AFRICAN DEVELOPMENT BANK
SOCIAL BOND

SECOND OPINION BY SUSTAINALYTICS

September 26, 2017
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1. INTRODUCTION

The African Development Bank (the “AfDB” or “the Bank”) is a multilateral development bank with a mandate to combat poverty and promote social and economic development on the African continent. The AfDB helps its 54 Regional Member Countries (RMCs) achieve their development goals by providing financing and technical expertise for projects with strong development outcomes. In alignment with its mission, the AfDB has developed a Social Bond Framework under which it intends to issue Social Bonds, using the proceeds of such issues to finance public and private capital projects and programmes that are likely to contribute to the economic and social development of its RMCs. Proceeds may be directed towards the following sectors of operation, including, but not limited to:

- Agriculture and food security
- Agri-business, industries and services
- Housing finance, financial inclusion, financial sector development
- Information and communications technology
- Education and vocational training
- Energy and rural electrification
- Water supply and sanitation
- Health

AfDB has engaged Sustainalytics to provide a second opinion on its Social Bond Framework and the framework’s social credentials. As part of this engagement, Sustainalytics requested and reviewed a broad set of documentation in order to understand the planned use of proceeds, as well as other aspects of the AfDB’s Social Bond Framework. Sustainalytics also reviewed relevant public documents and other non-public information. Following this engagement, some elements of AfDB’s Social Bond Framework were clarified to ensure an alignment with the level of disclosure expected by ICMA’s Social Bond Principles (SBP) 2017\(^1\).

This document contains Sustainalytics’ opinion on AfDB’s Social Bond Framework and should be read in conjunction with that framework.

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3 SUSTAINALYTICS’ OPINION

Section 1: Sustainalytics’ Opinion on the AfDB’s Social Bond Framework

Overall, Sustainalytics is of the opinion that the AfDB’s Social Bond Framework is credible and transparent, and aligns with the four pillars of the Social Bond Principles 2017. Some key considerations of the framework include:

- Proceeds from the Social Bonds are expected to have clear positive social impacts and contribute to achieving:
  - AfDB’s mission to “spur sustainable economic development and social progress in its RMCs individually and jointly”;
  - AfDB’s Ten-Year Strategy (2013-2022) to “achieve growth that is more inclusive, leading not just to equality of treatment and opportunity but to deep reductions in poverty and a correspondingly large increase in jobs; and to ensure a gradual transition to green growth”;
  - UN Sustainable Development Goals (SDGs) – specifically SDGs 1, 2, 4, 6, 7, 8 and 9;
  - AfDB’s High 5s targets.

- Eligible projects for the use of proceeds are aligned with those recognized by ICMA’s Social Bond Principles. For an assessment of the expected impact of the use of proceeds, please see Section 3.

- AfDB commits to selecting projects that create positive social impact for targeted populations. The Bank aligns with ICMA’s SBPs list of target populations and uses internationally accepted definitions for populations living below the poverty line. Sustainalytics is of the opinion that the targeted populations will benefit from and help drive the social outcomes of the projects financed by AfDB and the overall impact of the Social Bonds.

- AfDB will create a dedicated Social Bond webpage on its website and publish an annual Social Bond newsletter. The webpage will list approved projects in the Social Bond portfolio, Social Bond transactions, press releases and other material on the Bank’s social activities and projects. The newsletter will include highlights on key social projects that have been included in the Social Bond portfolio, among other information. Sustainalytics is of the opinion that the Bank’s reporting and disclosure is in line with market best practices.

- Sustainalytics is of the view that AfDB’s impact reporting framework provides transparent impact information on key social outputs and outcomes as well as a good insight into the financed

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projects. Sustainalytics is of the opinion that this is in line with best practices among Social Bond issuers, and aligned with recommendations by the Social Bond Principles.

- AfDB engages the Independent Development Evaluation (IDEV)\(^5\) unit, which is an independent and impartial unit dedicated to enhancing the development effectiveness of the Bank through independent evaluations and oversight over self-evaluation processes, to undertake evaluations of completed projects and report directly to the Bank’s Board of Directors in order to ensure that its assessments are insulated from Management’s influences. Sustainalytics is of the opinion that IDEV’s assessments enable the Bank to demonstrate accountability to its stakeholders.

- All financed projects are subject to a social and environmental assessment to identify risks, improve project sustainability using the Integrated Safeguard System (ISS)\(^6\). The ISS identifies five Operational Safeguards (OS) and requires borrowers/clients to implement these safeguards. Key activities under the OS include: Strategic Environmental and Social Assessment (SESA) or Environmental and Social Impact Assessment (ESIA), stakeholder participation during a project consultation process, and project-level grievance and redress mechanisms. Sustainalytics is confident that AfDB is well positioned to address relevant environmental and social risks.

Alignment with ICMA’s Social Bond Principles 2017: Sustainalytics has determined that the African Development Bank’s Social Bond Framework aligns to the four pillars of the Social Bond Principles 2017. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form\(^7\).

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\(^7\) The Green Bond Programme External Review Form has been used in the absence of a Social Bond Programme External Review Form.
Section 2: Assessment of AfDB’s Social Mandate and Risk Mitigation Strategy

The African Development Bank: a financial institution with priorities, strategy and targets aligned with a clear social mandate

As a development bank with a social mandate, AfDB takes up some of the most pressing social challenges facing its Regional Member Countries (RMCs) with a focus on combating poverty and improving living conditions of the African people.

The African Development Bank’s Ten-Year Strategy (2013-2022) places the Bank at the centre of Africa’s transformation by focusing on two overarching objectives: (i) to achieve inclusive growth, ensuring that growth is shared by all Africans, thereby leading to poverty reduction and job creation, and (ii) to help Africa gradually transition to green growth, ensuring growth is not just environmentally sustainable, but also economically empowering. While transition to green growth is already addressed by the Bank’s Green Bond Program, Sustainalytics is of the opinion that the Bank’s Social Bonds will specifically contribute to the objective of promoting inclusive growth in Africa.

The AfDB is responding to the challenge of supporting inclusive growth by accelerating and scaling up investment and implementation of the Ten-Year Strategy by focusing on five priority areas, referred to as the “High 5s”, which are: to “Light Up and Power Africa”; to “Feed Africa”; to “Industrialize Africa”; to “Integrate Africa” and to “Improve the Quality of Life for the People of Africa”. A study by the United Nations has indicated that achieving the High 5s would mean Africa realizing about 90% of the SDGs.

In addition, Sustainalytics considers AfDB’s policies and processes for selecting investments to be strong and aligned with its mandate. The AfDB has implemented an Integrated Safeguard System (ISS) which covers all projects and borrowers, and outlines the way in which social and environmental safeguard issues are addressed, ensuring consistency with internationally accepted best practices. AfDB’s safeguards cover a comprehensive list of criteria for project selection. In addition, AfDB’s past performance, results achieved through supported programmes, lack of major controversies, as well as the Bank’s targets and reporting on such programmes are all indications of the priority the Bank assigns to achieving positive social results.

Based on AfDB’s criteria for selecting investments, past performance on projects, its focus on the five operational priority areas (the High 5s) and on what is considered a strong social mandate, Sustainalytics believes that the African Development Bank is well positioned to issue Social Bonds.
Section 3: Impact of Use of Proceeds

Most recent data from 50 African countries indicate that the prevalence of poverty (in monetary terms) has declined steadily from 56% of the population in 1990 to 41.5% in 2015. However, during the same period, the number of poor people living in Africa has increased to about 400 million from 350 million, with about three-quarters (73.5%) based in rural areas.

Income inequality has also persisted, with seven of the ten most unequal countries in the world being in Africa. Promoting human development for all Africans will require considerable interventions to overcome unequal distributions in key capabilities within countries. Sustainalytics believes that multilateral financial institutions such as the AfDB are key to advancing human development and that they play an essential role by raising and channeling funds in order to help make social impact investment projects viable.

Sustainalytics is of the opinion that the proceeds from the Social Bonds will contribute positively to AfDB’s five priority areas in order to improve human development in Africa. Positive impacts resulting from the High 5s are described below and are further detailed in the AfDB Annual Report 2016, and in the Annual Development Effectiveness Report, published by the Bank each year to provide an overview on how it contributes to Africa’s development.

Light Up and Power Africa
Africa has the lowest electrification rate in the world, with more than 645 million people lacking access to electricity. Yet the continent’s potential in renewable energy is huge, and largely unexploited as the continent has nearly 500 Gigawatts of generation potential in hydro, geothermal and wind power and 10,000 Gigawatts in solar power.

AfDB’s goal for the “Light Up and Power Africa” priority is to achieve universal access to energy for Africa by 2025. This will be realized by expanding grid power by 160 GW, by connecting 130 million people to grid power and an additional 75 million people to off-grid systems, and by providing 150 million households with access to clean cooking energy.

Feed Africa
African countries remain food-insecure, importing billions of dollars of food every year. The African Regional Office of the Food and Agriculture Organization of the UN (FAO) released an overview of the state of food security and malnutrition in Africa and found that more than one quarter of the region’s population is suffering from hunger. Yet, Africa has two-thirds of the world’s untiiled arable land that if put to production could help meet the food needs of the planet’s 9 billion people by 2050.

AfDB’s vision for 2025 is that Africa feeds itself; ends extreme poverty, hunger, and malnutrition; becomes a net exporter of agricultural commodities; and industrializes by diversifying its agri-exports and moving

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9 https://africa.cgtn.com/2016/07/01/africa-has-a-huge-untapped-renewable-energy-potential/
10 www.fao.org/3/a-i4635e.pdf
to the top of global value chains. Several of the operations in the “Feed Africa” priority area aims at promoting food security, building climate change-resilience and creating equitable jobs for the agriculture sector which employs 60% of the African workforce. As such, the “Feed Africa” priority cuts across the High 5s, most notably the “Improve the Quality of Life for the people of Africa” priority.

**Industrialize Africa**
The African continent accounts for just 1.9% of global manufacturing, and its share of global manufacturing exports accounts to less than 1%. But the potential in services is yet to be fully harnessed, with Africa’s share of global service exports at just 2% while services are the largest contributor to GDP growth in recent years.

The Bank’s ambition is to increase the continent’s industrial contribution to GDP by 130%, moving Africa to the top of the value chain, and to double industrial GDP to USD 1.72 trillion within the next decade. In 2016 the Bank Group adopted its Industrialization Strategy (2016–2025)\(^\text{11}\) to guide its engagement in “Industrialize Africa”, in line with the African Union’s Industrial Development Agenda. The strategy seeks to support the development of the private sector and unlock the potential of Small and Medium Enterprises (SMEs) in the continent.

**Integrate Africa**
Africa’s intraregional trade is among the lowest in the world, held down by fragmented markets that are caused by poor policies, little economic diversification, and weak infrastructure. Regional integration remains an imperative for a continent where 16 countries, with one-third of Africa’s people, are landlocked, and 19 countries have populations of less than 5 million.

“Integrate Africa” reflects AfDB’s efforts to improve transportation infrastructure and information communications technology in order to create larger and more attractive markets, link landlocked countries to international markets and support intra-African trade to drive growth. The Bank Group’s Regional Integration Policy and Strategy (2014–2023)\(^\text{12}\) is the main guiding document for the Bank’s regional integration interventions.

**Improve the Quality of Life for the People of Africa**
Africa boosted life expectancy by six years during the 2000s. The aim to “Improve the Quality of Life for the People of Africa” comprises AfDB’s efforts to improve water and sanitation infrastructure, as well as to promote human and social development. This High 5 priority also cuts across other social sectors including urban development, transport and communication, finance, environment, gender equality, and multisector operations. In line with the Ten-Year Strategy and the Human Capital Strategy (2014–2018)\(^\text{13}\), the Bank Group supports human development in all its core dimensions, including education, health and nutrition. Likewise, the Bank’s Jobs for Youth in Africa initiative aims to accelerate investments in education, vocational training and skills development to grow the next generation of knowledge workforce for the continent.


Alignment with the Sustainable Development Goals (SDGs)
The Sustainable Development Goals (SDGs), spearheaded by the United Nations, were established in September 2015 and form an agenda for achieving sustainable development by the year 2030. Considering the substantive challenge of reaching the SDGs by 2030, regional development banks such as the AfDB have a critical role to play.

The African Development Bank’s Social Bonds, through the High 5 priorities, cut across numerous SDGs with a key focus on the following SDG goals and targets:

<table>
<thead>
<tr>
<th>High 5s priority areas</th>
<th>SDG</th>
<th>SDG target</th>
</tr>
</thead>
</table>
| Light up and power Africa       | SDG 7: Affordable and     | 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.  
                                | Clean Energy                | 7.A: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology. |
| Feed Africa                     | SDG 2: Zero Hunger         | 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.  
                                |                               | 2.A: Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries. |
| Industrialize Africa            | SDG 8: Decent Work and     | 8.1: Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.  
                                | Economic Growth              | 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.                                                                 |
                                | SDG 9: Industry,           | 9.2: Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.  
<pre><code>                            | Innovation and              | 9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets. |
                            | Infrastructure             | |
</code></pre>
<table>
<thead>
<tr>
<th>Integrate Africa</th>
<th>SDG 9: Industry, Innovation and Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</td>
<td></td>
</tr>
<tr>
<td>9.A: Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States.</td>
<td></td>
</tr>
<tr>
<td>9.C: Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Improve the Quality of Life for the People of Africa</th>
<th>SDG 1: Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.</td>
<td></td>
</tr>
<tr>
<td>1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.</td>
<td></td>
</tr>
</tbody>
</table>

| 4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. |
| 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. |
| 4.a: Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all. |

| 6.1: By 2030, achieve universal and equitable access to safe and affordable drinking water for all. |
| 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. |
Conclusion

By issuing Social Bonds to finance socio-economic development in its Regional Member Countries (RMCs), AfDB is advancing its mission and strategy – to spur sustainable economic development and social progress in its RMCs – and is capitalizing on its strong track-record of executing social investments in Africa. The projects selected are expected to lead to significant poverty reduction, job creation, as well as inclusive growth across age, gender and geography, and to be aligned with the Bank’s strategy and its operational priorities, the High 5s. AfDB’s activities also support global goals of ending poverty and ensuring prosperity for all.

The AfDB’s Social Bond Framework is aligned with the four pillars of the Social Bond Principles 2017 (see Appendix 2), which address use of proceeds, process for project evaluation and selection, management of proceeds, and reporting. Based on the above considerations, Sustainalytics is of the view that the African Development Bank’s Social Bond Framework is robust and credible.
## APPENDICES

### Appendix 1: AfDB’s High 5s and Strategies

<table>
<thead>
<tr>
<th>High 5s Priority Areas</th>
<th>Strategy</th>
<th>Objectives</th>
<th>Selected Key Actions</th>
<th>Funding Requirements</th>
<th>Selected Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Light Up and Power Africa</strong></td>
<td>New Deal on Energy for Africa 2016–2025</td>
<td>Achieve universal energy access for Africa by 2025</td>
<td>Improve the policy environment to attract private investment; support reforms in the utility sector; and accelerate major regional projects and country-specific energy transformation plans</td>
<td>Invest USD 34 billion and leverage about four times that amount between 2016 and 2025</td>
<td>Africa Renewable Energy Initiative (AREI) — Sustainable Energy for All (SE4All) — Sustainable Energy Fund for Africa (SEFA) — Transformative Partnership on Energy for Africa</td>
</tr>
<tr>
<td><strong>Industrialize Africa</strong></td>
<td>Industrialization Strategy for Africa 2016–2025</td>
<td>Increase capacity of African firms to compete with imported products in local markets; boost regional trade; support development and expansion of small and medium enterprises (SMEs) and industry clusters</td>
<td>Pursue six flagship programs aimed at fostering industrial policies, catalyzing funding in infrastructure and promoting private sector development</td>
<td>Invest USD 35 billion over the next 10 years and mobilize cumulative investment of USD 58 billion</td>
<td>Boost Africa Initiative — African Financial Markets Initiative — African Investment Forum</td>
</tr>
<tr>
<td><strong>Improve the Quality of Life for the People of Africa</strong></td>
<td>Jobs for Youth in Africa 2016–2025</td>
<td>Generate 25 million jobs and affect 50 million young people over the next 10 years by creating better opportunities for entrepreneurship and self-employment</td>
<td>Mainstream job creation into bank-financed projects; support policies and institutions in RMCs for inclusive jobs; implement flagship programs in agriculture, information and communications technology, and industry aimed at strengthening skills and stimulating entrepreneurship</td>
<td>Mobilize USD 4.7 billion over the next 10 years to support youth entrepreneurship in Africa</td>
<td>Boost Africa Investment Fund — ENABLE Youth Program — Affirmative Financing Action for Women in Africa (AFAWA)</td>
</tr>
</tbody>
</table>
Appendix 2: Green Bond/Green Bond Programme External Review Form

Green Bond / Green Bond Programme External Review Form

Section 1. Basic Information

Issuer name: African Development Bank (the “AfDB” or “the Bank”)

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: African Development Bank Social Bond Framework

Review provider’s name: Sustainalytics

Completion date of this form: September 26, 2017

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

☒ Use of Proceeds
☒ Process for Project Evaluation and Selection
☒ Management of Proceeds
☒ Reporting

ROLE(S) OF REVIEW PROVIDER

☒ Consultancy (incl. 2nd opinion)
☐ Certification
☐ Verification
☐ Rating
☐ Other (please specify):

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Please refer to the Social Bond Framework (posted in a separate document) and Second Opinion Document above.
Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):
Sustainalytics is of the opinion that the use of proceeds of the AfDB’s Social Bonds are aligned with the 2017 Social Bond Principles (SBP).

By issuing Social Bonds to finance socio-economic development in its Regional Member Countries (RMCs), the AfDB is advancing its mission and strategy – to spur sustainable economic development and social progress in its RMCs. The projects selected are expected to lead to significant poverty reduction, job creation, as well as promote inclusive growth across age, gender and geography, and to be aligned with the Bank’s strategy and its operational priorities, the High 5s.

Use of proceeds categories as per GBP:

☐ Renewable energy
☐ Energy efficiency
☐ Pollution prevention and control
☐ Sustainable management of living natural resources
☐ Terrestrial and aquatic biodiversity conservation
☐ Clean transportation
☐ Sustainable water management
☐ Climate change adaptation
☒ Other (please specify): projects with positive social outcomes such as basic infrastructure, essential services, access to financing, affordable housing, employment generation, food security, socio-economic advancement and empowerment.
☐ Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs

If applicable please specify the environmental taxonomy, if other than GBPs:
2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):
The Bank’s operations (sector) departments will identify and categorize all projects with strong social outcomes and impacts. The final selection of eligible social projects that are to be included in the Bank’s Social Bond portfolio will be agreed upon jointly by the Bank’s operations departments and the treasury department based on the proposed list established by the operations departments. The Bank has an internal process to mitigate environmental and social risks.

Sustainalytics is of the opinion that the AfDB’s project evaluation and selection process is robust and comprehensive.

Evaluation and selection

- Defined and transparent criteria for projects eligible for Green Bond proceeds
- Documented process to determine that projects fit within defined categories
- Summary criteria for project evaluation and selection publicly available
- Other (please specify): have identified typical impact metrics per sector of investment that will be available to the Operations Departments when evaluating and selecting eligible projects

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification
- In-house assessment
- Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):
An amount equal to the net proceeds of the Notes will be kept within AfDB’s treasury liquidity portfolio and tracked in an appropriate manner through a formal internal process. So long as the Notes are not fully allocated, the balance of this sub-portfolio will be reduced at the end of each semi-annual period by amounts matching the disbursements made during such semi-annual period in respect of eligible social projects loans. Pending such disbursements, the net proceeds of the issue of the Notes will be held in the AfDB’s liquidity portfolio and invested under the same conservative investment guidelines as general proceeds.

Sustainalytics is of the opinion that this is in line with market best practices.
Tracking of proceeds:

☒ Green Bond proceeds segregated or tracked by the issuer in a systematic manner
☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds
☐ Other (please specify):

Additional disclosure:

☐ Allocations to future investments only
☒ Allocations to both existing and future investments
☐ Allocation to individual disbursements
☐ Allocation to a portfolio of disbursements
☐ Disclosure of portfolio balance of unallocated proceeds
☐ Other (please specify):

4. REPORTING

Overall comment on section (if applicable):
AfDB will create a dedicated Social Bond webpage on its website and publish an annual Social Bond newsletter. The webpage will list approved projects in the Social Bond portfolio, Social Bond transactions, press releases and other material on the Bank’s social activities and projects. The newsletter will include highlights on key social projects that have been included in the Social Bond portfolio, among other information.

Sustainalytics is of the opinion that the Bank’s reporting and disclosure is in line with market best practices.

Use of proceeds reporting:

☐ Project-by-project
☒ On a project portfolio basis
☐ Linkage to individual bond(s)
☐ Other (please specify):

Information reported:

☒ Allocated amounts
☐ GB financed share of total investment
☐ Other (please specify):

Frequency:

☒ Annual
☐ Semi-annual
☐ Other (please specify):
Impact reporting:
☐ Project-by-project  ☒ On a project portfolio basis
☐ Linkage to individual bond(s)  ☐ Other (please specify):

Frequency:
☒ Annual
☐ Semi-annual
☐ Other (please specify):

Information reported (expected or ex-post):
☐ GHG Emissions / Savings
☒ Other ESG indicators (please specify): number of beneficiaries positively impacted by the social projects included in the Social Bond portfolio, job creation etc. See Table 2 of Social Bond Framework.
☐ Energy Savings

Means of Disclosure
☐ Information published in financial report
☐ Information published in sustainability report
☒ Information published in ad hoc documents
☐ Other (please specify): annual Social Bond newsletter and dedicated Social Bond website.

Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer’s documentation, etc.)
https://www.afdb.org/en/

Specify other external reviews available, if appropriate

Type(s) of Review provided:
☒ Consultancy (incl. 2nd opinion)
☐ Certification
☐ Verification / Audit
☐ Rating
☐ Other (please specify):

Review provider(s):

Date of publication:
ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP

(i) Consultant Review: An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of a Green Bond, such as the establishment/review of an issuer’s Green Bond framework. “Second opinions” may fall into this category.

(ii) Verification: An issuer can have its Green Bond, associated Green Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria.

(iii) Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.

(iv) Rating: An issuer can have its Green Bond or associated Green Bond framework rated by qualified third parties, such as specialised research providers or rating agencies. Green Bond ratings are separate from an issuer’s ESG rating as they typically apply to individual securities or Green Bond frameworks / programmes.

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The client is fully responsible for certifying and ensuring its commitments’ compliance, implementation and monitoring.
SUSTAINALYTICS

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Climate Bond Certified

The Green Bond Principles

Global Capital SRI Awards

Named
Best SRI or Green Bond Research or Rating Firm

Named
Most Impressive Second Opinion Provider