



**Ajuntament de
Barcelona**

Sustainable Bond Report

ISIN ES0200750034

December 2018



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Introduction

This document is the report of the use of proceeds of City of Barcelona Sustainable Bond, issued on 20 December 2017, based on the Sustainability Bond Framework¹ edited in 2017.

City of Barcelona aims at building up and strengthening a collective construction project which must include, in equal conditions, from the active citizenship to its governmental institutions.

In this context, the city has defined a Municipal Action Plan for 2016-2019 based on 5 priorities that the city is committed to achieve:

1. A diverse city ensuring a good quality of life
2. A more integrated socio-economic model
3. An implicated city in the ecological transition
4. A participative and well governed city
5. An open and committed city to the world

The City of Barcelona found in the issuance of a Sustainability Bond, an innovative solution allowing the financing of its social, economic and sustainable development plan as well as the monitoring of the achievements.

¹ Available at:

http://ajuntament.barcelona.cat/estrategiaifinances/sites/default/files/Documents/PDF/AB_SustainabilityBondFramework_2017_0_0.pdf



Framework Summary

The City of Barcelona Sustainability Bond Framework aligns with the Sustainability Bond Guidelines 2017.

- Use of Proceeds

The City of Barcelona's Sustainable Bond Framework covers financing, in whole or in part, from any of the Eligible Project Categories, previously established, that are part of the annual budget of the fiscal year of issuance of each Sustainable Bond.

Specifically, the Use of Proceeds of any bonds issued under the City of Barcelona's Sustainability Bond Framework will be applied to projects that fall under the following Eligible Project Categories and contribute to one or more of the following Social and/or Environmental objectives:

- Access to Essential Services
- Socioeconomic advancement
- Affordable Housing
- Employment generation
- Energy efficiency
- Clean Transportation
- Pollution prevention and control
- Sustainable water

- Project evaluation and selection

An Internal committee including sustainability experts is charged of selecting, monitoring and evaluating the eligible projects.

- Management of proceeds

The proceeds of the Sustainability Bond will be allocated to eligible programs in the General Budget of the City of Barcelona, corresponding to the fiscal year of the Sustainability Bond issuance.

- The total expenditures required for the eligible programs will equal or exceed the net bond proceeds.
- Proceeds from the Sustainability Bonds will be immediately allocated. In any case where this does not occur, the management of proceeds pending allocation is carried out in line with the City of Barcelona's liquidity management practice.

If there are any projects that do not materialize in the fiscal year of the bond issuance, or if an allocated project no longer meets the eligibility criteria, proceeds from the bond will be re-allocated towards new Eligible Projects.

- Monitoring and reporting

City of Barcelona will report on the performance the eligible projects.

- External Review

- *Sustainalytics* Second Opinion²
- External auditor will verify the tracking of the Bond proceeds on an annual basis, until the proceeds of the Bond are completely allocated.

² Available at:

http://ajuntament.barcelona.cat/estrategiaifinances/sites/default/files/Documents/PDF/20171117_second_opinion_Sustainalytics_0.pdf

Allocation Summary

All the proceeds of the Bond have been *completely* allocated to the following projects included in the framework.




PROJECT CATEGORY	PROJECT NAME	DESCRIPTION	AMOUNT (Thousands of euros)
Access to essential Services	Maintenance of educational centers	Educational centers renovation	15,419
	Massana School	Massana School construction	2,802
	Library Comtes de Bell-lloc	Library Comtes de Bell-lloc renovation	3,355
	Social Equipment - Neighborhood centers	<i>Fort Pienc</i> and <i>Trinitat Nova</i> Neighborhood centers construction	2,773
Clean transportation	Promotion of cycling	Improvements for the promotion of cycling	9,328
	Electric vehicles	Vehicles for the maintenance of the green spaces of the city renovation	1,323


TOTAL ALLOCATED 2017 ***35,000***

Reporting indicators

Project Category: Access to Essential Services



€ 24.3 million invested

PROJECT NAME	€ MILION INVESTED 2017	KEY PERFORMANCE INDICATORS
<p>Maintenance of educational centers</p> 	<p>15.4</p>	<ul style="list-style-type: none"> ➔ 39,000 Direct beneficiaries (students) ➔ 119 works made on 90 educational centers <p>Source: Barcelona Education Consortium</p>
<p>Massana School Construction</p> 	<p>2.8</p>	<ul style="list-style-type: none"> ➔ 1,200 Direct beneficiaries (students) ➔ 11 kg/m² year CO₂ Emissions avoided <p>Source: Barcelona d'Infraestructures Municipals, SA</p>
<p>Library Comtes de Bell-lloc (Renovation)</p> 	<p>3.3</p>	<ul style="list-style-type: none"> ➔ 47,000 Direct beneficiaries (citizens) ➔ 17.94 kg/m² year CO₂ Emissions avoided <p>Source: Barcelona d'Infraestructures Municipals, SA</p>

<p>Fort Pienc and Trinitat Nova Neighborhood Centers Construction</p> 	<p>2.8</p>	<ul style="list-style-type: none"> ➔ 39,000 Direct beneficiaries (citizens) ➔ Trinitat Nova Center: <ul style="list-style-type: none"> - 7,300 Direct beneficiaries (citizens) - 15 kg/m² year CO₂ Emissions avoided - 11,163 Kwh year Energy saving ➔ Fort Pienc Center: <ul style="list-style-type: none"> - 31,700 Direct beneficiaries (citizens) - 26.4 kg/m² year CO₂ Emissions avoided - 6,060 Kwh year Energy saving <p>Source: Barcelona d'Infraestructures Municipals, SA</p>
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Project Category: Clean Transportation

€ 10.7 million invested

PROJECT NAME	€ MILION INVESTED 2017	KEY PERFORMANCE INDICATORS
<p>Improvements for the promotion of cycling</p> 	<p>9.3</p>	<ul style="list-style-type: none"> ➔ 1.6 millions citizens ➔ 74.3 kilometers of bike lanes built in 2017 ➔ 82% of population less than 300 meters from a bicycle lane ➔ 14% increase in bicycle travel in 2017 <p>Source: Barcelona d'Infraestructures Municipals, SA</p>
<p>Vehicles for the maintenance of the green spaces of the city renovation</p> 	<p>1.4</p>	<ul style="list-style-type: none"> ➔ 88 Garden brigade benefited ➔ 25 Replaced vehicles ➔ 164 New Machines ➔ 3.2 kg/m² year CO₂ Emissions avoided <p>Source: Municipal Institute of Parks and Gardens</p>

Final Term conditions

Issuer:	<i>Ayuntamiento de Barcelona</i>
Issuer Ratings:	<i>Baa2 / BBB+ / BBB+ (Moody´s / S&P / Fitch)</i>
Expected Issue Ratings:	<i>BBB+ (Fitch)</i>
Sole Bookrunner:	<i>Crédit Agricole CIB</i>
Principal Amount:	<i>EUR 35,000,000</i>
Trade Date:	<i>13th Dec 2017</i>
Settlement Date:	<i>20th Dec 2017</i>
Maturity Date:	<i>20th Dec 2027</i>
Coupon:	<i>1.921%</i>
Day Count Fraction:	<i>Act/Act, ICMA</i>
Day Convention	<i>Unadjusted, Modified Following</i>
Business Days:	<i>TARGET 2</i>
Coupon Dates:	<i>Annually every 20th Dec, commencing on 20th Dec 2018, through to and including maturity</i>
Redemption:	<i>100.00%</i>
Listing:	<i>AIAF</i>
Denominations:	<i>EUR 100,000 + EUR 100,000</i>
Use of Proceeds	<i>According to the City of Barcelona Sustainable Framework</i>
Governing Law:	<i>Spanish law (notes and guarantee) no disclosure document, no negative pledge, no events of default, no tax gross up, Spanish public debt tax regime.</i>
ISIN code:	<i>ES0200750034</i>
Settlement:	<i>Iberclear</i>

**Report on Agreed-Upon Procedures
regarding the allocation of the funds
obtained from the Sustainable Bond ISIN
ES0200750034**

Barcelona City Council

*Translation of a report originally issued in Spanish. In the event of discrepancy,
the Spanish-language version prevails*

REPORT ON AGREED-UPON PROCEDURES REGARDING THE ALLOCATION OF THE FUNDS
OBTAINED IN THE ISSUANCE OF SUSTAINABLE BOND ISIN ES0200750034
BY BARCELONA CITY COUNCIL IN 2017

To the Finance Management of Barcelona City Council.

We have performed the following procedures agreed with you regarding the **verification of the allocation of the funds obtained from the Sustainable Bond (ISIN ES0200750034)** at November 30, 2018 issued by Barcelona City Council. Our work was carried out in accordance with generally accepted professional standards relating to agreed-upon procedures in Spain, which are based on International Standard on Related Services (ISRS) 4400. In reviewing a report on agreed-upon procedures, the reader reaches his/her own conclusions based on objective findings described therein and obtained through the application of specific procedures established by you for the purpose of assessing compliance with the allocation of the funds obtained from the abovementioned sustainable Bond. The addressee of the report is responsible for ensuring that the procedures performed serve the desired purpose. Thus, we assume no professional liability whatsoever regarding the adequacy of the procedures performed.

Accordingly, the procedures performed were the following:

- ▶ Interviews with the employees responsible for the management of the Sustainable Bond to gain adequate understanding of the processes, systems and controls for the appropriate management of the funds obtained and their allocation to eligible projects.
- ▶ Analysis of the supporting documentation on the issuance of the Sustainable Bond.
- ▶ Evaluation of the procedures, systems and accounting controls established for the allocation of the Sustainable Bond funds, including:
 - Appropriate identification in accounting of the projects approved in the Bond Framework and carried out by Barcelona City Council.
 - The accounting traceability of the use of the Sustainable Bond funds through the accounting information systems of Barcelona City Council and the stage of completion of the projects carried out (see Appendix 1).
 - For a sample of project expense transactions, limited review of the corresponding supporting documentation on the appropriate allocation of funds.

As a result of performing the aforementioned agreed-upon procedures, we did not find any exceptions.



Given that the aforementioned agreed-upon procedures do not constitute an audit or a review in accordance with technical auditing standards, we do not express any opinion on the verification of the allocation of the funds obtained from the Sustainable Bond (ISIN: ES0200750034) at November 31, 2018 by Barcelona City Council. Had additional procedures been applied, other matters might have come to our attention that would have been reported to you.

Our report on agreed-upon procedures is only issued for the purpose described in the first paragraph of this report, for your information, and may not be used for any other purpose or distributed to third parties other than Barcelona City Council, without our prior written consent. We are aware of Barcelona City County's intention to make this report publicly available on the City's website. We assume no liability to parties other than the addressees of this report.

This report refers exclusively to the verification of the allocation of the funds obtained from the Sustainable Bond (ISIN: ES0200750034), at November 30, 2018, by Barcelona City Council, and not to the financial statements of Barcelona City Council taken as a whole.

November 30, 2018

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

Annex 1. Identification of the projects analyzed

Following, the projects included in the analysis are identified

Actuación	Desc. Proyecto	Obligaciones 2017	Importe financiado	Exceso de ejecución*
P11602201	Manteniment centres educatius	13.387.501,29	13.387.501,29	0,00
P11602202	Manteniment centres educatius	2.031.762,05	2.031.762,05	0,00
P11700401	Vehicles i maquinària de parcs i jardins	1.322.797,40	1.322.797,40	0,00
P01610401	Escola Massana	1.930.746,80	1.930.746,80	0,00
P01610402	Escola Massana	1.258.518,18	870.875,00	387.643,18
P02602102	Hotel d'entitats edifici Transformadors	986.741,59	737.577,09	249.164,50
P04601402	Biblioteca Comtes de Bell-lloc	2.266.144,41	2.266.144,41	0,00
P04601404	Biblioteca Comtes de Bell-lloc	1.142.937,34	1.088.797,69	54.139,65
P08601202	Casal de gent gran Trinitat Nova	2.035.377,04	2.035.377,04	0,00
P11602501	Foment de la bicicleta	9.328.421,23	9.328.421,23	0,00
TOTAL		35.690.947,33	35.000.000,00	690.947,33

(*)The excess of expense execution is self- financed with municipal funds.

Detail of the documentation supporting the expense (funds release) is as follows.

P11602201 Manteniment centres educatius			
Actuació	Import	Dat.comptabilització	Lliurament
P.11.6022.01	19.047,08	16/03/2017	17.207.01
P.11.6022.01	272.789,36	24/03/2017	17.207.02
P.11.6022.01	25.686,86	12/04/2017	17.207.03
P.11.6022.01	12.662,31	10/05/2017	17.207.06
P.11.6022.01	191.677,32	17/05/2017	17.207.07
P.11.6022.01	57.692,27	12/06/2017	17.207.10
P.11.6022.01	116.234,48	03/08/2017	17.207.13
P.11.6022.01	379.916,66	13/09/2017	17.207.15
P.11.6022.01	894.459,85	22/09/2017	17.207.18
P.11.6022.01	310.218,65	10/10/2017	17.207.22
P.11.6022.01	797.739,99	25/10/2017	17.207.26
P.11.6022.01	1.288.060,69	29/11/2017	17.207.30
P.11.6022.01	6.888.413,08	31/12/2017	17.207.33
P.11.6022.01	2.132.902,69	31/12/2017	17.207.36
TOTAL	13.387.501,29		

P11602202 Manteniment centres educatius			
Actuació	Import	Dat.comptabilització	Lliurament
P.11.6022.02	12.546,10	24/03/2017	17.207.02
P.11.6022.02	122.793,67	12/04/2017	17.207.03
P.11.6022.02	225.619,19	03/05/2017	17.207.05
P.11.6022.02	19.508,06	10/05/2017	17.207.06
P.11.6022.02	21.971,18	17/05/2017	17.207.07
P.11.6022.02	9.618,48	12/06/2017	17.207.10
P.11.6022.02	157.083,68	22/06/2017	17.207.11
P.11.6022.02	49.039,72	03/08/2017	17.207.13
P.11.6022.02	4.654,16	13/09/2017	17.207.15
P.11.6022.02	313.153,70	22/09/2017	17.207.18
P.11.6022.02	80.079,00	10/10/2017	17.207.22
P.11.6022.02	61.410,52	25/10/2017	17.207.26
P.11.6022.02	80.967,48	09/11/2017	17.207.28
P.11.6022.02	183.732,41	31/12/2017	17.207.33
P.11.6022.02	689.584,70	31/12/2017	17.207.36
TOTAL	2.031.762,05		

P11700401 Vehicles i maquinària de parcs i jardins			
Actuació	Import	Dat.comptabilització	Lliurament
P.11.7004.01	286.965,48	28/09/2017	17.1004.04
P.11.7004.01	1.035.831,92	31/12/2017	17.1004.06
TOTAL	1.322.797,40		

P01610401 Escola Massana			
Actuació	Import	Dat.comptabilització	Lliurament
P.01.6104.01	608.313,63	31/01/2017	17.1026.01
P.01.6104.01	490.226,31	28/02/2017	17.1026.07
P.01.6104.01	265.197,59	31/03/2017	17.1026.12
P.01.6104.01	40.420,05	30/04/2017	17.1026.17
P.01.6104.01	275.131,92	31/05/2017	17.1026.23
P.01.6104.01	13.246,48	30/06/2017	17.1026.29
P.01.6104.01	6.257,20	31/07/2017	17.1026.35
P.01.6104.01	3.601,19	31/08/2017	17.1026.41
P.01.6104.01	19.261,39	30/09/2017	17.1026.46
P.01.6104.01	36.043,84	31/10/2017	17.1026.47
P.01.6104.01	7.248,81	30/11/2017	17.1026.52
P.01.6104.01	165.798,39	31/12/2017	17.1026.60
TOTAL	1.930.746,80		

P01610402 Escola Massana			
Actuació	Import	Dat.comptabilització	Lliurament
P.01.6104.02	21.731,60	30/06/2017	17.1026.29
P.01.6104.02	96.977,01	31/07/2017	17.1026.35
P.01.6104.02	318.052,08	31/08/2017	17.1026.41
P.01.6104.02	408.885,01	30/09/2017	17.1026.46
P.01.6104.02	298.120,12	31/10/2017	17.1026.47
P.01.6104.02	66.870,28	30/11/2017	17.1026.52
P.01.6104.02	47.882,08	31/12/2017	17.1026.60
TOTAL	1.258.518,18		

P02602102 Hotel d'entitats edifici Transformadors			
Actuació	Import	Dat.comptabilització	Lliurament
P.02.6021.02	1.203,95	28/02/2017	17.1026.07
P.02.6021.02	2.026,75	31/05/2017	17.1026.23
P.02.6021.02	5.324,00	30/06/2017	17.1026.29
P.02.6021.02	170.114,99	31/07/2017	17.1026.35
P.02.6021.02	1.942,05	31/08/2017	17.1026.41
P.02.6021.02	318.421,15	30/09/2017	17.1026.46
P.02.6021.02	154.119,26	31/10/2017	17.1026.47
P.02.6021.02	190.621,96	30/11/2017	17.1026.52
P.02.6021.02	142.967,48	31/12/2017	17.1026.60
TOTAL	986.741,59		

P04601402 Biblioteca Comtes de Bell-lloc			
Actuació	Import	Dat.comptabilització	Lliurament
P.04.6014.02	661.425,88	31/01/2017	17.1026.01
P.04.6014.02	251.434,32	28/02/2017	17.1026.07
P.04.6014.02	191.660,67	31/03/2017	17.1026.12
P.04.6014.02	23.416,50	30/04/2017	17.1026.17
P.04.6014.02	175.628,17	31/05/2017	17.1026.23
P.04.6014.02	230.349,85	30/06/2017	17.1026.29
P.04.6014.02	16.014,10	31/07/2017	17.1026.35
P.04.6014.02	38.451,04	31/08/2017	17.1026.41
P.04.6014.02	5.110,77	30/09/2017	17.1026.46
P.04.6014.02	56.841,14	31/10/2017	17.1026.47
P.04.6014.02	48.933,57	30/11/2017	17.1026.52
P.04.6014.02	566.878,40	31/12/2017	17.1026.60
TOTAL	2.266.144,41		

P04601404 Biblioteca Comtes de Bell-lloc			
Actuació	Import	Dat.comptabilització	Lliurament
P.04.6014.04	4.840,00	31/05/2017	17.1026.23
P.04.6014.04	1.361,25	31/07/2017	17.1026.35
P.04.6014.04	1.361,25	31/08/2017	17.1026.41
P.04.6014.04	1.905,75	30/09/2017	17.1026.46
P.04.6014.04	1.361,25	31/10/2017	17.1026.47
P.04.6014.04	390.331,77	30/11/2017	17.1026.52
P.04.6014.04	741.776,07	31/12/2017	17.1026.60
TOTAL	1.142.937,34		

P08601202 Casal de gent gran Trinitat Nova			
Actuació	Import	Dat.comptabilització	Lliurament
P.08.6012.02	188.515,15	31/01/2017	17.1026.01
P.08.6012.02	159.568,48	28/02/2017	17.1026.07
P.08.6012.02	143.966,80	31/03/2017	17.1026.12
P.08.6012.02	163.059,20	30/04/2017	17.1026.17
P.08.6012.02	173.219,39	31/05/2017	17.1026.23
P.08.6012.02	239.293,29	30/06/2017	17.1026.29
P.08.6012.02	296.289,57	31/07/2017	17.1026.35
P.08.6012.02	292.551,82	31/08/2017	17.1026.41
P.08.6012.02	134.783,76	30/09/2017	17.1026.46
P.08.6012.02	3.466,89	31/10/2017	17.1026.47
P.08.6012.02	6.797,78	30/11/2017	17.1026.52
P.08.6012.02	233.864,91	31/12/2017	17.1026.60
TOTAL	2.035.377,04		

P11602501 Foment de la bicicleta			
Actuació	Import	Dat.comptabilització	Lliurament
P.11.6025.01	200.375,01	31/01/2017	17.1026.01
P.11.6025.01	439.940,59	28/02/2017	17.1026.07
P.11.6025.01	552.727,01	31/03/2017	17.1026.12
P.11.6025.01	911.076,50	30/04/2017	17.1026.17
P.11.6025.01	370.453,28	31/05/2017	17.1026.23
P.11.6025.01	469.646,83	30/06/2017	17.1026.29
P.11.6025.01	96.993,82	31/07/2017	17.1026.35
P.11.6025.01	437.118,01	31/08/2017	17.1026.41
P.11.6025.01	717.047,40	30/09/2017	17.1026.46
P.11.6025.01	2.022.961,63	31/10/2017	17.1026.47
P.11.6025.01	286.354,17	30/11/2017	17.1026.51
P.11.6025.01	951.619,86	30/11/2017	17.1026.52
P.11.6025.01	1.872.107,12	31/12/2017	17.1026.60
TOTAL	9.328.421,23		