Western Balkans Six Green Bond Standard

MINISTERIAL STATEMENT OF ENDORSEMENT

WE, the high-level government representatives of the Western Balkans Six (WB6), gathered under the auspices of the Berlin Process and in alignment with the Common Regional Market 2 (CRM 2) Action Plan 2025-2028,

RECALLING our shared commitment to deepen regional economic integration, foster convergence with EU standards, and jointly address climate and environmental challenges through sustainable development;

ACKNOWLEDGING the critical role of sustainable finance in mobilising capital for green transition, and the necessity for harmonised, transparent frameworks that align investment practices with environmental goals;

RECOGNISING that the WB6 Green Bond Standard (WB6 GBS) offers a robust and regionally tailored framework that builds on the principles of the EU Green Bond Standard, while reflecting the specific needs and institutional context of the WB6;

WELCOME the WB6 GBS as a voluntary but binding-by-opt-in framework that ensures integrity, credibility, and investor confidence in green bond issuances across the region;

ENCOURAGE public and private sector issuers in our markets to align future green bond issuances with the WB6 GBS and use the WB6 Green Bond label, thereby contributing to the region's green transformation and increased access to sustainable finance;

INVITE competent authorities in each WB6 to facilitate implementation of the Standard through recognition mechanisms, administrative guidance, and supervisory practices consistent with their legal mandates;

SUPPORT the role of the WB6 Green Bond Committee in overseeing the Standard, updating eligibility criteria, promoting consistent interpretation, and coordinating regional reporting and capacity-building efforts;

COMMIT to regularly review the implementation of WB6 GBS and promote its integration into broader sustainable finance initiatives at regional and EU levels, including through dialogue with international partners and financial institutions;

REAFFIRM our political will to work jointly through the Berlin Process and CRM 2 structures to strengthen the green investment ecosystem and make the WB6 GBS an important part of the region's sustainable finance architecture.

AGREE that the WB6 GBS shall take effect upon endorsement and be implemented accordingly.

Article 1. Subject matter and scope

(1) The Western Balkans Six Green Bond Standard (hereinafter referred to as "the Standard") establishes a common framework of requirements for the issuance of use-of-proceeds green bonds in the Western Balkans Six (WB6). It lays down uniform criteria for issuers in the WB6 that voluntarily wish to use the "WB6 Green Bond" designation for their bond issuances.

(2) The Standard applies to bonds issued in the WB6 that meet criteria set out in Article 3 and are explicitly designated by the issuer as WB6 Green Bonds in accordance with the Standard.

(3) Compliance with the requirements of the Standard is mandatory for the use of the "WB6 Green Bond" designation. Issuers not using this designation may still refer to this Standard on a voluntary basis but are not subject to the requirements herein unless explicitly choose to opt in.

(4) The Standard aims to ensure that financed projects are environmentally sustainable, that the use of proceeds is transparent and accountable, and that credible external verification is ensured.

Article 2. Definitions

(1) For the purposes of this Standard, the following definitions shall apply:
- (a) "Issuer" means an entity that issues bonds;
- (b) WB6 Green Bond means a bond issued by an issuer in the WB6 that meets all the requirements of the Standard and for which the issuer uses the "WB6 Green Bond" designation in its offering documentation or marketing;
- (c) "Eligible Green Projects" means projects, assets or expenditures that meet the environmental eligibility criteria set out in Article 3 of the Standard;
- (d) "Financial Asset" means debt or equity, or a combination thereof;
- (e) "Pre-Issuance Report" means a pre-issuance disclosure document prepared by the issuer of the WB6 Green Bond, using the template provided in Annex I;
- (f) "Post-Issuance Report" means two distinct reports prepared by the issuer of a WB6 Green Bond, using the template in Annex II: Allocation Report, on the use of proceeds; and Impact Report, on the environmental impacts of funded projects.
- (g) "External Reviewer" means an independent external entity with relevant expertise that assesses a WB6 Green Bond's alignment with the Standard;
- (h) "Competent Authority" means the authority designated by each WB6 to supervise compliance of issuers and offerings with the Standard (as per Article 8);
- (i) "WB6 Green Bond Committee" means a regional coordination body comprising representatives from the designated Competent Authorities of each WB6, responsible for overseeing the implementation, monitoring, harmonisation and ongoing development of the Standard.

Article 3. Use of proceeds and eligible green activities

(2) The proceeds of a WB6 Green Bond shall be used to finance or refinance Eligible Green Projects that contribute substantially to one or more of the following environmental objectives:
- (a) climate change mitigation;
- (b) climate change adaptation;
- (c) sustainable use and protection of water and marine resources;
- (d) transition to a circular economy;
- (e) pollution prevention and control; and
- (f) protection and restoration of biodiversity and ecosystems.

(3) Projects financed by a WB6 Green Bond must not significantly harm any of these environmental objectives and must respect minimum social and governance safeguards, consistent with internationally recognised best practices.

(4) In light of the ongoing development of the Regional Sustainable Finance Taxonomy, and acknowledging the time required for its full establishment, a Whitelist of eligible green activities, as set out in Annex III, shall be applied during the initial implementation phase for the sole purpose of determining project eligibility under this Standard.

(5) Upon completion and endorsement of the Regional Sustainable Finance Taxonomy, as envisaged under CRM 2, issuers shall ensure that the use of proceeds is allocated to economic activities that are environmentally sustainable within the meaning of that taxonomy. The taxonomy shall, thereafter, replace or complement the Whitelist as the basis for determining project eligibility under the Standard.

(6) The issuer may allocate WB6 Green Bond proceeds to refinancing of existing projects, provided such projects meet the eligibility criteria set out in this Standard.

(7) Proceeds of the WB6 Green Bond may be used to finance or refinance financial assets, such as loans or equity instruments, provided that the underlying economic activities ultimately financed by those financial assets meet the eligibility criteria set out in this Standard.

(8) Where proceeds are allocated to financial assets as described in paragraph (6), such proceeds shall be allocated exclusively to the purposes set out in this Article and may be channelled through subsequent financial assets, subject to the following conditions:

(a) Proceeds may be allocated through a maximum of three consecutive financial assets, provided that each financial asset is created no earlier than one year prior to the date of bond issuance, and that the final underlying activity financed is fully compliant with the eligibility criteria established under the Standard;

(b) The issuer shall ensure full traceability of the use of proceeds across all levels of financial allocation and shall maintain appropriate documentation to demonstrate that the final use of proceeds aligns with the green project eligibility criteria and contributes to the environmental objectives set out herein;

(c) The issuer shall remain fully subject to the disclosure and reporting obligations under Article 6 and shall clearly indicate the structure and composition of the portfolio in all relevant reports.

Article 4. Project selection and evaluation

(1) The issuer of a WB6 Green Bond shall establish and document a clear process for evaluating and selecting the projects to be financed by the bond. This process shall ensure that projects meet the definition of Eligible Green Projects in Article 3. The project selection and evaluation process shall be described in the Pre-Issuance Report in accordance with Article 6.

(2) The issuer shall maintain records of how each financed project was evaluated, deemed eligible and how it contributes to the environmental objectives referred to in the Standard.

(3) Where a project’s alignment with the Whitelist is based on future performance, the issuer must document a credible plan for achieving such alignment.

(4) The issuer shall monitor the continued compliance of financed projects with the eligibility criteria throughout the term of the bond. Where a project ceases to comply with those criteria, the issuer shall, as soon as practicable, reallocate the corresponding proceeds to alternative Eligible Green Projects and report such reallocation in the next Post-Issuance Report in accordance with Article 6.

(5) The process for any such reallocation, including the identification and assessment of replacement projects, shall comply with the same criteria and procedures set out in this Article.

Article 5. Management of proceeds

(1) The issuer of a WB6 Green Bond shall manage the net proceeds of the bond in a transparent and traceable manner, ensuring that they are credited to a dedicated sub-account, earmarked sub-portfolio, or are otherwise tracked within the issuer's internal treasury or accounting systems. The purpose of such tracking shall be to ensure that the proceeds are allocated exclusively to Eligible Green Projects, as defined in Article 3.

(2) The issuer shall be able to clearly demonstrate the link between the proceeds and the financing or refinancing of eligible projects. Until allocated to eligible uses, unallocated proceeds shall be held in cash, cash equivalents, or other temporary investments that are sustainable or at a minimum do not involve controversial activities. The issuer shall not co-mingle unallocated green bond proceeds with working capital in a manner that compromises traceability.

(3) The issuer shall seek to allocate the full amount of proceeds from the WB6 Green Bond to Eligible Green Projects within a reasonable timeframe from the date of issuance. Full allocation is expected within two years of issuance, unless the characteristics of the project require a longer period. Where full allocation is not achieved within two years, the issuer shall explain the reasons in its Post-Issuance Report, in accordance with Article 6 of this Standard, and indicate how it plans to allocate the remaining balance.

Article 6. Reporting

(1) Prior to the issuance of a WB6 Green Bond, the issuer shall prepare a Pre-Issuance Report in accordance with the standard template provided in Annex I.

(2) The issuer shall submit the completed Pre-Issuance Report to an external reviewer before issuance of the bond. The external reviewer shall examine the Pre-Issuance Report and the supporting documentation to assess the bond's compliance with the requirements of the Standard. The external reviewer shall provide a Pre-Issuance Review Report summarising its findings and stating whether, in its professional opinion, the bond is in conformity with the Standard. A positive external review is a prerequisite for the bond to use the "WB6 Green Bond" designation.

(3) The issuer shall publish the Pre-Issuance Report and the external reviewer's review report no later than the bond's issuance date. These documents shall remain publicly accessible for the entire life of the bond.

(4) In the event of material changes to the information disclosed in the Pre-Issuance Report after its publication but prior to the bond's issuance, the issuer shall update the report accordingly. Any such revision must also be reviewed by the external reviewer and republished prior to issuance.

(5) In addition, following the issuance of the bond, the issuer shall prepare and publish two distinct Post-Issuance Reports:
  (a) the Allocation Report; and
  (b) the Impact Report

(6) The Allocation Report shall be published at least annually until the full allocation of the bond proceeds has been completed.

(7) The first Allocation Report shall be published no later than one year from the date of bond issuance, with subsequent reports published annually thereafter until full allocation is achieved. Where full allocation occurs within one year of issuance, the Issuer may publish a final Allocation Report immediately. The Allocation Report shall be subject to external review in accordance with Article 7.

(8) Upon full allocation of the bond proceeds, and at least once during the lifetime of the bonds, the Issuer shall prepare and make publicly available an Impact Report describing the environmental impact of the use of proceeds. While not mandatory, the Issuer may seek external verification or assessment of the Impact Report by an independent expert.

(9) The Allocation Report and the Impact Report shall be prepared in accordance with the standard template provided in Annex I.

(10) Investors and the designated Competent Authorities in each WB6 shall be notified or have ready access when new reports are published.

Article 7. External reviewers and external review requirements

(1) External reviewers shall play a critical role in safeguarding the credibility and integrity of the "WB6 Green Bond" designation by providing independent assessments of the Issuer's compliance with the requirements set forth in this Standard.

(2) Any bond issued under the "WB6 Green Bond" designation shall be subject to:
   (a) a pre-issuance external review, and
   (b) at least one post-issuance external review, conducted by an independent and qualified external reviewer.

(3) To ensure quality and consistency, any external reviewer providing services under this Standard shall be a reputable and qualified entity with demonstrated expertise in green bond verification. During the initial implementation phase, acceptable external reviewers shall include entities accredited by the European Securities and Markets Authority (ESMA) under the EU Regulation on European Green Bonds, as well as verifiers recognised by the International Capital Market Association (ICMA).

(4) External reviewers shall document their findings in a written report, which shall clearly specify the scope of the review, the procedures undertaken, and the conclusions reached. Each external review report shall, at a minimum, include the following information:
   (a) General information
   (b) Introductory statements
   (c) Statements on the alignment of use of proceeds with Annex III of this Standard
   (d) Sources, assessment methodologies and key assumptions
   (e) Assessment and opinion

(5) Each WB6 Green Bond Issuer shall, when engaging an external reviewer, notify the Competent Authority in its market of the identity of the selected external reviewer and provide confirmation of the reviewer's qualifications in accordance with this Standard.

(6) Following the initial implementation phase, the WB6 Green Bond Committee (as further defined in Article 8) shall establish a streamlined registration process for external reviewers operating under this Standard, with the objective of monitoring market activity and ensuring that only qualified reviewers are engaged. No additional licensing or approval shall be required for external reviewers already accredited by ESMA. In such cases, notification to the Committee shall be for information and oversight purposes only.

(7) The engagement of an accredited external reviewer shall not exempt the Issuer from accountability under this Standard. Any misrepresentation, omission, or negligence on the part of the Issuer shall remain subject to oversight and corrective measures in accordance with Article 8. External reviewers shall conduct their reviews with due professional care and diligence. In cases where there is substantiated evidence of gross negligence, misconduct, or malfeasance by an external reviewer, the WB6 Green Bond Committee may withdraw the reviewer's recognition under this Standard.

(8) All costs related to engaging External Reviewers shall be borne by the issuer.

Article 8. Oversight and supervision

(1) Each WB6, no later than six months after the endorsement of this Standard, shall designate one or more Competent Authorities responsible for the oversight and implementation of this Standard within its market. The Competent Authority shall be a public entity vested with regulatory powers over securities issuance or financial markets, and shall have a mandate broad enough to support effective application of the Standard. The responsibilities and powers of the Competent Authority shall include:

  (a) ensuring that any issuer using the "WB6 Green Bond" designation complies with the requirements of this Standard;
  (b) reviewing Pre- and Post-Issuance Reports and, where necessary, requesting clarifications or additional information from issuers or their external reviewers;
  (c) promoting adherence to the Standard by applying appropriate follow-up measures in cases of material non-compliance;
  (d) publicly disclosing instances of non-compliance ("name and shame") to deter greenwashing and promote transparency;
  (e) in cases of repeated or serious breaches, suspending the issuer's right to use the "WB6 Green Bond" designation or applying other appropriate supervisory measures, in line with applicable regulatory practices;
  (f) cooperating with other WB6 Competent Authorities to ensure consistent and effective implementation of this Standard.

(2) Competent Authorities shall monitor the use of the "WB6 Green Bond" designation within their respective markets. Issuers shall notify the relevant Competent Authority of their intention to issue a WB6 Green Bond prior to issuance.

(3) During the initial phase of implementation, Competent Authorities shall adopt a facilitative approach aimed at supporting effective compliance with this Standard. Guidance and feedback shall be provided to issuers and external reviewers, particularly as institutional capacity is being developed. Minor shortcomings or good-faith misunderstandings shall, where appropriate, be addressed through advisory measures or remedial requests rather than immediate sanctions, provided there is no indication of bad faith or intentional non-compliance.

(4) The implementation, monitoring, and further development of the WB6 Green Bond Standard shall be overseen and coordinated by the WB6 Green Bond Committee (WB6 GBC), which shall be established within six months of the endorsement of this Standard.

(5) The chairmanship of the WB6 GBC shall rotate annually among its members, following the English alphabetical order of their names. The technical secretariat shall rotate on the same basis. The rotating host shall provide administrative support, organise meetings, maintain the registry of WB6 Green Bonds, and facilitate coordination among members. The WB6 GBC

may invite observers from international financial institutions, development partners, and technical experts to contribute to its work, as appropriate.

(6) The responsibilities of the WB6 GBC include:
  - (a) recommending clarifications or updates to this Standard or its annexes to ensure consistent interpretation and application across all WB6;
  - (b) updating the list of eligible activities under the Standard;
  - (c) serving as a collective liaison with ESMA regarding the supervision and recognition of external reviewers;
  - (d) identifying training and capacity-building needs among regulators and market participants, and mobilising resources or technical assistance accordingly;
  - (e) advising Competent Authorities in complex or regional cases to promote coordinated solutions;
  - (f) publishing an annual report on the development of the WB6 Green Bond market.

(7) Where a WB6 Green Bond is issued across multiple WB6 markets, the involved Competent Authorities shall coordinate their supervisory activities to avoid duplication and ensure consistency.

Article 9. Transitional provisions and phase-in of requirements

(1) The initial implementation phase of this Standard shall span a period of three years from the date of endorsement, unless extended or otherwise modified by mutual agreement of the WB6 representatives, acting through the WB6 Green Bond Committee.

(2) During the initial implementation phase, the following transitional provisions shall apply:
  - (a) The Whitelist of eligible activities set out in Annex III shall apply, in accordance with Article 3. Issuers may rely on Annex III to determine project eligibility under this Standard.
  - (b) Activities that demonstrably comply with the EU Taxonomy shall be deemed eligible under this Standard, provided that the issuer documents such compliance.
  - (c) Issuers shall primarily rely on external reviewers as defined in Article 7 for the purposes of verification during this phase.

(3) Following the conclusion of the initial implementation phase, the WB6 Green Bond Standard shall be further aligned with the EU Green Bond Regulation, as appropriate.

(4) Two years after the endorsement of this Standard, the WB6 Green Bond Committee shall conduct a formal review of its implementation and recommend any necessary adjustments. Based on this review, the Standard may be amended by the competent regional bodies to facilitate a smooth transition towards greater alignment and effectiveness.

(5) The WB6 Green Bond Committee shall also conduct annual reviews of the Standard to monitor its continued relevance, effectiveness, and consistency with evolving international practices.

Article 10. Final provisions

(1) Issuers may begin aligning new green bond issuances with this Standard immediately upon its endorsement.

(2) Any questions of interpretation of the provisions of this Standard shall be discussed in the first instance through the WB6 Green Bond Committee, which may issue guidance.

(3) When an issuer states that a bond is issued under the WB6 Green Bond Standard, it signifies full compliance with this document.

(4) This Standard constitutes a regional soft-law instrument. Its requirements become binding upon issuers that voluntarily adopt the “WB6 Green Bond” designation in their offering documentation.

(5) Nothing in this Standard shall be interpreted to override applicable domestic laws or securities regulations. Where required, compliance with this Standard shall be reflected in the offering documentation approved by the relevant regulatory authority.

Annex I. WB6 Green Bond Pre-Issuance Report template

General information

Date of publication	*Date when this report is issued*
Issuer name	*Name of the issuing entity – e.g. Ministry of Finance or Company Name*
Issuer type	*Sovereign Government / Corporate Entity*
Bond Name / Designation	*Name of the Green Bond or programme, if any*
ISIN(s)	*International Securities Identification Number(s) of the bond(s)*
Planned issuance date	*Expected date of bond issuance or issuance window*
Issue size and tenor	*Planned amount (in EUR or local currency) and maturity of the bond*
External Reviewer	*Name and contact of the external reviewer or second-party opinion provider for this bond's pre-issuance review*
Prospectus Approval	*Name of regulatory authority approving the prospectus, if relevant*

Important information
Include the following statement: "This bond uses the designation "WB6 Green Bond" in accordance with the WB6 Green Bond Standard (WB6 GBS)."

Environmental strategy and rationale
Describe how the green bond fits into the issuer's overall sustainability strategy and environmental objectives.

Contribution to issuer's strategy	*Explain how the projects financed by the bond will support the issuer's broader environmental or climate strategy. Mention the specific environmental objectives pursued (e.g. climate change mitigation, adaptation, etc.). Describe the issuer's commitment to sustainability and how this bond aligns with that commitment.*
Environmental objectives targeted	*List the key environmental objective(s) that the use of proceeds will address*
Link to transition plans (if applicable)	*If the issuer has a published climate transition or decarbonisation plan (e.g. a net-zero strategy or Nationally Determined Contribution goals for governments), briefly describe how the bond proceeds contribute to that plan. Provide a link to any published transition plan or strategy on the issuer's website.*
Regulatory disclosure context	*If the issuer is subject to sustainability disclosure obligations, note how the bond's use of proceeds is expected to contribute to relevant KPIs.*
External review of impacts	*State whether the issuer plans to obtain an external review of the impact report after issuance.*

Intended allocation of bond proceeds
Outline what the bond proceeds will finance, ensuring alignment with eligible green activities in the WB6 GBS Whitelist.

Eligible activities	*List the types of projects or asset categories that will be financed by the bond. For each category, provide a brief description.*
Alignment with WB6 GBS criteria	*Confirm that each project category meets the eligibility criteria in the WB6 GBS. For each category, you may reference the specific criteria or NACE code if relevant*
Planned allocation by category	*For each project category, indicate the intended amount or percentage of bond proceeds to be allocated*

Financing vs. refinancing	*Indicate what portion of proceeds will finance new projects versus refinance existing green assets or expenditures*
Timeline for allocation	*State the expected timeline for full allocation of proceeds*
Project evaluation and selection process	*Describe the process by which the issuer selected and will select eligible projects.*
Management of proceeds	*Describe how the bond proceeds will be managed pending allocation.*
Anticipated impacts	*Provide, if possible, an estimate of the main environmental outcomes expected from the funded projects. For each major category, list key impact metrics.* *Optionally, note any key assumptions used for the estimates.* *If certain impact information is not available pre-issuance, state this and justify.*

Reporting commitments

Frequency and duration	*Confirm that the issuer will provide at least annual reporting on the bond until full allocation of proceeds, and thereafter impact reporting as necessary*
Format	*State the form of reports (and whether they will be combined or separate)*
Publication platform	*Indicate where the reports will be made available*

CapEx plan

- Where the uses of proceeds referred to in Article 3 relate to fixed assets, that are not financial assets, of eligible activities, the issuer shall publish a brief CapEx plan as part of this Report.
- Where applicable, progress made in the implementation of the CapEx plan referred to in the previous point shall be stated, including the estimated date of completion of the projects therein.
- Where there has been any delay or deviation that has a significant impact on the implementation of the CapEx plan, the issuer shall provide the reasons therefor.

Annex II. WB6 Post-issuance Report template

PART A (ALLOCATION REPORT)

General information

Bond allocation dates	*Date of issuance of the bond(s) or tranches of the bond(s)*
Reporting period	*Period which this report covers*
Date of publication	*Date when this report is issued*
Issuer and bond details	*Reiterate the issuer name and the bond name/series this report pertains to*
Reporting scope	*Clarify if this report includes allocation information only, or combined allocation and impact*
External reviewer	*Name and contact of the external reviewer or second-party opinion provider for this bond's pre-issuance review*
Prospectus approval	*Name of regulatory authority approving the prospectus, if relevant*

Important information

Include the following statement: "This bond uses the designation "WB6 Green Bond" in accordance with the WB6 GBS)."

Allocation of bond proceeds

Total green bond proceeds	*Total amount raised by the bond (or bond programme), in EUR or local currency.*
Allocated to date	*Total amount of proceeds that has been allocated as at the end of the reporting period*
Unallocated balance	*Amount (if any) not yet allocated to projects as of this report. If fully allocated, state "0 (Fully Allocated)"*
Percentage allocated	*Percentage of total proceeds that have been allocated so far (if not 100%)*
Allocation approach	*State whether the allocation is done on a project-by-project basis or via a portfolio approach.*
Next allocation report	*If not fully allocated, state when the next allocation update will be provided*

<u>Allocation of proceeds by category/project</u>

Project / Category	**Description**	**Amount allocated**	**% of proceeds**	**Financing vs. refinancing**	**Environmental objective**
Total	*(all categories)*	[Total]	100%	–	–

Eligibility and compliance

Confirmation of eligibility	*Include a confirmation that all allocated funds have been directed to projects meeting the WB6 GBS eligibility criteria*
Compliance with Do No Significant Harm and social safeguards	*Confirm that projects do not significantly harm other environmental objectives and respect social safeguards*
Changes or deviations	*If there have been any changes in project selection, eligibility, or if any project was substituted or removed since the pre-issuance stage, describe it here along with the reason.*
CapEx plan progress (if applicable)	*If a CapEx plan was outlined in the Pre-Issuance Report, provide an update.*

Management of proceeds (post-allocation)

Use of unallocated funds	*If the bond is not fully allocated, reiterate management of the unallocated portion. If fully allocated, note how any future proceeds (in case of re-financing or project changes) will be managed or that monitoring continues to ensure proceeds remain in eligible use.*
Proceeds tracking confirmation	*Describe the issuer's internal tracking and audit of proceeds*

PART B (IMPACT REPORT)

General information

Date of publication	*Date when this report is issued*
Issuance reference	*Name of the Green Bond(s) and ISIN(s) this impact report covers. If covering multiple bonds or a programme, list all relevant identifiers*
Issuer name	*Name of the issuer (governmental or corporate), as in previous reports*
Reporting period	*State whether this is the final impact report after full allocation, or an interim impact report for a certain period*
External reviewer	*If an external review or assurance of the impact report was obtained, provide the reviewer's name and a note*
Relation to other report(s)	*Mention the connection to other reports*

Important information
Include the following statement: "This bond uses the designation "WB6 Green Bond" in accordance with the WB6 Green Bond Standard (WB6 GBS)."

Environmental strategy and rationale

- *Information on the manner in which the bond(s) has (have) contributed to the broader environmental strategy of the issuer.*
- *Where applicable, an explanation of any changes to the broader environmental strategy of the issuer since the publication of the Pre-Issuance Report.*
- *The environmental objectives referred to in Article 3 of the Standard pursued by the bond(s).*
- *Where the issuer is subject to an obligation to publish transition plans or where the issuer voluntarily publishes transition plans:*
  - *the manner in which bond proceeds are intended to contribute to funding and implementing those plans. The information may be given at an eligible activity level or at a project-by-project level; and*
  - *a link to the website where those plans are published*

Environmental impact of bond proceeds
This section is the core of the report, detailing the environmental results of the funded projects. Provide quantitative metrics and qualitative explanations

Impact reporting approach	*State whether impacts are reported on a project-by-project basis or aggregated by category, consistent with what was indicated in the pre-issuance/reporting scope*
Impact summary	*Give an aggregate summary of key impact achievements*

Detailed impact by project/category

Project/category name	*Name of the project or category*
Sector and objective	*Sector of activity and the environmental objective(s) it supports*
Project description	*Brief description*
Total project cost	*If applicable, total cost of the project, to contextualise the bond's contribution*
Bond proceeds allocation	*Amount of bond proceeds allocated to this project or category*

Project status	*Current status of the project*
Key impact metrics (annual)	*List the realised annual environmental impact metrics.*
Additional impact metrics (if applicable)	*If there are other quantifiable metrics or relative metrics, list them.*
Methodology notes	*Provide any necessary explanation of how the above metrics were calculated.*
Pro-rated impact (if applicable)	*If the bond only partially funded the project, note that the impact figures above are either pro-rated to the bond's share or indicate the portion attributable.*

CapEx plan

Where applicable, progress made in the implementation of the CapEx plan referred to in the Pre-Issuance Report.

Publication and next steps

- *State where this impact report is published (e.g., issuer's website) and that it is available to investors and stakeholders*
- *If the bond has a long maturity, indicate whether there will be any future impact updates*
- *Provide contact details or a department for any inquiries*

Other relevant information

Annex III. Transitional list of eligible green activities (Whitelist)

In the initial phase of WB6 GBS implementation, a transitional Whitelist of green activities is provided to define eligible projects for green bond financing. This approach is rooted in the findings of two reports, (i) Sustainable Finance Assessment for the Western Balkans and Assessment of Green Bond Readiness and (ii) Assessment of Green Bond Readiness and Framework Development for the WB6, which both highlight the challenges of immediately adopting a full EU-aligned taxonomy.

Currently, WB6 institutions and markets lack a unified sustainable finance taxonomy and face capacity constraints such as limited technical expertise, insufficient environmental data and nascent verification infrastructure that make a rapid deployment of the full EU Taxonomy impractical. Considering these constraints, stakeholders have recommended a phased solution, beginning with a straightforward Whitelist of priority green sectors and activities that are easier to implement and monitor. This list serves as an interim, easy-to-use reference that gives issuers and regulators clarity on what qualifies as a green project, thereby jump-starting green bond issuance while the foundations for a more exhaustive taxonomy are being laid.

The Whitelist focuses on high-impact areas aligned with the five pillars of the Green Agenda for the Western Balkans (GAWB) as these represent the region's most urgent sustainability priorities. By concentrating on these pillars, the Whitelist ensures that green bonds provide direct funding to projects that deliver tangible environmental benefits in line with the WB6 strategic goals. These areas are integral to reducing greenhouse gas emissions and building climate resilience (for instance, energy-efficient buildings and electric public transport), and therefore merit inclusion to reflect the full scope of green investment needs in the WB6. Each listed sector and activity is defined in clear terms, and where available, basic technical criteria are provided to guide eligibility. This ensures that even in the absence of a domestic taxonomy, the selection of projects maintains a level of rigor and alignment with global standards.

This Whitelist is transitional and it is intended to be a living list that can be refined over time and, ultimately, superseded by a comprehensive Regional (WB6) Sustainable Finance Taxonomy. As capacity grows and the region develops its own taxonomy, likely closely mirroring the EU Taxonomy, the need for a present whitelist will diminish. The whitelist approach gives immediate guidance to market participants, builds local experience in identifying and reporting on green projects and helps harmonise understanding of "green" across the WB6. This approach is consistent with practices observed in other emerging markets and guidance from the Sustainable Banking and Finance Network (SBFN). Many markets have started with simplified green project lists or taxonomies as stepping stones towards more detailed frameworks.

The following guidance explains how issuers and reviewers should apply these criteria:

- Eligibility criteria under each listed activity must be met cumulatively. This means every requirement listed for a given project type should be satisfied for the project to be considered eligible. The criteria in the Whitelist are designed to work together. Issuers should ensure no criteria is wilfully skipped.
- In some cases, a specific criterion may not apply to a project due to its nature. Only when a criterion is clearly inapplicable to the project can it be left unmet. The issuer must make a case for why that criterion does not apply.
- If an issuer identifies a criterion that it believes is not relevant to its project, the issuer must explicitly justify this in the Pre-Issuance Report. In the section describing project evaluation the issuer should:
    - Name the specific criterion not being met;

  - Explain why it is not applicable to the project; and
  - Demonstrate that excluding this criterion does not undermine the environmental integrity of the project.

  This justification will be subject to review by the external reviewer and should be convincing and transparent.

- Issuers are encouraged to be transparent when documenting compliance with the Whitelist. Each criterion should be check-listed or described in the Pre-Issuance Report and (if needed) in the post-issuance verification, so that investors and authorities can easily see that the project ticks all the boxes. If an issuer cannot meet a criterion and cannot justify it as “not applicable,” the project should not be included as an eligible use of proceeds. This approach prevents “greenwashing” by ensuring that the label WB6 Green Bond is only used for bonds funding projects that meet the set environmental standards.
- When providing explanations or justifications, issuers should use legally clear, objective and neutral language.

The table below presents the eligible green sectors, sub-sectors and activities approved under the WB6 GBS, along with any applicable eligibility criteria, their relevance to WB6 GBS and the GAWB pillar objectives. Issuers may allocate WB6 Green Bond proceeds to projects falling within these categories, while still adhering to all other requirements of the Standard. This Whitelist serves as the authoritative reference for eligible green projects in the transition period.

Western Balkan Six Whitelist for Eligible Green Activities

No.	Sector	Sub-sector	Eligible activity	Eligibility criteria	Relevance to WB6 GBS goal(s)	Relevance to GAWB pillar(s)
1.	**Energy**	Renewable energy – solar PV	Installation of solar photovoltaic (PV) power generation facilities	- Must use renewable energy sources as defined in EU Renewable Energy Directive (EU 2018/2001) - Must not involve fossil fuels or peat - Complies with grid codes for renewables integration - PV panels meet environmental standards (e.g. RoHS)	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
2.	**Energy**	Renewable energy – wind	Development of onshore and offshore wind power plants and turbines	- No fossil fuel combustion - Wind projects must follow environmental and social safeguards. Turbines sited to minimise ecological harm (e.g. per EIA legislation)	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
3.	**Energy**	Renewable energy – geothermal	Generation of power from geothermal energy resources	- Geothermal facilities must have low lifecycle GHG emissions (e.g. <100 g CO_2/kWh) and sustainable reservoir management - Must not induce significant seismic risks	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
4.	**Energy**	Renewable energy – small hydropower	Small-scale hydropower generation (run-of-river or micro hydro)	- Capacity <10 MW and compliant with environmental safeguards - No large dams or high-impact reservoirs - Must not significantly alter river ecology	- Climate change mitigation - Pollution prevention and control - Sustainable use of water resources	- Decarbonisation - Depollution
5.	**Energy**	Renewable energy – biomass energy	Generation of power and/or heat from solid biomass fuels	- Biomass feedstock must be sustainably sourced (e.g. agricultural residues or certified forestry biomass) - No net deforestation or use of peat - Emissions controls in line with EU air pollution limits	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
6.	**Energy**	Renewable energy – biogas and bio-methane	Production of biogas/bio-methane from organic waste, manure or wastewater for energy use	- Feedstock limited to organic waste, manure or wastewater sludge (no energy crops that compete with food) - Digesters must capture methane for productive use and have gas cleaning if used in grid - Residue used as fertiliser if safe	- Climate change mitigation - Circular economy - Pollution prevention and control	- Decarbonisation - Depollution - Sustainable agriculture
7.	**Energy**	Green hydrogen	Production of hydrogen via electrolysis using renewable electricity	- Electricity supply for electrolyser must be 100% renewable - Process should meet relevant efficiency standards - Hydrogen used for decarbonising hard-to-abate sectors (no fossil-derived hydrogen) - Aligns with Hydrogen Strategy targets (if adopted)	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
8.	**Energy**	Energy storage systems	Deployment of energy storage to support renewable energy integration	- Systems must enable increased use of renewables - Environmental standards for batteries (proper recycling plans) - Pumped hydro limited to existing reservoirs or low impact sites	- Climate change mitigation - Climate change adaptation	- Decarbonisation - Depollution

No.	Sector	Sub-sector	Eligible activity	Eligibility criteria	Relevance to WB6 GBS goal(s)	Relevance to GAWB pillar(s)
9.	**Energy**	Smart grids & transmission	Smart grid and transmission infrastructure for integrating renewables and reducing losses	- Investments should modernise the grid (smart meters, grid automation) or expand transmission chiefly to connect renewable generation - Must result in improved efficiency/reduced grid losses or enable higher renewable share	- Climate change mitigation - Climate change adaptation	- Decarbonisation
10.	**Energy**	Energy efficiency – public infrastructure	Upgrading public lighting and municipal systems to energy-efficient technology	- Achieves significant energy savings (e.g. >50% reduction in electricity use for lighting) - Uses best available technology (LEDs, high-efficiency pumps) - Where legal basis exists, compliance with eco-design standards	- Climate change mitigation	- Decarbonisation - Depollution
11.	**Energy**	District heating & cooling	Modernisation of district heating/cooling systems to improve efficiency or switch to renewables	- Projects must substantially increase system efficiency or replace fossil fuels with renewables/waste heat - New or upgraded systems should emit significantly less CO_2 - No new coal-fired heat sources	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
12.	**Transport**	Clean public urban transport	Deployment of zero- or low-emission public transport systems in cities	- Must lower GHG and air pollutant emissions versus baseline by 20% - Charging or fuelling infrastructure powered by renewables	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
13.	**Transport**	Low-carbon rail & mass transit	Investment in rail infrastructure and rolling stock to shift transport to low-carbon modes	- Projects such as railway electrification, new rail lines or train upgrades must reduce road traffic and associated emissions - Supports modal shift	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
14.	**Transport**	Non-motorised transport	Infrastructure for cycling, walking and other active mobility	- Must directly enable modal shift away from vehicles - Designs follow safety and accessibility standards - Yields zero direct emissions in operation	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
15.	**Transport**	EV infrastructure & e-mobility	Installation of electric vehicle charging infrastructure and support for e-mobility uptake	- Charging stations must support electric vehicles powered by electricity - Projects can include battery swapping or smart charging systems - No direct fossil fuel use	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
16.	**Transport**	Clean logistics & freight	Transition of freight transport to low-emission options	- Projects to deploy electric or hydrogen trucks, vans, and cargo vehicles, or shift freight from road to rail/inland waterways - Must achieve substantially lower CO_2 and pollutant emissions per ton-km - Vehicles should meet or exceed EU CO_2 standards for Heavy Duty Vehicles	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution

No.	Sector	Sub-sector	Eligible activity	Eligibility criteria	Relevance to WB6 GBS goal(s)	Relevance to GAWB pillar(s)
17.	**Transport**	Clean water transport	Electrification of waterborne transport and related infrastructure	- Applies to vessels converted to or built as electric or hydrogen-powered. - Must replace higher-emission diesel engines and reduce water pollution (no oil/fuel leakage) - Meets marine safety standards	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
18.	**Buildings**	Green buildings – residential	Construction of new residential buildings with green design and superior energy performance	- Building should meet or exceed minimum energy performance criteria as per energy building standards - Uses sustainable materials - Must implement water-saving and waste-reducing features - Obtains green building certification (e.g. LEED, BREEAM) if available	- Climate change mitigation - Transition to a circular economy (for material reuse) - Climate change adaptation (if design includes resilience)	- Decarbonisation - Circular economy (if recycled materials used)
19.	**Buildings**	Green buildings – commercial & public	Construction of new commercial or public buildings with high sustainability standards	- Must have best-in-class energy performance (≥20% better than relevant building code) - Incorporates energy-efficient HVAC, insulation, lighting and renewable energy on-site - Follows green building certifications (e.g. LEED Gold/Platinum, BREEAM Excellent) for design, construction and operation - Includes climate resilience features	- Climate change mitigation - Transition to a circular economy - Climate change adaptation	- Decarbonisation - Circular economy (if recycled materials used) - Climate adaptation (for resilience features)
20.	**Buildings**	Energy-efficient building retrofit	Retrofit (renovation) of existing buildings to improve energy performance and sustainability	- Retrofit measures must achieve significant energy savings (≥20% reduction in energy use vs pre-renovation) or upgrade the building's energy class (e.g. from C to A) - Preferably aligns with EU building renovation wave targets - Avoids added fossil-fuel systems	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
21.	**Water**	Water supply & efficiency	Improvement of water supply infrastructure to reduce losses and ensure clean water access	- Projects such as upgrading water distribution networks to cut water loss or new supply systems for underserved areas - Must improve efficiency of water use or expand access to safe water - Pumps and equipment should be energy efficient - Aligns with sustainable water resource management plans	- Sustainable use and protection of water resources - Climate change adaptation	- Depollution
22.	**Water**	Water recycling & reuse	Systems for water recycling, reuse and efficient water management	- Must meet water quality standards for intended reuse and reduce freshwater extraction - Supports circular water economy	- Sustainable use and protection of water resources - Transition to a circular economy - Pollution prevention and control	- Depollution - Circular economy

No.	Sector	Sub-sector	Eligible activity	Eligibility criteria	Relevance to WB6 GBS goal(s)	Relevance to GAWB pillar(s)
23.	**Water**	Flood protection infrastructure	Construction of flood management infrastructure to protect against extreme rainfall and flooding	- "Grey" infrastructure like dikes, levees, floodwalls, storm drains, retention basins, etc. must be designed for projected climate change impacts (increased floods) - Reduces flood risk for communities/infrastructure	- Climate change adaptation - Sustainable use and protection of water resources - Protection of biodiversity	- Climate adaptation - Depollution
24.	**Water**	Nature-based flood solutions	Ecosystem-based approaches to flood control and water resilience	- Projects that restore or enhance natural systems for flood mitigation - Must improve water retention or slow runoff - Contributes to biodiversity - No use of hard engineering that damages ecosystems	- Climate change adaptation - Protection and restoration of biodiversity and ecosystems - Sustainable use of water resources	- Climate adaptation - Protection of Nature and Biodiversity
25.	**Water**	Municipal wastewater treatment	Construction or upgrade of urban wastewater treatment plants	- Must result in improved wastewater treatment - Ensures proper sludge management - No direct discharge of untreated sewage after project	- Sustainable use and protection of water resources - Pollution prevention and control	- Depollution
26.	**Water**	Industrial wastewater treatment	Treatment facilities for industrial effluents and water pollution control in industry	- Can include on-site recycling of treated water - Prevents contamination of rivers/soil - Aligns with BAT (Best Available Techniques) under EU Industrial Emissions Directive	- Sustainable use and protection of water resources - Pollution prevention and control	- Depollution
27.	**Water**	Drinking water treatment	Installation or upgrade of drinking water treatment and purification systems	- Ensures provision of safe potable water and improves water quality - Energy efficient technologies preferred - Improves public health and reduces need for bottled water	- Sustainable use and protection of water resources - Pollution prevention and control - Climate change adaptation	- Depollution
28.	**Agriculture**	Organic farming	Conversion to certified organic agricultural practices	- Farms must obtain recognised organic certification and maintain soil fertility and animal welfare standards - Avoids high-emission inputs - Requires crop rotation, natural pest control and organic soil amendments	- Climate change mitigation - Pollution prevention and control - Protection of biodiversity and ecosystems	- Sustainable agriculture and food production

No.	Sector	Sub-sector	Eligible activity	Eligibility criteria	Relevance to WB6 GBS goal(s)	Relevance to GAWB pillar(s)
29.	**Agriculture**	Precision agriculture and efficient irrigation	Adoption of precision farming techniques and efficient irrigation systems	- Uses technology to optimise input use and reduce waste - Drip irrigation or smart irrigation controls that significantly cut water use (≥20% savings) while maintaining yields - Aligns with climate-smart agriculture approaches to increase resource productivity	- Climate change mitigation - Sustainable use of water resources - Pollution prevention and control	- Sustainable agriculture and food production - Circular economy
30.	**Agriculture**	Climate-resilient farming practices	Implementation of farming practices that enhance resilience to climate change	- Practices should maintain or improve yields under changing climate and reduce vulnerability of farmers	- Climate change adaptation - Sustainable use of water resources - Protection of biodiversity and ecosystems	- Sustainable agriculture and food production - Climate adaptation
31.	**Agriculture**	Soil conservation & land management	Measures to prevent soil erosion, enhance soil health and restore degraded agricultural land	- Improves soil structure and carbon content - Must demonstrate reduction in soil erosion or land degradation on farmland - Avoids practices that cause deforestation or peatland drainage	- Climate change mitigation - Climate change adaptation - Protection of biodiversity and ecosystems	- Sustainable agriculture and food production - Protection of Nature and Biodiversity
32.	**Agriculture**	Manure management & bioenergy	Sustainable manure management and biogas production on farms	- Can include biogas digesters that convert manure to biogas for energy (heat/electricity) and produce nutrient-rich digestate for fertiliser - Must comply with relevant nitrate limits for land application to avoid runoff - Reduces greenhouse gas emissions from open manure decomposition	- Climate change mitigation - Pollution prevention and control - Circular economy	- Sustainable agriculture and food production - Circular economy - Depollution
33.	**Agriculture**	Agroforestry & sustainable land use	Integration of agroforestry or sustainable forestry practices into agriculture landscapes	- Trees must be managed sustainably - Enhances carbon sequestration, soil stability and microclimate for crops - Aligns with biodiversity and climate objectives	- Climate change mitigation - Climate change adaptation - Protection and restoration of biodiversity and ecosystems	- Sustainable agriculture and food production - Protection of Nature and Biodiversity
34.	**Industry**	Industrial energy efficiency	Energy efficiency improvements in industrial processes and facilities	- Installation of high-efficiency equipment, waste-heat recovery, insulation, process optimisation and energy management systems (e.g. ISO 50001) to cut energy use per unit output - Must achieve substantial energy efficiency gains and/or significant GHG emission reduction (≥20% improvement) - No expansion of fossil fuel capacity - Projects should undergo energy audit to identify savings	- Climate change mitigation	- Decarbonisation
35.	**Industry**	Industrial pollution prevention & control	Reduction of air, water, and soil pollutants from industrial activities	- Investments in pollution control technologies and processes - Emission levels should meet or exceed relevant air quality standards	- Pollution prevention and control	- Depollution

No.	Sector	Sub-sector	Eligible activity	Eligibility criteria	Relevance to WB6 GBS goal(s)	Relevance to GAWB pillar(s)
36.	**Industry**	Circular economy in industry (industrial symbiosis)	Implementation of resource efficiency and waste reuse in industrial processes	- Projects that enable one industry's waste or by-product to be used as input in another process (industrial symbiosis) or that increase use of recycled/secondary raw materials in production - Must demonstrably reduce raw material use or waste disposal - Compliance with quality and safety standards for recycled inputs is required	- Transition to a circular economy - Climate change mitigation - Pollution prevention and control	- Circular economy - Decarbonisation - Depollution
37.	**Industry**	Manufacturing of renewable energy equipment	Manufacture of components and equipment for renewable energy or energy efficiency technologies	- Production facilities and processes for energy or energy efficiency technologies - Eligible if the end products contribute significantly to climate change mitigation - Manufacturing process should adhere to high environmental standards (e.g. ISO 14001) and not involve banned toxic substances	- Climate change mitigation	- Decarbonisation
38.	**Industry**	Manufacturing of low-emission vehicles & batteries	Production of electric, hybrid or hydrogen vehicles and associated components	- Manufacturing capacity for clean vehicles or batteries - The facility should implement energy and resource efficient processes - Products must meet stringent performance standards - Battery manufacturing should ensure responsible sourcing of minerals and include recycling plans - No production of fossil-fuel only vehicles	- Climate change mitigation - Transition to a circular economy	- Decarbonisation - Circular economy
39.	**Waste**	Recycling facilities	Establishment or upgrade of facilities for recycling materials	- Projects must increase recycling rates and recovery of materials - The facility should achieve high recycling efficiency and output quality	- Transition to a circular economy - Pollution prevention and control - Climate change mitigation	- Circular economy - Depollution
40.	**Waste**	Composting & bio-digestion of organics	Facilities for composting or anaerobic digestion of organic waste	- Diverts biodegradable waste from landfills - Composting projects must produce stable compost that meets quality standards for use in agriculture - Anaerobic digestion projects must capture biogas for energy use and manage digestate safely as fertiliser, preventing methane emissions - No inclusion of inorganic or hazardous waste in feedstock	- Transition to a circular economy - Climate change mitigation - Pollution prevention and control	- Circular economy - Sustainable agriculture and food production - Depollution
41.	**Waste**	Waste-to-Energy (WTE) for non-recyclable waste	Energy recovery from non-recyclable residual waste through incineration or other thermal processes with energy use	- Facility must meet stringent pollution control standards - Must achieve high energy efficiency and contribute to reducing landfilling - Ash and other by-products should be treated safely	- Climate change mitigation - Pollution prevention and control - Transition to a circular economy	- Circular economy - Depollution

No.	Sector	Sub-sector	Eligible activity	Eligibility criteria	Relevance to WB6 GBS goal(s)	Relevance to GAWB pillar(s)
42.	**Waste**	Landfill gas capture & utilisation	Systems to capture landfill methane gas and utilise it for energy or flare it	- The captured gas should be used for electricity or heat generation or upgraded to bio-methane for the grid/vehicles or flared if utilisation not feasible – to ensure its destruction - Must significantly reduce uncontrolled methane emissions - Aligns with pollution control and climate mitigation goals	- Climate change mitigation - Pollution prevention and control	- Circular economy - Depollution
43.	**Waste**	Hazardous & Medical Waste Management	Facilities for safe treatment and disposal of hazardous waste and medical waste	- Must comply with standards for hazardous waste - Ensures containment of toxins	- Pollution prevention and control - Protection of biodiversity and ecosystems	- Depollution
44.	**Waste**	Remediation of Contaminated Sites	Cleanup and rehabilitation of polluted soil and lands	- Must follow risk assessment and attain pollution levels below relevant thresholds for safe use - No further contaminant leakage to environment - Aligns with “polluter pays” and depollution objectives	- Pollution prevention and control - Protection of biodiversity and ecosystems	- Depollution - Protection of Nature and Biodiversity
45.	**Waste**	Reuse & Repair Initiatives	Facilities or programmes that enable reuse, refurbishing, and life-extension of products and materials	- Supports circular economy by preventing waste generation - Must demonstrably replace new purchases and reduce waste disposal	- Transition to a circular economy - Pollution prevention and control	- Circular economy
46.	**Biodiversity**	Afforestation & Reforestation	Planting of new forests or replanting trees in deforested areas using sustainable methods	- Projects must use native or climate-resilient tree species and aim to restore forest cover on degraded or barren land - No conversion of natural grasslands or wetlands into plantations - Contributes to carbon sequestration and ecosystem restoration	- Climate change mitigation - Protection and restoration of biodiversity and ecosystems - Climate change adaptation	- Protection of Nature and Biodiversity
47.	**Biodiversity**	Conservation of Natural Habitats	Protection and conservation of natural ecosystems and landscapes	- Must directly contribute to preserving or improving the ecological status of priority habitats or species - Aligns with EU Natura 2000 principles - Cannot support activities that degrade the habitat	- Protection and restoration of biodiversity and ecosystems - Pollution prevention and control	- Protection of Nature and Biodiversity
48.	**Biodiversity**	Ecosystem Restoration	Active restoration of degraded ecosystems to a natural or semi-natural state	- Must show clear ecological improvements and be guided by science based measures - Avoid introducing non-native species - Enhances ecosystem services and climate resilience	- Protection and restoration of biodiversity and ecosystems - Climate change adaptation	- Protection of Nature and Biodiversity - Depollution

No.	Sector	Sub-sector	Eligible activity	Eligibility criteria	Relevance to WB6 GBS goal(s)	Relevance to GAWB pillar(s)
49.	**Biodiversity**	Sustainable Forest Management	Management of existing forests in a sustainable manner for timber and ecosystem services	- Forestry practices that have sustainable certification (FSC or PEFC) or equivalent - Must ensure selective logging or harvesting that maintains forest regeneration, biodiversity, and carbon storage - No clear-cutting of primary/old-growth forests - Encourages mixed-species forestry and long rotation periods - Protects high conservation value areas within managed forests	- Protection and restoration of biodiversity and ecosystems - Climate change mitigation - Transition to a circular economy	- Protection of Nature and Biodiversity - Sustainable agriculture and food production
50.	**Biodiversity**	Urban Greening & Nature-Based Solutions	Development of green spaces and nature-based solutions in urban areas	- Must increase urban biodiversity, improve air quality, manage urban heat or stormwater and enhance residents' well-being - Projects should prioritise native vegetation and ensure maintenance plans - Avoid removal of existing green space (net gain should be positive)	- Protection and restoration of biodiversity and ecosystems - Climate change adaptation - Pollution prevention and control	- Protection of Nature and Biodiversity - Climate adaptation - Depollution
51.	**Biodiversity**	Marine & Coastal Ecosystem Protection	Conservation and restoration of coastal and marine ecosystems	- Activities to protect marine biodiversity and coastal zones - Must contribute to healthier marine life populations, water quality or coastal resilience - No funding of unsustainable aquaculture or coastal development under this category	- Protection and restoration of biodiversity and ecosystems - Sustainable use and protection of water and marine resources - Climate change adaptation	- Protection of Nature and Biodiversity - Depollution