

GREEN, SOCIAL AND SUSTAINABILITY BOND FRAMEWORK

JULY 2021



Introduction

Wallonia is committed to transitioning towards a low carbon, environmentally friendly and socially responsible economy, acting to contribute to the Paris Climate Agreement while also alleviating social challenges in the Region through sustainable investments.

To emphasize Wallonia's commitment to a more sustainable future, the 2nd [Walloon Sustainable Development Strategy](#) (WSDS) was adopted as early as July 2016. The strategy is designed as a guidance and actions document to promote the initiative and consistency for sustainable development through public policies of Wallonia.

On 12 March 2020, the Walloon Government adopted the [Assessment of Wallonia's progress towards the 17 Sustainable Development Goals](#) defined by the United Nations Organization (UNO). Applying 80 relevant and reliable indicators, this new report aims to identify the main issues and challenges Wallonia is facing in its transition towards sustainable development. It also tackles the objectives Wallonia has undertaken and intend to achieve on its territory by 2030.

Wallonia will mobilize and foster closer cooperation among all actors in society to reach the shared vision in 2050. The vision entails 3 dimensions: living in Wallonia in 2050, living in the world in 2050 and living after 2050.

For immediate to medium term (2021-2024), Wallonia has set up an investment plan to translate its 2030 objectives and 2050 vision into reality. To support its plans, Wallonia launched in April 2019 its Sustainability Bond Framework, to leverage from the Sustainable Capital Markets to finance Green and Social projects.

With the launch of this Framework update, Wallonia is targeting Green Bonds, Social Bonds, Sustainable Bonds. This update is inspired by and intends to follow ICMA [Sustainability Bond Guidelines](#) (SBG 2021 version), [Green Bond Principles](#) (GBP 2021 version) and [Social Bond Principles](#) (SBP 2021 version), to facilitate transparency, disclosure, and integrity of Wallonia's related bond issuances.

In addition, this new version of the Framework reflects the update of the 2019 Framework's eligibility criteria for social categories, to enable the coverage of exceptional Covid-19 related expenses financed by Wallonia through its inaugural social bond issued in May 2020.

When applicable, Wallonia commits to fully align with the European Union's recommendations and to adapt its Framework, to the extent feasible, to the next coming EU Taxonomy and Green Bond Standards. In this regard, thresholds of the green categories (when applicable, with the mention *) will be integrated later on in the Framework, once the EU Taxonomy is finalized and adopted by the Member States. In the meantime, some 2019 green categories have already been partially rephrased in this new version to reflect regional short-term priorities.

The transparency of issuances under the Green, Social and Sustainable Bond Framework of Wallonia will be complemented by a Second Party Opinion and each individual annual budget allocation report published by Wallonia will be attested by a third party auditor.

Use of proceeds

An amount equal to the net proceeds of the issuance of each Sustainability Bond issued by Wallonia will be used within the year of the issuance to finance and/or refinance, in whole or in part, new and/or existing eligible green and social expenditures falling within one of the following eligible categories:

Eligible green categories	Eligible social categories
<ol style="list-style-type: none">1. Renewable energy2. Energy efficiency & low carbon building3. Sustainable mobility4. Circular economy5. Sustainable food6. Protection of resources, land & biodiversity	<ol style="list-style-type: none">1. Education & employment promotion2. Socio-economic advancement & empowerment3. Affordable housing4. Access to basic infrastructure & essential services



Eligible green and social expenditures may include tax expenditures, investment expenditures, operating expenditures and R&D, as any of such expenditures can be deployed to meet the Region’s mission. Eligible expenditures can be directed towards public entities, companies, communities, and/or households/individuals.


Any expenditure that explicitly contributes to regional green or social objectives and associated benefits as defined in related tables (p.3-9) is eligible and will be associated with one of the green or social categories.






Nuclear and armament activities will all be excluded, without any exception. In accordance with the principle of segregation of funding sources, eligible expenditures will also exclude any Region expenditure financed by an external dedicated resource (e.g. EU funds) and by an internal dedicated resource (e.g. dedicated taxes).








If Wallonia faces a major controversy for any reason on eligible expenditures, the Sustainability Committee will reallocate the net proceeds to other eligible projects which meet the eligibility criteria of the framework within 12 months following the decision of reallocation. In such a case, this reallocation would be disclosed in the following annual report.




In accordance with the [“Green, Social & Sustainability Bonds High-Level Mapping to the Sustainable Development Goals”](#) published by the International Capital Market Association (ICMA) in June 2020, Wallonia presents hereunder the correspondence between the eligible categories chosen to be included in this Sustainability Bond Framework and the targeted Sustainable Development Goals.


Eligible green categories	Scope and definition	Examples of expenditures	SDGs Mapping
Renewable energy	<p>Energy production & use</p> <p><i>Projects aiming at developing the production, operation and use of renewable energy coming from:</i></p> <ul style="list-style-type: none"> - Solar photovoltaic technologies - Onshore wind installations - Hydro-electric power stations whose GHG emissions over the life cycle of electricity production are less than 100gCO₂e / kWh - Geothermal stations * whose GHG emissions over the life cycle of electricity production are less than 100gCO₂e / kWh - Biomass, biogas and biofuels*, excluding those produced from crops from land with a large stock of carbon or peatlands - Green hydrogen* as an energy carrier produced only from use of renewable electricity 	<ul style="list-style-type: none"> • Subsidies to corporates and individuals investing in renewable energies • Investments in energy storage facilities aiming at promoting the development of renewable energies and/or replacing peak electricity produced by less environmentally friendly units • Investments in installations producing electricity from biomass, biogas and biofuels • Investments in low carbon hydrogen production capacity to be used in low-carbon engines, being used in public or private vehicles (cars, busses, utility vehicles...), <i>but also in industry sectors</i> • R&D subsidies dedicated to renewable energies development in public or private entities 	
Energy efficiency & low carbon buildings	<p>Energy efficiency in housing</p> <p><i>Projects aiming at reducing the energy consumption and demonstrating a level of at least 30% post refurbishment in existing housing*.</i></p> <p>Energy efficiency in public & private infrastructure</p> <p><i>Projects aiming at reducing the energy consumption and demonstrating a level of at least 30% post refurbishment in existing public and private infrastructure*.</i></p> <p><i>Construction of new facilities / buildings (public, residential, commercial) complying with NZEB standard (Nearly Zero Energy Building)*</i></p>	<ul style="list-style-type: none"> • Premium programmes or subsidies to private individuals supporting the energy renovation • Investments to replace energy consuming appliances (high efficiency boilers, etc.) and to support efficient technologies • Tax credits for individuals investing in energy efficiency matters • Subsidies to corporates to carry out a feasibility study and energy audit of their plants • LED lighting investments in public areas: • Investments in new public buildings complying with NZEB standard • Renovation investments in public buildings 	


Eligible green categories	Scope and definition	Examples of expenditures	SDGs Mapping
Sustainable mobility	<p>Public transport & multimodality</p> <p><i>Projects aiming at improving and developing public transport services (passengers), such as conception, development, construction, acquisition and maintenance of public transport equipment and inter-modal solutions*.</i></p> <p>Exclusion: vehicles consuming fossil fuels and infrastructure related to transport of fossil fuels</p>	<ul style="list-style-type: none"> • Investments in mobility infrastructures and networks (metro, tramway and other transport in own site, such as electric or hydrogen bus) • Investments in multi-modal transportation infrastructure for passengers (combining railway, metro, tramway, electric bus, micro-mobility equipment, bicycles, pedestrians) • Investments in purchase and/ or replacement of low- and zero-emission light duty vehicles used in public transport services • Investments in charging stations for electrical vehicles (including green hydrogen) 	
	<p>Soft mobility</p> <p><i>Projects aiming at developing soft transport modes and low-carbon energy transport.</i></p>	<ul style="list-style-type: none"> • Investments in ride-sharing programmes and smart mobility solutions • Investments in the extension of cycle path networks and pedestrian walkways 	
	<p>Freight transport infrastructure</p> <p><i>Projects for modal shift of freight from road to waterways, such as conception, development, construction, acquisition and maintenance of inter-modal transport equipment, infrastructure and network*.</i></p> <p>Exclusion: railway infrastructure (federal level), road infrastructure (not eligible), infrastructure related to transport of fossil fuels</p>	<ul style="list-style-type: none"> • Investments in infrastructure to increase waterway transportation capacity for freight (dredging, locks) • Investments in inter-modality platforms (transport infrastructure between waterways, railways and roads) • Premium to promote modal shift freight transport to regional waterways (logistics, freight transshipment) 	

Eligible green categories	Scope and definition	Examples of expenditures	SDGs Mapping
Circular economy	<p>Value chains optimisation *</p> <p><i>Projects that support the circular design of products and processes (including prevention, end-of-life management from the design stage and the sustainable supply of resources).</i></p> <p><i>Inclusion of value chain projects that represent a major challenge in terms of sustainability and climate impact in Wallonia: building materials (including cement); plastics, metals, batteries, textiles, food industry.</i></p>	<ul style="list-style-type: none"> • Subsidies to support companies in Wallonia transitioning towards circular economy • R&D subsidies for projects in industrial symbiosis (material and energy resources), eco-design and economy of functionality • Subsidies for projects aimed at improving circularity in the construction of buildings (development of tools, structuring of construction sectors, adoption of best practices, etc.) • R&D subsidies in the circular economy for metals, including upcycling and valorisation of raw materials coming from so called “urban mines” 	  
	<p>Waste Management *</p> <p><i>Projects for reduction of waste, collect, sustainable treatment, transformation, upcycling.</i></p> <p>Exclusion: hazardous waste</p>	<ul style="list-style-type: none"> • Subsidies for projects tackling reduction of waste generation through prevention, transformation, upcycling, reuse • R&D subsidies dedicated to sustainable waste treatment residue 	
Sustainable food	<p>Food production</p> <p><i>Projects aiming at reducing impacts from food production including:</i></p> <ul style="list-style-type: none"> • <i>Development of short circuits/local food systems</i> • <i>Development of certified organic agriculture practises following the current EU Organic Regulation</i> 	<ul style="list-style-type: none"> • <i>Subsidies for projects promoting organic primary agricultural production</i> • Subsidies for deployment of infrastructure enabling local producers to benefit from processing, transformation, storage, logistics, promotion, distribution services 	 

Eligible green categories	Scope and definition	Examples of expenditures	SDGs Mapping
Protection of resources, land & biodiversity	<p>Sustainable use & protection of water resources *</p> <p><i>Sustainable infrastructure projects for clean and/or drinking water*.</i></p>	<ul style="list-style-type: none"> Investments and/or subsidies for drinking water catchment and distribution Investments and/or subsidies for wastewater treatment 	 
	<p>Land & biodiversity conservation *</p> <p><i>Projects for protection, conservation, rehabilitation of natural environment in Wallonia.</i></p>	<ul style="list-style-type: none"> Investments to create, extend or maintain natural parks and natural protected areas Investments to protect hydraulic network from runoff and erosion Investments for decontamination of fields and rivers Investments for environmental restoration and rehabilitation of industrial brownfield areas 	  
	<p>Climate change adaptation *</p> <p><i>Projects aiming at reducing the impacts of climate change, including actions to support developing countries.</i></p>	<ul style="list-style-type: none"> Investments to create, restore and maintain infrastructure and technologies for flood management (e.g. dams) R&D subsidies dedicated to climate change adaptation technologies and infrastructure Investments in sustainability programs for climate change mitigation and adaptation in developing countries 	 

Eligible social categories	Scope and definition	Examples of expenditures	SDGs Mapping
Education & employment promotion	<p>Education</p> <p><i>Programmes, initiatives and institutions dedicated to education and vocational training.</i></p> <p><u>Target populations:</u></p> <p><i>Unemployed people, young people</i></p>	<ul style="list-style-type: none"> Subsidies for socio-professional integration programmes targeting young unemployed people Subsidies for educational leave programmes towards retraining workers Subsidies for training programmes dedicated to jobs in short supply 	
	<p>Employment promotion</p> <p><i>Programmes, initiatives and institutions dedicated to promotion of job creations, return to employment and labour market entry opportunities.</i></p> <p><u>Target populations:</u></p> <p><i>Unemployed people</i></p>	<ul style="list-style-type: none"> Subsidies to support reconversion cells for workers victims of collective dismissals Subsidies to support actions taken by independent or SMEs for hiring jobseekers Subsidies to support programmes initiated by social enterprises for hiring young unemployed people Subsidies to support people for creating a self-employed activity 	
Socio-economic advancement & empowerment	<p>Social inclusion</p> <p>Programmes, initiatives and projects to ensure equitable integration of people into labour and social activities.</p> <p><u>Target populations:</u></p> <p><i>Low-income people, indebted people, elderly people, young people, homeless people, people with disabilities, single-parent families</i></p>	<ul style="list-style-type: none"> Subsidies to take care of people with disabilities, homeless people and elderly Subsidies to grant financial assistance to indebted people Subsidies to support social insertion programmes targeting low-income people Subsidies for programmes ensuring access to housing, food, justice, leisure, digital platforms Subsidies to shelters and community houses Subsidies to regional centres for integration of foreign origin people 	

Eligible social categories	Scope and definition	Examples of expenditures	SDGs Mapping
	<p>Covid-19 related exceptional measures <i>Temporary programs and/or financial measures to compensate the impact of the Covid-19 pandemic.</i></p> <p><u>Target populations:</u> <i>SME's, self-employed people</i></p>	<ul style="list-style-type: none"> Compensations granted for business and revenue losses incurred by SME's and self-employed people forced to shut down their professional activities during the Covid-19 pandemic confinement period. 	
Affordable housing	<p>Increase public social housing offering Direct financing to public social housing agencies.</p> <p><u>Target populations:</u> <i>Low-income people, large families</i></p>	<ul style="list-style-type: none"> Subsidies to public agencies (FLW, SWL) to increase the social housing offering 	
	<p>Support access to social housing <i>Financial assistance (social loans) to low-income families and individuals for accessing housing property.</i></p> <p><u>Target populations:</u> <i>Low-income people (including people with no or limited access to bank loans), large families</i></p>	<ul style="list-style-type: none"> Subsidies to help low-income people to finance access to social housing by mean of social loans (FLW, SWCS) 	
	<p>Support renovation of public social housing <i>Financial assistance to low-income families and individuals for housing renovation.</i></p> <p><u>Target populations:</u> <i>Low-income people (including people with no or limited access to bank loans), large families</i></p>	<ul style="list-style-type: none"> Tax credits for investments made by private owners to renovate houses/apartments proposed at moderate rental conditions Zero-interest loans and premiums to carry out energy efficiency investments, as well as sanitary, security, renovation investments (FLW, SWCS) Subsidies to renovate regional public housing stock (SWL) 	

Eligible social categories	Scope and definition	Examples of expenditures	SDGs Mapping
Access to basic infrastructure & essential services	<p>Access to basic infrastructure</p> <p><i>Programmes, initiatives and projects aiming at ensuring access to essential infrastructure (water, energy, sanitation, transport, public facilities).</i></p> <p><u>Target populations:</u></p> <p><i>Low-income households, disable people</i></p>	<ul style="list-style-type: none"> • Investments in dedicated public transport and/or access facilities for people with disabilities • Subsidies for low-income households to carry out basic renovation works and to maintain access to essential services 	
	<p>Access to essential services (including health)</p> <p><i>Programmes, initiatives and projects aiming at developing and/or modernizing public health infrastructure, medical equipment and healthcare services.</i></p> <p><u>Target populations:</u></p> <p><i>All citizens in Wallonia, disable people, elderly</i></p>	<ul style="list-style-type: none"> • Investments in health prevention programmes • Investments in rural healthcare centres • Investments in home services to outpatients, elderly, disable people • R&D subsidies dedicated to healthcare projects • Investments in nursing and care homes for elderly • Investments in healthcare infrastructure (hospitals) 	
	<p>Covid-19 related exceptional measures</p> <p><i>Temporary programmes and/or measures taken to fight against the Covid-19 pandemic.</i></p> <p><u>Target beneficiaries:</u></p> <p><i>All citizens in Wallonia, disable people, elderly</i></p>	<ul style="list-style-type: none"> • Massive purchase of sanitary equipment for healthcare & social care sectors (masks, gloves...) • One-time allowance granted to regional structures within the healthcare sector • Endowments to finance special Covid-19 related protection equipment within accommodations for elderly and disable people • Special endowment granted to organisations investing in Covid-19 related research projects 	

Process for Project Evaluation and Selection

The Walloon Government is the initiator and main sponsor of the green, social and sustainability bond issuance programme. To manage this programme, Wallonia has set up an appropriate governance structure, namely the Sustainable Bond Committee.

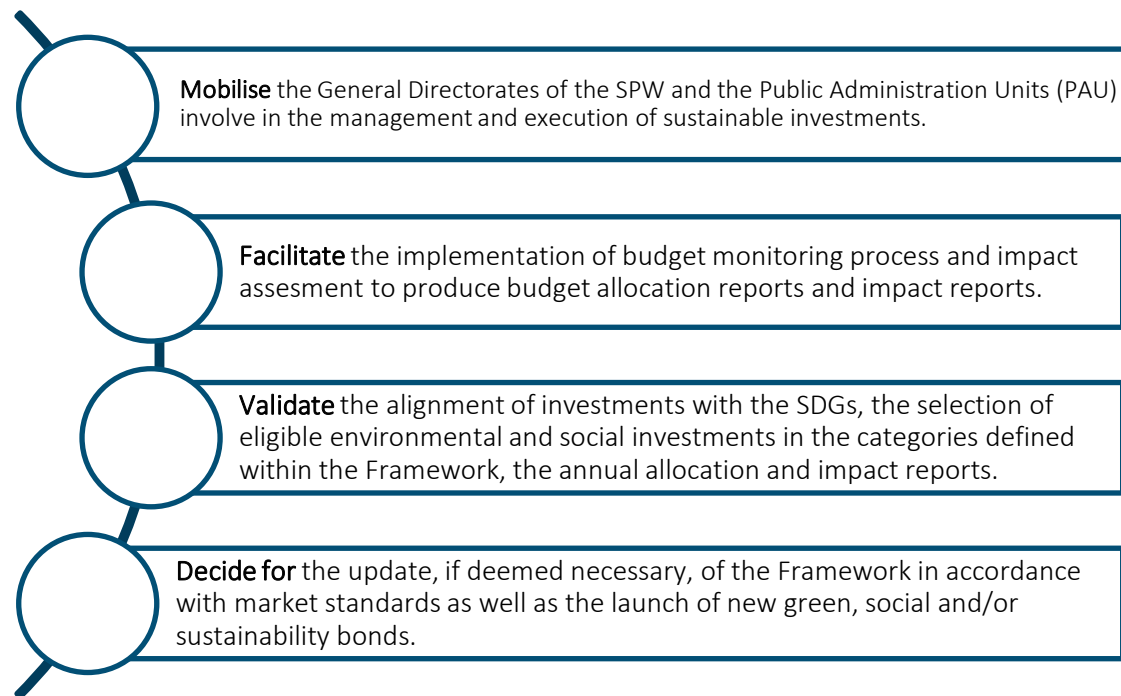
The Sustainability Bond Committee is chaired by the Minister in charge of Budget and Finance of Wallonia. It is composed of the following permanent members:

- The Minister in charge of the Budget and Finance, or his representative;
- The General Secretary who represents the Strategic Committee of the Public Service of Wallonia (SPW) and the College of Executive Public Officials (PAU), or her representative;
- The General Director of the SPW in charge of budget and finance, or his representative;
- The managing expert in charge of the Debt Cell, or his representative;
- The coordinator of the Sustainability Development Directorate within the SPW, or her representative.

Each time required, the Committee will request expertise support from Walloon public agencies in charge of key environmental and/or social expenditures, including but not limited to health services, affordable housing, public transport, education and employment generation.

The Sustainable Committee will meet at least twice a year. Each meeting will be documented accordingly.

The role of the Sustainability Committee is to:



The Sustainability Bond Committee entrusts an operational structure, within the administration of the SPW with the responsibility of the general overview and the daily management of bond issuances, this structure being staffed by the Debt Cell and the Sustainability Development Directorate.

The selection and evaluation process intend to ensure that the funds raised from Wallonia's green, social or sustainable bond issues are exclusively allocated to financing projects that meet the following selection criteria:

Selection criteria in terms of budget allocation	Selection criteria in terms of impact assessment
<ul style="list-style-type: none"> • Selection of projects for which committed and allocated spendings can be annually traced; • Selection of projects with a total expenditure (on an annual basis) of at least EUR 1 million; • Selection of spendings exclusively budgeted by the Region, either in terms of direct investments allocated by the SPW or in terms of indirect investments processed by autonomous entities (in the form of subsidies - grants - premiums); • Selection preference given to multi-years projects 	<ul style="list-style-type: none"> • Selection of projects that fall within the scope defined for each green and social category in the Framework; • Selection of projects for which impact indicators may effectively be identified, measured and monitored to confirm their sustainability throughout the funding period.

Spending that meet these selection criteria are collected in an inventory table that will be updated annually by the operational structure with help of with the relevant Walloon public entities.

Prior to issuing a new bond, the operational structure and the related responsible entities confirm the spending coming from the inventory and which are eligible for the concerned issue.

Management of Proceeds

The management of proceeds is carried out by the operational team in charge of tracking green and social spending, in accordance with the framework, and of producing internal and external reports.

The Sustainability Bond Committee will ensure that there is no "double counting", and therefore that the eligible expenditures have not already been financed by another sustainable bond issued the previous year, or by any other financing instrument of the Walloon Region. To this end, the Sustainability Bond Committee will ensure the segregation of financing means coming from EU programmes (ECB - EIB - ERDF), subsidies coming from the Belgian Federal State or other revenue allocated for specific purposes (i.e. dedicated regional funds) or financed by any other mechanism.

Eligible green and social expenditures include:

- **Recent expenditures:** Green and social expenditures financed and/or refinanced in the year preceding the issuance (or tap) date.
- **Current expenditures:** Green and social expenditures financed and/or refinanced in the same year as the issuance (or tap) date.

In case of project divestment or if an expenditure becomes ineligible for any reason, the Sustainability Committee will reallocate the net proceeds to other eligible projects which meet the eligibility criteria of the framework within 12 months following the decision of reallocation. Such reallocation would be disclosed in the following annual report.

At any time during the lifetime of the bonds, the outstanding amount of the sustainability notes will not exceed the value of the identified eligible green and social expenditures.

Pending the full allocation of the net proceeds to the green and social expenditures, within 12 months after bond issuance, the Sustainability Committee will keep record of the remaining balance of unallocated Sustainability Bonds proceeds and invest, if necessary, such unallocated amount in money market products (when possible with ESG criteria) as per Wallonia's Treasury Policy.

Reporting

Wallonia is committed to publish its duly planned reports to the attention of investors on a yearly basis in September timeframe, starting in 2021 and annually thereafter until full allocation of the net proceeds till maturity. The annual report will provide both separate views by individual issuance and a cumulative view consolidating the different bonds issued by Wallonia since its inaugural bond in 2019. Each view will reflect :

- ✓ The aggregated amount of (re)allocation of net proceeds to the eligible green and social expenditures for each of the eligible categories and sub-categories;
- ✓ The relevant impact metrics;
- ✓ The publication of a limited assurance report produced by an independent auditor on the satisfactory (re)allocation of the net proceeds according to the

Allocation report

Wallonia will report on a consolidated basis and aggregated for each eligible category on:

- the total net amount being allocated or reallocated, as the case may be
- the breakdown between financing, refinancing and co-financing amounts
- the breakdown between direct and indirect spending

Depending on confidentiality constraints, the report will figure out examples of spending by eligible categories funded by the bond.

If relevant, it will also report on total net amount being unallocated on a consolidated basis.

Framework principles.

Annual reports will be made available on Wallonia's website at the time of publication.

Impact Reporting

Wallonia will report every year on environmental and/or social benefits of the eligible green and social expenditures financed by the net proceeds of the sustainability bonds and, subject to data availability, will include output indicators, outcome indicators and impact indicators.

Adopting a progressive and incremental approach, Wallonia undertakes to improve and refine analysis of the impacts of its spending, together with the public entities in charge of the green and social eligible investments.

Examples of indicators in line with the Framework are illustrated on the following pages for both green and social eligible categories.

ELEGIBLE GREEN CATEGORIES	Output indicators	Outcome indicators	Impact indicators
RENEWABLE ENERGY			
Energy production & use	Renewable energy production capacity in GW or MW	Annual renewable energy production in MWh/GWh	Estimated CO2 emissions avoided and energy savings (KW saved/reduced)
ENERGY EFFICIENCY & LOW CARBON BUILDINGS			
Energy efficiency in housing	Number of infrastructures renovated	Number of beneficiaries	Estimated CO2 emissions avoided and energy savings (KW saved/reduced)
Energy efficiency in public & private infrastructure	Number of newbuilds/ infrastructure renovated		
SUSTAINABLE MOBILITY			
Public transport & multimodality	Number of kilometres equipped	Number of beneficiaries	Estimated CO2 emissions avoided and energy savings (KW saved/reduced)
Soft mobility		Number of tonnes of goods transported	
Freight transport infrastructure			
CIRCULAR ECONOMY			
Value chains optimisation	Number of projects funded	Number of circular products and services developed	Estimated CO2 emissions avoided and energy savings (KW saved/reduced)
Waste management		Waste reduction and recycling rate	
SUSTAINABLE FOOD			
Food production	Number of infrastructure projects funded	Number of beneficiaries	Share of organic farming areas versus total agricultural areas (%)
PROTECTION OF RESOURCES, LAND & BIODIVERSITY			
Sustainable use & protection of water resources	Volume of wastewater treated (m3)	Water savings (m3)	Reduction in household demand for clean water in m ³ /year
Land & biodiversity conservation	Ha/Number of green areas being improved, replanted, reforested Ha/Number of restored/decontaminated areas	Number of beneficiaries	Absolute number of protected species in the area retained before and after the project
Climate change adaptation	Number of built/restored resilient infrastructure		

ELEGIBLE SOCIAL CATEGORIES	Output indicators	Outcome indicators	Impact indicators
EDUCATION & EMPLOYMENT PROMOTION			
Education	Number of educational programmes financed, education centres supported, training courses given	Number of beneficiaries by target category	Socio-professional insertion & employment rate
Employment promotion	Number of employment promotion programmes financed		
SOCIOECONOMIC ADVANCEMENT & EMPOWERMENT			
Social inclusion	Number of programmes / aids granted	Number of beneficiaries by target category	Social inclusion rate
Covid-19 related exceptional measures	Number of aids granted in response to the Covid-19 pandemic socio-economic impacts		Activity retention rate
AFFORDABLE HOUSING			
Increase public social housing offering	Number of housing projects	Number of beneficiaries by target category	Percentage of revenue covering housing cost
Support access to social housing	Number of aids granted		
Support renovation of social housing			
ACCESS TO BASIC INFRASTRUCTURE & ESSENTIAL SERVICES			
Access to basic infrastructure	Number of aids granted	Number of beneficiaries by target category	Life expectancy rate
Access to essential services	Number of infrastructures supported		
Covid-19 measures	Number of aids granted in response to the Covid-19 pandemic health related impacts		

External Review

A. Second Party Opinion Provider

The Framework of Wallonia has been reviewed by a third party having delivered a Second Party Opinion, confirming that the Framework is well aligned with the GBP, SBP and SBG.

Any material change to this Framework will be submitted for review to the Second Party Opinion Provider.

B. External verification (annually)

An independent auditor will be appointed by Wallonia to ensure the respect of all governance principles defined in the Framework in terms of:

- Allocation / reallocation of net proceeds of the bond(s) to the eligible categories;
- Identification of unallocated amount (if any);
- Reporting commitments.

The limited assurance report confirms the validation, by the independent auditor, of the budgetary data for each issuance and is attached to the annual budgetary allocation report published by Wallonia.