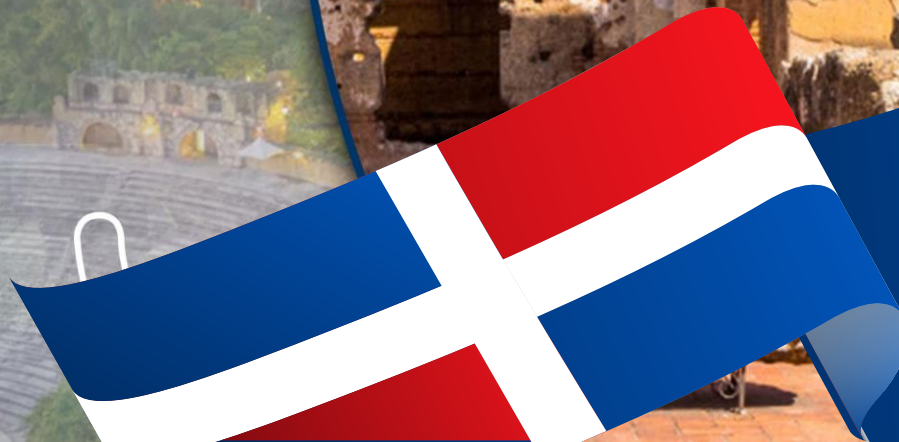


Inaugural Green Bond Pre-Issuance Indicative Allocation Report

June 2024



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The Dominican Republic has developed a Framework for the issuance of green, social and sustainability bonds

The Framework is available on the Republic's Public Credit website¹

This Framework establishes the obligations that the Republic will comply with as an issuer for any Sovereign Green, Social and Sustainability Bonds

- Green, Social and Sustainability bonds will allow the country to capture funds to finance, or refinance, in whole or in part, budget programs and projects that generate positive environmental and/or social impacts based on the strategy for the fulfillment of the Sustainable Development Goals and the Paris Agreement
- The Republic commits to:
 - Transparently and responsibly allocate an amount equal to the net proceeds of any Green, Social or Sustainability Bond to Eligible Expenses
 - Publish Allocation and Impact Reports until an amount equal to the net proceeds are allocated in full
 - The Allocation and Impact Reports will be published approximately 12 months after the Green bond Issuance

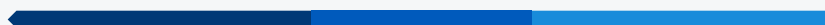
Eligible expenses in the Framework include:

- ✓ Tangible capital expenditure (infrastructure, equipment, technology, land and energy);
- ✓ Intangible assets (research and innovation, human capital and organization);
- ✓ Tax expenditures and subsidies
- ✓ Transfers in support of local governments, public agencies, private or public companies, educational and research institutions, households and individuals;

Look-Back Period

Current Period

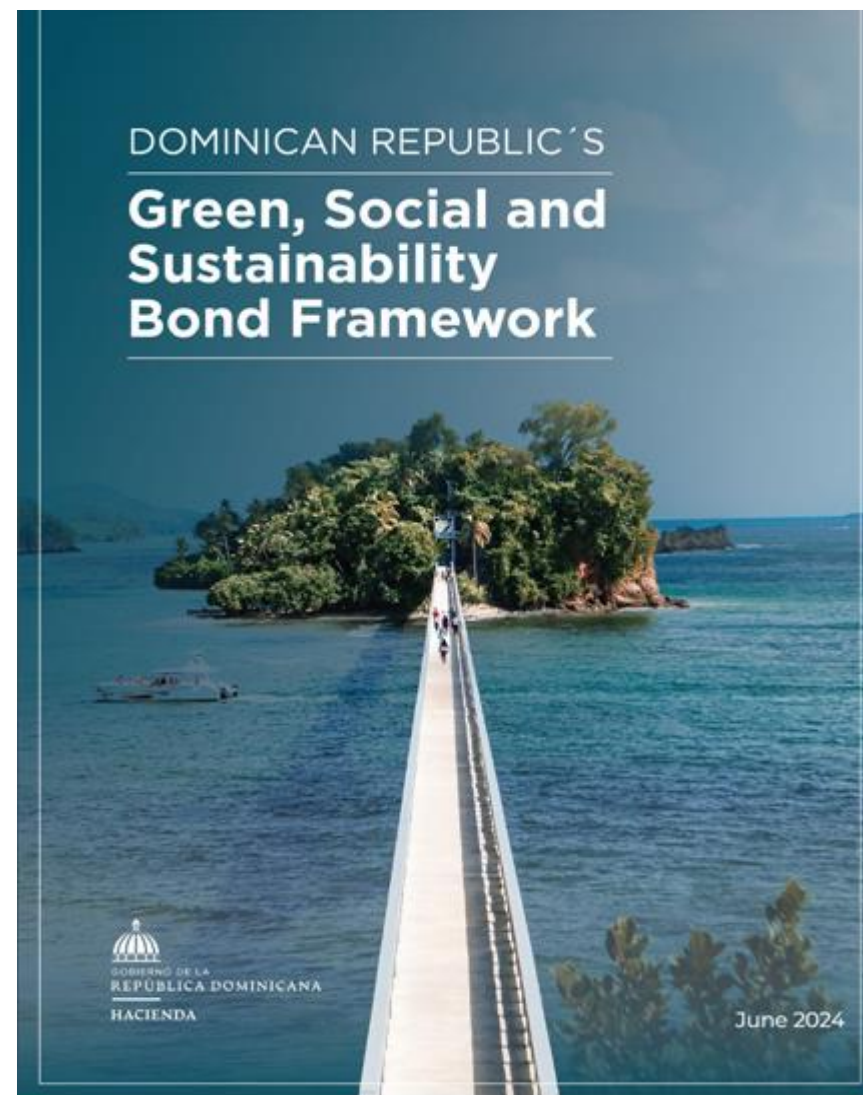
Look-Forward Period



- | | | |
|--|--|--|
| <ul style="list-style-type: none"> • Expenses incurred within the past 2 Fiscal Years | <ul style="list-style-type: none"> • Expenses incurred in current Fiscal Year | <ul style="list-style-type: none"> • Expenses to be incurred in the next 2 Fiscal Years • The Republic intends to allocate at least 50% of net proceeds to Current and to Future Expenses |
|--|--|--|

Alignment with Market Principles

This Framework follows internationally accepted voluntary best practice guidelines for transparency, disclosure and integrity:



The Republic intends to issue a \$750 million Green Bond for its inaugural thematic bond

ELIGIBLE GREEN CATEGORIES IN FRAMEWORK:



Low Carbon Transport



Renewable Energy



Climate Change Adaption



Natural resources, use of soils and protected marine areas



Conservation of Terrestrial and Aquatic Biodiversity



Efficient and resilient management of water and wastewater



Sustainable Waste Management



Green Buildings



Energy Efficiency

INDICATIVE SUMMARY OF CORE GREEN EXPENDITURES FOR ALLOCATION IN DOMINICAN REPUBLIC'S INAUGURAL GREEN BOND (ELIGIBLE EXPENDITURES FOR FISCAL YEARS 2022 – 2026)



Low Carbon Transport

Indicative Allocation Range: 56% - 80%

Clean urban public transport without direct emissions, including:

- Light rail trains (e.g. monorails)
- Metros
- Trams, electric buses
- Railways



Efficient and resilient management of water and wastewater

Indicative Allocation Range: 10% - 24%

- Construction and improvements to sanitation, drainage and irrigation systems
- Rehabilitation of ravines and relocation of homes in vulnerable areas surrounding the ravines
- Rehabilitation, improvement and expansion of sanitary sewer coverage



Renewable Energy

Indicative Allocation Range: 10% - 16%

Tax incentives to encourage the use and commercialization of renewable energy sources, including:

- Photovoltaic Solar Energy
- Wind power
- Hydroelectric power (under 25 MW)



Natural resources, use of soils and protected marine areas

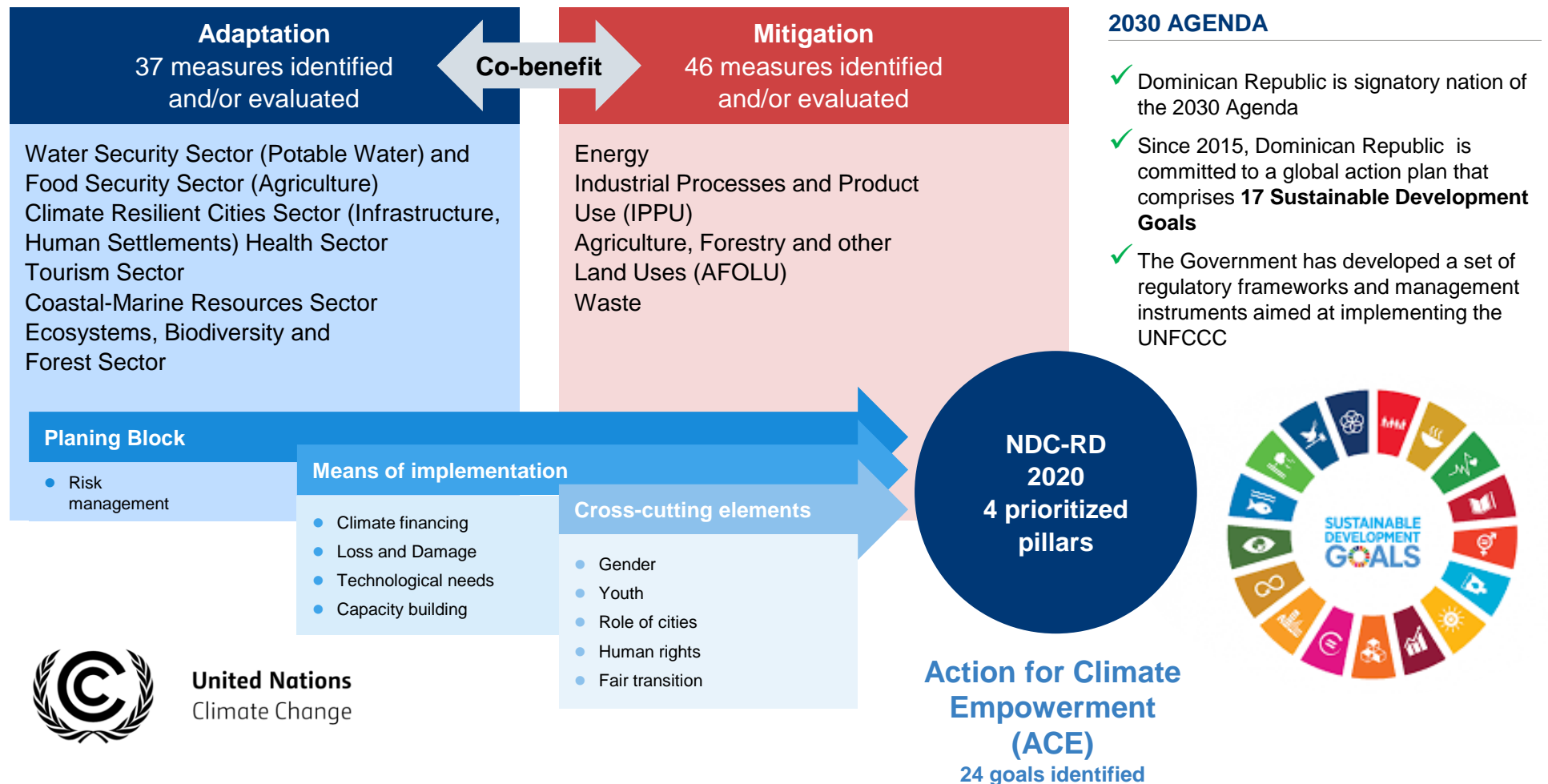
Indicative Allocation Range: 0% - 4%

- Sustainable agriculture
- Conservation, restoration and sustainable management of watersheds



In 2020, the Dominican Republic updated its NDC in which it committed to a 27% reduction in GHG emissions by 2030 versus the BaU Scenario

The Government intends to allocate an equal amount of the net proceeds of the Green Bond to finance or refinance, in whole or in part, green projects that enable the achievement of country's medium and long term decarbonization targets



United Nations
Climate Change

