**Green Bond Framework**

**Developed for ARMSWISSBANK**

19 July 2022

This report has been prepared for ARMSWISSBANK CJSC as part of work for the assignment “Engagement of International Consulting Company for designing the Model Framework Structure and Content for the issuance of Green Bonds in Armenia (Green Bond Framework) and assistance to 2 competitively selected entities in negotiations with potential investors” with the donor being the Green Climate Fund (GCF) under the “Readiness and Preparatory Support Programme”.

**Published by:** Eco Ltd and DAI, with sub-contractor Emergy Capital Markets S.à r.l.

**Copyright:** Eco Ltd

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**Last edited:** 19 July 2022

**Status:** Version 2

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# List of Abbreviations

AFD French Development Agency

AFE Armenia’s Financial Ecosystem

BCIC Board Credit and Investment Committee

CBA Central Bank of Armenia

CBI Climate Bonds Initiative

CFF Climate Finance Facility

CO2 Carbon Dioxide

DFI Development Financial Institution

DRRF Development Results Reporting Framework

EBRD European Bank for Reconstruction and Development

EGIP Embedded Generation Investment Programme

FMO Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden

GEF Global Environment Facility

GCF Green Climate Fund

GHG Greenhouse Gas

GIZ Deutsche Gesellschaft für Internationale Zusammenarbeit

IC Investment Committee

ICMA International Capital Market Association

IDFC International Development Finance Club

IFC International Finance Corporation

IRP Integrated Resource Plan

KfW Kreditanstalt für Wiederaufbau

NDC Nationally Determined Contribution

NDP National Development Plan

PPA Power Purchase Agreement

PROPARCO Promotion et Participation pour la Coopération économique

SDGs Sustainable Development Goals

SPO Second Party Opinion

TCFD Task Force for Climate related Financial Disclosures

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# Introduction

## This Green Bond Framework Document

This document is the Green Bond Framework (“the **Framework**”) of ARMSWISSBANK (“**The Bank**”) with potential provision to issuing also social, sustainable or other thematic bonds (as they may apply to the needs of Armenia at both private and public sector level).

The Framework has been drafted in accordance with the **International Capital Market Association** (“ICMA”) **Green Bond Principles** as published in 2021 (“GBP”), Social Bond Principles as published by ICMA in June 2021 (“SBP”) and the Sustainability Bond Guidelines as published in June 2021 (“SBG”), and reporting can be linked to the ICMA Handbook Harmonised Framework for Impact Reporting published in June 2021. It also is in line with the Green Loan Principles as published by LMA[[1]](#footnote-1) in February 2021 (“GLP”) together referred to as “**Principles**” and will be verified through a second party opinion by an “SPO provider” to be chosen through a competitive procedure.

The Framework may be applied by the **Bank** where the **Bank** intends to issue either Green Bonds or Sustainability Bonds (together referred to as “**Sustainable Bonds**”) and to transact in a Sustainable and/or Green Loan (together and including Sustainability Loans defined hereunder referred to as “Sustainable Loans”) as defined by the ICMA and LMA documents referred to above.

This document provides a description of Green and Sustainable financing in Armenia and the National NDC (the Context), the **Impact and sustainability strategy of the Bank** and the Green Bond Framework (including eligibility criteria and reporting requirements).

## ARMSWISSBANK

«ARMSWISSBANK» CJSC (“Bank”) is a corporate and investment bank, which has been operating in Armenia since 2005. The Bank specializes in corporate and investment banking and offers its clients both traditional and alternative financing solutions designed to match their specific needs best. The mission of ARMSWISSBANK is to provide customers with innovative and advanced banking services accepted in international markets through skilled and professional staff by giving of time and resources, adhering to the Bank's commitment of social responsibility and its mission of providing sustainable financing.

The vision of the Bank is to be the leading corporate and investment Bank in the Republic of Armenia, by being the clients’ best choice through offering an integrated, flexible and distinctive bundle of banking services and sustainable financing.

## ARMSWISSBANK Impact and Sustainability Strategy and Climate Change Policy Framework

ARMSWISSBANK, as one of the leading financial institutions in Armenia, acknowledges its role and responsibility for mitigation and adaptation to climate change. Being a socially responsible organization, the Bank is committed to play an advancing role in promoting Armenia’s transition towards a sustainable future.

Financial resources and sound investments are needed to address climate change, to both reduce greenhouse gas (GHG) emissions, promote adaptation to the impacts that are already occurring, and to build resilience. According to the UN’s Intergovernmental Panel on Climate Change (“IPCC”), anthropogenic processes have already caused approximately 1.0°C of global warming above pre-industrial levels, with a high likelihood to reach 1.5°C in the coming decades. The threats created by climate change will exacerbate existing risks and cause new risks to emerge for both human and natural systems.

ARMSWISSBANK is committed to becoming one of leading regional green banks. For achieving this target, the Bank develops relevant banking processes and products tailored for its clients as well as permanently increases internal human capacity. Positive and sustainable economic development of Armenia is one of crucial points considered during investment and lending decisions of the Bank. Appropriate impact assessment procedures are integral parts of investment feasibility analyzes.

Since 2007, ARMSWISSBANK has financed more than USD 100 million in green and sustainable projects, including projects in the renewable energy and energy efficiency sectors, as well as in smart agriculture sectors. Cooperation with Multilateral Development Organizations (predominantly Multilateral Development Banks - MDB) is a strategic direction for ARMSWISSBANK. The Bank has successfully developed and expanded cooperation in the area of sustainable finance with such organizations, as, European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), Eurasian Development Bank (EDB), responsAbility Investments AG, KfW Bank, European Investment Bank (EIB), etc. Starting from 2020 ARMSWISSBANK has managed (as delivery partner) the “Scaling up green finance practices in Armenia” readiness program funded by Green Climate Fund.

Sustainability, environmental and social risk management policies are well embedded into the Bank’s business processes to exclude excessive negative environmental and social impacts, which may arise from provided financial services. ARMSWISSBANK follows internationally accepted Environmental and Social Standards, thus balancing social, environmental, and economic factors.

Before providing resources under this Framework, the Bank would apply institutional environmental, social and governance filters. Specifically, the Bank either

(i) assigns an environmental and/ or social responsibility rating (this will be replaced by an ESG score in time) to each Investee based on a proprietary social responsibility rating methodology or

(ii) may in specific circumstances such as in case of loan participations rely on such analysis being performed by a suitable third party or such as the lender of record under loan participations.

ARMSWISSBANK has strong commitments to climate change mitigation and sustainable development. A Sustainability Strategy was adopted by the Bank for these goals. As a result, the Bank provides the opportunity to its clients to earn financial returns and at the same time create value for the environment and society.

# Green Bond Framework - ARMSWISSBANK

## Green Bond Framework

**The Bank’s** Green Bond Framework is aligned with the ICMA Green Bond Principles and is set out below in terms of their four key components, i.e. use of proceeds, process for project evaluation and selection, management of proceeds, and reporting.

The Bank is considering issuing Green Bonds under this Framework, as described herein. Based on the core components of ICMA’s Green Bond Principles, the Bank Green Bond Framework will be further elaborated in the following sections and chapters:

* **Use of Proceeds** – the list of Eligible Green Assets, by reference to the relevant banking products, in the form of project categories, asset type and specifics as well as descriptions of eligibility criteria of each project.
* **Project Evaluation and Selection Process** – a core process used to document and maintain a decision-making process to determine the Eligible Green Assets.
* **Management of Proceeds** – documentation and disclosure of the systems, policies and processes used for the management of the underlying assets.
* **Reporting** - Annual Green Bond Report consisting of both allocation and impact metrics.
* **External Review** – a second party opinion to confirm the validity of the Bank Green Bond Framework.

For each bond which is issued under this Framework, **the Bank** will designate such bond as either a Sustainability Bond, Social Bond, Green Bond or thematic bonds (as applicable). The proceeds of a Green Bond are allocated to an underlying Green Loan, the proceeds of a Social Bond are allocated to an underlying Social Loan, and the proceeds of a Sustainability Bond are allocated to a Sustainability Loan. Other typologies of thematic bonds exist including SDG bond which fund innovative projects aligned to making a positive contribution to achieving the SDGs and Climate Resilience bonds which raise capital specifically for climate resilient investment as done so by the EBRD in 2019[[2]](#footnote-2). Further, the proceeds of various Bonds may also be allocated to several underlying loans, as per the below table:

|  |  |
| --- | --- |
| **Bond type** | **Underlying Loan type** |
| Green Bond | One Green Loan, or several Green Loans |
| Social Bond | One Social Loan, or several Social Loans |
| Sustainability Bond | One Sustainability Loan, or several Sustainability Loans, or a  combination of Green Loans and Social Loans |
| SDG Bond | One SDG loan, or a combination of SDG loans |
| Climate Resilience Bond | One Climate Resilience loan, or several Climate Resilience Loans |
| “Basket Bond” | a situation where the proceeds of a Bond are allocated to several underlying loans |

Most of **the Bank’s** selected projects and Use of Proceeds fall under either the Green Bond or Sustainability Bond as per the definition of the Green Bond Principles[[3]](#footnote-3) of ICMA.

The Bank will ensure that the relevant underlying loan complies with the criteria as laid out in this Framework by:

1. Applying a use of proceeds provision in respect of the underlying loan, as further laid out in section below;
2. Requiring the Bank (in its capacity as origination agent of the relevant underlying loan) to apply its origination criteria and origination process for a Green or Sustainable Bond (as applicable), as further laid out in section (b) below; and
3. Requiring the Bank (in its capacity as the monitoring agent of the underlying loan) to gather reporting indicators on a best effort basis.

Subject to compliance with the above, underlying loans can be disbursed to:

* Financial intermediaries
* Project finance structures or
* Asset-backed financings

These can be in the form of term loans, revolving credit facilities, or other types of debt. Further, participations in loans with unilateral or multilateral development banks or reputable financial institutions whereby the underlying loan subject to the participation satisfies the above criteria is also permitted under this Framework.

Moreover, the Bank seeks to contribute to the long-term development of sustainable and environmentally friendly solutions through financing relevant services and innovations. The Green Bonds issued by the Bank are to be in line with the UN Sustainable Development Goals (SDGs) and infrastructure, SDGs 6 Clean Water and sanitation, SDG 7 Affordable and Clean Energy, and 8 Decent Work and Economic Growth, SDG11 Sustainable Cities and Communities, and SDG13 Climate Action.

The loans and investments eligible to be funded by the Green Bond (and other future or sustainable financing) proceeds are defined within this Framework.

This Framework provides a unified methodology for all green financing, meaning that for each Green Finance Instrument – including but not limited to project bonds, securitized bonds, loans (syndicated, bilateral etc.) – issued in the future, the above core components will be adopted in accordance with this Framework together with the specific requirements of a credit facility to be utilized.

# Use of Proceeds

## Eligibility Principles

Each underlying loan to which this Framework applies shall have a use of proceeds provision, whereby the proceeds of such loan are used by the Borrower thereunder solely to (re)finance Eligible Projects, as further laid out in this section.

A distinction is made between Eligible Green Projects and Eligible Social Projects (together defined as “Eligible Projects”).

Eligible Projects (for refinancing) may include existing loans that have been outstanding for no more than 3 years as of the date of the specific bond issuance. A longer backward-looking period may be applied on a case-by-case basis, if the circumstances allow for this.

Under this Framework, the Bank may grant 3 types of loans (focusing first on Green Bond and Loan):

* **Green Loan**: means a loan where an amount equal to the net proceeds will be exclusively used to (re)finance eligible expenditures falling within the Eligible Green Projects,
* **Social Loan**: means a loan where an amount equal to the net proceeds will be exclusively used to (re)finance eligible expenditures falling within the Eligible Social Projects,
* **Sustainability Loan**: means a loan where an amount equal to the net proceeds will be exclusively used to (re)finance eligible expenditures falling within Eligible Green and/or Social Projects.

Proceeds from **the Bank’s** green bond issuance will be exclusively applied to the financing or refinancing, fully or partially, of:

* Projects either within **the Bank’s** investment portfolio or future projects to be appraised by **the Bank** which meet any one of the following criteria:

1. Contribute to climate mitigation and /or adaptation in compliance with the International Development Finance Club (IDFC) methodologies1 for mitigation and adaptation;
2. Align to the National Development Plan (NDP) objective of an “environmentally sustainable and equitable transition to a low carbon economy” for Armenia.
3. Align to the Sustainable Development Goals of the UN, in particular SDGs 6, 7, 8 and 11, 13; and which meet the respective ESG criteria of the Bank.

* Comply with **the Bank’s** Environmental and Social Safeguards Standards and environmental and social screening and appraisal criteria for greenfield projects (as applicable);

1. Demonstrate, quantify, and qualify positive environmental and social benefits; which will be reflected in the Bank ESG reporting, and,
2. Meet **the Bank’s** credit selection criteria and the approval of the relevant decision-making structure(s).

## Eligible Green Project Categories

The projects identified as eligible for financing or refinancing through the proceeds of green bonds will fall within one or more of following project categories[[4]](#footnote-4):

Table 1: Eligible green projects categories as aligned with the 6 EU Taxonomy Environmental Objectives

|  |  |
| --- | --- |
| **Categories** | **Eligibility Criteria** |
| **Climate change mitigation - Energy** | Financing the generation, distribution and/or transmission of energy from renewable energy sources including:   * Onshore and offshore wind energy (The installed capacity utilisation rate must not be lower than 0.22 MW) * Solar energy * Small scale hydro energy (maximum of 20 MW in installed capacity. In the case of run-of-river hydropower plants, the installed capacity utilisation rate must not be lower than 0.25 MW) * Biomass (that does not compete with food production, not grown in areas of high biodiversity and in which facilities produce GHG emissions below 100g CO2eq/kWh * Measures to facilitate integration of renewable energy into grids (New, expanded and improved transmission systems, smart-grid and mini-grid).   Energy Efficiency including:   * Construction or renovation of buildings - These investments must be compliant with existing regulations for energy performance in buildings in Armenia – where applicable – and at a minimum result in reductions in energy consumption and / or greenhouse gas emissions. * Sub-projects involving the improvement of existing buildings have a performance baseline defined by the current condition of the building fabric and engineering systems. Sub-projects (excluding costs of land and existing building acquisition) are 100 per cent eligible if:   - the energy performance of the building(s) is increased to the level energy efficiency consistent with the energy performance certification at a minimum level of category B or better[[5]](#footnote-5), or  - the energy performance of the building is improved by at least 20% in terms of kWh demand per m2 of habitable unit area.   * Sub-projects ((excluding costs of land and existing building acquisition) involving the construction of new buildings have a performance baseline defined by national building standards. Sub-projects (excluding costs of land acquisition) may be eligible:   - up to 100 per cent, if the building will obtain international environmental certification level of category B and above, or   * Investments in smart grids, manufacture and procurement of energy efficient equipment such as smart meters, LED lighting, etc. At a minimum, these investments must result in reduction in primary energy consumption and/or final consumption of electricity and/or fuels (either of fossil or renewable origin) and/or other forms of energy (which can be ultimately related to the use of electricity and/or fuels). * The investment shall achieve an energy saving or GHG reduction of 20% or more compared to the baseline, as measured on an annual basis, all things being equal. If the existing national minimum requirement is greater than a 20% improvement from the baseline, the national minimum requirement will apply |
| **Climate change mitigation - Low Carbon Transportation** | Financing the manufacturing, acquisition, and maintenance of:   * Low carbon vehicles such as electric, non-motorized or any other non-fossil fuel transportation * Public low carbon land transport such as electric rail, metros, and trams * Infrastructure for clean energy vehicles and reduction of harmful emissions (e.g. charging infrastructure upgrades) |
| **Climate change adaptation – Agriculture and Forestry** | Financing projects in the agriculture, forestry, and infrastructure sectors which reduce vulnerability to impacts from climate change and climate variability including, for example:   * Sustainable urban drainage systems * Flood protection * Drought protection (e.g. irrigation or other financial products supporting resilience) * Planting of crops / trees to improve the water table / address climate impacts |
| **The sustainable use and protection of water and marine resources** | Financing of the following projects:   * Improvements in water systems to improve the efficiency of use / reduce waste * Wastewater treatment * Supporting ecological infrastructure (including conservation of natural capital) and water resource management / water security, catchment management and sustainable land use management. * Eligible water efficiency investments, including investments in materials, equipment, appliances, and technologies that enable reduction in water consumption and/or improve water use. * The investment shall achieve (i) a water savings of at least 20% when compared to the "Reference Water Baseline"[[6]](#footnote-6) |
| **The transition to a circular economy / waste management** | Financing sustainable equipment, development, manufacturing, construction, operation and maintenance of:   * Waste-to-energy projects which does not include direct incineration of feedstock. Feedstock will include: Sewage, manure, wastewater, landfill gas capture, sugar cane bagasse, wood pellets and municipal waste. These investments will be required to demonstrate a reduction in net greenhouse gas emissions. * Waste collection, recycling and projects that recover or reuse materials and waste as inputs into new products or resources. For such projects, they must demonstrate through pre-feasibility / feasibility studies that they will result in net reductions in waste going to landfill. |
| **Pollution prevention and control** | Investments in industrial facilities to reduce the end-production of pollution. |
| **The protection and restoration of biodiversity and ecosystems** | Investments in sustainable ecosystem management and increased biodiversity. |

## Allocation of Proceeds

**The Bank’s** Green Bond Framework supports the Bank’s commitment to playing a role in the just transition to a low carbon and sustainable economy.

**The Bank** will provide market information for each respective Bond Issuance under this Framework. The information will outline in each instance, the percentage allocation of proceeds towards financing eligible projects and for re-financing projects within the Bank investment portfolio.

It is expected that approximately 30% of the investments will go towards renewable energy, with another 70% going towards energy efficiency – with a focus on investment in buildings, and the remainder going towards various other investments supporting the Environmental Objectives listed in Section 3.2. above.

## Oversight of Management and Allocation of Proceeds

**The Bank** commits to a periodic review of its processes, systems and procedures in order to remain aligned with the Green Bond Principles adopted for the allocation and management of proceeds from each Green Bond issuance.

# Process for Project Evaluation and Selection

## The Bank definition of a Green Project

In line with the EU Taxonomy, a project is classified *green* when it meets one or more of the following characteristics:

* *Reduces greenhouse gas emissions or removes greenhouse gases from the atmosphere*
* *Promotes climate resilience and/or adaptation*
* *Promotes the sustainable use and protection of water and marine resources*
* *Aids in the transition to a circular economy / improved waste management*
* *Promotes pollution prevention and control*
* *Aids in the protection and restoration of biodiversity and ecosystems –* including valuing and improves ecosystem services and biodiversity and promotes sustainable land use management practices

All projects identified as eligible for consideration for finance through **the Bank’s** Green Bond issuance are screened for environmental and social risk in accordance with the Bank’s social and environmental management framework. **The Bank** commitment to transparent social and environmental practices is evidenced by amongst others, the Bank’s Environmental and Social Safeguard Standards[[7]](#footnote-7) Climate assessment procedures utilised align with the IDFC green finance tracking methodology guidelines and Good International Industry Practice. **The Bank** utilises the IDFC methodology for screening project GHG emission volumes. These are supported by the use of a tool developed for this bond issuance.

The credibility of the Bank’s project selection and appraisal processes has been validated to be in line with international best practice, as evidenced by the Bank’s cooperation with leading European Institutions, such as EBRD, ADB, etc. ARMSWISSBANK has successful track record of cooperation with mentioned financial institutions in frame of different sustainable and green programs. Scaling up of internal human capacity of ARMSWISSBANK is continuous process.

## Investment Restrictions/ Thresholds and Exclusion Criteria

In addition to the requirements that investments contribute to environmental objectives (see Section 3.2), restrictions on the Eligible Project may be applied based on the own internal assessment by the Servicer which can be stricter compared to this Framework. Potential restrictions depend on the specific characteristics of each Investee and need to be approved by the **Bank Sustainability Committee**, as further described in section (b) below.

ARMSWISSBANK has the following exclusion list that applies to Social Loans or Sustainability Loans includes the below group of activities:

* Production or activity that involves the child’s forced[[8]](#footnote-8) or dangerous labour[[9]](#footnote-9), is harmful or exploitative
* Manufacture or trade of any product or activity that is considered illegal by the laws of the given country or international conventions and treaties
* Manufacture or trade of weapons and ammunition
* Manufacture or trade of cigarettes
* Gambling, casinos and similar enterprises
* Trade in wild animals and products made from them which is regulated by the provisions of the CITES Convention[[10]](#footnote-10)
* Manufacture or trade of radioactive materials[[11]](#footnote-11)
* Manufacture, use or trade of unbound asbestos fibres and asbestos-containing materials[[12]](#footnote-12)
* Manufacture or trade of wood or other forest products of unregulated forest
* Manufacture or trade of electrical equipment and devices containing polychlorinated biphenyls[[13]](#footnote-13)
* Manufacture, trade, storage, or transportation of large quantities of hazardous chemicals or their extensive use for commercial purposes[[14]](#footnote-14)
* Manufacture or trade of internationally banned pharmaceuticals
* Manufacture or trade of items containing internationally banned pesticides and herbicides
* Manufacture or trade of internationally banned ozone depleting substances[[15]](#footnote-15)
* Installation of nets for fishing and fishing with nets exceeding 2.5 km in length in the marine environment
* A production or activity that displaces the natives from the lands they own or their ownership by judicial decision without their consent
* Production or activity that causes “significant” forced displacement[[16]](#footnote-16)
* Manufacture, use or trade of chlorinated hydrocarbons, gallons and other materials regulated by the Montreal Protocol
* International (cross-border) trade in waste or their materials
* Sewage treatment plants, waste dumps
* Tanks unloading oil without real certificates of International Maritime Organization,
* Production and sale of nuclear resources and their spare parts,
* Hazardous waste storage, recycling or disposal
* Release of genetically modified organisms into the natural environment and trade in those organisms
* Construction or significant expansion of large dams and reservoirs, canals and water stations
* Cyanide processing of rock and debris for the extraction of precious metals
* Commercial timber harvesting (logging) mostly in tropical wet forests
* Extraction and processing of coal, oil and natural gas
* Creation and dissemination of anti-democratic and/or Nazi media
* Activities that can cause damage to cultural and historical-cultural objects

Furthermore, the proceeds of **the Bank’s** Green Bond will not be used to finance any infrastructure projects which demonstrate clear and substantive environmental and social risks which cannot be mitigated. Generally speaking, the Bank will not support projects that intentionally degrade the natural environment, or involve the production of, or trade in, any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans.

## Decision Making Process for Selection of Eligible Projects

For each bond to which this Framework applies, the Issuer will require **the Bank** to apply its criteria and process for the origination of the respective underlying loan, as described below.

**The Bank** has formed a **Green and Sustainable Bond Committee (“The Committee”)** which will be responsible for confirming the selection of the borrowers and the criteria of Eligible Sustainable Projects or Eligible Green Projects associated to the loan to be granted to such borrower, if the investment exceeds AMD 250,000,000 or equivalent other currency. The Committee makes its decision on a majority basis and consists of 3 members, representatives are one member of the (i) General Management (Managing or Executive Director), (ii) Risk and compliance division and (iii) an internal ESG or impact expert.

In the case of investments under AMD 250,000,000 or equivalent other currency, eligible projects will be screened via the use of the check-list developed as part of the process (see related excel sheet for specific screening questions per sector).

The Committee will meet prior to the issuance of any Sustainable Bond and, in case of a Basket Bond, prior to the finalisation of an underlying Sustainable Loan.

This assessment takes into account a number of quantitative and qualitative measures applied by **the Bank’s** Markets Analysts, Investments Analysts and external specialists where necessary.

**The Bank** applies an integrated environmental, social, economic, financial and sector assessment of each of the proposed projects. Projects are screened according to the Bank’s Environmental and Social Safeguard Standards[[17]](#footnote-17).

**The Bank** has a well-established set of tools and procedures to classify green operations and assess and monitor environmental and social projects, supported by internationally accredited environmental and social safeguards standards which align with the legislation in all of the jurisdictions in which the Bank operates.

**The Bank** has a constantly evolving pipeline of projects which will align to the Green Bond Principles and the Climate Bonds Initiative (CBI) – and is in line with the EU Taxonomy for sustainable activities.

Eligible projects for the Green Bond Programme are evaluated against the Bank’s Credit Lifecycle and due diligence procedures. With the assistance of the dedicate Bank Environmental and Social Sustainability team and in close coordination with the Bank Treasury, eligible green projects are assessed for inclusion in the Banks portfolio of projects to be considered for Green Bond financing. The following figure outlines the processes for investments over AMD 250,000,000 (or equivalent other currency). For smaller investments, a screening and tracking tool for retail bankers has been developed in line with the requirements of the use of proceeds.

Selection of green projects for green bond eligibility

Figure 1: Project selection and credit approval process

# Management of Proceeds

## Oversight of Green Bond Programme Operations

The net proceeds of the Green or Sustainable Bond will be on-lent to the Borrower(s) by the Bank in accordance with the terms of an underlying loan(s).

Therefore, the management of the proceeds will take place at the level of the Borrower. Each Borrower to which this Framework applies will be contractually required to hold the proceeds of the underlying loan in a sub-account or to otherwise track the funds in its internal systems.

Each underlying loan made available can have one or more Eligible Green Projects and/or Social Projects that the Sustainable Bond finances. The Borrower will ensure and will make a repeating representation that each Eligible Project is not funded by more than one financing instrument, to avoid double counting of Eligible Projects.

**The Bank** will distribute the full bond proceeds (directly or indirectly) to the Borrower. Pending full allocation of the bond proceeds to Eligible Projects the Borrower may be required to hold these unallocated proceeds in cash or other short-term money market instruments.

If the underlying Eligible Project is prepaid or no longer qualifies as an Eligible Green Project or Eligible Sustainable Project, the Borrower has the possibility to replace the ineligible or prepaid project with an Eligible Project. If the Borrower fails to replace the project within a reasonable period, then it will either (i) be required to prepay the part of the loan that is not covered by the Eligible Project within one year, or (ii) such failure constitutes an event of default under the terms of the loan.

Further, in case of a Basket Bond, **the Bank** will ensure that the proceeds of the Basket Bond are held on a designated account pending the disbursement of the eligible underlying loan(s), and will further ensure that in case of a failure to disburse eligible underlying loans in an amount equal to the notional amount of the Basket Bond at the end of an appropriate period, the unallocated proceeds are applied towards an early redemption.

The **Green and Sustainable Bond Committee (“The Committee”)** will provide the required governance and operational support for the Green Bond Programme including:

* Management oversight of the Green Bond Programme operations;
* Maintenance and monitoring of the eligible pool of projects for the duration of each bond in issuance;
* Overseeing reporting on the Green Bond portfolio and project indicators; and Managing investors communication.

## BANK Portfolio Management Policy

Control and monitoring of disbursements are managed by the Lending Department. This Department is responsible for the monitoring of financing commitments on a bi-annual basis, execution status, and contractual compliance;

Operation and execution status are monitored by the Transacting team (including provision of all climate and development data identified in the planning and eligibility phase of the Green Bond);

Environmental and development impacts are tracked and evaluated through a **Development Results Framework**. The Development Result Framework would be based on the expected annual impact results for a representative year. The impact report would thus serve as an illustration of expected environmental results that would be made possible as a result of projects to which green bonds proceeds have been allocated; however, there is no guarantee that these results will ultimately materialize. Furthermore, as the report would include the estimated results of projects that are still in the construction and/or in implementation phase, it is not intended to provide actual impact results achieved in a specific year or reporting period. Client credit status and security structures are monitored and managed by the Credit Risk Unit.

The Bank will establish a dedicated database containing all eligible projects financed by, or to be financed by the proceeds of green bond issuances. The Bank has the necessary monitoring and management capacity to provide investors with accurate and transparent information addressing the quantum of Green Bonds outstanding vs eligible projects, project location, sector, the removal of projects that may no longer meet the eligibility criteria, and the maintenance of the portfolio through qualifying substitutions.

## Procedures for Management of Proceeds

**The Bank** will establish appropriate measures and procedures to ensure that proceeds from the Green Bond are allocated and utilised as intended and subject to the applicable **Bank** Green Bond Framework. Any Green Bond proceeds not allocated to eligible projects at the date of issue will be invested in cash or cash equivalents, and other liquid instruments, and managed in line with the Bank liquidity management framework until such time that the funds are apportioned to eligible projects.

# Reporting

## Development Results Reporting Framework

**The Bank** will produce Sustainability or Green Bond Use of Proceeds Reports (“Report”) per bond issuance annually.

Further, in case of a Basket Bond, the use of proceeds report will contain an overview of the use of proceeds for each Green, Social, Sustainability or Loan granted on an aggregated basis. Such report will be made available annually.

This Report, which will be prepared for each Sustainable Bond or Basket Bond separately, will contain details of:

1. Allocation of funds per each eligible project category and optionally some examples of loans financed
2. Green Bond total allocations made within reporting period including proportions of new vs. refinanced assets
3. The amount of unallocated cash or cash equivalents
4. If available, a breakdown of the regions within Armenia where the funds have been deployed
5. The terms and conditions of a Sustainable Bond may provide for further details of a Report applicable to such bond.

**The Bank** commits to annual reporting on the use of Green Bonds proceeds on **the Bank’s** website. This report will provide investors with relevant information on the status of the Green Bond Program and will include details on projects financed through the Green Bond issuance. Wherever possible, **the Bank** will report both on the anticipated and actual development and environmental impact outcomes of the projects funded.

**The Bank** will disclose qualitative and quantitative information concerning each selected project as well as aggregate information on the portfolio of projects allocated for Green Bond financing. Where confidentiality or other reasonable considerations limit the detail of information that can be made available, **the Bank** will provide this context and present information on a portfolio basis or equivalent.

**The Bank** will additionally provide a description of key underlying methodologies and assumptions used in the quantitative determination of the anticipated development and environmental performance indicators reported.

## Impact Reporting

As is consistent with the EU’s proposed Green Bond Standard, **the Bank** will ensure that the borrower provide annual impact reporting in respect of the projects financed. Such impact reporting will endeavour to follow the recommendations outlined in the ‘Harmonized Frameworks for Impact Reporting’ for Green and Social Bonds respectively. For greenhouse gas reducing investments in particular, **the Bank** will endeavour to ensure that The Borrower provides ex-ante impact estimates on a project-by-project basis. **The Bank** will also use its own calculation tools for ex-ante assessing of impacts as is appropriate – particularly for renewable energy and energy efficiency projects.

For investments not directly reducing net greenhouse gas emissions, quantitative analysis will be requested of the Borrower on other environmental impacts of the projects. Where quantitative measures are not available then **the Borrower** will be required to produce qualitative assessments.

**The Bank** will also endeavour to ensure that **the Borrower** will produce ex-post impact measurements wherever possible – in particular for projects aimed at reducing net greenhouse gas emissions – to be reported upon annually.

Indicators and reporting frameworks will be adapted from the ‘Harmonized Frameworks for Impact Reporting’, across the relevant areas which may include:

* Renewable Energy
* Energy Efficiency
* Clean Transportation
* Green Buildings
* Climate Change Adaptation
* Sustainable Water and Wastewater Management
* Circular Economy and/or Eco-Efficient Projects
* Waste Management and Resource-Efficiency
* Pollution prevention and control
* Ecosystem management / Biodiversity

Some examples of impact reporting indicators used by the Bank are shown below:

**Renewable Energy**

Core Indicators

#1) Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent/a

#2) Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)

#3) Capacity of renewable energy plant(s) constructed or rehabilitated in MW

**Energy Efficiency**

Core Indicators

#1) Absolute energy savings in kWh

#2) Relative energy savings in %

#3) Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent/

## External Reviews

### Independent Second Party Opinion

**The Bank** will commission a Second Party Opinion for its Framework, which will confirm that the Framework complies with the Principles. This Second Party Opinion as well as the Framework will be made available to the Investors (i.e. will be displayed on the Luxembourg Green Exchange or any Local or International Exchange on which the Green Bond will be listed).

### External Verification

**The Bank** may request on an annual basis an external verification on each or a specific bond issued or loan structured under its Framework. In such case the verification may be provided starting one year after the issuance of or after the full amount has been allocated to Eligible Projects. Such external verification may be provided by an auditor or an external expert.

# Annex 1: Relevant background information about Armenia

## Armenia Financial Ecosystem and meeting the Paris Agreement targets and ESG goals

The **Central Bank of Armenia**[[18]](#footnote-18) (CBA) is the central bank of Armenia with its headquarters in Yerevan. **CBA** is an independent institution responsible for issuing all banknotes and coins in the country, overseeing and regulating the banking sector and keeping the government's currency reserves. **CBA** is also the sole owner of the Armenian Mint.

CBA’s primary mission is to regulate the banking and financial sector in Armenia as such as to contribute to the stability of the financial sector and also, indirectly, facilitate the development impact in the country by expanding access to development finance and effectively integrating and implementing sustainable development solutions (on the policy and regulatory side). Within the financial ecosystem of Armenia (AFE), a number of private and public banks provide debt and bond financing for various sustainable development, energy and infrastructure sectors, mostly for the private sector.

There is no such institution as a Development Bank in Armenia, and hence development initiative and financing tends to be fragmented between the various DFI initiatives. Albeit CBA’s main role is that of a regulator to the financial sector, it also acts as a “Go between” and facilitating institution for a number of key Development Financial Institution (DFI) development programme and loan facilities.

In most countries a national Development Bank activity would span the entire infrastructure development value chain and include active participation in the preparation, structuring, funding, and implementation of green infrastructure solutions. In Armenia, the CBA works with such prominent donors such as the German-Armenian Fund, EBRD, and other Multilateral and bi-lateral Development Banks to support/facilitate the planning, preparation, and financing for banks, and various green infrastructure and climate mitigation initiatives.

As of December 2020, the financial sector consisted of 17 commercial banks, 44 universal credit organizations, 8 insurance companies, 4 insurance brokers, a number of pawnshops, exchange bureaus, and money transfer companies. The financial leasing activities are considered financial intermediation and thus can be carried out by banks and universal credit organizations only. In 2015, the CBA changed commercial banks capital requirements, defined by the Regulation on Banking, Prudential Standards of Banking, which came into force beginning January 2017.

The most significant financial market participant is the banking sector, accounting for around 90% of the total assets of the financial system. The banking sector in turn, is quite concentrated, with the 51% of total assets in banking being owned by 4 largest banks.

The financial sector has a well-founded regulatory and supervisory system, with the CBA as the regulator in charge of banking and non-banking supervision, financial stability, protection of consumer rights and market conduct in the financial system. The financial sector of Armenia is considered resilient, which proved as such in the face the Global financial crisis of 2007-2008, the Russian crisis of 2014, 2018 revolution, socio-economic challenges caused by COVID-19 and Nagorno-Karabakh war in 2020.

## Armenia NDC (Nationally Determined Contribution) Plan Commitment to Sustainable Development

Green and sustainable financing and green debt securities issuance are still in their infancy in Armenia, although most Bank’s stakeholders do recognize the incoming importance and relevance of this growing financing segment. Below is a summary of the key issues and opportunities related to green financing.

Green finance is usually divided into 2 major groups:

1) financing climate change mitigation and

2) financing climate change adaptation.

It is well-known that more financing has been provided/allocated to financing mitigation rather than adaption measures worldwide due to different reasons. The situation is not different in Armenia: many financial institutions are already more or less specialized in financing mitigation, while adaptation financing is not yet under radar in the Financial institutions.

While climate change mitigation financing approaches can be very similar from country to country due to the fact that all measures are targeted at the reduction of GHG emissions and do not have country specifics, the case with climate change adaptation financing is country specific as each region/country has its specific climate change risk concentrations and respective foreseen adaptation measures. For instance, part of Armenia are mountainous areas, where Alpine lakes such as the Sevan Lake (1200 km2) have been used extensively for mass agriculture and water supply and also affected by dryer years (due to climate change). Proactive water management, sustainable agriculture and biodiversity preservation would be area of focus in the context of climate change adaptation.

The transformation of the updated **NDC to the Paris Agreement** (for Armenia) into tangible actions is a challenge in Armenia, given a relatively passive public policy on the matter. Given the fact that the reporting on its NDC commitments should be made on a 5-year basis, preparation of NDC Implementation Plan is initiated for more effective and efficient implementation of the NDCs.

Currently, most of the climate actions and green financing initiatives are undertaken and financed by **Development Financial Institutions (DFIs).** Armenia Financial Ecosystem (AFE) as well as the BANK works closely with key DFIs (EBRD, KfW, GIZ, Eurasian Development Bank, AFD, FMO, ADB, others) on financing key infrastructure needs of Armenia. In an ideal world, private banks, Public-Private Partnership (PPP) entities and corporate players should also be involved in sustainable infrastructure financing. The primary areas of operations and interventions of such development and green finance should look as in the diagram below (example on social and environmental infrastructure financing at municipal level, from the point of view of a Development Bank).

Diagram

Description automatically generated

Figure 2: N 1 Green and social infrastructure planning and financing

One of the core goals of the NDC Implementation Plan is the identification of the priority activities and assessment of resource needs. Armenia will need sustained financial, capacity building and technical support to regularly prepare, implement, and report on national actions under the Paris Agreement.

The UNDP supports the Government in the NDC implementation as a mechanism to scale up investment in climate change and deliver sustainable development.

Development of **Financing Strategy and Investment Plan** is part of the NDC National Implementation Plan. Armenia aims to develop a debt-for-climate innovative financial swap mechanism, which aims to attract additional financing into climate action.

The NDC **Financing Strategy and Investment Plan** will be designed to enhance the mobilization of funding from: 1) public finance sources, both national and international; 2) private sector participation and investment sources; and 3) innovative financing mechanisms, including but not limited to carbon finance.

The Assessment of Investment Needs for Climate Action in Armenia up to 2030 report prepared by the OECD suggests that Armenia will need to invest at least USD 5.7 billion for mitigation and adaptation measures if one excludes investments in nuclear power plant (the investment cost including the nuclear power plant is USD 8.3 billion.

These are clearly high-level estimates of Sustainable and Climate mitigation and adaptation needs. Both Armenia public sector and private sector (based in direct interviews made in Q2 2022) are not yet ready, from an institutional and green strategy point of view, to start planning and structuring such large green infrastructure projects, although there is a willingness to start working on it. Increased international pressure from partner countries, regions (EU Green Deal) and also each new COP and IPCC (Intergovernmental Panel on Climate Change) will certainly mount in the next 3 to 5 years, putting Climate change mitigation and the “Greening of Armenia” to become priority policy area for both the government and the banking sector.

Table 2: Estimated costs of climate mitigation measures for Armenia[[19]](#footnote-19)



This is not by any means an exhaustive list, to which we should add such key sectors (for Armenia) as agriculture, agri-business, forestry, land conservation and restoration, sustainable water management, biodiversity and eco-system conservation, and eco-efficient products, production technologies and processes (according to ICMA and the more recent EU Taxonomy).

The largest share of investments is in mitigation activities – around 4.7 billion in gross fixed assets in order to achieve its climate action targets by 2030 (the Table 1 presents the split of these costs). The planned actions are mainly in **energy, transport, agriculture and waste management sectors**. The costs are based on investment costs (capital expenditure) and reflect the level of short-term effort and do not reflect long-term cost of these measures, meaning that neither the long-term operating costs nor benefits are taken into account.

# Annex 2: Climate Bond Taxonomy of key sectors

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Climate Bonds Taxonomy | | | | Armenia | |
|  | Asset type | Asset specifics | Indicators | Sector focus | Description |
| Solar | Generation facilities (power & heat) | Photovoltaic generation facilities (onshore) | Facilities shall have no more than 15% of electricity generated from non- renewable sources | Renewable energy projects | To be confirmed |
| Concentrated solar power facilities (onshore) |
| Supply chain facilities | Manufacturing facilities wholly dedicated to onshore solar energy development such as PV cells & components, CSP dishes, troughs & components etc. |
| Dedicated storage, distribution, installation, wholesale and retail |
| Infrastructure | Dedicated transmission infrastructure |
| Dedicated supporting infrastructure including inverters, transformers, energy storage systems and control systems |
| Hydro power | Generation facilities | Run of river | Proposed: power density  > 5W/m2; or emissions of electricity generated < 50 gCO2e/kWh  AND  Must perform an assessment, based on recognised best practice guidelines, of environmental and social risks and incorporate measures to address risks  Only for pumped storage: facility will not be charged with carbon intensive energy OR facility is contributing  to a grid which has at least 20% share of intermittent renewables | Renewable energy projects | To be confirmed |
| Impoundment |
| Pumped storage |
| Supply chain facilities | Manufacturing facilities wholly dedicated to hydropower development such as hydro turbines and components |
| Dedicated storage, distribution, installation and wholesale and retail |
| Infrastructure | Dedicated transmission infrastructure |
| Dedicated supporting infrastructure |
| Private vehicle cars | Vehicles | Electric passenger & freight vehicles | Vehicle meets universal gCO2/p-km (passenger per kilometre) threshold | Electric vehicles and charging infrastructure | To be confirmed |
| Hydrogen passenger & freight vehicles |
| Other passenger vehicles, e.g. hybrid vehicles |
| Supply chain facilities | Dedicated manufacturing facilities for vehicles and key components, such as batteries, being used in eligible vehicles |
| Infrastructure | Dedicated charging and alternative fuel infrastructure (when separate from fossil fuel filling stations and garages) |
| New roads, road bridges, road upgrades, parking facilities, fossil fuel filling stations, etc |
| Buildings | Commercial buildings | Including offices, hotels, retail buildings, public buildings, educational buildings, healthcare buildings etc. | An emissions footprint in the top 15% of emissions performance in the local market  OR  A substantial reduction in gCO2/m2 because of upgrade or retrofit | Energy efficient investments, Including new and existing buildings | To be confirmed |
| Residential buildings | Private dwellings |
| Multifamily residential buildings |
| Other building types | Data centres | See ICT (pg. 16) | N/A |  |
| Stations and related buildings for eligible transport | See Transport (pg.7) |
| Industrial buildings | See Industry (pg.14) | Energy efficient investments, Including new and existing buildings |  |
| Products and systems for building efficiency | Energy efficiency | Facilities dedicated to manufacturing energy efficient components | See Industry (pg.14) | Improvements in industrial processes and / or fuel switching | To be confirmed |
| Low carbon building materials | Low carbon and alternative building materials such as alternatives to cement and concrete |
| Built environment | Urban or semi-urban areas | Such as neighbourhood level works, upgrades and retrofits such as street lighting | The built environment or specific programme must improve its emissions performance (gCO2/m2) substantially | N/A |  |
| Urban Planning | Infrastructure | District heating for residential and commercial applications | Fed primarily by renewable energy | N/A |  |
| Building, maintaining or upgrading utility tunnels for cables or pipelines | Significant resource and energy efficiency improvements |  |
| Other | Urban policies and regulations directed to climate change mitigation e.g. car-free areas | Significant impact on urban emissions |  |
| Agriculture (including mixed use productive systems) | Agricultural production | Agricultural land - including land used for the production of crops, agroforestry and silvopastoral systems, land used to rear livestock | Demonstration of significant carbon sequestration, reduction in emissions or compatibility with ‘low carbon agriculture’ targets | Improvements in land management / reductions in net Agriculture, Forestry and Other Land Use (AFOLU) greenhouse gas emissions | To be confirmed |
| Livestock |  |
| Agricultural production on peatland |  |
| Infrastructure | Machinery and equipment to manage and cultivate eligible land or livestock | Eligible if the agricultural production adheres with the above | Improvements in land management / reductions in net Agriculture, Forestry and Other Land Use (AFOLU) greenhouse gas emissions | To be confirmed |
| Associated management, information systems and other technologies |  |
| Drip, flood and pivot irrigation systems | See Water (pg.10) | Climate resilience investments which do not undermine adaptive capacity of other system |  |
| Commercial forestry | Forests & timber  production | Plantations and natural forests | No conversion from natural landscape and health of the forest is well managed | Improvements in land management / reductions in net Agriculture, Forestry and Other Land Use (AFOLU) greenhouse gas emissions | To be confirmed |
| Timber production on peatland |
| Infrastructure | Machinery and equipment to manage and cultivate eligible forested land | Eligible if the forest and timber production adheres with the above | Improvements in land management / reductions in net Agriculture, Forestry and Other Land Use (AFOLU) greenhouse gas emissions | To be confirmed |
| Associated management, information systems and other technologies |
| Production facilities incorporating efficient pulping process, bio- refineries, use of recyclates |
| Supply chain assets management | Supply chain | Input supply systems for seed production, distribution and access | Facility is sustainably managed and certified as such |  |  |
| Primary processing and storage facilities for eligible agricultural produce | Eligible if agricultural produce complies with relevant Criteria |  |  |
| Primary processing and storage facilities for eligible forestry produce | Eligible if forest produce complies with relevant Criteria |  |  |
| Primary processing facilities and storage for eligible fisheries and aquaculture activities | Eligible if fish produce complies with relevant Criteria |  |  |

# Annex 3: ICMA Eligible Green Projects categories

For reference, below are the categories and eligible areas / categories for ICMA Eligible Green Projects.

|  |  |
| --- | --- |
| **Category** | **Eligible Areas** |
| Renewable Energy | Production, Transmission, Appliances and Products |
| Energy Efficiency | New and Refurbished Buildings, Energy Storage, District Heating, Smart Grids, Appliances and Products |
| Pollution Prevention and Control | Reduction of Air Emissions, Greenhouse Gas Control, Soil Remediation, Waste Prevention, Waste Reduction, Waste Recycling and Energy/ Emission-Efficient Waste to Energy |
| Environmentally Sustainable Management of Living Natural Resources and Land Use | Environmentally Sustainable Agriculture; Environmentally Sustainable Animal Husbandry; Climate Smart Farm Inputs such as Biological Crop Protection or Drip-Irrigation; Environmentally Sustainable Fishery and Aquaculture; Environmentally Sustainable Forestry, Including Afforestation or Reforestation, and Preservation or Restoration of Natural Landscapes |
| Terrestrial and Aquatic Biodiversity Conservation | Protection of Coastal, Marine and Watershed Environments |
| Clean Transportation | Electric, Hybrid, Public, Rail, Non-Motorised, Multi-Modal Transportation, Infrastructure for Clean Energy Vehicles and Reduction of Harmful Emission |
| Sustainable Water and Wastewater Management | Sustainable Infrastructure for Clean and/or Drinking Water, Wastewater Treatment, Sustainable Urban Drainage Systems and River Training and Other Forms of Flooding Mitigation |
| Climate Change Adaptation | Efforts to Make Infrastructure More Resilient to Impacts of Climate Change, as well as Information Support Systems, such as Climate Observation and Early Warning Systems |
| Circular Economy Adapted Products, Production Technologies and Processes | The Design and Introduction of Reusable, Recyclable and Refurbished Materials, Components and Products; Circular Tools and Services); and/or Certified Eco-Efficient Products |
| Green Buildings | Buildings that meet Regional, National or Internationally Recognised Standards or Certifications for Environmental Performance |

1. <https://www.lma.eu.com/about-us> [↑](#footnote-ref-1)
2. https://www.ebrd.com/news/2019/worlds-first-dedicated-climate-resilience-bond-for-us-700m-is-issued-by-ebrd-.html [↑](#footnote-ref-2)
3. https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/ [↑](#footnote-ref-3)
4. <https://www.idfc.org/wp-content/uploads/2019/12/idfc_report_final-2.pdf> [↑](#footnote-ref-4)
5. The Energy Performance Criteria for various building types in Armenia is defined in various laws and sub-laws including the Law of the Republic of Armenia “On Energy Saving and Renewable Energy Sources” No. 67-N dated May 12, 2016. [↑](#footnote-ref-5)
6. The specific water use (measured in m3/yr) of the Sub-project reflecting conditions before the improvements considered under the Sub-project are implemented. The Sub-project boundaries are defined by the scope of investments. [↑](#footnote-ref-6)
7. Social and Environmental Risk Management Guide (ARMSWISSBANK) <https://www.armswissbank.am/upload/social&environmental_risk_management_guide_eng.pdf> [↑](#footnote-ref-7)
8. Forced labour means any work or service performed on an involuntary basis, which is carried out by coercion or threat of punishment [↑](#footnote-ref-8)
9. Hazardous work means the use of a child labour force that is economically exploitative, or likely to be hazardous, impedes a child's education, is harmful to the health of the child, or to physical, psychological, spiritual, moral or social development [↑](#footnote-ref-9)
10. Convention on International Trade in the areas endangering Flora and Fauna [↑](#footnote-ref-10)
11. This does not apply to the acquisition of medical, quality control and other equipment that, according to IFC, have little and/or comparatively protected radioactivity [↑](#footnote-ref-11)
12. This does not apply to the purchase and use of associated asbestos cement coatings with an asbestos content of less than 20% [↑](#footnote-ref-12)
13. Polychlorinated biphenyls are a group of highly toxic chemicals that have been most commonly found in petroleum electrical transformers, capacitors (condensers) and switchgear since 1950-1985 [↑](#footnote-ref-13)
14. Dangerous chemicals include gasoline, kerosene and other petroleum products [↑](#footnote-ref-14)
15. Ozone Depleting Substances (ODS) are chemicals that react with and deactivate stratospheric ozone causing ozone layer holes; The Montreal Protocol lists ODSs and the days of their targeted reductions and gradual redemptions; A list of chemical compounds controlled by the Montreal Protocol, including aerosols, refrigerants, foam blowing agents, solvents and fire protection tools, as well as details on the contract signatory countries and the target days of gradual redemption are available in the Environment and Social Development section [↑](#footnote-ref-15)
16. The impact of a production or activity is considered to be “significant” if 200 or more persons are subject to physical displacement or lose more than 10 percent of their productive assets [↑](#footnote-ref-16)
17. <https://www.armswissbank.am/upload/social&environmental_risk_management_guide_eng.pdf> [↑](#footnote-ref-17)
18. <https://staff.am/en/company/hh-kentronakan-bank> [↑](#footnote-ref-18)
19. Assessment of Investment Needs for Climate Action in Armenia up to 2030, OECD 2021 [↑](#footnote-ref-19)