



FONPLATA

Development Bank

SUSTAINABLE DEBT FRAMEWORK 2026

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1. About FONPLATA



1.1. Overview



Bringing development closer to the people

FONPLATA is a multilateral development bank whose mandate is to support regional integration and promote the harmonious, inclusive, and sustainable development of its member countries, thereby facilitating their connection at the regional and global levels. In pursuit of this mandate, FONPLATA provides financing for projects, programs, and studies, complemented by advisory services and technical assistance.

Established in 1974 through the Treaty of La Plata Basin, FONPLATA's founding shareholders are Argentina, Bolivia, Brazil, Paraguay, and Uruguay.

As of 2024, the Bank's institutional framework allows for the incorporation of non-founding members, thereby supporting the expansion of its regional development role.

All operations financed by FONPLATA are subject to social and environmental safeguards, and are designed to contribute to one or more of the United Nations Sustainable Development Goals (SDGs) reflecting the Bank's commitment to sustainable and inclusive development across its member countries.

1.2. FONPLATA's Institutional Guidelines



FONPLATA is strategically oriented toward enhancing the delivery of development results that contribute to the fulfillment of its institutional mandate, as established in its Constitutive Agreement. In this regard, the capital increase document approved on 31 July 2025 sets out the strategic guidelines for the ten-year period from 2027 to 2036 and defines three mutually complementary objectives derived from the Constitutive Agreement that guide the Bank's operations across its member countries: (i) promoting economic growth and regional economic integration; (ii) fostering social inclusion; and (iii) advancing environmental sustainability.

To advance these objectives, FONPLATA prioritizes the financing of development interventions at the regional, national and subnational levels that are aligned with member countries' national development policies, address structural gaps, and contribute to improving living conditions and economic opportunities.

Within this framework, FONPLATA concentrates its efforts on areas of intervention where it has developed recognized expertise and a differentiated capacity to deliver results that provide tangible value to its member countries. Enhancing the Bank's contribution in areas such as Connectivity and Regional Integration, Social Infrastructure and Quality of Life, Sustainable Cities and Communities, Clean Energy and Energy Transition, Productive Development, Governance and State Modernization, and Cross-Cutting Areas: Gender, Diversity and Inclusion, and Sustainability, entails placing greater emphasis on dimensions that can expand the scope, quality, and relevance of development outcomes.

Additionally, building on established practices, gender and diversity, together with environmental sustainability, are embedded as cross-cutting priorities and are systematically integrated into project design and appraisal processes. These institutional guidelines underpin FONPLATA's approach to development financing and provide the strategic context for identifying and aligning projects under this Sustainable Debt Framework.

1.3. FONPLATA sustainability and socio-environmental risk management

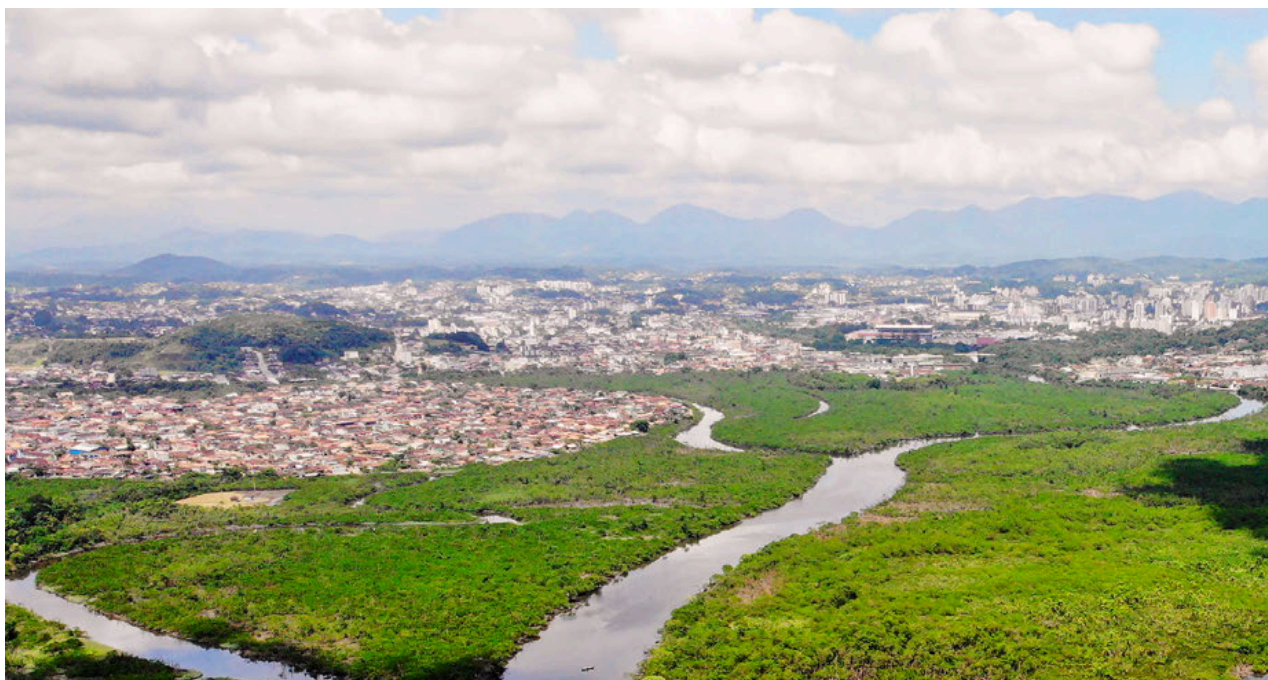


Sustainability is embedded within FONPLATA's institutional guidelines, shaping its strategic orientation and informing the Bank's approach to development financing.

FONPLATA's Environmental Policy provides the basis for environmental and social risk management across its lending portfolio and applies to all projects financed by the Bank. The policy operates within the institutional, operational, and legislative-regulatory frameworks of FONPLATA's member countries and is aligned with the international treaties to which those countries are signatories.

FONPLATA's Environmental Policy is based on the following principles:

- ◆ **Compatibility with the laws of member countries** – all procedures and tools designed by the Bank shall be compatible with the legal mechanisms and instruments in force in the member countries. Projects that do not comply with the legislation shall not be financed.
- ◆ **Complementarity with the laws of member countries** – all the procedures developed and executed with funding from the Bank shall meet and respect the national socio-environmental regulations. Additional documents may be requested to ensure compliance with all FONPLATA's policies, principles and guidelines.
- ◆ **Prevention** – FONPLATA shall only finance projects in which it is proven that the pertinent socio-environmental precautions have been taken in advance. All operations must include actions to control or mitigate the negative impacts that they may have.
- ◆ **Standardization of environmental management** – processes shall be applied to all projects financed by FONPLATA during all stages of the project cycle – (see below "Process for Project Selection and Evaluation")
- ◆ **Cost Internalization** – every project must be reviewed to ensure that costs to prevent and mitigate socio-environmental impacts, as well as their benefits, have been incorporated into the project's budget and, considered in the economic feasibility analysis.



Building on this policy framework FONPLATA maintains an institutional exclusion list¹ defining activities that are not eligible for financing. Projects that do not meet the Bank's environmental and social requirements, or that fall within excluded activities, are not eligible for financing or may be subject to specific mitigation measures and conditions as part of the approval process.

Additionally, FONPLATA has established a Socio-Environmental Strategy (SES) and Environmental and Social Risk Management Guidelines, that formalize the integration of environmental, social and climate-related considerations throughout the entire project cycle, including project identification, appraisal, approval, implementation, and monitoring. The SES applies to 100% of sovereign operations and is designed to enhance opportunities or to systematically identify, prevent and mitigate potential adverse environmental and social impacts across seven dimensions: biodiversity and ecosystem services; social and economic resettlement; cultural, historical, or heritage sites; indigenous people and traditional communities; risks related to natural hazards and climate change; risks to environmental quality; and impacts on international waters, including shared river basins.

For climate-related risks, FONPLATA applies a Rapid Climate Risk and Vulnerability Assessments (Rapid-CRVA) at a project level, based on climate scenarios as part of the due diligence process with the objective of strengthening resilience to climate-related hazards.

In addition, since 2023, gender considerations have been systematically integrated into project analysis by the Bank's Gender Strategy and its corresponding Action Plan. This framework addresses gender considerations across two complementary dimensions: the institutional level and the operational level, and defines specific actions at both levels. At the operational level, for each project the analysis covers gender-related risks and opportunities, while at the institutional level, each executing agency or entity goes through an assessment related to the institutions capabilities which includes gender and diversity considerations. This evaluation assesses institutional capacity to ensure the sustainability of operations and to enhance the development benefits expected from financed projects.

Together with these instruments, FONPLATA strengthens decision-making, enhances project quality and reinforces the Bank's role as a development finance institution committed to sustainable, resilient and inclusive growth.

¹ - Ref. to exclusion list

1.4. FONPLATA's Alignment with Global Agendas: Climate Objectives and the Sustainable Development Goals



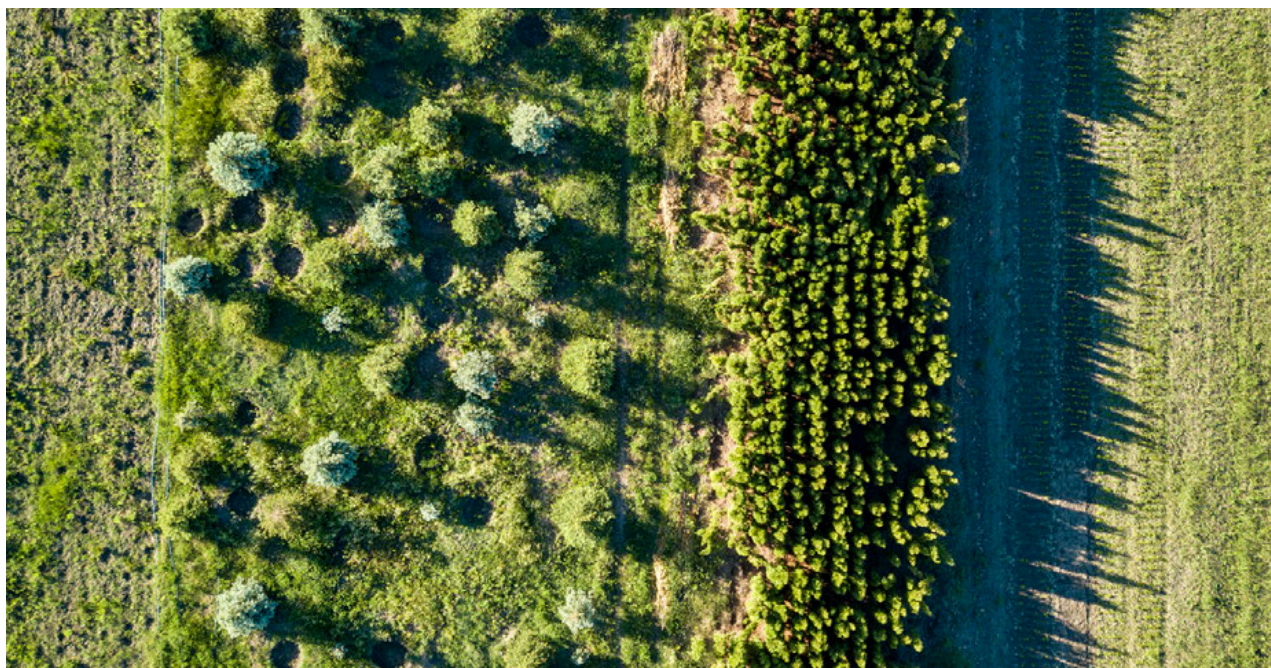
FONPLATA aligns its development financing activities with internationally recognized sustainability and climate objectives, supporting its member countries in addressing global environmental and social challenges. In particular, the Bank contributes to the implementation of the United Nations Sustainable Development Goals (SDGs) and supports climate action in line with the Paris Agreement.

FONPLATA assists its member countries in implementing and achieving their Nationally Determined Contributions (NDCs) by financing projects that contribute to climate change mitigation and adaptation.

These include investments aimed at strengthening climate resilience, reducing vulnerability to climate-related risks, and supporting low-carbon and sustainable development pathways consistent with national priorities.

At the portfolio level, FONPLATA has a system to classify primary and secondary alignment of each financed project with relevant SDGs. This classification approach supports the monitoring of development outcomes and facilitates an assessment of the Bank's contribution to inclusive economic growth, social inclusion, environmental sustainability, and climate action.

1.5. Sustainable and thematic financing



Through specific sustainable and thematic financing instruments and targeted credit lines the Bank supports the identification and financing of projects aligned with sustainable development objectives.

In 2018, FONPLATA launched a Green Credit Line aimed at catalyzing investments that contribute to climate resilience, low-carbon growth and environmental benefits. The Green Credit Line serves as a strategic tool to integrate climate considerations into the Bank's lending operations and to promote the development of resilient and sustainable infrastructure.

FONPLATA's Economic Integration line aims to promote regional economic integration and shared development among its member countries by supporting initiatives that strengthen cross-border connectivity, productive linkages, and economic complementarities. Projects financed under this line benefit from enhanced financial conditions.

Through this approach, the Bank facilitates trade and mobility, strengthens competitiveness in border and integration corridors, and fosters cooperation and mutually beneficial outcomes across the region.

Reflecting its commitment to social inclusion and support for vulnerable population groups, FONPLATA approved a Gender Equality and Youth Credit Line in 2023. This facility provides preferential financing conditions for projects that promote gender equality and foster employment and economic opportunities for young people. By integrating gender and generational perspectives into its financing activities, the Bank reinforces its commitment to inclusive growth and equitable development outcomes.

Taken together, these targeted financing instruments complement FONPLATA's broader lending activities by providing additional incentives to channel financing toward projects with specific environmental and social objectives.

1.6. Relevant accreditations

FONPLATA Banco de Desarrollo
EDGE Assess and EDGEplus



EDGE Assess Certification

EDGE Certification® (Economic Dividends for Gender Equality) is a globally recognized standard for diversity, equity, and inclusion (DE&I), developed to assess and benchmark organizations' performance in promoting gender and intersectional equity in the workplace. The EDGE Certification framework is based on objective and measurable criteria across four key pillars: gender representation across the talent pipeline, pay equity, effectiveness of policies and practices, and inclusiveness of organizational culture, and is verified by an independent third-party certification body.

In 2024, FONPLATA Development Bank achieved the EDGE Assess Certification, which recognizes an organization's commitment to gender equality and inclusive workplace practices at an early stage of its DE&I journey.

This certification reflects FONPLATA's ongoing efforts to promote equitable representation and foster an inclusive institutional environment, in line with its mandate to support sustainable and inclusive development across its member countries. FONPLATA has also obtained the EDGEplus certification, an advanced extension of the EDGE certification framework, which assesses diversity and inclusion practices through an intersectional lens. The certification evaluates not only gender equality, but also how additional dimensions such as age and nationality interact within the organization, based on an independent assessment and employee survey.



2. FONPLATA's Sustainable Debt Framework

2. FONPLATA's Sustainable Debt Framework

FONPLATA has developed its Sustainable Debt Framework (SDF) to serve as a reference for the issuance and structuring of Green, Social, Blue, Sustainability, and other thematic debt instruments, including bonds, loans, and related financial instruments, across a range of formats, maturities, and offering modalities.

This Sustainable Debt Framework is aligned with the core components of the Green Bond Principles (GBP) (2025), Social Bond Principles (SBP) (2025), and Sustainability Bond Guidelines (SBG) (2021), as published by the International Capital Market Association (ICMA), including the expanded definition of eligible projects to encompass assets, investments, and activities. The Framework also follows the Green Loan Principles (GLP) (2025) and Social Loan Principles (SLP) (2025), as administered by the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA), and Loan Syndications and Trading Association (LSTA) (together, the "Principles"), whose earlier versions the original framework was already aligned with.

This Framework represents an update to FONPLATA's original Sustainable Debt Framework, first published in 2021 and actively implemented since then. FONPLATA has continued to leverage the Framework for ongoing sustainable funding operations, including the issuance of Sustainable Bonds and sustainable debt borrowing. In line with the Bank's commitment to transparency and accountability, FONPLATA began publishing Annual Sustainability Reports detailing the allocation of proceeds and the impacts achieved.

In connection with the introduction of Blue financing under this Framework, FONPLATA will be guided by relevant market guidance, including ICMA's Bonds to Finance the Sustainable Blue Economy Guide (2023). The Framework is also informed by ICMA's Harmonized Framework for Impact Reporting for Green Bonds (2024) and Social Bonds (2024), and by IFC's Guidelines for Blue Finance, where applicable.

This updated Framework reflects the Bank's accumulated experience, lessons learned from implementation, and evolving market practices, and aims to further strengthen transparency, consistency, and alignment with internationally recognized sustainable finance standards.

The framework enables FONPLATA to raise financing through Sustainable Finance Instruments, which may include:

- **Social Debt Instruments:** the proceeds of which are exclusively allocated to Social Project Categories as described in section 2.1.
- **Green Debt Instruments:** the proceeds of which are exclusively allocated to Green Project Categories as described in section 2.1.
- **Sustainability Debt Instruments:** the proceeds of which are exclusively allocated to Green, Blue and Social Project Categories as described in section 2.1.
- **Blue Debt Instruments:** the proceeds of which are exclusively allocated to Blue Project Categories as described in section 2.1.
- **Thematic Debt Instruments** (Nature, Gender and Diversity, Climate Adaptation, others): the proceeds of which are exclusively allocated to specific projects within the Green and Social Project Categories as described in section 2.1.

Green, Social, Sustainability, Blue and Thematic Debt Instruments will be referred to collectively as "Sustainable Debt Instruments" (SDI) throughout the remainder of this document.

The Framework aligns with the core components of the Principles:

- | |
|--|
| 1. Use of proceeds. |
| 2. Process for project evaluation and selection. |
| 3. Management of proceeds. |
| 4. Reporting. |

FONPLATA's Sustainability Debt Instruments are distinct from other FONPLATA Finance Instruments in that proceeds will be dedicated to eligible Green, Blue and/or Social projects, as defined herein. FONPLATA will continue to issue non-labelled finance instruments as a general liquidity instrument for all projects in FONPLATA's portfolio and to fund untagged operations. Together, FONPLATA's Sustainable Finance Instruments and non-labelled finance instruments will support our commitment to fostering economic growth and social inclusion through partnerships across our member countries sustainably.

Scope of Application

This update applies to Sustainable Debt instruments issued or raised by FONPLATA after the publication date of this Framework. Debt instruments issued prior to the publication of this updated Framework remain governed by the Sustainable Debt Framework in effect at the time of issuance and are not affected by this update.

2.1. Use of Proceeds



An amount equal to the net proceeds of any Sustainable Debt Instrument issued or contracted under the Sustainable Debt Framework will be allocated, in accordance with the Process for Project Evaluation and Selection described in Section 2.2, to finance or refinance, in whole or in part, new and/or existing Eligible Projects.

The expected share of proceeds used for refinancing vs new financing² will be disclosed³, and the actual share will be included in the reporting.

Eligible projects may include projects that have been disbursed up to 36 months prior to the issuance date of the relevant Sustainable Debt Instrument.

Eligible projects' benefits will be reported in the Annual Sustainability Report.

² - **Refinancing** refers to the use of debt proceeds to repay, replace or substitute previously incurred financial obligations (such as bank loans, credit facilities, institutional equity already disbursed, or previously issued bonds) that were used to fund Eligible Projects. Conversely, **new financing** refers to the allocation of debt proceeds to cover disbursements that have not yet been made and for which no other funding source has been previously committed or deployed. The determining factor is whether the specific disbursement being covered by the bond proceeds is occurring for the first time, or whether it is replacing funding that has already been provided. Accordingly, a single Eligible Project may comprise both refinancing and new financing components, to the extent that bond proceeds are allocated exclusively to future disbursements not yet covered by any other funding source.

³ - The information on estimated financing versus refinancing levels will be available for investor review prior to each issuance

2.1.1. Social Eligible Categories

Target Populations

FONPLATA has identified target populations that are expected to directly benefit from projects eligible for the Social debt category. These specific target groups are organized in the following categories:

a. Social and Structural Exclusion

- Underserved populations, owing to a lack of access to essential goods and services (health, education, housing, sewage, energy)
- Excluded and/or marginalized populations and communities (lacking physical access to opportunities)
- Persons belonging to national or ethnic, religious, and linguistic minorities, including indigenous peoples
- Inhabitants in remote or underserved areas where population density is below 150 inhabitants per km² (peri-urban and small urban areas, rural agglomerates and/or agricultural colonies).

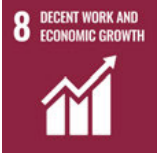
b. Economic and Skills-Related Exclusion

- People living below the poverty line
- Undereducated population
- Unemployed or underemployed population
- MSMEs, defined by the OECD as micro (fewer than 10 employees), small enterprises (10 to 49 employees), and medium-sized enterprises (50 to 249 employees), and unemployed population

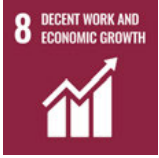
c. Physical and Demographic Vulnerabilities

- Women
- People with disabilities
- Aging populations (generally considered as people aged 60 and above) and vulnerable youth (under 15)
- Other vulnerable groups, including those exposed to climate change and disasters effects



SBP Category	Sub-Categories	Eligible Projects	SDG Contribution
Access to Essential Services	Health	- Projects and programs that strengthen healthcare systems and improve access to quality health services, particularly for vulnerable and underserved populations. Eligible activities may include: - Healthcare infrastructure: construction, refurbishment, operation, maintenance, and equipment of hospitals, clinics, laboratories, and primary and specialized healthcare facilities. - Medical equipment and supplies: procurement of essential medical equipment, healthcare supplies, and emergency materials, particularly in response to public health emergencies and pandemics. - Public health programs: initiatives aimed at improving health outcomes, including maternal and infant health, prevention and treatment of communicable and non-communicable diseases, and health education. - Health system capacity and resilience: investments to strengthen healthcare institutions, workforce capacity, preparedness, and response to infectious diseases and pandemics. - Digitalization of health care to provide access to target populations.	 
	Education	- Projects and programs that improve quality education and strengthen educational systems, particularly for vulnerable and underserved populations. Eligible activities may include: - Educational infrastructure: construction, refurbishment, expansion, operation, and maintenance. - Equipment and supplies - Educational programs: funding of programs aimed at improving access to and quality of education across all levels, - Teacher and staff capacity building: technical training and skills development programs for teachers, educational staff, and public service employees to improve the quality and availability of qualified personnel. - Digital education: digitalization of public educational services, including digital learning platforms and tools designed to expand access to education,	 
	Recreational Infrastructure ⁴	Recreational infrastructure projects, construction, refurbishment, expansion, and/or maintenance of public recreational facilities, including sports areas, urban parks, and artistic spaces with clear public and community use.	

⁴ - Access to vulnerable population will be guaranteed.

SBP Category	Sub-Categories	Eligible Projects	SDG Contribution
Affordable Basic Infrastructure	Water and Sanitation	- Construction or refurbishment of water management, storage, production, and distribution facilities to expand access to water. - Construction or refurbishment of infrastructure to expand access to sanitation and wastewater services - Comprehensive water and sanitation educational programs.	
	Energy	- Investments for enabling affordable access to electricity grid infrastructure - Projects to expand access to electricity to marginal and rural areas.	
	Housing	Financing to support the building, refurbishment, improvement, or access to the purchase of social and emergency housing.	
	Transport and Urban Development	Improvement of regional infrastructure to promote enhanced connectivity, social services access and modal shift through small scale interventions, excluding highways.	
	Information and Communications Technology (ICT)	Development and/or expansion of broadband telecommunication networks.	
Food Security and Sustainable Food Systems	Food security	- School meal programs in public schools - Free and subsidized access to food and water programs for target populations that are experiencing or threatened by food insecurity. - Training programs and projects that help farmers boost food security. - Investments that increase agricultural productivity without increasing environmental footprint.	
Employment Generation and Socio-economic Advancement	Micro, Small, and Medium Enterprises (MSMEs), Local communities' projects and sector growth	- Financing and developing services for small, medium and micro businesses. - Programs for emergency employment generation. - Programs/ Projects to increase the representation of target population in formal and permanent labor markets⁵ - Skilled labor development and labor related training programs.	 
	Financial Services	- Digitization to enhance access to financial services. - Programs aimed at improving access to finance and microfinance.	 

⁵ - Informal employment is excluded from recruitment efforts as it lacks the social protections, labor rights, and employment security that formal positions provide, which are essential for long-term economic stability and social inclusion.

SBP Category	Eligible Projects	SDG Contribution
Gender, Inclusion, and Diversity	- Preventive measures against gender violence and creation of networks and communities as well as services for victims of domestic violence, dating violence, sexual assault and stalking. - Adoption and implementation of policy programs that recognize the rights and promote the inclusion of indigenous people and local communities (IPLCs) and women. - Promotion of non-traditional job opportunities for women, for example in the construction sector, including heavy equipment operation, site work, and related roles - Programs and initiatives expanding financial inclusion and closing the financing gap through access to free and discounted financial resources, financial education and literacy programs, and digital financial platforms	 
Cultural Heritage⁶	- Renovation of historical buildings. - Construction and maintenance of centers of cultural and social inclusion and spaces for artistic and cultural heritage (library, atriums, markets, museums, squares, archives) - Support for heritage foundations to better enhance management of historical centers.	
Security, Justice, and Conflict Resolution	- Programs for high-risk youth to break the cycle of violence. - Infrastructure improvements and capacity building initiatives to enhance public security and services at international border crossings.	
State Modernization	- Programs aimed at accelerating the digital transformation of public services. - Programs that support the strengthening of national and sub-national governments, sectorial public policies, land-use policies and instruments, population census, design and implementation of governance models, etc.	 

⁶ - Access to vulnerable population will be guaranteed.

2.1.2. Green Eligible Categories

GBP Category	Eligible Projects	SDG Contribution
Renewable Energy	Generation - Investments in and financing renewable electricity solutions and their implementation: - Wind (onshore and offshore) - Solar (photovoltaic) - Geothermal with direct emissions <100gCO₂ kWh - Small hydro (with an installed capacity of 25 MW or less) - Low-carbon large hydropower with a CO₂ intensity less than 100gCO₂e/kWh - Battery energy storage systems (BESS) - Investments in low-carbon fuels such as green hydrogen or biomass energy⁷ Transmission and Distribution - Green transmission and distribution projects that increase integration of renewable energy in the grid Direct connections and grid upgrades required for connection to: - Non-conventional renewable electricity generation sources such as wind, and solar. - Battery Energy Storage Systems (BESS) dedicated to renewable energy. Projects to increase the penetration of renewables: - Regional interconnections to support the dispatch of renewable energy from regions with surplus renewable power to load centers. - Grid reinforcements and storage solutions that have been identified as resolving capacity. - Constraints/technical barriers to greater deployment of renewable energy. Grid and networks that are on a path to decarbonization: - Energy transmitted has a carbon intensity <100gCO₂e/kWh, or >67% of newly connected generation capacity in the system is low carbon (over a rolling 5-year period).	  
Energy Efficiency	- Facilities upgrades: LED lighting, HVAC upgrades, sensors and controls. - Smart meters and remote monitoring, control, and automation equipment for electrical transmission grids. - Investments in management and operation of electrical transmission grids with the purpose of improving efficiency and decreasing grid technical losses. - Street lighting efficiency improvements and upgrades. - A minimum energy savings of 10% is required for eligibility under this category.	

⁷ - Biomass energy from waste sources or that do not deplete carbon stocks; energy crops limited to those with a lifecycle carbon intensity of <100g CO₂/kWh.

GBP Category	Eligible Projects	SDG Contribution
Clean Transportation	- Construction, improvement, or acquisition of low carbon transportation and accompanying infrastructure, such as: - Intercity passenger rail, bus, ferry, or transport vehicle projects with zero direct tailpipe emissions or low direct emissions (<50 g CO₂e/km). - Freight vehicles with zero direct emissions or low direct emissions (<50g CO₂e/km). - Freight rail with direct emissions (<25gCO₂e / t-km). - Charging infrastructure for zero carbon vehicles. - Public walking and cycling infrastructure including bike lanes.	  
Green Buildings	Development, acquisition, construction, renovation, rehabilitation, expansion, upgrading and/or maintenance of buildings that: A. Meet recognized green building certification standards, through obtaining or maintaining a third-party verified green building certification, such as: - LEED [Gold or higher]; - ENERGY STAR rating of [85 or higher]; - EDGE certification; or - Other equivalent internationally recognized or nationally recognized third-party verified green building certifications. B. Demonstrate measurable improvements in environmental performance, including reductions in net energy consumption, resource consumption and/or CO₂e emissions, or increased carbon sequestration through nature-based solutions, compared with applicable local baseline or conventional building practices. - Eligible improvements may include, among others: - Energy efficiency and thermal performance: advanced thermal insulation and efficient building envelopes; high-performance windows and low-emissivity glazing; passive energy and bioclimatic design; natural ventilation; energy-efficient equipment and lighting; thermal mass/storage systems; and active or passive shading systems. - Renewable energy: on-site renewable energy generation and solar heating systems. - Water efficiency and management: water-saving technologies, efficient water management systems, and rainwater harvesting and reuse. - Sustainable materials and circularity: construction materials with low embodied GHG emissions, lower environmental impact, recycled content, or sustainable sourcing. - Green infrastructure and nature-based solutions: green roofs, green walls, vegetation, sustainable landscaping, and other measures that increase plant-based carbon sinks and/or improve ecosystem services. - Climate adaptation and resilience: measures that enhance resilience to material climate and disaster risks relevant to the intervention area, including floods, droughts, heat waves, earthquakes, and other critical hazards. - Smart building technologies: digital systems and controls that enable monitoring, optimization, and efficient management of energy, water, and other building resources.	 

GBP Category	Eligible Projects	SDG Contribution
Environmentally Sustainable Management of Living Natural Resources & Land Use	Sustainable Agriculture Production - Loans and/or grants to producers of agricultural projects aiming at transitioning to agroecological practices to support sustainable food production systems and resilient agriculture, such as: - Projects that reduce synthetic fertilizer use. - Efficient irrigation and measures that reduce water use.	 
Pollution Prevention and Control⁸	- Solid waste management systems, including prevention, collection, composting and recycling. - Financing of infrastructure, equipment and services that promote the circular economy.	 

⁸ - Financed activities will prioritize the waste hierarchy.

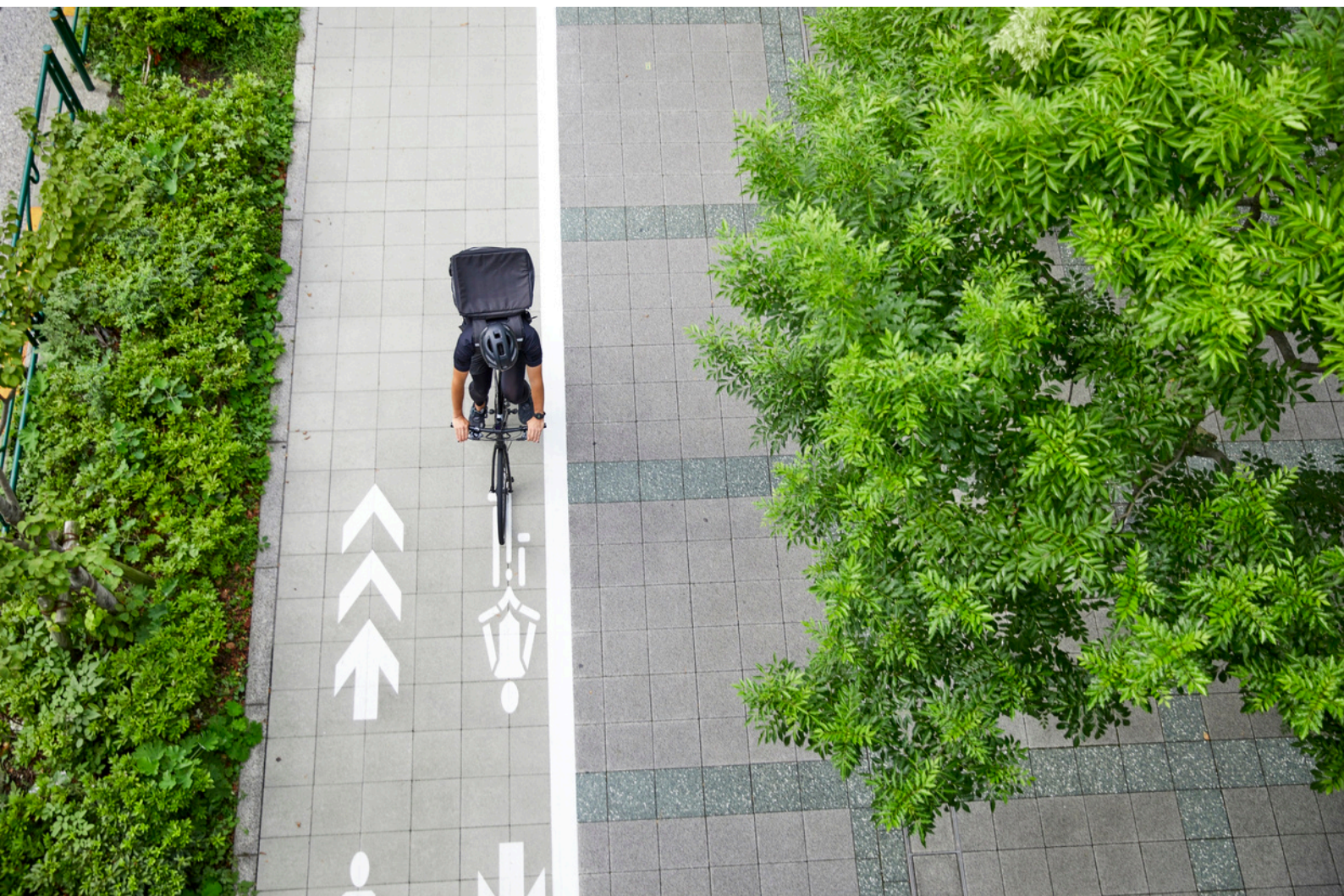
GBP Category	Eligible Projects	SDG Contribution
Climate Change Adaptation and Resilience	Climate Change Adaptation Measures • Climate risk monitoring and early warning systems, including climate information, observation, and disaster preparedness support systems. • Resilient infrastructure investments: ◦ Grid hardening infrastructure ◦ Flood protection infrastructure (e.g., levees, seawalls, artificial reefs, flood-resistant building foundations) ◦ Earthquake and landslide risk reduction measures ◦ Upgrades and modifications to existing building infrastructure to be climate resilient. ◦ Addition of spare capacity, such as buffer areas, to pre-position resilient infrastructure for future climate-related events • Urban and Rural⁹ adaptation solutions: ◦ Green roofs and green facades to address the effects of drought and urban heat. ◦ Enhanced micro and macro-drainage systems, installation of permeable surfaces, rain gardens, bioswales, canals and ponds to prevent flash floods due to extreme rainfall events. • Ecosystem-based adaptation and nature-based solutions: drought-resistant seeds, nutrient cycling, ecotone levees, floodplain restoration, water storage with watershed restoration or conservation. • Fire-risk reduction and management programs, including prevention measures, interventions to reduce wildfire threats, and the use of fire-resistant building materials and designs. Climate Disaster Prevention and Recovery • Restoration of critical infrastructure impacted by climate disasters with with upgraded resilience standards. • Financial and technical assistance to companies impacted by climate change to resume operations and maintain employment. • Relocation of at-risk infrastructure such as housing, aqueducts, sewage systems, sanitation systems, and educational and health facilities affected by increasing floods, wildfires, etc.	  
Terrestrial Ecosystem Protection and Restoration	• Financing of the preservation of urban natural resources and ecosystem services (linear and environmental parks). • Restoration, protection, and conservation of terrestrial ecosystems and natural vegetation. • Rehabilitation of degraded lands with native and/or naturalized species • Reforestation and afforestation. • Technology that helps to identify, monitor, report on, and verify biodiversity and business impacts.	

⁹ - Rural Areas are defined in accordance with the official national legal, administrative, or statistical classifications applicable in each member country. Accordingly, an area is considered rural when it is designated as such by the relevant national authority, reflecting country-specific criteria such as population size, settlement patterns, density, or location outside legally defined urban areas.

Green Enabling Eligible Categories

In line with the ICMA Green Bond Principles (2025), eligible Green Projects may include assets, investments, or activities that enable, support, or facilitate the implementation, scaling, or effectiveness of projects with clear environmental benefits ("Green Enabling Projects"). Green Enabling Projects must demonstrate a direct and demonstrable linkage to one or more eligible Green Projects or Green Eligible Categories defined in this Framework, meaning that the enabling activity is necessary or materially contributes to the delivery, performance, or environmental outcomes of the related Green Project.

All Green Enabling Projects are subject to the same eligibility criteria, environmental and social safeguards, exclusion list, and reporting requirements applicable to Green Projects financed under this Framework.



2.1.3. Blue Eligible Categories

Blue Category	Eligible Assets	SDG Contribution
Efficient water use	Investments and expenditures in activities, technologies, equipment, and systems that increase the efficient use of and conservation of water in productive activities including: - Projects resulting reduction in water use and losses, or reuse and recycling projects. - Rainwater harvesting and use in productive activities to reduce pressure on surface and groundwater resources.	
Sustainable Marine Production	- Environmentally sustainable production of fisheries and aquaculture production that meet, keep, or exceed the Marine Stewardship Council standards, Aquaculture Stewardship Council, or equivalent. - Traceability systems to ensure sustainability of operations, facilities, and supply chains in the fishing industry. - Projects that prevent illegal, unreported, and unregulated fishing.	
Sustainable Water and Wastewater Management	Water Supply and Treatment - Construction and operations of pumping stations, and desalination plants¹⁰ - Water quality improvement technologies Wastewater Management - Construction and/or expansion of wastewater collection networks, storage facilities, treatment and treated water re-use systems. - Projects that prevent wastewater runoff into waterways. Water Distribution - Installation or upgrade of water efficient irrigation systems. - Construction or upgrade of sustainable infrastructure for clean drinking water with water savings of at least 20%.	 
Sustainable Ports	- Low carbon transport options connecting ports inland including: - Zero direct emissions heavy duty vehicles such as electric trucks. - Low carbon freight rail transport and rolling stock with a direct emissions threshold of 21 gCO₂eq/t-km, and for which <25% of its freight is fossil fuels. - Infrastructure dedicated to refueling or recharging zero emissions ships including charging stations and refueling assets that are dedicated to the supply of electric energy to power and propel ships, consistent with the definition of zero-emissions fuels.	 
Water Ecosystem Protection and Restoration	- Restoration, protection, conservation and effective management of aquatic, coastal and marine ecosystems such as inland rivers, lakes, wetlands, coral reefs, mangroves, seagrass. - Rewilding, marine species reintroduction, and monitoring programs. - Invasive marine species prevention programs. - Scientific research on the conservation of water resources, marine resources, biodiversity, and associated ecosystem services.	

¹⁰ - Per EU Taxonomy Guidance where the energy intensity of the entire desalination process (including side treatments, pumping and brine disposal) does not exceed 4KWh per m³ of freshwater produced and the direct GHG emissions do not exceed 270g CO₂e/KWh.

Thematic Focused Issuances: FONPLATA may issue thematic SFIs in addition to Green, Social, Blue and Sustainability SFIs. These themes will include, Nature, Climate Adaptation and Gender instruments with proceeds mapped to specific Social or Green Eligible Project categories, as outlined below:

		Nature	Climate Adaptation	Gender
SOCIAL	Gender, Inclusion, and Diversity			✓
GREEN	Environmentally Sustainable Management of Living Natural Resources	✓		
	Climate Change Adaptation, Mitigation, and Resilience		✓	
	Terrestrial Ecosystem Protection and Restoration	✓		
BLUE	Water Ecosystem Protection and Restoration	✓		

2.1.4. Exclusion List

FONPLATA will not finance projects related to the activities described below, which are defined based on ethical, regulatory, environmental, and social criteria adopted by the institution. This list applies to all financing granted by FONPLATA in its member countries and will be reviewed periodically to incorporate international best practices and respond to emerging challenges.

Its application is complementary and does not replace the environmental and social assessments specific to each operation.

Legal framework and prohibited activities

- Production, commercialization, or development of products or activities that are illegal under the laws and regulations of the financing recipient country, or under international conventions and agreements ratified by the member countries.

Human rights and social protection

- Activities involving forced or child labor, hazardous or discriminatory working conditions, or that restrict the exercise of fundamental labor rights, including freedom of association and collective bargaining.
- Activities that limit individual freedoms or violate fundamental human rights.
- Activities that promote human trafficking, illegal sexual commerce, or prostitution.
- Production or dissemination of information with racist or discriminatory content, or content contrary to democratic principles.
- Development, production, commercialization, or use of mass surveillance technologies that entail repression, systematic social control, violations of privacy, or persecution of individuals on political, religious, ethnic, or sexual-orientation grounds¹¹.

¹¹ - For the purposes of this Framework, mass surveillance technologies for purposes of repression or systematic social control are understood to mean technologies or systems used to indiscriminately collect and process data on the population with the aim of restricting fundamental rights and freedoms. Monitoring systems implemented in accordance with national legislation and consistent with international human rights standards are not included within this definition.

Excluded specific sectors

- Development, manufacture, or trade of weapons, ammunition, equipment, or infrastructure for military or warfare use.
- Production or commercialization of tobacco and tobacco-derived products¹².
- Gambling, casinos, and equivalent activities, whether in-person or virtual¹³.
- Production or trade of distilled alcoholic beverages, with the exception of beer and wine.
- Real estate speculation¹⁴.

Hazardous substances and products

- Production or commercialization of radioactive materials¹⁵
- Production or commercialization of ozone-depleting substances subject to international phase-out¹⁶.
- Use of pesticides classified as WHO Class Ia, Ib, and II (prohibited in all cases), as well as the use of other pesticides prohibited by the national legislation of the member country where the operation is carried out, or those known to affect biodiversity or public health¹⁷.
- Production or commercialization of:
 - Polychlorinated biphenyls (PCBs);*
 - Asbestos, including loose fibers and products containing non-bonded asbestos, in accordance with ILO Convention No. 162 and WHO recommendations;*
 - Persistent Organic Pollutants (POPs) as defined by the Stockholm Convention;*
 - Mercury and mercury-containing products in activities prohibited by the Minamata Convention;*
 - Hazardous chemicals prohibited under the Rotterdam Convention.*
- Production or trade of psychoactive substances prohibited by the national legislation of the country where the operation is carried out.
- Production or commercialization of pharmaceutical products prohibited by the national legislation of the member country where the operation is carried out, or subject to phase-out by the WHO or applicable international conventions.

¹² - This exclusion applies both to the activity itself and to the production, commercialization, distribution, or provision of tobacco-related equipment and infrastructure. Projects may only be financed where such activities do not form part of the project's purpose or the financed components, regardless of their share of total revenues.

¹³ - This exclusion applies both to the activity itself and to the construction, adaptation, or provision of equipment related to gambling or casinos. Projects may only be financed where such activities do not form part of the project's purpose or the financed components, regardless of their share of total revenues.

¹⁴ - Defined as the purchase of real estate for the sole purpose of reselling it at a higher price, without generating productive use or social benefit.

¹⁵ - This exclusion does not apply to the purchase of medical equipment, quality control (measurement) equipment, or equipment whose radiation source is negligible and/or that has adequate shielding, to the satisfaction of FONPLATA.

¹⁶ - Montreal Protocol on Substances that Deplete the Ozone Layer

¹⁷ - The use of pesticides in activities aimed at preventing epidemics and improving public health in the country shall be considered permissible, in accordance with applicable national and international standards.

Environment and biodiversity

- Trade in flora and fauna species regulated by CITES¹⁸, or products derived from them, unless consistent with the limits, quotas, and permits established for the specific species under the CITES Appendices and applicable national legislation.
- Production, extraction, or trade of biological resources from natural ecosystems (including timber, non-timber forest products, flora, wildlife, and aquatic biological resources) carried out without approved sustainable management plans and without valid legal authorizations (permits, quotas, or applicable bans). Only harvesting, extraction, and sustainable management of such resources with valid legal authorization and in compliance with applicable national legislation, ensuring conservation practices, shall be permitted.
- Activities involving the conversion, significant degradation, or irreversible loss of natural habitats in formally designated protected areas under applicable national legislation, as well as in internationally recognized priority sites for biodiversity conservation¹⁹.
- Transboundary trade in waste and waste products that fails to comply with the Basel Convention and its regulations.
- Fishing with drift nets longer than 2.5 km in marine waters.
- Projects that generate significant degradation in National Parks, Natural World Heritage Sites, RAMSAR wetlands, or other protected areas of international importance.
- Activities involving animal experimentation unless approved by national legislation and conducted in compliance with international animal welfare standards.

Climate change and energy

- Thermal coal mining and coal-based power generation, including related facilities²⁰.
- Exploration, development, or production of crude oil and refining of fossil fuels.
- Upstream natural gas exploration and production projects²¹.
- Construction, expansion, or rehabilitation of power plants based exclusively on fossil fuels, unless they are part of a duly approved comprehensive energy transition plan toward renewable sources.

Cultural heritage

- Activities involving significant alteration, damage, or removal of Critical Cultural Heritage²².
- Projects affecting archaeological sites, monuments, sacred places, or sites of cultural importance to local communities, Indigenous peoples, or ethnic groups, without the free, prior, and informed consent of the affected communities.

Additional activities

- Development or application of large-scale geoengineering technologies without scientific consensus on their safety and effectiveness.
- Artificial intelligence projects or algorithms specifically designed to discriminate against, exclude, or harm specific population groups.
- Activities that promote or facilitate systematic disinformation campaigns or manipulation of public opinion.

¹⁸ - Convención sobre el Comercio Internacional de Especies Amenazadas de Fauna y Flora Silvestres (www.cites.org).

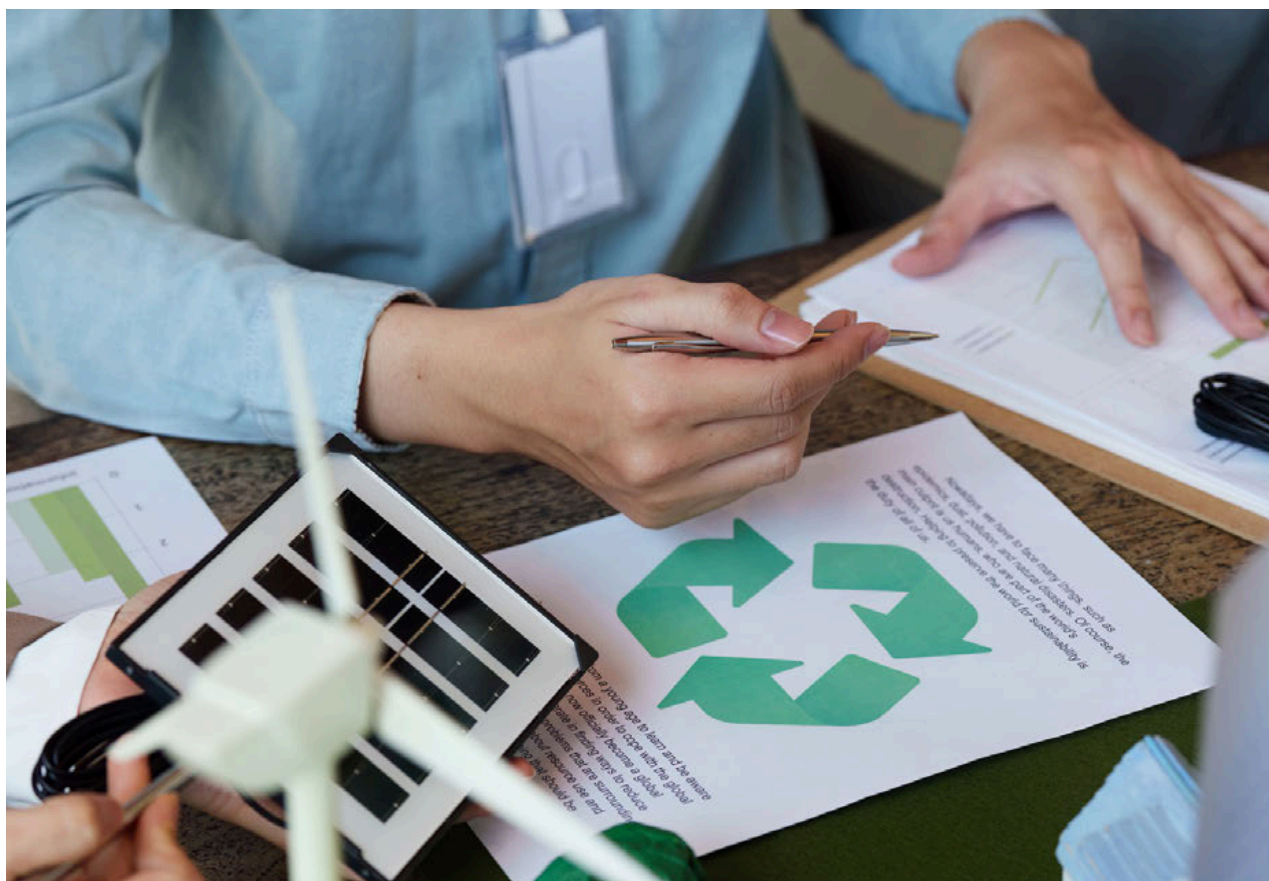
¹⁹ - For the purposes of this Framework, internationally recognized priority sites for biodiversity conservation are understood to mean those identified through widely accepted scientific and/or intergovernmental processes, such as Natural World Heritage Sites, UNESCO Biosphere Reserves, RAMSAR sites, Key Biodiversity Areas (KBAs), Important Bird Areas (IBAs), Important Plant Areas (IPAs), and Alliance for Zero Extinction (AZE) sites, among other equivalent systems promoted by the IUCN and associated organizations.

²⁰ - Applicable only to facilities whose primary purpose is related to the production, trade, or use of coal for power generation or the transmission of electricity generated by coal-fired power plants.

²¹ - Financing of gas transportation, logistics, and distribution infrastructure (including regional network integration) is not covered by this exclusion.

²² - Cultural heritage recognized by the international or national community for its historical, archaeological, social, spiritual, or cultural significance.

2.2. Process for Project Evaluation and Selection



All projects financed by FONPLATA are subject to the Bank's established evaluation, approval, and due diligence procedures applicable to each credit operation. Only those projects that meet the eligibility criteria defined in this Sustainable Debt Framework and are approved in accordance with the process described below may be included in FONPLATA's sustainable portfolio and financed with sustainable debt proceeds.

On an ongoing basis, potential eligible projects are identified and assessed by the Sustainability Committee working group (the "Working Group") in line with the organization's existing framework for project evaluation and selection. The Working Group is a technical level multidisciplinary group in charge of implementing this assessment in accordance with FONPLATA's Institutional policies, including its Environmental Policy, Socio-Environmental Strategy, and exclusion list. FONPLATA has an established set of tools and procedures to classify sustainable projects.

The Working Group is responsible for the technical assessment of Eligible Projects in accordance with the eligibility criteria set out in the Use of Proceeds section of this Framework, as well as for verifying compliance with FONPLATA's environmental and social policies. The Working Group also oversees the ongoing monitoring of the pool of Eligible Projects and, where necessary, ensures that projects which no longer meet the eligibility criteria—due to divestment, cancellation, or loss of eligibility—are replaced with new Eligible Projects. Eligibility is reviewed at least once a year, over the life of the bond/loan. In addition, the Working Group is responsible for the review and validation of the Annual Sustainability Report.

The Working Group meets at least semiannually and may meet more frequently as required.

Based on the recommendations submitted by the Working Group, final eligibility decisions for inclusion in the sustainable portfolio are approved by the Sustainability Committee, which provides senior-level oversight and decision-making authority.

2.2.1. Sustainability Committee:

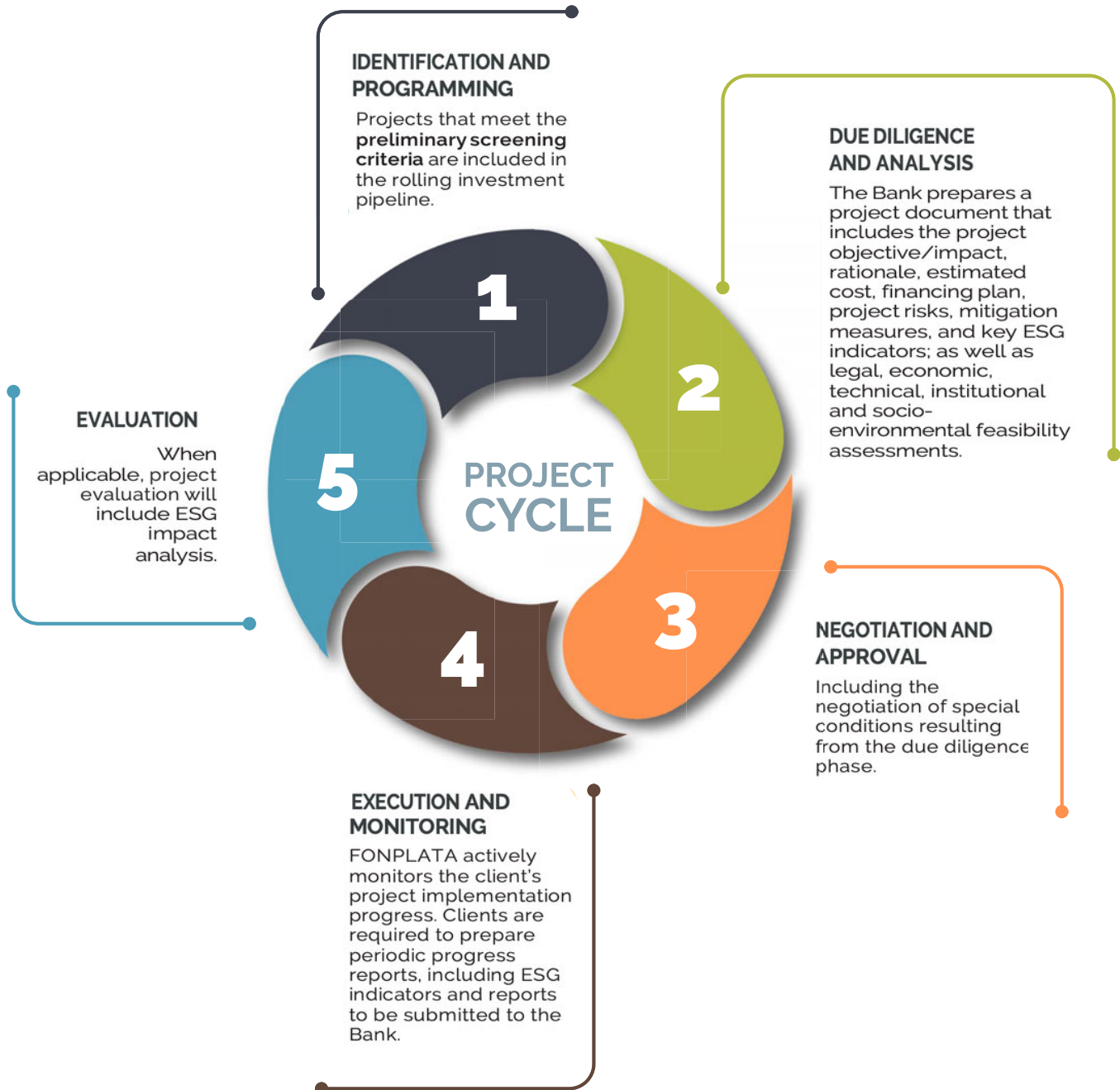
The Sustainability Committee is a multidisciplinary body composed of senior-level representatives from key areas of the Bank. In addition to representation from the core operational and finance areas, the Committee includes senior representatives from the Risk and Compliance Department and Legal Counsel, reflecting its role in providing final eligibility approval and ensuring compliance with institutional policies and risk management requirements.

The Committee's responsibilities include the following:

The Sustainability Committee is responsible for the final review, validation, and approval of projects proposed for financing with sustainable proceeds under this Framework. In fulfilling its decision-making and oversight role, the Committee's responsibilities include:

- (i) Approving the eligibility of projects based on the pre-eligibility assessment and recommendations submitted by the Working Group.
- (ii) Confirming alignment of proposed projects with FONPLATA's sustainability strategy and the eligibility criteria defined in the Use of Proceeds section of this Framework;
- (iii) Approving the inclusion of eligible projects in the sustainable portfolio and providing oversight of the ongoing monitoring of the pool of eligible projects.
- (iv) Management of proceeds, and
- (v) Reviewing and validating the Annual Sustainability report prepared under this Framework

All projects financed by the Bank undergo a five-step project cycle as illustrated below.



2.3. Management of Proceeds



The proceeds of any SFI issued under this Framework will be deposited in FONPLATA's general treasury account. An internal tracking system will be used to monitor the allocation of an amount equivalent to the net proceeds to Eligible Projects and to track the balance of unallocated proceeds. An amount equal to the net proceeds of any Sustainable Finance Instrument issued under this Framework will be allocated to Eligible Projects in accordance with the applicable Green, Social, Blue, Sustainable, or thematic categories defined herein.

Pending full allocation of an amount equal to the net proceeds of any issuance, proceeds will be managed in alignment with the Bank's conservative treasury investment guidelines.

FONPLATA will allocate proceeds to Eligible Projects as soon as practicable and, where feasible, within the first 36 months after issuance.

The pool of Eligible Projects that may evolve over time as projects are completed, divested, or replaced with new Eligible Projects. This will be reviewed on an annual basis. In the case of divestment or if a project no longer meets the eligibility criteria, FONPLATA will use reasonable efforts to reallocate an equal amount of the funds to other Eligible Projects. Payment of principal and interest will be made from its general account and not be linked to the performance of the Eligible Projects.

2.4. Reporting



Annually, FONPLATA will provide a report which will include the Bank's overall sustainable debt portfolio, the social and environmental impacts on a portfolio basis, and the use of proceeds for each SFI issued under this Framework.

Such report will be available on FONPLATA's official website.

The reporting process of the Bank will be based on the following principles:

- transparency,
- adaptability,
- simplicity, and
- data driven culture of member countries.

Projects will be included in the report once the first disbursement has been allocated. Once a project is fully repaid or no longer outstanding, it is removed from allocation reporting and the corresponding proceeds are reallocated to other eligible projects. However, the environmental and social impacts achieved by such projects may continue to be reported on a cumulative or historical basis, clearly identified as completed, in order to ensure transparency and consistency of impact disclosure over time and to avoid double counting. Reporting will provide transparency at the portfolio level, including the aggregate amount of sustainable debt proceeds allocated to eligible projects, as well as illustrative project information, such as total project cost, FONPLATA's share of financing, and the portion of financing supported by sustainable debt proceeds.

2.4.1. Allocation Reporting

Annually, until full allocation of proceeds, FONPLATA will provide information on the allocation of the proceeds that should include, but is not limited to, the following:

- Breakdown of proceeds by category;
- Breakdown of proceeds by geography;
- The share and amount of allocated/unallocated proceeds;
- The share of financing and refinancing, and
- Eligible projects aligned with the Bank's strategy and priority areas.
- The section of the annual report referring to the allocations will be subject to independent external review.

2.4.2. Impact Reporting

FONPLATA will track the performance and development contribution of each eligible project funded under this framework. The Annual Sustainability report will include an annex with the relevant measurement methodologies and assumptions.

Annually, until full bond maturity or loan payback the report will include qualitative and quantitative environmental, social and sustainability results indicators on the eligible green, social and blue assets, reported at category level.

Suggested Impact Metrics²³

SBP Category	Sub categories	Potential Metrics
Access to Essential Services	Health	- Number of beneficiaries - Number of health facilities built/refurbished - Healthcare infrastructure constructed and/or refurbished (m2)
	Education	- Number of beneficiaries - Number of education facilities built / refurbished - Educational infrastructure constructed and/or refurbished (m2)
	Recreational Infrastructure	- Number of beneficiaries - Number of facilities built / refurbished
Affordable Basic Infrastructure	Water and sanitation	- Households with access to new or improved drinking water systems - Households with access to new or improved sanitation systems
	Transport and Urban development	- Urban transport routes constructed, improved and/or rehabilitated (km) - Number of road traffic accidents/injuries - Reduction of average travel times (demonstrate climate benefits)
	Housing	- New housing built or renovated - Number of beneficiaries
	Energy	- Number of households with new or improved access to energy services - Quantity of energy supplied (kWh)
	Information and Communications Technology (ICT)	- Number of beneficiaries - Length of fiber optic network (km) - Number of people with access to ICT

²³ - This section presents some suggested indicators and is not intended to be an exhaustive list

SBP Category	Sub categories	Potential Metrics
Food Security and Sustainable Food Systems	Food security	• Number of people provided with safe, nutritious and sufficient food • Number of small-scale farmers with increased productivity
Employment Generation, Socio-economic Advancement	MSMEs, Local communities' projects and sector growth, employment aid with a focus on vulnerable populations	• Number of businesses that received loans • Amounts of loans received • Number of businesses that received technical assistance • Number of jobs created
	Financial Services	• Number of access to finance and microfinance programs beneficiaries • Number of beneficiaries – families that received loans
Gender, Inclusion, and Diversity	• Number of beneficiaries • Number of measures implemented against gender violence • Number of women benefiting from inclusion or employment programs (#) • Number of victims of domestic violence, dating violence, sexual assault and stalking supported • Number of policy programs that recognize the rights and promote the inclusion of indigenous people and local communities (IPLCs) implemented • Number of gender violence incidents recorded	
Cultural Heritage²⁴	• Number of historical buildings renovated • Number of cultural and social inclusion centers built	
Security, Justice, and Conflict Resolution	• Number of beneficiaries of the programs for high-risk youth to break the cycle of violence • Cross-border infrastructure upgraded and/or rehabilitated (m²)	
State Modernization²⁴	• Number of beneficiaries with access or increased access to improved public services	

²⁴ - Access to vulnerable populations will be guaranteed

Suggested Metrics

GBP Category	Potential Metrics
Renewable Energy	- Greenhouse Gas (GHG) emissions reduced or avoided (tCO₂e/year) - Renewable energy produced (MWh/year) - Capacity of renewable energy plants installed (MW) - New / total distance of transmission lines dedicated to delivering renewable power (km)
Energy Efficiency	- Annual energy savings (in MWh for electricity and GJ/TJ for other energy savings) - Annual GHG emissions reduced/avoided (in tonnes of CO₂ equivalent) - Percentage annual energy efficiency gain relative to an established baseline (10%)
Clean Transportation	- Greenhouse Gas (GHG) emissions reduced or avoided (tCO₂e/year) - Number of Infrastructure constructed or renovated
Environmentally Sustainable Management of Living Natural Resources & Land Use	- Surface of areas restored or preserved (ha) - Surface covered by sustainable agriculture (km²) - Afforested or reforested land - Area covered by sustainable land and water resources management practices
Pollution Prevention and Control	- Tons of material recycled (Tons) - Solid waste collected (Tons)
Climate Change Adaptation and Resilience	- Miles of coastline protected - Hectares of urban area protected
Green Buildings	- Buildings certified or meeting the minimum certification criteria of LEED, EDGE, BREEAM, or similar - Buildings incorporating energy efficiency measures - Buildings incorporating water efficiency measures - Estimated annual energy savings (kWh/year) - Estimated annual water savings (m³/year) - tCO₂e avoided or reduced % of built area using sustainable materials or technology
Terrestrial ecosystem protection and restoration	- Area (in hectares) of restored ecosystems - Area (in hectares) of conserved and protected areas (including riverbanks) - Area (in hectares) under sustainable management - Area (in hectares) revegetated with native species - Length of ecological corridors created or restored (km) - Increase in tree cover (%) - Area with green infrastructure for infiltration (ha) - Increase in green area per capita - Tonnes of CO₂e sequestered or avoided - Number of direct beneficiaries of ecosystem conservation or restoration measures, when the project includes social components and livelihood protection

Blue economy suggested indicators

Blue Category	Potential Metrics
Efficient Water Use	• Volume of water saved or not consumed (m³/year) • Volume of water recycled or reused in production processes (m³/year) • Percentage reduction in water use relative to baseline (%) • Volume of harvested rainwater utilized (m³/year) • Area under installed/improved efficient irrigation systems (ha)
Sustainable Marine Production	• Number of traceability systems implemented in the fishing supply chain • Number of operations/vessels with sustainable fishing certification • Reduction in bycatch or discards (% or tons/year)
Sustainable Water and Wastewater Management	Water Supply and Treatment • Number of water quality improvement technologies implemented Wastewater Management • Length or capacity of wastewater collection/storage networks built or expanded (km or m³) • Volume or % of wastewater discharge to water bodies avoided/prevented (m³/year) Water Distribution • New water supply networks built (km) • Length of wastewater collection/storage networks (km)
Sustainable Ports	• Number of zero-emission vehicles incorporated into the port fleet • Number of zero-emission charging/refueling stations installed • GHG reduction associated with port-related transport (tCO₂e/year) • Volume of cargo transported via low-carbon modes (electric rail, etc.) (tons/km) • Installed capacity of electric charging infrastructure at ports (MW)
Water Ecosystem Protection and Restoration	• Length of riverbanks or water bodies restored (km) • Number of invasive species prevention/control programs • Number of scientific research studies/projects funded on water resources or aquatic biodiversity • Area of aquatic ecosystems restored, protected, or under effective management (ha)

An aerial photograph of a wide, calm river flowing through a dense tropical forest. The river's surface is a light, milky color, reflecting the sky. The surrounding forest is a vibrant green, with various tree species visible. In the background, distant hills or mountains are visible under a blue sky with some clouds. A large, light green curved shape is in the top right corner, and a vertical green bar is to the left of the title.

3. External Review



External review - Moody's Second Party Opinion:

4. Annexes



4.1. Social and Environmental Risk Management System

FONPLATA developed and implements a Socio-Environmental Risk Management System based on international standards and best practices, throughout the project cycle:



Exclusion criteria

FONPLATA applies the Exclusion list of activities in projects according to the exposed in 2.1.4.

Social and environmental risk categorization

FONPLATA classifies the social and environmental risks of every project into 4 categories (very high, high, medium and low), according to the socio-environmental sensitivity, the project type and its size. Projects classified as having very high risks are declined. Projects with high and medium risks require Social and Environmental Impact Evaluation Studies and other analyses.

Social and environmental impact assessment

The assessment and valuation process to identify risks and impacts determines the feasibility of the project from the socio-environmental point of view, complying with the environmental and social regulations of the Member Countries and in satisfactory conditions for FONPLATA. For projects with high or medium risks, the implementation of environmental management plan are required which include potential impact prevention, mitigation, compensation or remediation measures. The costs associated to prevent and mitigate socio-environmental impacts are included in the project's budget.

Contractual aspects

For the approval of the Project, and as a result of the feasibility analysis of the operation, there may be special requirements aimed at optimizing socio-environmental performance in the various stages of the project cycle. Contractual aspects might be incorporated in the contract and/or operational documents (e.g. loan agreement, other specific documents, authorizations, studies of special analysis). This procedure defines the most relevant milestones or conditions to be included in the loan documentation and to be met in the execution stage, identified as a result of the social and environmental analysis carried out in the analysis stage.

Social and environmental governance instruments for projects implementation

By socio-environmental governance of the project, FONPLATA refers to the planning, coordinating, monitoring and decision-making instruments to promote an adequate integration of social and environmental aspects in the execution phase of the project, based on the roles and responsibilities of the different actors involved. Thus, for instance, the MO will establish the specific responsibilities in the project cycle and detail the socioenvironmental management plans, including the environmental technical specifications which should be reflected in works contracts, the terms of reference of supervision, inter-institutional agreements, as appropriate. The documentation agreed upon with the executing units will be the basis for socio-environmental performance monitoring.

Monitoring during implementation

Aimed at guaranteeing that the activities provided in the projects' social and environmental management plans are fully and timely complied and at identifying new socio-environmental risks, other than the originally foreseen, and recommend timely mitigation measures. Instruments are developed for monitoring systematization and reporting. Period time and monitoring depth depends on the project risk category.

Evaluation and feedback

During implementation, or after completion of the project, it is necessary to identify deviations and lessons that will provide a reference for similar projects in the future. As part of the midterm or final project evaluation, a measurement of the social and environmental performance of the project should be made, based on the specific variables and indicators, as presented in the results matrix. The final evaluation will be carried out at most between the provisional and final delivery of the works, so that it is possible to recommend and carry out corrective measures in case environmental liabilities are detected as a direct consequence of the project.



FONPLATA

Development Bank

**Bringing development
closer to the people**