



XUNTA
DE GALICIA

CONSELLERÍA DE
FACENDA E
ADMINISTRACIÓN PÚBLICA

SUSTAINABLE BOND MONITORING REPORT 2022 - XUNTA DE GALICIA -

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1. INTRODUCTION

1.1 BRIEF BACKGROUND

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

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

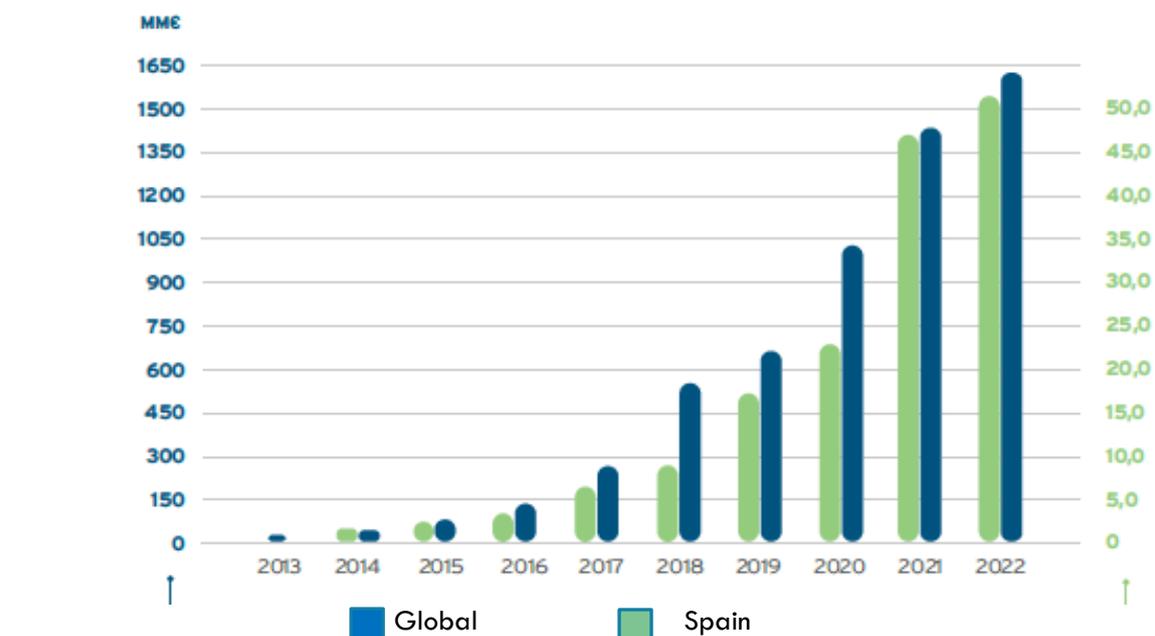
- Companies and public administrations seeking to introduce social and environmental policies;
- An increasingly wide range of socially and environmentally conscious investors seeking to ensure that their funds are used to finance social and environmental actions.

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 into 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.

2022 was a very complex year for financial markets. The scenario was an intricate one, with geopolitical uncertainties -caused mainly by the war in Ukraine-, as well as economic and financial instability and a change in the monetary policy cycle towards a more restrictive strategy. Inflation, as well as the policies of central banks used to fight it by rising interest rates, generated high volatility in rates and also some uncertainty and it had an impact on costs, and as a result on the volume of emissions. ESG emissions were 30% lower than those in 2021, yet the total emission rate increased approximately from 11% to 13% at global level and from 27% to 36% within the EUR-IG market. The ESG component in financing is thus not only far from decreasing, but consolidating, and it is even a defensive factor in executions. Sustainable loans have experienced an increase so that both the global and the national sustainable financing markets continued the growing trend of the latest years as it can be seen in the chart below:

Figure 1. Volume of sustainable financing



Sustainable Financing in Spain in 2022 reached 60,134 million euros, the aggregated amount of its various formulae, seeing a record figure with a 9% increase.

This new rise is mainly generated by the growth of bank financing. This channel had good accessibility, unlike capital markets, whose conditions and volatility made its access difficult for various periods throughout the year.

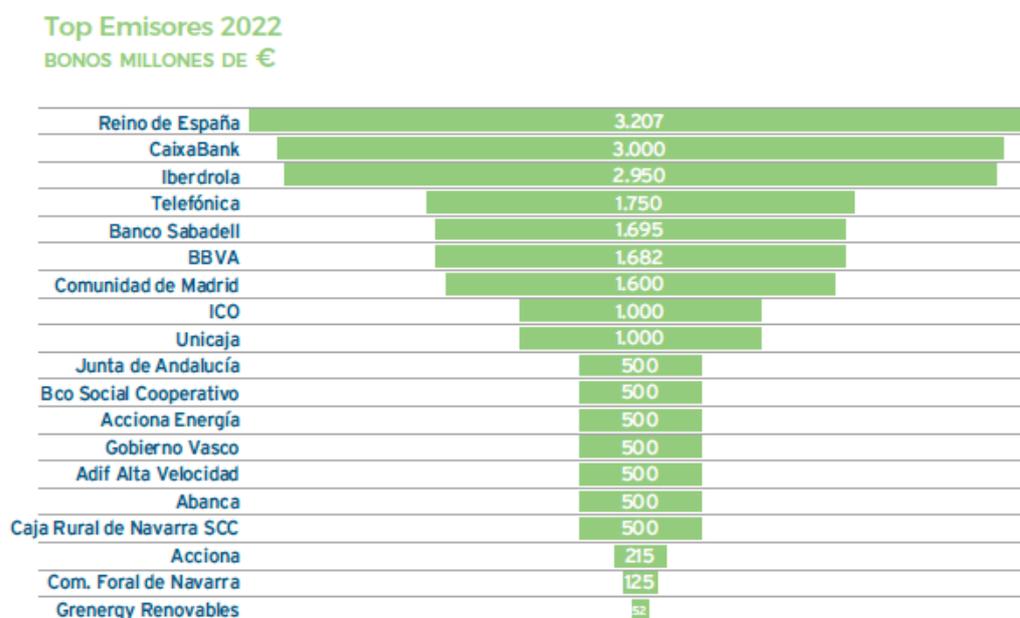
The growth of all categories of sustainable credits and loans was 64%, exceeding 30,000 million euros.

Such growth counteracted the fall in financing via bonds, which was 24%, their joint emission being 21,777 million euros.

Funds drummed up through these bonds were mainly used for three environmental targets: 40% for renewable energies, followed by 25% sustainable mobility and 15% for energy efficiency projects.

Figure 2. Top Issuers 2022

In Spain in 2022, four Autonomous Communities issued sustainable bonds (the Community of Madrid, the Basque Country, Navarre and Andalusia).



Xunta de Galicia 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;
- Though 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.

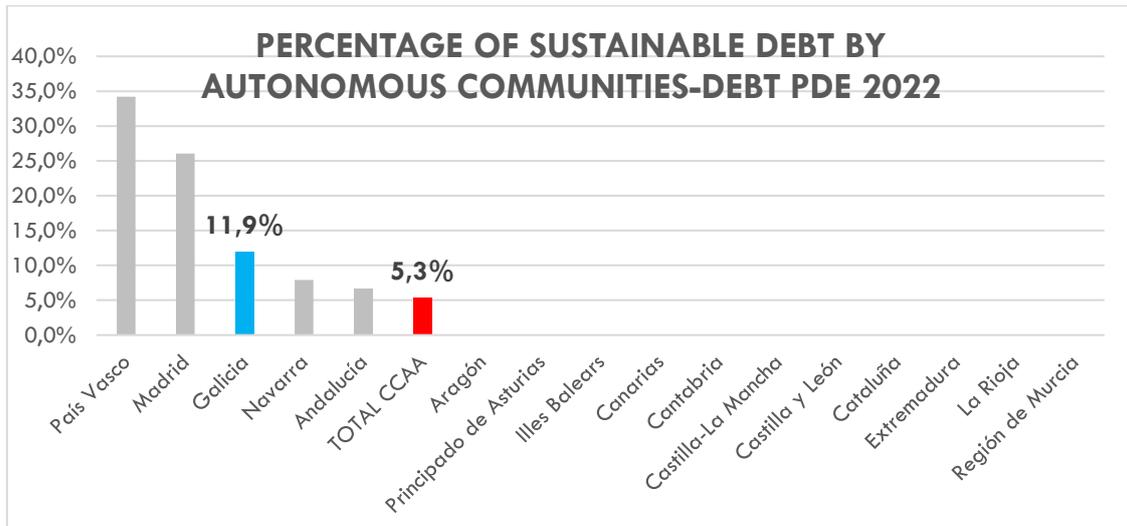
In 2021, Xunta issued a sustainable bond in November, for the amount of 500 million euros, as well as the tap in March 2021 for the sustainable bond issued in October 2020, for the amount of 50 million euros.

The sustainable financing volume in 2021 was 1,050 million euros, which represented 9% of its outstanding debt.

In 2022, the Autonomous Community of Galicia increased its sustainable financing in 380 million euros, completing for the first time sustainable (green and social) loans by means of two loans for the sums of 230 million euros and 150 million euros signed in November, 2022.

In 2022 sustainable debt accounted for 11,9% 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 (55,0%), 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 91,64% of the sustainable issues made in 2022 by the Galician Government are allocated to social projects and the remaining 8,36% to green projects.

Figure 4. Distribution per category

DISTRIBUTION PER CATEGORY (%)



1.2 MAIN OBJECTIVES OF THE REPORT AND DESCRIPTION OF SUSTANAIBLE DEBT 2022

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 aim of this document is to provide information on the allocation of funds in GREEN and SOCIAL sustainable loans completed by Xunta de Galicia in November, 2021, signed with the bank Banco Santander, S.A. for 230 million euros and with the bank Banco Sabadell, S.A., for 150 million euros. The sustainable financing volume performed by Xunta de Galicia in 2022 was, therefore, 380 million euros. The projects to be financed fulfill the eligibility categories and requirements in the Sustainable Finance Framework (XUNTA DE GALICIA) prepared in September, 2020, with the favourable Second-Party Opinion of SUSTAINALYTICS.

Figure 5. Sustainable loan 2022 Banco Santander- Xunta de Galicia, Terms and conditions..

Terms and Conditions

Lender	Banco Santander, S.A.
Formalization Date	17 th November 2022
Madurity	17 th Xanuary 2034
Amount	€230 million
Rate	3,06%
Destiny	Green and Social sustainable projects.
<i>Eligibility criteria</i>	Sustainable Finance Framework 2020

Source: parts signed contract

Figure 6. Sustainable loan 2022 Banco Sabadell - Xunta de Galicia, Terns and conditions..

Terms and Conditions

Lender	Banco Sabadell, S.A.
Formalization Date	30 th November 2022
Madurity	30 th Xanuary 2032
Amount	€150 million
Rate	2,72%
Destiny	Green and Social sustainable projects.
<i>Eligibility criteria</i>	Sustainable Finance Framework 2020

Source: parts signed contract

Both loans comply with the commitment that Xunta de Galicia published on its Sustainable Finance Framework¹ that follows its Regional Strategic Plan². The Strategic Plan is aligned with the Sustainable Development Goals of United Nations. It consists of five priority axes 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. METODOLOGY 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 2022 was €1,335.53 million. Those projects were, hence, susceptible of being financed with funds raised by the sustainable loans as they fit into eligibility criteria. The amount of the sustainability funds finally issued is €380 million. Although there have been analysed in depth an ensemble of projects with a total value of €594 million, the allocation process resulted in the exclusion of certain projects until the allocation amount of 380 million euros was reached. From the €380 million, €356.84 million (93.9%) have funded social projects and €23.16 million (6.1%) green projects.

Allocated green projects were appointed for 100% financing, except the pollution prevention and control category whose allocation was 13.5 %, while social project allocation went from 62.5% to 100%, depending on their contribution to the purposes that were pursued, and to the category of the expense.

Figure 7. Value of the eligible projects, total amount of money raised.

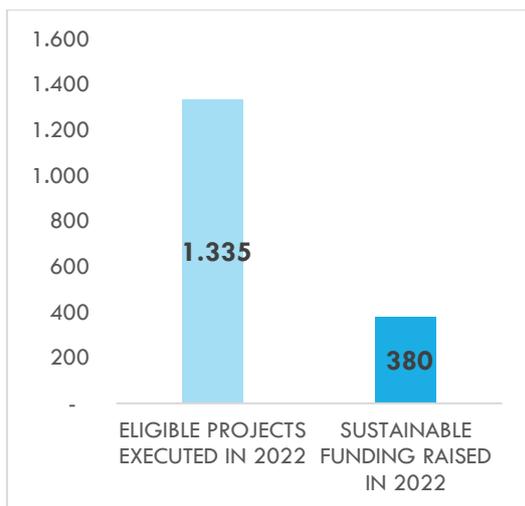


Figure 8. Shares of the social and green projects funded with the Xunta de Galicia's sustainability bond.



Source: Xunta de Galicia, data in millions of euros

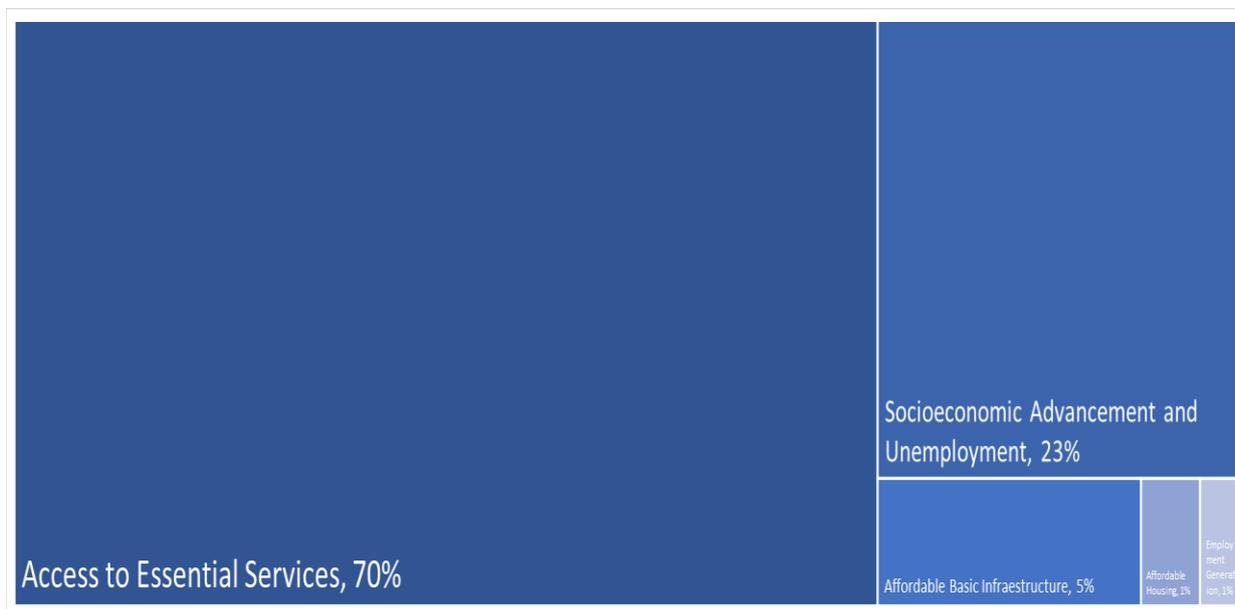
Xunta de Galicia's Sustainable Finance Committee has selected the projects and budgetary programmes that align with the sustainable criteria outlined in the Sustainable Finance Framework. The report informs as well about the alignment of each project with the Sustainable Development Goals.

The proceeds from the sustainability bond issued by Xunta de Galicia have been distributed among 31 eligible projects funded by the 2022 Galicia regional budget. The number of the funded green projects is 14 whereas the number of the funded social projects is 17. The figures (num. 9 to 11) 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 70% of the total share of social resources. The category "Socioeconomic Advancement and Unemployment" represents 23% 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 = €356.84 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.

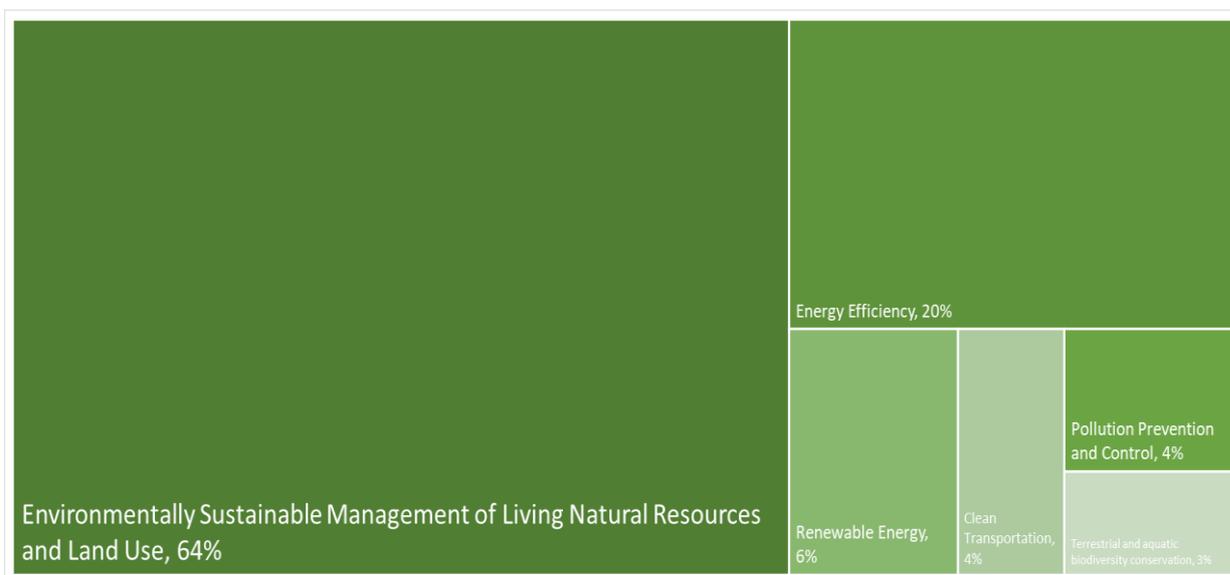
Source: Xunta de Galicia

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 64% of the total share of green projects funded. The categorie“Energy Efficiency” lags with 20%. Categories“Pollution Prevention and Control” and “Renewable Energy” represent 4% and 6% respectively. Finally, the categories “Clean Transportation” represent 4% of the total share of green projects and “Terrestrial and aquatic biodiversity conservation” account for a residual sum of proceeds allocated (3%).

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 = €23.16 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 environmental aspects such as the loading, transportation and management of historical waste from out-of-use tires
Environmentally Sustainable Management of Living Natural Resources and Land Use	Actions related to forestry conservation. 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 98.94% 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 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.

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.

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

NUMBER	NAME OF PROJECT	TYPE OF PROJECT		SDG (direct impact)	TARGET POPULATION	USE OF PROCEEDS			YEAR	MONITORING			
		CATEGORY	SUBCATEGORY			SELECTED PROJECTS	ASIGNED PROJECTS	SHARE OF TOTAL BONDS		INDICATOR	UNIT OF MESURE	VALUE	
1	Tarify policy of transport plans	Affordable basic infrastructure	Transport infrastructure	9, 13	Firm and workers that provide transport services	12.565.619,28	7.852.390,43	2,07%	2022	Councils adhered to the metropolitan transport plan	Number	67,00	
											Number of trips in metropolitan transport	Number	13.581.410,00
2	Rural roads improvements	Affordable basic infrastructure	Other, basic infrastructure	1, 9	Population, associations, entities and municipalities of the rural areas in Galicia	8.659.615,28	8.659.615,28	2,28%	2022	Rural roads improved or constructed	KM	586,52	
											Benefited councils	Number	297,00
3	Vaccination program of Galicia	Acces to essential services	Health	3	Universal character	21.698.484,40	21.698.484,40	5,71%	2022	Number of (first) vaccine doses administered	Number	562.204,00	
4	TIC projects		Health	3	Workers in the Health Ministry and Health Service of Galicia. The	23.936.270,63	23.936.270,63	6,30%	2022	Increase in bandwidth of the communication lines	KBPS	85.248.240,00	
											Numbers of e-consultation	Number	245.430,00
5	Álvaro Cunqueiro Hospital (chapter 2)		Health	3	Universal character	30.960.495,90	30.960.495,90	8,15%	2022	Hospital centres constructed or improved	Number	1,00	
6	Álvaro Cunqueiro Hospital (chapter 6)		Health	3	Universal character	43.982.551,28	43.982.551,28	11,57%	2022	Hospital centres constructed or improved	Number	1,00	
7	Transport services for scholars		Education	4, 10	Scholars with the right for free transport services	64.881.605,50	40.545.212,03	10,67%	2022	Scholars with the right of a seat reservation in the regular public transport system of general use	Number	46.989,00	
8	Transport and canteen services for scholars		Education	4, 10	Scholars with the right for free transport services	70.820.238,21	44.256.327,38	11,65%	2022	Scholars that benefit from school transportation services (men)	%	21,66	
										Scholars that benefit from school transportation services (woman)	%	21,66	
										Scholars that benefit from school social canteens (men)	%	32,02	
										Scholars that benefit from school social canteens (women)	%	32,02	
9	Care of dependent people	Other, essential services	4, 10	Dependent people (disables, old, other)	72.390.591,21	45.237.657,84	11,90%	2022	Participants in the services for dependent people (men)	Número	5.942,00		
										Participants in the services for dependent people (women)	Número	7.445,00	
10	Construction of home buildings	Affordable Housing	Access to adequate, safe and affordable housing	11	Universal character	3.667.599,44	3.667.599,44	0,97%	2022	Houses os public promotion	Number	70,00	

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NUMBER	NAME OF PROJECT	TYPE OF PROJECT		SDG (direct impact)	TARGET POPULATION	USE OF PROCEEDS			YEAR	MONITORING		
		CATEGORY	SUBCATEGORY			SELECTED PROJECTS	ASIGNED PROJECTS	SHARE OF TOTAL BONDS		INDICATOR	UNIT OF MESURE	VALUE
11	Strategy for the support of self-employed workers	Employment generation	Other, employment generation	8, 12	Unemployed people	2.419.932,47	2.419.932,47	0,64%	2022	Self-employed workers that recibe aims for their consolidation (men)	Number	245,00
										Self-employed workers that recibe aims for their consolidation (women)	Number	251,00
12	Social integration income of Galicia		Participación e integración equitativa en mercado y sociedad	1, 5, 10	Low income people under risk of social exclusion	35.573.018,51	22.229.961,28	5,85%	2022	People receiving "RISGA" (men)	Number	2.418,00
										People receiving "RISGA" (women)	Number	3.826,00
13	Plan for the provision of basic social benefits		Equitable participation and integration into the market and society	1, 5, 10	°	7.192.976,73	4.494.968,40	1,18%	2022	Users of social benefits registered in SIUSS (men)	Number	210.978,00
										Users of social benefits registered in SIUSS (women)	Number	301.519,00
14	Transfer to <i>Consortio Gallego de Igualdad y Bienestar de Galicia</i> . Plan for the revitalisation of the demographic trends	Socioeconomic advancement and empowerment	Reduction of income inequality	4, 5, 8	Families, desprotected minors of age, minors of age that have committed crimes	42.140.558,97	26.334.087,84	6,93%	2022	Capacity to care of children or subsidised education infrastructures	Number	8.171,00
15	Measures 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	31.983.949,62	19.987.113,59	5,26%	2022	Capacity to care of children or subsidised education infrastructures	Number	1.555,00
									Household that benefited from the Welcome Card	Number		
16	Extraordinary fund, beneficiaries of subsidies and non-contributory pensions		Reduction of income inequality	4, 5, 8	Low income people under risk of social exclusion	7.275.920,00	4.546.800,54	1,20%	2022	Companies that receive help for the development of plans that promote equality and the reconciliation of personal and work life	Number	11.360,00
										Beneficiaries men)	Number	12.157,00
17	Others	Others, socioeconomic advancement and		4, 5, 8	Universal character	6.027.973,54	6.027.973,54	1,59%	2022	Beneficiaries (woman)	Number	23.048,00
										WITHOUT INDICATOR		

Source: Xunta de Galicia

Figure 14. Qualitative information of the select 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-year-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	This project is targeted 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	TIC projects	This project is targeted to all the health areas in the Health System of Galicia. The project consist 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	Álvaro Cunqueiro Hospital	The Xunta de Galicia built a new Public Hospital in Vigo that provides health care to more than 600,000 residents of this city and its area of influence. This is the largest public health project undertaken in recent times in Spain. The acquisition and assembly of equipment for the operation of health services aims to provide better health coverage to the population of the Vigo region.	

NÚMERO	NOMBRE DEL PROYECTO	BREVE EXPLICACIÓN	CATEGORÍA DEL PROYECTO
7	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 centre. 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.	Access to essential services
8	Transport and canteen services for scholars	This policy is targeted 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 their 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 the the scholar centre. The type of aids for the canteen services varies depending on the income of each family.	
9	Care of dependent people	This project aims to attend the disabled people over 16 years 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).	
10	Construction of home buildings	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. All in all, this project will construct new home buildings and acquire and retrofit existing ones that are abandoned.	Affordable Housing
11	Strategy for the support of self-employed workers	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 terms of agreement with the Horizon 2027 Autonomous Promotion Agenda within the Strategic Plan of Galicia 2021-2030 of the 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. This 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 focusses on promoting investment and the use of more efficient and sustainable resources.	Employment generation

NUMBER	NAME OF PROJECT	BRIEF EXPLANATION	PROJECT CATEGORY
12	Social integration income of Galicia	<p>This project is targeted 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 an 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 of public provisions. <p>The different measures of labour 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
13	Plan for the provision of basic social benefits	<p>The 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 action.</p> <p>In accordance with the law of the 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 centres, expenses related with the training of technicians associated to the social centres and management costs.</p>	
14	Transfer to Consorcio Gallego de Igualdad y Bienestar de 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 guarantying 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>	

NUMBER	NAME OF PROJECT	BRIEF EXPLANATION	PROJECT CATEGORY
15	Measures for the revitalisation of the demographic trends	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 house hold.	Socioeconomic advancement and empowerment
16	Extraordinary fund, beneficiaries of subsidies and non-contributory pensions	The beneficiaries of this project, those that benefit from subsidies and non-contributory pensions, are people that typically experience financially 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€ end will comply with the normative requirements established by the Council of Xunta de Galicia.	
17	Others	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. 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 capentry, 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.	

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 Funds, Green Projects

NUMBER	NAME OF PROJECT	CATEGORY	SUBCATEGORY	SDG (direct impact)	SELECTED PROJECTS	ASIGNED PROJECTS	SHARE OF TOTAL FUNDS	YEAR	INDICATOR	UNIT OF MEASURE	VALUE
1	Financial support for renewable energy projects in the agricultural sector	Renewable energy	Production	7, 9, 11, 13	1.412.091,00	1.412.091,00	0,37%	2022	Adicional capacity to produce renewable energy	MW	915,00
									Number of aids provided to support the sector of renewable energy	Number	522,00
2	Financial support for renewable energy projects	Energy efficiency	New and refurbished building	9, 11	1.988.330,69	1.988.330,69	0,52%	2022	Number of aids provided for energy efficiency actions	Number	13.541,00
3	Actions for energy efficiency and energy saving		New and refurbished building	9, 11	2.724.180,58	2.724.180,58	0,72%	2022	Hospital Centres constructed and/or retrofited	Number	1,00
4	Actions in the environment	Polution prevention and control	Polution prevention and control	11, 12, 13	6.092.532,18	825.000,00	0,22%	2022	Number of projects of environmental character	Number	10,00
5	Investments in aquiculture diversification and modernization of aquiculture companies	Environmentally sustainable management of living natural resources and land use	Environmentally sustainable fishery and aquaculture	12, 13, 14	1.043.007,44	1.043.007,44	0,27%	2022	Number of projects invested in aquaculture	Number	120,00
									Aids provided in the fishing	Number	120,00
6	Sustainable development of fishing areas	Environmentally sustainable management of living natural resources and land use	Environmentally sustainable fishery and aquaculture	12, 13, 14	1.172.031,19	1.172.031,19	0,31%	2022	Firms created	Number	6,00
									Aids provided in the fishing sector	Number	62,00
									Employment created (men)	Number	3,00
									Employment created (women)	Number	3,00
									Employment mantained (women)	Number	30,00
Employment mantained (men)	Number	30,00									
7	Prevention of damage caused by fires and natural disasters	Environmentally sustainable forestry	9, 13,15	1.260.661,86	1.260.661,86	0,33%	2022	Number of actions in infrastructure	Number	41,00	
								Surface of action	Ha	9.557,00	
								New equipment	Number	2.659,00	

NUMBER	NAME OF PROJECT	TYPE OF PROJECT		SDG (direct impact)	USE OF PROCEEDS				MONITORING			
		CATEGORY	SUBCATEGORY		SELECTED PROJECTS	ASSIGNED PROJECTS	SHARE OF TOTAL FUNDS	YEAR	INDICATOR	UNIT OF MEASURE	VALUE	
8	Actions in forestry areas for the prevention of the damage caused by fires and natural disasters	Environmentally sustainable management of living natural resources and land use	Environmentally sustainable forestry	9, 13,15	1.413.152,89	1.413.152,89	0,37%	2022	Surface of action	Ha	3.210,00	
9	Global actions for the conservation, replacement and restoration of the environment		Other, sustainable management of natural resources	12, 13, 14, 15	3.302.879,42	3.302.879,42	0,87%	2022	Number of local entities benefited from these global actions	Number	214,00	
10	Analysis, planning and environmental services		Other, sustainable management of natural resources	12, 13, 14, 15	1.004.158,98	1.004.158,98	0,26%	2022	Intervention for study, dissemination and promotion	Number	11,00	
11	Operating expenditures related to natural conservation		Other, sustainable management of natural resources	12, 13, 14, 15	4.438.638,15	4.438.638,15	1,17%	2022	WITHOUT INDICATOR			
12	Mangement and conservation of marine resources		Other, sustainable management of natural resources	12, 13, 14, 15	1.085.311,95	1.085.311,95	0,29%	2022	Projects for the support of the management of resources	Number	48,00	
13	Investment realted for the operation of the services of INTECMAR		Biodivesity conservation	Protection of marine	11,12, 13, 14	601.113,58	601.113,58	0,16%	2022	Control analyses	%	81,31
										Degree of execution	%	100,00
14	Adquisition of adapted taxis andd/or low- emission taxis		Clean transportation	Electric transportation	7,9,11,13	892.000,00	892.000,00	0,23%	2022	Adapted taxis	Number	27,00
									Electric taxis	Number	11,00	
									Low-emission taxis	Numer	139,00	

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 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.

Sustainable financing from Xunta de Galicia, which materialised in the year 2022 with the completion of two sustainable loans (social and green), benefits the socio-economic structure and the environmental quality of the Galician region, creating employment and raising income levels; and it paves the way to solid, sustainable growth. To sum up, figure 16 represents a summary of the main financial figures and the quantitative impact generated, as measured by the sample of indicators used in the present analysis, is displayed in figures 17 and 18.

Figure 16. Summary of the use of proceeds.

TIPOLOGY	CATEGORY	EXECUTED	SELECTED	ASSIGNED	% ELEGIBLE	% SELECTED
SOCIAL	S1. Affordable basic infraestructure	27.156.111	21.225.235	16.512.006	60,8%	77,8%
	S2. Access to essential services	962.989.206	328.670.237	250.616.999	26,0%	76,3%
	S3. Affordable Housing	4.593.957	3.667.599	3.667.599	79,8%	100,0%
	S4. Employment generarion	26.349.733	2.419.932	2.419.932	9,2%	100,0%
	S6. Socioeconomic advancement and empowerment	219.603.307	130.194.397	83.620.905	38,1%	64,2%
	TOTAL SOCIAL		1.240.692.315	486.177.401	356.837.442	28,8%
GREEN	G1. Renewable energy	1.760.644	1.412.091	1.412.091	80,2%	100,0%
	G2. Energy efficiency	6.604.611	4.712.511	4.712.511	71,4%	100,0%
	G3. Pollution prevention and control	6.649.907	6.092.532	825.000	12,4%	13,5%
	G4. Environmentally sustainable management of living natural resources and land use	61.055.862	14.719.842	14.719.842	24,1%	100,0%
	G5. Terrestrial and aquatic biodiversity conservation	601.114	601.114	601.114	100,0%	100,0%
	G6. Clean transportation	5.136.000	892.000	892.000	17,4%	100,0%
	G7. Sustainable water and wastewater management	13.025.986	0	0	0,0%	0,0%
TOTAL GREEN		94.834.123	28.430.090	23.162.558	24,4%	81,5%
TOTAL SUSTAINABILITY FUNDS 2022		1.335.526.438	514.607.491	380.000.000	28,5%	73,8%

Figure 17. Summary of the impact of the social projects

CATEGORY	INDICATOR	UNIT OF MESURE	VALUE
Affordable basic infraestructure	Councils adhered to the metropolitan transport plan	Number	67,00
	Number of trips in metropolitan transport	Number	13.581.410,00
	Rural roads improved or constructed	KM	586,52
	Benefited councils	Number	297,00
Acces to essential services	Number of (first) vaccine doses administered	Number	562.204,00
	Increase in bandwidth of the communication lines	KBPS	85.248.240,00
	Numbers of e-consultation	Number	245.430,00
	Hospital centres constructed or improved	Number	1,00
	Hospital centres constructed or improved	Number	1,00
	Scholars with the right of a seat reservation in the regular public transport system of general use	Number	46.989,00
	Scholars that benefit from school transportation services (men)	%	21,66
	Scholars that benefit from school transportation services (woman)	%	21,66
	Scholars that benefit from school social canteens (men)	%	32,02
	Scholars that benefit from school social canteens (women)	%	32,02
	Participants in the services for dependent people (men)	Número	5.942,00
	Participants in the services for dependent people (women)	Número	7.445,00

CATEGORY	INDICATOR	UNIT OF MESURE	VALUE	
Affordable Housing	Houses os public promotion	Number	70,00	
Employment generation	Self-employed workers that recibe aims for their consolidation (men)	Number	245,00	
	Self-employed workers that recibe aims for their consolidation (women)	Number	251,00	
Socioeconomic advancement and empowerment	People receiving "RISGA" (men)	Number	2.418,00	
	People receiving "RISGA" (women)	Number	3.826,00	
	Users of social benefits registered in SIUSS (men)	Number	210.978,00	
	Users of social benefits registered in SIUSS (women)	Number	301.519,00	
	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	11.360,00	
	Companies that receive help for the development of plans that promote equality and the reconciliation of personal and work life	Number		
	Beneficiaries men)	Number	12.157,00	
	Beneficiaries (woman)	Number	23.048,00	
	WITHOUT INDICATOR			

Source: Xunta de Galicia

Figure 18. Summary of the impact of the Green Projects.

CATEGORY	INDICATOR	UNIT OF MEASURE	VALUE
Renewable energy	Adicional capacity to produce renewable energy	MW	915,00
	Number of aids provided to support the sector of renewable energy	Number	522,00
Energy efficiency	Number of aids provided for energy efficiency actions	Number	13.541,00
	Hospital Centres constructed and/or retrofited	Number	1,00
Polution prevention and control	Number of projects of environmental character	Number	10,00
Environmentally sustainable management of living natural resources and land use		Number	120,00
	Number of projects invested in aquaculture		
	Aids provided in the fishing sector	Number	120,00
	Firms created	Number	6,00
		Number	62,00
	Aids provided in the fishing sector		
	Employment created (men)	Number	3,00
	Employment created (women)	Number	3,00
	Employment mantained (women)	Number	30,00
	Employment mantained (men)	Number	30,00
	Number of actions in infraestructure	Number	41,00
Surface of action	Ha	9.557,00	
New equipment	Number	2.659,00	

CATEGORY	INDICATOR	UNIT OF MEASURE	VALUE
Environmentally sustainable management of living natural resources and land use	Surface of action	Ha	3.210,00
	Number of local entities benefited from these global actions	Number	214,00
	Intervention for study, dissemination and promotion	Number	11,00
	WITHOUT INDICATOR		
	Projects for the support of the management of resources	Number	48,00
Biodiversity conservation	Control analyses	%	81,31
	Degree of execution	%	100,00
Clean transportation	Adapted taxis	Number	27,00
	Electric taxis	Number	11,00
	Low-emission taxis	Numer	139,00

Source: Xunta de Galicia

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