



Green Bonds

Allocation, Eligibility &
Environmental Impact
2020 Report





The Allocation, Eligibility & Environmental Impact 2020 Report is in accordance with the Republic of Chile's Sustainable Bond Framework.

This document is available in the Sustainable Bonds section of the Ministry of Finance's website:
➔ <https://www.hacienda.cl/english/work-areas/international-finance/public-debt-office/sustainable-bonds>

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01

Introduction

The commitment with the environment has been one of Chile's main areas of attention in recent years. In line with this commitment, in 2018 the Ministry of Finance began its work preparing a green bond issuance. In particular, it began the preparation of the Green Bond Framework, supported by the Inter-American Development Bank (IDB). The final version of this document was published in May, 2019 and received a Second Party Opinion from Vigeo Eiris during the same month. Thus, in June, 2019 the Ministry of Finance was able to execute its first Green Bond issuance, which also obtained the certification of Climate Bonds Initiative (CBI) for the respective project portfolio.

In November 2020, recognizing the country's comprehensive commitment to sustainable development, and in accordance with the Sustainable Development Goals established by the United Nations in 2015, the Ministry of Finance decided to incorporate social aspects of sustainable development into its financing strategy. Thus, and again with the support of the Inter-American Development Bank (IDB), Chile issued its Sustainable Bond Framework, which allowed the country to issue its first Social Bonds in the local market.

New issuances were followed in 2021, through an operation in the external market, which involved the reopening of two previously issued green bonds and two additional social bonds, denominated in Euros and USD.

In line with the Green Bond Framework, the Ministry of Finance committed to publish different Reports on its green, social and sustainable issuances. Which are:

- Allocation Report: providing information about net proceeds allocation (disbursed expenses) until complete allocation of the funds.
- Eligibility Report: informing on the conformity of the projects with the eligibility criteria described in the section of this document on Use of the Proceeds and according to the Taxonomy described in the section on Use of the Proceeds of the present Framework.
- Impact Report: to be produced along with the Ministry of Environment (only for green projects), which will inform about the impact indicators for the green and social projects.

All these documents shall be published on an annual basis, covering all relevant information available until the end of the year prior to its publication. This document fulfils that commitment, containing in a consolidated way the Allocation Report, the Eligibility Report and the Impact Report. In accordance with the provisions included in the Sustainable Bond Framework, the Ministry of Finance is responsible for providing investors with these reports on April of each year. Therefore, this Report complies with that provision and will be updated annually until the funds of the issuances have been fully allocated.



02

Background of the Reports



a) Sustainable Bond Framework

This Report has been made in accordance with the provisions included in the Sustainable Bond Framework.¹ This document establishes the obligations that the government, through its Public Debt Office, fulfils as a Sustainable issuer.

The green expenses defined as eligible in the Framework establishes the valid objectives for the inclusion of projects in the bonds. There are six green sectors:

- i.** Clean Transportation;
- ii.** Energy Efficiency;
- iii.** Renewable Energies;
- iv.** Living Natural Resources, Land Use and Marine Protected Areas;
- v.** Efficient and climate resilient water management;
- vi.** Green Buildings.

The social sectors included are:

- i.** Support for older adults or persons with special needs who belong to vulnerable sectors;
- ii.** Support for low-income families;
- iii.** Support for human rights victims;
- iv.** Support for the community through job creation;
- v.** Access to basic housing;
- vi.** Access to education;
- vii.** Food security;
- viii.** Access to Essential Health Services;
- ix.** Social programs designed to prevent and/or alleviate unemployment stemming from the socioeconomic crisis, even through the potential effect of financing of the SMEs and micro finances.

b) Historical Issuances and scope of this report

As of December 31, 2020 Chile had issued a total of USD6,296 million in Green Bonds.

In addition to the operations executed in 2019, Chile executed other operations in January, 2020. The issuances consisted in two green bonds issued in the European markets by a total amount of €1,963 million on January, 21st. Following that, on January, 22nd, Chile returned to the US market with the issuances of another two green bonds totaling US\$1.65 billion. The issuances in both currencies implied a new indebtedness by approximately US\$3.3 billion.²

The euro denominated transactions, which included a portion to repurchase existing bonds, considered the issuance of a new 2040 green bond for €1,269 million and the reopening of the 2031 green bond for €694 million. The dollar denominated transactions considered issuances of a new 2032 green bond for US\$750 million as well as the reopening of the 2050 green bond for US\$900 million.

The issuances were characterized by a strong demand and historically low yield. In the case of the euro-denominated 2040 and the reopening of 2031 bonds, they reached 1.299% and 0.695%, respectively. In the case of the US dollar-denominated 2032 and the reopening of the bonds due in 2050, they reached 2.571% and 3.275%, respectively. It is important to note that the yield obtained for the 2050 US dollar bond is the lowest ever reached in Chile's history at similar maturity.

¹ Available at the following [link](#)

² This amount is calculated based on the authorizations included in the Decree of Issuances and the debt margin used under them.

Regarding the demand, the euro-denominated bonds achieved a demand of 2.0 times the offered amount as well as the US dollar-denominated bonds a demand of 2.2 times the offered amount.

In the case of the euro transactions, the green investors participation was approximately 30% of the demand, and in the case of the US dollar it was around 13%.

Table 1 | Historical Financial characteristics of all Green Bond Issuances up to December 31, 2020.

2019 Bonds

Item	USD-2050	EUR-2031
Amount	USD1,418 million	€861 million
Pricing Date (T)	June 17, 2019	June 25, 2019
Settlement Date	June 25, 2019 (T+6)	July 2, 2019 (T+6)
Maturity	January 25, 2050	July 2, 2031
Coupon / Yield	3.500% / 3.530%	0.830% / 0.830%
Price	99.439%	100.00%
Spread ³	T + 95 pb	MS + 50 pb

2020 Bonds

Item	USD-2032	USD-2050	EUR-2031	EUR-2040
Amount	USD 750 million	USD 900 million	€694 million	€1,269 million
Pricing Date (T)	January 22, 2020	January 22, 2020	January 23, 2020	January 23, 2020
Settlement Date	January 27, 2020 (T+3)	January 27, 2020 (T+3)	January 29, 2020 (T+6)	January 29, 2020 (T+6)
Maturity	January 27, 2032	January 25, 2050	July 2, 2031	January 29, 2040
Coupon / Yield	2.550% / 2.571%	3.500%/3.275%	0.830% / 0.695%	1.250% / 1.299%
Price	99.784%	104.277%	101.477%	99.142%
Spread ³	T + 80 bp	T + 105 bp	MS + 50 bp	MS + 80 bp

³ The spread is calculated against the reference yield. In the case of USD issuances (T), the reference is the US Treasury Bond with the closest maturity to the issued bond; in the case of the bond in Euros (MS), the reference is the Mid-Swap yield.

In December, 2020 Chile issued its inaugural Social bonds in the local market, through the issuance of two peso-denominated bonds. **However, considering the transaction was executed in December, and there is still no information available to report the impact results of the projects associated with such issuances, this report provides information only for the green bond issuances executed in 2019 and 2020, which totalizes USD 6,296 million.**

c. Awards and Recognitions

The Ministry of Finance, in particular its Public Debt Office, has received various awards and recognitions for specific transactions, its strategy in public debt management and innovation in the development of financial instruments, in particular for the issuance of Green Bonds. The following is a list of awards and recognitions related to these type of instruments:

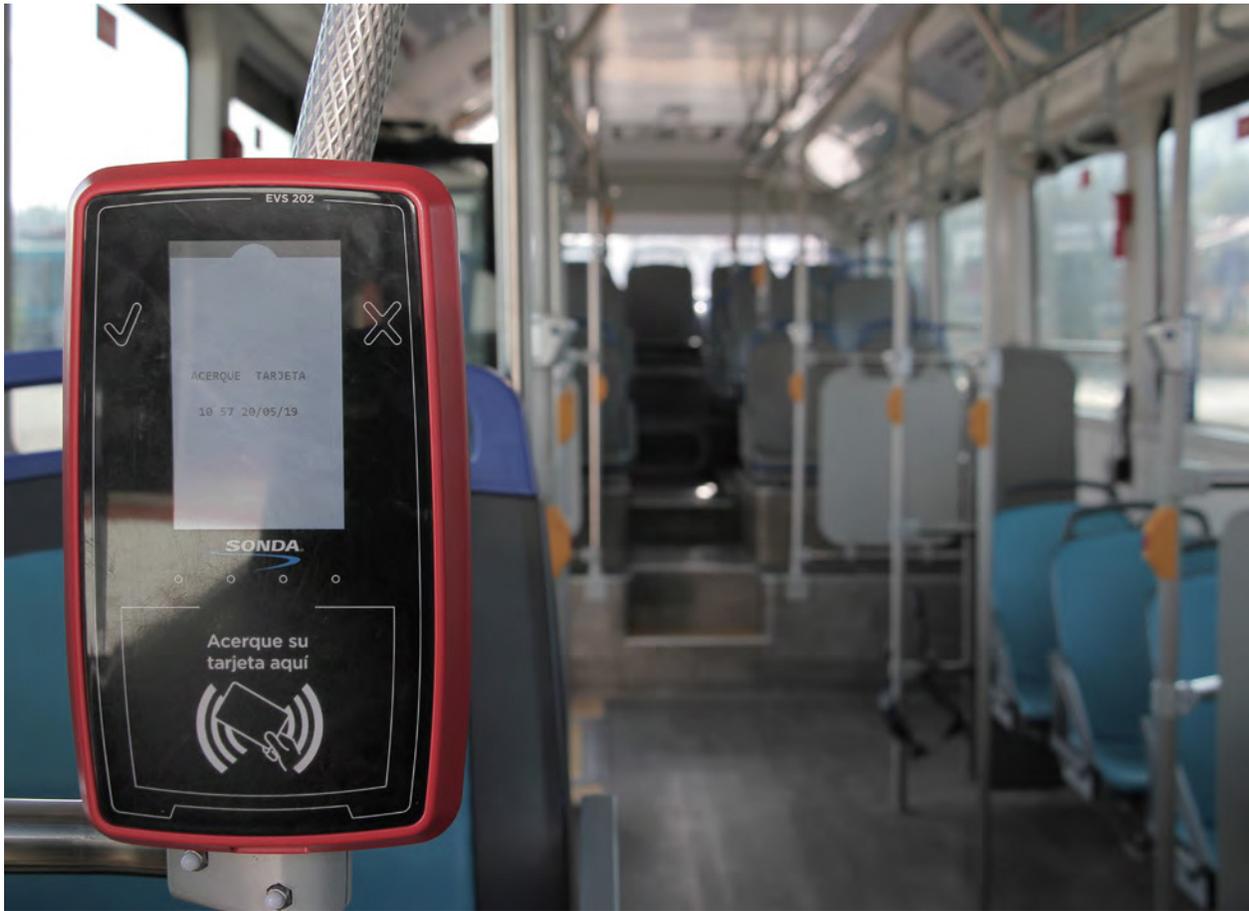
- *Most Impressive Latin American Green/SRI Debt Issuer, GlobalCapital Bond Awards 2021.*
- *Largest Emerging Market Certified Climate Bond in 2020, Climate Bonds Initiative Awards 2021.*
- *Green Finance 2019, The Banker.*
- *Green Bond of the Year Sovereign, Environmental Finance Bond Award 2019.*
- *Financing, Netexplo Smart Cities Accelerator UNESCO 2019.*
- *Sovereign Issuer of the Year, LatinFinance Awards 2019.*
- *Best Public Debt Office/Sovereign Debt Management Office in Latin America, GlobalMarkets Awards 2019.*
- *Green Bond of the Year for Latin America, GlobalCapital Sustainable and Responsible Capital Market Awards 2019.*
- *Recognition for innovation in sustainable finance 2019, Spanish Observatory of Sustainable Financing.*



03

Project Selection and Governance





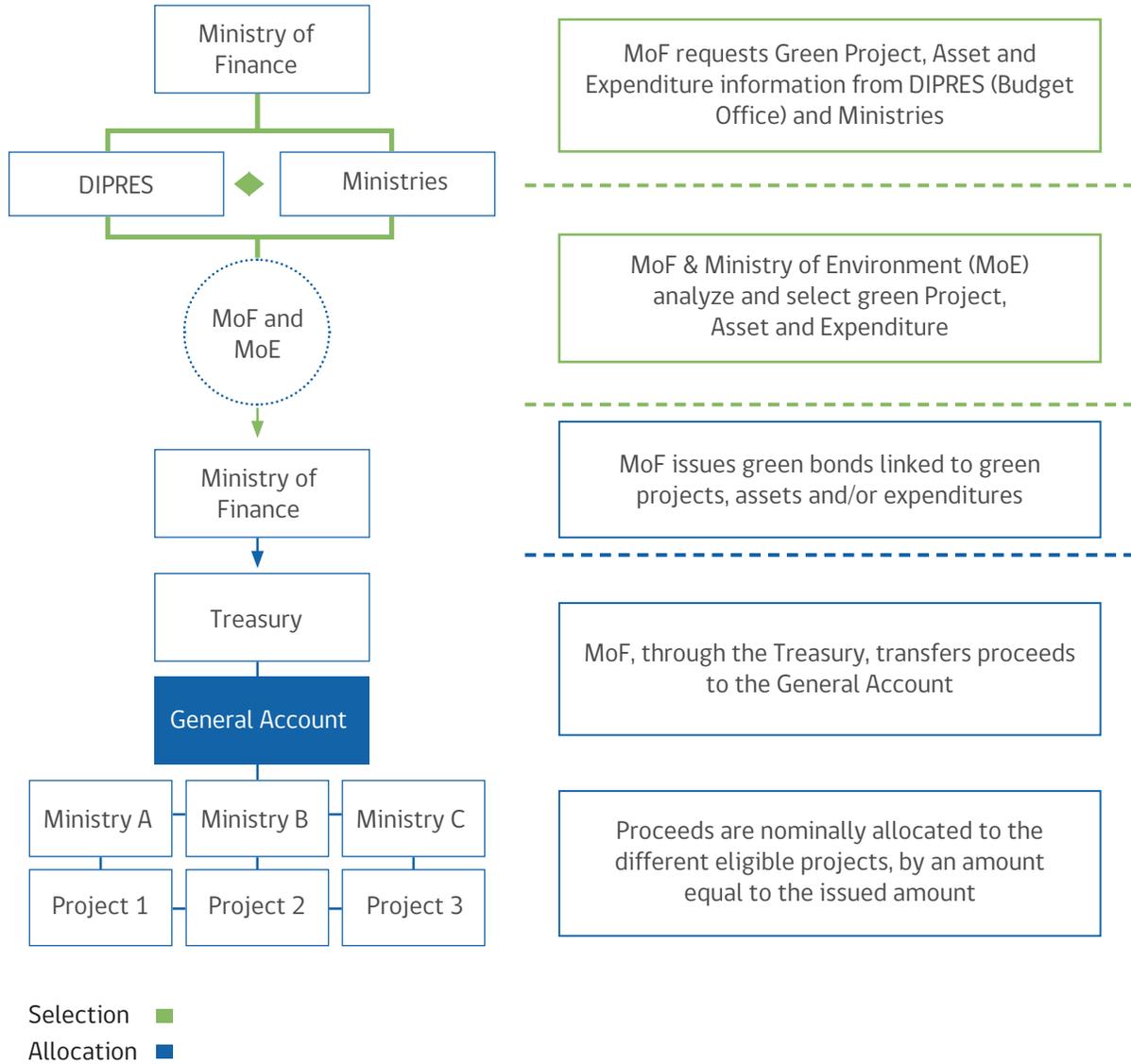
As part of the process to determine the eligibility of projects, assets and expenditures (Figure 1), the MoF heads an inter-ministerial committee called the “Sustainable Bonds Committee”, with the goal of supervising complete implementation of the Framework, including the allocation of funds received for eligible projects and delivery of these reports.

The Sustainable Bonds Committee is composed of representatives of the main ministries responsible for the execution of the public budget, including, among others, the MoE, the Ministry of Public Works, the Ministry of Energy, the Ministry of Transport and the Ministry of Agriculture, among others.

The MoF, with the support of the MoE, was responsible for:

- Review and validate the selection of eligible green projects, assets, and expenditures, as defined in Section 3.1 (Use of Proceeds) of the Framework;
- Supervise the allocation of resources to eligible green projects, assets and expenses;
- Manage any future updates to the Framework;
- Coordinate the preparation of reports, as described in the Framework.

Figure 1 | Evaluation and green eligible expenditures selection process.



Source: The Republic of Chile's Sustainable Bond Framework. The process described above is only for green bonds

When deciding to include a project into the portfolio of green/social assets, different criteria are taken into consideration. Among the main selection criteria considered in 2020, the most important was the feasibility to report the disbursement of funds and their traceability over time, the environmental impact of the projects and their quantification in relevant and clearly defined indicators, clarity in the description of the project, in addition to the existence and fulfilment of CBI and ICMA criteria, according to the corresponding sector of each project.

The work for the portfolio certified in 2020 was partially based on the work made with the different ministries in 2019. The new projects corresponded to projects of the Ministry of Transport, related to the Clean Transportation Sector, namely:

- Expenditures for the reconstruction of different Metro lines.
- Construction of Metro line 8.
- Metrotren Alameda-Melipilla.

- Metrotren Alameda-Chillán.
- Metrotren Coronel-Lota.
- Extension of Metro Line 4.

Vigeo Eiris provided a verification report on this portfolio, in order to obtain the certification of CBI. Finally, the CBI certification was obtained for a total amount of USD 4,359 million. Considering the portfolio certified in 2020, the total certified portfolio in 2019 and 2020 reaches USD 8,713 million (the description of each Project is in the corresponding section of the Allocation and Impact Reports).

It should be noted that, as it was effected in 2019, the total portfolio certified in 2019 and 2020 is greater than the total issuances executed in both years, in order to avoid the inclusion of new projects in case of delays or if a project is not effected. Thus, total issuances up to December 2020 totalized USD 6,296 million, while the certified portfolio amounted USD 7,557 million.⁴

⁴ The USD-EURO Exchange rate used for the calculation is 0.8932 (dollars per euros), corresponding to the average for 2019, published by the Central Bank of Chile.



04

2020 Certified Project Portfolio

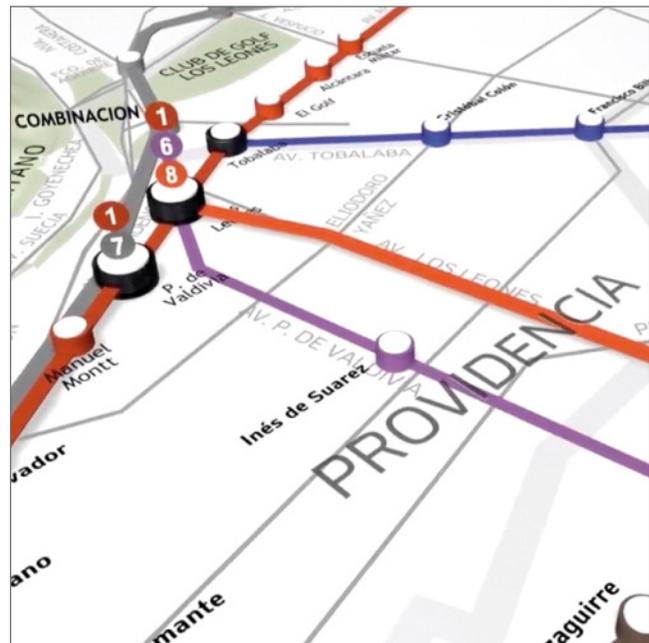
The following is a brief description of the 2020 portfolio of projects certified by CBI. The sources and environmental impact are reported in the following sections:

Clean Transportation

1. Line 8, Metro of Santiago

Description

This project includes the construction and design of Line nr. 8 of Metro of Santiago. This line has a 19 km route, which includes 14 underground stations, 3 of which are transfer stations with lines 1, 3, 4 and 6. The route extends through 5 communes of Santiago.



2. Extension of Metro Line 4, Metro of Santiago

Description

Extension of Line nr. 4 of the Metro of Santiago, in 4.2 Km., building 3 new stations towards the Puente Alto district. This will benefit about 568 thousand citizens.



3. Metro's Reconstruction, Metro of Santiago

Description

This project seeks to finance the arrangements required for different Metro stations after a series of attacks suffered that caused the temporary closure of lines and stations. This financing allowed the improvement and commissioning of the 118 vandalized stations.



4. Metro-train Alameda-Melipilla, State railroad company (EFE)

Description

The project includes the construction of a railway service from the centre of Santiago to Melipilla (peripheral zone west of the city). The objective of the project is to meet the demand for mobilization from the west to Santiago, efficiently through mass transport, replacing private or collective road trips. Project is not yet operational and is in the project engineering stage.



5. Metro-train Alameda-Chillán, EFE

Description

Enabling an express passenger service between Chillán and Santiago. The objective is to supply the demand for mobilization from the south of the Metropolitan Region to Chillán, efficiently through mass transportation, better satisfying the demand and / or replacing private or collective road trips.

Currently, it is operating a service and the project considers its renovation and modernization.



6. Metro-train Coronel-Lota

Description

Enabling passenger service between Coronel - Lota, in the Bío-Bío region. The objective is to supply the demand for mobilization between Coronel and Lota, efficiently through mass transport, better covering the demand and / or replacing private or collective road trips. The project considers the expansion of the current Biotren railway network.





05

Allocation Report



This allocation report considers the disbursements of the total project portfolio certified by CBI in 2019 and 2020, performed since January 1, 2018, until December 31, 2020.

Allocation Report Summary and Analysis

The sources of this report were provided by each respective ministry. Given that the information is produced for budget purposes, and that the Budget Law is annual, the information is provided by year. Therefore, for this report, the 2018 expenses of projects certified in 2019 are accounted as refinancing as well as the 2019 expenses of 2020 projects. The remaining expenses are considered as new financing.

In aggregated terms, from the USD 6,296 million raised in green bonds, USD 325 million were disbursed during 2018, USD 266 million in 2019 and USD 343 million in 2020, totalling USD 935 million in green expenditures.

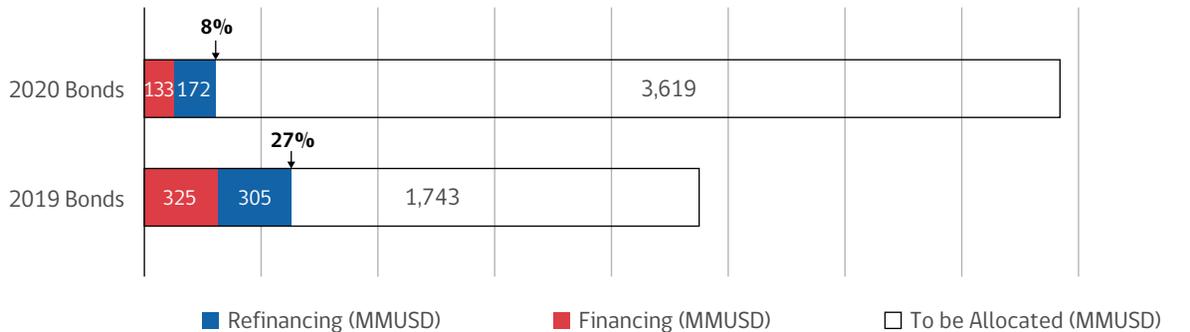
Considering that this report does not link specific projects with specific bonds, the following rule has been established in order to report the disbursement progress of each year issuance. To report the disbursement progress, the Bonds will

be considered as a set, characterized by the year of issuance. For example, all the bonds issued in 2019 will constitute the “2019 Bonds”, and the same with the bonds issued in 2020 (the “2020 Bonds”). For these purposes, the expenses effected in 2019 will be assigned in equal parts to both sets, and in the case “2020 set”, these costs will be considered as refinancing. In a similar way, 50% of 2020 expenditures will be assigned to 2019 Bonds and 50% to 2020 Bonds, in both cases as financing.⁵

According to the previous methodology, the 2019 Green Bonds reached a progress of allocation of 26.6%, of which 13.7% correspond to refinancing and 12.8% to financing. It is important to note that the execution progress varies on each project. For instance, the renewable energy projects or water management, present an execution plan of one year. On the other hand, the construction of metro lines could take more than 5 years (see table 4).

2020 Green Bonds reached a progress of 7.8%, being 3.4% for refinancing and 4.4% for financing. Figure 2 presents the total amounts already spent and those pending to be executed.

Figure 2 | Use of Proceeds by Year of Portfolio (USD Million): Allocated & Pending.

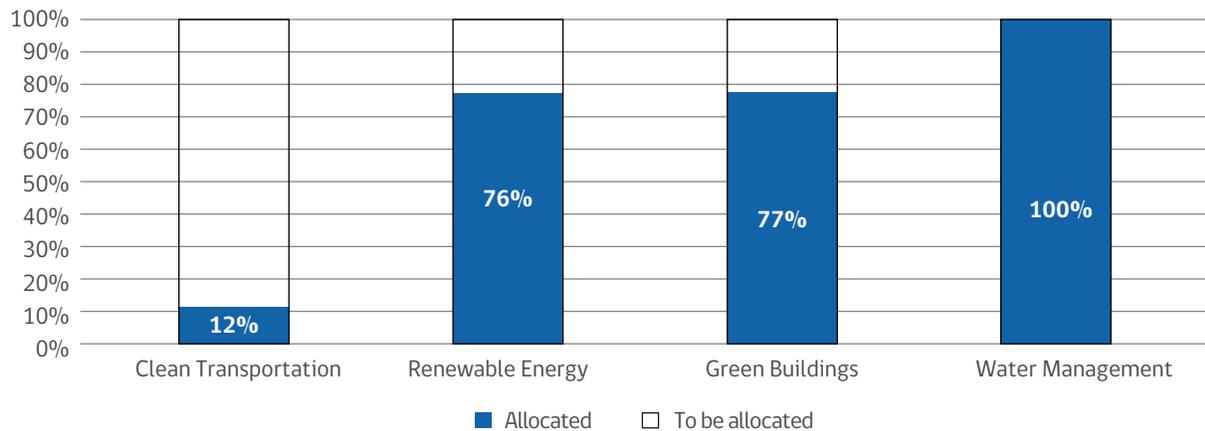


⁵ There are some exceptions: the rule is applicable to a certain set only until a Bond set is full allocated. In the event that the portion assigned to the bonds exceeds the amount to be financed, only the amount necessary to fulfil the bond’s commitment will be assigned. In addition, the refinancing is made only to one year before of the year of issuance of each set. For example, the 2020 Bonds cannot be refinanced with expenses made in 2018.

From an aggregated portfolio perspective, there is still a space of USD5,362 million to be allocated. Figure 3 describes amounts pending to be allocated for each green sector. It should be noted that projects in the Water Management sector have been completely disbursed and the Green buildings and Renewable Energies sectors have already been executed in 77% and 76%, respectively, being the sectors with higher progress. In the other 2 sectors included, there is still an amount to be allocated, due to the long-term

nature of the projects. It should be noted that due to the events that occurred in October 2019 and the subsequent pandemic, multiple projects have delayed their execution, particularly those in the Clean Transportation sector. Likewise, it is worth highlighting the increase in the percentage of co-financing of clean transport projects, which is explained by the higher percentage of subsidy applied to the system, amounts that are ultimately attributed as financing to clean transport projects.

Figure 3 | Refinancing, Financing and space available by Green Sector.



As noted above, according to Chile's Sustainable Bond Framework and to prevent eventual delays or reassignments in green projects, the certified project portfolio reached USD 8,713 million, higher than the issued amount. In effect, the amount of the portfolio has suffered slight changes to those originally projected. Currently, the value of the portfolio is USD 7,557 million, which implies a fall of around USD 1 billion, which is explained by around 80% due to a change in the valuation of the project portfolio in the Clean Transportation sector and 20% due to a change in the accounting criteria for Green Building projects. However, the commitment established in the Framework is for up to the total allocation of resources from Green Bonds, which reaches USD 6,296 million.

According to the financial projection of the projects included, it is expected that within the next 5 years the total amount pending to allocate will be completed. Pursuant to the provisions of the Framework, pending the full allocation of the proceeds of the issued Green Bond to Eligible Green Expenditures, the MoF will manage the proceeds according to article 12 of Law No. 20,128 ("Fiscal Responsibility Law"), which establishes that the investment of resources will be disposed by the MoF, according to the regulation contained in article 3 of Decree Law N. 1.056.

Table 2 presents the summary of allocations by year in each project included in the Green Bond Portfolio 2019. Subsequently, the detail of each project is developed in the corresponding note.

Table 2 | Allocation Report Summary.

Green Sector	Note	Project	(1) 2018 Expenditure (in 2018 US\$ MM)	(2) 2019 Expenditure (in 2019 US\$ MM)	(3) 2020 Expenditure (in 2020 US\$ MM)	(1)+(2)+(3) Accumulated Expense 2018-2020 (sum 2018, 2019 & 2020 US\$ MM)	To be Allocated (in 2020 US\$ MM) ⁶	Execution term
Clean Transportation	1	Line 3 of Metro	236.7	123.8	0.9	361.4	8.5	2022
		Extension of Metro Line 3	70.2	40.2	41.0	151.4	197.9	2025
		Extension of Metro Line 2	7.7	50.7	74.7	133.1	237.4	2024
		Line 7 of Metro	3.8	20.7	93.8	118.3	2,216.2	2027
	2	Electromobility in RED	0.2	5.2	20.1	25.5	371.3	2031
	3	Renewal of Train Parts	0.0	5.0	0.7	5.7	27.0	2021
		Line 8 of Metro	0.0	0.0	0.0	0.0	1,680.2	2029
		Metrotrain Alameda-Melipilla	0.0	2.8	10.1	13.0	1,327.7	2026
		Metrotrain Alameda-Chillán	0.0	0.0	0.0	0.0	62.6	2023
		Metrotrain Coronel-Lota	0.0	0.0	0.0	0.0	46.5	2025
		Metro Reconstruction	0.0	0.0	78.9	78.9	158.3	2023
	Extension of Metro Line 4	0.0	0.0	0.0	0.0	355.7	2029	
Renewable Energy		Solar Thermal Energy Panel on Houses	0.1	0.1	0.0	0.2	0.7	ND ⁷
		Construction of Photovoltaic System	0.8	0.0	0.0	0.8	0.0	2018
	4	Technical Assistance for Photovoltaic Systems	0.5	0.5	0.1	1.1	0.4	2020
Green Buildings	5	Sustainable Public Buildings	0.3	10.5	14.9	25.7	8.9	ND ⁷
Water Management	6	Analysis and Conservation of Water Resources	4.9	6.5	7.8	19.2	1.7	ND ⁷
Total			325.4	266.0	343.1	934.6	6,700.9	

6 In the notes to the projects corresponding to the allocation report, we have included the details of these changes.

7 For this project there is not a specific estimation due to annual renovations, which depend on each sub-project.

Notes to the Projects

1. Line 3 of Metro

Explanatory Note about the disbursement amount and the total cost of the project

Due to the methodology used to convert expenses based on the average exchange rate of a year, the value of expenses per project could be higher than the value of the project (accounted with the exchange rate as of the end of 2020). This is due to

the strong variation experienced by the exchange rate and the advanced progress of the projects.

At the end of 2020, the Metro Line 3 project presents an excess of expenses of USD \$ 50.9 million, considering the project budget of USD \$ 310.5 million.

2. Electromobility in RED

The progress, re-financing and co-financing per stage it is shown in Table 3.

Table 3 | Summary of Electromobility projects, Ministry of Transport and Telecommunications.

Project	2018 Expenditure (US\$ MM)	2019 Expenditure (US\$ MM)	2020 Expenditure (US\$ MM)	Accumulated Expense 2018-2020 (US\$ MM)	Total Project (US\$ MM)	Co-financing ⁸ (% of total)
Electromobility I	0.2	3.2	4.5	7.9	61.9	2018: 48% 2019: 51% 2020: 72%
Electromobility II	0.0	1.6	3.5	5.1	57.8	
Electromobility III	0.0	0.4	7.4	7.8	104.5	
Electromobility IV	0.0	0.0	4.7	4.7	185.5	
Total	0.2	5.2	20.1	25.5	409.7	

⁸ The co-financing factor varies each year, and it is calculated according to the data reported by the Metropolitan Public Transport Directorate (DTPM) in its Financial Report. For year 2018, the subsidised proportion was of 48% while in year 2019 it was of 51% and 72% in 2020.

3. Renewal of Train Parts

Adjustment in the reported in 2019 and 2020

To the USD 5,000,000 reported in 2019 in this project, USD 721,260 was added as an additional expense during 2019, however, this amount is added to that reported and audited in 2020.

4. Technical Assistance for Photovoltaic Systems

Adjustment in the reported in 2019 and 2020

To the USD 538,389 reported in 2019 in this project, USD 64,583 was added as an additional expense during 2019, however, this amount is added to that reported and audited in 2020.

5. Sustainable Public Buildings

Change in the total cost of the Project Portfolio

The drop in the cost of Green Building projects is due to two reasons: first, in this report we are only considering the value of Design, Payment Against Reception (PCR, by its Spanish acronym) and Construction that the contractors have requested from the Division of Architecture (of the Ministry of Public Works-MPW). The original value of the certified portfolio additionally included an estimate of the construction value of the mandated design projects. Second, during the bidding process they produced invalidations, reversals, cancellations or void auctions of the original projects. Below in Table 4 is the original list of buildings included and the current state in which they are.⁹

Table 4 | Green Building Projects' status.

Project	Status
Projects Auctioned during 2018	
Construction of Liceo Politécnico C-20 school, Taltal	Valid
Police Headquarters, Vallenar	Valid
MOP Building Extension, Atacama	Lack of Information
Teletón facilities, Coquimbo	Valid
Replenishment of the 5th Police Station of Vicuña	Invalid or void tender
Carabineros Training School, Ovalle	Valid
Police department, Limache	Valid
Vocational institute, Chillán	Valid
Fresia Muller school, Lebu	Valid

⁹ Is important to note that the bulk of the expenditures is made by the institutions that ask to the Architecture Department (of the Ministry of Public Works) and advisory for Design, PCR or Constructions.

Replenishment of the Police Complex, Concepción	Invalid or void tender
Replacement with Relocation and Equipment Police Station, Lota	Deserted Tender
Construction of the Regional Library of La Araucanía, Temuco	Valid
Licancura primary school, Curarrehue	Valid
Health facilities, Lautaro	Valid
Construction of the Municipal Library of Nueva Imperial	Valid
Construction of the Local Prosecutor's Office of Castro	Valid
Construction of the Police Complex, Punta Arenas	Valid
Replacement of the 4th Croatian Fire Company Barracks, Punta Arenas	Valid
Police Station Construction Design Consulting, South Providencia	Void tender
Replacement of the Fire Station for the 2nd Valdivia Company	Valid
Restoration and Enabling Regional Library, former Railways Arica La Paz	Valid
Construction of the Regional Prosecutor and Local Prosecutor's Office of Arica - Parinacota	Valid
Replacement and Expansion of the Pampa Algodonal School, Arica.	Valid
Projects Auctioned during 2019	
Construction of the Regional Comptroller's Office, Tarapacá Region	Void tender
Alberto Gallardo Lorca school, Punitaqui	Valid
Replacement Fire Station 2nd Company, Marchigue	Void tender
Replacement with Relocation and Equipment Lota Police Station, 2nd call	Void tender
Miguel Huentelen school, Collipulli	Valid
Replacement Salvador Allende of Pailahueque school, Ercilla	Valid
Primary Health facilities in Huiscaji, Loncoche	Valid
Collín Alto school, Vilcún	Valid
Construction of the Local Prosecutor's Office of Pucón	Valid
República Argentina school, Coyhaique	Valid
Provincial office of Public Works division, Chacabuco	Valid

Adjustment in the reported in 2019 and 2020

From the USD 10,534,877 reported in 2019 in this project, USD 0.2 was subtracted as a lower expense during 2019, however, this amount is subtracted from what was reported and audited in 2020.

4. Water Management Analysis and Conservation

Change in the total cost of the Project Portfolio

The following Table 5 includes the original list of included projects and the current state in which they are found. The reasons for the increase in the value of the portfolio are recasts or due to budgetary extensions or suspensions of the original projects.

Table 5 | Water Management Projects' status.

Project	Status
Analysis for the development of a national plan for water resources	Valid
Analysis for the implementation of the national plan of water research	Renamed as "Analysis for the implementation of the national basin plan "
Analysis for the implementation of basin plans for water resources management	Renamed as "Analysis for the implementation of the national basin plan "
Analysis for the implementation of the national basin plan	Valid
Conservation measurement network of glaciological parameters	Valid
Diagnosis of the integrated water management model in Copiapó basin	Not included in 2020's Budget
Conservation and maintenance of the national hydrometric network	Valid
Conservation/construction of fluviometric stations and repairs	Renamed as " Fluviometric stations conservation and major national repairs"
Fluviometric stations conservation and major national repairs	Valid
Hydrometric replacement in the Huasco river basin	Finished in 2019

Conservation of inventory of water rights affected to payment taxes for non-use	Valid
Conservation of public inventory of effective use of underground and surface water	Valid
Conservation of the national water resources protection network	Valid
Conservation of the hydrometeorological network	Valid
Conservation of the water network and hydrogeology	Valid
Construction of an alert network for extreme hydrometeorological events	Not included in 2020's Budget
Updating the national water balance	Not included in 2020's Budget
Conservation of the groundwater network	Valid
Conservation of the data collection network through third parties	Valid
Lake network conservation	Valid
Conservation of the data transmission network in real time	Valid
Conservation of the sedimentometric network	Valid

Adjustment in the reported in 2019 and 2020

It should be noted that from the USD 6,459,691 reported in 2019 in this project, USD 264,870 was subtracted as a lower expense during 2019, however, this amount is subtracted from what was reported and audited in 2020.



06

Eligibility Report



In compliance with Chile's Sustainable Bond Framework and CBI 3.0 standard, the eligibility report that gives an account of the eligibility of the projects included in the report, if it has undergone modifications and establishes the link explicitly with the CBI standard.

Compliance with Use of Proceeds and Taxonomy by sector

Clean Transportation

The MoF confirms that all the projects included in this category include the investments in public infrastructure or assets associated with electric public transport and/or subsidies or incentives to promote public transportation. There is no relevant new information regarding these projects to evaluate its exclusion from the project portfolio.

Renewable Energy

The MoF confirms that all the projects included in this category include the investments in projects for non-fossil fuel renewable energy sources; in solar/wind power projects that include energy generation and storage; and/or training programs to increase technical knowledge in vocational education centres for renewable energy installa-

tions. There is no relevant new information regarding these projects to evaluate its exclusion from the project portfolio.

Efficient and climate resilient water management

The MoF confirms that all the projects included in this category aim to preserve the water resources as well as monitoring stations for a correct, clean and efficient operation of the water management. There is no relevant new information regarding these projects to evaluate its exclusion from the project portfolio.

Green Buildings

The MoF confirms that all the projects included in this category include the design and construction of public buildings certified under the National System for Certification of Environmental Quality and Energy Efficiency for buildings of public use as well as the modernization of these buildings under the compliance with "Sustainable Building Certification". There is no relevant new information regarding these projects to evaluate its exclusion from the project portfolio.



07

Environmental Impact Report



This report gives an account of the progress in financial and environmental terms, in the implementation of the second year of the projects financed through the issuance of Sovereign Green Bonds (BVS) of the State of Chile. The information contained herein is presented in accordance with the requirements established in the “Green Bond Framework”, published on May 20, 2019 and later adapted through the “Sustainable Bond Framework of Chile” [➔](https://www.hacienda.cl/english/work-areas/international-finance/public-debt-office/sustainable-bonds) (<https://www.hacienda.cl/english/work-areas/international-finance/public-debt-office/sustainable-bonds>).

For each of the projects disclosed in section IV the respective ministries reported qualitative as well as quantitative data on the environmental impact in 2020, according to the operation of these projects and the availability of the information. It is important to note that this report shows the information of the projects that are currently under operation, achieved reduction on GHG issuances, local pollutants as well as results on its institutional commitments. In the case of Green Buildings projects with Sustainable Building Certification from the Architecture Division of the Ministry of Public Works, we add their estimations on GHG reduction from their pipeline of buildings.

From a methodological perspective, each Pro-

ject reports according to an ad-hoc systematization, which is presented at the following sections. In general terms, it was reported in accordance with the information available, which allowed the completion of the indicators prepared by each sector. The main aspects reported, according to each sector and subject to the availability of information, are mainly related to the activity carried out, emissions reductions (pollutants and / or greenhouse gases), energy consumption reduction, and compliance of institutional objectives and goals, related to the activity carried out.

Ministry of Energy's Project Portfolio

The following table was prepared based on the information provided by the Ministry of Energy,¹⁰ The assumptions used to carry out the calculations were the following:

1. Reduced emissions parameters: IPCC 2006 sources for LPG and NG and Open Energy for electricity emission factors;
2. Contributions of Technical Solar Systems (SST): FChart Algorithm;
3. Average performance of standard Sanitary Hot Water (ACS) equipment = 80%.

¹⁰ Progress report in the implementation of projects presented by the Ministry of Energy, dated April 8, 2021.

Table 6 | Projects of the Ministry of Energy.

Name of the project and environmental measures contemplated	Indicator	Calculation methodology	Result
<p>Reconstruction program for homes affected by natural disasters that occurred in 2014 and 2015.</p> <p>These homes incorporate Solar Thermal Systems (SST) for heating sanitary water in the selected homes.</p>	Annual emissions of Greenhouse Gases (GHG) avoided (tCO _{2e}).	The estimate of mitigated emissions (CO ₂) in year t is calculated as the level of energy saved in year t by the average emission factor of year t. The level of savings in a year t, corresponds to the number of implemented SST projects multiplied by the annual energy production that an SST would have in a given region.	<p>1,957 tCO_{2eq} avoided</p> <p>Corresponding to a universe of 2,141 homes delivered to beneficiaries by SERVIU, where each home has an SST.</p>
Construction of a home photovoltaic (PV) system in Isla Huapi, Futrono, Los Ríos region.	Annual emissions of Greenhouse Gases (GHG) avoided (tCO _{2e}).	Annual generation of renewable energy (MWh) multiplied by the Emission Factor of the National Electric System.	<p>Year 2020 = 58.35 tCO_{2eq}</p> <p>Year 2019 = 61.74 tCO_{2eq}</p> <p>Year 2018 = 58.45 tCO_{2eq}</p>
Technical assistance program for the development and implementation of photovoltaic projects in public institutions.	Annual generation of renewable energy (MWh).	Minimum monthly design generation, multiplied by 12 months and by the number of operating systems, divided by a thousand.	<p>Year 2020 = 496.8 MWh</p> <p>Year 2019 = 152,208 MWh</p> <p>Year 2018 = 139,608 MWh</p>

Ministry of Public Works' Project Portfolio

Based on the information provided by the Ministry of Public Works,¹¹ this table was prepared. To perform the energy saving calculations, the "Evaluation and Qualification Manual, Version 1

(2014)" of the National System of Environmental Quality and Energy Efficiency Certification for Public Use Buildings was used. The estimates for the reduction of energy consumption were carried out by the Construction Institute, in accordance with the process defined for Sustainable Building Certification (CES).

Table 7 | Ministry of Public Works Projects.

Name of the project and environmental measures contemplated	Indicator	Calculation methodology	Result
Sustainable Public Building (EPS). Corresponds to projects and architectural works that consider Sustainable Building Certification (CES).	Percentage of energy savings in EPS projects.	Percentage reduction in real energy consumption in relation to reference levels.	Year 2020: 26 tCO _{2eq} / year
	Status of current projects in the 2020 portfolio.	Accounting and classification of projects based on their progress status, including the estimated reduction potential for those projects.	<ul style="list-style-type: none"> ▪ Certificate: 1 ▪ Precertified: 41 ▪ Enrolled: 15 ▪ Not Registered: 19 ▪ Estimated reduction of projects in portfolio (does not include certified projects): 169.2 tCO_{2eq} / year

¹¹ Progress report in the implementation of projects presented by the Ministry of Public Works, dated April 8, 2021.

Water Resources Management through the General Water Directorate (DGA).	Environmental pronouncements and audits.	Percentage of environmental audits carried out, with respect to the total environmental audits requested by the Superintendency of the Environment.	Year 2020: 95.4%
	Investigations and evaluations of the Water Resource.	Percentage of studies completed in year t with respect to studies scheduled to finish in year t for the management of aquifers or new water sources.	Year 2020: 100%
	Hydrometeorological stations in operation.	Percentage of stations in the Hydrometeorological network, which remain operational during year t, with respect to the total number of Stations that make up the Hydrometeorological network.	Year 2020: 97.5%

Ministry of Transportation and Communications' Project Portfolio

The information presented was constructed from the studies required for the environmental impact assessment process for each of the projects presented, in which the public company Metro SA, requested the collaboration of the Ministry

of Transportation Planning (SECTRA) of the MTT. These evaluations correspond to projections calculated from transport simulations (base situation and project). Once the calculations of the emission levels for the base scenario and project have been obtained, the comparison of pollutant emissions, including greenhouse gases (GHG), is made.

Table 8 | Projects of the Ministry of Transport and Telecommunications.

Project	Indicator	Result
Construction of Line 3 of Metro.	Km. of new railroads	22.0
	Users population	660,000
	Annual avoided GHG emissions (tCO ₂ e)	170,300
	Annual pollution avoided (tonPM _{2,5})	7.4
Construction of Line 3's extension of Metro.	Km. of new railroads	3.8
	Users population	200,000
	Annual avoided GHG emissions (tCO ₂ e)	1.46
	Annual pollution avoided (tonPM _{2,5})	0.2
Electromobility I.	Number of replaced buses	100
	Annual avoided GHG emissions (tCO ₂ e)	28,710
	Annual pollution avoided (tonPM _{2,5})	6.3
Electromobility II.	Number of replaced buses	100
	Annual avoided GHG emissions (tCO ₂ e)	28,710
	Annual pollution avoided (tonPM _{2,5})	6.3
Electromobility III.	Number of replaced buses	200
	Annual avoided GHG emissions (tCO ₂ e)	57,420
	Annual pollution avoided (tonPM _{2,5})	12.7
Electromobility IV.	Number of replaced buses	365
	Annual avoided GHG emissions (tCO ₂ e)	57,968
	Annual pollution avoided (tonPM _{2,5})	12.5



08

External Audit Report





Independent Limited Assurance Report

regarding the 2020 Sovereign Green Bonds Allocation Report
issued by Chile's Ministry of Finance

Type of engagement: Limited Assurance

Date: 5 August 2021

Verifier: European Quality Assurance Spain S.L.

To the Ministry of Finance of the Republic of Chile,

Context

The Republic of Chile, (hereinafter, the "Issuer"), has developed a local and international green bond market as a fundamental tool to finance the country's sustainable development needs. This is consistent with its long-term climate strategy, promoting new and profitable methods to accelerate emission-reduction initiatives and align financial flows towards a low carbon, climate-resilient and environmentally sustainable economy.

The Issuer developed a Green Bond Framework whereby, in June 2019, it issued sovereign green bonds for the first time in US dollars and euros to finance and/or refinance, in part or in full, green projects from the eligible sectors determined in the Green Bond Framework. The sovereign green bonds 2019 obtained Climate Bonds Initiative (hereinafter, CBI) certification.

In January 2020, the Issuer launched a new sovereign green bonds issue, in US dollars and euros to finance and/or refinance, in part or in full, eligible green projects, to be precise, from the Clean Transport sector. The sovereign green bonds 2020 also obtained CBI certification.

In November 2020, the Issuer updated its Green Bond Framework, extending the scope of the latter to a Sustainable Bond Framework (hereinafter, the Framework) which includes, besides the green sectors defined previously, social sectors which will allow the financing and/or refinancing of social projects.

The green sectors included in the Framework are:

- Clean transport
- Energy efficiency
- Renewable energy
- Living natural resources, land use and marine protected areas
- Climate-resilient, efficient management of water resources
- Green buildings

¹ Sustainable Bond Framework of Chile: <https://www.hacienda.cl/english/work-areas/international-finance/public-debt-office/sustainable-bonds/chile-s-sustainable-bond-framework>

The social sectors included in the Framework are:

- Support to the elderly or people with special needs in vulnerable sectors
- Support to low-income families
- Support to victims of Human Rights' violations
- Support to the community through job creation
- Access to basic housing
- Access to education
- Food safety
- Access to essential services – health
- Social programmes aimed at preventing or relieving unemployment caused by socio-economic crises, including the potential effect of the financing of SMEs and microfinance

Against this backdrop, in April 2021 the Issuer, through its Ministry of Finance, engaged European Quality Assurance S.L. (hereinafter, EQA), a verifier approved by CBI, as an independent third-party for it to provide an independent limited assurance report, with regard to the disbursements made between 1 January 2020 and 31 December 2020 on eligible green projects, associated with the sovereign green bonds issued in 2019 and 2020; and detailed in the 2020 Sovereign Green Bonds Allocation Report, a document issued by Chile's Ministry of Finance.

Scope and limitations

In compliance with the engagement entrusted to us, we hereby provide a limited assurance report on the disbursements made between 1 January 2020 and 31 December 2020 on eligible green projects, associated with the sovereign green bonds issued in 2019 and 2020 (hereinafter, the Selected Information), information contained in section V of the 2020 Green Bonds Allocation Report issued by Chile's Ministry of Finance.

The scope of a limited assurance engagement is substantially less than that of a reasonable assurance engagement, and therefore the assurance provided by this report is also less.

EQA verified the disbursements made in 2020 on eligible green projects, in line with the criteria set out in the Framework.

The proceeds derive from the issuance of the following sovereign green bonds:

ISIN	US168863DL94
Maturity	25 January 2050
Amount	USD 1.418 million
Pricing Date (T)	17 June 2019

ISIN	XS1843433639
Maturity	2 July 2031
Amount	EUROS 861 million
Pricing Date (T)	25 June 2019

ISIN	US168863DN50
Maturity	27 January 2032
Amount	USD 750 million
Pricing Date (T)	22 January 2020

ISIN	XS1843433639
Maturity	2 July 2031
Amount	EUROS 694 million
Pricing Date (T)	23 January 2020

ISIN	US168863DL94
Maturity	25 January 2050
Amount	USD 900 million
Pricing Date (T)	22 January 2020

ISIN	XS2108987517
Maturity	29 January 2040
Amount	EUROS 1.269 million
Pricing Date (T)	23 January 2020

The following does not form part of the scope of this report:

- Providing any assurance or opinion about the government management of the proceeds obtained from the issuance of the sovereign green bonds for 2019 and 2020.
- Providing any assurance or opinion about the performance of the eligible green projects financed and/or refinanced by proceeds obtained from the issuance of the sovereign green bonds for 2019 and 2020.
- Providing any assurance or opinion about the alignment and/or compliance of the eligible green expenses with the eligibility criteria set out in the Sustainable Bond Framework for Chile from November 2020.
- Providing any assurance or opinion about the pertinence or relevance of the eligible green expenses in accordance with climate targets.
- Providing any assurance or opinion about the management of the proceeds with regard to how they are spent.
- Providing any assurance or opinion about the amounts pending allocation and disbursement to each of the eligible green projects.
- Carrying out onsite visits to the eligible green projects financed and/or refinanced using proceeds from the issuance of sovereign green bonds for 2019 and 2020.
- Providing any assurance or opinion about the environmental impact of the eligible green projects.
- Any other theme included in the 2020 Green Bonds Allocation Report, but not detailed within the present remit.

The eligible green projects determined in Section III of the Framework are:

Green sectors	Eligible Green Expenses/Projects
<p>Clean transport</p> 	<ul style="list-style-type: none"> • Investment in public infrastructure, assets related to intermodal stations and electric public transport: <ul style="list-style-type: none"> - Subway lines: new lines, extensions and refurbishment. - Electric buses, charging stations for electric vehicles. - Other public transport, such as tramways and trains. - Intermodal infrastructure that connects different means of clean transport, monitoring and control systems, and passenger, infrastructure, bicycle track and bicycle parking lot safety systems. • Grants or incentives to promote public transport.
<p>Energy efficiency</p> 	<ul style="list-style-type: none"> • Investments in energy efficiency in public buildings that yield savings over 20%. • Grants earmarked for energy efficiency improvements in households. • Public lighting improvements.
<p>Renewable energy</p> 	<ul style="list-style-type: none"> • Investments in projects involving non fossil renewable energies: <ul style="list-style-type: none"> - Wind energy. - Solar energy. - Small hydropower stations. • Investments in solar/wind energy projects that integrate energy generation and storage. • Training programmes to enhance technical expertise in centres of professional training in renewable energy installation.

<p>Living natural resources, land use and marine protected areas</p> 	<ul style="list-style-type: none"> • Forestry <ul style="list-style-type: none"> - Programmes to preserve and restore native and exotics forests. - Management of national parks and conservation areas. • Protection and surveillance of protected marine areas (including research).
<p>Efficient and climate-resilient management of water resources</p> 	<ul style="list-style-type: none"> • Water distribution: installation or adjustment of water-efficient irrigation systems, construction or improvement of sustainable drinking water infrastructure (including research or studies). • Residual water management: installation or improvement of wastewater infrastructure, including transportation, treatment and disposal systems. • Maintenance of water resources, including the protection of water intake areas and the prevention of contamination that affects water supplies. • Rain flooding defences, including the construction of reservoirs to control water flows.
<p>Green buildings</p> 	<ul style="list-style-type: none"> • Design and construction of public buildings certified under the Chilean System for the Environmental Quality and Energy Efficiency Certification of Public Buildings (CES, by its Spanish acronym). • The costs related to the modernisation of existing public buildings to meet the Sustainable Building Certification or upgrade the current certification level.

Verification procedure

EQA has performed the review of the Selected Information in accordance with the International Standard on Assurance Engagements, other than Audits or Reviews of Historical Financial Information ISAE 3000, to express a conclusion providing limited assurance.

The verification procedures for a limited assurance engagement are aimed at providing a certain level of assurance with respect to whether the Selected Information contains material misstatements. Given the nature of the engagement, the procedures are less thorough than reasonable assurance procedures.

Our limited assurance engagement on the Selected Information consisted of making inquiries, primarily of persons responsible for the preparation of the Selected Information, and applying analytical and other evidence gathering procedures, as appropriate. These verification procedures include:

- Analysing and evaluating the Selected Information contained in section V of the 2020 Green Bond Allocation Report drafted and provided by Chile's Ministry of Finance.
- Analysing the documentation related to green bond issuance 2020.
- Gaining an understanding of the Issuer's expense monitoring and control systems and processes.
- Identifying the areas more prone to error or fraud and implementing limited assurance verifications over these areas.
- Identifying and assessing any associated risks.

- Verification through review tests based on the selection of a sample of the information related to the disbursements made in 2020 to the eligible green projects.
- Carrying out interviews with the staff responsible for drawing up the 2020 Green Bonds Allocation Report.
- Applying questionnaires to key personnel engaged in expense management and control in each of the government control bodies and ministries involved.
- Obtaining of the Letter of Representation from Chile's Ministry of Finance.

Issuer's responsibility

The Issuer, through its Ministry of Finance, is responsible for the preparation of the 2020 Green Bond Allocation Report, in which the Selected Information is included, as established on pages 36 and 37, Section VI of the Framework, using the methods and procedures needed to ensure that the information is free from material misstatements, either due to fraud or error. Accordingly, the accuracy, thoroughness and trustworthiness of the information provided and compiled is the responsibility of Chile's Ministry of Finance.

The Ministry of Finance of Chile is also responsible for the information and statements included in the allocation report, for the setting of objectives regarding the use and destination of the proceeds from green bonds, and for the right establishment and maintenance of the control and management systems from which the reported information is obtained.

This responsibility also includes to: design, implement, adapt and maintain the internal control systems necessary to allow the allocation report to be free of material errors due to fraud or error.

The Ministry of Finance of Chile is responsible for preventing and detecting fraud, and for identifying and ensuring compliance with the laws and regulations applicable to its activities.

The Ministry of Finance of Chile is responsible for ensuring that the people involved in the preparation and presentation of the allocation report are appropriately trained and the information systems are updated, to allow the allocation report to be free of material errors.

EQA's responsibility

Our responsibility is to conduct an independent limited assurance report, and to express a conclusion on whether the Selected Information contains material misstatements based on the work performed and the procedures applied. We perform our engagement in accordance with the International Standard on Assurance Engagements, other than Audits or Reviews of Historical Financial Information ISAE 3000. This standard requires that we plan and perform our procedures to gather proper and sufficient evidence to provide a conclusion with limited assurance.

EQA bases its verification procedure on the documentation and information submitted by Chile's Ministry of Finance related to the disbursements made between 1 January 2020 and 31 December 2020 on eligible green projects, associated with the sovereign green bonds issued in 2019 and 2020. EQA has assumed and trusted in the accuracy and integrity, in all material aspects, of the information provided by Chile's Ministry of Finance.

EQA is not, and will not be, responsible should any of the opinions, findings or conclusions contained herein not be correct due to incorrect or incomplete data provided by Chile's Ministry of Finance.

Our conclusion, with a limited level of assurance, is solely related with the Selected Information, contained in section V of the 2020 Sovereign Green Bonds Allocation Report issued by Chile's Ministry of Finance.

Independence and quality control

As a verifying and certification entity, EQA employs a management system to ensure the impartiality, objectivity and technical expertise in its management and verification activities. EQA is a verification body under international standard ISO 14065. Its evaluation method follows the standards ISO 17020, ISO 17021 and ISO 17065.

EQA has exercised its professional judgment and maintained professional scepticism throughout the verification pursuant to ISAE 3000.

Conclusion

Based on the procedures applied and the evidence collected, no issues have come to our attention that lead us to think that the Selected Information, contained in section V of the 2020 Green Bonds Allocation Report issued by Chile's Ministry of Finance; related with the disbursements made between 1 January 2020 and 31 December 2020 on eligible green projects, associated with the sovereign green bonds issued in 2019 and 2020; contains material errors or has not been prepared, in all its significant aspects, pursuant to the commitments set forth in Section VI of the Sustainable Bond Framework of Chile, dated November 2020.

Use and distribution

Our report is issued only to the Ministry of Finance of the Republic of Chile, in accordance with the terms of our contract. We do not assume any responsibility towards third parties other than the Ministry of Finance of the Republic of Chile.



Ignacio Martínez
General Manager EQA

Detailed findings

Eligibility Criteria	Procedure Performed	Factual findings	Errors or exceptions identified
<p>Report</p>	<ul style="list-style-type: none"> - Review and verification of the Selected Information included in Section V of the 2020 Green Bonds Allocation Report. - Based on the criteria defined, a sampling plan was designed, identifying projects with regard to which evidence was gathered and evaluated about the disbursements made on eligible green projects, with a view to verifying the use of the proceeds². - Interviews and consultations were carried out with the staff responsible for drawing up the 2020 Green Bonds Allocation Report³. - Questionnaires were carried out on key personnel engaged in expense management and control in each of the government control bodies and ministries involved⁴. - The Letter of Manifestations signed by the Head of the Public Debt Office of the Ministry of Finance of Chile was obtained. 	<p>The Selected Information, included in Section V of the 2020 Green Bonds Allocation Report, does not have any material errors.</p>	<p>None</p>

² EQA devised a sampling plan and requested additional evidence about the following projects: Subway Line 7, Electromobility IV in Santiago, Extension of Grupo Ovalle Police Training School, Refurbishment Collín Alto School, Viñún; and National Maintenance of Control Meter Stations and Major Repairs (BIP 40020601-0).

³ The interviews and consultations were carried out at the National Debt office of Chile's Ministry of Finance.

⁴ The following Chilean institutions were subject to questionnaires: General Treasury of the Republic, Budget Office, Ministry of Transport and Telecommunications - Department of Metropolitan Public Transport, Santiago Subway, Ministry of Energy, Ministry of Public Works - Directorate of Architecture and Ministry of Public Works - Directorate-general for Water.

Appendix 1: Summary of amounts allocated per project, as at December 2020

Section V of the 2020 Green Bond Allocation Report shows the disbursements made between 1 January 2020 and 31 December 2020, with proceeds from the sovereign green bonds issued in 2019 and 2020 on the following eligible green projects:

Green Sector	Project	Expense 2020 (in USD MM, 2020)
Clean Transport	Subway Line 3	0.9
	Subway Line 3 Extension	41
	Subway Line 2 Extension	74.7
	Subway Line 7	93.8
	Electromobility in RED Metropolitana de Movilidad	20.1
	Renewal of Rolling Stock	0.7
	Subway Line 8	0
	Alameda-Melipilla Commuter Rail	10.1
	Alameda-Chillán Commuter Rail	0
	Coronel-Lota Commuter Rail	0
	Subway Reconstruction	78.9
	Subway Line 4 Extension	0
Renewable Energy	Installation of Solar Thermal Systems	0
	Installation of PV Panels	0
	Solar Panels in Public Buildings	0.1
Green Buildings	Green Public Buildings	14.9
Efficient, climate-resilient management of water resources	Water Resources Analysis and Conservation	7.8
Total		343.1

Disclaimer

Transparent relationship between EQA and the Issuer: EQA has performed an engagement for Chile's Ministry of Finance to date and there is no relationship forged (financial or other) between EQA and Chile's Ministry of Finance.

This independent limited assurance issued by EQA provides a conclusion, with limited assurance, regarding the Selected Information included in Section V of the 2020 Green Bonds Allocation Report issued by Chile's Ministry of Finance. Accordingly, EQA has assumed and trusted in the accuracy and thoroughness in all material aspects of the information provided or made available by Chile's Ministry of Finance. The accuracy, thoroughness and trustworthiness of the information provided and compiled is the responsibility of Chile's Ministry of Finance and so in the present report EQA does not ensure that the information included herein is complete, accurate or updated, and does not assume any type of liability for errors or omissions.

This independent limited assurance report, should not be interpreted at any time as a financial audit nor accounting report.

Providing this opinion does not mean that EQA certifies the tangibility, excellence or irreversibility of the projects financed and/or or refinanced by proceeds deriving from sovereign green bonds. Furthermore, EQA has not carried out any physical inspection of related projects.

EQA does not offer any assurance regarding the financial performance of the Issuer or bond, the environmental footprint of the bonds or compliance with the commitments assumed by the Issuer, with the latter being wholly liable for certifying and ensuring compliance, implementation and supervision of the commitments assumed within the Sustainable Bond Framework of Chile, dated November 2020.

The present independent limited assurance report will not be interpreted or regarded as an express or implied statement, guarantee or recommendation by EQA regarding the suitability for making investment decisions or any other type of business transaction. Consequently, the present report should not be understood as investment or financial advice or a prospectus and it does not constitute an appraisal of the economic and/or financial performance of the Republic of Chile. Accordingly, EQA shall not be held liable for any consequences brought about when third parties use this opinion for making investment decisions or any other type of business transaction.

EQA is not responsible for any use of the present report unrelated with the provisions of the scope of our engagement.

EQA is not liable for any loss whatsoever suffered as a result of the information or data provided by the Issuer.

In the event of any discrepancy between the English and Spanish versions of this report, the Spanish version prevails.

Restriction on the distribution and use of this report: Our report is issued only to the Ministry of Finance of the Republic of Chile, in accordance with the terms of our contract. We do not assume any responsibility towards third parties other than the Ministry of Finance of the Republic of Chile.



European Quality Assurance Spain S.L. - EQA is an international **environmental, social and corporate governance (ESG) certification and verification body**, whose purpose is to instil trust on the market regarding the integration of sustainability factors in the strategy and operation of organisations.

EQA is the first Spanish verifier approved by **Climate Bond Initiative - CBI**.

EQA operates globally and provides **Verification Services for Sustainable Financial Instruments, Impact Verification and the Verification of Socially Responsible Investments**. It also provides verification services with regard to Climate Change, Corporate Social Responsibility, Compliance and R&D&I, inter alia.

EQA's policies and procedures support **excellence, quality and independence**. It undertakes to provide its customers with high value-added products and services for stakeholders as a result of its technical expertise and scientific research in collaboration with a great network of scientific experts, universities and research centres across the world.

For more information, please visit: <https://eqa.es/>





09

Post Issuance Verifier Report

Entre los motivos que llevan a la denunciar, están las circunstancias de la denuncia como una pérdida con 61.9%.

	2010	2011
Causas atribuibles a la autoridad	61.2	63.2
Otras Causas	36.3	35.9
No	2.6	0.8

Post-Issuance Verification Report

Limited Assurance Procedure based on Climate Bonds Standard version 3.0

By V.E for the Republic of Chile's 2019 and 2020 Green Bond issuances

Scope

The Republic of Chile (hereafter "the Issuer") issued Green Bonds in June 2019 and January 2020 ("the Bonds") intending to (re)finance the amounts certificated by CBI in 2019 and 2020 and not used in previous issuances, as well as an additional amount in projects related to the construction and operation of clean transportation, renewable energies, green buildings projects, and water management (the "Eligible Green Expenditures").

In this context, V.E ("the Verifier") has been commissioned by the Issuer to perform the Post-Issuance Verification of this Bond under a Limited Assurance engagement, as an independent third party approved by the Climate Bonds Standard Board. The verification is based on the assessment of the compliance of the Bonds with the Climate Bonds Standard version 3.0 for post-issuance requirements¹ and with associated sector-specific technical criteria, as defined on the Climate Bonds Initiative (CBI)'s website.

We have conducted our verification between August 24th and September 8th, 2021. The methodology, criteria, findings and assurances addressed by this Assurance Report are in accordance with relevant general principles & professional standards of independent auditing, and in line with the International Standard on Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000).

Responsibilities of the Issuer and of V.E

This statement relies on the information provided by the Issuer to the Verifier through documents and additional explanations presented during the assessment, based on the understanding that this information was provided to V.E in good faith. V.E has not performed an audit nor other test to check the accuracy of the information provided by the Issuer.

The Issuer is fully responsible for attesting the compliance with its commitments as defined in its policies, for their implementation and their monitoring, and for the information provided.

Post-Issuance Verification

Based on the supporting elements and explanations provided by the Issuer, nothing has come to our attention that causes us to believe that, in all material respects, the Republic of Chile's Bonds are not in conformance with the Climate Bonds Standard's Post-Issuance Requirements (version 3.0) and with associated relevant sector-specific technical criteria. This level of assurance applies altogether to the Eligible Green Expenditures, the environmental benefits of the Bonds, the evaluation and selection process of the assets, the proposed financial accounting system, and the monitoring & reporting system associated to the Bonds, to be implemented over the term of the Bonds. The details and areas covered by the verification are summarised in the following pages (see Detailed results section).

Project Team



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¹Of Note, V.E conducted a pre-verification process for the Issuer's 2019 and 2020 Green bond Issuances under CBI standard 2.1, which was in force until December 2019

VERIFICATION CRITERIA & FINDINGS

The evidence, information and explanations supporting the Bonds issuance provided by the Republic of Chile to V.E were both historical (for projects selection process and nominated projects), hypothetical or ex-ante estimated (for the expected environmental benefits, the proposed financial accounting system, and the monitoring & reporting system associated to the bonds, to be implemented over the term of the bond) and ex-post (for some reported indicators).

Summary criteria for assertions of compliance with the post issuance requirements of Climate Bonds Standard version 3.0

V.E has assessed the Republic of Chile's 2019 and 2020 Green Bonds and the nominated projects and assets against criteria and requirements detailed within the Climate Bonds Standard version 3.0:

- Part B: requirements that shall be met to be eligible for post-issuance certification.
- Part C: requirements that shall be met based on the eligible projects & assets associated with the Bond and the specified eligibility criteria.
 - Climate Bonds Initiative Solar Standard Version 3.0
 - Low Carbon Buildings (Upgrades) Projects Version 1.0
 - Low Carbon Transport Criteria Version 2.0
 - Water Infrastructure Criteria Version 3



Part B: Post-Issuance Requirements

Clause 5. Use of Proceeds

5.1 The Net Proceeds of the Bond shall be allocated to the Nominated Projects & Assets.

The proceeds are intended to finance the designated eligible expenditures in the Republic of Chile's portfolio of 2019 and 2020 including clean transport, green buildings, renewable energy, and water management.

5.2 All Nominated Projects & Assets shall meet the documented objectives of the Bond as stated under Clause 6.1.1 and shall be in conformance with the requirements of Part C of the Climate Bonds Standard.

Only clean transport, green buildings, renewable energy, and water management projects are financed with the Green Bonds. The Verifier has confirmed that the Selected Projects still fall under the categories "Solar Sector", "Low Carbon Buildings", "Low Carbon Transport", and "Water Infrastructure", and comply with CBI sector-related technical criteria for these sectors.

5.3 The Issuer shall allocate the Net Proceeds to Nominated Projects & Assets within 24 months of issuance of the Bond, or the Issuer shall disclose in post-issuance reporting as per clause 8.3 the estimated timeline for allocation of net proceeds to Nominated Projects & Assets. Net proceeds may be reallocated to other Nominated Projects & Assets at any time while the Bond remains outstanding.

The Issuer reports that for the Green Bonds Issued in 2019, 26.6% of the Net Proceeds have been invested in the Nominated Projects.

For the Green Bonds issued in 2020, 7.8% of the net proceeds have been invested in the nominated projects

The issuer also reports the percentage of undistributed funds for each category of projects and states they expect to complete these investments in 5 years. This is given that difference in the percentage of execution which varies according to the type of project. For example, renewable energy or water resources management projects have a full execution term of only 1 year, but in the case of construction or extension of metro or train lines, the execution term can last 5 years or more.

5.4. Nominated Projects & Assets shall not be nominated to other Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments (such as social bonds or SDG bonds) unless it is demonstrated by the Issuer that:

5.4.1. distinct portions of the Nominated Projects & Assets are being funded by different Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments or,

5.4.2. the existing Certified Climate Bond, Certified Climate Loan or Certified Climate Debt Instrument is being refinanced via another Certified Climate Bond, Certified Climate Loan or Certified Climate Debt Instrument.

The Issuer confirms that Selected Eligible Green Expenditures have not been nominated to another Climate Bond or that the existing Green Bonds are not being refinanced via another Climate Bond.



5.5. Where a proportion of the Net Proceeds of the Bond are used for refinancing, the Issuer shall track the share of the Net Proceeds used for financing and refinancing and identify which Nominated Projects & Assets may be refinanced. This may also include the expected look-back period for refinanced Nominated Projects & Assets.

For the Green Bonds of 2019, 13,7% of the proceeds were used for refinancing and 12,8% for financing, with a look back period of one year. For the bonds of 2020, 3,4% of the proceeds were used for refinancing and 4,4% for financing, with a look back period of one year.

5.6. The Net Proceeds of the Bond shall be tracked by the Issuer following a formal internal process which is documented in accordance with Clause 3.1.

The procedure set in place to track the Net Proceeds is described in the Pre issuance Verification Report and in the Republic of Chile's Sustainable Bond Framework. The Net Proceeds of the Bonds were monitored by the Ministry of Finance with the support of the Ministry of the Environment, which verified that the allocation of resources to eligible green projects, assets, and expenditures.

5.7. The Net Proceeds of the Bond shall be no greater than the Issuer's total investment exposure or debt obligation to the Nominated Projects & Assets, or the relevant proportion of the total Market Value of the Nominated Projects & Assets which are owned or financed by the Issuer.

As indicated in the Pre issuance Verification Report, the Issuer confirmed that the expected Net Proceeds of the Bonds will not be greater than the Issuer's total investment exposure to the proposed Eligible Green Expenditures, or the Fair Market Value of the proposed Eligible Green Expenditures. According to the Issuer, the certified portfolio in 2019 and 2020 is greater than the total issued in both cases. The total green bond issuances until December 2020 totalled US \$6,296 million, while the current value of the total certified portfolio, including 2019 and 2020, reached US \$7,557 million.

5.8. Additional Nominated Project & Assets may be added to, or used to substitute or replenish, the portfolio of Nominated Project & Assets as long as the additional Nominated Project & Assets are eligible under Part C of the Climate Bonds Standard and are consistent with the Bond's objective as set out in Clause 6.1.1.

No Additional Nominated Project & Asset has been added to, or used to substitute or replenish, the portfolio of Nominated Projects & Assets since the Pre-issuance verification.

5.8.1. Where additional Nominated Projects & Assets are covered by Sector Eligibility Criteria which were not included in the scope of either the Pre-Issuance Verification or the Post-Issuance Verification engagements, the Issuer shall engage a Verifier to provide a Verifier's Report covering at least the conformance of the additional Nominated Projects & Assets with the relevant Sector Eligibility Criteria under Part C of the Climate Bonds Standard.

NA

V.E reviewed the above elements based on the information and documentation provided by the Issuer during the verification, and nothing has come to our attention that causes us to believe that, in all material respects, the Republic of Chile's 2019 and 2020 Green Bonds are not in conformance with the Climate Bonds Standard's Post-Issuance Requirements (version 3.0) stated in section 5 "Use of Proceeds".



6. Process for Evaluation and Selection of Projects & Assets

6.1. The Issuer shall document and maintain a decision-making process which it uses to determine the continuing eligibility of the Nominated Projects & Assets. This includes, without limitation:

6.1.1. A statement on the climate-related objectives of the Bond;

The Bond's documentation (Framework, SPO and Green Bond Report) includes the objectives of the Selected Projects which are:

- Reduction and/or avoidance of greenhouse gas (GHG) emissions
- Improvement of air quality (reduction and/or avoidance)
- Conservation and sustainable use of water resources
- Energy savings

6.1.2. How the climate-related objectives of the Bond are positioned within the context of the Issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability;

A description of Chile's priorities and how they meet the international environmental challenges is included in the Sustainable Bond Framework

6.1.3. The Issuer's rationale for issuing the Bond;

The Republic of Chile has identified its main environmental challenges and priorities to tackle through public policies and expenditures. A description of Chile's priorities and how they meet the international environmental challenges is included in the Sustainable Bond Framework.

6.1.4. A process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part C of the Climate Bonds Standard;

The governance and process for the evaluation and selection of the Selected Expenditures are formalised in the Framework and is considered relevant. The projects meet the eligibility requirements of the Climate Bonds Standard as they comply with the sector-specific technical criteria defined for the different types of projects.

6.1.5. Other information provided by the Issuer as described in Clause 2.2.

NA

V.E reviewed the above elements based on the information and documentation provided by the Issuer during the verification, and nothing has come to our attention that causes us to believe that, in all material respects, the Republic of Chile's 2019 and 2020 Green Bonds are not in conformance with the Climate Bonds Standard's Post-Issuance Requirements (version 3.0) stated in section 6 "Process for Evaluation and Selection of Projects & Assets".

7. Management of Proceeds

7.1 The Net Proceeds of the Bond shall be credited to a sub account, moved to a sub-portfolio or otherwise identified by the Issuer in an appropriate manner, and documented.

The Issuer reports that the Socio-Environmental Risk Department will be responsible for verifying and tracking the Net Proceeds of the Bond, with the support of internal management and the issuer's accounting system. Socio-Environmental



Risk Department will verify that the allocation of the Bond's net funds coincides nominally with the disbursements made to the Eligible Green Expenditures, until full allocation of funds.).

7.2. The Issuer of the Bond shall maintain the earmarking process to manage and account for allocation of Net Proceeds to the Nominated Projects & Assets as described in Clause 3.1.3.

The Ministry of Finance was responsible for supervising and monitoring the full allocation of use of proceeds to the Eligible Expenditures. In addition, the Issuer reports the total allocation of Net Proceeds to the Nominated Projects, including the total used for financing, refinancing and the amounts still to be allocated.

7.3. While the Bond remains outstanding, the balance of the tracked Net Proceeds shall be reduced by amounts allocated to Nominated Projects & Assets. Pending such allocations to Nominated Projects & Assets, the balance of unallocated Net Proceeds shall be:

- 7.3.1. Held in temporary investment instruments that are cash, or cash equivalent instruments, within a Treasury function; or
- 7.3.2. Held in temporary investment instruments that do not include greenhouse gas intensive projects which are inconsistent with the delivery of a low carbon and climate resilient economy; or
- 7.3.3. Applied to temporarily reduce indebtedness of a revolving nature before being redrawn for investments or disbursements to Nominated Projects & Assets.

In accordance with the provisions of the Sustainable Bonds Framework, the Issuer reports the Ministry of Finance and the Directorate of Budgets, as appropriate, will manage the unallocated Net Proceeds in accordance with the Law of State Financial Administration and other applicable regulations. The unallocated funds were kept in the General Resources of the Nation in different high liquidity and low risk instruments.

V.E reviewed the above elements based on the information and documentation provided by the Issuer during the verification, and nothing has come to our attention that causes us to believe that, in all material respects, the Republic of Chile's 2019 and 2020 Green Bonds are not in conformance with the Climate Bonds Standard's Post-Issuance Requirements (version 3.0) stated in section 7 "Management of Proceeds".

8. Reporting

8.1. The Issuer shall prepare an Update Report at least annually while the Bond remains outstanding.

The Issuer shared with V.E its 2020 Allocation, Eligibility, and Environmental Impact Report for its 2019 and 2020 Green Bonds.

8.1.1. The Update Report shall be made available to holders of the Bond and to the Climate Bonds Standard Board.

The Issuer prepared a publicly available report to update investors on the allocation of the net proceeds of the issuance and the impact of the eligible assets or projects by category from an environmental perspective. The report has been shared with V.E. It highlights the Republic of Chile's green bonds allocation and impact in the last 24 and 12 months.

8.1.2. The Update Report shall be made available to the public.

The Republic of Chile's Allocation, Eligibility and Environmental Impact Report is available on its website.

(<https://www.hacienda.cl/areas-de-trabajo/finanzas-internacionales/oficina-de-la-deuda-publica/bonos-sostenibles/reportes/bonos-verdes-reporte-2020-de-asignacion-elegibilidad-e-impacto-ambienta>).



8.1.3. The Issuer should provide an Update Report to holders of the Bond on a timely basis in case of material developments.

The Issuer has committed to provide an Update Report to holders of the Bonds on a timely basis in case of material developments

8.2. The Update Report:

8.2.1. shall include Allocation Reporting;

8.2.2. shall include Eligibility Reporting, where Eligibility Reporting is relevant for the Nominated Projects & Assets;

8.2.3. should include Impact Reporting

The Allocation report, includes information on the proceeds which were allocated to the Republic of Chile's certified portfolio, including the list of Nominated Projects & Assets (including a brief description and amounts disbursed), the share of financing, refinancing, pending amounts to be allocated, and information on the co-financing for the relevant projects.

The Eligibility Reporting includes information on the compliance of the Use of Proceeds and the description of each sectors as well as a confirmation of no new relevant information related to the projects that allow evaluating their exclusion from the selected portfolio.

The Impact Reporting includes the indicators of the Nominated Projects & Assets and the results, as well as the calculation methods of indicators, for the projects developed under the Ministry of Energy, the Ministry of Public Works, and the Ministry of Transport and Telecommunications.

8.3. The Allocation Reporting shall include, without limitation:

8.3.1. Confirmation that the Bonds issued under the Green Bond Framework are aligned with the Climate Bonds Standard. This may include statements of alignment with other applicable standards, such as the proposed EU Green Bond Standard, the ASEAN Green Bond Standard, Chinese domestic regulations, Japanese Green Bond Guidelines, etc;

The Green Bonds were issued in 2019 and 2020 based on a Sustainable Bond Framework which is aligned with the International Capital Market Association (ICMA) Green Bond Principles (GBP).

8.3.2. A statement on the climate-related objectives of the Bond;

The objectives of the Bonds were defined in the Bonds' documentation and Pre issuance Verification Report and include climate change mitigation, air quality improvement and energy savings. These objectives are formalised in the Framework.

8.3.3. The list of Nominated Projects & Assets to which Net Proceeds have been allocated (or re-allocated);

The Issuer's Allocation Report includes the list of Nominated Projects & Assets to which Net Proceeds have been allocated.

8.3.4. The amounts allocated to the Nominated Projects & Assets;

The report includes the amount of the proceeds disbursed to December 2021. In aggregate terms, of the total US \$6,296 million raised in green bonds, US \$325 million were disbursed in 2018, US \$ 266 million in 2019 and US \$343 million in 2020, totalling US \$935 million in green expenses.

8.3.5. An estimate of the share of the Net Proceeds used for financing and refinancing, and which Nominated Projects & Assets have been refinanced. This may also include the expected look-back period for refinancing Nominated Projects & Assets;



The Allocation report indicates that for the Green Bonds of 2019, 13,7% of the proceeds were used for refinancing and 12,8% for financing, with a look back period of one year. For the bonds of 2020, 3,4% of the proceeds were used for refinancing and 4,4% for financing, with a look back period of one year. The report also indicates the share of refinancing by Nominated Project and Asset.

8.3.6. The geographical distribution of the Nominated Projects & Assets.

As indicated in the Bond's documentation, the Nominated Projects & Assets are located in Chile.

8.4. The Eligibility Reporting shall include, without limitation:

8.4.1. Confirmation that the Nominated Projects & Assets continue to meet the relevant eligibility requirements specified in Part C of the Climate Bonds Standard;

The Eligibility Report indicates the Net Proceeds of the Bonds were used to finance projects under Clean Transport, Green Buildings, Renewable Energy, and Water Management. The Report confirms that the Nominated Projects and Assets continue to meet the relevant eligibility criteria and that no new relevant information related to the projects that allow evaluating their exclusion from the selected portfolio. The projects fall under 4 sector specific standards of the Climate Bonds, namely Climate Bonds Initiative Solar Standard Version 2.1, Low Carbon Buildings 2.0, Low Carbon Transport Criteria Version 2.0, Water Infrastructure Criteria Version 3.

8.4.2. Information on the environmental characteristics or performance of Nominated Projects & Assets which is prescribed by the relevant Sector Eligibility Criteria.

The Green Bond Report prepared by the issuer includes a brief description of the nature of the financed projects, including information on the emission reductions (pollutants and/or greenhouse gases), reduction of energy consumption, and compliance with institutional objectives and goals related to the activity carried out.

8.5. Where there are limits to the amount of detail that can be made available in the Update Report about specific Nominated Projects & Assets (as per Clause 8.3), information shall be presented on the investment areas which the Nominated Projects & Assets fall into, as provided in Clause 9.1. Issuers shall include in the Update Report an explanation of why detail on Nominated Projects & Assets is limited.

N/A

8.6. The Impact Reporting shall, without limitation,

8.6.1. Provide the expected or actual outcomes or impacts of the Nominated Projects & Assets with respect to the climate-related objectives of the Bond;

With respect to the climate-related objectives of the Bond, the report discloses the results of the impact indicators, including annual generation of renewable energy in MWh, GHG emissions avoided/reduced in tCO₂e, percentage of energy savings, and air pollution avoided (tonPM_{2.5}).

8.6.2. Use qualitative performance indicators and, where feasible, quantitative performance measures of the outcomes or impacts of the Nominated Projects & Assets with respect to the climate-related objectives of the Bond;

The report discloses impact indicators, including annual generation of renewable energy in MWh, GHG emissions avoided/reduced in tCO₂e, percentage of energy savings, and air pollution avoided (tonPM_{2.5}).

8.6.3. Provide the methods and the key underlying assumptions used in preparation of the performance indicators and metrics.

The report contains the methods and the key underlying assumptions used in preparation of the performance indicators and metrics.



8.7. The Issuer shall make available to the public any Verifier Reports or other relevant material which supports the Update Report.

Within the Green Bond Report, the Issuer included the the verifier report (mentioned as "External Audit Report" on the last section of the Green Bond Report) which is publicly available.

8.8. Information about the Nominated Projects & Assets and the Management of Proceeds shall be provided to the Verifier and to the Climate Bonds Standard Board to support the assessment of conformance with the Climate Bonds Standard.

The Issuer commits to provide all necessary information to the Climate Bonds Standard Board.

V.E reviewed the above elements based on the information and documentation provided by the Issuer during the verification, and nothing has come to our attention that causes us to believe that, in all material respects, the Republic of Chile's 2019 and 2020 Green Bonds are not in conformance with the Climate Bonds Standard's Post-Issuance Requirements (version 3.0) stated in section 8 "Reporting".

Part C: Climate Bonds Standards Sector Specific Criteria

Technical criteria for Selected Projects & Assets:

1. Solar Sector Criteria Version 2.1
2. Low Carbon Buildings (Upgrades) Projects Version 1.0
3. Low Carbon Transport Criteria Version 2.0
4. Water Infrastructure Criteria Version 3

CBI REQUIREMENTS	V.E'S FACTUAL FINDINGS	GAP ANALYSIS
Part B: Climate Bonds Taxonomy and Sector-Specific Standards		
1. Technical Criteria for Eligible Projects and Assets : Solar		
Installation of Solar Thermal Systems, Installation of Photovoltaic Panels, Solar Panels in Public Buildings	Eligible Green Projects falling in this sub- category are eligible for Certification under Solar (Version 2.1) when in compliance with the requirement that Facilities shall have no more than 15% of electricity generated from non-renewable sources.	None
2. Technical Criteria for Eligible Projects and Assets: Low Carbon Buildings		
Green Public Buildings	Eligible Green Expenditures falling in this category will only cover Green Building construction and retrofits with an associated 30% carbon reduction target based on the Chilean national building certification scheme "Certificación Edificio Sustentable".	None
3. Technical Criteria for Eligible Projects and Assets: Low Carbon Transport		
Dedicated infrastructure for electrified public transport or assets related to electric public transport.	Eligible Green Expenditures falling in this sub-category are automatically eligible for Certification under Low Carbon Transport (Version 2.0).	None
4. Technical Criteria for Eligible Projects and Assets: Water Infrastructure		
Analysis and conservation of water resources, including the construction and operation of	Eligible Green Expenditures falling in this sub-category are automatically eligible for Certification under Water Infrastructure (Version 3.0)	None



stations to monitor a correct, clean, and efficient operation of these resources.		
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List of supporting elements provided by the Issuer for Post-Issuance verification:

- Green Bond Report 2020



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This opinion aims at providing a post-issuance independent review on the sustainability credentials and management of the Bonds based on the information which has been made available to V.E. V.E has neither interviewed stakeholders out of the Issuer's employees, nor performed an on-site audit nor other test to check the accuracy of the information provided by the Issuer. The accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. Providing this review does not mean that V.E certifies the effectiveness, the excellence or the irreversibility of the assets financed by the Bonds. The Issuer is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by V.E neither focuses on the financial performance of the Bonds, nor on the effective allocation of its proceeds. V.E is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction.

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The content of this Report was prepared by the Ministry of Finance with the collaboration of the Ministry of the Environment for the Impact Report.

