



# SUSTAINABILITY & SOCIAL BONDS 2020

BUDGET ALLOCATION & IMPACT REPORT

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# 01 INTRODUCTION

In 2019, Wallonia openly committed to covering its expenses via sustainable funding methods, with the goal of achieving its Sustainable Development Goals.

The launch of sustainability or social bond issues is specifically aimed at providing funding for a certain number of environmental and social expenses in Wallonia. These expenses are characterised by:

- the meticulous selection of the expenses covered, in fields under Wallonia's authority;
- the budgetary traceability of funds allocated, by means of a budget allocation report;
- the measurement of the benefits produced by these expenses in terms of environmental and social impacts, by means of an impact report.

Since 2019, Wallonia has issued sustainability or social bonds on three occasions and published an [initial budget allocation and impact report](#) in September 2020. In this report, Wallonia announced its decision to update its Framework for green, social and sustainability bonds. This new version is now available online<sup>1</sup>. It is accompanied by the Second Party Opinion (SPO) provided by the company VIGEO EIRIS<sup>2</sup>, which acknowledges the significant contribution made by Wallonia in terms of sustainability and considers the new version of the Framework to be one of the best market practices that the certifying agency has seen.

This second budget allocation and impact report pertains to the second sustainability bond and the inaugural social bond issued by Wallonia in 2020. It describes the working methodology used and offers a detailed overview of the expenses funded by these bonds and their impact, using the data available as of 31 December 2020. It also includes a consolidated

presentation of the three bond issues carried out for the 2019–2020 period.

In this way, Wallonia aims to provide transparent information to the institutional investors who place their trust in us, as well as all our stakeholders. It has made a commitment to investors to be present in the bonds market on a recurring and reliable basis and shall therefore continue to issue sustainability, social or green bonds in the future, based on the priority needs that will cope with the Walloon government's decision-making.

In order to ensure that the information contained in this report is validated, Wallonia also decided to employ an external auditing company to monitor the smooth running and quality of the budget-allocation process. Its conclusions can be found at the end of the report.

(1) The new version of the framework is available here: <https://www.wallonie.be/sites/default/files/2021-09/20210625-framework-en.pdf>

(2) [https://www.wallonie.be/sites/default/files/2021-09/20210712\\_v.e\\_wallonie\\_spo\\_final.pdf](https://www.wallonie.be/sites/default/files/2021-09/20210712_v.e_wallonie_spo_final.pdf)

## 02 RECENT EVENTS

The year 2021 was marked by three major events that should be taken into account when managing sustainable funding in Wallonia:

- As part of the Next Generation EU programme, in June 2021, the European Commission issued a positive assessment of the Belgian National Plan for Recovery and Resilience, which presents a programme of reforms and investments totalling approximately €5.9 billion (with €1.5 billion allocated to Wallonia). The Commission particularly appreciated Belgium's emphasis on measures intended to accelerate its ecological transition, with 50% of the funding<sup>3</sup> dedicated to achieving climate-based objectives.
- However, Walloon recovery is not limited exclusively to measures undertaken as part of the Plan for Recovery and Resilience (PRR), which was initiated by the European Union. Indeed, the Walloon government has pooled the existing action plans, as well as the recovery plans defined in 2020 to respond to the Covid-19 pandemic, with them. By integrating these different measures, the Walloon Recovery Plan intends to mobilise a total of €7.64 billion by 2024.
- The terrible floods that impacted Wallonia in July 2021 resulted in heavy human casualties and considerable damage. In light of these dramatic events, the Walloon government and all of the regional public services were mobilised, in order to coordinate urgent aid for the victims.

The portion of the expenses eligible for sustainable funding from the Region will generally be covered by future issues of social, green or sustainability bonds, in accordance with the principle of segregating expenses.

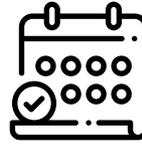
Today, Wallonia is intervening to ensure the rehabilitation of damaged homes, basic infrastructure and essential services as quickly as possible, so that all citizens can resume their lives under the best possible conditions.

After the time needed to analyse the impacts and plan its actions, Wallonia will be able to begin reconstruction in the damaged areas, with a view towards resilience against the consequences of climate change, but also the goal of strengthening its actions and achieving its Sustainable Development Goals.

(3) The European Commission imposed a minimum investment of 37% for ecological transition.



## **03 SUSTAINABLE FUNDING IN WALLONIA**



## Key dates





## Governance structure

Wallonia has established an appropriate governance structure to manage its green, social and sustainability bonds, in this case, the Sustainable Bonds Committee, which is chaired by the Walloon minister in charge of budgetary and financial matters.

The role of the Sustainable Bonds Committee is to:

- **mobilise** the general directorates of the SPW (Public Service of Wallonia) and the UAPs (Public Administration Units), whose duties incur sustainable expenses.
- **facilitate** the implementation of budget-monitoring and impact-assessment procedures, to produce budget allocation and impact reports.
- **validate** the eligibility and selection of environmental and social expenses via comparison to the Framework principles and the SDGs, as well as validate the content of annual budget allocation and impact reports.
- **make decisions** regarding updates, if necessary, to the Framework, in accordance with best market practices, as well as the launch of new sustainability, green and/or social bond issues.

The Sustainable Bonds Committee entrusts an operational unit within the administration of the SPW with the general coordination and day-to-day management of bond issues, with the members of this unit coming from the Debt Cell and the Sustainable Development Department.



## Framework update

In order to use sustainability, environmental or social bonds, Wallonia has adopted a Framework defining the categories of environmental and social expenses that are eligible for this kind of loan.

The initial Framework was defined in the first quarter of 2019, in order to accompany the inaugural sustainability bond issued on 25 April 2019. Since then, the Sustainable Bond Committee has decided to perform an initial update to the Framework, providing a better guidance for new bonds issued by Wallonia starting from July 2021. This update aligns with the ICMA principles (GBP – SBP – SBG), which were reviewed in June 2021, and its objectives are twofold:

- adapting the green categories **in order to gradually integrate the EU recommendations** defined in the Taxonomy and in the Green Bond Standards, which leads to minor adjustments in the existing categories, but also the introduction of a new category of expenses pertaining to the Circular Economy;
- adapting the social categories to make **exceptional expenses linked to the Covid-19 crisis eligible, which notably justified** the issue of the inaugural Walloon social bond in May 2020.

This update includes a description of the types of expenses covered, as well as the definition of the target populations and the output, outcome and impact indicators measured and documented in the annual report.

# SIX ELIGIBLE GREEN CATEGORIES

ELIGIBLE CATEGORIES	TYPES OF EXPENSES
 <b>Renewable energy</b>	Production and/or use of the energy
 <b>Energy efficiency &amp; low-carbon buildings</b>	Energy efficiency in housing <hr/> Energy efficiency in public and private infrastructure
 <b>Sustainable mobility</b>	Public transport and multimodality <hr/> Soft mobility <hr/> Freight transport infrastructure
 <b>Circular economy NEW</b>	<b>Optimisation of value chains</b> <hr/> <b>Waste management</b>
 <b>Sustainable food</b>	Food production
 <b>Protection of resources, land &amp; biodiversity</b>	Sustainable use & protection of water resources <hr/> Land and biodiversity conservation <hr/> Climate change adaptation

# FOUR ELIGIBLE SOCIAL CATEGORIES

ELIGIBLE CATEGORIES	TYPES OF EXPENSES
 <b>Education &amp; employment promotion</b>	<p>Educational and professional training programmes <b>Target populations:</b> <i>job-seekers, young people</i></p> <hr/> <p>Programmes and initiatives dedicated to promoting and creating jobs and opportunities to access the job market <b>Target populations:</b> <i>job-seekers, long-term unemployed individuals</i></p>
 <b>Socio-economic advancement &amp; empowerment</b>	<p>Social inclusion – Combating poverty, exclusion and reducing inequalities. <b>Target populations:</b> <i>low-income individuals, people in debt, the elderly, young people, homeless people, individuals with disabilities, single-parent families</i></p> <hr/> <p><b>NEW</b> Covid-19-related exceptional measures <b>Target populations:</b> <i>SMEs and self-employed individuals whose professional activities have been impacted by the lockdown measures imposed in Belgium</i></p>
 <b>Affordable housing</b>	<p>Increase public social housing offering <b>Target populations:</b> <i>low-income individuals, large families</i></p> <hr/> <p>Support access to social housing <b>Target populations:</b> <i>low-income individuals, large families</i></p> <hr/> <p>Support renovation of public social housing <b>Target populations:</b> <i>low-income individuals, large families</i></p>
 <b>Access to basic infrastructure &amp; essential services</b>	<p>Access to basic infrastructure (water – energy – transport – funding) <b>Target populations:</b> <i>at-risk individuals or those with a precarious income, disabled people</i></p> <hr/> <p>Access to essential services – including healthcare services <b>Target populations:</b> <i>any Walloon citizen, the elderly, disabled people</i></p> <hr/> <p><b>NEW</b> Covid-19-related exceptional measures <b>Target populations:</b> <i>any Walloon citizen, disabled people, the elderly</i></p>

## Second Party Opinion provided by Vigeo Eiris

The company Vigeo Eiris was commissioned to provide an independent opinion (Second Party Opinion) on the sustainability references and the management of sustainability, social and/or green bonds that Wallonia intends to issue, in accordance with its updated Framework.

The [opinion from Vigeo Eiris](#) was established in accordance with their proprietary environmental, social and governance (ESG) assessment methodology and the voluntary guidelines which were updated by ICMA in June 2021, namely [Green Bond Principles](#), [les Social Bond Principles](#) and [Sustainable Bond Guidelines](#).

Vigeo Eiris's analysis was performed on the basis of an assessment of due diligence<sup>4</sup>, which was carried out between 14 June and 12 July 2021 (extracts from the report):

*'Vigeo Eiris believes that the new bond Framework is consistent with the strategic priorities for sustainable development in the Walloon Region and that its contribution to achieving the issuer's goals in terms of its sustainability commitments is optimal (advanced).'*

*'Conversely, Vigeo Eiris thinks that the eligible expenses described by Wallonia are able to effectively contribute to 13 of the 17 Sustainable Development Goals adopted by the United Nations, namely:*



(4) Due diligence is 'the process that organisations must implement in order to identify, prevent, mitigate and report on how they handle the real and potential negative impacts in their own operations, in their value chain and with their partners.' (Business and Human Rights)

## Funds raised in 2020

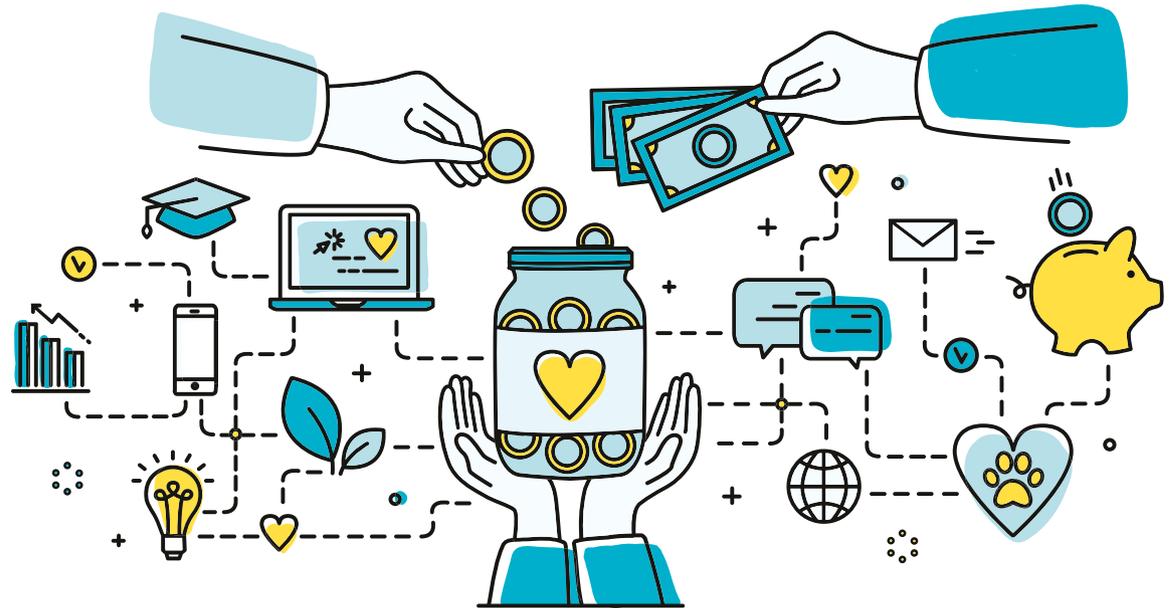
In 2020, Wallonia issued a second sustainability bond and an inaugural social bond.

The environmental and social expenses reserved for the allocation of funds for these new bonds are directly linked to the main areas that Wallonia has authority over and the major projects that the Region has decided to launch or continue in order to achieve its Sustainable Development Goals.

- In terms of environmental expenses, the categories funded by these two new loans are **energy efficiency, mobility** and the **conservation of land and natural resources** (including combating climate change).
- In terms of social expenses, the categories funded are **professional training and employment promotion, socio-economic advancement and empowerment, affordable housing** and **access to basic infrastructure and essential services** (including healthcare).

For the two bond issues in 2020, the choice was made to establish an ex-post monitoring process for the expenses to which funds were allocated during the reference period for the issue (expenses incurred in 2019 and/or 2020).

- For the issue of the sustainability bond in 2020, the portfolio of eligible environmental and social expenses was established by identifying and qualifying activities for a sum greater than **€700 million**. This comprises expenses incurred during the reference period for the issue (in accordance with the principle of annuality) and funded with Wallonia's own funds. Strict care was taken to exclude sums that were liquidated via other sources of funds that are also used by Wallonia (in accordance with the principle of segregating expenses).
- For the issue of the social bond in 2020, the portfolio of eligible social expenses was established by identifying and qualifying activities for a sum greater than **€1 billion**. This comprises expenses incurred during the reference period for the issue (in accordance with the principle of annuality), in accordance with the same rules for segregating expenses used for the sustainability bond.



## Selection of eligible expenses

In the first quarter of 2021, the Sustainable Bonds Committee entrusted the operational unit with performing an extensive inventory of environmental and social expenses that Wallonia has committed to in order to support its Sustainable Development Goals.

On one hand, the inventory made it possible to identify *the expenses directly* incurred and managed by different departments within the **Public Service of Wallonia (SPW)** and, on the other hand, the *indirect expenses* incurred by **Public Administration Units (UAP)**, provided that these are directly funded by Wallonia, in the form of endowments, grants or premiums allocated to certain categories of beneficiaries.

In the second quarter of 2021, the operational unit responsible for the inventory submitted the final selection of eligible expenses for the approval of the Sustainable Bonds Committee. These were reserved for the allocation of funds for the second issue of sustainability bonds in 2020 and the inaugural issue of social bonds in 2020.

### Eligibility criteria

In order to perform the inventory of eligible expenses, the operational unit has ensured that the expenses strictly adhere to the eligibility criteria defined in the Framework for the issue of sustainability, social and green bonds in Wallonia.

First, each expense was classified under one of the green or social categories/sub-categories from the updated Framework.

Its financial execution has been traced within the Walloon budgetary systems and the environmental and/or social impacts have been calculated using output and outcome indicators which are, at a minimum, measured ex-post and, wherever possible, defined ex-ante.

Next, the operational unit ensured that the allocation of funds related solely to budgetary commitments and expenses incurred during the fiscal years covered by the bonds issued in 2020.

Priority was afforded to refinancing expenses incurred in 2019, provided that these were not funded by the inaugural sustainability bond issued in 2019, of course. Current expenses incurred prior to 31 December 2020 were subsequently included.

Thirdly, the operational unit selected a limited number of expenses from the inventory, in agreement with the responsible administrations. These represent the volume of funds raised in 2020 in cumulative terms, namely €700 million for the sustainability bond and €1 billion for the social bond.

Expenses have been included as long as they correspond to one of the following three types:

1. recurring social expenses (on an annual basis) that contribute to achieving Wallonia's structural goals, namely training and employment promotion, affordable housing, social inclusion and access to basic infrastructure and essential services;
2. exceptional expenses dedicated to combating the Covid-19 pandemic, primarily support for social/health services that fall within the remit of the Region and compensation for Walloon companies (SMEs – Self-employed individuals) that were forced to halt their activities as a result of the lockdown measures imposed in Belgium;
3. multi-year investment expenses that contribute to achieving Wallonia's environmental goals, in the fields of energy efficiency, mobility, conservation of land and biodiversity and combating climate change.

## Direct and indirect expenses

Expenses that are eligible for funding in the form of sustainability bonds from Wallonia are categorised as direct and indirect expenses, depending on the nature of the control exerted by the Walloon administration (SPW) on the allocation of budgets, on the correct execution of the works and/or the activities funded, as well as the effective liquidation of the allocated funds.

### DIRECT EXPENSES

For direct expenses, SPW is the 'contracting authority' and is fully responsible for funding and monitoring them, whether the activities are carried out by the administration services or subcontracted to a third party through a public tender procedure. For bonds issued in 2020, the allocation of funds is measured as a percentage of the total eligible for the fiscal years covered by the bond issue (in this case, 2019 and 2020).

### INDIRECT EXPENSES

For indirect expenses, SPW is not responsible for executing the expense, but it oversees the transfer of Walloon budgets, which are allocated in different forms (grants/endowments, etc.) to the Public Administration Units (UAP) who manage the eligible expenses and use the allocated funds. For bonds issued in 2020, the allocation of funds is measured as a percentage of the total eligible budget for the fiscal years covered by the bond issue (in this case, 2019 and 2020).

## Segregating sources of funding

In the event that eligible expenses (whether direct or indirect) are also subject to a source of funding other than the budgets that have been directly allocated by Wallonia, the allocation of funds is measured *exclusively in proportion to the percentage of the total eligible budget that is funded entirely by Walloon budgets* for the fiscal years covered by the bond issue, in this case, 2019 (except for expenses that have already been included in the 2019 report) and 2020.

For those eligible expenses that are partially funded by a source of funding other than regional budgets, data concerning this other source are documented (name of the funding body and percentage of the expense funded), in order to allow the virtual calculation of different output and outcome indicators on an annual basis, as well as the production of environmental and/or social impact analysis.





## **04 BUDGET ALLOCATION REPORTS**

## Budget allocation for the 2020 sustainability bond issue

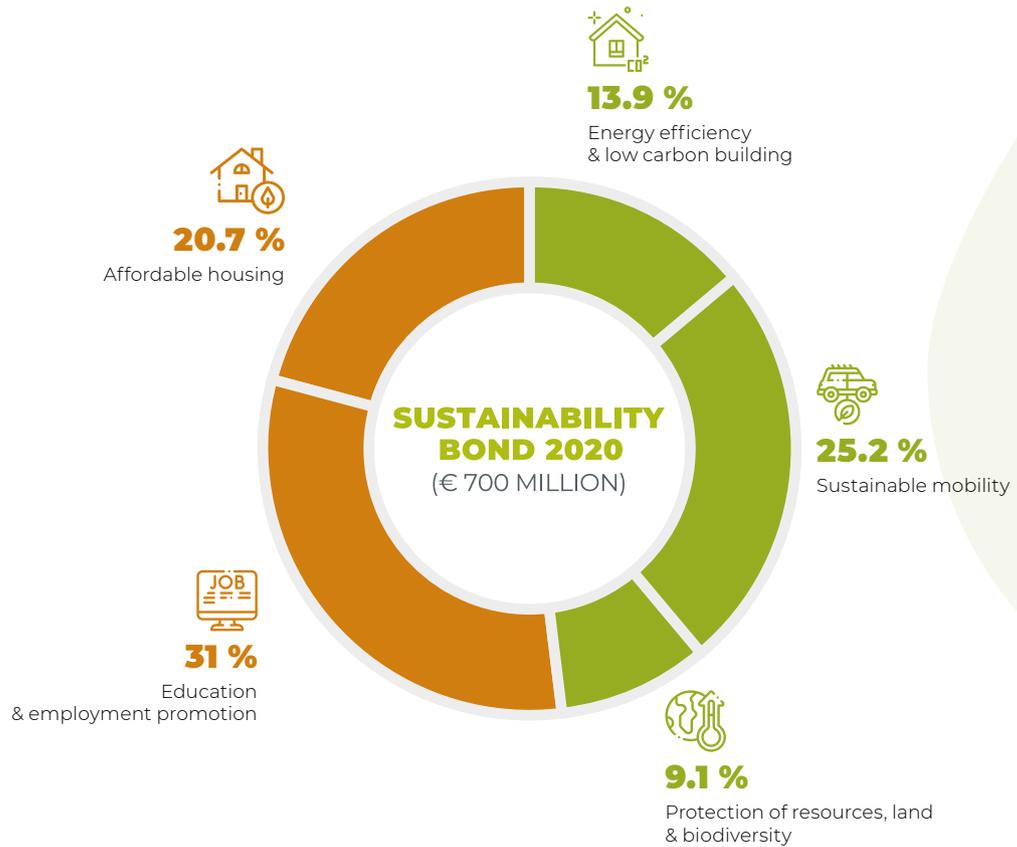
### 2020 sustainability bond issue in figures

For the 2020 sustainability bond, the allocation of funds concerns environmental and social expenses, namely:

- **Twenty-one (21) expenses** that are environmental in nature are included, referring to three of the six categories of environmental expenses in the Framework
- **Nineteen (19) expenses** that are social in nature are included, referring to two of the four categories of social expenses in the Framework

For each category or type of expense, the eligible sums can be identified in the Walloon budget-management systems.

The distribution (in %) between the different categories of expenses can be seen in the following diagram :



## Syndication of the bond issue

On 1 April 2020, Wallonia issued a second **sustainability bond** (green and social). The operation finished with **€700 million in funds raised**, in a tranche of €500 million over 10 years and an increase (Tap) of €200 million for the inaugural bond issue over 15 years (WALLOO 1 ¼ – 2034).

In light of the outbreak of Covid-19 in Europe, Wallonia has adapted its marketing strategy by conducting an electronic roadshow with investor contacts. This was organised between 16 and 30 March 2020.

In a very turbulent period, a window of opportunity appeared on the market, allowing Wallonia to announce its transaction on Tuesday, 31 March and to open its books on Wednesday, 1 April. Despite volatile market conditions, Wallonia attracted a high-quality roster of orders, with a value of more than €800 million, from well-diversified investors.

The transaction was concluded in accordance with the conditions announced, that is OLO + 45bps (10-year) and OLO + 48bps (Tap: 15-year)

The new 10-year, €500 million bond (WALLOO 0 ½ - 2030) complete the Region's curve between 2026 and 2034, while the increase of €200 million for WALLOO 2034 provides further liquidity by increasing the total size of the bond to €700 million.

## Characteristics of the bond issue

	2030 SUSTAINABILITY BOND (10-YEAR)	TAP 2034 SUSTAINABILITY BOND (15-YEAR)
<b>Format</b>	Senior unsecured and unsubordinated bond	
<b>Rating</b>	A2, stable outlook (Moody's)	
<b>Notional amount</b>	€500 million	€200 million
<b>Launch date</b>	1 April 2020	1 April 2020
<b>Settlement date</b>	8 April 2020	8 April 2020
<b>Maturity date</b>	8 April 2030	3 May 2034
<b>Coupon</b>	0.50%	1.25%
<b>Documentation</b>	EMTN programme of 28 June 2019	
<b>Valuation</b>	Euronext Brussels	
<b>Jurisdiction</b>	Belgian laws, with reference to the EMTN programme	
<b>Banking union</b>	Belfius Banque, Deutsche Bank, HSBC, ING, Natixis	
<b>Use of funds</b>	A sum equal to the net issue price will be used to finance/refinance, in whole or in part, new or existing environmental and social expenses that fall within the following five categories: energy efficiency, sustainable mobility, protection of resources, land, biodiversity and adapting to climate change, training and employment promotion and affordable housing.	

## Source of funds

With respect to distribution by type of investor, fund managers were the most common (42% at 10-year and 45% at 14-year), followed by banks (29% at 10-year) and insurers (40% at 14-year), central banks and hedge funds.

Geographically, the distribution, in order of importance, was France (39% at 10-year and 61.5% at 14-year), the Benelux region (25% at 10-year and 18.5% at 14-year), Germany/Austria/Switzerland (16.5% at 10-year and 13% at 14-year), the rest of Europe (18% at 10-year and 4% at 14-year) and Asia.

## Details about budget allocations

For each category or sub-category of expenses, the eligible sums can be identified in the Walloon budget-management systems.

The 21 environmental expenses and 19 social expenses are put into context in the impact-analysis report and included in a summary table in Annexe I.

The Sustainable Bond Committee has selected five example projects (one for each category of eligible expenses in the 2020 sustainability bond issue) to illustrate the calculations in terms of budget allocation and the methodologies that are implemented in order to produce the data needed to measure the impacts of the expenses incurred.

SPENDING BY CATEGORIES / SUB-CATEGORIES	Sustainability Bond 2020 - Allocation Report				
	# Projets	Direct Spendings (€ million)	Indirect Spendings (€ million)	Total Spendings (€ million)	%
<b>Energy efficiency &amp; low carbon building</b>					<b>13.9 %</b>
Energy efficiency in housing	2	25.9	64.7	90.6	12.9 %
Energy efficiency in public & private infrastructure	2	6.8	0.0	6.8	1.0 %
<b>Sustainable mobility</b>					<b>25.2 %</b>
Soft mobility	1	5.9	0.0	5.9	0.8 %
Public transport & multimodality	7	0.0	79.1	79.1	11.3 %
Freight transport infrastructure	5	91.6	0.0	91.6	13.1 %
<b>Protection of resources. land &amp; biodiversity</b>					<b>9.2 %</b>
Sustainable use & protection of water resources	1	0.0	10.0	10.0	1.4 %
Land & biodiversity conservation	1	0.0	41.0	41.0	5.9 %
Climate change adaptation	2	13.0	0.0	13.0	1.9 %
<b>Totals green spending categories</b>	<b>21</b>	<b>143.2</b>	<b>194.8</b>	<b>338.0</b>	<b>48.3 %</b>
<b>Education &amp; employment promotion</b>					<b>31.0 %</b>
Éducation & promotion de l'emploi	12	0.0	217.3	217.3	31.0 %
<b>Affordable housing</b>					<b>20.6 %</b>
Increase public social housing offering	1	0.0	10.0	10.0	1.4 %
Support access to social housing	3	0.0	41.0	41.0	5.9 %
Support renovation of social housing	3	13.0	0.0	13.0	1.9 %
<b>Totals social spending categories</b>	<b>19</b>	<b>0.0</b>	<b>362.0</b>	<b>362.0</b>	<b>51.6 %</b>
<b>TOTALS SUSTAINABILITY BOND 2020</b>	<b>40</b>	<b>143.2</b>	<b>556.8</b>	<b>700.0</b>	<b>100.0 %</b>

SPENDINGS BY CATEGORIES / SUB-CATEGORIES	2019 Allocations			2020 Allocations		
	Eligible Spendings (€ million)	Use of Proceeds (€ million)	Ratio	Eligible Spendings (€ million)	Use of Proceeds (€ million)	Ratio
<b>Energy efficiency &amp; low carbon building</b>						
Energy efficiency in housing	0.0	0.0	0.0 %	49.3	90.6	183.8 %
Energy efficiency in public & private infrastructure	2.4	2.1	87.5 %	3.6	4.7	130.6 %
<b>Sustainable mobility</b>						
Soft mobility	4.3	2.7	62.8 %	3.9	3.2	82.1 %
Public transport & multimodality	7.2	7.2	100.0 %	70.2	71.9	102.4 %
Freight transport infrastructure	50.0	50.0	100.0 %	130.6	41.6	31.9 %
<b>Protection of resources. land &amp; biodiversity</b>						
Sustainable use & protection of water resources	9.8	10.0	102.0 %	0.0	0.0	0.0 %
Land & biodiversity conservation	41.0	41.0	100.0 %	0.0	0.0	0.0 %
Climate change adaptation	0.0	0.0	0.0 %	15.0	13.0	86.7 %
<b>Totals green spendings categories</b>	<b>114.7</b>	<b>113.0</b>	<b>98.5 %</b>	<b>272.6</b>	<b>225.0</b>	<b>82.5 %</b>
<b>Education &amp; employment promotion</b>						
Éducation & promotion de l'emploi	11.0	11.0	0.0 %	227.2	206.3	90.8 %
<b>Affordable housing</b>						
Increase public social housing offering	2.8	2.8	100.0 %	27.3	0.0	0.0 %
Support access to social housing	50.0	29.2	58.4 %	91.7	51.6	56.3 %
Support renovation of social housing	36.2	35.2	97.2 %	53.7	25.9	48.2 %
<b>Totals social spending categories</b>	<b>100.0</b>	<b>78.2</b>	<b>78.2 %</b>	<b>399.9</b>	<b>283.8</b>	<b>71.0 %</b>
<b>TOTALS SUSTAINABILITY BOND 2020</b>	<b>214.7</b>	<b>191.2</b>	<b>89.1 %</b>	<b>672.5</b>	<b>508.8</b>	<b>75.7 %</b>

## Budget allocation for the 2020 social bond issue

### 2020 social bond issue in figures

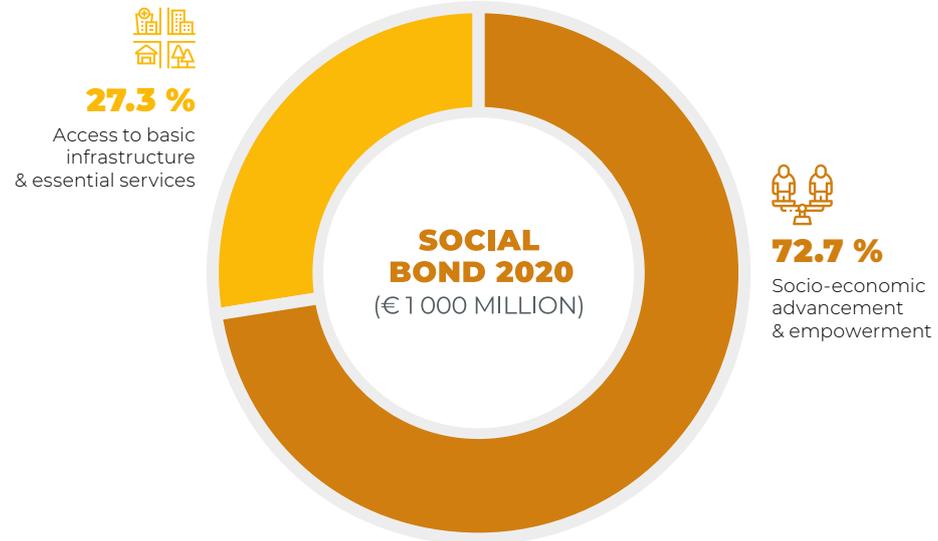
For the inaugural social bond issue in 2020, the allocation of funds refers to **twenty-three (23) selected social expenses**, referring to two of the four categories of social expenses in the Framework, including the funding of exceptional expenses related to the Covid-19 pandemic.

In particular, for these exceptional expenses, Wallonia has included some in three areas:

- compensation paid, on an exceptional basis, to SMEs/self-employed individuals operating in Wallonia, in order to compensate for the loss of income resulting from halting their professional activities during the lockdown periods imposed by the federal government throughout Belgium in 2020;
- one-time and exceptional compensation allocated to staff and to residential and ambulatory social and healthcare organisations within Wallonia;
- exceptional grants paid for the purchase of protective equipment (masks – gloves – gowns) for medical and non-medical staff in healthcare establishments, specialised residential centres (for the disabled and the mentally ill) and nursing homes, care homes and rehabilitation centres for the elderly.

For each category or type of expense, the eligible sums can be identified in the Walloon budget-management systems.

The distribution (in %) between the different categories of expenses can be seen in the diagram below:



## Syndication of the operation

On 28 May 2020, Wallonia issued an **inaugural social bond**. The operation finished with **€1 billion in funds raised** over 20 years.

By organising virtual contacts with investors, Wallonia has expressed its intention to rely on its Frameworks for sustainability bonds when issuing an inaugural social bond, with the goal of funding existing social expenses and exceptional expenses that have been approved for combating the health and socio-economic impacts of the Covid-19 pandemic.

The order book was opened, as expected, on Thursday, 28 May, announcing a twenty-year benchmark transaction under OLO +58 bps conditions. With sustained and high-quality demand, the amount raised was set at €1 billion and the transaction was closed at a spread of OLO + 55 bps.

With this transaction, Wallonia confirmed its commitment as a regular SSA issuer on the benchmark bonds market and continues to build its WALLOO curve by adding a long maturity over 20 years (WALLOO 1.05 – 2040).

## Characteristics of the bond issue

<b>2040 SOCIAL BOND (20-YEAR)</b>	
<b>Format</b>	Senior unsecured and unsubordinated bond
<b>Rating</b>	A2, stable outlook (Moody's)
<b>Notional amount</b>	€1 billion
<b>Launch date</b>	28 May 2020
<b>Settlement date</b>	05 June 2020
<b>Maturity date</b>	22 June 2040
<b>Coupon</b>	1.05%
<b>Documentation</b>	EMTN programme of 28 June 2019
<b>Valuation</b>	Euronext Brussels
<b>Jurisdiction</b>	Belgian laws, with reference to the EMTN programme
<b>Banking union</b>	HSBC, KBC, LBBW, Morgan Stanley, Natixis
<b>Use of funds</b>	A sum equal to the net proceeds will be used to finance and/or refinance, in whole or in part, expenses related to Covid-19, as well as existing social expenses that fall within the following two categories: socio-economic advancement and empowerment and access to essential services and basic infrastructure.

## Source of funds

With respect to distribution by type of investor, fund managers were the most common (58%), followed by insurers/pension funds (26%), banks (9%), central banks and hedge funds.

Geographically, the distribution, in order of importance, was Germany/Austria/Switzerland (58%), France (22%), the Benelux region (8%), Scandinavia, the United Kingdom, the rest of Europe and Asia.

## Details about budget allocations

For each category or sub-category of expenses, the eligible sums can be identified in the Walloon budget-management systems.

The 23 social expenses are put into context in the impact-analysis report and included in a summary table in Annexe II.

The Sustainable Bond Committee has selected two example projects (one for each category of eligible expenses in the 2020 social bond issue) to illustrate the calculations in terms of budget allocation and the methodologies that are implemented in order to produce the data needed to measure the impacts of the expenses incurred.

Social Bond 2020 - Allocation Report					
SPENDINGS BY CATEGORIES / SUB-CATEGORIES	# Projets	Direct Spendings (€ million)	Indirect Spendings (€ million)	Total Spendings (€ million)	%
<b>Socio-economic advancement &amp; empowerment</b>					<b>72.7 %</b>
Social inclusion	8	173.1	0.0	173.1	17.3 %
Covid-19 related exceptional measures	6	553.9	0.0	553.9	55.4 %
<b>Access to basic infrastructure &amp; essential services</b>					<b>27.3 %</b>
Access to basic infrastructure	3	1.5	5.1	6.6	0.7 %
Access to essential services	4	0.0	40.8	40.8	4.1 %
Covid-19 related exceptional measures	2	0.0	225.6	225.6	22.6 %
<b>Totals social spendings</b>	<b>23</b>	<b>728.5</b>	<b>271.5</b>	<b>1 000.0</b>	<b>100.0 %</b>
<b>TOTALS SOCIAL BOND 2020</b>	<b>23</b>	<b>728.5</b>	<b>271.5</b>	<b>1000.0</b>	<b>100.0 %</b>

SPENDINGS BY CATEGORIES / SUB-CATEGORIES	2019 Allocations			2020 Allocations		
	Eligible Spendings (€ million)	Use of Proceeds (€ million)	Ratio	Eligible Spendings (€ million)	Use of Proceeds (€ million)	Ratio
<b>Socio-economic advancement &amp; empowerment</b>						
Social inclusion	93.3	91.9	98.5 %	104.4	81.2	77.8 %
Covid-19 related exceptional measures	0.0	0.0	0.0 %	553.9	553.9	100.0 %
<b>Access to basic infrastructure &amp; essential services</b>						
Access to basic infrastructure	2.3	1.9	82.6 %	8.1	4.7	58.3 %
Access to essential services	41.2	40.8	99.0 %	0.0	0.0	0.0 %
Covid-19 related exceptional measures	0.0	0.0	0.0 %	225.9	225.6	99.9 %
<b>Totals social spendings</b>	<b>136.8</b>	<b>134.6</b>	<b>98.4 %</b>	<b>892.3</b>	<b>865.4</b>	<b>97.0 %</b>
<b>TOTALS SOCIAL BOND 2020</b>	<b>136.8</b>	<b>134.6</b>	<b>98.4 %</b>	<b>892.3</b>	<b>865.4</b>	<b>97.0 %</b>

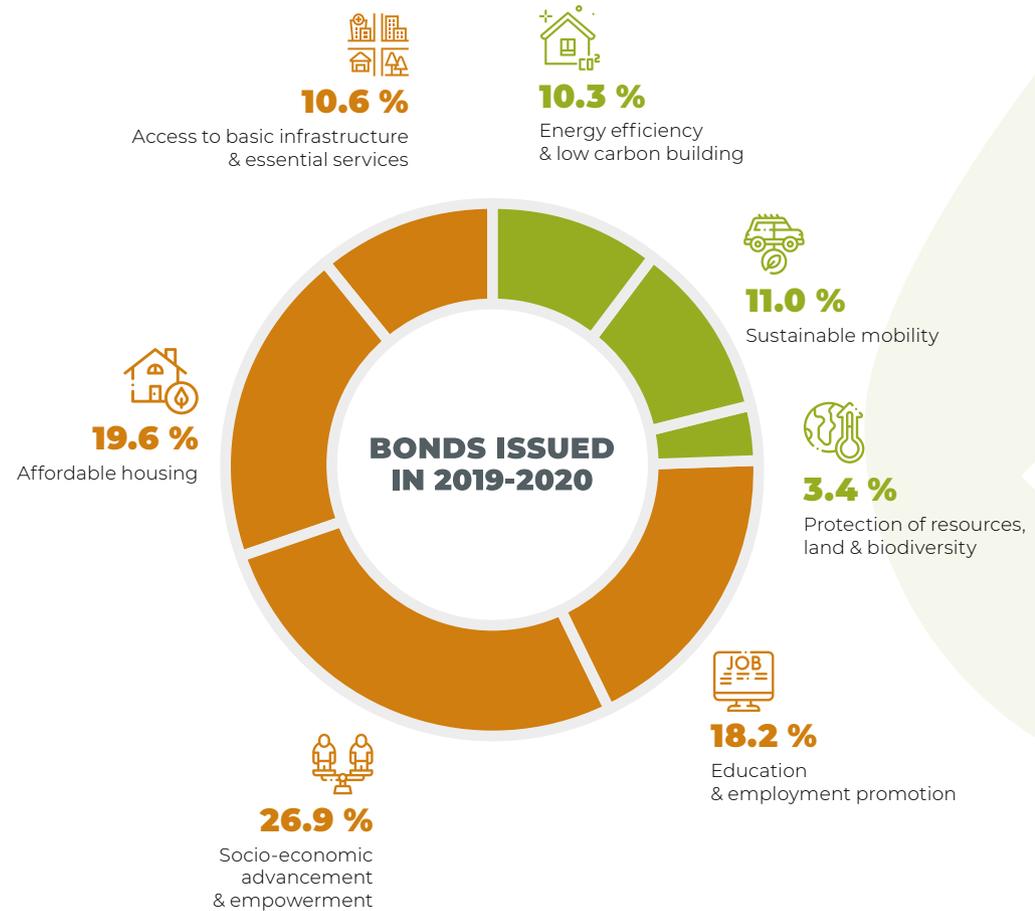
## Summary of the three bonds issued in 2019–2020

Wallonia’s sustainable funding plans are directly linked to its Sustainable Development Goals, both in the social field and the environmental field.

If we refer to regionalised authority, it appears that social goals take up a majority share of the annual expenditure budget adopted by the Walloon government, through fields such as social inclusion, housing, healthcare or professional training and employment promotion.

This is illustrated by the consolidated diagram (hereby) of the funds allocated via the first three sustainability and social bonds issued by Wallonia in 2019 and 2020. As indicated, 76% of funds have been allocated to social expenses.

However, Wallonia’s other authorities are equally important, starting with those in key fields of combating climate change, such as mobility, energy efficiency, renewable energy and managing land and biodiversity. As a result, the relative importance of environmental and social expenses is likely to change in the future, based on the priorities established by Wallonia and the actions carried out by the regional government.





## **05 IMPACT ANALYSIS REPORT**

## Presentation of plans and strategies concerning the eligible categories

By presenting its [Regional Policy Declaration](#) (2019–2024), the Walloon government has committed to conducting its policies with an eye towards transition. This is characterised by **a threefold goal**:

- a **social goal** aimed at drastically reducing poverty and guaranteeing Walloon citizens have a decent standard of living;
- an **environmental goal** that attests to Wallonia's desire to be a point of reference in the fight against climate change and the preservation of living environments;
- a **economic goal** that involves increasing competitiveness of Wallonia.

This transition is characterised by the implementation of policies that align with achieving the 17 Sustainable Development Goals adopted by the United Nations by 2030, by systematically taking into account respect for the limitations of our planet, social justice and financial prosperity and also involving all stakeholders in the development of a vision for 2050.

In this Regional Policy Declaration, the Walloon government has committed to carrying out a number of

priority projects and pivotal reforms, which will help Wallonia to achieve its fundamental goals, namely:

- reducing greenhouse gases by 55%, compared to 1990, by 2030;
- improving the employment rate by 5% by 2025;
- reducing the poverty rate.

The climate, energy, mobility, food and agriculture, the circular and regenerative economy, biodiversity, training and support for workers seeking employment, reducing inequality, housing and healthcare are some of the levers for action that have been identified by the government to tackle current and future challenges facing the Region.

Therefore, this section of the report aims to present the thematic plans and strategies that contribute to the sustainable development of Wallonia, in connection with the eligible categories in the Green, Social and Sustainability Bond Framework, by contextualising the retained expenses<sup>5</sup>.

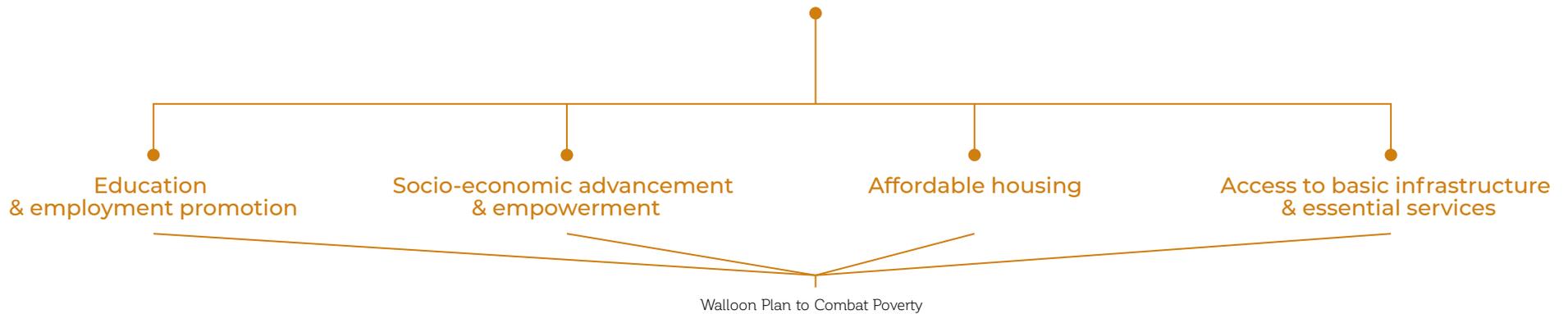
In order to provide more clarity, the next drawing presents the goals established by the government for each of the themes targeted by the Region's environmental and social funding.

(5) You will find the extensive list of expenses included for the issue of the 2020 sustainability bond and the 2020 social bond respectively in Annexe I and Annexe II

## Protection of the living environment & combating climate change



## Social cohesion & combating poverty



## PROTECTION OF THE LIVING ENVIRONMENT & COMBATING CLIMATE CHANGE

### TRANSVERSAL STRATEGIC GOAL

When it comes to energy and the climate, Belgium has respected its obligations to the EU and sent its first draft of the National Energy and Climate Plan ([PNEC 2021-2030](#)) to the European Commission in December 2018, including the draft of the Walloon contribution. The [final Walloon contribution to Belgium's National Energy and Climate Plan](#) was approved by the Walloon government on 28 November 2019.

At the same time, SPW Energy and the Walloon Air and Climate Agency (AWAC), in collaboration with the other relevant SPW administrations, worked to develop a new [Air, Climate and Energy Plan](#) (PACE) that makes it possible to achieve the climate and air-quality goals by 2030. The draft was approved by the Walloon government in April 2019.

Since then, the Walloon government decided to increase the goals of the PACE, in order to achieve the **climate goal of reducing greenhouse gas emissions by 55% by 2030**. Work to update the goals and measures, in order to respond to the government's commitments, began in 2020. This work is based on a wide-ranging consultation process that will result in the adoption of a new PACE by the end of 2021.

The first three eligible categories in the Framework, namely 'Renewable energy', 'Energy efficiency of buildings' and 'Sustainable mobility', contribute to achieving the Region's climate goals, which are listed below.

### Renewable energy

#### STRATEGIC GOAL

In terms of renewable energy, the target of Wallonia is to achieve a total proportion of energy renewable sources of 23.5% in 2030.

The PACE 2030 forecasts energy consumption from renewable sources of energy of more than 26,000 GWh by 2030, which should cover 37% of electricity consumption and 25% of heat consumption.

#### MEASURING RESULTS

In 2017, 12.5% of gross final energy consumption came from renewable energy. The tools implemented by Wallonia to supervise and support the development of energies produced from renewable sources (green certificates, financial aid, etc.) continue to be adapted and/or strengthened to achieve the ambitious goals that have been set.

### FUNDING EXPENSES

For the 2020 sustainability bond issue, no expense related to the production, exploitation or use of renewable energy has been included.

### Energy efficiency

#### STRATEGIC GOAL

Still within the Framework of the PACE 2030, Wallonia aims to improve its energy profile by reducing overall consumption in Wallonia by 11% compared to the benchmark period (2020–2030), and by 23% compared to 2005, to reach 115 TWh across all sectors.

In the building sector, this development sets the goal for 2030, which aims to reduce average mean energy consumption in the tertiary and residential sectors by 29.1%<sup>6</sup>. In order to satisfy these commitments, the Walloon government adopted a [long-term energy renovation strategy for buildings](#) on 12 November 2020. This strategy aims to improve the comfort and health of inhabitants, with particular attention paid to at-risk individuals, in order to reduce the environmental impacts linked to occupying the building stock and its infrastructure, as well as reducing energy dependence in the Region.

(6)The goal should be intensified as part of the review of the PWEC (Walloon Energy and Climate Plan), to achieve the Regional Policy Declaration's goal of reducing greenhouse gas emissions by 55%.

## ENERGY EFFICIENCY IN HOUSING

### STRATEGIC GOAL

In the residential sector, the goals of the energy renovation strategy for the Walloon housing stock, in connection with the proposals made in the Regional Policy Declaration, are to:

- push towards the low-carbon, **A-grade of PEB label** as an average for all housing stock by 2050;
- prioritise the extensive renovation of the least efficient accommodation, while ensuring that any renovation project is part of a comprehensive and cohesive reflection with Region's goals.

### MEASURING RESULTS

Wallonia has set itself a goal to meet the challenges of reducing greenhouse gas emissions by renovating its housing stock. Currently, residential housing absorbs approximately 28% of the energy consumed in Wallonia. This significant level of consumption is primarily explained by:

- the age of the stock: in 2017, 25.2% of housing was located in buildings that were built before 1900 and 17.9% was in buildings constructed between 1919 and 1945;
- the low energy quality of the stock: the average energy performance of Walloon house corresponded to the **F-grade of PEB label** in 2019, with an average theoretical primary energy consumption of 459kwh/m<sup>2</sup> per year;
- the low rate of renovation: according to a recent **publication** by the European Commission about residential buildings in Belgium, the rate of extensive energy renovations is estimated at 0.2% per year and the rate of average energy renovation is 1% per year.

### FUNDING EXPENSES

For the 2020 sustainability bond issue, the Sustainable Bond Committee selected one direct expense and one indirect expense that aim to improve the energy performance of Walloon housing:

#### 1 ECOPACK PROGRAMME

Funding of aid allocated by the *Société Wallonne du Crédit Social (SWCS)* and the *Fonds du Logement Wallon pour les Familles Nombreuses (FLWFN)* to owners of social housing. This aid comprises, on one hand, renovation grants and, on the other hand, zero-interest loans to fund the works.

#### 2 HOUSING GRANTS

Grants awarded to individuals by SPW Energy, subject to an energy audit carried out prior to the granting by an organisation that is recognised and certified by Wallonia.

## ENERGY EFFICIENCY IN PUBLIC & PRIVATE INFRASTRUCTURE

### STRATEGIC GOAL

In the tertiary sector, the goal of the renovation strategy is to push towards a stock of energy efficient and carbon-neutral buildings in terms of heating, domestic production of hot water, cooling and lighting by 2040<sup>(7)</sup>. This sector currently represents 10% of total energy consumption in Wallonia.

### FUNDING EXPENSES

For the 2020 sustainability bond issue, the Sustainable Bond Committee selected two direct expenses:

#### 3 UREBA PROGRAMME

(Rational Use of Energy in Public Buildings): funding allocated to local authorities by Wallonia, in order to carry out works to reduce energy consumption in public buildings and non-commercial services, such as schools, administrations and sports infrastructures (see project sheet p. 30).

#### 4 SUBSIDIES TO R&D PROJECTS

Granting for R&D and innovation projects pertaining to energy efficiency, conducted by university-based and private research centres.

(7) Knowledge about tertiary buildings, their condition and their rate of consumption is less developed than knowledge about the residential stock. Bolstering this knowledge is one of the priority goals of the actions in the long-term renovation strategy. The final energy consumption threshold must be specified, validated, adapted based on knowledge about the stock and possibly broken down by the category of building (offices, schools, hospitals, etc.).



## ENERGY EFFICIENCY & LOW-CARBON BUILDINGS

### UREBA programme

- All of Wallonia**
- SPW** Land, Housing, Heritage and Energy (TLPE)
- Budget renewed annually** by Wallonia
- Air, Climate and Energy Plan** (PACE)

### Project presentation

Financial aid mechanism that aims to improve the energy performance of buildings and is intended for legal entities governed by public law and non-commercial entities. The granting covers 30% of the eligible costs (see form), or 35% of eligible costs if the applicant applied an active energy-management policy for their assets for a minimum of two years.

**UREBA GRANT FORM**



Wallonie service public SPW

100 %



### BUDGET ALLOCATION

Use of proceeds	Credits committed	Credits liquidated	% of allocation
Funding of 2020 expenses	€1 million	€2.9 million	290 %
<b>Sum funded by ED 2020</b>	<b>€1 million</b>	<b>€2.9 million</b>	<b>290 %</b>

### IMPACT INDICATORS FOR THE PROJECT

Type of indicator	Indicators	Details	Methodology note
Output indicator	Number of applications processed	299	/
Outcome indicator	Sum of the total investments (leverage effect)	€3,764,963.02	/
Impact indicator	CO <sub>2</sub> emissions prevented	877,379.46 kg/year	C-2
	SO <sub>2</sub> emissions prevented	551.50 kg/year	C-2

## Sustainable mobility

### STRATEGIC GOAL

In light of the significant impacts that mobility has on air quality and the climate, but also its heavy dependence on energy options, Wallonia has set ambitious goals for itself in terms of mobility. These are closely interconnected with the Walloon Energy and Climate Plan 2030 (PWEC).

The vision for Walloon mobility by 2030 – **vision FAST** – aims to reduce traffic congestion (Fluidity), ensure universal access to goods and services (Accessibility), drastically reduce road accidents (Security) and significantly reduce environmental pollution (Health) caused by traffic jams, particularly by reducing greenhouse gas emission from the transport sector by 40%.

To achieve the goals of the FAST 2030 vision, Wallonia has adopted a regional mobility strategy comprising two components:

- **Component I – Mobility of individuals**
- **Component II – Transport of goods**

To fund this vision, Wallonia has adopted the **Mobility and Infrastructure for All Plan 2020–2026**, with the desire to invest €2 billion to allow Wallonia to increase the modal share of alternative mobility, while securing and modernising the road network and the waterways network.

### COMPONENT I – MOBILITY OF INDIVIDUALS

The plan for mobility of individuals primarily revolves around the development of public transport infrastructure and the deployment of multi-modal and soft mobility solutions.

Multimodality is based on the complementary nature of multiple solutions, which must converge in various parts of the Region. When it comes to infrastructure, it requires not only roads that can accommodate various modes of transport, but also the development of modal exchange places.

In addition to public transport modes, the use of soft mobility is encouraged via the deployment of the bike paths network, in particular in urban and peri-urban areas, as well as the extension of the Walloon autonomous network of slow lanes called RAVeL (Réseau Autonome de Voies Lentes).

### MEASURING RESULTS

Like most regions around the world and in Europe, the current mobility of individuals in Wallonia is still too centred around private cars (83%).

In terms of distribution of modal shares (in kilometres travelled) for the mobility of individuals, the FAST vision aims to strive towards the following goals, along with a reduction in demand:

Situation in 2017	Goal by 2030
Walking: 3%	Walking: 5%
Bike: 1%	Bike: 5%
Bus: 4%	Bus: 10 %
Train: 9 %	Train: 15 %
Car: 83 %	Car: 60 %
Ride share: average of 1.3 passengers	Ride share: average of 1.8 passengers

In terms of soft mobility, the actions aim to increase the coverage of bike paths in Wallonia from 3,500 kilometres<sup>8</sup> (including 1,427 kilometres for the RAVeL network) to 10,000 kilometres by 2030.

In order to monitor the evolution of the impacts on the transport system, IWEPS (Walloon Institute for Evaluation, Forecasting and Statistics) and SPW Mobility & Infrastructures have decided to collaborate closely, in order to build a **'Mobility Dashboard'**, in conjunction with other Walloon regional administrations. The primary goal of this dashboard is the implementation of a data collection, centralisation and analysis system, which aims to monitor regional mobility and in particular, to make it possible to detect any deviation from the expected trajectories defined by the Walloon government. The various information that will be collected refers to the transport of individuals and goods, with a view to improving the use of each mode of transport and achieving the Sustainable Development Goals.

### SOFT MOBILITY

#### FUNDING EXPENSES

For the 2020 sustainability bond issue, the Sustainable Bond Committee selected one direct expense.

#### 5 FUNDING THE EXTENSION OF THE RAVEL NETWORK

Extending the routes reserved for pedestrian, cyclists, individuals with reduced mobility and horseback riders along the waterways.

(8) 3,516 kilometres in 2017, that is, 1,427 kilometres of RAVeL and 2,089 kilometres of contiguous or separate marked bike paths.

**PUBLIC TRANSPORT & MULTIMODALITY**

**FUNDING EXPENSES**

For the 2020 sustainability bond issue, the Sustainable Bond Committee selected seven indirect expenses, funded entirely by Wallonia through the Walloon Transport Operator (OTW) and SNCB (National Society of Belgian Railways), concerning multi-modal investments, including rail transport.

**6 INFRASTRUCTURE INVESTMENT PROGRAMME FOR THE USE OF WALLOON BUSES**

Funding for the development of proprietary sites, stops and inter-modal connection stations, such as the ones deployed in La Louvière and Marloie (see project sheet p. 34).

**PROGRAMME TO EXTEND THE CHARLEROI LIGHT METRO**

Continued funding to extend the network to the outskirts of the city (Gilly – Lodelinsart - Gosselies), particularly to facilitate access to new hospitals (CHU Marie Curie – Grand Hôpital de Charleroi).

**8 GREENING PROGRAMME OF THE BUS FLEET**

Funding to replace the old generation of buses (atmospheric diesel engines) with hybrid electric buses, which are primarily intended to serve urban routes.

**9 MOBILITY AND INFRASTRUCTURE PLAN FOR ALL CITIZENS**

Funding for works that facilitate access to, and use of, public transport in rural areas, as well as specific facilities for persons with reduced mobility (PRM).

**10 PROGRAMME TO CONSTRUCT MULTI-MODAL STATIONS**

Co-funding the development of stations in the cities of Namur and Mons for the multi-modal organisation of trains/buses/soft mobility, with segregation of the expenses funded entirely by Wallonia and fundings from SNCB (under the authority of the Belgian federal government, in charge of rail transport).

**11 PROGRAMME TO BUILD THE TRAM IN LIÈGE**

Pre-funding by Wallonia of research activities in 2019 and the first phase of construction in 2020; the tram infrastructure project is funded by a public-private partnership (PPP), with its use funded by the Region by means of a multi-year operating royalty.

**12 PROGRAMME TO BUILD THE RAILWAY CAR PARK FOR THE LOUVAIN-LA-NEUVE TRAIN STATION**

Funding for the development of motorway accesses and the traffic-easing car park, which is being built as part of the extension of the RER (Regional Express Network around Brussels) to Louvain-la-Neuve train station.

## COMPONENT II – TRANSPORT OF GOODS

### MEASURING RESULTS

With its 450 kilometres of waterways, Wallonia’s goal is to make river transport as competitive as possible to encourage modal transfers. The aim is to transfer a significant portion of the freight transported via road to waterways, by increasing the navigability in Wallonia. By developing and renovating infrastructure and equipment, this modal transfer will increase the tons of goods that are transported via water and, as a result, will further reduce greenhouse gas emissions from road traffic. The aim is to strive for the following modal shares in 2030 (expressed as a percentage of tons/kilometres travelled):

Situation in 2017	Objectif 2030
Rail: 4 %	Rail : 7 %
Water: 14 %	Water: 18 %
Road: 82 %	Road: 75 %

### FUNDING EXPENSES

For the 2020 sustainability bond issue, the Sustainable Bond Committee selected five direct expenses:

#### 13 PROGRAMME TO BUILD AND/OR RENOVATE WATERWAYS IN WALLONIA

Maintenance and modernisation of hydraulic structures (in particular, locks and lifts), to regulate the flow of waterways and increase the volume (tons) of goods to be transported.

#### 14 WALLOON PARTICIPATION IN THE TEN-T (TRANS-EUROPEAN TRANSPORT NETWORK) PROGRAMME

As part of the FEDER programmes, Wallonia provides direct funding, up to 62% of the total budget, for the development of the Lys – Escaut – Sambre – Meuse navigable network.

#### 15 PROGRAMME TO DRAG WATERWAYS AND CANALS

Complete and direct funding for the maintenance works needed to ensure the availability and competitiveness of waterways traffic.

#### 16 PROGRAMME TO DEVELOP AUTONOMOUS RIVER PORTS IN WALLONIA

Funding for infrastructures that make it possible to organise modal transfers between waterways, rail and/or roads (Liège – Namur – Charleroi – Centre & West).

#### 17 PROGRAMME TO RESTORE THE CAPACITY OF THE RONQUIÈRES INCLINED PLANE

Financing renovation works to strengthen the competitiveness of the waterway link Charleroi - Brussels - Antwerp.

(8) 3.516 km en 2017, soit 1.427 km de RAVEL et 2.089 km de pistes cyclables marquées, contigües ou séparées.



## SUSTAINABLE MOBILITY

### Infrastructure investment programme – Example of the Louvière multi-modal train station project

- Province of **Hainaut**
- Public Transport Operator (OTW) — Le TEC (commercial name)
- Start of the project in August 2019 — Inauguration in April 2021
- €17 million**
- Regional Mobility Strategy** (FAST 2030 vision)

### Project presentation

Until the construction of the new bus station, the two stops at La Louvière Sud were two simple, unsecured and non-compliant footpaths, which were not accessible to persons with reduced mobility. Furthermore, when leaving their stops, TEC vehicles had to drive around the SNCB car park, between parked cars, to join their routes.

The primary goals of the project, therefore, were to satisfy the 'safety and comfort' needs for drivers and passengers, to increase the number of bus platforms to meet demand, to make the bus station accessible to persons with reduced mobility and to ensure better BUS/TRAIN intermodality.

*Note: this €720,000 investment project is an example of projects included in the infrastructure investment programme entrusted to OTW, with a total budget of €17 million.*



Wallonie service public SPW

100 %

### MULTI-MODAL TRAIN STATION



ALLOCATION BUDGÉTAIRE			
Use of proceeds	Credits committed	Credits liquidated	% of allocation
Funding of 2020 expenses	€17 million	€17 million	100 %
<b>Sum funded by ED 2020</b>	<b>€17 million</b>	<b>€17 million</b>	<b>100 %</b>

IMPACT INDICATORS FOR THE PROJECT OF THE LOUVIÈRE MULTI-MODAL TRAIN STATION			
Type of indicator	Indicators	Details	Methodology note
Output indicator	Number of new platforms accessible to PRM	10	/
	Number of new shelters	8	/
Outcome indicator	Number of beneficiaries	n.d*	A-4
Impact indicator	CO <sub>2</sub> emissions prevented by the project	n.d*	C-2

(\*Measures being implemented – figures unavailable at the time of publication)



## Circular economy

### STRATEGIC GOAL

In Wallonia, the [Walloon Plan for Waste Resources](#) (PWD-R), which was adopted on 22 March 2018, marked a step forward in waste-management policy, by integrating the principles of the circular economy. Given the overlapping issues involved, Wallonia adopted in 2021 a strategy for deploying the circular economy, '[Circular Wallonia](#)'. This strategy results from a wide-ranging consultation with industry federations, associations, administrations and citizens, involving important levers that will help to relaunch the economy in a more sustainable manner. The dynamic aims to bolster the resilience of Wallonia, by fully integrating the direction shift imposed, in particular by climate change, as well as ensuring greater autonomy in terms of resources and with respect to global logistics chains.

### MEASURING RESULTS

The goal of this strategy is to achieve the following objectives:

- reducing Wallonia's domestic material consumption<sup>9</sup> by 25% by 2030 compared to 2013. In 2013, domestic material consumption was estimated at 20.6 tons per capita, which was higher than Belgium (13.6 tons per capita) or the EU (13 tons per capita);

- increasing the productivity of resources (ratio between gross domestic product and domestic consumption of resources in Wallonia) by 25% between 2020 and 2030, which implies a complete separation between the GDP evolution and the consumption of raw materials. In 2013, this value came to €1.18/kg;
- increasing Walloon jobs that contribute, either directly or indirectly, to the circular economy by 20% by 2025<sup>10</sup>, that is, an increase from 6.8% in 2019 to 8.2% in 2025;
- Etc<sup>11</sup>.

### FUNDING EXPENSES

Considering the initial deployment phase of several circular economy projects following the adoption of the strategy in 2021, no expense has been included for the issue of the sustainability bond in 2020.

## Sustainable food

### STRATEGIC GOAL

In November 2018, the Walloon government adopted a specific strategy for the transition of the food system, '[Manger Demain](#)', which provides a methodological Framework for the transition towards a sustainable food system. To achieve the goals outlined in this strategy, Wallonia decided to develop an Employment-Environment Alliance (AEE) and to work as part of a dynamic partnership with stakeholders in the food system, with the establishment of the Walloon College for Sustainable Food (CWAD) in October 2020.

The measures to be proposed by the CWAD will aim to develop a food system relocated in short circuit, which will make it possible to guarantee and develop employment in the agricultural sector in Wallonia and throughout the food chain.

The viability of food systems also requires the implementation of more resilient and sustainable agricultural practices. Organic farming contributes to this goal, by striving to protect the environment, improve the health of farmers and consumers, develop local economy and enhance rural areas, as well as increasing local employment.

### MEASURING RESULTS

To develop organic farming in Wallonia by 2030, the Walloon government adopted its 'Bio Plan 2030' in June 2021. While the *European Green Deal* sets a target of 25% of agricultural land used for organic farming by 2030 in its Farm-to-Fork strategy, Wallonia wants to go above and beyond by reaching 30%.

Since 2003, the share of agricultural land used for organic farming has increased from 2.7% to 12% (as of 2020). To achieve the target of 30% organic farmland, Wallonia estimates the investment needs to reach €30 million during the first five years of the Plan.

### FUNDING EXPENSES

For the 2020 sustainability bond issue, no expense related to the development of local and organic food systems has been included.

(9) The use of natural resources is measured by the Domestic Material Consumption (DMC) indicator, which corresponds to local withdraws of materials used and international imports minus international exports ([Indicators of the flow of materials \(wallonie.be\)](#)).

(10) Based on the results of the 2019 study by the King Baudouin Foundation on employment in the circular economy in Belgium.

(11) This is part of the strategic objectives of Circular Wallonia. To browse all the target figures, check the [full report](#).

## Protection of resources, land & biodiversity

Wallonia's environmental authority can be divided into two main themes:

- the environment in its literal sense (protection of environmental components, noise reduction, waste policy, etc.);
- the rural development and the preservation of nature (green areas, forests, hunting, fishing, non-navigable waterways, etc.).

The various public policies pertaining to the areas targeted by the funding for expenses and that are eligible for green bonds are as follows:

### SUSTAINABLE USE & PROTECTION OF WATER RESOURCES

#### STRATEGIC GOAL

In 1986, Wallonia decided to create a stand-alone entity (Société Wallonne des Eaux – SWDE) and to delegate the tasks involved in managing water distribution in Wallonia. In 1999, it entrusted the tasks involved in managing and treating wastewater to another stand-alone entity (Société Publique de Gestion de l'Eau – SPGE).

Although the treatment capacity for urban wastewater has reached a very high level, Wallonia still faces many challenges, in particular:

- ensuring collective sanitation for areas with lower density of population;
- modernising the oldest waste-water treatment plants, optimising collection networks and managing sewer networks in light of the quality requirements for water, and establishing a mechanism that helps to optimise the management of sewer networks.

A portion of the Walloon fiscal revenues is reserved for these companies and allows them to fund most of the expenses incurred by the tasks that have been entrusted to them.

#### FUNDING EXPENSES

For the 2020 sustainability bond issue, the Sustainable Bond Committee selected one indirect expense:

#### 18 ANNUAL FINANCIAL INTERVENTION BY THE REGION IN SPGE'S CAPITAL

Helping SPGE to pursue its priority strategic goals arising from the implementation of the Water Framework Directive (DCE) 2000/60/EE and its programme of measures defined in its management plans, which aims to protect, improve or restore the good condition of both groundwater and surface water.

### CONSERVATION OF LAND & BIODIVERSITY

#### STRATEGIC GOAL

The Regional Policy Declaration states that 'Wallonia will implement a '360° Biodiversity' strategy, in particular by relying on the results of [Biodiversity workshops](#). To do so, Wallonia plans to approve a final strategy and a draft environmental declaration in Autumn of 2021, which will be presented to the Walloon Parliament.

With this strategy, it is planned to gradually implement a functional environmental network (recognition of new nature reserves, planting trees and hedges, inclusion of candidate areas into the European Natura 2000 network, etc.).

When it comes to combating local pollution, managing and sanitising polluted sites has also been a priority for Wallonia for many years. The stakes are very high: it involves preserving human health, quality of water and biodiversity and promoting local redeployment, by restoring the value of land and making it attractive for commercial activities, accommodation, tourism, recreation, etc.

In this respect, Wallonia entrusts tasks to SPAQuE (Société Publique d'Aide à la Qualité de l'Environnement). Its missions include the sanitisation and rehabilitation of polluted industrial wastelands and brownlandfields, participation in redevelopment projects for rehabilitated sites and the development of projects concerning renewable energy.

#### FUNDING EXPENSES

For the 2020 sustainability bond issue, the Sustainable Bond Committee selected one indirect expense:

#### 19 REHABILITATION OF SAED (Sites d'Activités Économiques Désaffectés)

Complete funding of works to sanitise and rehabilitate polluted and/or unpolluted sites, such as coal sites, steel industry sites and other brownlandfields and industrial wastelands (see project sheet p. 38).

## CLIMATE CHANGE ADAPTATION

### STRATEGIC GOAL

When it comes to the fight against flood risks, in accordance with the EU Floods Directive (2007/60/CE), Wallonia has adopted **flood risk management plans** which cover all aspects of managing flood risks, with an emphasis on prevention, protection, preparation, remediation and post-crisis analysis. These plans also cover forecasting floods and early-warning systems, while taking into account the characteristics of the different Walloon hydrographic basins (Escaut, Meuse, Seine, Rhine) and the relevant sub-basins. Flood risk management plans also include measures to encourage sustainable land-use methods, improve water retention and the controlled flooding of certain areas during flooding incidents. The 2022–2027 plans were approved in March 2021 and are currently undergoing public enquiry until November 2021.

### FUNDING EXPENSES

For the 2020 sustainability bond issue, the Sustainable Bond Committee selected two direct expenses:

#### 20 CONTINUATION OF THE PROGRAMME TO RESTORE THE MONSIN DAM

Full funding for works on the dam located on the Meuse river, downstream of Liège, which was built after the hundred-year floods in 1926, with the implementation of the second phase (project planned over three years, 2019–2021).

#### 21 CONTINUATION OF THE PROGRAMME TO MODERNISE THE HERINNES DAM

Full funding for works to renovate the lock and dam to manage floods on the Seine-Escaut waterway link.



## PROTECTION OF RESOURCES, LAND & BIODIVERSITY

### Rehabilitation of polluted industrial wastelands

**All of Wallonia**

SPAQuE

Start of the project in August 2019 —  
Inauguration in April 2021

Budget renewed annually  
by Wallonia

Rehabilitation programme  
for polluted industrial wastelands

### Project presentation

Funded by the Walloon Region via an annual grant to SPAQuE, in order to carry out the recurring tasks established in its **management contract**, namely:

- restore and sanitise the sites entrusted to it, including brownlandfields, in the respect of an environmental/health approach;
- secure and rehabilitate sites in 'emergency situations';
- post-management of sites when needs, including environmental monitoring.

**SPAQuE ACTIVITY REPORT (2020)**



Wallonie  
service public  
SPW

100 %



### BUDGET ALLOCATION

Use of proceeds	Credits committed	Credits liquidated	% of allocation
Funding of 2019 expenses	€19 million	€19 million	100 %
Funding of 2020 expenses	/	/	/
<b>Sum funded by ED 2020</b>	<b>€19 million</b>	<b>€19 million</b>	<b>100 %</b>

### IMPACT INDICATORS FOR THE PROJECT

Type of indicator	Indicators	Details	Methodology note
Output indicator	Number of sites	17 sites, including 5 completed in 2019	/
Outcome indicator	Amount of earth excavated	77,666 m <sup>3</sup> (2019)	/
	Amount of land treated	140,407 tons	/
Impact indicator	Polluted load eliminated (on average)	5.66 tons/ha	C-2

## SOCIAL COHESION & COMBATING POVERTY

### TRANSVERSAL STRATEGIC GOAL

An initial **Walloon Plan to Combat Poverty** (PWLCP) was adopted by the Walloon government in 2015. This plan was primarily aimed at effectively mobilising all the regional levers that have a direct impact on reducing inequalities and, de facto, poverty in Wallonia. Through the government's decision on 8 March 2018, the **Plan** was complemented by various elements, particularly the addition of an axis promoting employment and training.

A new Walloon transversal plan to eliminate poverty (2020–2024) is under construction and is based on the evaluation of the first Walloon plan, which was adopted in 2015. Wallonia intends to build on top of this first plan, but also to take into account the social situation which has been seriously impacted by the pandemic in 2020, the consequences of which are particularly significant for low-income individuals, such as people living below the poverty line and those in receipt of a social inclusion benefits. What has been learned from the first plan and the health crisis lead to target priority measures in the following fields: employment and training, housing, physical and mental health.

### Education & employment promotion

Policies relating to training, qualification, research and job creation are therefore among Wallonia's main priorities, which result in the funding of specific employment programmes for target groups, whether these be young people (first job), people searching for a new job (unemployment, reintegration, retraining) or older workers.

### MEASURING RESULTS

Wallonia remains significantly behind in terms of activity and employment rates compared to the Belgian average and, as a result, above the national unemployment rate. Numerous studies and statements have highlighted the positive contribution of a job in providing essential or additional means to escape poverty, as well as a factor for social relationships and the integration of individuals.

The Walloon employment rate for people aged 15–64 is currently 59.2% (2020 data). The goal is to improve the employment rate by 5% by 2025.

The rate of people at risk of poverty is very high among inactive individuals, particularly those who are unemployed (45.9% of unemployed individuals lived below the poverty line in 2016, while, on average, the rate of individuals in the overall population living below the poverty line is 15.5%).

### FUNDING EXPENSES

For the 2020 sustainability bond issue, the Sustainable Bond Committee selected twelve indirect expenses funded entirely by Wallonia, namely eleven expenses managed by FOREM (Public Service of Wallonia for Training and Employment) and one expense managed by IFAPME (Walloon Institute for Work-Based Training, Self-Employed and SMEs):

### 22 SESAM PROGRAMME (Support for Activities in the Commercial Sector)

Financial support to SMEs for hiring additional workers and contributing to the re-employment of job-seekers; financial incentive granted on a quarterly basis, for a maximum period of three years from the date on which an unemployed job-seeker is hired (see project sheet p. 41).

### 23 CISP PROGRAMME (Socio-Professional Inclusion Centre)

Funding for basic training/vocational training for job-seekers.

### 24 CDC PROGRAMME (Skills Centre)

Funding for training infrastructures for workers in the 13 fields of strategic activity (DAS) defined as a priority for Wallonia, namely: agri-food, transport and logistics, cultural and creative activities, environment and sustainable development, design, space and aeronautics, tourism, construction and wood, chemistry and biotechnologies, mechanical and industrial engineering (automotive), mechanical and industrial engineering (technological industry), management & business and ICT/digital.

**25 TRAINING VOUCHERS PROGRAMME**

Funding of aids (in the form of vouchers) for workers attending training programmes in approved training centres in Wallonia.

**26 CALLS FOR PROJECTS**

Programmes to encourage operators in the voluntary, public and private sectors who are active in the field of inclusion and training to develop activities towards job-seekers, based on the needs that have been identified in the current socio-economic context and in complement to the existing demand for jobs; projects that are selected must aim to encourage job-seekers to a quick integration into the work circuit via professional remobilisation, guidance or support.

**27 PROGRAMME AIMED AT PROFESSIONS EXPERIENCING A SHORTAGE**

Funding for 'bespoke' training plans for job-seekers, organized by companies or with help of FOREM training centres, skills centres or IFAPME centres; the goal is for trainees to acquire the skills expected by the participating companies, with these companies committing to recruit at least 80% of the successful trainees.

**28 MIRE PROGRAMME (Regional Employment Mission)**

Funding for integration/support activities towards and in employment.

**29 PROGRAMME FOR SOCIO-ECONOMIC INTEGRATION OF NEW ARRIVALS**

Grants to promote the professional integration of non-European nationals into employment and/or training, in light of the obstacles that they experience; the main axes of the programme are to develop the individual mobility (empowerment) and a capacity of assimilation/immersion within companies (understanding the socio-economic codes and practices within Walloon companies).

**30 RETRAINING AND REINTEGRATION UNIT**

Funding for units that support workers, who have been victims of collective redundancies, in their search for retraining opportunities.

**31 AIRBAG PROGRAMME**

Funding granted to unemployed workers for the launch of a self-employment activity during the start-up phase.

**32 CEF PROGRAMME (Carrefour Employment and Training)**

Funding for infrastructures that provide documentation and advice for job-seekers.

**33 INVESTMENT PROGRAMME FOR TRAINING CENTRES**

Funding for the construction/upgrade of IFAPME training centres aiming to organise specific training programmes for professions experiencing a shortage.



## EDUCATION & EMPLOYMENT PROMOTION

### SESAM

- All of Wallonia**
- Budget renewed annually by Wallonia
- Walloon Plan to Combat Poverty (PWLCP)



Wallonie  
service public  
SPW

**100 %**

### Project presentation

SESAM is a subsidy awarded to companies with less than 50 workers, operating in the commercial sector, to hire unemployed job-seekers. This financial incentive is granted on a quarterly basis, for a maximum period of three years, and takes the form of a subsidy that is established on a diminishing basis, as follows:

Year 1: €10,621; Year 2: €7,965; Year 3: €5,311 for a full-time worker (amounts for 2020).

The 'SESAM' financial investment has two aims:

- re-employment of unemployed people, by creating sustainable, high-quality jobs;
- support for SMEs in Wallonia, by giving them the opportunity to develop their activities by hiring additional staff.

**SESAM PORTAL**



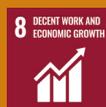
### BUDGET ALLOCATION

Use of proceeds	Credits committed	Credits liquidated	% of allocation
Funding of 2019 expenses	/	/	/
Funding of 2020 expenses	€71.1 million	€62.4 million	87.8 %
<b>Sum funded by ED 2020</b>	<b>€71.1 million</b>	<b>€62.4 million</b>	<b>87.8 %</b>

### IMPACT INDICATORS FOR THE PROJECT

Type of indicator	Indicators	Details	Methodology note
Output indicator	Number of employers concerned	9,726	A-14
Outcome indicator	Number of beneficiaries of the programme	12,462	A-13
Impact indicator	Rate of socio-professional inclusion	n.d.*	/

\*Measures being implemented – figures unavailable at the time of publication



## Socio-economic advancement & empowerment

### SOCIAL INCLUSION

The impact of the health crisis, including the lockdown periods and gradual reopening, has with no doubt increased household poverty and, in particular, impacted people living below the poverty line, as well as those in receipt of a social-inclusion income.

In Wallonia, it is the duty of SPW Interior and Social Action (SPW IAS) to help combat poverty by targeting a very vulnerable audience who are experiencing significant social and/or professional hardships. The administration approves, subsidises, advises and supports various operators (municipalities, CPAS, non-profits, various associations and more) who employ qualified personnel (social workers, psychologists, specialised educators, etc.) to assist this very at-risk audience.

#### MEASURING RESULTS

These are some examples of indicators that should make it possible to measure the progress of the results produced by the allocation of funds to targeted projects:

- 24.6% of the overall population lives in a household that is at risk of poverty or social exclusion. For single-parent families, this rate increases to 51.6% (2019 data);
- On average, 3.29% of the Walloon population aged between 18 and 64 are in receipt of an inclusion income (RIS) (2019 data);
- Approximately 6.7% of the population lives in a household that experiences several material deprivation (2019 data).

#### FUNDING EXPENSES

For the 2020 social bond issue, the Sustainable Bond Committee selected nine direct expenses:

#### 34 SUBSIDIES GRANTED FOR INTEGRATION OF PEOPLE OF FOREIGN ORIGIN

Regional aids intended for organisations that aim to support participation in social and voluntary life, as well as assistance in exercising the rights and obligations of foreign individuals.

#### 35 SUBSIDIES FOR WELCOME HOUSES AND COMMUNITY HOUSES

Regional funding for approved centres that provide individuals, experiencing social hardship, with accommodation in a building equipped with group facilities, as well as tailored support to help them to gain, or regain, their autonomy (see project sheet p. 44).

#### 36 SUBSIDIES FOR SOCIO-PROFESSIONAL INTEGRATION OF BENEFICIARIES OF SOCIAL INCLUSION RIGHTS

Regional aids (in addition to the aid granted by the federal state) for CPAS (Public Centre for Social Aid), which contribute to the professional inclusion of people benefiting from social integration, within the framework of Articles 60 §7 and 61<sup>12</sup> of the organic law of CPAS.

(12) Article 60 is a fixed-term employment contract concluded between the beneficiary and CPAS. CPAS is the employer, but it can make an agreement to place the worker in a third-party company. The purpose of this contract is to allow beneficiaries to receive an initial professional experience and/or to be entitled to unemployment benefits at the end of their employment contract. In return, CPAS asks the company for a monthly financial contribution ranging from €850 to €1,000, depending on the CPAS.

**37 SUPPORT TO LOCAL SERVICES FOR SOCIAL INTEGRATION**

Regional aids for associations or institutions that perform collective or community activities pertaining to social integration, for individuals who find themselves excluded.

**38 SUBSIDIES TO URBAN SOCIAL RELAYS**

Regional intervention in the coordination and networking of public and private sectors specifically involved in assisting people who find themselves excluded when living in major Walloon cities.

**39 SUPPORT TO STRUCTURES WORKING FOR DEBT MEDIATION**

Regional aids for approved services that provide budget assistance to people in debt, through the development of a comprehensive debt-elimination plan, which is negotiated with creditors.

**40 MEBAR PROGRAMME**

Funding of aids to low-income households for works in their homes, which will allow them to use energy more efficiently (e.g. replacing frames or exterior doors, insulation works, installing a stove, lining a chimney, installing a boiler or water heater, etc.).

**41 ADEL PROGRAMME (Moving and Rent Allowance)**

Regional aids awarded to at-risk individuals in one of the following three situations: evacuation from a home that is recognised as uninhabitable or overcrowded, in order to rent suitable housing; abandonment of housing that is unsuitable for individuals with disabilities, in order to rent suitable housing; new rental of suitable housing for homeless people.



## SOCIO-ECONOMIC ADVANCEMENT & EMPOWERMENT

### Welcome houses and community houses

#### 📍 All of Wallonia

🏠 SPW Interior and Social Action (IAS)

📅 Budget renewed annually by Wallonia

🌀 Walloon Plan to Combat Poverty (PWLCP)



 Wallonie  
service public  
SPW

100 %

### Project presentation

The goal of welcome houses is to provide individuals experiencing social difficulties with accommodation for a limited period, in a building equipped with group facilities, as well as tailored support to help them to gain, or regain, their autonomy.

Community houses, on the other hand, house individuals who have previously stayed in a welcome house or a building that carries out the same tasks and has been approved by a public authority for a longer period of time.

#### 🔗 SOCIAL ACTION BAROMETER



### BUDGET ALLOCATION

Use of proceeds	Credits committed	Credits liquidated	% of allocation
Funding of 2019 expenses	€25.8 million	€25.8 million	100 %
Funding of 2020 expenses	€28.5 million	€30.4 million	107 %
<b>Sum funded by ED 2020</b>	<b>€54.3 million</b>	<b>€56.2 million</b>	<b>103 %</b>

### IMPACT INDICATORS FOR THE PROJECT

Type of indicator	Indicators	Details	Methodology note
Output indicator	Number of approved welcome houses	56 (2019) - 57 (2020)	/
	Number of approved community houses	15 (2019 & 2020)	/
Outcome indicator	Number of beneficiaries	6 950 (2019) - 4 847 (2020)	A-11
	Number of beneficiaries	402 (2019) - 377 (2020)	A-11
Impact indicator	Number of beneficiaries who gained autonomy after their stay	n.d.*	/

\*Measures being implemented – figures unavailable at the time of publication

## Affordable housing

Wallonia entrusts the management of social housing to three Public Administration Units (UAP):

- FLWFN (Walloon Housing Fund for Large Families) manages aids to large families in Wallonia (three or more children), by renting out apartment buildings and social apartments, as well as awarding bonuses and zero-interest loans, so they can become homeowners;
- SWCS (Walloon Social Credit Company) manages the granting of bonuses and zero-interest loans for its target demographic (candidates for social housing with capped income, with the exception of large families handled by FLWFN);
- SWL (Walloon Housing Society) manages the majority of public social housing in Wallonia (in 2020, it represents a stock of more than 100,000 homes in Wallonia, or approximately 85% of the stock), which it rents out to its target demographic (recipients of social housing, with the exception of large families handled by FLWFN).

### MEASURING RESULTS

Housing is the largest expense for Walloon households, but it is those with the lowest income who dedicate the most significant share of their budget to it: 33% of the expenses for the poorest versus 21% for the wealthiest (2019 data). Unequal access to property, increasing rent prices, the quality of housing and, as a result, a sometimes mediocre energy performance and occasional difficulties in accessing public housing are all factors that explain this situation, which is a risk factor.

In addition to that, 44.7% of renters at market price have an income beneath the poverty line (2018 data).

## INCREASE PUBLIC SOCIAL HOUSING

### MEASURING RESULTS

In June 2020, Wallonia adopted a plan to renovate public housing and plans to invest €1.2 billion over four years to ensure the suitability, security and energy performance of 25,000 homes that belong to public service housing companies.

It aims to finance this plan with an amount of €883 million granted by the Walloon region, or 75% of the expected budget.

### FUNDING EXPENSES

For the 2020 sustainability bond issue, the Sustainable Bond Committee selected one indirect expense:

#### 42 PROGRAMME TO FUND FLWFN INVESTMENT PLAN

Intervention by the Region to create new housing and to maintain the quality of its stock of houses for large families.

In light of the renovation plan adopted in 2020, new regional expenses concerning the increase in the supply of social housing in Wallonia are likely to significantly increase the size of this eligible category in the coming years.

## SUPPORT ACCESS TO SOCIAL HOUSING

Given the findings from the housing sector, Wallonia identifies measures in its PWLCP that aim to promote affordable housing for at-risk populations, by developing aids to support the purchase of housing, particularly by targeting rental guarantees and mortgages.

### FUNDING EXPENSES

For the 2020 sustainability bond issue, the Sustainable Bond Committee selected three indirect expenses:

#### 43 PROGRAMME TO FUND NEW YOUTH LOANS granted by FLWFN and/or SWCS

Intervention by the Region to award zero-interest mortgages to applicants under the age of thirty-five, in order to finance the costs related to purchasing their first home.

#### 44 RENTAL-ASSISTANCE PROGRAMME FOR SOCIAL HOUSING ORGANISATIONS (OFS) managed by FLWFN

Intervention by the Region to support low-income households or at-risk households, in order to find decent housing solutions.

#### 45 PROGRAMME TO FUND MORTGAGE DIFFERENTIALS (ACCESSPACK) from SWCS and FLWFN

Intervention by the Region to cover the differential between the sources of funding from housing companies and the mortgages with a preferential rate that have been awarded to individuals and social credit offices (see project sheet p. 47).

## SUPPORT RENOVATION OF SOCIAL HOUSING

Wallonia intends to ensure the quality (suitability, energy performance, size, etc.) of the homes in its housing stock, by strengthening regional and social support for renters supported by UAPs responsible for public service housing.

### MEASURING RESULTS

As an example, 20.1% of people in Wallonia live in housing with a humidity problem (2019 data).

### FUNDING EXPENSES

For the 2020 sustainability bond issue, the Sustainable Bonds Committee selected one direct expense and two indirect expenses:

#### 46 GRANT PROGRAMME TO RENOVATE HOUSING

Full funding for grants awarded to individuals by SPW Energy to renovate, restructure or acquire housing.

#### 47 GRANTS FOR REHABILITATION WORK awarded to homeowners who apply to FLWFN

Funding of non-refundable grants that are intended to finance the rehabilitation or restructuring of housing that was left unoccupied for more than one year.

#### 47 RENOPACK PROGRAMME

Funding of aids allocated by SWCS and FLWFN to owners of social housing. This aids comprise, on one hand, renovation grants and, on the other hand, zero-interest loans to fund the works. It is intended for individuals who are in the two lowest categories of taxable income, that is:

- **Category 1:** net taxable income of less than €23,000/year;
- **Category 2:** net taxable income of less than €32,700/year.



## AFFORDABLE HOUSING

### Funding for mortgage differentials – ACCESSPACK

- All of Wallonia**
- SWCS
- Budget renewed annually by Wallonia
- Walloon Plan to Combat Poverty (PWLCP)



Wallonie  
service public  
SPW

100 %

### Project presentation

ACCESSPACK is a mortgage with a fixed lending rate, which makes it possible to buy, build and/or renovate a home, to restructure a building that is primarily intended to serve as housing or to repay a mortgage used for these purposes. Social mortgages are granted under strict conditions in terms of net taxable income of the beneficiary and the value of the home.

Wallonia supports SWCS by paying an annual endowment to it, which covers the difference between the sources of funding and the mortgages with preferential rates that are awarded to individuals and social credit offices.

The funding cost covered by the sustainability bond only pertains to credits granted to individuals in the lowest income categories, namely categories C1/C2 (see methodology note).

**SWCS ACTIVITY REPORT (2019)**



### BUDGET ALLOCATION

Use of proceeds	Credits committed	Credits liquidated	% of allocation
Funding of 2019 expenses	€20.2 million	€20.2 million	100 %
Funding of 2020 expenses	€19.3 million	€19.3 million	100 %
<b>Sum funded by ED 2020</b>	<b>€39.5 million</b>	<b>€39.5 million</b>	<b>100 %</b>

### IMPACT INDICATORS OF THE PROJECT

Type of indicator	Indicators	Details	Methodology note
Output indicator	Amounts of mortgages awarded	€352,922,910 (2019) €361,714,699 (2020)	/
Outcome indicator	Number of beneficiaries	2 493 (2019) 2 399 (2020)	A-2
Impact indicator	Percentage of income dedicated to housing by the poorest individuals (25%)	33% of the annual budget (that is, €6,112)	/

\*Measures being implemented – figures unavailable at the time of publication

## Access to basic infrastructure & essential services

### ACCESS TO BASIC INFRASTRUCTURE

Access to basic infrastructure and fundamental rights in Wallonia is characterised by the following levers of action: water, energy, mobility, recreation and internet.

#### MEASURING RESULTS

##### Water

Water is a vital asset and access to it must be guaranteed for everyone. However, prices are constantly increasing, in particularly due to European obligations concerning waste-water treatment and the application of cost-recovery principles and the true cost of water. Today, universal access to water depends on the existence of the Social Water Fund (FSE), which aims to assist households who are having temporary difficulties paying their water bills and to ensure solidarity between consumers.

In its PWLCP, Wallonia intends to optimise the mechanism to ensure a better division of the Fund to be able to help any families having difficulty paying, via CPAS (Public Centres for Social Aid).

##### Energy

According to the Energy Poverty Barometer, nearly one in five households in Wallonia records energy expenses for their home that is too burdensome to their budget. In fact, 3.7% of households in Wallonia (or nearly 58,000 households) must limit their consumption below their basic needs and approximately 10% of households fear that they will not have the means for adequate heating. To reduce their energy bill, Wallonia intends to reform grants, encourage access to energy or promote the application of a reasonable payment plan.

##### Mobility

The mobility difficulties faced by at-risk individuals are a real obstacle to the implementation of an integration process, despite existing mechanisms like preferential rates granted for public transport or social taxis. Given the location of housing and education or work locations, the costs of mobility or the debt incurred by purchasing a vehicle all risk leading to poverty. To facilitate the mobility of the most vulnerable populations, particularly in rural areas, the PWLCP aims to enhance the preferential rates charged by the OTW, support the development of group rates and encourage people to obtain theoretical and practical driving licences.

##### Recreation

It appears that 38% of Walloon households do not have the financial capacity to take one week of holidays per year, when they really need this time off. To improve universal access to recreation, Wallonia has decided to develop a partnership with both public and private regional tourism operators.

##### Internet access

Some at-risk households cannot afford to spend money on an internet connection. While nearly three out of every four households in Wallonia have an internet connection, only one in two single-parent households can afford it. Today, internet access is clearly a necessity for lots of processes and activities. To reduce this digital divide, which has not yet been resolved, Wallonia is committed to funding public digital spaces, supporting actions carried out by public digital spaces and focused on at-risk populations that have limited or no access to the internet, or developing training in ICT for at-risk populations.

#### FUNDING EXPENSES

For the 2020 social bond issue, the Sustainable Bond Committee selected three indirect expenses:

#### 49 TRANSPORT SERVICES FOR PRM

A grant that is fully funded by Wallonia and awarded to OTW for the implementation (infrastructure – vehicles) and organisation of transport for persons with reduced mobility.

#### 50 SCHOOL TRANSPORT SERVICE

A grant that is fully funded by Wallonia and awarded to OTW for the implementation (infrastructure – vehicles) and organisation of transport for school children with a disability.

#### 51 PAPE PROGRAMME (Preventive Action Plans for Energy)

Regional aids for CPAS to support households experiencing difficulties with improving their energy management, better control their consumption and reduce their energy bills.

**ACCESS TO ESSENTIAL SERVICES – INCLUDING HEALTHCARE**

The PWLCP intends to improve the health of at-risk populations by bolstering universal access to health-care facilities through support to the establishment of general practitioners in areas experiencing a shortage, development of medical centres, access increase to preventive medicine and screening systems for at-risk populations, management improvement of chronic illnesses for at-risk individuals and, finally, improvement of transparent and better control over fees in healthcare, welcome and accommodation facilities. The management of these services is entrusted by Wallonia to the Agency for Quality Living (AViQ). Its main role is to implement two major policies in Wallonia:

- health and well-being (including the management of nursing and care homes, home care, prevention and promotion of health and funding for hospitals and welcome and accommodation facilities);
- disabilities;
- families (including granting family allowances).

**MEASURING RESULTS**

The following example of indicator should make it possible to measure the progress of the results produced by the allocation of proceeds for the benefit of the projects funded:

- 46.9% of the population has postponed or cancelled at least one treatment for financial reasons (2020 data).

**FUNDING EXPENSES**

For the 2020 social bond issue, the Sustainable Bond Committee selected four indirect expenses:

**52 GRANTS FOR WELCOME AND ACCOMMODATION FACILITIES AND ASSISTANCE WITH LIVING**

Grants awarded to approved institutions, through AViQ, for purchase, construction, development and fitting of buildings intended to house individuals with disabilities.

**53 INDIVIDUAL AIDS PROGRAMME FOR INTEGRATION**

Financial intervention from Wallonia, through AViQ, with development costs, technical assistance and certain services that allow individuals with significant functional limitations, in particular those which would cause serious difficulties with performing essential day-to-day activities, to live as independently as possible (see project sheet p. 50).

**54 HOSPITAL LUMP-SUM PROGRAMME FOR HEAVY MEDICAL AND TECHNICAL DEVICES**

Budgetary lump sums awarded to hospitals, through AViQ, to fund heavy medical and technical devices (MRI, radiotherapy and PETSCAN).

**55 CONSTRUCTION, DEVELOPMENT AND CARE EQUIPMENT FOR THE ELDERLY**

Grants awarded to public sector entities (Intercommunales, CPAS) or the non-profits voluntary sector to support their investments in care sector for the elderly (building of new homes, equipment, development works, furnishings, etc.).



## ACCESS TO BASIC INFRASTRUCTURE & ESSENTIAL SERVICES

### Individual assistance with integration Material aid

📍 All of Wallonia

🏠 AViQ

📅 Budget renewed annually by Wallonia

🌀 Walloon Plan to Combat Poverty (PWLCP)



 Wallonie  
service public  
SPW

100 %

### Project presentation

Individual aid with inclusion includes financial intervention from AViQ, with development costs, technical assistance and certain services that allow individuals with significant functional limitations, particularly those which would cause serious difficulties with performing essential day-to-day activities, to live as independently as possible. This includes:

- aids for **personal mobility** (walking sticks, adaptations and conversions for cars, additional manual carts, add-ons for electric carts, portable ramps, guide dogs, supplement for learning how to drive);
- aids for **equipping and adapting homes** (adaptation of living rooms, electric beds and box springs, chairlifts, support bars and handles, electronic devices for opening and closing doors, freight elevators and lifting platforms, stair lifts, etc.).

[@ AViQ PORTAIL](#)



### BUDGET ALLOCATION

Use of proceeds	Credits committed	Credits liquidated	% of allocation
Funding of 2019 expenses	€16.5 million	€15.8 million	95.8 %
Funding of 2020 expenses	/	/	/
<b>Sum funded by ED 2019</b>	<b>€16.5 million</b>	<b>€15.8 million</b>	<b>95.8 %</b>

### IMPACT INDICATORS OF THE PROJECT

Type of indicator	Indicators	Details	Methodology note
Output indicator	Amount of material aid awarded	n.d.*	/
Outcome indicator	Number of beneficiaries using these services	n.d.*	A-1
Impact indicator	<i>Not yet defined</i>	/	/

\*Measures being implemented – figures unavailable at the time of publication

## Exceptional funding for expenses incurred by combating the Covid-19 pandemic

Like everyone, Wallonia was struck by the health crisis and the socio-economic effects brought on by the Covid-19 pandemic in 2020.

Faced with the obligation to incur exceptional expenses to support the healthcare sector, but also to contain the consequences for the regional economy of the lockdown decisions made by the Belgian federal government, Wallonia launched an inaugural social bond on 28 May 2020. This aimed to fund certain recurring social expenses, but also – and above all – a significant portion of the expenses intended to respond to the Covid crisis.

Anticipating the publication in September 2021 of the annual report on the inaugural social bonds issued in 2020), the Sustainable Bond Committee validated the update of the Wallonia Framework, so that these exceptional expenses are taken into account.

The updated Framework<sup>13</sup> makes necessary and sufficient amendments to the categories of social expenses in the framework to which these exceptional expenses refer, namely **Category 2 (Socio-economic advancement & empowerment)** and **Category 4 (Access to basic infrastructure & essential services)**.

The text offers a description of the types of expenses covered, as well as output, outcome and impact indicators, which were measured based on the 2020 expenses and documented in this annual report.

Out of a total expenditures of €1.553 billion dedicated to combating the effects of the Covid-19 pandemic by Wallonia in 2020, 90% was spent on healthcare (€260 million) and the economy (€1,059 billion), with the remainder distributed between social action, mobility, public works, local authorities and energy sectors.

In this context, the Sustainable Bond Committee has proposed that the allocation of proceeds from the social bond will be used to fund a significant portion of these exceptional expenses, that is nearly **€780 million**, with €225.6 million for the healthcare sector and €553.9 million for socio-economic allowances.

## CATEGORY 2 – SOCIO-ECONOMIC ADVANCEMENT & EMPOWERMENT

### FUNDING EXPENSES

For the 2020 social bond issue, the Sustainable Bond Committee selected six expenses, corresponding to a number of compensation measures undertaken by Wallonia, which were funded between April and December of 2020.

These decisions were intended to support the socio-economic fabric in Wallonia, with particular focus on sectors of activity that had been most heavily impacted by the lockdown measures and restrictions on human activities (trade, culture, sports, recreation, etc.). All the data shown below is frozen as of 31 December 2020.

#	Compensations	Number of applications submitted	Amounts paid	Number of applications paid
56	Compensation 1 – €5,000	68,035	€307,840,000.00	61,568
57	Compensation 2 – €2,500	45,359	€93,012,500.00	37,205
58	Compensation 3 – €3,500	12,113	€42,350,000.00	12,100
59	Compensation 4	8,747	€9,767,514.71	1,557
60	Compensation 5	13,227	€53,520,000.00	12,764
61	Compensation 6	26,137	€47,429,250.00	17,019
	<b>Totals</b>	<b>173,618</b>	<b>€553,919,264.71</b>	<b>142,213</b>

(13) The new version of the framework is available here: <https://www.wallonie.be/sites/default/files/2021-09/20210625-framework-en.pdf>

**56 EXCEPTIONAL COMPENSATION 1 – ONE-TIME ALLOWANCE OF €5,000**  
for SMEs and self-employed individuals

This one-time compensation was paid to SMEs and self-employed individuals who could justify completely halting their economic activities (100%), as a result of the initial lockdown measures imposed by Belgium. Of the 68,035 applications submitted, 61,568 were validated by the administration in charge and resulted in payment of allowances for a total amount of €307.9 million.

**58 EXCEPTIONAL COMPENSATION 3 – ADDITIONAL ALLOWANCE OF €3,500**  
for SMEs and self-employed individuals

This additional compensation was paid to SMEs and self-employed individuals who could justify halting their economic activities, as a result of the second lockdown measures imposed by Belgium. Of the 12,113 applications submitted, 12,100 were validated by the administration in charge and resulted in payment of allowances for a total amount of €42.4 million.

**60 EXCEPTIONAL COMPENSATION 5 – SPECIFIC SUPPORT FOR HOSPITALITY, SPORTS AND ATTRACTION SECTORS**

This special compensation was allocated to companies/organisations that continued to suffer from social-distancing measures and measures to protect people after the lifting of strict lockdown measures, with their activities made impossible or insufficient to claim an effective reopening and the corresponding financial revenue. Of the 13,227 applications submitted, 12,764 were validated by the administration in charge and resulted in payment of allowances, for a total amount of €55.3 million.

**57 EXCEPTIONAL COMPENSATION 2 – ONE-TIME ALLOWANCE OF €2,500**  
for SMEs and self-employed individuals

This one-time compensation was paid to SMEs and self-employed individuals who could justify partially halting their economic activities (50%), as a result of the lockdown measures imposed by Belgium. Of the 45,359 applications submitted, 37,205 were validated by the administration in charge and resulted in payment of allowances for a total amount of €93 million.

**59 EXCEPTIONAL COMPENSATION 4 – COMPENSATION FOR LOSS OF REVENUE** for SMEs and self-employed individuals

This special compensation, which may vary from €3,000 and €40,000, depending on the situation and the scope of the economic activity, was paid to SMEs and self-employed individuals, on the basis of their application being analysed and validated by the administration in charge. Of the 8,747 applications submitted, 1,557 were validated and resulted in payment of allowances for a total amount of €4.8 million.

**61 EXCEPTIONAL COMPENSATION 6 – SPECIFIC SUPPORT FOR THE SO-CALLED ‘NON-ESSENTIAL’ TOURISM, CULTURE AND EVENTS SECTORS.**

This special compensation was allocated to companies/organisations that were unable to benefit from the first round of aids issued by Wallonia and that also suffered majorly as a result of the strict lockdown measures, as well as social-distancing measures and measures to protect people. These measures made it impossible to carry out their activities and deprived from of the financial revenue needed to sustain their activities. Of the 26,137 applications submitted, 17,019 were validated and resulted in payment of the allowances for a total amount of €70 million.

**CATEGORY 6 – ACCESS TO BASIC INFRASTRUCTURE & ESSENTIAL SERVICES**

**FUNDING EXPENSES**

The Sustainable Bond Committee selected two expenses, corresponding to the exceptional measures undertaken by Wallonia between April and December of 2020.

All these decisions were intended to support the protective and accommodation sectors in Wallonia, in conjunction with the measures undertaken by the Belgian federal government and in accordance with the tasks for which regional responsibility is applicable. When allocating funds, priority has been given to the emergency lump-sum compensations allocated to various regional healthcare facilities whose staff has faced exceptional circumstances, as well as the endowments devoted to the urgent purchase of protective equipment that was in short supply (masks – gloves – gowns, etc.).

All the data shown below is frozen as of 31 December 2020.

Compensation		Amounts paid
<b>Purchase of health and protective equipment</b>		<b>63.9 millions €</b>
<b>Lump-sum compensation for the benefit of regional social/healthcare facilities</b>		<b>161.7 millions €</b>
Details of the compensation	Number of beneficiary structures	Details of the amounts
Bonus per worker - €985	1,583	63.1 millions €
Aids per approved bed - 3,561.78€	56	56.6 millions €
Allowance of €400 per bed - 400€ / 250€	874	22.0 millions €
Additional exceptional allowance per approved bed - 400€	546	20.0 millions €
<b>Total</b>		<b>225.6 millions €</b>

**62 LUMP-SUM COMPENSATION PAID TO AVIQ FOR THE BENEFIT OF REGIONAL SOCIAL/HEALTHCARE FACILITIES**

The amounts issued by Wallonia were paid into AViQ accounts. These amounts were used as follows, in decreasing order of value:

- One-time incentive bonus has been allocated to workers in the residential and ambulatory healthcare sectors that fall under the region’s authority (nursing homes, rest homes, CRF, IHP, welcome houses and community houses, etc.). The bonus of €985 per worker was paid to 1,583 operators, for a total amount of €63.1 million.
- Aids of €3,561.78 per approved bed per quarter was granted to all regional hospitals, except university hospitals, to compensate for the costs incurred by purchasing equipment, disinfecting care units, opening separated in-patient units, etc. This aid was paid to 56 hospitals, for a total amount of €56.6 million.
- An allowance of €400 per bed was granted to nursing homes, rest homes and psychiatric care homes that fall under the Region’s authority; an allowance of €250 per approved place granted to disabled or at-risk individuals (homeless people, women who have been victims of violence, addicts, etc.). This allowance was paid to 874 operators, for a total amount of €22 million.
- An additional exceptional allowance of €400 was granted per approved bed in nursing homes (MR), rest homes (MRS) and short-term facilities, to cover the additional costs incurred by these institutions. In particular, this involves covering staff costs (replacements and temporary workers, overtime), purchasing protective equipment, preventive actions and hygiene training and the cost of managing infectious waste. This exceptional aid was paid to 546 operators, for a total amount of €20 million.

**63 ADDITIONAL COVID-19 ENDOWMENT – PURCHASING HEALTH AND PROTECTIVE EQUIPMENT**

The amounts issued by Wallonia were paid into AViQ accounts. A total amount of €63.9 million was set aside for the purchase of protective equipment for healthcare workers in regional healthcare facilities that fall under the Walloon region’s authority (masks, gloves, protective gowns, PCR tests, etc.).

- Payment in October 2020 in the amount of €24.4 million.
- Payment in November 2020 in the amount of €4 million.
- Payment in December 2020 in the amount of €35.5 million.

# Analysis methodology

The methodology used to assess the impact of the projects funded was developed in reference to the following different stages:



**1.** Type of indicators for evaluating public projects



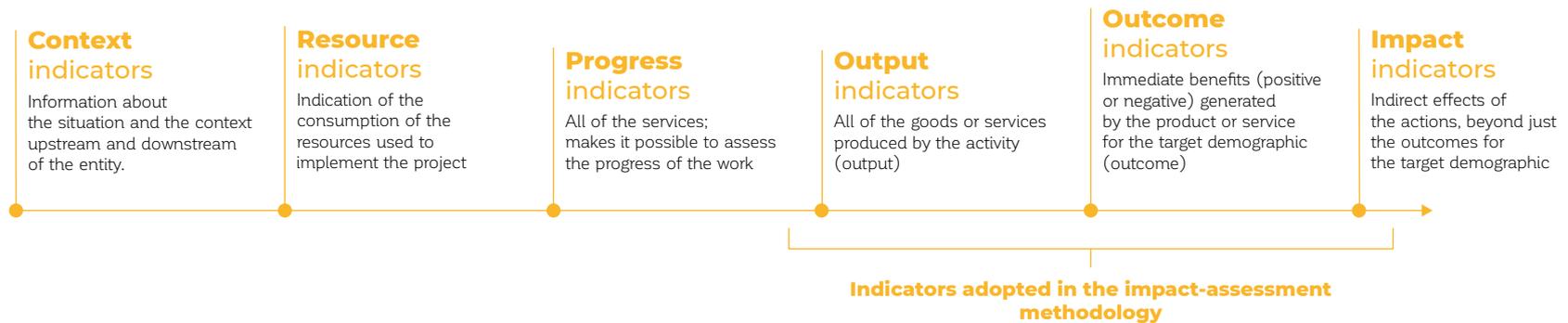
**2.** Choice of indicators specific to each category



**3.** Link to the Sustainable Development Goals

## 1. TYPE OF INDICATORS FOR EVALUATING PUBLIC PROJECTS

Traditionally, there are six types of indicators for evaluating public policies, programmes or projects:



For its sustainability, social and/or green bonds, Wallonia relies on the last three types of indicators (output, outcome and impact indicators) to report on the implementation of the projects that have

been funded and to measure the achievement of the goals assigned to these projects, as well as their environmental and social benefits.

## 2. CHOICE OF INDICATORS SPECIFIC TO EACH CATEGORY

A limited number of indicators specific to each eligible category have been selected. Indicators were chosen based on the recommendations of the ICMA in terms of impact analysis:

- For the green categories in the '[Harmonised Framework for Impact Reporting](#)' report, which was published in 2021;
- For the social categories in the intermediary '[Working Towards a Harmonised Framework for Impact Reporting for Social Bonds](#)' report, which was published in 2020.

INDICATORS BY CATEGORIES IN THE FRAMEWORK	Output Indicators	Outcome Indicators	Impact Indicators
<b>GREEN CATEGORIES</b>			
 <b>Renewable energy</b>			
Energy production & use	Renewable energy production capacity in GW or MW	Annual renewable energy production in MWh/GWh	Estimated CO <sub>2</sub> emissions avoided and energy savings (KW saved/reduced)
 <b>Energy efficiency &amp; low carbon building</b>			
Energy efficiency in housing Energy efficiency in public & private infrastructure	Number of infrastructures renovated	Number of beneficiaries	Estimated CO <sub>2</sub> emissions avoided and energy savings (KW saved/reduced)
 <b>Sustainable mobility</b>			
Soft mobility Public transport & multimodality	Number of kilometres equipped	Number of beneficiaries	Estimated CO <sub>2</sub> emissions avoided and energy savings (KW saved/reduced)
Freight transport infrastructure		Number of tonnes of goods transported	
 <b>Circular economy</b>			
Value chains optimisation Waste management	Number of projects funded	Number of circular products and services developed Waste reduction and recycling rate	Estimated CO <sub>2</sub> emissions avoided and energy savings (KW saved/reduced)
 <b>Sustainable food</b>			
Food production	Number of infrastructure projects funded	Number of beneficiaries	Share of organic farming areas versus total agricultural areas (%)
 <b>Protection of resources, land &amp; biodiversity</b>			
Sustainable use & protection of water resources	Volume of wastewater treated (m <sup>3</sup> )	Water savings (m <sup>3</sup> )	Reduction in household demand for clean water in m <sup>3</sup> /year
Land & biodiversity conservation	"Number (ha) of green areas being improved, replanted, reforested Number (ha) 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		Reduction in loss of land/habitable areas due to flooding in km <sup>2</sup>

INDICATORS BY CATEGORIES IN THE FRAMEWORK	Output Indicators	Outcome Indicators	Impact Indicators
<b>SOCIAL CATEGORIES</b>			
 <b>Education &amp; employment promotion</b>			
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		
 <b>Socio-economic advancement &amp; empowerment</b>			
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 related impacts		Activity retention rate
 <b>Affordable housing</b>			
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 housing access aids		
Support renovation of social housing	Number of renovation aids		
 <b>Access to basic infrastructures &amp; essential services</b>			
Access to basic infrastructure	Number of aids granted	Number of beneficiaries by target category	Life expectancy rate
Access to essential services	Number of projects supported		
Covid-19 related exceptional measures	Number of aids granted in response to the Covid-19 pandemic health related impacts		

The choice to rely on general indicators makes it possible to compare the results of different projects in the end, while retaining the option to specify certain characteristics that are directly linked to these projects.

To this end, a methodology note (Annexe III) was developed to provide further details about the populations targeted by social expenses, as well as certain impact indicators that require a more in-depth analysis.

### 3. LINK TO THE SUSTAINABLE DEVELOPMENT GOALS

On 25 September 2015, the Heads of State and Government of the United Nations adopted the 2030 Sustainable Development Agenda (or 'Agenda 2030'), which was entitled **Transforming our world**. In order to respond to Belgium's international commitments, Wallonia has committed to contributing to the 17 Sustainable Development Goals and to achieving them by 2030.

Since Wallonia's 2020 sustainability bond and social bond directly contribute to the development of these goals, an analysis of the projects funded from the perspective of these 17 Sustainable Development Goals (SDG) has been included in this methodology chapter, showing their alignment with national and international goals.

In accordance with '**High-Level Mapping to the Sustainable Development Goals**', which was published by the International Capital Market Association (ICMA) in June 2020, a correspondence has therefore been established between the categories eligible for the 2020 social and sustainability bonds and the Sustainable Development Goals, up to the target level<sup>14</sup>:

CONTRIBUTION OF ELIGIBLE CATEGORIES TO SDG		1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	
<b>GREEN CATEGORIES</b>															
	Renewable energy						7.2				11.B		13.1		
	Energy efficiency & low carbone building						7.3		9.4			12.2	13.1		
	Sustainable mobility										11.2, 11.6		13.1		
	Circular economy										11.6	12.4, 12.5			
	Sustainable food	2.4										12.2, 12.8			
	Protection of resources, land & biodiversity					6.1, 6.3, 6.6					11.5, 11.7	12.2	13.1	15.1	
<b>SOCIAL CATEGORIES</b>															
	Education & employment promotion				4.4			8.5		10.2, 10.3					
	Socio-economic advancement & empowerment	1.2, 1.4, 1.B						8.5		10.2	11.A				
	Affordable housing	1.4								10.2	11.1				
	Access to basic infrastructure & essential services			3.8, 3.B						10.2					

(14) The details of each target can be found in this document: [https://www.sdgs.be/sites/default/files/content/brochure\\_sdgs\\_fr.pdf](https://www.sdgs.be/sites/default/files/content/brochure_sdgs_fr.pdf)



## Analysis of the impact of the projects

For its first report, which was published in 2020, Wallonia decided to illustrate the methodologies implemented to produce the necessary data for measuring the impact of projects by documenting seven sample projects, one for each eligible category for the 2019 sustainability bond issue. This work has posed several challenges, particularly with respect to collecting data from the entities responsible for the different eligible expenses, which were not always familiar with this kind of evaluation of their activities.

To overcome these difficulties, Wallonia undertook to:

- continue methodological work on the indicators adopted in the impact-assessment methodology for its sustainability, social and green bonds;
- determine the goals to be achieved, in concrete terms, to produce the most comprehensive ex-post evaluation of the portfolio of eligible expenses.

Throughout 2021, the operational unit, mandated by the Sustainable Bond Committee, continued to improve the work of collecting, analysing and reporting on data, in collaboration with the entities responsible for the eligible expenses. In this regard, it proposed a circular to the Walloon government, which was sent to all the relevant administrations.

For its second report, Wallonia decided to illustrate its progress in terms of analysing the impact of the projects funded, by selecting one social and/or green category for each bond issue, namely:

- For the 2020 sustainability bond issue: illustration of all the expenses included under the eligible categories '*Energy efficiency and low-carbon buildings*' and '*Education and employment promotion*';
- For the 2020 social bond issue: illustration of all the expenses included under the category '*Socio-economic advancement and empowerment*'.

These lines of expenses are included in the summary tables, which can be found in the next pages of the report. Two points should be noted about the available data:

- **TYPE OF INDICATOR**

Most of the indicators included in the impact-analysis tables are subject to ex-post evaluation. In fact, the eligible amounts are linked to public measures with budgets that are approved and adopted by Wallonia on an annual basis. On a technical level, therefore, the impact of these projects can only be subject to an ex-post evaluation of the indicators, even if ex-ante goals can be linked to certain environmental projects.

- **AVAILABILITY OF DATA**

Some unavailable data is being produced (work was delayed in 2020 due to the pandemic) and will be included in future reports once the data has been provided. In the social field, some impact indicators are being defined with the help of IWEPS (Walloon Institute for Evaluation, Forecasting and Statistics).

Wallonia continues to strive to align and systematise the impact-analysis methodologies for the different projects that have been funded. Progress will be documented in future annual reports.

**SUSTAINABILITY & SOCIAL BONDS 2020 - BUDGET ALLOCATION & IMPACT REPORT**

#	DESCRIPTION OF SPENDINGS	Responsible entity		Use of proceeds			Impact analysis			
		SPW	Auto-nomous Entity	2019 spendings reported in 2020 (€ million)	Eligible 2019 spendings (€ million)	Eligible 2020 spendings (€ million)	Output indicators			
							Indicators	2019 Analysis	2020 Analysis	
	<b>Energy efficiency &amp; low carbon building</b>			<b>103.7</b>	<b>2.1</b>	<b>95.3</b>				
	<b>Energy efficiency in housing</b>			<b>89.0</b>	<b>0.00</b>	<b>90.6</b>				
	1	ECOPACK programme	SPW TLPE	FLWFN / SWCS	67.6	64.7	Number of premiums granted – SWCS	34,492,095.26 €	62,112,945.16 €	
							Number of premiums granted – FLW	10,481,338 €	2,587,054.84 €	
	2	Housing grants	SPW TLPE		21.4	25.9	Number of premiums granted	11,619,491.63 €	25,891,663.36 €	
		<b>Energy efficiency in public &amp; private infrastructure</b>			<b>14.7</b>	<b>2.1</b>	<b>4.7</b>			
	3	UREBA programme	SPW TLPE	-	14.7	2.9	Total amount of investments done	21,844,219.73 €	3,764,963.02 €	
<b>NEW</b>	4	Subsidies to support R&D & innovation projects	SPW TLPE	-		<b>2.1</b>	1.8	Number of subsidies granted	n.d	n.d
		<b>Education &amp; employment promotion</b>			<b>273.0</b>	<b>11.0</b>	<b>206.3</b>			
<b>NEW</b>	22	SESAM programme	SPW EER	FOREM		59.8	Number of employers supported	-	9,726	
	23	CISP programme	SPW EER	FOREM	157.6	86.8	Number of agreed centers	156	153	
							Number of training hours	5,486,674	5,485,443	
	24	CDC programme	SPW EER	FOREM	41.7	20.4	Number of competence centers	24	24	
							Number of training hours	3,550,185	2,379,924	
	25	Training vouchers programme	SPW EER	FOREM	16.8	7.3	Number of training centers	277	277	
							Number of training checks granted	564,600	470,442	
<b>NEW</b>	26	Calls for projects	SPW EER	FOREM		9.0	8.5	Number of projects subsidized	273	265
<b>NEW</b>	27	Programme aimed at professions experiencing a shortage	SPW EER	FOREM		1.6	1.1	Number of premiums granted	4,484	4,145
	28	MIRE programme	SPW EER	FOREM			9.4	Number of MIRE centers	11	11
<b>NEW</b>	29	Programme for socio-economic integration of new arrivals	SPW EER	FOREM		0.4	1.3	Number of organizations subsidized		
	30	Retraining and reintegration unit	SPW EER	FOREM	7.9	2.6	Number of retraining units	51	50	
	31	Airbag programme	SPW EER	FOREM	7.9	4.1	Number of cases processed	305	684	
	32	CEF programme	SPW EER	FOREM	7.7	3.5	Number of individual interviews	58,312	21,657	
	33	Investment programme for training centres	SPW EER	IFAPME	18.1	1.5	Number of training centers	n.d	n.d	

**SUSTAINABILITY & SOCIAL BONDS 2020 - BUDGET ALLOCATION & IMPACT REPORT**

#	Impact analysis							
	Outcome Indicators				Impact Indicators			
	Indicators	Methodology notice	2019 Analysis	2020 Analysis	Indicators	Methodology notice	2019 Analysis	2020 Analysis
1	Number of beneficiaries	A-3	4,557	4,447	CO <sub>2</sub> emissions avoided	C-2	n.d	n.d
	Number of beneficiaries	A-3	746	n.d	CO <sub>2</sub> emissions avoided	C-2	n.d	n.d
2	Number of beneficiaries	A-3	6,591	11,050	CO <sub>2</sub> emissions avoided	C-2	n.d	n.d
3	Number of beneficiaries	A-14	365	299	CO <sub>2</sub> emissions avoided	C-2	6,483,201.02 kg/an*	877,379.46 kg/an*
4	Number of beneficiaries	A-14	n.d	n.d	CO <sub>2</sub> emissions avoided	C-2	n.d	n.d
22	Number of beneficiaries	A-5	-	12,462	Socio-professional insertion rate	-	n.d	n.d
23	Number of beneficiaries	A-5	9,993	7,605	Socio-professional insertion rate	-	n.d	n.d
24	Number of beneficiaries	A-5	19,459	15,127	Socio-professional insertion rate	-	n.d	n.d
25	Number of beneficiaries	A-14	10,867	9,443	Education rate	-	n.d	n.d
	Number of beneficiaries	A-13	30,480	n.d				
26	Number of beneficiaries	A-5	5,628	4,856	Number of beneficiaries back to employment	-	5,541	4,800
27	Number of beneficiaries	A-5	10,200	6,448	Socio-professional insertion rate	-	73.03 %	67.63 %
28	Number of beneficiaries	A-5	6,078	5,092	Number of beneficiaries back to employment	-	3 141	2 552
29	Number of beneficiaries	A-8	109	131	Socio-professional insertion rate	-	n.d	n.d
30	Number of beneficiaries	A-5	5,175	4,007	Socio-professional insertion rate	-	66.40 %	54.70 %
31	Number of beneficiaries	A-5	286	641	Number of beneficiaries back to employment	-	286	641
32	Number of beneficiaries	A-5	16,257	4,857	Socio-professional insertion rate	-	n.d	n.d
33	Number of beneficiaries	A-13	n.d	n.d	Socio-professional insertion rate	-	89 %	n.d

#	DESCRIPTION OF SPENDINGS	Responsible entity		Use of proceeds			Impact analysis		
		SPW	Auto-nomous Entity	2019 spendings reported in 2020 (€ million)	Eligible 2019 spendings (€ million)	Eligible 2020 spendings (€ million)	Output indicators		
							Indicators	2019 Analysis	2020 Analysis
<b>Socio-economic advancement &amp; empowerment</b>									
<b>Social inclusion</b>				<b>0.0</b>	<b>91.9</b>	<b>81.2</b>			
<b>NEW</b>	34	Subsidies granted for integration of people of foreign origin	SPW IAS	-	18.0	20.9	Number of local initiatives for integration	35	n.d
							Number of regional centers	8	n.d
<b>NEW</b>	35	Subsidies for Welcome Houses & Community Houses	SPW IAS	-	28.3	33.4	Number of welcome houses	56	57
							Number of community houses	15	15
<b>NEW</b>	36	Subsidies for socio-professional inclusion of beneficiaries of social inclusion rights	SPW IAS	-	14.6	14.2	Number of days declared (art 60&7/art. 61)	1,252,586	1,122,709
<b>NEW</b>	37	Support to local services for social inclusion	SPW IAS	-	4.1		Number of local services for social inclusion	84	-
<b>NEW</b>	38	Subsidies to urban social relays	SPW IAS	-	9.6	11.6	Number of urban social relays	7	7
<b>NEW</b>	39	Support to structures working for debt mediation	SPW IAS	-	4.2		Number of debt mediation services	216	-
<b>NEW</b>	40	MEBAR programme	SPW TLPE	-	1.6	1.1	Total amount of premiums	1,628,003 €	1,081,220 €
<b>NEW</b>	41	ADeL programme	SPW TLPE	-	11.5		Total amount of ADeL allocations	11,500,000 €	-

#	Impact Analysis							
	Outcome Indicators				Impact Indicators			
	Indicators	Methodology notice	2019 Analysis	2020 Analysis	Indicators	Methodology notice	2019 Analysis	2020 Analysis
34	Number of beneficiaries	A-8	5,444	n.d	Social reintegration rate of new arrivals	-	n.d	n.d
	Number of beneficiaries	A-8	2,158	n.d	Social reintegration rate of new arrivals	-	n.d	n.d
35	Number of beneficiaries	A-11	6,950	4,847	Number of beneficiaries who gained autonomy after accommodation	-	n.d	n.d
	Number of beneficiaries	A-11	402	377	Number of beneficiaries who gained autonomy after accommodation	-	n.d	n.d
36	Number of beneficiaries	A-9	11,603	9,321	Socio-professional integration rate	-	n.d	n.d
37	Number of beneficiaries	A-10	3,872	-	<i>Difficult to quantify</i>	-	n.d	n.d
38	Number of beneficiaries	A-11	34,199	37,005	<i>Difficult to quantify</i>	-	n.d	n.d
39	Number of beneficiaries	A-12	19,619	-	Number of beneficiaries getting out of debt	-	n.d	n.d
40	Number of beneficiaries	A-10	1,260	836	<i>Difficult to quantify</i>	-	n.d	n.d
41	Number of beneficiaries	A-11	6,859	-	Number of people who have found healthy long-term housing (over two years)	-	n.d	n.d



# ANNEXES



**ANNEXE I**  
**USE OF PROCEEDS**  
**FOR THE 2020 SUSTAINABILITY**  
**BOND ISSUE**

**SUSTAINABILITY & SOCIAL BONDS 2020 - BUDGET ALLOCATION & IMPACT REPORT**

#	DESCRIPTION OF SPENDINGS	RESPONSIBLE ENTITY		FINANCING SOURCES			USE OF PROCEEDS		
		SPW	Autonomous Entity	Direct/indirect spending	Prorata	Others sources	2019 spendings reported in 2020 (€ million)	Eligible 2019 spendings (€ million)	Eligible 2020 spendings (€ million)
	<b>Energy efficiency &amp; low carbon building</b>						<b>103.7</b>	<b>2.1</b>	<b>95.3</b>
	<b>Energy efficiency in housing</b>						<b>89.0</b>	<b>0.00</b>	<b>90.6</b>
1	ECOPACK programme	SPW TLPE	FLW FN/SWCS	Indirect	100 %	-	67.6		64.7
2	Housing grants	SPW TLPE	-	Direct	100 %	-	21.4		25.9
	<b>Energy efficiency in public &amp; private infrastructure</b>						<b>14.7</b>	<b>2.1</b>	<b>4.7</b>
3	UREBA programme	SPW TLPE	-	Direct	100 %	-	14.7		2.9
<b>NEW</b>	Subsidies to support R&D & innovation projects	SPW TLPE	-	Direct	100 %	-		2.1	1.8
	<b>Sustainable mobility</b>						<b>121.4</b>	<b>59.9</b>	<b>116.8</b>
	<b>Soft mobility</b>						<b>0.0</b>	<b>2.7</b>	<b>3.2</b>
<b>NEW</b>	Funding the extension of the RAVeL network	SPW MI	-	Direct	100 %			2.7	3.2
	<b>Public transport &amp; multimodality</b>						<b>60.5</b>	<b>7.2</b>	<b>71.9</b>
6	Infrastructure investment programme for the use of Walloon buses	SPW MI	OTW	Indirect	100 %	-	29.4		17.0
7	Programme to extend the Charleroi light metro	SPW MI	OTW	Indirect	100 %	-	18.1		9.2
8	Greening programme of the bus fleet	SPW MI	OTW	Indirect	100 %	-			5.5
9	Mobility and infrastructure plan for all citizens	SPW MI	OTW	Indirect	100 %	-			16.2
10	Programme to construct multi-modal stations	SPW MI	SNCB	Indirect	100 %	-	13.0		6.5
<b>NEW</b>	Programme to construct the tram in Liège	SPW MI	OTW	Indirect	100 %	-		6.5	14.0
<b>NEW</b>	Programme to construct the railway car park for the Louvain-la-Neuve train station	SPW MI	SNCB	Indirect	100 %	-		0.7	3.5
	<b>Freight transport infrastructure</b>						<b>60.9</b>	<b>50.0</b>	<b>41.6</b>
<b>NEW</b>	Programme to construct and/or develop waterways in Wallonia	SPW MI	SOFICO	Direct	100 %	-		50.0	
14	Walloon participation in the TEN-T (Trans-European Transport Network) programme	SPW MI	SOFICO	Direct	62 %	FEDER	11.10		29.4
15	Programme to drag waterways and canals	SPW MI	SOFICO	Direct	100 %	-	34.00		8.6
16	Programme to develop autonomous river ports in Wallonia	SPW MI	SOFICO	Direct	100 %	-	8.10		3.6
17	Programme to restore the capacity of the Ronquières Inclined Plane	SPW MI	SOFICO	Direct	100 %	-	7.70		0.0
	<b>Protection of resources, land &amp; biodiversity</b>						<b>23.7</b>	<b>51.0</b>	<b>13.0</b>
	<b>Sustainable use &amp; protection of water resources</b>						<b>0.0</b>	<b>10.0</b>	<b>0.0</b>
<b>NEW</b>	Annual financial intervention by the Region in SPGE's capital	SPW ARNE	SPGE	Indirect	100 %	-		10.0	
	<b>Land &amp; biodiversity conservation</b>						<b>0.0</b>	<b>41.0</b>	<b>0.0</b>
<b>NEW</b>	Rehabilitation of SAED	SPW TLPE	SPAQUE	Indirect	100 %	-		41.0	
	<b>Climate change adaptation</b>						<b>23.7</b>	<b>0.0</b>	<b>13.0</b>
20	Continuation of the programme to restore the Monsin dam	SPW MI	-	Direct	100 %	-	15.9		11.5
21	Continuation of the programme to modernise the Herinnes dam	SPW MI	-	Direct	100 %	-	7.8		1.5

**SUSTAINABILITY & SOCIAL BONDS 2020 - BUDGET ALLOCATION & IMPACT REPORT**

#	DESCRIPTION OF SPENDINGS	RESPONSIBLE ENTITY		FINANCING SOURCES			USE OF PROCEEDS		
		SPW	Autonomous Entity	Direct/indirect spending	Prorata	Others sources	2019 spendings reported in 2020 (€ million)	Eligible 2019 spendings (€ million)	Eligible 2020 spendings (€ million)
	<b>Education &amp; employment promotion</b>						<b>273.0</b>	<b>11.0</b>	<b>206.3</b>
<b>NEW</b>	22 SESAM programme	SPW EER	FOREM	Indirect	100 %	-			59.8
	23 CISP programme	SPW EER	FOREM	Indirect	100 %	-	157.6		86.8
	24 CDC programme	SPW EER	FOREM	Indirect	100 %	-	41.7		20.4
	25 Training vouchers programme	SPW EER	FOREM	Indirect	100 %	-	16.8		7.3
<b>NEW</b>	26 Calls for projects	SPW EER	FOREM	Indirect	100 %	-		9.0	8.5
<b>NEW</b>	27 Programme aimed at professions experiencing a shortage	SPW EER	FOREM	Indirect	100 %	-		1.6	1.1
	28 MIRE programme	SPW EER	FOREM	Indirect	100 %	-	15.3		9.4
<b>NEW</b>	29 Programme for socio-economic integration of new arrivals	SPW EER	FOREM	Indirect	100 %	-		0.4	1.3
	30 Retraining and reintegration unit	SPW EER	FOREM	Indirect	100 %	-	7.9		2.6
	31 Airbag programme	SPW EER	FOREM	Indirect	100 %	-	7.9		4.1
	32 CEF programme	SPW EER	FOREM	Indirect	100 %	-	7.7		3.5
	33 Investment programme for training centres	SPW EER	IFAPME	Indirect	28.7 %	FEDER	18.1		1.5
	<b>Affordable housing</b>						<b>97.9</b>	<b>67.2</b>	<b>77.5</b>
	<b>Increase public social housing offering</b>						<b>0.0</b>	<b>2.8</b>	<b>0.0</b>
<b>NEW</b>	42 Programme to fund the FLWFN investment plan	SPW TLPE	FLW	Indirect	100 %	-		2.8	
	<b>Support access to social housing</b>						<b>34.9</b>	<b>29.2</b>	<b>51.6</b>
<b>NEW</b>	43 Programme to fund new youth loans	SPW TLPE	FLWFN / SWCS	Indirect	100 %	-		6.0	21.6
<b>NEW</b>	44 Rental-assistance programme for social housing organisations	SPW TLPE	FLW	Indirect	100 %	-		3.0	2.4
	45 Programme to fund mortgage differentials	SPW TLPE	FLWFN / SWCS	Indirect	100 %	-	34.9	20.2	27.6
	<b>Support renovation of social housing</b>						<b>63.0</b>	<b>35.2</b>	<b>25.9</b>
<b>NEW</b>	46 Programme to finance premiums for housing renovation	SPW TLPE	-	Direct	100 %	-		33.7	15.6
<b>NEW</b>	47 Subsidies towards owners investing in renovation works	SPW TLPE	FLWFN	Indirect	100 %	-		1.5	0.8
	48 RENOPACK programme	SPW TLPE	FLWFN/SWCS	Indirect	100 %	-	63.0		9.5



**ANNEXE II**  
**USE OF PROCEEDS**  
**FOR THE 2020 SOCIAL**  
**BOND ISSUE**

**SUSTAINABILITY & SOCIAL BONDS 2020 - BUDGET ALLOCATION & IMPACT REPORT**

#	DESCRIPTION OF SPENDINGS	RESPONSIBLE ENTITY		FINANCING SOURCES			USE OF PROCEEDS		
		SPW	Autonomous Entity	Direct/indirect spending	Prorata	Others sources	2019 spendings reported in 2020 (€ million)	Eligible 2019 spendings (€ million)	Eligible 2020 spendings (€ million)
	<b>Socio-economic advancement &amp; empowerment</b>						<b>0.0</b>	<b>91.9</b>	<b>635.1</b>
	<b>Social inclusion</b>						<b>0.0</b>	<b>91.9</b>	<b>81.2</b>
<b>NEW</b>	34 Subsidies granted for integration of people of foreign origin	SPW IAS	-	Direct	100 %	-		18.0	20.9
<b>NEW</b>	35 Subsidies for welcome houses and community houses	SPW IAS	-	Direct	100 %	-		28.3	33.4
<b>NEW</b>	36 Subsidies for socio-professional integration of beneficiaries of social inclusion rights	SPW IAS	-	Direct	100 %	-		14.6	14.2
<b>NEW</b>	37 support to local services for social integration	SPW IAS	-	Direct	100 %	-		4.1	
<b>NEW</b>	38 Subsidies to urban social relays	SPW IAS	-	Direct	100 %	-		9.6	11.6
<b>NEW</b>	39 Support to structures working for debt mediation	SPW IAS	-	Direct	100 %	-		4.2	
<b>NEW</b>	40 MEBAR programme	SPW TLPE	-	Direct	100 %	-		1.6	1.1
<b>NEW</b>	41 ADeL programme	SPW TLPE	-	Direct	100 %	-		11.5	
	<b>Covid-19 related exceptional measures</b>						<b>0.0</b>	<b>0.0</b>	<b>553.9</b>
<b>NEW</b>	56 Exceptional compensation 1 – one-time allowance of €5,000 for SMEs and self-employed individuals	SPW EER	-	Direct	100 %	-			307.8
<b>NEW</b>	57 Exceptional compensation 2 – one-time allowance of €2,500 for SMEs and self-employed individuals	SPW EER	-	Direct	100 %	-			93.0
<b>NEW</b>	58 Exceptional compensation 3 – additional allowance of €3,500 for SMEs and self-employed individuals	SPW EER	-	Direct	100 %	-			42.4
<b>NEW</b>	59 Exceptional compensation 4 – compensation for loss of revenue (SMEs and self-employed individuals)	SPW EER	-	Direct	100 %	-			9.8
<b>NEW</b>	60 Exceptional compensation 5 – specific support for hospitality, sports and attraction sectors	SPW EER	-	Direct	100 %	-			53.5
<b>NEW</b>	61 Exceptional compensation 6 – specific support for the so-called 'non-essential' tourism, culture and events sectors.	SPW EER	-	Direct	100 %	-			47.4
	<b>Access to basic infrastructures &amp; essential services</b>						<b>4.2</b>	<b>42.7</b>	<b>230.3</b>
	<b>Access to basic infrastructure</b>							<b>1.9</b>	<b>4.7</b>
	49 Transport services for PRM	SPW MI	OTW	Indirect	100 %	-	4.2		3.1
<b>NEW</b>	50 School transport service	SPW MI	OTW	Indirect	100 %	-		1.0	1.0
<b>NEW</b>	51 PAPE programme	SPW TLPE	-	Direct	100 %	-		0.9	0.6
	<b>Access to essential services</b>							<b>40.8</b>	<b>0.0</b>
<b>NEW</b>	52 Grants for welcome and accommodation facilities and assistance with living	SPW IAS	AVIQ	Indirect	100 %	-		6.5	
<b>NEW</b>	53 Individual aids programme for integration	SPW IAS	AVIQ	Indirect	100 %	-		20.9	
<b>NEW</b>	54 Hospital lump-sum programme for heavy medical and technical devices	SPW IAS	AVIQ	Indirect	100 %	-		5.6	
<b>NEW</b>	55 Construction, development and care equipment for the elderly	SPW IAS	AVIQ	Indirect	100 %	-		7.8	
	<b>Covid-19 related exceptional measures</b>							<b>0.0</b>	<b>225.6</b>
<b>NEW</b>	62 Lump-sum compensation paid to AViQ for the benefit of regional social/healthcare facilities	SPW IAS	AVIQ	Indirect	100 %	-			161.7
<b>NEW</b>	63 Additional Covid-19 endowment – purchasing health and protective equipment	SPW IAS	AVIQ	Indirect	100 %	-			63.9

**ANNEXE III**  
**METHODOLOGY NOTE**

Methodologies relating to outcome indicators	
Number of beneficiaries concerned by the project	
Methodology note	Types of beneficiaries
A-1	People with reduced mobility (wheelchair users, blind people, hearing, intellectuals, people leaning on canes, the elderly, people of unusual size (children, overweight people...), mothers-to-be, parents with prams, people with a heart condition, people with respiratory insufficiency... are all people with reduced mobility).
A-2	People belonging to the two lowest taxable income categories, i.e.: from - Category 1: income below EUR 23,000.00/year; - Category 2: income less than 32,700.00 EUR/year
A-3	People from the four lowest taxable income categories, i.e. taxable income below EUR 97,700.00/year
A-4	Estimated public transport use
A-5	Jobseekers
A-6	Residents protected from flood hazards
A-7	Dwellings supported by the project, multiplied by the average household size in Wallonia (2.3 per dwelling; source IWEPS)
A-8	Newcomers (any foreigner who has been living in Belgium for less than three years and who has a residence permit for more than three months, with the exception of citizens of one of the Member States of the European Union, the European Economic Area, Switzerland and their family members)
A-9	People benefiting from the right to social integration (conditions available via the following link: <a href="https://www.socialsecurity.be/citizen/fr/aide-cpas/aide-financiere/droit-a-l-integration-sociale">https://www.socialsecurity.be/citizen/fr/aide-cpas/aide-financiere/droit-a-l-integration-sociale</a> )
A-10	People facing social difficulties such as isolation, no access to employment and training, low income (RIS), etc.
A-11	Homeless people or living in unhealthy housing
A-12	Over-indebted people
A-13	Workers, students undergoing training to improve their skills in a specific field
A-14	Organizations that undertake climate change or poverty reduction initiatives
Number of tonnes of additional goods transported	
B-1	Estimation of the modal shift according to the objectives defined by the Walloon Region (33.9 Mt for 2050 against 13.4 Mt in 2007)
Methodologies relating to impact indicators	
CO <sub>2</sub> emissions avoided by the project	
C-1	Subtraction between the projected CO <sub>2</sub> emissions in a reference scenario and the emissions of projected CO <sub>2</sub> emissions in a scenario with commissioning of the project
C-2	Data provided by the client

**ANNEXE IV**  
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**ANNEXE VI**  
**TERMINOLOGY**

<b>AEE</b>	Alliance Emploi-Environnement	<b>OLO</b>	Obligation Linéaire
<b>ADeL</b>	Allocations de Déménagement et de Loyer	<b>OTW</b>	Opérateur de Transport de Wallonie
<b>AViQ</b>	Agence pour une Vie de Qualité	<b>PAPE</b>	Plans d'Actions Préventives en matière d'Énergie
<b>AWAC</b>	Agence Wallonne Air Climat	<b>PACE</b>	Plan Air Climat Énergie
<b>CEF</b>	Carrefour Emploi Formation	<b>PME</b>	Petite ou Moyenne Entreprise
<b>CDC</b>	Centres de Compétences	<b>PNEC</b>	Plan National Énergie Climat
<b>CISP</b>	Centres d'Insertion Socioprofessionnelle	<b>PRR</b>	Plan pour la Reprise et la Résilience
<b>CPAS</b>	Centre Public d'Action Sociale	<b>PWD-R</b>	Plan Wallon Déchets-Ressources
<b>CWAD</b>	Collège Wallon de l'Alimentation Durable	<b>PWLCP</b>	Plan Wallon de Lutte Contre la Pauvreté
<b>DCE</b>	Directive Cadre sur l'Eau	<b>SAED</b>	Site d'Activités Économiques Désaffectés
<b>ED</b>	Émission Durable	<b>SESAM</b>	Soutien à l'Emploi dans les Secteurs d'Activités Marchands
<b>ES</b>	Émission Sociale	<b>SBP</b>	Social Bond Principles
<b>EMTN</b>	Euro Medium Term Note	<b>SNCB</b>	Société National des Chemins de fer Belges
<b>FLWFN</b>	Fonds du Logement de Wallonie pour des Familles Nombreuses	<b>SOGEPA</b>	Société wallonne de Gestion et de Participation
<b>FOREM</b>	Office Wallon de la Formation professionnelle et de l'Emploi	<b>SPAQuE</b>	Société Publique d'Aide à la Qualité de l'Environnement
<b>FSE</b>	Fonds Social Européen	<b>SPGE</b>	Société Publique de Gestion de l'Eau
<b>GBP</b>	Green Bond Principles	<b>SPO</b>	Second Party Opinion
<b>IFAPME</b>	Institut wallon de Formation en Alternance et des Indépendants et Petites et Moyennes Entreprises	<b>SPW</b>	Service Public de Wallonie
<b>IWEPS</b>	Institut Wallon de l'Évaluation, de la Prospective et de la Statistique	<b>SWCS</b>	Société Wallonne du Crédit Social
<b>MIRE</b>	Missions Régionales pour l'Emploi	<b>SWDE</b>	Société Wallonne des Eaux
<b>MR</b>	Maison de Repos	<b>SWL</b>	Société Wallonne du Logement
<b>MRS</b>	Maison de Repos et de Soins	<b>UAP</b>	Unité d'Administration Publique
<b>ODD</b>	Objectifs de développement durable		
<b>OFS</b>	Organismes à finalité sociale		



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## Limited Assurance report of the Independent Auditor

### To the Sustainability Bond Committee of the Walloon Region on the Budget allocation report and impact report - Sustainability & Social Bonds 2020

#### Introduction

We were engaged by the Sustainability Bond Committee of the Walloon Region (hereafter 'the Committee') to provide a limited assurance conclusion on the use of proceeds for the 2020 issuances included in annexes I and II of the Budget Allocation Report and Impact Report - Sustainability and Social Bonds 2020 ('the Selected Information').

#### Conclusion

Based on our procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Information is not prepared, in all material respects, in accordance with the applied criteria of proceeds allocation to Eligible Green and Social Expenditures disclosed in section 1 of the Green, Social and Sustainability Bonds Framework published in July 2021 on <https://www.wallonie.be/sites/default/files/2021-09/20210625-framework-en.pdf> (hereafter 'the Criteria').

#### Basis for our conclusion

We have carried out our limited assurance engagement on the Selected Information in accordance with the International Standard on Assurance

Engagements (ISAE) 3000: "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board.

Our responsibilities under this standard are further described in the section 'Our responsibilities' of our report.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Responsibilities of the Committee for the Selected Information

The Committee is responsible for the preparation of the Sustainability & Social Bonds Allocation Report 2020 and the Selected Information contained herein in accordance with the Criteria.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the Sustainability & Social Bonds Allocation Report 2020 and the Selected Information contained herein that is free from material misstatement, whether due to fraud or error.

It also includes developing the Criteria, selecting and applying policies, making judgments and estimates that are reasonable in the circumstances and maintaining adequate records in relation to the Sustainability & Social Bonds Allocation Report 2020 and the Selected Information contained herein.



**Limited Assurance report of the Independent Auditor  
To the Sustainability Bond Committee of the Walloon Region on the Budget  
allocation report and impact report - Sustainability & Social bonds 2020**

## Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed in relation to the Selected Information. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement.

Procedures performed in an assurance engagement to obtain a limited level of assurance are aimed to determine the plausibility of information and are less extensive than a reasonable assurance engagement. The level of assurance obtained in limited assurance engagements is therefore substantially less than the level of assurance obtained in a reasonable assurance engagement.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the Selected Information. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.

We apply the International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the International Standard on Assurance Engagements (ISAE) 3000, ethical requirements and independence requirements.

Our limited assurance conclusion relates solely to the Selected Information and not to the "Budget allocation and impact report - Sustainable & Social bonds 2020" taken as a whole. Also it is not our responsibility to provide any form of assurance on:

- ▶ The suitability of the Criteria in relation to the 2021 Green Bond Principles and the 2021 Social Bond Principles of the International Capital Markets Association which was assessed by Vigeos Eiris in the 'Second Party Opinion' published in July 2021 on [https://www.wallonie.be/sites/default/files/2021-09/20210712\\_v.e\\_wallonie\\_spo\\_final.pdf](https://www.wallonie.be/sites/default/files/2021-09/20210712_v.e_wallonie_spo_final.pdf);
- ▶ The impact of the allocated proceeds following the Criteria which will be assessed on the basis of the Green, Social & Sustainability Bonds Framework published in July 2021;
- ▶ The accuracy of the allocation of the Sustainability & Social Bonds proceeds by type of expenditure, entity, sector or environmental / social related challenge or goal;



- ▶ The management of the proceeds from the Sustainability & Social Bonds prior to their allocation or the use of these proceeds after their allocation.

### Procedures performed

Our limited assurance engagement on the Selected Information consists of making inquiries, primarily of persons responsible for the preparation of the Selected Information, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included, among others:

- ▶ Identifying areas of the Selected Information where material misstatements, whether due to fraud or error, are likely to arise, designing and performing limited assurance procedures responsive to those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;
- ▶ Developing an understanding of internal control relevant to the limited assurance engagement in order to design limited assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of the Committee's internal control;
- ▶ Evaluating the appropriateness of the reporting Criteria used and their consistent application, including the reasonableness of estimates made by the Committee and related disclosures to the Selected Information;

### Limited Assurance report of the Independent Auditor To the Sustainability Bond Committee of the Walloon Region on the Budget allocation report and impact report - Sustainability & Social bonds 2020

- ▶ Interviewing relevant persons responsible for providing the Selected Information, for carrying out internal control procedures on and consolidating the Selected Information;
- ▶ Reviewing relevant internal and external documentation, on a limited test basis, in order to determine the reliability of the Selected Information;
- ▶ Analytical review procedures to confirm our understanding of evolutions in the Selected Information.

Brussels, 23 September 2021

EY Réviseurs d'Entreprises SRL  
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22JFH0039

## TEXTS

Public Service of Wallonia - Budget, Logistics and Information  
& Communication Technologies - Debt Cell

Public Service of Wallonia General Secretariat - Sustainable Development Department

## GRAPHIC DESIGN AND PRODUCTION

Debie Graphic Design - [www.debie.com](http://www.debie.com)

## ILLUSTRATIONS

Photos: © Shutterstock

## PRINTING

AZ Print

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## RESPONSIBLE PUBLISHER

Sylvie Marique, Secrétaire générale du SPW

## ISSN

2795-7543 (N)

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