IDB Invest

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Introduction

Inter-American Investment Corporation ("IDB Invest" or the "Bank") issued nine green, six social and seven sustainability bonds between 2021 and 2024 (collectively, the "Sustainable Bonds") and raised USD 5,610.81 million to finance and refinance green and social projects in Latin America and the Caribbean. In August 2025, IDB Invest engaged Sustainalytics to review the projects financed with proceeds from the Sustainable Bonds (the "Nominated Expenditures") and provide an assessment as to whether they meet the use of proceeds criteria and whether IDB Invest complied with the reporting commitments in the 2020 IDB invest Sustainable Debt Framework (the "Framework").[1] This is Sustainalytics' fourth annual review of the allocation and reporting of the instruments issued under the Framework, following previous reviews in September 2022,[2] February 2024,[3] and October 2024.[4]

Evaluation Criteria

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

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

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

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Access to Essential Services	Water and sanitation i. Water and sanitation services ii. Wastewater collection and treatment Energy i. Energy services	Water and sanitation i. Number of households with improved access to water or sanitation. ii. Number of households from underserved and/or diverse or excluded populations with improved access to water or sanitation. iii. Average hours of continuous water supply per day. Energy

[1] IDB Invest, "IDB Invest Sustainable Debt Framework", (2020), at: https://idbinvest.org/sites/default/files/2022-11/Sustainable%20Debt%20Framework%20_low.pdf
[2] IDB Invest, "Annual Review", (2022), at: https://idbinvest.org/sites/default/files/2022-11/IDB%20Invest_Annual%20Review_FINAL.pdf
[3] IDB Invest, "Annual Review, February", (2024), at: https://idbinvest.org/sites/default/files/2024-09/IDB%20Invest%20Annual%20Review%202024.pdf
[4] IDB Invest, "Annual Review, October", (2024), at: https://idbinvest.org/sites/default/files/2024-11/External%20Review%20by%20Sustainalytics%202023.pdf

		i. Number of households with improved access to energy services.
Affordable Basic Infrastructure	Social infrastructure i. Health and education infrastructure ii. Deployment of ICTs in hospitals and clinics iii. Projects that promote access to education programmes. iv. Expansion or upgrade of learning spaces (schools, universities, private education services providers to complement public sector offering, etc.). v. ICTs to improve teaching and learning processes; promoting initiatives to close the gender and ethnic gaps in the education sector. Transport i. Improvement of regional infrastructure to promote enhanced connectivity	Social infrastructure i. Number of students benefited by education projects. ii. Number of students from underserved and/or diverse or excluded population benefited by education projects. iii. Educational facilities built or upgraded. iv. Number of beneficiaries receiving health services. v. Number of beneficiaries from underserved and/or diverse or excluded population receiving health services. Transport i. Roads built or upgraded (km). ii. Urban rail and bus mass transit systems built or upgraded (km). iii. Number of average daily passenger traffic – passengers. iv. Number of average daily traffic – vehicles v. Container cargo handling capacity – Twenty-foot equivalent unit (or TEUs)/year.
Employment Generation and Programs to Alleviate Unemployment from Socioeconomic Crises	i. Projects that benefit a region with a high incidence of poverty economic vulnerability, or that target beneficiaries from the poor or vulnerable strata.	i. Number of beneficiaries of employment support initiatives. ii. Number of women beneficiaries of economic empowerment initiatives. iii. Number of diverse population beneficiaries of economic empowerment initiatives. iv. Number of jobs supported.

		v. Number of enterprises provided with technical assistance.
Food Security and Sustainable Food Systems	Agribusiness and manufacturing i. Modernization and productivity increase in agriculture or firms. ii. Investments to boost sector growth and exports.	i. Number of farmers and micro, small and medium enterprises (MSME) with improved access to agricultural services and investments. ii. Production capacity (TBD based on specific project). iii. Total value of sales (USD million). iv. Value of exports sales (USD million).
Socioeconomic Advancement and Empowerment	Telecom i. Technology, media, and telecom (TMT) services, including fixed or mobile broadband, and mobile voice service. ii. Rehabilitation/ reinforcement of long-haul network infrastructure and overloaded urban networks and associated facilities. Financial Institutions and Fintech i. Access to finance ii. Financial inclusion and microfinance iii. Digitalization	i. Beneficiaries with new access to at least a 4G mobile network (%). ii. Kilometers of new lines or of lines upgraded (long-haul/backhaul/metro, fiber optics or other technologies). iii. Amount of international trade supported (USD). iv. Number of MSMEs financed. v. Value of loans disbursed to MSMEs (USD million). vi. Number of women beneficiaries of economic empowerment initiatives.
Clean Transportation	i. Clean public transportation	i. Emissions avoided (annual tonnes CO_2e)
Energy Efficiency	i. Energy efficiency investments designed to reduce energy consumption from a baseline.	i. Energy savings (MWh) ii. Fossil fuels saved (gallon, litre) iii. Emission avoided (annual tonnes CO_2e)
Renewable Energy	i. Power generation from renewable sources ii. Energy efficiency (street lighting, new/renovated buildings, EDGE certification) iii. Transmission lines and distribution systems to enable the penetration of	i. Installed power generation from renewable energy sources (MW). ii. New/upgraded power transmission lines (km). iii. Energy generated from renewable sources (MWh). iv. Number of households from underserved and/or diverse

	renewable energy generation.	or excluded populations with improved access to energy services. v. Emissions avoided (annual tonnes CO_2e).
Sustainable Water and Wastewater Management	i. Investments that materially reduces the use of water per unit of production from a baseline.	i. Water savings (m^3) ii. Wastewater treated (m^3)
Environmentally Sustainable Management of Living Natural Resources and Use	i. Climate smart agriculture, reforestation, biodiversity, and ecosystems conservation. ii. Investments to ensure adequate management of the availability, quality and use of water resources. iii. Projects that promote innovative green infrastructure interventions and measures for the mitigation of GHG emissions and adaptation to disaster risks and climate change, including risk management for droughts, floods, and sea level rise. iv. Conversion of non-certified production to third-party certified production. v. Waste reduction and recycling	i. Value of investments in resilient and/or low-carbon infrastructure ii. Fossil fuels saved (gallon, litre) iii. Tonnes of CO_2 sequestered

Issuer's Responsibility

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

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from IDB Invest's Sustainable Bonds. The work undertaken as part of this engagement included collection of documentation from IDB Invest and review of said documentation to assess conformance with the Framework.

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

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

Conclusion

Based on the limited assurance procedures conducted,[5] nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. IDB Invest has disclosed to Sustainalytics that 72.94% of the net proceeds from the Sustainable Bonds were allocated as of December 2024, and that it intends to allocate the remaining proceeds by December 2026.

Detailed Findings

Table 2: Detailed Findings

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

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

Appendices

Appendix 1: Allocation Reporting[6]

Table 3: Allocation by Eligible Categories

Sustainability Theme	Use of Proceeds Category	Net Proceeds Allocated in 2021 (USD million)	Net Proceeds Allocated in 2022 (USD million)	Net Proceeds Allocated in 2023 (USD million)	Net Proceeds Allocated in 2024 (USD million)	Cumulative Allocated Amount (USD million)
Social	Access to essential services	13.01	1.43	-	4.26	18.69
	Affordable basic infrastructure	6.00	98.52	53.83	184.64	342.99
	Employment generation and programs to alleviate unemployment from socioeconomic crises	137.00	18.11	19.00	50.90	225.01
	Food security and sustainable food systems	8.68	19.86	55.00	35.00	118.54
	Socioeconomic advancement and empowerment	489.23	321.87	240.00	984.30	2,035.40
Green	Clean transportation	0.00	15.50	55.58	13.52	84.61
	Energy Efficiency	20.38	1.00	0.00	25.00	46.38
	Renewable Energy	319.55	191.92	309.51	100.60	921.58
	Sustainable water and wastewater management	0.00	0.00	191.46	70.95	262.41
	Environmentally Sustainable Management of Living Natural Resources and Land Use	0.00	0.00	0.00	37.00	37.00
Total Allocated Amount		**993.85**	**668.21**	**924.37**	**1,506.18**[7]	**4,092.62**
Total Unallocated Proceeds						**1,518.19**
Total Net Proceeds Raised		**1,610.10**	**2,115.98**	**1,255.48**	**629.26**	**5,610.81**

[6] Totals may not sum exactly due to rounding.
[7] While USD 629.26 million in bond proceeds were raised in 2024, the cumulative allocation appears higher as it includes existing amounts that were reallocated to new projects following the repayment, prepayment or selling of projects, to maintain alignment with outstanding sustainable debt.

Table 4: Allocation by Country[8]

Country	Net Proceeds Allocated in 2021 (USD million)	Net Proceeds Allocated in 2022 (USD million)	Net Proceeds Allocated in 2023 (USD million)	Net Proceeds Allocated in 2024 (USD million)	Cumulative Allocated Amount (USD million)
Argentina	6.00	0.00	0.00	0.00	6.00
Belize	0.00	4.00	0.00	0.00	4.00
Brazil	180.37	156.50	441.48	140.21	918.56
Chile	89.00	20.00	60.00	40.00	209.00
Chile and Colombia	0.00	0.00	8.13	3.52	11.65
Colombia	203.17	71.52	72.96	123.61	471.26
Costa Rica	0.00	0.00	0.00	6.00	6.00
Dominican Republic	0.00	5.11	104.88	26.00	135.99
Ecuador	15.00	76.37	10.00	15.00	116.37
El Salvador	60.00	103.87	0.00	28.70	192.57
Guatemala	100.00	0.00	0.00	41.00	141.00
Guyana	0.00	0.00	15.00	0.00	15.00
Haiti	0.00	0.00	7.50	0.00	7.50
Honduras	69.00	25.00	0.00	0.00	94.00
Jamaica	00.00	0.00	0.00	30.99	30.99
Mexico	180.10	5.90	8.02	824.05	1,018.07
Nicaragua	17.50	0.00	11.50	0.00	29.00
Panama	39.00	4.11	40.00	105.00	188.11
Paraguay	0.00	110.99	40.00	0.00	150.99
Peru	31.90	30.00	20.00	54.51	136.41
Regional	0.00	41.00	70.00	67.59	178.59
Uruguay	2.81	13.84	14.90	0.00	31.55
Total	**993.85**	**668.21**	**924.37**	**1506.18**	**4,092.62**

[8] Totals may not sum exactly due to rounding.

Appendix 2: Reported Impact

Table 5: Cumulative Reported Impact from the Sustainable Bonds

Sustainability Theme	Use of Proceeds Category	Eligible Projects Financed	Reported Impact[9]
Social	Access to essential services	Funding provided for new or improved access to tap water, educational facilities and energy services in the countries of Brazil, Panama, Peru and Uruguay.	i. 329,426 households with improved access to water or sanitation ii. 897,116 residential gas connection
	Affordable basic infrastructure	Funding provided to expand healthcare services, and upgrade roads in the countries of Peru, Mexico Argentina, Colombia, Guatemala and Paraguay.	i. 1,176,887 beneficiaries of health services ii. 131km of roads built or upgraded iii. 20,061 students benefited by education projects
	Employment generation and programs to alleviate unemployment from socioeconomic crises	Funding provided to support productive activities of client companies with an impact on employment and to support the client value chain (farmers and MSMEs suppliers) in the countries of Panama, Haiti, Honduras, Ecuador, Dominican Republic, Colombia, Peru, Nicaragua, Mexico and Belize.	i. 70,438 jobs supported by firms ii. 1,508 beneficiaries of employment support initiatives iii. USD 9896.77 million worth of goods purchased from domestic MSMEs iv. 6,542 domestic MSME suppliers
	Food security and sustainable food systems	Funding provided in the food and agribusiness sector of Guyana, Mexico, Ecuador and Paraguay to support capex and working capital to expand production capacity and boost exports.	i. USD 3,600 million in total value of sales ii. USD 1,967 million in value of exports sales
	Socioeconomic advancement and empowerment	Funding provided to enable access to credit for MSMEs, women-owned or - led MSMEs, and low-income households in the countries of Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Panama, and Peru.	i. 287,580 people benefited by enhanced gender equality and/or inclusion of diverse population groups ii. 1,755,392 loans disbursed to women owned MSME
Green	Clean transportation	Funding provided to support the acquisition of green mobility in Colombia, including electric bus projects.	i. Number of low-carbon machinery/equipment deployed: 1,073 units
	Energy efficiency	Funding provided in Ecuador, Colombia, Brazil and Jamaica for energy efficiency projects that result in energy savings that help reduce or avoid GHG emissions.	i. 18,037.5 MWh of energy saved ii. 66.18 tonnes of CO_2 avoided

[9] IDB Invest has communicated to Sustainalytics that the allocation and impact reporting for the Sustainable Bonds has additionally been incorporated into the Banks entity-wide impact reporting, which speaks to the attributed impact and co-benefits of the Nominated Expenditures.

	Renewable energy	Investment in solar and wind power generation, as well as transmission lines and distribution systems to enable the penetration of renewable energy generation in Brazil, Chile, Colombia, Dominican Republic, Ecuador, El Salvador, Honduras, Jamaica, Mexico, Panama, Peru, and Uruguay.	i. 2,876 MW of installed power generation from renewable energy sources ii. 21,046 MWh of energy generated from renewable sources
	Sustainable water and wastewater management	Funding provided in Brazil for the expansion of sanitation services and water-treatment infrastructure serving the metropolitan region of Recife.	i. 586,233,069 m^3 of wastewater treated
	Environmentally Sustainable Management of Living Natural Resources and Land Use	Funding provided in Brazil and Mexico for projects pertaining to sustainable management of living natural resources and land use to help mitigate emissions.	i. 4,703,600 tonnes of CO_2 avoided

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