



SUSTAINABILITY BOND FRAMEWORK

RATIONALE

The Basque Government has an [Euskadi Basque Country 2030 Agenda](#) that reflects the degree of alignment and contribution of the Government Program with the 17 Sustainable Development Goals and 100 targets of the UN 2030 Agenda for Sustainable Development (2030 Agenda). This Euskadi Basque Country 2030 Agenda represents a decisive step in the determination of the Basque Executive to focus its public policies on the challenges identified in the 2030 Agenda. It is the First Euskadi Basque Country Agenda 2030 whose temporal scope covers the period 2016-2020. It includes 93 of the 175 commitments acquired by the Basque Government in its Government Program, 80 Planning Instruments, 19 Legislative Initiatives and 50 Indicators. An effort that will make it possible to effectively align public policies in Euskadi with this universal 2030 Agenda, and make visible the contribution of Euskadi to the implementation of the 2030 Agenda and the achievement of the Sustainable Development Goals.

In this context, the Basque Government has developed a framework for bonds linked to both green and social projects that allow it to issue bonds linked to sustainability. Proceeds of the Sustainability Bonds of the Basque Government will be allocated to a mix of beneficial environmental and social projects. The Basque Government aims to play an important role in the development of the Sustainability Bond Market and to promote responsible and efficient finance to address the environmental, economic and social challenges in the region.

This Sustainability Bond Framework is aligned with the Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines 2017, in order to facilitate transparency, disclosure and integrity of Basque Government Sustainability Bond issuances. This Sustainability Bond Framework covers the four core components of the GBP, SBP and Sustainability Bond Guidelines:

1. Use of Proceeds
2. Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The framework also covers:

5. External Review.

1. Use of Proceeds

An amount equal to the net proceeds of the Sustainability Bond will be directed towards projects that meet the eligibility criteria specified below.

1.1 Eligibility Criteria

Eligible categories and projects are included in the General Budget and corresponding budgetary programmes of the Basque Government and will always be part of the current budget of the fiscal year of issuance date of each Sustainability bond.

To be eligible for the Sustainability bonds proceeds, the projects must have one or more environmental and / or social objectives under the eligible categories that are detailed below.

a) Affordable housing

Use of proceeds: The proceeds will be used to promote and increase the availability and access to social housing in the Basque country.

Eligible projects include, but are not limited to:

- (i) Construction of new social housing in a rental regime and new rental accommodations (ADA). The latter are different from the first because they are very basic small apartments, between 25 and 60 square meters, with common facilities and services in the ground floor of the building. Their availability is of a mandatory rotating nature, since, at the most, a person can be five years in this type of accommodation.
- (ii) Financing of the Bizigune Program to ensure that privately owned homes, which are uninhabited within the Autonomous Community of Euskadi, are placed on the rental housing market, giving advantages to the owners of these dwellings, as to the current and future tenants. The owners benefit from the guarantee of rent collection, and the tenants benefit from a rent subsidy, so that it does not exceed 30% of their income;
- (iii) Financing of the Complementary Housing Benefit (PCV) and the Social Emergency Aid (AES) for people with monthly incomes lower than the monthly amount of the Guaranteed Income (RGI), depending on the number of household members (coexistence unit);
- (iv) Financing of the Economic Housing Benefit (ENP) for people who do not have the economic resources or means necessary to obtain a home and whose annual income is less than 9,000, 12,000 and 15,000 euros depending on the units of coexistence are 1, 2 or 3 or more members, respectively;
- (v) Financing of the Gaztelagun Program that provides direct rent assistance to young people between 23 and 34 years old, covers up to 50% of the monthly rent for up to three years, for maximum rents of 600 euros and 750 euros in towns and cities, respectively. The beneficiaries must have a regular source of income that gives them annual gross income above the current limits for the collection of the RGI (€ 7,734 in 2018), and equal to or less than € 12,000, € 15,000 and € 18,000, depending on whether the residents are 1, 2 or 3 people;
- (vi) Rehabilitation and / or renovation of homes and buildings, to improve access and mobility of people, including materials and labour costs.

Context

In 2018, the Basque Government has approved the Housing Master Plan 2018-2020¹ with the purpose of promoting a housing policy that facilitates access to affordable housing for disadvantaged people, responding to the subjective right to housing² and favouring access to housing on a rental basis. To increase access to housing, the Basque Government provides aid through the following benefit programmes: Complementary Housing Benefit (PCV) and the Social Emergency Aid (AES) for people with income below the Guaranteed Income and the Economic Housing Benefit (ENP). While minimum income is not required to access the PCV and the AES, the ENP requires a minimum income of 3,000 euros per year. On the other hand, the PCV requires beneficiaries to be more than 23 years and in the AES and the ENP requires only the age of majority.

¹ http://www.garraioak.ejgv.euskadi.eus/contenidos/informacion/ovv_pdv_2018_2020/es_def/adjuntos/GPH_2018_2020_Summary.pdf

² The subjective right to housing refers to the right of citizens to demand housing from the authorities, including through court proceedings.

b) Access to essential services: Education and Healthcare

a. Education

Use of proceeds: Proceeds of the bond will be allocated to support public educational programmes for young people between 14 and 25 years old and to support the successful integration of disadvantaged groups in the education system. Disadvantaged group refers to young people in a situation of greater vulnerability because they have not finished Compulsory Secondary Education (ESO).

Eligible projects include, but are not limited to:

- (i) Development of haurreskolak (day-care centers);
- (ii) Financing of programmes to improve the performance of students with language barriers or who perform below average (e.g. Bidelaguna Programs, Hamaika Esku), specific educational reinforcement Programmes, Complementary Education Programs (e.g. Osatuz / Bideratuz), as well as the territorial programs for the eradication of absenteeism and de-schooling;
- (iii) Programs that guarantee an adequate education for migrant students within inclusive and intercultural schools, such as incorporating the needs of linguistic reinforcement centers that teach to migrant students who do not speak the languages of the schools, specific intervention programs, etc.;
- (iv) Programmes that improve access of young people in a situation of greater vulnerability to vocational training and boost their transition to employment;
- (v) Construction, renovation and maintenance of schools and public education centers for professional training;
- (vi) Financing the development and maintenance of public universities;
- (vii) Acquisition of equipment to ensure quality education in public education schools;
- (viii) Attraction of research talent to integrate it into the Basque University System through the hiring of research teaching staff;
- (ix) Financing of educational programmes and professional training for young people at risk of exclusion (for example, functional dysfunction and other minorities) or unemployment;
- (x) Programmes that support the integration of students with special educational needs derived from motor, cognitive disabilities, etc., and improve the quality of their education;
- (xi) Financial support to university students and non-university students (exclusive to relevant target groups, such as students who require this support based on socioeconomic criteria, such as income and equity level, or students with disabilities);
- (xii) Construction and development of educational infrastructures;
- (xiii) Financing the RENOVE plan for educational centers (renovation of buildings and centers);

Context

It is considered an essential element to promote equal opportunities and the construction of a democratic, supportive and responsible coexistence, as well as to generate economic progress and well-being. The strategic planning in education has three strategic plans.

First, the [Heziberri 2020 Plan](#) for the whole educational system through which the pedagogical educational model framework has been defined.

Secondly, the [III University Plan 2015-2018](#), which aims to address the three missions of the University, responding to the higher education needs of the Basque society, guaranteeing an offer of quality, inclusive, sustainable and dynamic services, and carrying out excellent research on the social, cultural and economic challenges of Euskadi.

In third place, the [IV Basque Vocational Training Plan](#). A comprehensive plan that starts from the concept of lifelong learning capable of meeting the needs of qualification and requalification along the professional trajectory of people and oriented to the acquisition and consolidation of not only professional competences but also personal and social. A plan that emphasizes dual training as a formula to bring training closer to the needs of companies and improve the employability of people. The eligible projects and programs support the goals and needs identified in the strategic education plans.

b. Healthcare

Use of proceeds: Proceeds of the bond will be allocated to projects aimed to guarantee universal access to quality public health care for the citizens of the Basque country (including, but not limited to, vulnerable groups).

Eligible projects include, but are not limited to:

- (i) Development, maintenance and modernization of the facilities (infrastructure) integrated into the public health service system (hospitals, health centers, mental health centers, etc.);
- (ii) Financing the RENOVE plan for health centers (renovation of public buildings and centers);
- (iii) Provision of health care in under-served areas or vulnerable populations, to guarantee universal accessibility to health services by eliminating physical and transport barriers due to the functional diversity of people, gender barriers, barriers due to social stigma caused by certain diseases and disorders, and social, cultural and economic barriers;
- (iv) Financing of medical equipment or provision of diagnostic services for public health and mental health centers and hospitals;
- (v) Programs and financing plans for the promotion of health or to prevent and treat specific diseases
- (vi) Financing activities to prevent and treat addictions;

Context:

In the Basque country, health is conceived as a cross-cutting, interdepartmental, inter-institutional and inter-sectorial priority. This integral nature of health is reflected in the multiplicity of government plans and departmental plans that address the inherent complexity of many health problems whose diffuse borders make it difficult for them to be solved with initiatives exclusive to this sector or any other in isolation.

Thus, there are seven government plans for the Eleventh Legislature that are related to health problems and twenty-three departmental plans that affect it.

Of all the existing plans, the [Health Plan 2013-2020](#) defines the lines to follow and the priorities to be addressed in the coming years. A Plan that safeguards and reinforces the principles that inspire the Euskadi Public Health System: universality, equity, solidarity, quality of services, sustainability and citizen participation.

The priorities of the Basque Government in health policy are the new needs posed by demographic changes. This includes the aging of the population requiring an integrated care model aimed at the continued treatment of chronic diseases, consolidating care and social health and reinforcing the role of primary care to ensure that all people receive adequate attention to their needs and the sustainability of the health care system.

c) Socioeconomic advancement

Use of proceeds: Proceeds of the bond will be allocated to projects that maintain and foster the Basque income guarantee model and promote social inclusion in the Basque country.

Eligible projects include, but are not limited to:

- (i) Financing the Guaranteed Income “Renta Garantía de Ingresos” (RGI), which provides financial aid to cover the basic needs of the beneficiaries. The following table shows the amounts of the RGI according to the configuration of the family cohabitation unit;

Type of complement of ordinary units	nº of people at home	Euro / month
Basic amount by cohabitation unit		450
Complements by adults in the cohabitation unit	Bearer	200
	Couple	160
	Other adults (máx. 4 adults)	100
	First dependent child	120
Complements by dependent child in the cohabitation unit	Second dependent child	84
	Third & Four dependent child	60
	Fifth and subsequent	48
Other complements	Single parenthood, disability or gender violence	100
Maximum amount for any family composition		1,200
Source: Document of basis for the improvement of the RGI and own elaboration		

- (ii) Financing of the Social Emergency Aid programmes;
- (iii) Financing support services for families with children;
- (iv) Financing programs to guarantee equal opportunities after childbirth and guarantee their well-being;
- (v) Financing of expenses related to the provision of goods and services to support victims of gender violence;

Context

The IV Basque Inclusion Plan 2017-2021 includes a triple objective:

- Prevent and address the root causes of job insecurity, boost the labour insertion of young people and / or with greater employability difficulties and advance in the improvement of the Basque Employment System
- Preserve and improve the Basque income guarantee model, guaranteeing its social legitimacy and its economic sustainability in the coming years
- Promote new programs of social inclusion in terms of active citizenship and social participation

In addition, there are other relevant strategic plans in the field of social policies, such as the IV Inter-Institutional Plan to support families in the Basque Country 2018-2022.

d) Employment generation

Use of proceeds: Proceeds of the bond will be used to support employment generation in the different economic sectors and to finance programs that support unemployed people in education and training, in order to reduce the unemployment rate below 10% by the end of the term.

Eligible projects include, but are not limited to:

- (i) Support programmes for employment in local commerce, the local primary sector and the tourism sector, including training courses;
- (ii) Support programmes that foster the social economy, entrepreneurship, self-employment and micro-entrepreneurship;
- (iii) Support for the development of District Employment Plans in areas of the Basque Country that exceed 12.4% of unemployment (current average of the Basque Country, 11.1%);

See map number 1 in the annex

- (iv) Financing of the Lehen Aukera Program (programme to foster the employability of young or unemployed people through a labour contract for the purpose of obtaining a first work experience);
- (v) Financing programmes of dual training that support educational-labour transition, including programmes to develop employment plans for young people;
- (vi) Renovation programs;
- (vii) Financing programmes for employment, including but not limited to programmes for youth return to education/ working market and training for employment;

Context:

To reduce unemployment below 10%, the Basque Government encourages public and economic policies with the objective to create more employment and improve employment in the framework of sustainable growth. Addressing employment-growth binomial requires integrating both specific employment policies and policies that affect economic development. Employment and economic reactivation are inextricably linked. Thus, the Basque response to this commitment on employment and economic reactivation is the "[Framework Program for Employment and Economic Reactivation: Euskadi 2020](#)". This Framework Program has an agglutinating character and is constituted as a Country strategy, which is subsequently developed and specified in five strategic Plans: [2020 Strategic Employment Plan](#), [2017-2020 Industrialization Plan](#), [2020 Science-Technology and Innovation Plan \(PCTI 2020\)](#), ["Basque Country" 2020 Internationalization Strategy and Tourism, Trade and Consumption Plan 2017-2020](#). The use of proceeds categories fall within the focus areas of these strategic plans.

e) Renewable Energy

Use of proceeds: Proceeds of the bond will be allocated to projects and programmes aimed at promoting the increase of renewable energy in the Basque Country. Proceeds will be used to finance the renewable energy priorities included in the [Euskadi Energy Strategy 2030](#) ("Estrategia Energética de Euskadi 2030"); Wind, Biomass (waste to energy), Solar Photovoltaic, Geothermal and Marine renewable energy.

Eligible projects include, but are not limited to:

- (i) Support programmes that increase the use of biomass (Energy from waste and residuals of agroforestry) for public services;
- (ii) Finance programmes that encourage the use of renewable energy in households, public and private buildings and the industry (solar, wind and geothermal);

- (iii) Financing measures and implementation programs that increase the availability of renewable energy, including investments in biomass energy (waste to energy) utilization facilities, investments in geothermal utilization facilities and investments for the demonstration and validation of emerging marine renewable energy technologies;
- (iv) Financing of new low-power installations, including the installation and renovation of land and marine wind farms and biomass (waste energy) plants;
- (v) Programs to promote the use of renewables in the primary sector;

f) Clean transportation

Use of proceeds: Proceeds of the bond will be used to reduce the dependence on fossil fuel transport in accordance with the lines of action included in the [Master Plan for Sustainable Transport of Euskadi 2030](#).

Eligible projects include, but are not limited to:

- (i) Programmes that promote the progressive decarbonisation of transport (Financing measures and implementation programs that support electric vehicles, e.g. electric taxis in cities, electric vehicles for public buses, RKARGA program, which offered free reloads of electric vehicles for taxi drivers, companies and self-employed individuals to promote electric vehicles.);
- (ii) Finance the development and implementation of the Comprehensive Electric Mobility Plan,
- (iii) Programmes that promote sustainable mobility and the use of more efficient modes of transport, such as electric buses, trams, trains, etc.;
- (iv) Programmes that promote the renewal of the fleet of vehicles, both light and heavy, with hybrid and electric vehicles;
- (v) Financing of grants programs to encourage energy savings and energy efficiency projects in transport, boosting the deployment of electric vehicles;

g) Pollution prevention and control

Use of proceeds: Proceeds of the bond will be used to improve the quality of water, air and soil, managing environmental risks and reducing human diseases related to environmental determinants, in accordance with the lines of action set out in the [Environmental Framework Programme 2020](#) and the [Biodiversity Strategy of the Basque Country 2030](#).

Eligible projects include, but are not limited to:

- (i) Programmes that aim to protect and restore ecosystems;
- (ii) Development, construction and maintenance of wastewater management infrastructure, including sewage treatment plants, etc.;
- (iii) Implementation of an intelligent spatial planning that prioritizes higher population densities enhances the combination of uses (work, leisure, housing) and the optimization of land consumption, prioritizing the reuse and regeneration of the same through projects such as consulting service for land management guidelines, etc.;
- (iv) Ensure air quality and improve the management of contaminated soils;
- (v) Programmes to enhance ecosystem services through the restoration of degraded areas, such as recovery of industrial land for new uses;

- (vi) Promotion of the prevention, reuse and recycling of urban waste by establishing alternatives to landfilling;
- (vii) Programmes that foster a circular economy through projects that contribute decisively to create business opportunities from the circular economy by establishing new value recycling solutions for secondary materials, manufacturing products based on secondary materials, repair and remanufacturing of parts or components, products or equipment, as it is included in the Waste Prevention and Management Plan 2020 of Euskadi;
- (viii) Activities and equipment to monitor, prevent and manage environmental risks, such as environmental impact assessments;

h) Sustainable water and wastewater management

Use of proceeds: Proceeds of the bond will be allocated to projects and programmes that will support the protection and improvement of the ecological state of water masses; projects and programmes that will support not only the improvements of water quality and its supply, but also the sanitation and urban sewage treatment. Additionally, proceeds of the bond will be allocated to resolve water scarcity, waste minimization of water consumption, or recycling to alleviate sewage water generating.

Eligible projects include, but are not limited to:

- (i) Maintenance and restoration work of water channels to improve water quality;
- (ii) To obtain a good state of surface and underground water bodies by controlling, for example, landfills ;
- (iii) Monitoring the status of water masses to ensure water quality;
- (iv) Collaborations with water services bodies related to supply, sanitation and purification;
- (v) Programmes to ensure quality long-term water supply and quality and deploy demand management instruments.

i) Terrestrial and aquatic biodiversity conservation

Use of proceeds: Proceeds of the bond will be allocated to projects and programmes aimed at promoting protection and restoration of ecosystems in the Basque Country as it is included in the [Biodiversity Strategy of the Basque Country 2030](#).

Eligible projects include, but are not limited to:

- (i) Studies to improve knowledge on wild flora and fauna, updating the Basque Catalogue of Endangered Species and improvement of its conservation;
- (ii) Monitoring and Evaluation of the Natural Heritage of the Basque Country (including the “Red Natura 2000”);
- (iii) Financing of actions and educational activities to enhance and to promote the involvement of the community, public awareness and knowledge of biodiversity and its protection;

j) Energy efficiency

Use of proceeds: Proceeds of the bond will be used to build a low carbon energy model and anticipate the risks of climate change following the guidelines and lines of action foreseen in the [2030 Euskadi Energy Strategy](#) and [2050 Climate Change Strategy Basque Country \(Klima 2050\)](#).

Eligible projects include, but are not limited to:

- (i) Programmes that promote energy savings and management in the industry, including financing of grants programs to encourage energy savings and energy efficiency projects, through e.g. upgraded equipment, smart meters, etc.;
- (ii) Finance the improvement of energy efficiency and demand management, development of smart grids and promotion of cogeneration;
- (iii) Programmes to promote energy improvements in commercial and residential buildings and homes (Promotion of the improved insulation in buildings, upgrading of energy-consuming equipment and promotion of the implementation of renewable energies in buildings);
- (iv) Programmes to promote energy efficiency in public administration buildings and public housing, e.g. financing of upgrades in equipment and renovation that increases the energy efficiency of the building;

k) Climate Change adaptation

Eligible projects include, but are not limited to:

- (i) Financing of plans of action and activities to reduce the impacts of extreme climatic events in vulnerable areas, such as flood prevention, landslide, impact in coastal areas, etc .

1.2 Exclusionary Criteria

The use of proceeds may include capital and operating expenditures of eligible project categories and programmes, as well as indirect lending to projects such as grants for private and public organizations and consortiums for special purposes. Only Basque Government's own expenditures (net of EU grants, EIB loans or other revenues earmarked for specific purposes) are eligible. Specific sections of the relevant budgetary programmes that will be excluded include:

- Personnel expenditures (Chapter 1 of the budgetary programmes),
- Financing costs (Chapter 3 of the budgetary programmes),
- Contingency Funds (Chapter 5 of the budgetary programmes),
- Financial assets (Chapter 8 of the budgetary programmes)
- Financial liabilities (Chapter 9 of the budgetary programmes)

2. Process for Project Evaluation and Selection

The process to select and to evaluate potential eligible projects and programmes from the General Budget is performed by the Basque Government Sustainability Bond Committee. Each Department carries out an ex - ante evaluation of the impact indicators of the projects, in addition to the environmental impact assessment, and other actions foreseen in the regulation. This Committee comprises four representatives of the Department of Finance and Economy, and a representative of each of the following departments: Environment, Territorial Planning and Housing; Employment and Social Policies, Health and Education, Economic Development and Infrastructure. In addition, the Sustainability Bond Committee will request the participation of other representatives from other departments of the Basque Government or those previously mentioned when it appreciates the need for additional knowledge or specific expertise.

The Basque Government Sustainability Bond Committee will select eligible projects or programmes from the sections of the General Budget that align with the eligibility criteria defined in this Sustainability Bond Framework.

As not all activities in the selected budget programmes might be eligible according to the Sustainability Bond Framework, the Basque Government will provide investors with information regarding the percentage of each eligible budget programme that was eligible for each Sustainability Bond issuance.

3. Management of Proceeds

The proceeds of the Sustainability Bond will be allocated to eligible budgetary programmes in the General Budget of the Basque Government, corresponding to the fiscal year of the Sustainability Bond issuance. The total expenditures required for the eligible programmes will equal or exceed the net Sustainability bond proceeds. This will ensure compliance even when eligible programmes or budgets are impacted unexpectedly.

The proceeds from the Sustainability bond issuance will be directly allocated to the eligible projects at settlement. In the event the whole proceeds cannot be allocated, the Basque Government will temporarily keep the unallocated funds in any form of cash or liquidity position or time deposits with banks. This event would be monitored by the Financial Department of the Basque Government's Financial Policy Department and reviewed by the Sustainability Bond Committee.

The Basque Government has internal systems in place to track proceeds of its bonds, and to account for all eligible programmes. Thus, the Committee will monitor and prevent any such double allocation of proceeds.

In the case of any selected eligible program becomes ineligible or has been cancelled, the Basque Government will re-allocate the proceeds of the bond to another eligible programme.

4. Reporting

4.1 Allocation Reporting

Allocation reporting will be available to investors within one year from the date of the Sustainability Bond issuance and annually until the bond proceeds have been fully allocated. The reporting will produce insights into the total amount provided to the various eligible budgetary programmes and the total of each eligibility category. The allocation reporting will be made available on [the Basque Government's website](#)³.

4.2 Impact Reporting

The Basque Government will provide a dedicated Sustainability Bond impact report for investors within one year from the issuance date and annually until the bond proceeds have been fully allocated, with estimates of the main environmental or social impacts or outputs of the eligible programmes, where feasible. Some case studies of projects may be provided to illustrate the positive impact.

Relevant social and environmental impact indicators could include:

Eligible Categories	Sample of impact indicators
<i>Affordable housing</i>	Average housing price Financial effort of households to purchase housing Financial effort of access to free housing for rent (18-34 years) No. of Social Security affiliates in the construction and real estate sector % of empty homes over total homes % of households on rent N° of applications processed and N° of applications recognized with subjective right of housing (DSV) Number of registered applications in Etxebide (purchase and rental) No. of public housing for rent and No. of total public housing Total public expenditure on housing (Department and Public Corporations assigned) (in millions of euros) Number of rehabilitated houses Number of buildings that have carried out the Technical Inspection of Buildings (ITE) registered in Euskoregite Average monthly rent of the protected rental housing (Alokabide). Average monthly rent of the free rental housing % of purchase-sale contracts associated with subsidized housing
<i>Education</i>	Education / GDP expenditure Percentage of population 25-64 who have completed their tertiary education Gross graduation rate in higher FP Percentage of people working at 3 years of completion of their university studies English knowledge index School enrollment rate: 6-15 years School enrollment rate: 16-17 School enrollment rate: 18-19 School enrollment rate: 20-22

³ <http://www.euskadi.eus/gobierno-vasco/finanzas-segueros/inicio/>

Eligible Categories	Sample of impact indicators
	<p>School dropout rate Percentage of students with special educational needs in regular classrooms. Teacher / classroom ratio Professor / student ratio Student / class ratio Suitability rate (% of students who are enrolled in the course corresponding to their age). Percentage of students who repeat the course in ESO Gross Graduation Rate in ESO Gross Bachelor Graduation Rate Percentage of students who repeat courses in Vocational Training, Middle Grade and Higher Grade Dropout rate on the 1st. Year F.P. Rate of performance in grade (% of credits exceeded / enrolled) Percentage of population 30-34 years old who have completed tertiary studies Success rate (credits passed / credits submitted for examination) Weight of scientific production on the global total Scientific production in international collaboration (% of total production) Percentage of adults participating in lifelong learning</p>
<i>Healthcare</i>	<p>Spending on Health / GDP Percentage of participation in colorectal cancer population screening Percentage of population > 65 years covered by influenza vaccination Perception of personal health Years of healthy life at birth Infant mortality rate (% per 1,000 live births) Years of potential life lost % of ambulatory major surgery Prescribed antibiotics (defined daily dose x 1,000 inhab.) % population with inability to access medical care Medical staff of primary care per thousand inhabitants Medical staff specialized care per thousand inhabitants Nursing staff in primary care per thousand inhabitants. Nursing staff in specialized care per thousand inhabitants. Hospital beds per thousand inhabitants Working operating rooms per 100,000 inhabitants Waiting lists (primary care, specialized care, complementary tests, surgical interventions) Mortality rate due to suicide Tobacco use Excessive alcohol consumption and risk Age beginning alcohol consumption Age beginning tobacco use</p>
<i>Socioeconomic advancement</i>	<p>Human development Index Average income of households Index of economic poverty (Arope) Index of material poverty (Arope) Family units with low work intensity (Arope)</p>

Eligible Categories	Sample of impact indicators
	First decile Gini index Maintenance poverty Poverty of accumulation Real poverty Labor poverty Absence of real welfare Rate of homeless population Migratory balance Number of families with grants granted by birth Number of families with aid granted by conciliation Number of Cohabitation Units benefiting from the RGI Number of victims of gender violence supported (in terms of housing, financial support or others)
<i>Economic inclusion</i>	Youth activity rate (15-29 years) (PRA)) Youth index (15-29 years) Occupancy rate 55-64 Gender equality index Rate of employment of people with disabilities Rate of employment of immigrant population Hiring for temporary Hiring for dedication Unemployment coverage rate Wage gap Average wage
<i>Renewable Energy</i>	Share of renewable energies in final gross energy consumption Energy bill: annual cost of energy consumed Intensity of consumption / GDP (final energy intensity) Final energy consumption (index with respect to base year 2005) Specific emissions CO2 in electricity generation Productivity of GDP / CDM resources in ppc
<i>Clean Transportation</i>	Energy consumption of transport Volume of goods transported by railroad from and to the Autonomous Community of the Basque Country Port traffic volume Number of electric vehicles purchased / new charging points for electric vehicles
<i>Pollution prevention and control</i>	Estimation of annual emissions of Greenhouse Gases (GHG) reduced or avoided (tCO2e) Urban waste generated per inhabitant. Domestic consumption of materials per inhabitant (base year 2005) Air quality index Index of urban population exposed to air pollution (Concentration PM 10 in cities) Number of circular economy projects Surface of potentially contaminated and recovered soils for new uses Density of wooded surface natural spaces

Eligible Categories	Sample of impact indicators
<i>Sustainable Water and wastewater management</i>	Quality of surface water bodies. Water quality of rivers Total water supply Unit cost of water
<i>Terrestrial and aquatic biodiversity conservation</i>	Qualification / soil artificialization
<i>Energy Efficiency</i>	Estimation of annual energy savings (MWh) No. of homes with energy efficiency carried out Number of schools recognized as "Sustainable schools"
<i>Climate Change Adaptation</i>	Total Emissions of Greenhouse Gases measured in CO2 equivalent, per inhabitant Consumption of CO2 equivalent per kw / hour Tons of CO2 per year reduced Kilograms of particles avoided in the atmosphere Kilograms of nitrous oxide avoided per year

5. External Review

5.1 Second Party Opinion

The Basque Government has hired Sustainalytics to provide a Second Party Opinion on the Basque Government Sustainability Bond Framework. Sustainalytics has reviewed the Sustainability Bond Framework and its alignment with the four pillars of the Green Bond Principles, Social Bond Principles and the Sustainability Bond Guidelines 2017.

The Second Party Opinion, as well as the Sustainability Bond Framework hereof, will be published and will make available for market information on the website of the Basque Government (<http://www.euskadi.eus/gobierno-vasco>) and on the Resource Centre of the Green Bond Principles (<https://www.icmagroup.org/green-social-and-sustainability-bonds/resource-centre/>).

6. Annex

Map number 1

