



Junta de Andalucía

ALLOCATION AND IMPACT REPORT
2021 Sustainability Bonds

February 2023

Contents

1. Introduction	3
1.1 Brief background on the global sustainable debt market.....	3
1.2 Sustainable finance development in Junta de Andalucía.....	4
1.3 Financial information of the sustainability bonds.....	5
1.4 Objectives and structure of the report	6
2. Eligible budget programs selected	7
2.1 Social budget programs.....	9
2.1.1 Description of the selected social budget programs.....	10
2.2 Green Budget programs.....	14
2.2.1 Description of selected green budget programs.....	15
3. Allocation of the sustainability bond proceeds of 2021	17
4. Analysis of the results and impact of the activities financed by the Sustainability Bonds .	22
5. Description of selected projects.....	26
Social Project: Andalusian Remote Assistance Service	26
Green Project: REDEJA - Electricity supply contracts with a guarantee of renewable origin .	28
References.....	30

Index of figures

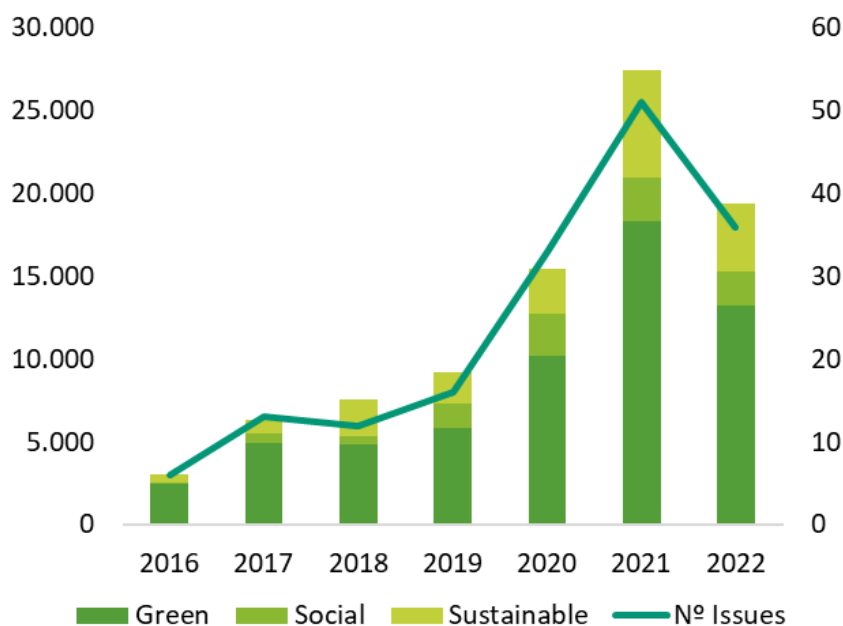
Figure 1. Green, social and sustainability bonds issued in Spain (million €).....	3
Figure 2. Financial Terms and Conditions of the two sustainability bonds issued by Junta de Andalucía.....	5
Figure 3. Information on the eligible budget of Junta de Andalucía	7
Figure 4. Financial summary of the selected budget programs.....	8
Figure 5. Financial summary of the use of the proceeds of the sustainability bonds issued by Junta de Andalucía in 2021	9
Figure 6. Qualitative and quantitative information on the selected social budget programs....	10
Figure 7. Qualitative and quantitative information on the selected green budget programs ...	15
Figure 8. Quantitative information concerning the allocation of the sustainability bonds.....	17
Figure 9. Allocation of Junta de Andalucía's sustainability bonds among green and social programs/projects.....	18
Figure 10. Allocation of resources to social programs	19
Figure 11. Allocation of resources to green programs.....	20
Figure 12. Quantitative information about the impact of the Junta de Andalucía's sustainability bond, social programs and projects.	22
Figure 13. Quantitative information about the impact of the Junta de Andalucía's sustainability bond, green programs and projects.....	25

1. Introduction

1.1 Brief background on the global sustainable debt market

The **European Investment Bank** issued the **first green bond in 2007**¹. Today there is a growing trend in terms of financial resources allocated to finance sustainable projects.

Figure 1. Green, social and sustainability bonds issued in Spain (million €)



Source: Bloomberg, Afi (data updated in December 2022)

In **2021**, the total volume of the sustainable debt market, including labelled Green, Social and Sustainability Bonds, **reached €27,443 million in Spain** (see Figure 1). This amount represents a **year-on-year growth of 54.8%** from the equivalent period in 2020 (whose volume accounted for €15,466 million). **Social and sustainability bonds accounted for one third (33.06%)** of the total number of titles labelled as such in 2021, whereas green bonds represented almost 70% (66.94%).

¹ Following ICMA's definition (2021), a green (social) bond is any type of bond instrument where the proceeds or an equivalent amount will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Green Projects and which are aligned with the four core components of the Green Bond Principles (Social Bond Principles).

1.2 Sustainable finance development in Junta de Andalucía

In this context, the **Government of the Autonomous Community of Andalusia** (in Spanish, *Junta de Andalucía*) published its **Sustainable Finance Framework**² (“Framework”), in March 2021. This framework represents a step forward in the gradual alignment of the Junta de Andalucía's



funding strategy with the principles of sustainable finance. Junta de Andalucía's Sustainable Finance Framework obtained the **Second Party Opinion** from Sustainalytics, which stated that said Framework is credible, has a capacity for impact and aligns with the Sustainability Bond Guidelines (2018), the Green Bond Principles (GBP, 2018), the Social Bond Principles (SBP, 2020) and the Green Loan Principles (2021).

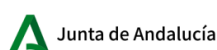
This Framework consolidated the **eligibility of the public expenditure** of the Junta de Andalucía in the following areas:

Social

- Access to essential services: education and health.
- Socioeconomic support to targeted population.
- Affordable housing to targeted population.
- Employment generation and support to SMEs for specific groups.

Green

- Energy efficiency projects and promotion of renewable energies.
- Clean transportation.
- Biodiversity and environmental conservation.
- Sustainable management of water resources and wastewater.
- Pollution prevention and management, and climate change mitigation.



Sustainable Finance Framework

March 2021

On this basis, and with the confidence that the Framework met the international standard for sustainability bond issuance, Junta de Andalucía issued **two Sustainability Bonds in 2021**, in accordance with said Framework.

The proceeds of both sustainability bonds were fully allocated to the executed expenditure of selected budgetary programs corresponding to the fiscal year of issuance. The commitment was to provide **information on social and environmental results and impacts**, when possible, as well as to incorporate **case studies** that provide a more detailed illustration of the impact attained. This information has been included in this report regarding the two sustainability bonds issued by the Regional Government of Andalusia (also known as Junta de Andalucía) in 2021 and whose issuance is detailed below.

² More information can be found:

<https://www.juntadeandalucia.es/organismos/economiahaciendayfondoseuropeos/areas/informacion-inversor/informacion-inversor.html>

More recently, Junta de Andalucía has continued working with the support of the **European Commission in the area of sustainable finances**³. An analysis of the Andalusian budget programs according to sustainability criteria was carried out in order to strengthen the basis and the criteria for the allocation of executed expenditure to future sustainability bonds and thus achieve an improvement in the sustainable finance framework of the Junta de Andalucía. It is expected that this project will establish an essential foundation for future improvements in green budgeting, new frameworks for Andalusian sustainable financing and public policy analysis in Andalusia, from the point of view of the EU taxonomy.

1.3 Financial information of the sustainability bonds

Junta de Andalucía took advantage of the opportune window in the market and issued its first **two sustainability bonds in 2021**. Junta de Andalucía was able to successfully launch both transactions, in April and July respectively, up to an amount of **€1.500 million**. The specific financial terms and conditions of each sustainable financial instrument are depicted in Figure 2.

Figure 2. Financial Terms and Conditions of the two sustainability bonds issued by Junta de Andalucía

Terms and conditions sustainability bond #1 (inaugural sustainability bond)

Issuer	Junta de Andalucía
Issue rating	Baa2/BBB+ (Moody's/S&P)
ISIN	ES0000090847 (inaugural sustainability bond)
Pricing date	8 th April 2021
Maturity	30 th April 2031 (Long 10 year)
Amount	€1bn
Coupon	0.50%
Reoffer Spread	SPGB ⁴ 0.10% 04/30/31 + 18bps
Listing	AIAF

Terms and conditions sustainability bond #2

Issuer	Junta de Andalucía
Issue rating	Baa2/BBB+ (Moody's/S&P)
ISIN	ES0000090888
Pricing date	7 th July 2021

³ European framework for green bonds: https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/european-green-bond-standard_en#documents

⁴ Spanish Government Bonds (Spanish Treasury).

Terms and conditions sustainability bond #2

Maturity	30 th July 2033 (Long 12 year)
Amount	€500mn
Coupon	0.70%
Reoffer Spread	SPGB 2.35% 07/30/33 + 22 bps
Listing	AIAF

Source: Junta de Andalucía, Bloomberg, Afi

1.4 Objectives and structure of the report

The **aim of this report** is to provide information regarding the allocation of proceeds from the Sustainability Bonds issued by Junta de Andalucía in 2021 following ICMA Principles guidelines⁵.

The **report** is organized as follows:

- Section 2: description of the eligible budgetary programs that have been selected, along with the relevant quantitative and financial information.
- Section 3: allocation of the Sustainability Bonds' Use of Proceeds per social and green programs.
- Section 4: impact report including quantitative metrics.
- Section 5: examples of programs or projects financed.

⁵ Harmonised Framework for Impact Reporting – Green

Bonds: https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf

Harmonised Framework for Impact Reporting – Social

Bonds: https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Social-Bonds_June-2022-280622.pdf

2. Eligible budget programs selected

Following the Sustainable Finance Framework of the Junta de Andalucía, it was possible to determine that, in 2021, the total amount of approved budgetary credit of all eligible programs of the Junta's budget amounted to €7,997 million. Its implementation during **2021 entailed an executed eligible expenditure, according to green or social criteria, of €7,795 million**. These figures are organized into 23 social programs and 7 green programs, which can be assigned to the eligible categories presented in the following table as per the Framework.

Figure 3. Information on the eligible budget of Junta de Andalucía

	Eligible category	Eligible amount (2021)	Executed amount (2021)
Social categories	Access to Essential Services: Health	3,733,065,963.45 €	3,653,342,733.03 €
	Access to Essential Services: Education	1,923,182,422.98 €	1,908,762,123.34 €
	Affordable Housing	8,974,691.08 €	2,133,990.63 €
	Socio-Economic Advancement	1,817,143,201.93 €	1,800,666,769.79 €
	Employment Generation and Support for SMEs	151,111,204.88 €	121,143,934.37 €
	Total eligible - Social	7,633,477,484.32 €	7,486,049,551.16 €
Green categories	Clean transportation	171,355,673.86 €	167,105,858.27 €
	Water resources management	9,874,779.53 €	9,211,099.99 €
	Environmental conservation and biodiversity protection	22,427,532.79 €	21,376,881.40 €
	Pollution prevention and climate change mitigation	7,277,673.05 €	6,858,737.43 €
	Renewable energy and energy efficiency (REDEJA)	153,079,174.96 €	105,188,633.39 €
	Total eligible - Green	364,014,834.19 €	309,741,210.48 €
TOTAL ELIGIBILITY OF ALL BUDGETARY PROGRAMS OF THE JUNTA DE ANDALUCÍA THAT MEET THE ELIGIBILITY CRITERIA ESTABLISHED IN THE FRAMEWORK		7,997,492,318.51 €	7,795,790,761.64 €

Source: Junta de Andalucía, Afi

For the purpose of the allocation, the Junta de Andalucía has selected social and green programs with a total executed amount of **€2,352 million**, a figure that exceeds the net total of the funds raised by the Sustainability Bonds issued by the Junta de Andalucía in 2021 (1,500 million euros).

As stated in the Framework, this constitutes a guarantee or safeguard in case the eligible projects or programs are negatively affected. For practical purposes, this means that the total amount of the selected programs exceeds the total amount of Sustainability Bonds issued. Therefore, section 3 explains the process of allocating the selected eligible expenditure to the sustainability bonds issued in 2021.

Figure 4. Financial summary of the selected budget programs

Total social programs - Executed amount	2,081,503,028.96 €	88%
Total green programs - Executed amount	271,161,221.95 €	12%
Total amount of executed programs	2,352,664,250.91 €	100%

Source: Junta de Andalucía, Afi

The following sections 2.1 (social) and 2.2 (green) describe the list of programs and projects partially or fully financed with resources from the Sustainability Bonds. In addition, each program is linked to the corresponding Sustainable Development Goals on which it has a positive impact.

It is relevant to mention that, given the distribution of competences within the Spanish Public Administration (specifically with regard to the autonomous communities), in institutions such as the Junta de Andalucía, **social issues have more specific weight in quantitative terms than green issues**. Without overlooking the fact that a large part of the green investments is already being financed by other funds for specific purposes, such as the European Structural Funds. Hence, the distribution of the allocated programs is in line with these two conditioning factors.

To introduce all the information that is going to be presented, disclosed and analysed in the report, the following table is a **financial summary of the most important aspects** regarding the allocation of the Sustainability Bond during 2021 as the projects were executed in the same year.

Figure 5. Financial summary of the use of the proceeds of the sustainability bonds issued by Junta de Andalucía in 2021

	Eligible budget program	Eligible amount (2021)	Executed amount (2021)	Resources allocated to the bond	%
SOCIAL	Services to support families (education)	178,523,636.46 €	171,437,002.61 €	101,209,767.11 €	6.75%
	Special education	524,425.14 €	526,172.69 €	310,631.98 €	0.02%
	Education for early childhood	205,637,233.32 €	205,538,519.07 €	121,341,981.78 €	8.09%
	Pre-school and primary education	42,954,951.70 €	41,339,476.48 €	24,405,225.96 €	1.63%
	Secondary education and professional training	145,326,114.59 €	139,810,538.35 €	82,538,727.41 €	5.50%
	Plan on drugs	12,154,281.99 €	12,149,867.16 €	7,172,811.04 €	0.48%
	Services to support families (health)	51,904,354.36 €	40,202,797.37 €	23,734,174.64 €	1.58%
	Care for dependant, elderly and handicapped people	1,475,672,960.95 €	1,470,498,655.23 €	868,125,458.13 €	57.88%
	TOTAL -SOCIAL	2,112,697,958.51 €	2,081,503,028.96 €	1,228,838,778.05 €	82%
GREEN	Mobility, terrestrial infrastructure and transport	169,383,951.42 €	165,972,588.56 €	165,972,588.56 €	11.06%
	Project REDEJA Cross-cutting several budget programs	153,079,174.96 €	105,188,633.39 €	105,188,633.39 €	7.01%
	TOTAL-GREEN	322,463,126.38 €	271,161,221.95 €	271,161,221.95 €	18%
	TOTAL SUSTAINABILITY BOND	2,435,161,084.89 €	2,352,664,250.91 €	1,500,000,000.00 €	100%

Source: Junta de Andalucía, Afi

2.1 Social budget programs

The allocation of budgetary programs with a **positive impact on social areas** is inherent to the management of policies ascribed to a regional government in Spain. The actions that regional governments must undertake are related to the provision of basic services, support for vulnerable groups, socioeconomic development and support for SMEs. In this case, Junta de Andalucía concentrates the selection of programs linked to sustainability bonds on relevant aspects of educational services, health services and support for highly dependent and disabled groups. The fields of action are diverse and are briefly explained in the following table. In addition, a detailed explanation of a specific project is given in section 5 of this report so that the impact of the budget allocation implemented in that case can be identified in greater detail.

Figure 6. Qualitative and quantitative information on the selected social budget programs

Eligible category	Budget program	Executed amount (2021)	Impact on SDGs
Access to Essential Services: Education	31P - Services to support families (education)	171,437,002.61 €	4, 10
	42E - Special education	526,172.69 €	4, 11
	42I - Education for early childhood	205,538,519.07 €	4, 12
	42C - Pre-school and primary education	41,339,476.48 €	4, 13
	42D - Secondary education and professional training	139,810,538.35 €	4, 14
Access to Essential Services: Health	31B - Plan on drugs	12,149,867.16 €	3, 10
	31P - Services to support families (health)	40,202,797.37 €	3, 10
Socioeconomic Advancement	31R - Care for dependant, elderly and handicapped people	1,470,498,655.23 €	5, 10

Source: Junta de Andalucía, Afi

2.1.1 Description of the selected social budget programs

This section includes a brief description of the objectives and actions undertaken by each of the budget programs selected by Junta de Andalucía:

31P. Family support service (education)

This budget program provides resources aimed at facilitating the reconciliation of family and work life of Andalusian families and at contributing to improve the educational success of their children.

Within this program, measures such as the following are being financed:

- ✓ **Free Textbooks Program.** In compulsory education offered in publicly funded schools. Textbooks are the property of the educational administration and will remain, once the school year has ended, in the educational centre so that they can be used by other students in successive academic years.

In fiscal year 2021, textbooks were renewed for certain primary and compulsory secondary education levels (such renewals are carried out every 4 years). For the rest of the grades, a replacement rate of 10% has been set to restore those copies that were not in a suitable condition for their use.

In the 2020-2021 academic year, a total of 933,305 students have benefited from this program.

- ✓ **Scholarships for post-compulsory studies.** Through the 6000 Grant and Second Chance Scholarships, a system of scholarships is offered to guarantee the right of students to access and remain in the educational system, providing them with the necessary aid and support to compensate for the shortcomings and disadvantages that prevent or hinder the exercise of this right. In this way, the goal is to contribute to the prevention of school dropout.

Specifically, the 6000 Grant (which takes its name from the amount allocated per school year (6,000 €)) aims to keep students in the educational system in high school and initial vocational training courses. In 2021, 12,408 students benefited from this aid.

The Second Chance Scholarship is aimed at facilitating the reincorporation into the educational system of young people between 18-24 years old who entered the labour market without having completed their studies. In 2021, 116 students received scholarships.

- ✓ **School canteen service.** It is provided both through directly managed canteens and by financing the school canteens of public schools authorized to do so. Families are subsidized according to their income. The total number of students assisted by this service in 2021 was 207,731.

Finally, this service also includes a system of subsidies for school canteens in private special education and compensatory education centres.

- ✓ **Other actions** to be highlighted that are developed within this budget program are: the Sports Schools Program; morning class service; after-school activities service and the Plan for the Reinforcement of Child Nutrition.

42E. Special Education

The main objective of this budgetary program is to **facilitate the access and permanence in the educational system of students with specific needs**. To this end, educational support is provided by guaranteeing the provision of the necessary resources to this type of students with the purpose of ensuring equal opportunities for all and, at the same time, facilitating family and work life balance for their families.

The schooling of this type of students in Andalucía is generally carried out in ordinary educational centres, and only those with severe developmental disorders, severe or profound mental retardation, or those affected by multiple disabilities are enrolled in specific special education centres. Indeed, this program aims to provide the service of assistance with specialized educators for these students in the centres that, according to their demand, require it. **In 2021, the number of schools with these specialized instructors was 1,442.**

This program also includes the provision of additional support to schools with students in need of a sign language interpreter through the hiring of qualified professionals. **In 2021, the number of hours of sign language interpreter assistance reached 136,755.**

42I. Early childhood education

The purpose of this program is to **encourage the progressive increase in the percentage of students who join the first cycle of early childhood education** (up to 3 years of age), since early schooling is one of the relevant factors that influence the achievement of educational success of the student body in the medium and long term. In pursuit of this objective, this program has a system of subsidies on the public prices of socio-educational care and canteen services for students in the first cycle of early childhood education. It is granted and adjusted according to the income level of the applicant family. **In 2021, the number of grants processed was 84,277.**

42C. Pre-school and primary education

Second cycle infant education contributes to the physical, affective, social and intellectual development of children from 3 to 6 years of age, allowing their incorporation to this stage in any of the courses, given its voluntary nature.

This education is provided in its own centres or shared with the primary education stage in public and subsidized centres, **reaching a schooling percentage of 98% in 2021.**

On the other hand, primary education is compulsory-free and has a more educational purpose than the previous stage.

The **total number of students** attending the second cycle of pre-school and primary education in both public and subsidized private centres amounted to 751,581 in 2021.

Accordingly, the main objective of this program is to promote free, equal and quality education in publicly funded centres, providing them with the necessary means to do so.

Specifically, the funding lines covered by this program are as follows:

- ✓ Provision of resources and equipment to educational centres.
- ✓ Execution of construction work (expansion, improvement, refurbishment, new construction) in educational centres.

42D. Secondary education and vocational training

Compulsory Secondary Education is a mandatory, universal and common stage, aimed at facilitating the incorporation of the population up to 16 years of age into the society in which they live and preparing them for the exercise of the rights and duties that correspond to adult life. **The number of students in public schools in 2021 reached 310,681.**

Post-compulsory education, on the other hand, provides a more general and specialized training than compulsory education, with a greater component of variety and optionality in conformity with the variety of fields of study and professions. It includes High School and Vocational Training (the latter with the aim of improving employability and the accreditation of qualifications). **The number of high school students in public centres reached 98,526 in 2021.** While the number of Vocational Training students in its different modalities (basic vocational training, training cycle and dual vocational training in public centres) **amounted to 126,036.**

This program, therefore, seeks to improve the quality and efficiency of education, providing the necessary resources to continue making progress in reducing early school dropout rates in these educational stages.

Some of the most relevant measures financed under this program are the following:

- ✓ Administration of scholarships intended for non-university post-compulsory education students. In 2021, the number of students benefiting from this scholarship was 122,357.
- ✓ Provision of resources and equipment for educational centres.
- ✓ Promotion of quality educational centres in accordance with the European Quality Guarantee Reference Framework.
- ✓ Promotion of vocational training as an instrument to facilitate the employability of young Andalusians.
- ✓ Execution of construction work (expansion, improvement, refurbishment, new construction) in educational centres.

31B. Plan on addictions

In order to **provide assistance to people with addiction problems**, it has been created a Public Network formed by municipal and provincial centres, which includes Outpatient Treatment Centres (which make up the first level of access of the public network), Day Centres and Meeting and Reception Centres, as well as other privately owned centres under agreement with the Junta de Andalucía.

In 2021, the number of projects that have obtained subsidies under this program has grown, thus increasing the number of potential population and users served.

All of the above implied that in 2021 **a total of 11,303 beneficiaries were admitted** to the Outpatient Treatment Centres (including those people who were in treatment and returned). **Active users** during 2021 in the public centres of the Network **amounted to 47,468**.

Likewise, this budget program executes a line of **subsidies** addressed to private non-profit entities for the maintenance of headquarters and development of programs, and to local entities for community prevention ("Cities against Drugs" Program). In 2021, a total of 608 subsidies were processed, of which **556 were granted**.

31P. Family support service (health)

The purpose of Early Care is to **offer children with deficits or at risk of suffering them a set of optimizing and compensating actions**, which facilitate their adequate maturation in all areas and allow them to reach the highest level of personal development and social integration.

On the other hand, this budgetary program finances **financial aid for Andalusian families who, at the birth of their third or subsequent child, have one or more children under 3 years of age**. Providing an amount of €600 for each of these children under 3 years old. In 2021, **1,205 aids of this nature were granted**.

Likewise, it also covers **financial aid for multiple births**, which is paid in a single annual payment during the 3 years following the birth, with amounts oscillating between €1,200 and €4,800, depending on the number of children born. **In 2021, 1,305 grants were allocated for multiple births**.

In total, 4,367 children benefited from these two lines of aid in 2021.

31R. Care for Dependency, Active Aging and Disability

Fundamentally, this budget program manages the **running of the Andalusian System for Dependency Care and Comprehensive Care for the Elderly and People with Disabilities. In 2021, the population served by this System totalled 257,227.**

Within the modalities of care for dependent persons, the following are included:

- ✓ Residential care service.
- ✓ Home help service.
- ✓ Teleassistance service. This service is explained in more detail in the specific case studies in section 5.
- ✓ Day care centre service.
- ✓ Economic benefits for caregiving in the family environment.
- ✓ Other measures to be highlighted are:
 - The Andalucía Sixty-five Card.
 - Subsidized transport program.
 - Program to favour the acquisition of optical products at advantageous prices.
 - Legal orientation program.
 - Attention and monitoring of minor immigrants in the Andalusian System for the Protection of Minors.

2.2 Green Budget programs

The sustainability bond of Junta de Andalucía aims to **prompt a positive impact in the environment and natural resources of Andalucía.** The programs selected in this case focus mainly on two specific areas:

- First, mobility, in particular terrestrial infrastructure and transport, highlighting the role of the metro in certain Andalusian cities.
- Secondly, in renewable energy consumption. The REDEJA project, which is further described in section 5 of this report, articulates this initiative to promote and invest in renewable energies.

Furthermore, the hope is that a considerable part of these green projects will facilitate the **creation of new job positions and the development of new technologies** that offer digital solutions for green development.

Figure 7. Qualitative and quantitative information on the selected green budget programs

Eligible category	Budget program	Executed amount (2021)	Impact on SDGs
Clean Transportation: Financing of projects and infrastructure that improve sustainable mobility, including metro, tram, train, electric bus and bicycle lanes	51B - Mobility, terrestrial infrastructure and transport	165,972,588.56 €	11, 13
Renewable Energy and Energy Efficiency	Proyect REDEJA Cross-cutting several budget programs	105,188,633.39 €	7, 11, 13

Source: Junta de Andalucía, Afi

2.2.1 Description of selected green budget programs

51B. Mobility, infrastructure and transport

Current data on urban and metropolitan mobility in Andalucía reveals a very low participation of public transport compared to the use of private vehicles. For this reason, the **construction of metropolitan rail public transport lines** has been one of the priorities of the Junta de Andalucía, with existing railway lines are currently in service in **Seville, Malaga and Granada**.

These metropolitan train systems are clearly a measure that helps in the mitigation of climate change, since reducing travel by private motorized vehicles reduces CO₂ emissions, as well as avoiding the emission of other atmospheric pollutants, thus helping to create low-emission urban areas. They are also transport systems accessible to all citizens, which usually represent an important impulse for urban renewal, gaining public space.

The existing routes have seen constant growth in demand since they were put into service. Specifically, **in 2021 the total number of passengers on these Metro lines was around 23 million (10.4 million for the Seville Metro, 4.62 million for the Malaga Metro and 7.9 million for the Granada Metro)**.

This is despite the fact that these are still incomplete networks compared to what was planned, being already envisaged the expansion of the network, the extension of the lines and the improvement of the urban and metropolitan connections that have a greater representation in mobility, all within the framework of the Transport and Mobility Infrastructures Plan for Andalusia 2030.

Furthermore, as added value, the exploitation of these metros has incorporated sustainability criteria. The three metropolitan systems use electrical energy purchased from suppliers that certify that they are 100% renewable, so that GHG emissions are reduced to almost zero and are limited to residual activities (movement of some machinery and minor operations). In addition, they have been involved in carbon sink projects, in order to offset residual emissions.

On the other hand, in the metropolitan areas, the increase in the number of passengers using the metro system represents a quantitatively significant reduction in GHG emissions; in 2021, according to the estimated figures, **the emission of 12,058 tons of CO2 has been avoided**. This estimate is calculated using the methodology of the Guide for the Calculation of the Carbon Footprint and preparation of an improvement plan, of the Ministry for Ecological Transition and the Demographic Challenge.

Likewise, it is estimated that by using the metro system in 2021, **passengers will have avoided a total of 6.7 million trips in private vehicles**.

Energy Network Project of the Administration of Junta de Andalucía (REDEJA)

This is a cross-cutting project that covers different budgetary programs with the objective of guaranteeing that 100% of the electric energy supplied to the centres associated to REDEJA will be supported by renewable energy and high efficiency cogeneration certificates. The characteristics of this project are developed as a singular case study in section 5 of this report.

3. Allocation of the sustainability bond proceeds of 2021

In order to allocate the €1,500 million corresponding to the sustainability bonds of Junta de Andalucía among the selected programs, a partial proration has been made. The proration corresponding to the selected green programs has not been necessary (100% allocation), but it turned out to be necessary in the case of the selected social programs (59.04%). Bearing this in consideration, the final result is as presented in the following table.

Figure 8. Quantitative information concerning the allocation of the sustainability bonds

	Eligible category	Budget program	Resources allocated to the bond	%
SOCIAL	Access to Essential Services: Education	31P - Services to support families (education)	101,209,767.11 €	6.75%
		42E - Special education	310,631.98 €	0.02%
		42I - Education for early childhood	121,341,981.78 €	8.09%
		42C - Pre-school and primary education	24,405,225.96 €	1.63%
		42D - Secondary education and professional training	82,538,727.41 €	5.50%
	Access to Essential Services: Health	31B - Plan on drugs	7,172,811.04 €	0.48%
		31P - Services to support families (health)	23,734,174.64 €	1.58%
Socioeconomic Advancement	31R - Care for dependant, elderly and handicapped people	868,125,458.13 €	57.88%	
GREEN	Clean Transportation: Financing of projects and infrastructure that improve sustainable mobility, including metro, tram, train, electric bus and bicycle lanes	51B - Mobility, terrestrial infrastructure and transport	165,972,588.56 €	11.06%
	Renewable Energy and Energy Efficiency	Proyect REDEJA Cross-cutting several budget programs	105,188,633.39 €	7.01%
Total Sustainability Bond:			1,500,000,000.00 €	100.00%

Source: Junta de Andalucía, Afi

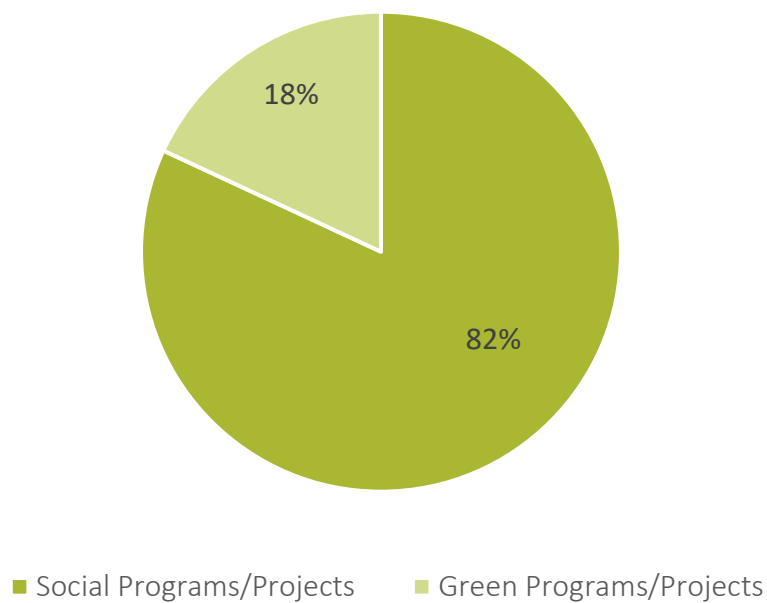
Therefore, of the €1,500 million mobilized in 2021 through the sustainability bonds by Junta de Andalucía, **81.93% (€1,228 million) were used to finance programs with positive objectives in social matters, while 18.07% (€271 million) were used to finance programs with positive objectives in environmental matters.** The distribution of financial resources among the different eligible headings, both social and green, was as follows:

- €30.9 million (2.06%) were used to finance programs related with the eligible category “Access to Essential Services: Health”.
- €329.8 million (21.99%) were used to finance programs related with the eligible category “Access to Essential Services: Education”.

- €868.1 million (57.88%) were used to finance programs related with the eligible category “Socioeconomic Advancement”.
- €165.9 million (11.06%) were used to finance programs related with the eligible category “Clean Transportation”.
- €105.1 million (7.01%) were used to finance programs related with the eligible category “Renewable Energy and Energy Efficiency”.

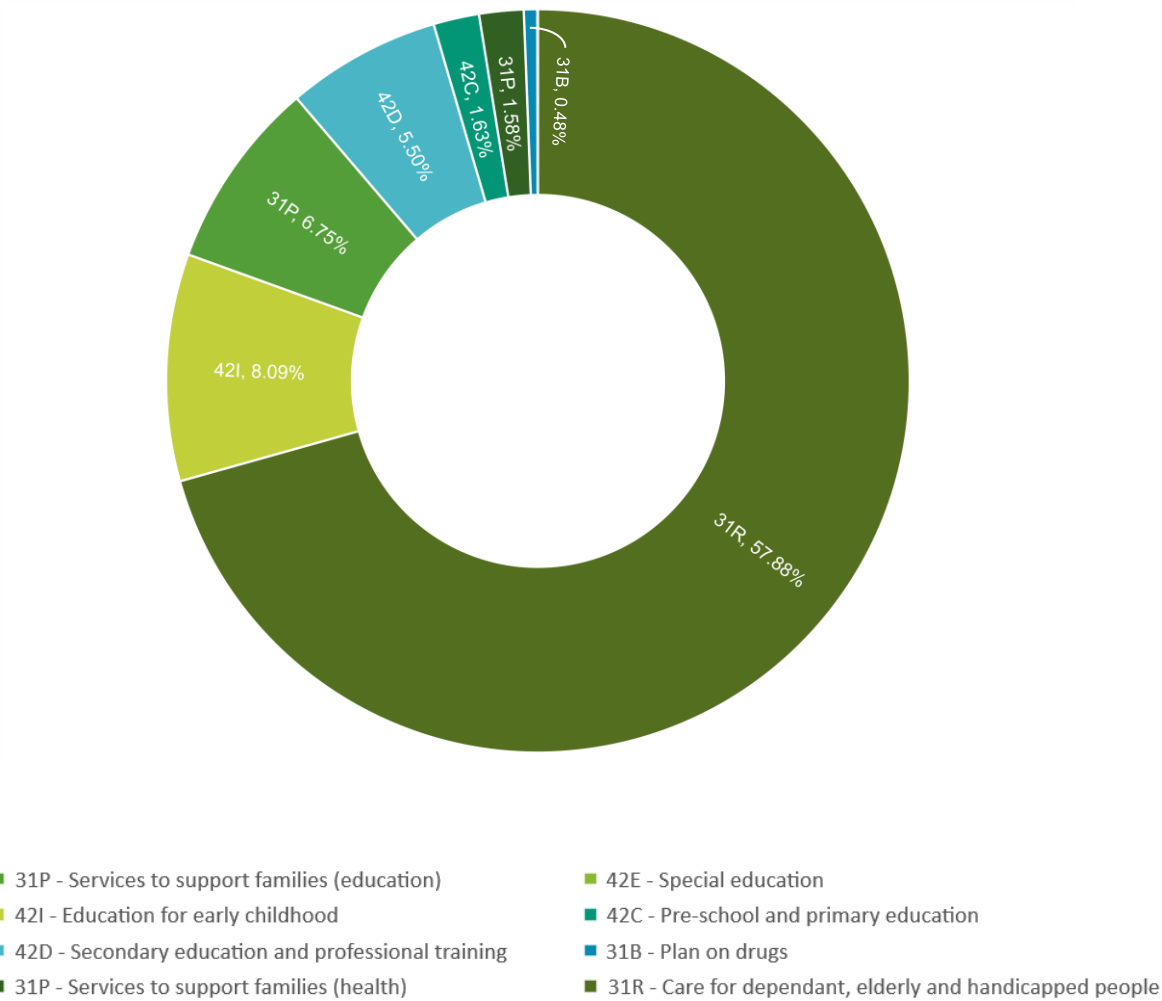
Exhibited below are three illustrative figures on the distribution of funds and the final allocation of the sustainability bonds that are the subject of this report.

Figure 9. Allocation of Junta de Andalucía's sustainability bonds among green and social programs/projects.



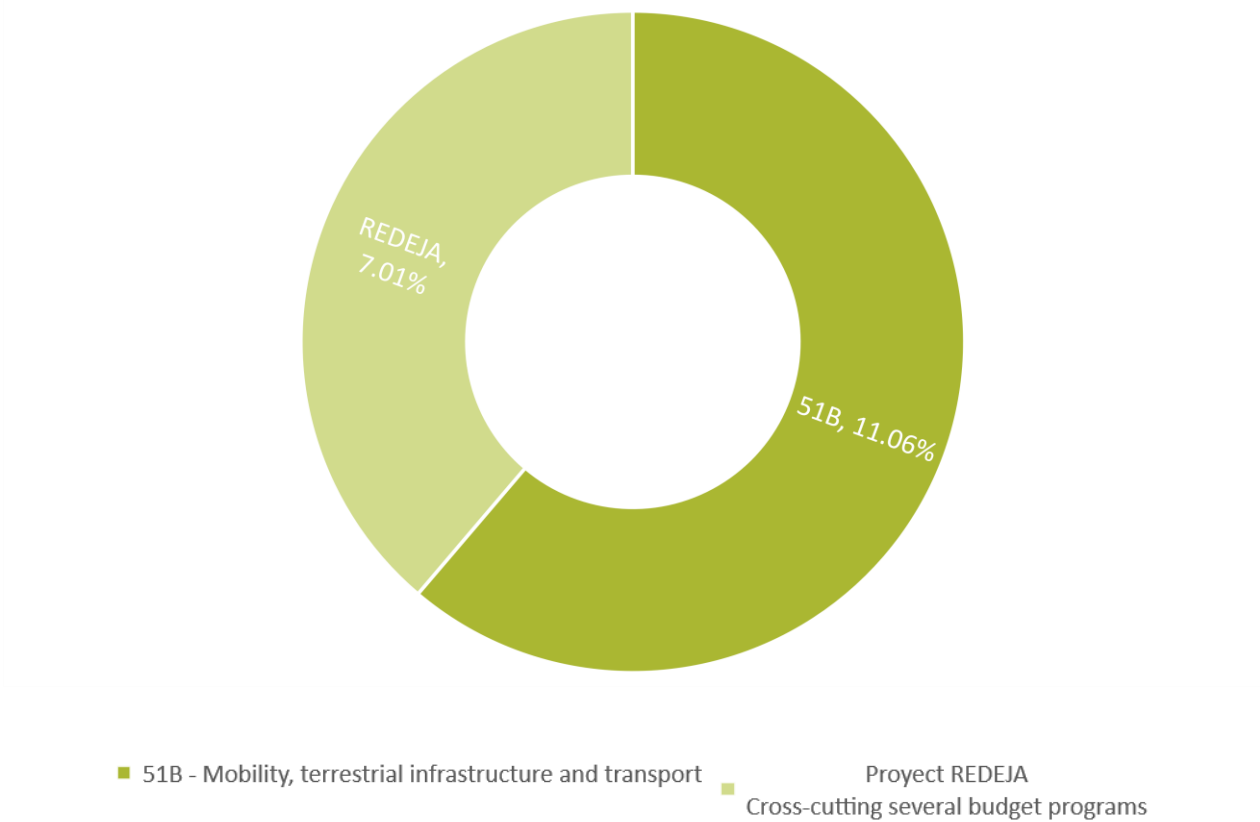
Source: Junta de Andalucía, Afi

Figure 10. Allocation of resources to social programs



Source: Junta de Andalucía, Afi

Figure 11. Allocation of resources to green programs



Source: Junta de Andalucía, Afi

As can be seen in the illustrations, thanks to the proceeds of the Sustainability Bonds of Junta de Andalucía, it has been possible to develop a **wide range of sustainable projects**. Projects related to the **socioeconomic promotion** of targeted collectives have a very important role in the allocation of funds, and in particular projects related to the care of dependent people, the elderly and the disabled.

4. Analysis of the results and impact of the activities financed by the Sustainability Bonds

Having reviewed the description and characteristics of the programs, and having analysed the distribution of resources, in the subsequent section a series of indicators are presented for each of the selected budgetary programs. These indicators intend to provide information on the impact that the Sustainability Bonds may have had on the real economy.

In the following sections the report displays a detailed evaluation of the impact of the budgetary expenses of Junta de Andalucía that are associated with the Sustainability Bonds. For this evaluation, a number of different indicators for each of the projects have been specifically selected.⁶

Social budget programs

Figure 12. Quantitative information about the impact of the Junta de Andalucía's sustainability bond, social programs and projects.

Budget Program	Actions	Indicator (name)	Program achievement			Execution allocated to the bond			Unit of measure
			Male	Female	Total	Male	Female	Total	
31P - Services to support families (education)	Provision of free textbooks	Benefited students (all levels of education)	483,189	450,116	933,305	285,256	265,731	550,987	Number
	Scholarships	Students benefited from "Scholarship 6,000"	5,036	7,372	12,408	2,973	4,352	7,325	Number
		Students benefited from "Scholarship Second Chance"	52	64	116	31	38	68	Number
	Canteen (direct management canteens)	Students attending scholar canteens (subsidised by the government body)	18,201	16,705	34,906	10,745	9,862	20,607	Number
	Subsidised canteens	Service coverage*	49%			49%			Percentage
		Students reached	172,825			102,029			Number
	Provision of the extracurricular activities service	Service coverage*	27%			27%			Percentage
		Students reached	74,962			44,255			Number
	Provision of the morning classroom service (<i>servicio de aula matinal</i>)* * This service looks after students between 7.30am and until classes start.	Service coverage*	53%			53%			Percentage
		Students reached	115,629			68,263			Number
42E - Special education	Service from specialised teachers for children with special needs	Scholar centres with specialised teachers for children with special needs	1,442			851			Number

*Note: The indicator "Service coverage" refers to the percentage of educational centres that cover the service specified.

⁶ The data point reported for each indicator represents the proportional share, of the impact of each budget program, achieved thanks to the part of each program that has been financed with the proceeds of these two sustainability bonds.

Budget Program	Actions	Indicator (name)	Program achievement			Execution allocated to the bond			Unit of measure
			Male	Female	Total	Male	Female	Total	
421 - Education for early childhood (1st cycle)	Promoting pre-school enrollment	Number of aids provided for 0 to 3 years-old children	84,277			49,754			Number
	Programs in the first-cycle of pre-school education	Centres with service in the first cycle of pre-school in public centres of the Junta de Andalucía	171			101			Number
		Students attending these centres	4,605	4,042	8,647	2,719	2,386	5,105	Number
42C - Pre-school (2nd cycle) and primary education	Works in public kindergartens and primary schools	Newly built, adapted or expanded schools	275			162			Number
	Provision of equipment in public kindergarten and primary schools	Kindergarten and primary schools with new equipment and facilities	1,791			1,057			Number
	Students Pre-school and Primary Education	2nd Cycle students in public centres	92,404	86,524	178,928	54,552	51,080	105,632	Number
		Primary Education students in public centres	214,208	199,856	414,064	126,460	117,987	244,447	Number
		2nd Cycle and Primary Education students in public-private centres	80,668	77,921	158,589	47,623	46,002	93,625	Number
42D - Secondary education and professional training	Construction work in secondary schools and professional education centres	Newly built, adapted or expanded schools	250			148			Number
		School centres with new equipment	588			347			Number
	Secondary Education and High School Students	Secondary Education Students in public schools	160,103	150,578	310,681	94,519	88,895	183,414	Number
		High School Students in public schools	45,003	53,523	98,526	26,568	31,598	58,166	Number
		Beneficiary students from scholarship for post-compulsory secondary education	55,552	66,805	122,357	32,796	39,439	72,235	Number
	Secondary Education and Professional Training in public-private centers	Number of students	59,940	58,754	118,694	35,386	34,686	70,072	Number
	Professional Education	Vocational training students who qualify or obtain a qualification	48,426	35,904	84,330	28,589	21,196	49,785	Number
		Students in Basic Professional Training in public schools	8,288	3,124	11,412	4,893	1,844	6,737	Number
		Students in professional training in public schools	57,509	48,327	105,836	33,951	28,530	62,481	Number
		Students of the DUAL Professional Training Program	4,705	4,083	8,788	2,778	2,410	5,188	Number

Budget Program	Actions	Indicator (name)	Program achievement			Execution allocated to the bond			Unit of measure
			Male	Female	Total	Male	Female	Total	
31B - Plan on addictions	Services provided by provincial and municipal toxicology centres	Active users of public centres in 2021	39,336	8,132	47,468	23,222	4,801	28,023	Number
	Drug addiction projects	Aids granted to private entities	388			229			Number
		Aids granted to local entities	168			99			Number
31P - Services to support families (health)	Early childhood care and multiple childbirths	Number of aids provided for multiple births and for 0 to 3 years-old children in Andalucía	2,510			1,482			Number
		Children assisted in early childhood care	21,820	9,330	31,150	12,882	5,508	18,390	Number
31R - Care for dependant, elderly and handicapped people	Andalusian System of Dependency Care Service (in spanish, SAAD)	Beneficiaries assisted by the Andalusian System of Dependency Care	257,227			151,857			Number
	Projects included in the mentioned program: Andalusian remote assistance service	Number of people benefited from the Andalusian Remote Assistance Service	244,343			144,251			Number
	Assistance to people in a situation of dependency through the home help service (SAD).	Beneficiaries of home assistance service	129,060			76,192			Number
	Attention to people in a situation of dependency through residential care services	Number of people benefited from the Residential Care Service	25,784			15,222			Number
	Day care center service	Number of people benefited from the day care center	12,877			7,602			Number

Source: Junta de Andalucía, Afi

Green Budget programs

Figure 13. Quantitative information about the impact of the Junta de Andalucía's sustainability bond, green programs and projects.

Budget program	Actions	Indicator (name)	Program achievement	Execution allocated to the bond	Unit of measure
51B - Mobility, terrestrial infrastructure and transport	Financing of the metro in Granada	Yearly users	7,900,000	7,900,000	Number
		GHG tonnes avoided	4,459	4,459	tCO2
		Trips avoided	2,040,833	2,040,833	Number
	Financing of the metro in Málaga	Yearly users	4,620,000	4,620,000	Number
		GHG tonnes avoided	1,527	1,527	tCO2
		Trips avoided	1,155,000.00	1,155,000	Number
	Financing of the metro in Sevilla	Yearly users	10,400,000	10,400,000	Number
		GHG tonnes avoided	6,072	6,072	tCO2
		Trips avoided	3,527,333	3,527,333	Number
Project REDEJA Cross-cutting several budget programs	Guarantees of Origin of the Framework Agreement	CO2 tonnes compensated	128,183	128,183	tCO2
		Annual energy consumption	928,864	928,864	kWh

Source: Junta de Andalucía, Afi

5. Description of selected projects

Below is a detailed description of two selected projects that have been financed with resources from Junta de Andalucía's Sustainability Bonds.

Social Project: Andalusian Remote Assistance Service

The Andalusian Telecare Service is a service of the Junta de Andalucía, providing **continuous and personalized social care**, oriented to people who require some kind of help or **monitoring 24 hours a day, every day of the year**, supported by **Information and Communication Technologies**, whose purpose is to improve the quality of life of our citizens, especially the most dependent.

This service began operating in 2002 with the strong purpose of improving the quality of life of the region's citizens. At the time it was, and continues to be, a **ground-breaking initiative at national level**, particularly due to its efficiency in terms of direct and public management.

It was conceived as a project destined to address and mitigate situations of loneliness and isolation.



The relevance of this initiative is major; even more so if we consider that **loneliness has become one of the most pressing issues of modern societies**. Additionally, this concern has been exacerbated in the light of the pandemic generated by Covid-19.

The Andalusian Remote Assistance Service (ARAS, from now on) employs new technologies to tackle this human and social drama that is isolation, especially among the elderly.

It offers a range of services including immediate response to emergency situations, highlighting the social and healthcare coordination, as ARAS provides a direct connection with medical services and assistance. In addition, this service offers personalized assistance 24 hours a day. It also includes the possibility of having thorough conversations and companionship in situations of loneliness.

Finally, the ARAS takes it a step further and provides a **regular follow-up of each case**, maintaining a periodic contact with its users, also while helping as a reminder for medical appointments or medication intakes of the users.

This service has experienced an exponential and multifaceted growth over the years; both in numbers and in terms of services provided.



First of all, in terms of services, **the project has broadened its scope** and currently it also offers the possibility of installing certain devices at the user's home, such as **smoke detectors or a mobile telecare device**. Naturally, the ARAS also adapts to collectives with special needs and is prepared to act in cases of gender violence, with a special protocol designed to detect these

situations. In addition, they use of ICTs solutions is improving the services provided.

Lastly, it is essential to highlight the **importance of the service during the pandemic**; specially throughout the worst part of the health crisis, the telecare service became the only connection with the outside world that many of these people had during the period of confinement.

Secondly, on the more qualitative side, it is noteworthy that this essential service has a staff of **more than 550 employees in more than 330 call answering stations**. **These workers have already helped more than 550,000 people**.

Who are the users? **People over 65 years of age (55% of users), people in a situation of dependency (44% of users), and people with disabilities (1%)**. It is also representative to note that of all these people who have been helped by the service staff, 79% were women, and 61% lived alone.

Perhaps the most remarkable thing about this project that sets it apart from other similar initiatives, is that ultimately, it is a **bidirectional helpline**. In fact, of all the calls handled in the past year 2021 (5,249,297), only 31% of the calls were inbound while 69% of the calls were outbound. These outgoing calls were in most cases related with the periodic follow-up on the users.



Nonetheless, figures are not the most representative sign of success of the project; without a doubt, the main achievement of ARAS is the **high satisfaction among users**. When asked, the people helped by the service showed a high satisfaction regarding the different features of the service. With respect to the last annual survey carried out, they rate ARAS with a **score of 9.6 out of 10**.

Green Project: REDEJA - Electricity supply contracts with a guarantee of renewable origin

The context of this project dates back to 2019. On July 15 of that year, the tender of the Framework Agreement was published, by which, all the electric energy supply to all the consumption centres adhered to the **Energy Network of the Administration of the Junta de Andalucía** (in Spanish, Red de Energía de la Junta de Andalucía, also known as **REDEJA**), will have a **guarantee of renewable origin**.

This **Framework Agreement** establishes the conditions applicable to the supply of electricity to the entities adhered (or to be adhered) to the Energy Network of the Administration of Junta de Andalucía.

The first thing to take into consideration is that **it covers all the General Administration of Junta de Andalucía**, Administrative Agencies, Special Regime Agencies, Public Business Agencies, Foundations, Mercantile Companies with majority participation of the Junta, as well as the Andalusian Public Universities that have chosen to join voluntarily.



Furthermore, the above-mentioned Framework Agreement state that the awarded company must accredit that, during the term of the Framework Agreement and its possible extensions, **100% of the total electrical energy supplied** at all supply points will be supported **by certificates of renewable origin and high-efficiency cogeneration**.

These **Certificates or Guarantees of Origin** are an electronic certification issued by the National Commission of Markets and Competition that allows the supplier or energy retailer that has been appointed under the Framework Agreement to guarantee that the energy it sells comes from renewable generation sources.

In fact, the electricity that reaches the consumption centres of the Framework Agreement is not different in terms of quality or stability. Nonetheless, through this labelling system or Certificate of Guarantee of Origin, the assigned supplier is required to buy these certificates from renewable energy producers in order to offset the emissions that might result from their energy source.

The aim of the above is that all the entities adhered to the Energy Network of the regional government can somehow **“compensate” their electricity consumption with the equivalent of production with renewable energy sources** or high efficiency co-generation.



In view of the above, it is therefore concluded that the electricity bill of Junta de Andalucía can be included in what has been labelled as "**Green Spending**".⁷

Furthermore, it is possible to **quantify the impact** that this policy has had on climate. The Junta de Andalucía has made a calculation of the annual CO₂ emissions avoided by requiring the

entities adhered to the Energy Network of the Administration of the Junta de Andalucía to purchase electricity with a guarantee of renewable origin; as a result and based on the data of the energy consumption of the Junta de Andalucía, it can be estimated that **128,183.27 tons of CO₂ are redeemed** thanks to these guarantees of origin.

⁷ A fundamental problem in the quantitative assessment of the emissions avoided arises with the attribution of impacts to different actors in the system. Since each ton of CO₂eq can only be "avoided" once, double counting must be prevented. In this case, it is Junta de Andalucía who has been assigned the "Guarantees of Origin" on renewable electricity, so the avoided emissions should be assigned to it. In accordance with the Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and repealing Directives 2001/77/EC and 2003/30/EC, it should be noted that these Guarantees of Origin are used within twelve months from the date the energy was produced and, since they are assigned to these projects, the guarantees are cancelled once they have been used.

This directive was transposed into the Spanish National Law through the Royal Decree 376/2022, of May 17, which regulates the criteria for sustainability and reduction of greenhouse gas emissions of biofuels, bioliquids and biomass fuels, as well as the system of guarantees of origin of renewable gases.

Link: <https://www.boe.es/buscar/act.php?id=BOE-A-2022-8121>

References

Climate Bonds Initiative (2021, 2022): Sustainable debt market.

<https://www.climatebonds.net/resources/reports/2022>

ICMA (2021): Green Bond Principles.

<https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

ICMA (2021): Social Bond Principles.

<https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

ICMA et al. (2021): Handbook. Harmonized Framework for Impact Reporting. The Green Bond Principles.

<https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2021-100621.pdf>