicators used in the present analysis, is displayed in figures 17 and 18.

Sustainable finance instruments allow to progress towards a better alignment with the Sustainable Development Goals. For these reasons, on the forthcoming years, Xunta de Galicia plans to execute a sustainable debt operation on an annual basis.

Figure 16. Summary of the use of proceeds.

TIPOLOGY	CATEGORY	EXECUTED	SELECTED	ASSIGNED	% ELEGIBLE	% SELECTED
SOCIAL	S1. Affordable basic infrastructure	24,311,950	14,893,726	14,334,076	59.0%	96.2%
	S2. Access to essential services	880,826,574	372,420,028	358,425,897	40.7%	96.2%
	S3. Affordable Housing	5,917,483	4,126,239	3,971,190	67.1%	96.2%
	S4. Employment generation	29,087,234	4,134,086	3,978,742	13.7%	96.2%
	S6. Socioeconomic advancement and empowerment	173,543,470	132,655,893	127,671,188	73.6%	96.2%
TOTAL SOCIAL		1,113,686,711	528,229,971	508,381,094	45.6%	96.2%
GREEN	G1. Renewable energy	5,857,290	5,515,996	5,308,726	90.6%	96.2%
	G2. Energy efficiency	8,066,642	5,903,416	5,681,588	70.4%	96.2%
	G3. Pollution prevention and control	6,123,553	5,629,317	5,417,789	88.5%	96.2%
	G4. Environmentally sustainable management of living natural resources and land use	33,323,779	24,644,320	23,718,280	71.2%	96.2%
	G5. Terrestrial and aquatic biodiversity conservation	664,796	664,796	639,816	96.2%	96.2%
	G6. Clean transportation	886,000	886,000	852,707	96.2%	96.2%
	G7. Sustainable water and wastewater management	10,383,284	-	-	-	-
TOTAL VERDE		65,305,344	43,243,845	41,618,906	63.7%	96.2%
TOTAL SUSTAINABILITY BOND		1,178,992,055	571,473,816	550,000,000	46.7%	96.2%

Source: Xunta de Galicia

Figure 17. Summary of the impact of the social projects.

CATEGORY	INDICATOR	UNIT OF MEASURE	VALUE
Affordable basic infrastructure	Councils adhered to the metropolitan transport plan	Numer	65.00
	Number of trips in metropolitan transport	Number	10,592,354.00
	Rural roads improved or constructed	KM	509.45
	Benefited councils	Number	300.00
Access to essential services	Number of (first) vaccine doses administered	Number	313,825.00
	Increase in bandwidth of the communication lines	KBPS	1
	Numbers of e-consultation	Number	225,536.00
	Hospital centres constructed or improved	Number	1.00
	Hospital centres constructed or improved	Number	1.00
	Health centres constructed or improved	Number	10
	Population covered by medicalised ambulances - basic life support in under 15 minutes	%	99.4
	Population covered by medicalised ambulances - advanced life support in under 20 minutes	%	75.37
	Scholars with the right of a seat reservation in the regular public transport system of general use	Number	46,399.00
	Scholars that benefit from school transportation services (men)	%	41.54
	Scholars that benefit from school transportation services (woman)	%	41.54
	Scholars that benefit from school social canteens (men)	%	31.52
	Scholars that benefit from school social canteens (women)	%	31.52
	Participants in the services for dependent people (men)	Number	6,089.00
	Participants in the services for dependent people (women)	Number	8,020.00

CATEGORY	INDICATOR	UNIT OF MEASURE	VALUE
Affordable Housing	Houses os public promotion	Number	24.00
Employment generation	Self-employed workers that recibe aims for their consolidation (men)	Number	1,508.00
	Self-employed workers that recibe aims for their consolidation (women)	Number	835.00
Socioeconomic advancement and empowerment	People receiving "RISGA" (men)	Number	2,803.00
	People receiving "RISGA" (women)	Number	4,408.00
	Users of social benefits registered in SIUSS (men)	Number	200,455.00
	Users of social benefits registered in SIUSS (women)	Number	286,828.00
	Capacity to care of children or subsidised education infrastructures	Number	8,171.00
	Capacity to care of children or subsidised education infrastructures	Number	1,555.00
	Household that benefited from the Welcome Card	Number	11,999.00
	Beneficiaries men)	Number	12,184.00
	Beneficiaries (woman)	Number	23,406.00

Source: Xunta de Galicia

Figure 18. Summary of the impact of the green projects.

CATEGORY	INDICATOR	UNIT OF MEASURE	VALUE
Renewable energy	Additional capacity to produce renewable energy	MW	7.83
	Number of aids provided to support the sector of renewable energy	Number	420.00
	Additional capacity to produce renewable energy	MW	18.80
	Number of aids provided to support the sector of renewable energy	Number	1,709.00
Energy efficiency	Numbers of aids provided for energy efficiency actions	Number	-
	Numbers of aids provided for energy efficiency actions	Number	20,259.00
	Numbers of aids provided for the retrofiting of home buildings	Number	12.00
	Hospital Centres constructed and/or retrofitted	Number	2.00
Pollution prevention and control	Number of projects of environmental character	Number	8.00
Environmentally sustainable managements of living natural sources and land use	Number of projects invested in aquaculture	Number	91.00
	Aims provided in the fishing sector	Number	91.00
	Firms created	Number	36.00
	Ams provided for the sustainable development of shiping areas	Number	189.00
	Employment created (men)	Number	42.00
	Employment created (women)	Number	42.00
	Employment maintained (women)	Number	79.00
	Employment maintained (men)	Number	79.00
	Number of actions in infrastructure	Number	59.00
	Surface os improvement in forestry areas	Ha	12,928.00
	New equipments	Number	953.00
	Number of actions in infrastructure	Number	59.00
	Surface os improvement in forestry areas	Ha	12,928.00
	New equipments	Number	953.00
	Surface of actions	Ha	3,894.71

CATEGORY	INDICATOR	UNIT OF MEASURE	VALUE
Environmentally sustainable managements of living natural sources and land use	Surface of action	Ha	98,135.05
	Number of local entities benefited from these global actions	Number	248.00
	Number of local entities benefited from these global actions	Number	248.00
	Number of local entities benefited from these global actions	Number	51.00
	Intervention for study, dissemination and promotion	Number	10.00
	Activities related with the improvement of knowledge and with the conservation of habitat and wild species	Number	17.00
	Number of environmental projects	Number	6.00
	Number of web views	Number	600,000.00
	Studies of the air quality	Number	3,402,030.00
	Studies of the meteorology	Number	116,341,561.00
	Actions linked to the improvement of knowledge and with the conservation of habitat and wild species	Number	9.00
	Number of environmental projects	Number	1.00
	Aids for nature conservation	Number	1.00
	Projects for the support of the management of resources	Number	115.00
Biodiversity conservation	Control analyses	%	80.99
	Degree of execution	%	99.00
Clean transportation	Adapted taxis	Number	28.00
	Electric taxis	Number	11.00
	Low-emission taxis	Number	135.00

Source: Xunta de Galicia

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