

Green, Social and Sustainable Bond Guidelines for Armenia



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Abbreviations

ABS	Asset-Backed Securities
AMX	Armenian Stock Exchange
ASEAN	Association of Southeast Asian Nations
CBA	Central Bank of Armenia
CBI	Climate Bonds Initiative
CFO	Chief Financial Officer
EIB	European Investment Bank
ESG	Environmental, Social and Governance
EU	European Union
GBP	Green Bond Principles (ICMA)
GFS	Greening Financial Systems
GHG	Greenhouse Gas
ICMA	International Capital Market Association
IDFC	International Development Finance Club
ISIN	International Securities Identification Number
IT	Information Technology
KPI	Key Performance Indicator
LEED	Leadership in Energy and Environmental Design
MDB	Multilateral Development Bank
NDC	Nationally Determined Contribution
RA	Republic of Armenia
SBP	Social Bond Principles (ICMA)
SBG	Sustainability Bond Guidelines (ICMA)
SDG	Sustainable Development Goal
SME	Small and Medium-sized Enterprise
SPO	Second-Party Opinion
UN	United Nations
UoP	Use of Proceeds

Key definitions

1. An **Issuer** is a legal entity that issues a debt security in accordance with applicable Armenian legislation.
2. A **Financial Institution** is a regulated entity operating in Armenia, including banks, credit organizations, refinancing credit organizations, or other financial intermediaries authorized to issue debt securities.
3. A **use-of-proceeds (UoP) labelled bond** is a fixed income instrument specifically designed to finance or refinance projects with clear environmental and/or social benefits. UoP labelled bonds encompass Green Bonds, Social Bonds and Sustainability Bonds, each governed by their respective principles. Drawing on ICMA's GBP, SBP and SBG (ICMA Principles), these instruments are defined by the exclusive application of proceeds, or an equivalent amount to finance or re-finance, in part or in full, new and/or existing eligible Green, Social or a combination of both projects and which are aligned with the four components of the ICMA Principles¹.
4. **Green Projects** are projects that contribute to defined environmental objectives, including climate change mitigation, climate change adaptation, sustainable use, conservation and integrated management of water resources, sustainable management and conservation of forests, restoration of biodiversity and all ecosystems, sustainable use of biological resources and pollution prevention and control.
5. **Social Projects** are projects which aim to address or mitigate specific social issues and/or to achieve positive social outcomes, particularly for identified target populations. Social issues may affect society as a whole or specific groups, and issuers are expected to clearly identify the populations served, recognising that definitions may vary across local contexts and that some projects may benefit the general public.
6. **Sustainability Projects** are projects that combine both environmental and social objectives.
7. **Green bonds** are bonds whose proceeds are allocated exclusively to eligible Green Projects.
8. **Social bonds** are bonds whose proceeds are allocated exclusively to eligible Social Projects.
9. **Sustainability bonds** are bonds whose proceeds are allocated to a combination of Green Projects and Social Projects.

¹ International Capital Markets Association (ICMA). (2025). [Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines](#).

1. Preamble

The Guidelines are designed **as principles-based framework** applicable to Armenian financial institutions and other corporate entities issuing **use-of-proceeds (UoP) labelled bonds**—namely Green Bonds, Social Bonds, and Sustainability Bonds. The Guidelines are voluntary. They apply irrespective of currency denomination and emphasize the exclusive allocation of proceeds to eligible projects that support Armenia’s environmental, social, and climate objectives. In case of application of the Guidelines, all its relevant requirements must be met.

To ensure international credibility and investor acceptance, the Guidelines are aligned with the **International Capital Market Association (ICMA) Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines**, while also recognizing Armenia’s national green taxonomy, along with other internationally recognized sustainability taxonomies as key reference points for project eligibility.

Clear guidance is provided on disclosure expectations, governance arrangements, allocation tracking, and impact reporting, complemented by recommendations on the use of external reviews to enhance transparency and reduce greenwashing risks.

An accompanying set of Annexes provides supplementary explanatory material, including illustrative bond structures, benefits of UoP labelled bonds, and an indicative issuance process. These materials are intended to support understanding and practical implementation of the Guidelines without creating additional regulatory obligations.

The primary purpose of these guidelines is to provide Armenian issuers (corporates and financial institutions) with a practical, consistent, and internationally credible blueprint for issuance and management of Use of Proceeds (UoP) labelled bonds. These guidelines aim to:

- **Facilitate access to sustainable capital:** Enable greater access to domestic and international capital markets to support Armenia’s climate development objectives.
- **Build market credibility:** Establish a credible labelled bonds market by embedding best practices for transparency, accountability, and impact measurement.
- **Align with global standards:** Ensure consistency with internationally recognized frameworks, particularly the International Capital Markets Association (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainability Bond Guidelines (SBG) and international practices, to facilitate cross-border investment and enhance investor confidence.
- **Support national environmental and social goals:** Guide market participants in financing projects that directly contribute to Armenia’s NDC targets, broader environmental and social targets.

Additionally, the Guidelines:

- provide issuers with instructions on structuring and managing UoP labelled bonds in line with recognized best practices;

- support investors by improving the availability, consistency, and reliability of information needed to assess environmental and social outcomes;
- and assist arrangers, underwriters, and other market participants by establishing clear process expectations that facilitate credible transactions.

The Guidelines are intended to complement existing policy initiatives such as the National Sustainable Finance Roadmap of Armenia and broader climate legislation and to facilitate broader market-building measures, thereby mobilizing private capital toward priority sectors and supporting Armenia's transition to a resilient, low-carbon, and inclusive economy.

2. Scope of the Guidelines

2.1. Instruments covered

These Guidelines apply to the issuance of UoP labelled bonds, including Green Bonds, Social Bonds, and Sustainability Bonds, the proceeds of which are exclusively earmarked for eligible green and/or social projects in accordance with the four core components set out in these Guidelines.

The Guidelines cover UoP labelled bonds issued in the Republic of Armenia listed on the Armenia Stock Exchange (AMX) regardless of currency of denomination.

The Guidelines are voluntary.

2.2. Eligible issuers

These Guidelines apply to Armenian issuers, including:

- Financial institutions,
- Other corporate entities.

2.3. Use of proceeds and project location

The proceeds of UoP labelled bonds issued under these Guidelines must be allocated to eligible Green and/or Social Projects located in Armenia, or projects that support Armenia's environmental and social objectives, to be disclosed in the issuer's bond framework.

2.4. International standards

These Guidelines are designed to be consistent with internationally recognised standards, namely the ICMA Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines.

3. Guidance on the Four Core Components of the UoP Green, Social and Sustainable Bond Guidelines

The Guidelines are structured around four core components, which together form the foundation for credible UoP labelled bond issuance:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The issuer of a Green, Social, or Sustainable bond must prepare a bond framework that aligns with the requirements of the Guidelines and the respective ICMA standards (Green Bond Principles², Social Bond Principles³ and Sustainability Bond Guidelines⁴).

3.1. Use of Proceeds

The Use of Proceeds component defines how funds raised through a UoP labelled bond are allocated and ensures that proceeds are used exclusively to finance or refinance eligible Green and/or Social Projects.

3.1.1. Exclusive allocation of proceeds

The net proceeds of a UoP labelled bond must be exclusively allocated to eligible Green and/or Social Projects, or a combination thereof, and to be clearly defined and disclosed by the issuer.

3.1.2. Eligible projects and environmental/social benefits

Proceeds from Green, Social, or Sustainability bonds may be allocated to projects that generate clear environmental and/or social benefits, including:

- *Green Projects*
- *Social Projects*
- *Sustainability Projects.*

Issuers should clearly define the environmental and/or social objectives of the UoP labelled bond and establish transparent project eligibility criteria aligned with those objectives. Where the specific projects to be financed or refinanced have not yet been identified at the time of issuance, issuers must define clear eligibility criteria at the level of project categories and disclose this information to investors in advance, in line with the recommendations of the

² <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

³ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

⁴ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

ICMA Principles. Where individual projects have already been selected, disclosures may focus on those projects and their alignment with the stated objectives.

While eligible projects may give rise to certain negative environmental and/or social impacts, they may still be considered eligible where the issuer assesses that such impacts are not disproportionate to the overall environmental and/or social benefits. Issuers are encouraged to apply the Do No Significant Harm principle⁵ to an extent possible to identify, mitigate, and transparently disclose any material risks associated with the projects to be financed, where relevant.

3.1.3. Financing versus refinancing disclosure

Issuers must disclose to investors:

- the estimated amounts or shares of proceeds allocated to financing new projects and to refinancing existing projects; and
- the Green and/or Social Projects, or project categories, to which refinancing will apply.

Issuers must disclose the applicable look-back period, defined as the maximum period prior to issuance during which assets or expenditures may be included for refinancing purposes.

3.1.4. Refinancing of long-term assets

In cases where UoP labelled bonds are issued repeatedly to refinance long-term assets, issuers must clearly disclose:

- the age of the asset;
- its expected remaining life; and
- the refinancing amount at the time of issuance.

Issuers are also encouraged to assess whether the environmental and/or social benefits of the asset can be sustained over time and, where appropriate, seek evaluation from an external reviewer.

3.1.5. Timing of allocation

Proceeds from UoP labelled bonds must be allocated to eligible Green and/or Social Projects as promptly as possible. Issuers must disclose in their bond framework the expected timeframe for full allocation of proceeds.

3.1.6. Project eligibility taxonomies

Issuers must align with at least one of the below-mentioned taxonomies to support the identification and classification of eligible projects:

- Armenia's national Green Taxonomy (applicable to Green Bonds, Sustainable Bonds)
- Armenia's national Social Taxonomy (it will be applicable once it comes into force) (applicable to Social Bonds, Sustainable Bonds)

⁵ https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en

- EU Sustainable Finance Taxonomy⁶ (applicable to Green Bonds, Sustainable Bonds)
- Common Principles for Climate Mitigation Finance Tracking of the Joint Climate Finance Tracking Group of multilateral development banks (MDBs) and International Development Finance Club (IDFC)⁷ (applicable to Green Bonds, Sustainable Bonds)
- MDB Common Nature Finance Taxonomy (applicable to Green Bonds, Sustainable Bonds)

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For each Project category (i.e. Green or Social) the issuers may align with a maximum of one taxonomy. The issuers must indicate the version of the taxonomy which is referenced in the framework.

All the requirements of this section (3.1.1-3.1.6) must be reflected in the issuer's green/social/sustainable bond framework.

3.2. Process for Project Evaluation and Selection

The **Process for Project Evaluation and Selection** describes how the issuer identifies, evaluates, and selects eligible Green and/or Social Projects for financing or refinancing with the proceeds of a UoP labelled bond. This process is a key element in demonstrating the environmental and/or social integrity of the bond and enabling investors to assess the credibility of the issuer's approach.

3.2.1. Project evaluation and selection process

Issuers must disclose the **process used to evaluate and select projects**, including:

- how projects are assessed against the stated environmental and/or social objectives and eligibility criteria;
- the internal governance arrangements applied in the evaluation and selection process, including the relevant teams, committees, or functions responsible for assessing and approving project eligibility; and
- how selected projects are aligned with, and contribute to, the issuer's broader environmental and/or social goals, strategies, policies, or internal processes, where applicable.

The eligibility criteria form the foundation for evaluating and selecting projects. For example, where climate change mitigation or adaptation is a stated objective, eligible projects may include those that reduce greenhouse gas emissions or enhance climate resilience, such as clean transportation or energy efficiency initiatives.

⁶ https://finance.ec.europa.eu/publications/commission-cut-eu-taxonomy-red-tape-companies_en

⁷ <https://idfc.org/wp-content/uploads/2023/12/revised-common-principles-2023-12-05.pdf>

⁸ <https://thedocs.worldbank.org/en/doc/d5b78fb1ff5ab765dd57112b8ea69a59-0320012025/original/MDB-Common-Nature-Finance-Taxonomy.pdf>

3.2.2. Management of environmental and social risks

Where eligible Green and/or Social Projects may give rise to material environmental and/or social risks or adverse impacts, issuers are encouraged to transparently communicate:

- the nature of the potential risks or impacts;
- the assessment processes undertaken; and
- the measures in place to manage, mitigate, or monitor such risks.

This disclosure supports informed investor assessment and is consistent with recognized market practice under the ICMA Principles.

3.2.3. Disclosure and transparency on the project evaluation and selection processes

At the time of issuance and throughout the life of the bond, issuers should make publicly available (e.g. through a website):

- a description of the process for project evaluation and selection;
- information on the use of proceeds; and
- any external review obtained in relation to the evaluation and selection process, where applicable.

Issuers are also mandated to disclose any green and/or social standards, certifications, or taxonomies referenced in the project evaluation and selection process.

Issuers are encouraged to link the information provided in their UoP labelled bond framework to their broader environmental and/or social goals, strategies, policies, or internal processes. This could include references to medium-term business plans or sustainability strategies.

All the requirements of this section (3.2.1-3.2.3) must be reflected in the issuer's green/social/sustainable bond framework.

3.3. Management of Proceeds

The **Management of Proceeds** component describes how the issuer tracks, manages, and allocates the net proceeds of a UoP labelled bond to eligible Green and/or Social Projects. Proper management of proceeds is essential for ensuring that funds are used as disclosed and maintaining investor confidence in the integrity of the bond.

3.3.1. Disclosure prior to issuance

Prior to issuance, issuers must disclose in their bond framework the process for managing the net proceeds of the UoP labelled bond, including the tracking method to be applied and the treatment of any temporarily unallocated proceeds.

3.3.2. Tracking and allocation of proceeds

Issuers should implement appropriate internal systems to track the allocation of net proceeds to eligible Green and/or Social Projects. The proceeds may be managed using one or a combination of the following approaches:

- **Separate sub-account:** Net proceeds are credited to a sub-account that is financially separate from other accounts and from which allocations to eligible Green and/or Social projects are made.
- **Internal tracking within general accounts:** Net proceeds are managed within the issuer's general treasury accounts, with allocations to Green and/or Social Projects tracked via internal systems or electronic files and periodically adjusted to ensure that the allocations are equal to or greater than the proceeds raised.

The chosen method should ensure that the amount allocated to eligible Green and/or Social Projects is equal to or greater than the net proceeds of the UoP labelled bond.

Proceeds may be managed on a **per-issuance basis** or on an **aggregated portfolio basis**, provided that the issuer maintains clear records enabling accurate tracking and reporting.

Under a **per-issuance basis**, the issuer tracks and reports the net proceeds of each individual bond separately. Proceeds from a specific bond issuance are allocated only to the eligible Green and/or Social Projects identified for that issuance, and allocation and impact reporting are prepared specifically for that bond.

Under an **aggregated portfolio basis**, the issuer may combine the proceeds of multiple bonds issuances into a single portfolio of eligible Green and/or Social Projects. In such cases, the issuer should ensure that the internal systems allow the issuer to clearly identify which bond issuances are included in the portfolio and to produce accurate allocation and impact reporting for investors.

Issuers must clearly disclose which approach is applied and ensure that the chosen method is used consistently over time.

3.3.3. Timing of allocation

Issuers are encouraged to allocate proceeds to eligible Green and/or Social Projects as soon as possible. Where allocation occurs over time, issuers must disclose the expected timeframe for full allocation in their bond framework.

3.3.4. Management of unallocated proceeds

Issuers must disclose how any **temporarily unallocated proceeds** will be managed prior to allocation. In line with investor expectations and market practice, issuers are strongly encouraged to place unallocated proceeds in **liquid instruments**, such as cash, cash equivalents, or other short-term, high-quality instruments which are not inconsistent with the objectives of the issued bonds (e.g. carbon-intensive projects).

In the process of pre- and post-issuance external review, Issuers are mandated to supplement their internal management of proceeds with independent verification by an auditor or other qualified third party, in line with requirements set out in section 3.5.4. Such verification typically confirms:

- the internal tracking method; and
- the allocation of proceeds to eligible Green and/or Social Projects.

Verification may be conducted periodically and, in particular, after full allocation of proceeds.

All the requirements of this section (3.3.1-3.3.4) must be reflected in the issuer's green/social/sustainable bond framework.

3.4. Reporting

Reporting enables investors to track the allocation of proceeds and assess the environmental and/or social impact of projects financed through UoP labelled bonds. Transparent, timely, and consistent reporting is a core element of market credibility and investor confidence.

3.4.1. Allocation report

Issuers must report to investors at least **on an annual basis** and are encouraged to make more frequent reporting on the use of proceeds until full allocation, and on a timely basis in the case of material developments⁹.

Allocation reporting must at least include, where applicable:

- a list of the Green and/or Social Projects to which proceeds have been allocated, or a summary by project category;
- a brief description of the financed or refinanced projects;

⁹ "Material developments" refer to significant changes that may impact the status or eligibility of a Green and/or Social Project. These include, but are not limited to, early repayment, change of control or acquisition, change of name, changes to the eligibility of assets and projects, and any material amendments to transaction documents, including any winding-up process or enforcement.

- the amounts allocated to each project or category;
- the share or amount of proceeds allocated to financing and to refinancing;
- the share or amount of proceeds that remains unallocated, if any;
- the expected timeline for full allocation of unallocated proceeds, if any;
- the temporary placement of unallocated proceeds, if any.

Where proceeds are used to refinance existing projects, issuers must disclose the estimated amount or percentage of proceeds applied to refinancing and the relevant project categories or assets.

Issuers may present allocation information at the level of individual projects or on an aggregated portfolio basis, describing projects by category (e.g. clean transportation, solar energy generation projects, or waste recycling facilities) provided that the approach is clearly disclosed and consistently applied.

3.4.2. Impact report

Before the full allocation of labelled bonds proceeds, issuers are encouraged to report on the expected environmental and/or social impacts of the projects financed or refinanced through the UoP labelled bond and, where feasible, on the achieved impacts over time. **After the full allocation of proceeds raised through the bonds, but no later than the full repayment of the bonds, the issuer must publish an impact report** (e.g. on its website).

Impact reporting must include:

- a description of the impact objectives associated with the eligible projects;
- the **key performance indicators (KPIs)** and metrics used to measure impact; and
- the **methodologies and key assumptions** applied in the calculation of impact indicators.

Where possible, issuers are encouraged to use **quantitative indicators**. Examples of environmental impact metrics may include:

- renewable energy capacity installed,
- greenhouse gas emissions avoided,
- energy savings achieved,
- improvements in resource efficiency,
- waste removed in tonnes.

Examples of social impact metrics may include:

- the number of beneficiaries reached,
- access to essential services,
- affordable housing units delivered,
- jobs supported or created,

- number of smallholder farmers reached,
- number of low-income, rural or minority women provided with access to affordable credit,
- improvements in socioeconomic outcomes for identified target populations.

Issuers may use the ICMA Handbook on Harmonized Framework for Impact Reporting for Green bonds¹⁰ and ICMA Handbook on Harmonized Framework for Impact Reporting for Social bonds¹¹ as references for indicators.

3.4.3. Disclosure and accessibility

The Allocation and Impact reports must be made available in an **easily accessible format**, either on the issuer's official website or other publicly accessible channel and must remain available throughout the life of the bond and at least for 5 years after.

Issuers should also make publicly available any **external verification or assurance reports** related to allocation or impact reporting.

All the requirements of this section (3.4.1-3.4.3) must be reflected in the issuer's green/social/sustainable bond framework.

3.5. External Reviews

External reviews provide independent assurance on the alignment of a UoP labelled bond with recognized market standards and play a key role in supporting transparency, credibility, and investor confidence.

3.5.1. Types of external reviews

There are several types of external reviews commonly used in the UoP labelled bond market, including:

- i. **Second Party Opinion (SPO):** An institution with environmental/ social/sustainability expertise that is independent from the issuer may provide a Second Party Opinion. The institution should be independent from the issuer's adviser for the UoP Labelled Bond framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second Party Opinion. Any concerns on the institution's independence should be disclosed to investors.

It normally entails an assessment of the alignment of the Green/Social/Sustainable bond framework with the respective standards and principles (at least ICMA respective

¹⁰ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf>

¹¹ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-for-Social-Bonds-June-2025.pdf>

standards, referenced taxonomy, other standards and principles referred to in the bond framework).

- ii. **Verification:** A process of obtaining independent verification from a third party against a designated set of criteria. Such criteria are those pertaining to environmental, social and sustainability.
- iii. **Certification:** A process of obtaining independent certification from a third party of UoP Labelled Bond or associated bond framework, the use of proceeds, against external green, social or sustainability standards or labels.
- iv. **Scoring or Rating:** A process of obtaining evaluation or assessment of UoP Labelled Bond, or associated bond framework, or a key feature such as Use of Proceeds from third parties, such as specialized research providers or rating agencies, according to an established scoring/rating methodology.

3.5.2. Requirement and scope of pre-issuance external reviews

Issuers must appoint an external review provider for a pre-issuance assessment of the alignment of their Green/Social/Sustainable Bond Framework with the four core components of the Guidelines, respective ICMA standards, and referenced taxonomy as defined above.

Issuers must clearly disclose the type of pre-issuance external review obtained (most common type: SPO).

Issuers may obtain more than one type of external review.

Where an external review of the issuer's UoP labelled bond framework has already been obtained, issuers may rely on the same framework for subsequent issuances, provided that no material changes have been made. Any such reliance should be disclosed.

3.5.3. Requirement and scope of post-issuance review and verification

Post-issuance, after the full allocation of bond proceeds the issuers must engage an independent third party to **verify the internal tracking and allocation of proceeds** to eligible Green and/or Social Projects. The verification of at least allocation report should be obtained. The issuer may also obtain a verification of the impact report.

3.5.4. Qualifications and independence of reviewers

External review providers must have **relevant expertise and experience** in environmental, social, and/or sustainability matters, as appropriate to the scope of the review. Reviewers must also be **independent from the issuer** and from advisers involved in structuring the UoP labelled bond or have appropriate safeguards in place to manage potential conflicts of interest.

External review providers should disclose their **credentials, relevant experience, independence arrangements**, and the **scope of the review conducted**.

External review must be conducted by an independent third party that is **recognized in accordance with** ICMA¹² guidance or approved by the Climate Bonds Initiative¹³.

3.5.5. Disclosure and accessibility

Issuer must make the results of external review publicly available **in an easily accessible format**, on the issuer's official website or other publicly accessible channel.

All the requirements of this section (3.5.1-3.5.5) must be reflected in the issuer's green/social/sustainable bond framework.

¹² <https://www.icmagroup.org/sustainable-finance/external-reviews/>

¹³ <https://www.climatebonds.net/data-insights/market-data/approved-verifiers>

4. Process of Registering Listing, Maintaining and Revoking the Status of Green, Social and Sustainable Bonds

The Process defined below will come into force once the necessary changes are reflected in respective CBA and AMX regulations.

4.1. Registering the Prospectus of a Green, Social and Sustainable Bonds by CBA

To obtain registration of a Green/Social/Sustainable bond prospectus from CBA, an issuer shall meet the following conditions:

- a) The issuer shall prepare a UoP Green, Social or Sustainable bond framework that demonstrates alignment with all four core components of these Guidelines:
 - Use of Proceeds
 - Process for Project Evaluation and Selection
 - Management of Proceeds
 - Reporting
- b) Prior to issuance, the issuer **must** obtain a positive external review from a recognized independent reviewer, covering the alignment of the framework with these Guidelines, ICMA respective standards and referenced taxonomies (as described in Section 3 of the Guidelines), and has made this review publicly available, in line with the requirements outlined in the section 3.5 of the Guidelines.
- c) In the prospectus of a labelled bond, presented to the CBA, the issuer must:
 - Clearly indicate the label of the bond (e.g. green/social/sustainable) on the title page of the Prospectus as part of the title.
 - Indicate the intended eligible project categories of Use of Proceeds in the Prospectus, as indicated in the Use of Proceeds section of the Green/Social/Sustainable bond framework (reference shall be made to the Framework).
 - Include the reporting commitments on the labelled bond as indicated in the Framework (in line with the requirements of these Guidelines, Section 3.4).
 - Provide all documents required by the Guidelines as Annexes:
 - Green/Social/Sustainable Bond Framework,
 - Results of pre-issuance external review as well as proof of its public availability in an easily accessible format,
 - Anything else required by the Guidelines at pre-issuance stage.

Where these conditions are satisfied, and the package of documents including the Bond Framework and the positive external review are submitted to the CBA the CBA will register

the prospectus of a Green, Social or Sustainability Bond. It goes without saying that other regulatory requirements concerning the prospectus registration must be met.

4.2. Listing, maintenance and revocation of the status of a labelled bond

4.2.1. Listing of a labelled bond on the Armenian Stock Exchange

Upon approval of the green/social/sustainable bond Prospectus by the CBA, the AMX follows the process as described below:

- a) Verifies that the green/social/sustainable bond prospectus was registered by the CBA,
- b) Performs a check to ensure the alignment of the Green/Social/Sustainable Bond framework complies with the requirements of these Guidelines.
- c) Verifies that the pre-issuance external review has been obtained and the results are publicly available.

Upon completion of the checks by the AMX the labelled bond is listed on the AMX as green/social/sustainable.

4.2.2. Maintenance of status

The AMX annually verifies the availability of the allocation report and the external review of the report in compliance with the requirements of the Guidelines. Upon full allocation of the proceeds AMX verifies the availability of the impact report, in compliance with the requirements of these Guidelines.

4.2.3. Revocation of status

AMX can cancel the status of the bond if the issuer breaches the requirements established by the Guidelines, in cases where:

- proceeds are materially misallocated or used for non-eligible purposes;
- required allocation or impact reporting is persistently not provided;
- external reviews are found to be misleading or invalid; or
- material breaches of the issuer's disclosed framework or commitments occur and are not remedied.

In the event of cancellation of the status, the issuer shall be obliged to have information on the cancellation of the status published on its own website both until the repayment of the bond and for five (5) years thereafter.

In the event of cancellation of the status, the issuer shall be obliged to notify the bondholders in writing within 10 (ten) business days.

In summary, compliance with these Guidelines is a prerequisite for being listed on the AMX as green/social/sustainable and maintenance of green, social or sustainable bond status. Any incompliances with these Guidelines will lead to the revocation of the respective status.

5. ANNEXES

This Appendix provides supplementary explanatory material to support understanding and implementation of the Guidelines. It is intended for informational purposes only and does not create additional regulatory requirements beyond those set out in the main body of the Guidelines.

Annex A – Annual Allocation Report template (example)

Issuers are expected to prepare and publish an Annual Allocation Report until full allocation of proceeds raised through Green, Social, or Sustainable Bonds. The report should provide transparent and clear information on how the proceeds have been allocated and how any unallocated proceeds are managed.

The Annual Allocation Report may be published as a standalone report, as part of the issuer's sustainability report, or on the issuer's website. Allocation reporting should be provided at least annually until full allocation of proceeds and, where feasible, in the event of any material changes to the allocation.

This Annex provides an illustrative structure and guidance for the preparation of a Green / Social / Sustainable Bond Annual Allocation Report. The template is intended to support issuers in preparing allocation reporting in line with these Guidelines and international market practice. Issuers may adapt the structure and level of detail depending on the nature of the bond, project portfolio, and confidentiality considerations, provided that the minimum disclosure requirements set out in the Guidelines are met.

Introduction

In this section, the issuer should:

- State the purpose of the report;
- Specify the reporting period;
- Reference the Green/Social and Sustainable Bond Framework;
- Confirm alignment with relevant Green, Social or Sustainable Bond principles or guidelines.

General information

This section should briefly explain that the report provides information on the allocation of proceeds and should clarify whether the report covers one bond or multiple bond issuances under a portfolio approach.

In this section, the issuer should provide the following information:

- Issuer name;
- Bond type (Green, Social, or Sustainable Bond);
- ISIN or bond identifier;
- Issue date and maturity date;

- Total amount issued;
- Net proceeds raised;
- Reporting period covered by the report;
- Allocation approach (per issuance or portfolio approach);
- External review provider (if applicable).

Allocation of proceeds

Issuers may prepare allocation reporting either at the level of an individual bond issuance or at the level of a portfolio of eligible projects, provided that the methodology is clearly disclosed and consistently applied.

Allocation Summary

In this section, the issuer should provide a high-level summary of the allocation status of the bond proceeds, the following table can be used:

Item	Amount
Total net proceeds	
Total allocated	
Unallocated proceeds	
% Allocated	
% Unallocated	
Financing	
Refinancing	

Allocation by project category

Issuers should disclose how the proceeds have been allocated across project categories. Allocation may be presented by project category (e.g. renewable energy, energy efficiency, clean transportation, affordable housing, SME financing, etc.).

For each category, the issuer should disclose:

- Project category;
- Amount allocated;
- Percentage of total allocation.

Issuers may present this information in table format, similar to the following example:

Project Category	Amount Allocated	% of Total Allocation
Renewable Energy		
Energy Efficiency		
Clean Transport		
Sustainable Water		
Waste Management		
Sustainable Agriculture		
Affordable Housing		
SME Financing / Social Projects		
Other		
Total		

Allocation by project or portfolio

Issuers may present allocation information:

- at individual project level; or
- at aggregated portfolio level.

Where individual project disclosure is provided, the issuer should include:

- Project name or description;
- Location of the project;
- Amount allocated;
- Whether the allocation relates to financing or refinancing.

Where aggregated portfolio disclosure is used, the issuer should clearly describe the portfolio and project categories included.

Financing vs. refinancing

The Issuer must present the split between financing and refinancing:

Type	Amount	%
Financing (new projects)		
Refinancing (existing projects)		
Total		

Look-back period for refinancing: **[e.g., 24–36 months]**

Allocation Split Between Green and Social Projects (for Sustainable Bonds)

In case of Sustainable Bonds, the allocation split between allocations to Green and Social projects should also be presented.

Example:

Category	Amount	%
Green Projects		
Social Projects		
Total		

Management of Unallocated Proceeds

Where proceeds remain unallocated at the reporting date, issuers should disclose:

- The amount of unallocated proceeds;
- The temporary placement or investment of unallocated proceeds;
- The expected timeline for full allocation.

Temporary investments should be consistent with the issuer's Green / Social / Sustainable Bond Framework and should not be invested in activities that are inconsistent with the environmental and/or social objectives of the bond.

External Verification

Issuers should disclose whether the allocation report has been externally verified. If external verification has been obtained, the issuer should disclose:

- Name of the verifier;
- Scope of verification;
- Date of verification;
- Where the verification report is publicly available.

Publication and Accessibility

The Annual Allocation Report should be:

- Published on the issuer's website or other publicly accessible platform;

- Updated at least annually until full allocation;
- Made available throughout the life of the bond and for a 5-year period thereafter.

Annex B - Impact Report template (example)

This Annex provides an illustrative structure and guidance for the preparation of a Green/Social/Sustainable Bond Impact Report. The Impact Report should provide information on the environmental and/or social impacts of the projects financed or refinanced through Green, Social, or Sustainable Bonds.

Issuers are encouraged to publish Impact Reports annually, where feasible, and must publish an Impact Report after full allocation of proceeds and before bond maturity. Impact reporting may be based on actual impacts (ex-post) or expected impacts (ex-ante), depending on data availability.

Where possible, issuers should use quantitative indicators and disclose the methodologies and assumptions used in impact calculations.

Introduction

In this section, the issuer can:

- State the purpose of the Impact Report;
- Specify the reporting period;
- Reference the Green / Social / Sustainable Bond Framework;
- Explain whether impacts reported are ex-ante (estimated) or ex-post (actual);
- Provide any relevant methodological notes.

This section should explain the scope of the report and whether the impacts relate to projects financed, refinanced, or both.

Overview of Eligible Projects / Portfolio

In this section, the issuer should provide:

- Description of the eligible project categories financed;
- Number of projects financed;
- Geographic distribution (if relevant);
- Description of the project portfolio;
- Environmental and/or social objectives of the financed projects.

Issuers may present impacts at project level or aggregated portfolio level.

Environmental Impact Reporting (for Green Projects)

Issuers should report environmental impact indicators relevant to the project categories financed.

Common environmental impact indicators may include:

- Annual greenhouse gas emissions reduced or avoided (tCO₂e);
- Renewable energy capacity installed (MW);
- Renewable energy generated (MWh/year);
- Energy savings (MWh/year);
- Energy intensity reduction;
- Water savings (m³/year);
- Waste recycled, treated, or avoided (tons/year);
- Land restored or protected (hectares);
- Reduction in air pollutants;
- Resource efficiency improvements.

Issuers should:

- Clearly define each indicator;
- Specify the methodology used;
- Provide assumptions used in calculations;
- Avoid double counting;
- Use recognized methodologies where possible (e.g. ICMA Harmonized Framework).

Example table:

Project Category	Indicator	Unit	Impact
Renewable Energy	Renewable capacity installed	MW	
Renewable Energy	GHG emissions avoided	tCO ₂ e/year	
Energy Efficiency	Energy savings	MWh/year	
Waste Management	Waste treated	Tons/year	

Social Impact Reporting (for Social Projects)

Issuers should report social indicators relevant to the projects financed.

Common social impact indicators may include:

- Number of beneficiaries;
- Number of affordable housing units delivered;
- Number of SMEs financed;

- Jobs created or supported;
- Number of people with access to essential services;
- Number of students trained;
- Number of patients served;
- Number of farmers supported;
- Access to finance provided to underserved groups;
- Women beneficiaries or women-led SMEs financed;
- Rural population served.

Example table:

Project Category	Indicator	Unit	Impact
Affordable Housing	Housing units built	Number	
SME Financing	SMEs financed	Number	
Healthcare	Patients served	Number	
Education	Students trained	Number	

Where possible, issuers should distinguish between:

- Direct beneficiaries;
- Indirect beneficiaries.

Methodology and Assumptions

In this section, the issuer should describe:

- Methodologies used to calculate impacts;
- Key assumptions;
- Data sources;
- Any limitations in data;
- Whether impacts are estimated or measured;
- Allocation methodology where proceeds finance multiple projects.

Transparency on methodology is very important for investors. Issuers are encouraged to reference internationally recognized methodologies where applicable.

Contribution to environmental and social objectives

Issuers may also describe contributions to any environmental and social objectives, such as:

- Contribution to climate change mitigation;

- Contribution to climate change adaptation;
- Contribution to social inclusion;
- Contribution to national sustainability goals;
- Contribution to SDGs (optional).

This section is optional but considered good practice.

External review / Verification of Impact report

Issuers should disclose:

- Whether the impact report has been externally verified;
- Name of verifier;
- Scope of verification;
- Where the verification report is available.

Publication and availability

The Impact Report should be:

- Published on the issuer's website or publicly accessible platform;
- Updated periodically where feasible;
- Published after full allocation and before bond maturity;
- Available throughout the life of the bond.

Annex C – Common Forms of UoP Labelled Bonds

The UoP labelled bond market encompasses several instrument types. While the Green, Social and Sustainability labels are primarily based on the use of proceeds, UoP labelled bonds can be designed in different ways to meet varying issuer needs and investor preferences^{14,15}:

FORMS OF UoP LABELLED BONDS (GREEN, SOCIAL AND SUSTAINABILITY)			
Type	Proceeds raised by bond sale are	Debt recourse	Example(s)
"Use of Proceeds" Bond	Earmarked for green and/or social projects	Recourse to the issuer: same credit rating applies as issuer's other bonds	EIB "Climate Awareness Bond" (backed by EIB); Barclays Green Bond; Singapore state development bank DBS group green bond
"Use of Proceeds" Revenue Bond or ABS	Earmarked for or refinances green and/or social projects	Revenue streams from the issuers though fees, taxes etc are collateral for the debt	Hawaii State (backed by a fee on electricity bills of the state utilities); Beijing Enterprises Water Group (backed by water treatment service fee receivables)
Project Bond	Ring-fenced for the specific underlying green and/or social project(s)	Recourse is only to the project's assets and balance sheet	Invenergy Wind Farm (backed by Invenergy Campo Palomas wind farm); Tadau Energy Sdn Bhd Green Sukuk for solar energy plants in Kudat and Sabah, Malaysia
Securitisation (ABS) Bond	Used to refinance portfolios of green and/or social projects or proceeds are earmarked for green and/or social projects	Recourse is to a group of projects that have been grouped together (e.g. solar leases or green mortgages)	Tesla Energy (backed by residential solar leases); Obvion (backed by green mortgages); HarvestCapital (China) (backed by a LEED Gold Certified office building)
Covered Bond	Earmarked for eligible projects included in the covered pool	Recourse to the issuer and, if the issuer is unable to repay the bond, to the covered pool	Berlin Hyp green Pfandbrief; Sparebank 1 Boligkreditt green covered bond; National Australia Bank secured green note (backed by loans to Australian renewable energy developers)

¹⁴ Climate Bonds Initiative. (2024). [Climate Bonds Standard Version 4.3.](#)

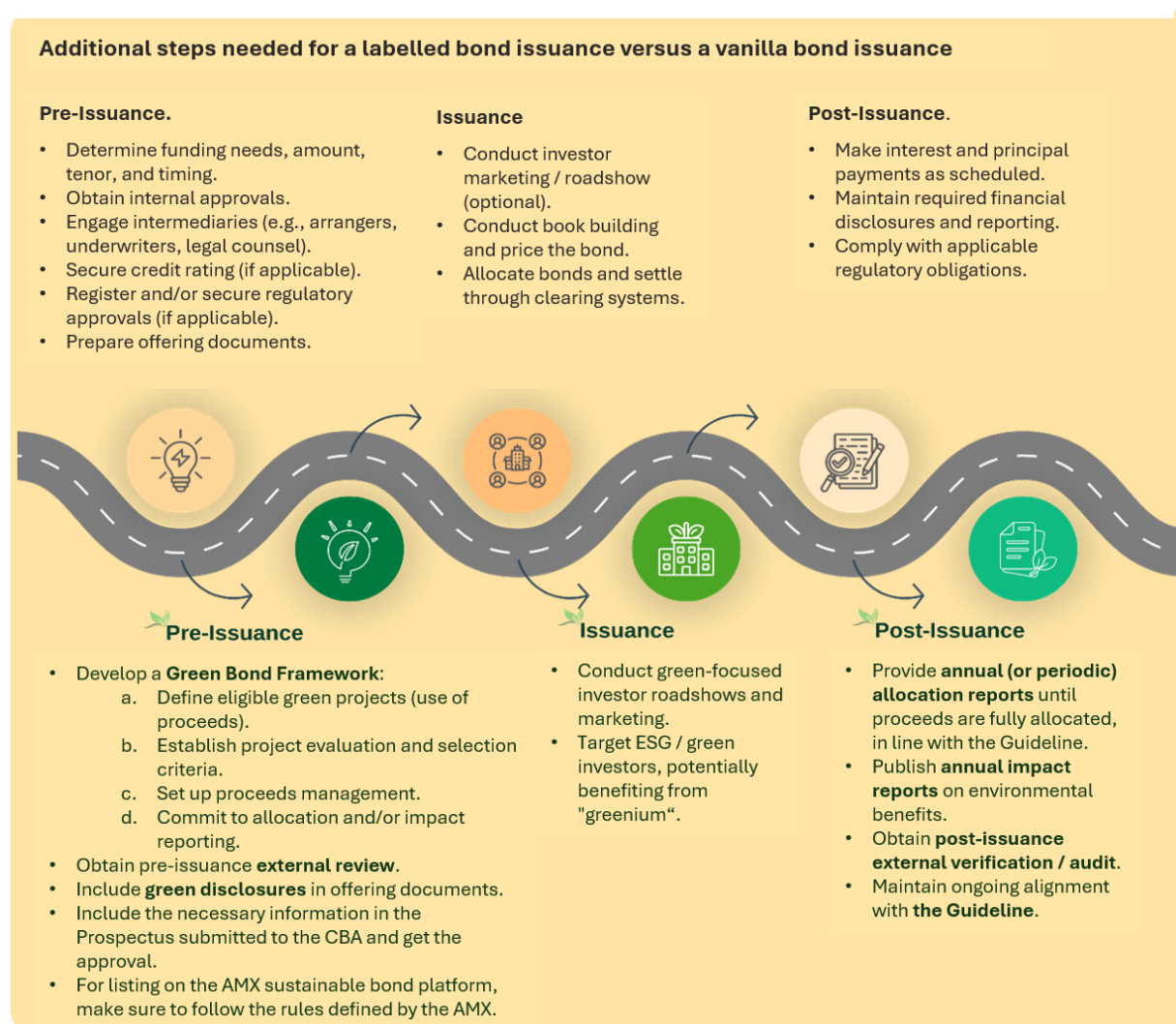
¹⁵ Climate Bonds Initiative. (2021). [How to Issue Green Bonds, Social Bonds and Sustainability Bonds.](#)

Annex D – UoP Labelled Bond Issuance Process

The UoP labelled bond issuance process closely mirrors the established procedures for conventional bond offerings. Figure 1 below outlines this process, where, while the core steps remain unchanged (e.g., pre-issuance, issuance, and post issuance stages) the issuance of a UoP labelled bond involves a set of additional requirements such as eligibility assessments, external review, and additional disclosure.

These additional UOP labelled bond-specific steps and requirements are essential to uphold the credibility and transparency of the bond. These ensure alignment with internationally recognised standards, foster investor confidence, and demonstrate the issuer's dedication to financing projects that contributes meaningfully to its sustainable development and climate goals.

Figure 1: Issuance Process for UOP Labelled Bonds



It is important to note that the above UoP labelled bond issuance process complements and supplements existing bond issuance regulations in Armenia and does not override them. Issuers must fully adhere to all applicable legal, regulatory, and supervisory requirements

under Armenia’s capital market framework while incorporating the additional UoP labelled bond-specific issuance process outlined here.

Annex E – Checklist for minimum requirements

Area	Minimum requirement
Framework	Publicly available UoP framework aligned with 4 pillars of the Guidelines
Taxonomy	Clear alignment with the Armenian green/social taxonomy or internationally recognized taxonomy (as indicated in the Guidelines)
External review	Publicly available pre-issuance positive external review by ICMA-approved or CBI-approved external review provider Publicly available positive external review by ICMA-approved or CBI-approved external review provider of at least allocation reports.
Reporting	Annual allocation + post-allocation impact report

Annex F – UoP Framework Operational Guidance

UOP Framework Pillars	Operational Guidance
Pillar 1: Use of Proceeds	• Building and maintaining an inventory of existing and prospective eligible projects with measurable impacts streamlines an issuer’s labelled UoP bond issuance strategy and execution. • Issuers should build long-term project pipelines with realistic timeframes to maintain an accurate inventory of future eligible projects. • Market practice allows UOP instruments to allocate towards the refinancing of eligible projects within a look-back period of 24-36 months of issuance. However, it remains prudent to maintain an inventory balanced with new financing and refinancing. • While existing assets are easier to categorize as eligible projects rather than forward-looking ones, the additionality that comes from financing new projects will have a higher impact on the issuer’s sustainability objectives and, in turn, higher investor confidence.

	• In estimating a conservative UOP issue size based on the inventory of projects, it is prudent to maintain a buffer for potential unrealized projects and assets. • Entities with a clear pipeline of eligible green and social projects are recommended to opt for a sustainability framework for more flexibility.
Pillar 2: Process for Project Evaluation and Selection	• Issuers have the flexibility to create as few or as many sustainability committees that are most suitable to streamline the project selection and evaluation process. What remains relevant to the framework is that the process and the relevant committees are thoroughly elaborated. • Business units involved in budgeting and originating pipeline projects and monitoring existing projects are crucial for this stage. • Treasury units may be best informed to finalize selection, given their understanding of investor asset preference through underwriters, sustainability advisors, and other external counterparties. • Leading sustainable finance issuers implement multi-layered governance structures for effective decision-making and oversight. The following three-tiered governance model reflects common market practices observed among advanced issuers: Tier 1: Technical Screening Committee Composition: Sustainability Lead, Business Unit Heads, ESG Risk Manager Mandate: Initial project assessment, technical due diligence, eligibility verification Frequency: Monthly meetings or as needed for project evaluation Tier 2: Sustainable Finance Committee Composition: Chief Finance Officer (CFO), Head of Sustainability, Head of Risk, Business Representatives, Independent Board Member Mandate: Final project approval, framework oversight, material decisions Frequency: Quarterly meetings plus special sessions Tier 3: Board Oversight Composition: Board Sustainability/ Risk Committee Mandate: Strategic direction, annual framework review, policy decisions Frequency: Semi-annual meetings with material issue escalation
Pillar 3: Management of Proceeds	• Depending on an issuer's operational capabilities, regulatory requirements, and investor expectations, common proceeds management observed in the market include the following: Dedicated Sub-Account - Separate bank account exclusively for sustainable finance proceeds and disbursements. - Suitable for first-time issuers and smaller organizations. - Requires a basic banking arrangement with a simple audit trail. Sub-Portfolio Tracking - Segregated portfolio within existing treasury system. - Suitable for institutions with sophisticated accounting and treasury systems. - Requires advanced treasury operations and portfolio management capability.

	Virtual Tracking System - IT-enabled allocation tracking without physical segregation. - Suitable for large institutions with robust IT infrastructure. - Requires comprehensive tracking software and integrated reporting. • While not mandatory, annual third-party audit of proceeds management systems have been increasing in practice. • For repeat labelled UoP bond issuances, issuers can either utilize the applicable proceeds management on a portfolio basis or have a separate one for each instrument.
Pillar 4: Reporting	• While best practice remains to be ex-post impact measurement and reporting actual achieved impacts, some issuers employ ex-ante impact projections/estimates based on established methodologies. • Issuers must also communicate significant project changes, delays, or framework modifications on a timely basis. • Some jurisdictional markets may have varying reporting frequency requirements, like China's green bond guidelines that require quarterly allocation updates • Sample impact metrics reported include the following: Green: - Annual GHG emissions reduced/avoided in tons of CO2 equivalent. - Annual energy savings in MWh/GWh. - Reduction in net GHG emissions, GHG intensity or energy intensity in tCO2e/unit of output. - Annual absolute (gross) amount of waste that is separated and/or collected, and treated (including composted) or disposed of in tons p.a. Social: - Number of people with access to improved sanitation facilities. - Improvement of income of local populations in percentage. - Increased number of households with access to resilient energy systems. - Number of farmers trained in sustainable farming and biodiversity