

**Annex 2**

to Minutes \_\_ of the  
Meeting of the Management Board  
of the Eurasian Development Bank  
dated \_\_\_\_\_ 2021

APPROVED BY  
the Management Board of  
the Eurasian Development Bank  
(Minutes \_\_ dated \_\_\_\_ September 2021)

**GREEN AND SOCIAL DEBT INSTRUMENTS FRAMEWORK  
OF THE EURASIAN DEVELOPMENT BANK**

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## KEY TERMS AND DEFINITIONS

<b>Term</b>	<b>Definition</b>
<b>Partner bank</b>	A financial institution financed by the EDB under the SME funding programmes in one of the Bank's member states.
<b>Green bonds</b>	Any type of bond instrument where the proceeds or an equivalent amount are exclusively used to finance and/or refinance in part or in full new and/or existing eligible green projects as defined in the International Capital Markets Association's (ICMA) Green Bond Principles and/or one or more taxonomies specified in this Framework and selected by the Bank in accordance with this Framework.
<b>Final evaluation of project compliance with the Bank's mission and strategic objectives</b>	Project evaluation conducted in accordance with the Methodology for Evaluating Project Compliance with the Bank's Mission and Strategic Objectives at the stage of project submission for consideration to the Bank's collegial bodies, which results in the Bank assigning the project a category depending on its compliance with the Bank's mission and strategic objectives.
<b>Compliance matrix</b>	Defining the project category in terms of the Bank's mission and strategic objectives on the one hand (in accordance with the Methodology for Evaluating Project Compliance with the Bank's Mission and Strategic Objectives) and its category in terms of its social and environmental impact (in accordance with the Methodological Guidelines for Categorising the Eurasian Development Bank's Projects According to their Social and Environmental Impact).
<b>Use of proceeds report</b>	A public report by the Bank, which indicates in a standard form the aggregate face value of the Bank's green and social bonds issued in the past calendar year and their key characteristics (date of issue, stock exchange, currency of issue, maturity, coupon rate, bond type, country of issue, etc.), amount of allocated and unallocated net proceeds from the Bank's green and/or social bonds, eligible project categories, and other financial and structural characteristics of the issues.
<b>Impact report</b>	A public report by the Bank, which indicates in a standard form the intended and/or actual (if applicable) environmental and social impacts of the projects financed/refinanced by the Bank with green and social bonds, respectively.
<b>Project</b>	A potential or effective civil transaction (or a series of such transactions) involving the provision of funds by the Bank under one or more of the Bank's products.
<b>Initial evaluation of project compliance with the Bank's mission and strategic objectives</b>	Project evaluation conducted in accordance with the Methodology for Evaluating Project Compliance with the Bank's Mission and Strategic Objectives based on a completed questionnaire for initial evaluation of project compliance with the Bank's mission and strategic objectives, which results the Bank concluding whether to continue work on the project.
<b>Initial evaluation of project compliance with the Bank's Social and Environmental Responsibility Framework, taxonomies,</b>	Project evaluation conducted in accordance with the Bank's Social and Environmental Responsibility Framework, the Methodology for Evaluating Project Categorisation by Social and Environmental Impacts, taxonomies, and standards, based on a completed questionnaire for initial evaluation of project compliance with the Bank's environmental

<b>and project categorisation by social and environmental impact</b>	and social responsibility, which results in the Bank deciding whether or not to continue work on the project.
<b>Interim evaluation of project compliance with the Bank's mission and strategic objectives</b>	Project evaluation conducted in accordance with the Methodology for Evaluating Project Compliance with the Bank's Mission and Strategic Objectives based on project data provided at the project conceptualisation phase. The evaluation results are included in the project concept's section titled <i>Project Compliance with the Bank's Mission and Strategic Objectives</i> .
<b>Opinion on project compliance with the Bank's Social and Environmental Responsibility Framework, taxonomies, and project categorisation by social and environmental impact</b>	Project evaluation conducted in accordance with the Bank's Social and Environmental Responsibility Framework based on an external consultant's opinion on project verification, the Methodology for Evaluating Project Categorisation by Social and Environmental Impacts, taxonomies, and standards, which results in the Bank deciding whether or not the project is eligible for green or social bond financing, with recommendations for the establishment of non-financial covenants for the project.
<b>Project review</b>	Part of the Bank's project cycle, in which the Bank prepares (if necessary) a financial model for the project and/or reviews the model submitted by the client, and engages the necessary legal, technical and environmental consultants to evaluate the project.
<b>Register of green and social bond issues</b>	A list of the Bank's registered green and social bond issues outstanding at the reporting date, including their financial and structural characteristics and categories of eligible projects.
<b>Register of the Bank's green and social projects</b>	A list of projects financed and/or refinanced by the Bank as at the reporting date (indicating the amount of funds extended) in an amount equivalent to the amount of outstanding green and social bonds and meeting the provisions of this Framework.
<b>Social bonds</b>	Any type of bond instrument where the proceeds are exclusively used to finance and/or refinance in part or in full new and/or existing eligible social projects as defined in the International Capital Markets Association's (ICMA) Social Bond Principles and selected by the Bank in accordance with this Framework.
<b>Net equivalent of the proceeds from the Bank's green and/or social bonds</b>	An amount equal to the amount of funds received into the Bank's account from an issue of bonds, which have been identified by the Bank in accordance with this Framework as green and/or social bonds, net of fees and other expenses of the Bank associated with the issuance of the relevant financial instrument.

## SECTION 1. PURPOSE AND OBJECTIVES OF THIS FRAMEWORK

The Green and Social Debt Instruments Framework (“Framework”) of the Eurasian Development Bank sets out the objectives and remit for green and social bond issues, as well as the objectives and scope for raising finance through other forms of borrowing in capital markets, including bilateral and syndicated loans, repos, and derivative instruments used to finance sustainable development projects.

This Framework may be amended or supplemented if international and national standards (applicable standards in the member states of the Eurasian Development Bank), recommendations for green, social and sustainable financing, or internal regulatory documents (“IRDs”) of the Eurasian Development Bank (“EDB” or “Bank”) are amended. This document sets out the EDB’s key approaches to the use of proceeds from green and social debt instruments, the process for project evaluation and selection, the management of proceeds, and the Bank’s approaches to reporting on the use of proceeds, including impact and allocation reports. Each of the above is described in detail in the relevant section of this Framework and annexes hereto.

This Framework shall apply to the separate issue or programme of debt instruments (bonds) of any type (including structured, unsecured, and other forms), as well as to bilateral and syndicated loans, repos, and derivative instruments for which the Bank is a direct issuer or borrower and which the Bank designates as green and/or social as set forth in this Framework.

This Framework is based on the International Capital Markets Association’s *Green Bond Principles*<sup>1</sup> and *Social Bond Principles*<sup>2</sup> as revised in 2021, and the four core components outlined in those principles (use of proceeds; process for project evaluation and selection; management of proceeds; and reporting); the Bank’s IRDs, mission and strategy; and may be revised and supplemented subject to revisions and updates to international and national green and social finance principles and standards, the Bank’s IRDs, mission and strategy, and external circumstances.

## SECTION 2. COMPLIANCE WITH MISSION AND STRATEGY

This Framework shall be implemented in line with the Bank’s mission, which states that all projects financed and/or refinanced with the proceeds from the issuance and placement of green and social debt instruments should promote the development of a market economy in the Bank’s member states, their sustainable economic growth, and the expansion of trade and economic ties through investment.

According to the EDB’s Strategy 2022–2026, in developing its green and social project portfolio, the Bank shall be guided by the intended impact of sustainable

<sup>1</sup> Green Bond Principles 2021: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

<sup>2</sup> Social Bond Principles 2021: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

environmental and social development. The Bank shall define types of green and social projects in accordance with the International Capital Market Association's (ICMA) *Green Bond Principles* ("GBP") and *Social Bond Principles* ("SBP"), as well as other international and national standards and taxonomies (applicable standards of the Bank's member states) listed in Annex 1 (*List of Taxonomies and Project Categories*) to this Framework.

If the key international or national standards and taxonomies listed in Annex 1 are revised and/or amended, the Bank, when issuing green and social debt instruments, shall be guided by the versions of the documents in force at the time of issuing green and social debt instruments.

## **SECTION 3. USE OF PROCEEDS**

### **3.1. Use of proceeds from green debt instruments (green bonds)**

The net equivalent (net of fees and other expenses related to the debt instrument placement process) of the proceeds from the Bank's green bonds shall be used to finance and/or refinance the following categories of projects:

#### ***Renewable energy projects***

Financing and/or refinancing projects to construct and expand renewable energy plants; to purchase and manufacture equipment for these plants; to connect renewable generation facilities; and to repair and maintain renewable generation facilities. This category may include the following project types:

- projects to generate electricity from renewable energy sources, namely solar, wind or water energy (damless hydropower plants with a capacity of up to 25 MW);
- grids and installations for heat or electricity storage, powered by renewable energy generation facilities;
- purchase and manufacture of equipment for renewable energy generation facilities.

The Bank shall not consider as renewable energy projects any projects involving the use of fossil fuels as a source of energy, nor dam-based hydropower plants with a capacity exceeding 25 MW (for hydropower generation facilities).

#### ***Energy efficiency projects***

Financing and/or refinancing projects to improve the energy efficiency of buildings, structures and production facilities that lead to a reduction in specific energy consumption per unit of output compared to current values and/or the gross energy consumption of the existing production or facility. This category may include the following project types:

- projects investing in technologies, equipment and systems that enable measurable improvements in energy use;
- projects to upgrade urban lighting that significantly reduce overall energy consumption;
- projects to upgrade heat and electricity distribution systems that help to reduce heat and electricity losses in generation and transmission;

- projects to support the transition of existing production facilities to more energy efficient technologies and equipment or introduce energy conservation and management systems.

### ***Sustainable water and wastewater management projects***

Financing and refinancing projects to construct or upgrade drinking water treatment, purification, transmission and distribution infrastructure; wastewater treatment and transport infrastructure; and sewerage and related infrastructure construction and rehabilitation projects. This category may include the following project types:

- construction and upgrade of culverts and hydraulic facilities;
- construction and upgrade of drinking water infrastructure;
- construction and upgrade of waste management infrastructure for water and wastewater systems;
- projects to improve the efficiency of water use;
- management of waste generated by primary, chemical, and other treatment methods.

## **3.2. Use of proceeds from social debt instruments (social bonds)**

The net equivalent (net of fees and other expenses related to the debt instrument placement process) of the proceeds from the placement of the Bank's social bonds shall be used to finance and/or refinance the following categories of project:

### ***Creating affordable basic infrastructure***

Financing and refinancing projects to construct or upgrade critical transport, utilities, communications and energy infrastructure in selected regions and municipalities. This category may include the following project types:

- construction of transport infrastructure facilities, including linear facilities (roads, railways) that have a positive socio-economic impact on certain areas by creating jobs, production facilities and associated road infrastructure, or improve transport accessibility to previously isolated or difficult to access settlements;
- development of utilities, including construction and reconstruction of gas, water and electricity supply facilities that improve the quality of life of the residents of certain regions and municipalities; construction and reconstruction of wastewater treatment plants, sewerage and related infrastructure, waste treatment projects where the lack of such infrastructure is critical for the region/municipality.

***Assistance to the working-age population and programmes to tackle unemployment*** caused by a socio-economic crisis, including by financing small and medium-sized enterprises and microfinance. This category includes programmes to support small and medium-sized enterprises, including micro-lending, which the Bank implements through its partner banks in the EDB member states.

In identifying eligible projects to be financed and/or refinanced by issuing social bonds, the Bank shall be guided by the benefit that will be derived from these projects by one or more of the following target groups (depending on the project):

- those living below the poverty line;
- excluded and/or marginalised populations and/or communities;



- populations affected by natural disasters and/or conflicts;
- people with disabilities;
- migrants and/or displaced persons;
- undereducated;
- populations that have limited access to essential goods and services;
- the unemployed;
- women.

Where a project addresses a socially significant issue in a particular area (e.g., poor access to potable water, poor quality roads or municipal infrastructure), this Framework may recognise the entire population of the area as a target group that is socially vulnerable due to lack of access to basic infrastructure or services (the entire population of a region, municipality, city, or another area, depending on the nature of the project and the administrative-territorial divisions that exist in the country in which the project is implemented). In this case, the Bank shall justify the social importance of the project to be financed and/or refinanced for the area as a whole, with a separate announcement to be made when issuing social bonds. That said, for the purposes of this Framework, the Bank shall only finance socially important projects, as well as other projects subject to repayment with interest.



### 3.3. Project category alignment with Sustainable Development Goals

The Bank aligns the UN Sustainable Development Goals and the categories of eligible ICMA GBP and SBP projects as follows and sets the following project screening criteria.

Sustainable Development Goal	Categories of eligible ICMA GBP and SBP projects	Project screening criteria	Examples of potential financing/refinancing projects
<b>Green bonds</b>			
<b>SDG 7:</b> Ensure universal access to affordable, reliable, sustainable and modern energy for all  <b>SDG 13:</b> Take urgent action to combat climate change and its impacts	Renewable energy	<ul style="list-style-type: none"> <li>- fully installed capacity of renewable energy generation facilities: MW</li> <li>- annual electricity generation from renewable energy sources: MWh</li> <li>- greenhouse gas emissions in CO2 equivalent per kWh of generated energy: grams of CO2-eq per kWh</li> <li>- annual reduction in direct greenhouse gas emissions by replacing fossil fuel generation facilities: tonnes of CO2-eq per year</li> </ul>	<ul style="list-style-type: none"> <li>- construction of wind farms</li> <li>- construction of solar power plants</li> <li>- purchase and manufacture of equipment for solar and wind power plants</li> <li>- construction of damless low-capacity hydropower plants</li> </ul>
	Energy efficiency	<ul style="list-style-type: none"> <li>- annual energy savings: in MWh (electricity) and/or GJ (other energy savings) per year</li> <li>- annual reduction in direct greenhouse gas emissions by reducing fuel consumption: tonnes of CO2-eq per year</li> <li>- annual reduction in indirect greenhouse gas emissions by reducing energy consumption: tonnes of CO2-eq per year</li> </ul>	<ul style="list-style-type: none"> <li>- financing the energy efficiency programmes of industrial enterprises</li> <li>- financing the energy efficiency programmes of municipal lighting and other utilities</li> <li>- construction of energy-efficient buildings and structures</li> </ul>
<b>SDG 6:</b> Ensure access to water and sanitation for all	Sustainable water and wastewater management	<ul style="list-style-type: none"> <li>- reduction in direct water loss during treatment, transport and distribution: cubic metres</li> <li>- reduction in specific end-user water consumption: %</li> <li>- increase in the share of water treated to standards: %</li> <li>- increase in the share of recycled water: %</li> <li>- reduction in the discharge of polluted and/or untreated wastewater: cubic metres</li> </ul>	<ul style="list-style-type: none"> <li>- reconstruction, development, and upgrade of water supply, wastewater and sludge disposal facilities</li> <li>- construction and upgrade of culverts and hydraulic facilities</li> </ul>

SDG 11: Make cities inclusive, safe, resilient and sustainable		<ul style="list-style-type: none"> <li>- annual gross reduction in untreated sewage sludge that is now treated and disposed of: tonnes of dry matter per year and %</li> <li>- annual gross amount of recycled dry sediment: tonnes of dry matter per year and %</li> <li>- reduction in specific energy consumption: J per cubic metre</li> </ul>	<ul style="list-style-type: none"> <li>- construction and upgrade of drinking water infrastructure</li> <li>- construction and upgrade of waste management infrastructure for water and wastewater systems</li> </ul>
Social bonds			
SDG 11: Make cities inclusive, safe, resilient and sustainable  SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	Creating affordable basic infrastructure	<p>Creating transport infrastructure:</p> <ul style="list-style-type: none"> <li>- number of jobs created as a result of the construction of a transport infrastructure facility, including indirect effects of the development of transport and logistics centres and businesses around the infrastructure facility: number of jobs</li> <li>- reduction in the unemployment rate in the cities/municipalities/regions in which the transport infrastructure is created: % or percentage points</li> <li>- reduction in the cost of transport and the transport cost burden for local producers: %</li> <li>- number of residents in the settlements with access to the country/region's transport network and/or to the areas with newly built linear transport facilities (e.g., paved roads, railway tracks, etc.): people</li> </ul> <p>Creating utilities:</p> <ul style="list-style-type: none"> <li>- increase in the number of people with access to drinking water that meets higher quality standards: people</li> <li>- increase in the number of households connected to district electricity/gas/water/heat supply networks: people</li> <li>- increase in the number of households with access to state-of-the-art sewerage networks: people</li> </ul>	<ul style="list-style-type: none"> <li>- construction and reconstruction of roads and related infrastructure</li> <li>- construction and reconstruction of railroads and related infrastructure</li> <li>- reconstruction, development, and upgrade of water supply, wastewater, and sludge disposal facilities</li> <li>- reconstruction, development, and upgrade of local electricity/gas/water/heat supply facilities</li> </ul>

<p>SDG 1: End poverty in all its forms everywhere</p> <p>SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p>SDG 10: Reduce inequality within and among countries</p>	<p>Assistance to the working-age population and programmes to tackle unemployment caused by a socio-economic crisis, including by financing small and medium-sized enterprises and microfinance</p>	<p>Support to small and medium-sized enterprises in the EDB member states</p> <ul style="list-style-type: none"> <li>- number of SME start-ups in the programme area: number of SMEs</li> <li>- number of jobs created as a result of supporting SMEs in the programme area: number of jobs</li> <li>- reduction in the unemployment rate in the cities/municipalities/regions in the programme area: % or percentage points</li> <li>- increase in the per capita income in the cities/municipalities/regions in the programme area: % or percentage points</li> </ul>	<p>Programmes to support to small and medium-sized enterprises, including microlending, through partner banks in the EDB member states</p>
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The above categories of green and social projects eligible for green and social bond financing is not exhaustive or definitive.

The above project categories may be modified or supplemented as the Bank's IRDs are revised and new Bank-financed projects emerge, provided that these projects relate to one or more of the ICMA green and social project categories, and/or one of the taxonomies used by the Bank, as listed in Annex 1.

If, as a result of the project evaluation and selection process, the Bank's authorised body decides that the project meets one or more of the green and social project criteria, the Bank may decide to designate such project a sustainable development project and recommend that it be financed or refinanced by issuing sustainability bonds in accordance with the *ICMA Sustainability Bond Guidelines*<sup>3</sup>.

## SECTION 4. PROJECT EVALUATION AND SELECTION

When assessing and selecting projects to be financed by issuing green and/or social bonds, the Bank shall be guided by its key IRDs, including the Environmental and Social Responsibility Framework, the Methodology for Evaluating Project Compliance with Mission and Strategic Objectives, the Project Cycle Regulations, the Methodological Guidelines for Categorising Projects by Social and Environmental Impact, and the Methodological Guidelines for Monitoring Socio-economic and Environmental Effects.

In accordance with the Bank's current project evaluation and selection mechanism, all Bank-financed projects shall undergo several evaluation and selection stages under the Project Cycle Regulations and the Methodology for Evaluating Project Compliance with the Bank's Mission and Strategic Objectives, which includes several environmental and social impact indicators that must be considered in making the final decision on whether to finance a project. In addition, the Bank shall be guided by its Environmental and Social Responsibility Framework, which prohibits the financing of socially hazardous activities and projects with negative and irreversible environmental impacts.

An additional procedure for project evaluation and selection shall apply to projects that may be eligible for financing with green and/or social bonds. At the initial project evaluation stage, the Bank's responsible unit shall pre-screen projects against green and/or social project taxonomies and categories. The unit responsible for ESG risk management shall evaluate project compliance with the taxonomies and categories (a complete list is provided in Annex 1).

The final decision to finance and/or refinance a project with green and/or social bonds shall be made by the Bank's authorised collegial body. To be successful in attracting such financing, a project shall meet the following conditions:

- the Credit Committee has approved financing for the project;
- the project is not classified as a socially hazardous activity or as having an extremely negative environmental impact in accordance with the Bank's Environmental and Social Responsibility Framework;

<sup>3</sup>ICMA Sustainability Bond Guidelines: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/guidance-handbook-and-q-and-a>



- the project complies with one or more national and/or foreign taxonomies as well as with the ICMA categories used by the Bank without any additional criteria, or complies with one or more national and/or foreign taxonomies by meeting additional criteria (in which case an additional assessment by the Bank and an external consultant (second opinion if necessary) shall be prepared to confirm compliance with such criteria);
- the project has undergone additional verification or environmental audit (if necessary) involving external environmental and industry-specific technical consultants;
- the unit responsible for ESG risk management has approved the project;
- the project meets the criteria for green or social projects as set out in this Framework.

Therefore, any project that the Bank determines as eligible for financing with green and social bonds shall go through several selection stages within the Bank's project cycle, each determining its environmental and social effects.

Where project financing has already been provided by the Bank at the time of approval of this Framework, the Bank shall conduct a further review of the relevant project in accordance with this Framework. Based on the results of the review, the project shall be submitted to the Bank's authorised collegial body for consideration, provided that financing for such project has been provided by the Bank no earlier than 24 months prior to the review. If the project has been financed in several tranches, the amount of loans selected for refinancing with green and/or social bonds shall be limited to the amount of the tranches disbursed for the project in the past 24 months.

## **SECTION 5. MANAGEMENT OF PROCEEDS**

The Bank may issue green and/or social bonds as stand-alone issues or under a euro medium-term note (EMTN) programme or other bond programmes. The Bank's green and/or social bonds may be admitted to organised trading or be traded in the over-the-counter market. The Bank shall use the following process to manage the proceeds from green and/or social bonds.

For each year following the reporting year, the Bank shall determine the amount of green and/or social bond issues and placements by the project categories specified in this Framework and form a preliminary register of green and/or social bond issues, in accordance with the Bank's overall business plan.

The Bank's responsible unit shall report quarterly on the loans extended or applications approved that meet the project categories specified in this Framework and that have undergone the project evaluation and selection process (including refinanced projects) and prepare a register of the Bank's green and social projects. Once green and/or social bonds have been issued, an amount equal to the net proceeds from such transactions shall be allocated to this internal register in order of issuance.

The register of green and/or social bonds shall be reviewed regularly (at least quarterly). The Bank intends to maintain the total value of projects financed and/or refinanced with green and/or social bonds at no less than the total face value of the outstanding green and/or social bonds. The register of green and social bond issues shall

contain information sufficient to identify each green and/or social bond issue in order to comply with the Bank's register of green and social projects.

In cases where the face value of the outstanding green and/or social bonds exceeds the value of the projects financed and/or refinanced with these bonds, the excess amount shall be placed in accordance with the Bank's overall liquidity management policy.

The authorised collegial body for the selection of projects eligible for green and social bond financing shall, on a quarterly basis, monitor the targeted disbursement of the funds borrowed for the projects that are financed and/or refinanced with the loans included in the Bank's register of green and social projects. If the Bank, after having reviewed the use of these funds, concludes that these are not used as intended, the project shall be removed from the register of green and social projects.

During the quarter following the repayment of a loan that is included in the Bank's register of green and social projects or following the removal of a loan from the Bank's register of green and social projects, the Bank shall substitute this loan with another loan (meeting the requirements of this Framework) so that the total amount of the loans included in this register is not less than the total face value of the outstanding green and/or social bonds. If a loan cannot be substituted, the Bank shall partially redeem the relevant bond issue provided this is permitted by the issuance documentation and the rules for issuing green and/or social bonds in the country where the initial placement of these financial instruments has taken place, or shall otherwise compensate for non-compliance with the initial terms of the relevant green and/or social bonds.

## SECTION 6. REPORTING AND EXTERNAL REVIEWS

### 6.1. Reporting system

Once the Bank has issued green and/or social bonds, the use of proceeds from these placements shall be regularly monitored and publicly disclosed on an annual basis until the bond issues are fully repaid.

The Bank shall publish two types of reports:

- use of proceeds report;
- an impact report.

In preparing a use of proceeds report and an impact report, the Bank shall be guided by the International Capital Markets Association's Harmonised Framework for Impact Reporting<sup>4</sup> for green bonds; the International Capital Markets Association's draft Harmonised Framework for Impact Reporting for Social Bonds<sup>5</sup>; this Framework, and the Bank's current IRDs.

The use of proceeds report shall include the following information:

<sup>4</sup> Handbook - Harmonised Framework - <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2021-100621.pdf>

<sup>5</sup> Working Towards a Harmonised Framework for Impact Reporting for Social Bonds - <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Harmonized-Framework-for-Impact-Reporting-for-Social-BondsJune-2020-090620.pdf>





- the face value of the Bank’s green and social bonds issued during the last calendar year and their key characteristics (date of issue, stock exchange, currency of issue, maturity, coupon rate, bond type, country of issue, etc.);
- amount of the allocated net proceeds from the Bank’s green and/or social bonds issued in the relevant calendar year;
- amount of the unallocated proceeds from the Bank’s green and/or social bonds issued in the relevant calendar year;
- categorisation of eligible projects in accordance with this Framework and based on all the requests for funding in the relevant calendar year;
- a country-by-country breakdown of all the requests for funding in the relevant calendar year.

In addition, the Bank shall publish an impact report, which shall specify the intended and/or actual (if applicable) environmental and social impacts of the projects financed/refinanced by the Bank with green and social bonds, respectively.

The impact report shall specify key indicators in line with the harmonised framework for impact reporting for green and social bonds. The Bank may involve external experts to calculate specific environmental and social effects of the financed or refinanced projects. In addition, the Bank may publish the results of monitoring socio-economic and environmental effects for individual projects as part of the impact report.

The impact report shall be on the project-by-project basis:

- a) for green bonds: on renewable energy projects; energy efficiency projects; and sustainable water and wastewater management projects;
- b) for social bonds: on affordable basic infrastructure projects.

For the description of projects that involve assistance to the working-age population and programmes to combat unemployment, the impact report for social bonds shall be structured on a portfolio basis (describing the aggregate effects of a group of projects, or SME support programmes in this case, for each calendar year).

## 6.2. External review

In order to comply with global best practices, including those of international development banks, the EDB may engage an external verifier to conduct an independent review of this Framework, certain green and/or social bond issues, projects that have been financed or refinanced with green and/or social bonds, and reporting on the use of proceeds from green and social bond issues, including allocation and impact reports.



## TAXONOMIES AND PROJECT CATEGORIES

No.	Taxonomy/ Framework	Description	Link
1	VEB.RF Taxonomy for Green Projects*	The VEB.RF Taxonomy for Green Projects sets out the main areas and criteria for green projects in order to determine whether financial instruments comply with the Standards for Classifying Financial Instruments as Financial Instruments Aimed at Financing Sustainable (Including Green) Development Projects in the Russian Federation. A green project is a project that meets all the principles outlined in the Taxonomy.	<a href="https://вэб.рф/en/sustainable-development/green-finance/">https://вэб.рф/en/sustainable-development/green-finance/</a>
2	VEB.RF Taxonomy for Adaptation Projects*	The VEB.RF Taxonomy for Adaptation Projects sets out the main areas and criteria for adaptation projects in order to determine whether financial instruments comply with the Standards for Classifying Financial Instruments as Financial Instruments Aimed at Financing Sustainable (Including Green) Development Projects in the Russian Federation. An adaptation project is a project aimed at adapting the economy to climate change that meets all the conditions specified in the Taxonomy.	<a href="https://вэб.рф/en/sustainable-development/green-finance/">https://вэб.рф/en/sustainable-development/green-finance/</a>
3	Taxonomy for Green Projects to be Financed with Green Bonds and Green Loans (Green Taxonomy of the Republic of Kazakhstan)*	The Green Taxonomy is a unified system to classify economic activities, project categories, and assets (including quantitative and qualitative thresholds) aimed at improving the efficient use of existing natural resources, reducing negative environmental impacts, and promoting energy efficiency, energy saving, climate change mitigation, and adaptation to climate change.	<a href="https://kap.kz/custom/wysiwyg/image/file/20210311/20210311230816_94452.pdf">https://kap.kz/custom/wysiwyg/image/file/20210311/20210311230816_94452.pdf</a>
4	Climate Bond Initiative's Climate Bonds Taxonomy	The Climate Bond Initiative's Climate Bonds Taxonomy is a guide to climate aligned assets and projects. It is a tool for issuers, investors, governments, and municipalities to help them understand which key investments will deliver a low carbon economy.	<a href="https://www.climatebonds.net/standard/taxonomy">https://www.climatebonds.net/standard/taxonomy</a>
5	EU Green Taxonomy	The EU green taxonomy is a classification system establishing a list of environmentally sustainable economic activities. The taxonomy provides companies, investors and policymakers with appropriate definitions for economic activities that can be considered as environmentally sustainable.	<a href="https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-">https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-</a>

			<a href="#">activities_en#documents</a>
6	China Green Bond Endorsed Projects Catalogue 2021	China's green project taxonomy sets out the criteria and categories for projects financed with green bonds and covers green bonds issued in China's domestic market. It sets out the official requirements for qualifying projects as green, the management of proceeds and reporting, and a taxonomy in the form of a catalogue of projects.	<a href="https://www.climatebonds.net/files/files/the-Green-Bond-Endorsed-Project-Catalogue-2021-Edition-110521.pdf">https://www.climatebonds.net/files/files/the-Green-Bond-Endorsed-Project-Catalogue-2021-Edition-110521.pdf</a>
7	Green bond categories of the International Capital Market Association (ICMA)	Categories of eligible Green Projects as specified in the current Green Bond Principles of the International Capital Market Association (ICMA)	<a href="https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp">https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp</a>
8	Social bond categories of the International Capital Market Association (ICMA)	Categories of eligible Social Projects as specified in the current Social Bond Principles of the International Capital Market Association (ICMA)	<a href="https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp">https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp</a>

\* Draft documents are currently in use.

\*\* The CBI translation was used.

The Bank shall use the wording of the above taxonomies or project categories that are current at the time of issuing green and/or social bonds.