

# Central American Bank for Economic Integration

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## Introduction

In February 2023, the Central American Bank for Economic Integration (CABEI) issued the US 144A Benchmark Social Bond 2023 raising USD 1,249.75 million to finance and refinance projects intended to deliver positive social outcomes. In October 2024, CABEI engaged Sustainalytics to review the projects financed with proceeds from the US 144A Benchmark Social Bond 2023 (the "Nominated Expenditures") and provide an assessment as to whether they meet the use of proceeds criteria and complied with the reporting commitments in the CABEI Social Bond Framework (the "Framework").<sup>1</sup> Sustainalytics provided a Second-Party Opinion on the Framework in January 2021.<sup>2</sup>

## Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and CABEI's reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

**Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs**

Use of Proceeds Category	Sub-Category	Eligibility Criteria	Key Performance Indicators
Access to Essential Services	Health Systems Development	<p>Investments to finance operation, maintenance, improvement and development of healthcare institutions, this may include healthcare attention equipment and/or services, healthcare prevention equipment and/or services. Proceeds under this category should be destined to public healthcare institutions and/or private healthcare institutions located in municipalities with Human Development Index (HDI) below the country's average and that offer free or subsidized healthcare services to vulnerable communities.</p> <p>Definitions of eligible projects and activities:</p> <ul style="list-style-type: none"> <li>• Financing construction, operation, maintenance, improvement and/or purchase of equipment for public hospitals and other public healthcare institutions.</li> </ul>	<ul style="list-style-type: none"> <li>• Number of hospitals, clinics and other healthcare facilities built/upgraded</li> <li>• Number of hospital beds financed</li> <li>• Annual hospitalization and inpatient care capacity</li> <li>• Annual capacity of surgical care</li> <li>• Annual capacity of surgical care</li> <li>• Annual amount of non-patented medicines and</li> </ul>

<sup>1</sup> CABEI, "Social Bond Framework", (2020), at:

[https://www.bcie.org/fileadmin/bcie/espanol/archivos/novedades/publicaciones/institucionales/Final\\_SBF\\_CABEI\\_FINAL.pdf](https://www.bcie.org/fileadmin/bcie/espanol/archivos/novedades/publicaciones/institucionales/Final_SBF_CABEI_FINAL.pdf)

<sup>2</sup> Sustainalytics, "Second-Party Opinion, CABEI", (2021), at:

[https://www.bcie.org/fileadmin/bcie/espanol/archivos/novedades/publicaciones/institucionales/Central\\_American\\_Bank\\_for\\_Economic\\_Integration\\_PO\\_FINAL-1.pdf](https://www.bcie.org/fileadmin/bcie/espanol/archivos/novedades/publicaciones/institucionales/Central_American_Bank_for_Economic_Integration_PO_FINAL-1.pdf)

		<ul style="list-style-type: none"> <li>• Support to modernization and operational efficiency improvements of non-profit Health Philanthropic Institutions.</li> <li>• Financing construction, maintenance, improvement and/or purchase of equipment for private hospitals and other private healthcare institutions which provide free or subsidized access to vulnerable communities (living below poverty line, excluded and/or marginalized populations, people with disabilities, unemployed, underserved).</li> <li>• Financing Public-Private Partnership (PPP) and public concession operations related to public health services.</li> <li>• Production of non-patented medicines and vaccines developed and/or distributed by the country's public healthcare system or relate to new infectious diseases and pandemic outbreaks.</li> <li>• Enhance the capacity of healthcare infrastructure, institutions and health workers, to better face infectious diseases and/or pandemics.</li> </ul>	<p>vaccines produced and distributed</p> <ul style="list-style-type: none"> <li>• Number of patients reached</li> <li>• Number of public beds/number of total beds financed (public and non-public)</li> </ul>
	<p>Education and Vocational Training and Infrastructure Improvement</p>	<p>Investments, projects and programmes focused on enhancing the infrastructure and capacity of buildings for educational facilities, as well as technical training for teachers and staff. Proceeds under this category should be destined to the public system and/or private institutions in municipalities with HDI below the country's average and that offer free or subsidized educational services to vulnerable communities.</p> <p>Definitions of eligible projects and activities:</p> <ul style="list-style-type: none"> <li>• Construction, refurbishment and/or expansion of nursery, as well as primary and early childhood public education units.</li> <li>• Construction, refurbishment and ampliation expansion of public schools.</li> <li>• Construction, refurbishment and expansion of public universities or tertiary education facilities.</li> <li>• Construction, refurbishment and expansion of supporting facilities and equipment in public educational institutions, such as sports and arts facilities.</li> <li>• Construction, refurbishment and expansion of private primary, secondary or tertiary education facilities in</li> </ul>	<ul style="list-style-type: none"> <li>• Number of schools and other education facilities supported (constructed, upgraded or connected to the internet)</li> <li>• Number of electronic devices for educational use purchased – PCs, chrome books and tablets</li> <li>• Number of training and experimentation spaces in technologies for teachers created</li> <li>• Number of spaces dedicated to students for pedagogical use of technology implemented and/or modernized</li> <li>• Number of students reached</li> <li>• Number of public facilities/number of total education facilities financed</li> </ul>

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		<p>municipalities with HDI below the country's average and that offers free or subsidized educational services to vulnerable communities.</p> <ul style="list-style-type: none"> <li>• Scholarship programme initiatives for underserved population, assuring access to quality education and development.</li> <li>• Technical training for teachers and staff to improve the supply of qualified staff.</li> </ul>	
<b>Employment Generation</b>	Micro, Small, and Medium Enterprises Financing	<p>Proceeds under this category will be targeted at micro, small and medium enterprises (MSMEs) in order to generate employment and reduce inequalities. Productive activities should be located in areas with HDI below the country's average and/or impacted by natural disasters and/or pandemics and developed by MSMEs (including agricultural ones).</p> <p>Definitions of eligible projects and activities:</p> <ul style="list-style-type: none"> <li>• Credit facilities, preferential interest rate loans, grants for planning, expansion through franchises, building new warehouses and/or small manufacturing units, purchase of machinery and equipment to increase productivity for MSMEs, particularly those in the most vulnerable sectors in the Central American region (tourism, manufacturing, agriculture, transportation, etc.), and/or regions greatly impacted by natural disasters and/or pandemics.</li> <li>• Long-term working capital and credit to balance cash flow and support unforeseen expenses to micro and small business.</li> <li>• Poverty alleviation, employment programmes and other programmes that contribute directly to the stimulation of sustainable economic activity.</li> <li>• Financing towards programmes, projects or initiatives that support the preservation of employment levels in sectors of MSME's directly or indirectly impacted by natural and human disasters or pandemics.</li> </ul>	<ul style="list-style-type: none"> <li>• Number of financed small and micro enterprises</li> <li>• Estimated number of jobs created or maintained</li> </ul>
<b>Affordable Basic Infrastructure</b>	Social Housing	<p>Supporting investments with the goal of increasing the supply of housing to people living without adequate housing, and support people living in social and economic difficulties as a result of decrease of economic activity, natural or human disasters, pandemics, etc.</p> <p>Definitions of eligible projects and activities:</p>	<ul style="list-style-type: none"> <li>• Number of housing units developed</li> <li>• New population with access to social housing</li> </ul>

		<ul style="list-style-type: none"> <li>• Social housing projects and programmes targeted towards the most vulnerable population, and projects that support rural housing development.</li> <li>• Renovation, maintenance and improvements of social housing projects for vulnerable populations.</li> <li>• Projects under the Sustainable Housing Programme (VIDHAS)<sup>3</sup>.</li> </ul>	
<b>Food Security and Sustainable Food Systems</b>	Access to adequate food for low-income populations	<p>Investments and financing in the agricultural sector and food systems to end hunger, achieve food security and significantly enhance nutrition.</p> <p>Definitions of eligible projects and activities:</p> <ul style="list-style-type: none"> <li>• Credit facilities, preferential interest rate loans, grants for planning and/or expansion of agricultural crops, distribution of production, building of supporting facilities, purchase of machinery and equipment to increase productivity and/or reduce environmental impacts for agricultural MSMEs to promote access of vulnerable populations to food products. CABEI will promote the adoption of sustainable practices among the beneficiaries of these projects.</li> <li>• Food security and enhanced nutrition projects and programmes targeted towards the most vulnerable population.</li> </ul>	<ul style="list-style-type: none"> <li>• Food produced</li> <li>• Irrigated agricultural area</li> <li>• Population with access to adequate food</li> </ul>

<sup>3</sup> Available at: <https://www.bcie.org/novedades/noticias/articulo/un-potente-programmea-enfocado-en-la-integracion-de-la-vivienda-y-su-entorno>  
<https://www.bcie.org/novedades/noticias/articulo/un-potente-a-enfocado-en-la-integracion-de-la-vivienda-y-su-entorno>

## Issuer’s Responsibility

CABEI is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

## Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from the US 144A Benchmark Social Bond 2023. The work undertaken as part of this engagement included collection of documentation from CABEI and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by CABEI. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by CABEI.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

## Conclusion

Based on the limited assurance procedures conducted,<sup>4</sup> nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. CABEI has disclosed to Sustainalytics that the proceeds from the US 144A Benchmark Social Bond 2023 were fully allocated as of July 2024.

## Detailed Findings

**Table 2: Detailed Findings**

<b>Framework Requirements</b>	<b>Procedure Performed</b>	<b>Factual Findings</b>	<b>Error or Exceptions Identified</b>
<b>Use of Proceeds Criteria</b>	Verification of projects to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
<b>Reporting Criteria</b>	Verification of projects or assets to determine if impact was reported in line with the KPIs outlined in the Framework.	CABEI reported on at least one KPI per use of proceeds category.	None

<sup>4</sup> Sustainalytics’ limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

## Appendices

### Appendix 1: Allocation Reporting

**Table 3: Allocation Reporting for US 144A Benchmark Social Bond**

Use of Proceeds Category	Sub-Category	Project	Country	Project Description	Allocated Amount (USD million)
<b>Access to Essential Services</b>	Health Systems	Support Programme for the Strategy for the Expansion of Coverage and Access to Health	Argentina	Strengthen the institutional capacities of the Ministry of Health of the Nation and the Provinces in the provision of public health by financing improvements in the information systems of the vaccinated population and optimizing the conditions of supply and use of vaccines in order to support universal coverage of health services in Argentina.	4.31
	Educational and Vocational Training and Infrastructure Improvement	My New School Programme	El Salvador	The programme is developed in the context of the strategic programme of the Government of the Republic of El Salvador that proposes redesigning educational facilities in its infrastructure to achieve a positive impact on the learning of children and young people.	96.76
		Digital Gap Reduction Programme in School Centers	El Salvador	To support the Republic of El Salvador in universalizing access to information and communication technologies for students and teachers in the national public system, in support of learning and administrative processes, through: <ul style="list-style-type: none"> <li>i) providing technological resources to students and teachers in the public sector to be used in accordance with the learning processes;</li> <li>ii) assigning a data plan to teachers and students in the public education system to be used by the educational community,</li> <li>iii) providing training on the use of technological resources to teachers to make virtual learning processes more efficient, and</li> </ul>	209.57

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				iv) providing special technological resources for students and teachers with special abilities in order to support learning processes.	
		Programme for the Improvement of Educational Access and Quality	Argentina	Support the improvement of equity and access to relevant and quality education through the rehabilitation, improvement and strengthening of educational establishments in the Province of Jujuy in the Argentine Republic.	67
<b>Employment Generation</b>	Micro, Small and Medium Enterprises Financing	Support Programme for Economic Recovery Measures Implemented for the Benefit of Companies and Employment Affected by COVID-19	El Salvador	Support the implementation of economic measures aimed at mitigating the negative economic impacts of the COVID-19 pandemic. Specifically, the funds from the loan will be used to finance the Support Programme for Economic Recovery Measures implemented to benefit companies and employees affected by COVID-19. These funds will be used towards granting subsidies and loans to micro, small and medium-sized enterprises in the formal and informal sectors affected by the pandemic.	511.21
		Digital Voucher - Panama COVID-19 Solidarity	Panama	In response to the COVID-19 pandemic as a nationwide approach, this project aims to support and provide care for vulnerable groups, as well as guarantee the purchase of food, hygiene products and medicines with the purpose of mitigating the situation of food insecurity, increasing unemployment and the halting of income generation.	43.51
<b>Affordable Basic Infrastructure</b>	Social Housing	Social Housing Construction and Improvement Programme	Nicaragua	Contribute to improving the housing conditions of the low-income population of the Republic of Nicaragua.	42.18
		National Programme for the Construction of Social Interest Housing	Nicaragua	Improve the living conditions of Nicaraguan families living in extreme poverty and with limited economic resources through the construction of decent and safe housing solutions and access to financing for the acquisition of homes.	171.65
		Housing and Dignified Life Programme (PROVIDA) -	El Salvador	Support low-income households in accessing a housing solution by providing financing under differentiated conditions to purchase or build a home in the departments with the highest	50.00

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		Social Fund for Housing		Multidimensional Poverty Index, thereby helping to: i) reduce the quantitative housing deficit by providing families with access to long-term financing to purchase or build their homes; and (ii) promote the development of municipalities and departments in El Salvador with a high Multidimensional Poverty Index (MPI), by promoting access to housing for their residents.	
<b>Food Security and Sustainable Food Systems</b>	Access to Adequate Food for Low-Income Populations	Multisectoral Programme for Economic Reactivation and Social Protection (NIC Solidarity)	Nicaragua	Support immediate care for COVID-19, care for vulnerable groups, and economic reactivation, through total or partial financing of public investment programmes and projects, productive investment and social spending.	53.40
		Strengthening financing for the agricultural sector with a technological and sustainable approach	Dominican Republic	Promote the offer and orientation of agricultural credit among small and medium-sized farmers to implement productive initiatives for the improvement of the population's consumption level and the productivity of the agricultural sector, as well as the commercialization of agri-food products, in conditions of competitiveness and sustainability to strengthen with it the productive chains.	0.16
<b>Total Allocated Amount (USD million)</b>					<b>1,249.75</b>
<b>Total Unallocated Amount (USD million)</b>					<b>0</b>
<b>Total Net Proceeds Raised (USD million)</b>					<b>1,249.75</b>

## Appendix 2: Reported Impact

**Table 4: Reported Impact for US 144A Benchmark Social Bond 2023**

Use of Proceeds Category	Sub-Category	Project	Location	Impact
<b>Access to Essential Services</b>	Health Systems	Support Programme for the Strategy for the Expansion of Coverage and Access to Health	Argentina	Vaccination storage centers built: 12 Vaccination storage centers built (construction built): 8,880 m <sup>2</sup> Vaccination storage centers upgraded (construction area): 6,208 m <sup>2</sup> Patients Vaccinated: 7,724,553
	Education and Vocational Training and Infrastructure Improvement	My New School Programme	El Salvador	Educational facilities built: 413 Area of educational facilities built: 41,309 m <sup>2</sup> Educational facilities upgraded: 1,175 Area of educational facilities upgraded: 131,178 m <sup>2</sup> Educational equipment bough/replaced: 186 units Beneficiaries (students and teachers): 56,830
		Digital Gap Reduction Programme in School Centers	El Salvador	Educational equipment bough/replaced: 598,828 units Teachers Trained: 73,959 people Beneficiaries (students and teachers): 591,771
		Programme for the Improvement of Educational Access and Quality	Argentina	Educational facilities built: 551 Area of educational facilities built: 31,530 m <sup>2</sup> Educational facilities upgraded: 1,121 Area of educational facilities upgraded: 88,235 m <sup>2</sup> Educational equipment bought/replaced: 27,922 units Beneficiaries (students & teachers): 288,573 Teachers trained: 27,908
<b>Employment Generation</b>	Micro, Small and Medium Enterprises Financing	Support Programme for Economic Recovery Measures Implemented for the Benefit of Companies and Employment Affected by COVID-19	El Salvador	Beneficiary enterprises: 29,860 Beneficiary financial institutions: 14 Beneficiaries: 3,337,695 Generation and/or preserved jobs: 1,017,589 Loans to subsistence enterprises: 11,023 Loans to SMEs: 19,003 Loans to women-led enterprises: 14,393

		Digital Voucher - Panama COVID-19 Solidarity		Generated and/or preserved jobs: 116 People covered in risk prevention and mitigation: 286,848 Beneficiaries of emergency care: 613,152
<b>Affordable Basic Infrastructure</b>	Social Housing	Social Housing Construction and Improvement Programme	Nicaragua	Houses built: 12,687 Houses renewed: 822 Beneficiary families: 13,509
		National Programme for the Construction of Social Interest Housing	Nicaragua	Houses built: 18,660 Area for recreational spaces: 41,976 m <sup>2</sup> Beneficiary families: 18,660
		Housing and Dignified Life Programme (PROVIDA) - Social Fund for Housing	El Salvador	Loans for social housing: 1,752 Loans for women for social housing: 1,423 Beneficiary families: 1,752
<b>Food Security and Sustainable Food Systems</b>	Access to Adequate Food for Low-Income Populations	Multisectoral Programme for Economic Reactivation and Social Protection (NIC-Solidarity)	Nicaragua	Cultivated area: 41,195 ha Irrigated area: 846 ha Volume of agricultural production: 82 metric tons Volume of small-livestock production (pig): 8,622.78 metric tons Volume of aquaculture production: 113.63 metric tons Volume of commercialized poultry production: 644 metric tons Volume of commercialized aquaculture production: 17.04 metric tons Beneficiary agricultural enterprises: 360
		Strengthening financing for the agricultural sector with a technological and sustainable approach	Dominican Republic	Loans granted to agricultural SMEs: 216,431 Beneficiaries: 13,561 Reduction of annual crop losses: 372,000 metric tons Reduction of annual post-harvest losses: 2,000 metric tons Agricultural jobs generated and/or preserved: 1,068

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