BELGIAN DEBT AGENCY

info@debtagency.be
www.debtagency.be

Annual Green OLO Allocation and Impact report

2025

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INTRODUCTION

This eighth allocation and impact report relates to the 2025 proceeds of the two outstanding Green OLOs issued by the Kingdom of Belgium. These two bonds were tapped through both regular and non-competitive auctions (NC auction)[1], for a total amount of EUR 2.660 billion. The report links these proceeds to eligible green expenditures and, where possible, presents the positive environmental impacts generated by such spending.

OLO 86 (BGB 1.25 04/33), Belgium's first Green OLO syndicated in 2018, was issued once in 2025 for a total amount of EUR 605 million, representing 22.74% of total Green OLO issuance for that year. The second Green OLO, OLO 96 (BGB 2.75 04/39), syndicated in 2022, experienced stronger investor demand and was issued three times in 2025 for a total amount of EUR 2.055 billion, accounting for 77.26% of the year's Green OLO issuance.

Date of issuance	Auction / ORI	Amount (Mio EUR)	OLO
28/04/2025	OLO	1.110	96
02/05/2025	NC auction	219	96
22/09/2025	OLO	726	96
25/10/2025	OLO	605	86
Total		**2.660**	

The total nominal amount issued, EUR 2.660 billion, represented 5.82% of total OLO issuance in 2025 and increased the cumulative amount of green bonds issued by the Kingdom of Belgium to EUR 22.315 billion. This corresponds to 4.82% of the total outstanding OLO stock at the end of 2025.

Total amount of green bonds issued between 2018 and 2025	**22.315 bn EUR** **4.82% of the total outstanding amount in OLO**	
Amount of eligible expenditures	**2024** 2.546 bn EUR net *2024 – remaining for 2025 allocation*	**2025** 3.718 bn EUR gross / 3.379 bn EUR net
Amount issued and allocated in 2025	2.660 bn EUR / 5.82% of the total 2025 OLO issuance	
	95.7% allocated to 2024 eligible expenditures	4.3% allocated to 2024 eligible expenditures

[1] The non-competitive auction is a post-auction privilege allowing Primary Dealers to purchase a set amount of Belgian government securities at the weighted average price from the main auction.

As in previous years, the proceeds have been allocated exclusively to green expenditures and projects that comply with the criteria set out in the Belgium Green OLO Framework 2022[2]. This Framework is aligned with the 2021 Green Bond Principles and considers the EU Taxonomy, its Delegated Acts, and the proposed EU Green Bond Standard.

The total gross amount of eligible expenditures reported in 2025 was EUR 3.718 billion. To prevent any overestimation of green spending, a haircut is applied during the allocation process—5% as a general rule, and 25% for estimated expenditure amounts (see Section 3.2 for further details). As a result, the net amount of eligible expenditures considered in this report is EUR 3.379 billion. In addition, EUR 2.546 billion of eligible expenditures that remained unallocated in 2024 were fully allocated in 2025. Consequently, 95.7% of the proceeds were allocated to these carry-over expenditures from 2024, with the remainder allocated to eligible expenditures incurred in 2025.

The total Green OLO issuance in 2025 was significantly below the indicative maximum of EUR 5.0 billion communicated at the end of 2024. The Belgian Debt Agency factors in market demand when deciding which bonds to tap in regular auctions or through Optional Reverse Inquiry (ORI) auctions[3] and in 2025 this demand proved to be well below the available expenditures. The lower-than-expected issuance also explains why allocation is primarily directed toward expenditures carried over from 2024, as the allocation process prioritizes these amounts before applying proceeds to new 2025 expenditures. By the end of the year, total available gross eligible expenditures for the 2025 proceeds exceeded EUR 6.26 billion, or EUR 5.93 billion after applying the relevant haircuts. This leaves EUR 3.27 billion of eligible expenditures available for allocation to 2026 proceeds. For 2026, the potential issuance amount remains estimated at EUR 5 billion, unchanged from the previous year.

The Kingdom of Belgium continues to be a regular issuer in the Green Bond market and remains committed to supporting the transition toward a more environmentally sustainable economy, in line with initiatives such as the Paris Agreement, the Leaders' Pledge for Nature, the EU Green Deal and the EU Biodiversity Strategy for 2030.

No new eligible green expenditures have been identified within the federal budget or among fiscal expenditures. Therefore, the description of these expenditures largely refers back to previous reports. Nevertheless, selected projects related to buildings and rail infrastructure, as well as climate change and renewable energy, are further elaborated in Chapter 4, including their environmental impacts and related social and economic co-benefits. Additionally, this report provides a general overview of the socio-economic co-benefits associated with the main expenditure categories financed under the Green OLO Framework.

Regarding the impact section, the Ministry of the Environment was again supported by an external expert, as in 2024, who has updated several of the assumptions underpinning the impact calculations. As in the previous year, a Methodological Annex has been published, providing detailed explanations of the assumptions and methodologies used to estimate the environmental impacts of certain eligible expenditures.

The 2025 allocation and impact figures are also available in Excel format on the BDA's website. In addition, this report includes an update on the broader ESG metrics presented in last year's report.

Finally, consistent with previous allocation reports, an external audit firm has issued a limited assurance attestation on the allocations, which can be found at the end of the report.

[2] https://www.debtagency.be/sites/default/files/content/download/files/green_olo_-_framework_2022.pdf

[3] The Optional Reverse Inquiry (ORI) is a demand-driven auction tool used by the Belgian Debt Agency (BDA) to issue specific government bonds, helping Primary Dealers access scarce securities.

2

BELGIAN ENVIRONMENTAL POLICIES, GOALS AND ACHIEVEMENTS

Belgian environmental policy aims to meet international, European and national objectives, within the framework of the three Rio Conventions, the Kunming-Montreal Global Biodiversity Framework, the Sustainable Development Goals, the Paris Agreement, the European Green Deal with its Climate Law and it's Fit for 55 package, and the 2025 coalition agreement.

The main environmental challenges are and remain:

- climate change;
- biodiversity conservation; and
- preservation of natural resources.

Belgium's 2025 federal government agreement: environmental policies and goals

Belgium's 2025 federal government agreement (Arizona)[4] has gradually begun to translate into concrete federal measures. The overall approach remains focused on combining climate transition with economic competitiveness, while implementing Belgium's commitments under European and international frameworks. The government reaffirms its commitment to international objectives such as the Paris Agreement, the Montreal Agreement on Biodiversity, the European Green Deal and the European climate objectives.

In the field of taxation and economic instruments, the federal government has, in 2025, initiated several fiscal measures aimed at supporting the green transition, although not all have yet been fully implemented. These include VAT reductions to 6% for renovation and certain energy-related investments such as heat pumps, alongside maintaining higher VAT rates (21%) for products considered environmentally harmful, such as fossil-based heating systems. In addition, the government has agreed to rebalance excise duties, with increases on gas, heating oil, petrol and diesel, and relatively lower taxation on electricity, thereby shifting the price signal in favour of electrification. Further measures include a planned levy on small e-commerce parcels (around €2–€3 per shipment from outside the EU) and a future increase of the flight tax (e.g. €10 for short-haul flights from 2027). Taken together, these elements point to a gradual fiscal shift away from fossil fuels, although several measures remain to be finalised or implemented. At the same time, investment incentives for companies active in the energy and climate transition continue to form part of the federal budgetary framework.

Regarding the energy mix, no final legally binding decision has yet been taken in 2025 to definitively extend or replace nuclear capacity beyond existing agreements. However, the government has confirmed in its policy framework its intention to extend the lifetime of at least two nuclear reactors, while keeping the option of building new reactors open. In parallel, concrete regulatory work has been initiated to support offshore renewable energy. For example, in July 2025, the federal government took a first step towards reforming the concession framework for offshore wind in the Princess Elisabeth Zone, expressing its intention to thoroughly revise and modernize the system in 2026. This demonstrates that, while nuclear decisions remain partially open, offshore wind development is already being operationalised through preparatory federal regulatory action.

In late 2025, the federal government advanced a procurement strategy for the period 2025–2029, which sets out three operational priorities: improving the efficiency of joint procurement, increasing SME participation, and mainstreaming sustainability (including environmental, social and ethical criteria). This strategy signals a shift towards greener federal purchasing practices, although its full implementation will take place over the coming years.

[4] https://www.belgium.be/en/about_belgium/government/federal_authorities/federal_government/policy/government_agreement ; available in French or Dutch

In the field of mobility, the implementation of the federal coalition agreement is reflected less through a single overarching reform and more through a series of targeted measures and investments. Ministerial decisions in 2025 point to a strategy focused on supporting the energy transition, particularly through infrastructure enabling the integration of offshore wind, thereby contributing indirectly but concretely to decarbonisation objectives. This approach is consistent with the broader ambitions of the coalition agreement to promote modal shift and reduce emissions.

The agreement also places strong emphasis on biodiversity and the circular economy. In 2025, the federal government reaffirmed its support for initiatives such as the phase-out of PFAS at EU level, the restoration of marine areas in the North Sea, and the development of innovative projects and sustainable economic models.

At the same time, the federal government is taking steps to reduce its own environmental footprint internally. The procurement strategy mentioned above explicitly highlights centralisation, professionalisation and digitalisation (including e-procurement) as key levers to enhance both sustainability and efficiency. Through these internal reforms, the federal administration positions itself as a direct actor in the ecological transition, particularly through its purchasing power.

Finally, the government has announced its intention to mobilise private savings in support of sustainable transition projects, alongside the future development and implementation of a sustainable finance strategy. While these elements were articulated in 2025, their concrete operationalisation is expected in subsequent years.

2.1 Climate change

In 2023, the European Union adopted a package of legislative measures aimed at aligning its climate, energy, transport and taxation policies with the objective of reducing net greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels. [5] In this context, Belgium has updated its National Energy and Climate Plan (NECP) 2021–2030, originally adopted in 2019. [6] Following a draft update submitted in 2023, the federal government and the regional authorities reached an agreement on a revised plan in 2025.[7] The final updated NECP, based on the 2025 coalition agreement, was formally taken note of by the Consultative Committee on 6 October 2025 and subsequently transmitted to the European Commission.

Within Belgium's federal system, competences and decision-making powers are divided between the Federal State and the three Regions: Flanders, Wallonia and the Brussels-Capital Region. As a result, climate policy is developed and implemented jointly by these different levels of government, each of which defines its own priorities and objectives within its respective areas of authority.

[5] Fit for 55: Delivering on the proposals: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/delivering-european-green-deal/fit-55-delivering-proposals_en

[6] https://www.nationalenergyclimateplan.be/en

[7] The Council of Ministers of May 17, 2024, took note of the update of the Federal Energy and Climate Plan, as a contribution to the National Energy and Climate Plan, but due to the 2024 elections and government formation processes, Belgium was unable to submit a revised plan in June 2024.

The Federal State holds key responsibilities in areas such as taxation, rail transport, product regulation (including standards, fuel quality, labelling and performance requirements for electrical appliances), energy security, and nuclear energy. It is also competent for Belgium's territorial waters and therefore oversees the development of offshore wind energy.

The Regions, for their part, are responsible for domains including energy efficiency, the promotion of renewable energy, regional public transport, transport infrastructure, spatial planning, agriculture and waste management. Following the sixth state reform, they have also been granted additional fiscal competences.

To facilitate the implementation of the federal contribution to the NECP and support the development of its successive updates, the federal government adopted a climate law that establishes a comprehensive framework for monitoring federal climate policies and measures. This framework relies on a governance system grounded in the accountability of ministers and competent administrations for both the implementation and oversight of the various components of federal climate policy.

As part of its contribution to the NECP, the federal government has defined a set of objectives and measures aimed at helping achieve the 2030 emission reduction targets. In the energy sector, key priorities include accelerating the transition through increased ambitions for offshore renewable energy in the North Sea (with a target of 8 GW after 2030), the development of hydrogen infrastructure and markets, and strengthened efforts to ensure energy security. On the domestic front, emphasis is placed on improving interconnections and ensuring affordable energy prices.

In terms of climate objectives, the federal contribution aims to reduce emissions in non-ETS sectors (such as transport and buildings) by 118 million tonnes of CO_2 equivalent between 2021 and 2030, complemented by an additional 25 million tonnes of reductions over the period 2022–2030. These enhanced targets are supported by new or reinforced policy measures, particularly in the areas of green taxation, building performance, and product standards.

A national Social Climate Plan is being developed in the context of the European Social Climate Fund, which aims to provide targeted support to vulnerable households and micro-enterprises affected by the green transition, in particular in light of the extension of the EU emissions trading system (ETS2) to buildings and transport. In Belgium, the preparation of this plan has involved extensive stakeholder consultations and impact assessments throughout 2024 and 2025, with a focus on identifying appropriate support measures and ensuring a fair distribution of the costs and benefits of the transition. While political discussions on the content of the plan are ongoing, the Belgian Social Climate Plan has not yet been formally submitted to or adopted by the European Commission. At the same time, an agreement was reached in October 2025 between the federal government and the regions on the allocation of Belgium's share of the Social Climate Fund (approximately €1.659 billion for the period 2026–2032), which will finance the measures to be included in the future Belgian plan.

The updated National Energy and Climate Plan[8] also foresees a broad range of additional measures, including:

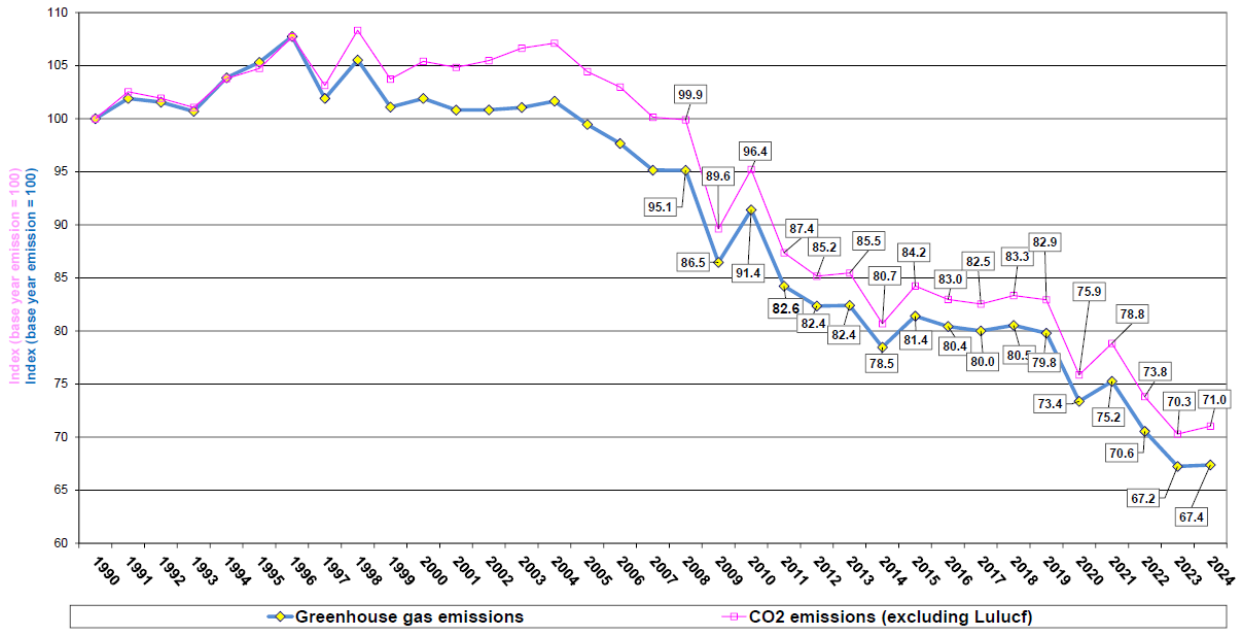
- the further development of a greener and more coherent tax framework to support the energy transition;
- the progressive phase-out of fossil fuel-based heating systems in favour of low-carbon alternatives;
- the gradual decarbonisation of the transport sector, including measures to reduce the reliance on vehicles using fossil fuels;
- strengthened sustainability criteria and a reduction in reliance on first-generation biofuels; and

[8] https://www.nationalenergyclimateplan.be/pnec-2025.pdf

- a wide set of policies aimed at accelerating green mobility, improving energy efficiency, and supporting large-scale building renovation efforts.

As shown in figure 1, Belgium's greenhouse gas emissions have been on a downward trend since 2005. In 2024, total greenhouse gas emissions in Belgium (excluding the LULUCF sector[9]) amounted to 98.0 $MtCO_2e$, which represents a decrease of 32.6% compared to 1990, but an increase of 0.20% compared to 2023.

FIGURE 1: BELGIUM GHG EMISSIONS 1990-2024 (EXCL. LULUCF). UNIT: INDEX POINT (BASE YEAR EMISSIONS = 100).[10]



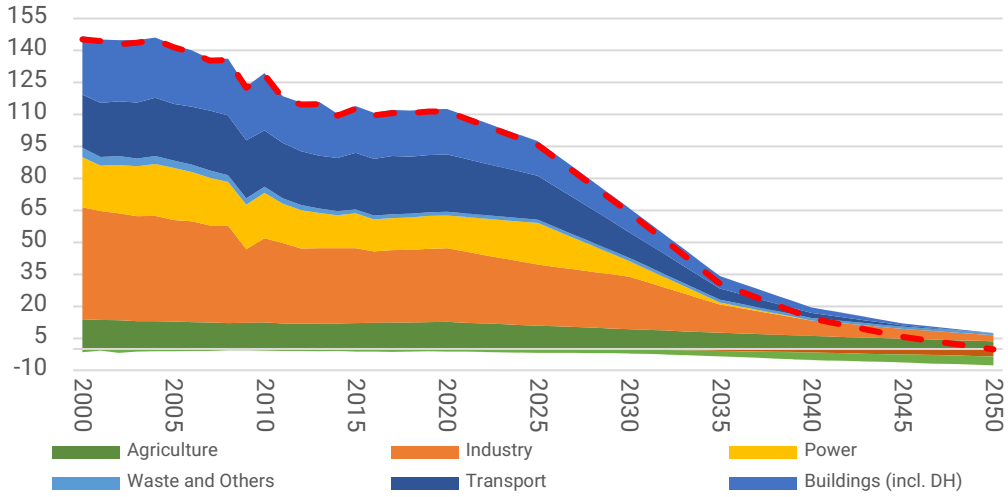
Achieving the federal government's objective of climate neutrality by 2050, as well as contributing to the EU target of reducing greenhouse gas emissions by 55% by 2030 compared to 1990 levels, requires profound systemic transformations at both the behavioural and technological levels. While this transition is technically achievable, it represents a major challenge. The figure below illustrates the projected trajectory of greenhouse gas emissions across key sectors under the central scenario. It underscores the necessity of moving towards net-zero emissions by 2050, which will depend on both the deployment of innovative technologies and significant shifts in consumption and production patterns.[11]

[9] LULUCF is the land use, land use change, and forestry sector. This includes emissions and removals associated with land use, changes in land use (e.g., grassland converted to cropland), and forestry.

[10] Belgium's greenhouse gas inventory: https://unfccc.int/sites/default/files/resource/NID2026_15%20April.pdf

[11] https://klimaat.be/doc/climate-neutral-belgium-by-2050-report.pdf

FIGURE 2: GHG EMISSIONS – HISTORICAL EMISSIONS AND EVOLUTION ACCORDING TO THE CORE-95 SCENARIO (2000-2050, MTCO$_2$E)[12]



2.2 Biodiversity conservation and sustainable use

In May 2019, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) released a comprehensive global assessment examining the state of biodiversity and the services provided by ecosystems. As the first intergovernmental scientific report of its kind, it delivered strongly concerning findings. The report confirmed beyond doubt that nature is undergoing a severe and unprecedented decline, with around one million species now facing the risk of extinction and extinction rates continuing to accelerate. Across the globe, ecosystems, species, wild populations, as well as traditional varieties and breeds of domesticated plants and animals are diminishing or disappearing. These trends are driven by a combination of direct and indirect pressures, largely linked to unsustainable patterns of production and consumption.

In December 2022, the 15th Conference of the Parties (COP15) to the Convention on Biological Diversity (CBD) adopted the Kunming-Montreal Global Biodiversity Framework (GBF), establishing a global pathway to halt and reverse biodiversity loss by 2030 and achieve climate neutrality by 2050. Under this framework, countries committed to updating their national biodiversity strategies by COP16, taking place in 2024.

In Belgium, this process was initiated following COP15 and supported by a broad stakeholder consultation, including a public consultation in the summer of 2024. The updated Belgian National Biodiversity Strategy for 2030 was subsequently adopted in early 2025.[13] It sets out 16 strategic objectives and 82 operational goals, focusing on ecosystem restoration, integration of biodiversity across sectors, and strengthened financing, including the development of a national biodiversity financing plan.

At the international level, COP16 (2024) delivered progress on issues such as benefit-sharing for digital genetic information and the inclusion of Indigenous Peoples, but key challenges, notably biodiversity financing, remain unresolved and are subject

[12] https://climat.be/doc/climate-neutral-belgium-by-2050-report.pdf p.12
[13] https://www.biodiv.be/implementation/updated-belgian-national-biodiversity-strategy-2030

to ongoing negotiations. Overall, while the global framework is now in place, effective implementation and financing remain the main challenges going forward.

At the European level, several initiatives under the Green Deal are closely linked to the biodiversity agenda, notably the EU Biodiversity Strategy and the Farm to Fork Strategy. A key recent development is the Nature Restoration Law[14], which entered into force on 18 August 2024. Its effective implementation is considered crucial for reversing biodiversity loss within the EU, achieving climate neutrality by 2050, strengthening climate resilience, and safeguarding long-term food and water security for European citizens.

The regulation also plays an important role in supporting the EU and its Member States in meeting their international biodiversity commitments, particularly those stemming from the Kunming–Montreal Global Biodiversity Framework. It establishes a long-term process aimed at restoring ecosystems across both land and marine environments, while encouraging more sustainable economic activities, promoting greener agricultural practices, and supporting the transition towards renewable energy.

A key EU objective is to ensure that restoration measures are implemented on at least 20% of the Union's terrestrial and marine areas by 2030, with a view to extending these efforts to all ecosystems in need of restoration by 2050. To achieve these ambitions, Member States are required to prepare national restoration plans setting out priority needs, concrete actions and implementation pathways in line with the targets established under the Nature Restoration Law.

In Belgium, implementation of these objectives is supported not only by the updated National Biodiversity Strategy for 2030, but also by a range of federal and regional initiatives that are already underway. These include, at federal level, programmes such as BiodiversiScape[15] aimed at enhancing biodiversity across federal domains, as well as regional efforts. In Wallonia, programmes supporting forest restoration, sustainable woodland management, and enhanced protection of natural habitats strengthen long-term ecosystem resilience. The region's investments in improved water management and flood-mitigation infrastructure also help safeguard aquatic biodiversity and reduce environmental degradation. In Flanders, the Blue Deal reinforces biodiversity by restoring wetlands, improving water retention, and addressing drought risks that threaten ecosystems. In Brussels, urban greening policies, such as expanding green spaces, promoting nature-based solutions, and integrating biodiversity into urban planning, support ecological connectivity in a dense metropolitan environment.

Beyond public policy measures, increasing efforts are being made to engage society more broadly in biodiversity action. In this context, the Belgian Biodiversity Alliance[16], launched in 2022, continues to bring together public authorities, private sector actors and civil society organisations. Supported by the country's environmental administrations, the Alliance serves as a platform to mobilise stakeholders from across sectors and to foster collective action in support of biodiversity objectives.

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Number of operational objectives of the Belgian Updated Biodiversity Strategy 2025-2030

[14] https://environment.ec.europa.eu/topics/nature-and-biodiversity/nature-restoration-regulation_en
[15] More information on the BiodiversiScape program can be found here: https://bebiodiversity.be/biodiversiscape/en/
[16] More information on the Belgian Biodiversity Alliance can be found here: https://biodiversity-alliance.be/

2.3 Preservation of natural resources

The growing and unsustainable consumption of natural resources has led to increasing scarcity, while also contributing significantly to climate change and widespread environmental degradation. These challenges are closely linked to the prevailing linear economic model, which follows a "take-make-dispose" approach.

To address this, a shift towards a circular economy is required, where societal needs are met using fewer raw materials, generating less waste and reducing environmental impacts. This transition relies on the development of new business models, circular services and innovative eco-design, as well as practices such as sharing, reuse, repair, and waste prevention and recycling. By keeping products, materials and resources in use for as long as possible, a circular economy enhances their value, reduces dependency on virgin resources, supports local economic development and contributes to job creation.

Between 2021 and 2024, Belgium implemented a Federal Circular Economy Action Plan[17] comprising a broad set of measures covering product standards, consumer protection, public procurement, employment and taxation. While this plan laid important foundations, its implementation has been complemented and further developed through new policy initiatives and investment programmes. In parallel, the Belgium Builds Back Circular (BBBC)[18] initiative has provided targeted financial support to accelerate the transition towards a circular economy. Between 2022 and 2024, more than 30 innovative projects across multiple sectors were selected and funded, focusing on eco-design, circular production processes and the substitution of hazardous substances. These projects, largely driven by SMEs, research centres and innovative companies, are supported through the European NextGenerationEU recovery instrument and will continue to run until 2026.

Building on these efforts, Belgium is currently preparing a new federal Circular Economy Action Plan for the period 2025–2029. The plan is structured around several key strategic pillars, including fostering innovation and competitiveness, improving the management and recovery of materials, strengthening consumer information and awareness, and reinforcing the regulatory framework in line with evolving European legislation. Emphasis is also placed on mobilising financing and developing economic incentives to support circular business models, while ensuring effective governance, monitoring and coordination across policy levels.

In this broader policy context, air quality remains a significant environmental and public health challenge in Belgium. Although emissions and ambient concentrations of major air pollutants have declined steadily over recent decades, a large share of the population continues to be exposed to pollution levels exceeding WHO guideline values. In addition, ozone concentrations show a more variable and slightly increasing trend, underlining persistent challenges in addressing certain types of air pollution, while also negatively affecting both human health and ecosystems.[19] Belgium's air quality policies therefore aim to significantly mitigate these impacts, notably by reducing the health burden linked to air pollution by half by 2030, while ensuring compliance with existing European legislation, including the National Emission Ceilings Directive (NEC Directive (2016/2284)) and the Directive on Emissions from Medium Combustion Plants (MCPD Directive 2015/2193).

- 50 %

Negative health impacts of air pollution : target by 2030

[17] More information on the Federal Circular Economy Action Plan can be found here: https://www.health.belgium.be/nl/organisatie-beleid/regelgeving-beleidsdocumenten/federaal-actieplan-circulaire-economie-2021-2024

[18] https://www.health.belgium.be/en/news/2023-6-winners-bbbc-calls-circular-economy-projects

[19] https://www.irceline.be/nl/documentatie/publicaties/jaarrapporten/jaarrapport2024_nl.pdf/view

3

ELIGIBLE GREEN EXPENDITURES

3.1 Eligible green expenditures and the taxonomy

The methodology for selecting green expenditure eligible in accordance with the Green OLO Framework remains consistent with previous years. For detailed information, we refer to the 2022 Allocation & Impact Report.[20] No new expenditure categories were introduced in 2025.

Eligible green expenditures consist of Federal State expenditures that meet the criteria set out in the Green OLO Framework.[21] These comprise federal expenditures, fiscal expenditures, and investments by government agencies—all of which support the Kingdom of Belgium's climate and environmental policy objectives. For further clarification on the types of expenditures, we refer to earlier allocation reports.[22]

As in previous years, the primary economic activities supported by the Green OLO program are Passenger Interurban Rail Transport and Rail Infrastructure. Both fall within the Clean Transportation category and are aligned with the relevant EU Taxonomy requirements. These activities fall under the Clean Transportation category and align with the applicable requirements of the EU Taxonomy. These two activities comply with the Technical Screening Criteria ("TSC") of the Taxonomy Delegated Act as well as for the substantial contribution to the objective of climate mitigation as for the compliance with the Do No Significant Harm ("DNSH") principle as demonstrated in the DNSH analysis provided in the Green OLO Framework.

76 % of the 2025 Green OLO expenditures are therefore fully taxonomy aligned.[23]

It is important to note, however, that the EU Taxonomy was designed for private sector use. Its detailed classification system does not fully accommodate the scope and nature of public sector expenditures.

Among the fiscal expenditures, three subcategories of tax exemptions and deductions aimed at promoting clean transportation are considered: public transport commuting, bicycle allowances and electrically powered vehicles.

- Public transport includes commuting by bus, metro or train[24] and corresponds to the EU Taxonomy's activity 6.1 (Passenger Interurban Rail Transport) and 6.3 (Urban and Suburban, Road Passenger Transport). However, due to the absence of centralized data on the bus fleet in Belgium, full taxonomy alignment cannot be confirmed. Nonetheless, the expenditure qualifies as taxonomy eligible.[25]
- Bicycle allowance[26] corresponds to the EU Taxonomy's activity 6.4 (Operation of Personal Mobility Devices, Cycle Logistics. While the activity contributes to climate change mitigation, DNSH compliance—particularly regarding waste management during maintenance and end-of-life battery recycling—cannot be ensured at the user level. Nonetheless, it remains taxonomy eligible.
- Electrically Powered Vehicles[27] - Electric motorcycles, tricycles, and quadricycles, fall under activity 6.5 (Transport by Motorbikes, Passenger Cars, and Light Commercial Vehicles). Although DNSH criteria such as battery reuse and recycling cannot be fully assured, the expenditure is considered taxonomy eligible.

[20] https://www.debtagency.be/sites/default/files/content/download/files/green_olos_-_allocation_impact_report_2022_erratum.pdf
[21] https://www.debtagency.be/sites/default/files/content/download/files/green_olo_-_framework_2022.pdf
[22] https://www.debtagency.be/en/green-olo
[23] Based on net figures (including a haircut of 5% for confirmed expenditures and 25% for estimated ones)
[24] https://fin.belgium.be/fr/particuliers/declaration-impot/revenus
[25] Regions are competent for road transport such as public transport by bus.
[26] Fiets | FOD Financiën (belgium.be)
[27] MyMinfin (fgov.be)

Due to limited granularity in the available data, alignment with the EU Taxonomy for increased tax deduction for green investments[28] cannot be assessed.

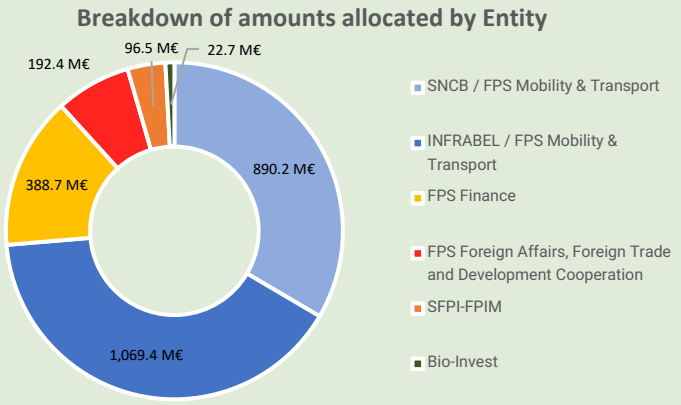
- Reduced package charge[29] can be linked to activity 2.3 (Collection and Transport of Non-Hazardous and Hazardous Waste) of the EU Taxonomy.[30] However, due to unavailability of detailed information—e.g., on emission standards of collection vehicles—taxonomy alignment cannot be verified. The expenditure remains taxonomy eligible.

International Climate Finance and Development Cooperation: contributions in this category encompass both multilateral and bilateral climate finance. While multilateral climate funds and bilateral project financing cannot be directly interpreted through the EU taxonomy, all bilateral financing included in the Green OLO Framework aligns with Rio Marker 2.[31]

Green investments by SFPIM particularly include participations in funds and funds of funds, spanning a wide range of sectors and activities, some of which cannot be fully assessed against the EU taxonomy and limit the possibility of a granular analysis. Nevertheless, these participations demonstrate strong environmental ambitions and are selected based on rigorous environmental, social and governance criteria.

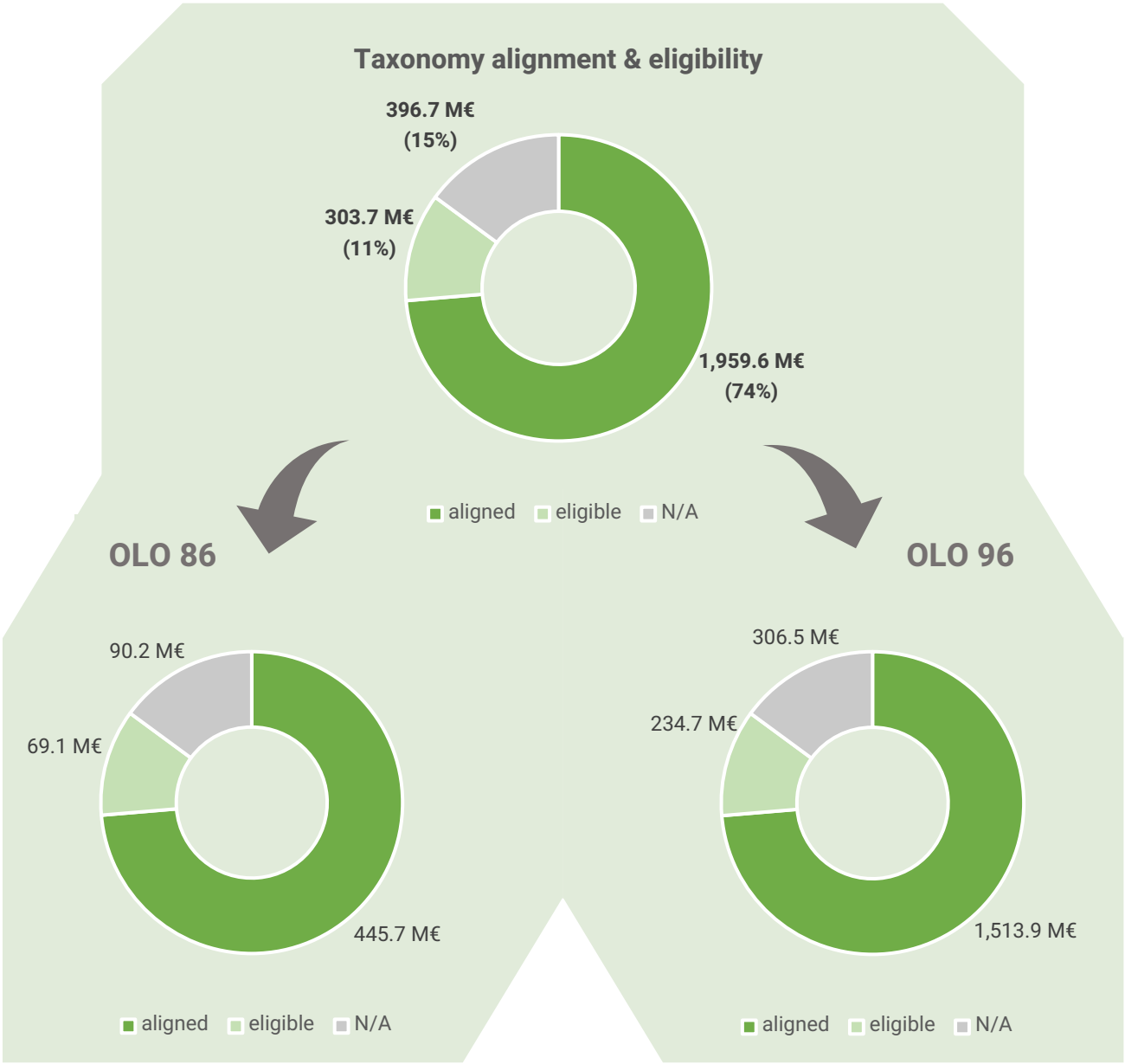
For BIO-Invest's green Investments, only expenditures related to international funds and renewable energy projects have been included. These consist of renewable non-fossil energy sources, such as wind, solar (thermal and photovoltaic), geothermal energy, ambient energy, tidal, wave and other ocean energy, hydropower, biomass, landfill gas, sewage gas, and biogas[32]. Hydropower projects above 25 MW are excluded. While fund participations do not provide sufficient detail to confirm taxonomy eligibility or alignment, loan financing has been assessed as taxonomy eligible.

This chart presents a breakdown of the amounts allocated to different beneficiaries.



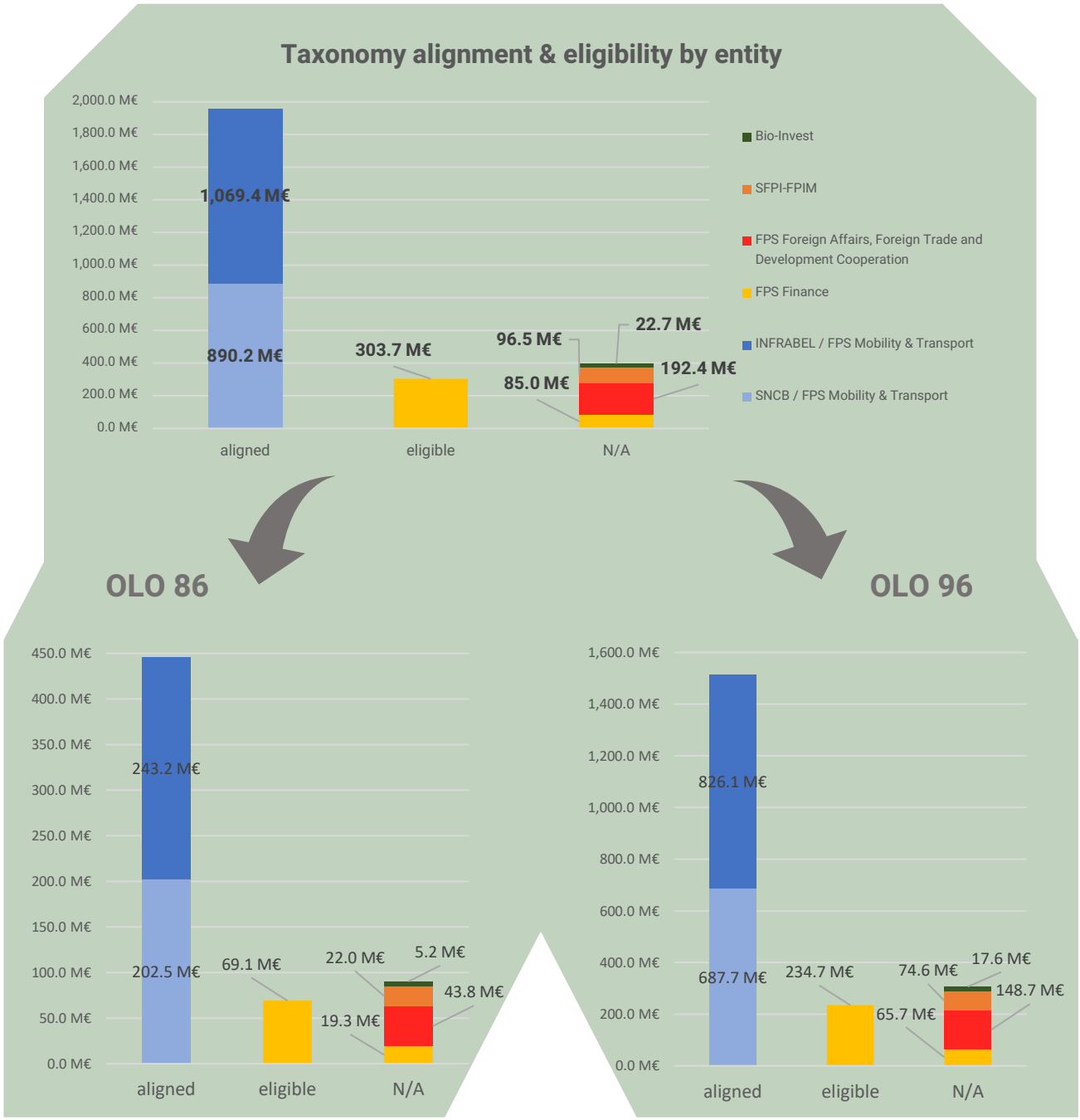
[28] MyMinfin (fgov.be)
[29] MyMinfin (fgov.be)
[30] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32023R2486
[31] Rio marker 2 indicates that the Rio Convention themes are a principal objective of the action. The Rio Conventions are: 1) the Convention on Biological Diversity; 2) UN Framework Convention on Climate Change (UNFCCC) and 3) UN Convention to Combat Desertification. Short guide to the use of Rio markers
[32] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.328.01.0082.01.ENG

For the 2025 issuance the following applies regarding EU taxonomy eligibility[33] and alignment[34]:



[33] Taxonomy eligibility refers to the assessment of whether a company's activities are considered to be covered by the EU Taxonomy.
[34] Taxonomy alignment refers to the extent to which a company's activities comply with the criteria set in the Taxonomy delegated acts.

The chart below shows the contribution of each beneficiary to the taxonomy-aligned, eligible and non-assessed expenditures allocated to the Green OLO programme.



Summary of EU Taxonomy-Aligned Activities

Technical Screening Criteria

Expenditure	Economic Activity	E/T	SCC EO1	EO2	EO3	EO4	EO5	EO6	DNSH	MS	Full Alignment
Subsidies to SNCB (Belgian railways) • OpEx • CapEx (rolling stock purchase , Reception of clients, Workshop, Digitalisation, Railway buildings e.a)	6.1. Passenger interurban rail transport	T	✓						Compliance	✓	✓
Subsidies to Infrabel (rail network operator) - OpEx - CapEx - Capacity Maintenance, ETCS, Capacity extension & service improvement (capacity extension, reception, HST, GEN)	6.14 Infrastructure for rail transport	E	✓						Compliance	✓	✓
Tax exemption for employer reimbursement of costs for commute by public communal transport	6.3 Urban and suburban transport, road passenger transport	T	✓						Assessment not performed	✓	P
Tax exemption for employer payments for commute by bicycle	6.4. Operation of personal mobility devices, cycle logistics	NA	✓						Assessment not performed	✓	P
Tax deduction for the purchase of specific electric vehicles (not electric cars)	6.5 Transport by motorbikes, passenger cars and light commercial vehicles	T	✓						Assessment not performed	✓	P
Reduced package charge for using individual reusable drink packages	2.3 Collections and transport of non-hazardous and hazardous waste	NA				✓			Assessment not performed	✓	P
										Overall Alignment	P

Green investments by SFPIM	Granular assessment of specific SFPIM investments is not feasible, however, where assessable, some degree of taxonomy alignment may be expected given the strong ESG selection criteria
Green investments by Bio; Contributions to development cooperation; Increased tax deduction for green investments	NA

Key

✓ Fully aligned with the requirements
X Not aligned with the requirements
P Partially aligned with the requirements
NA Non-Applicable
UoP Use of proceeds
E Enabling, as per EU Taxonomy Compass
T Transitional, as per EU Taxonomy Compass
SCC Substantial contribution criteria

EO1 : Environmental Objective 1 (Climate Change Mitigation)
EO2 : Environmental Objective 2 (Climate Change Adaptation)
EO3 : Environmental Objective 3 (Sustainable use and protection of water and marine resources)
EO4 : Environmental Objective 4 (Transition to a circular economy)
EO5 : Environmental Objective 5 (Pollution prevention and control)
EO6 : Environmental Objective 6 (Protection and restoration of biodiversity and ecosystems)
DNSH : Do no significant harm
MS : Minimum safeguards

3.2 The allocation process

The allocation process remained in line with previous years, and no reallocation of previously reported amounts was required.

The standard three-step allocation methodology was applied as follows:

- In accordance with the Green OLO Framework, the 2025 issuance proceeds were first allocated to the remaining eligible expenditures from 2024 that had not yet been covered by 2024 proceeds. This allocation was capped at 95% for confirmed expenditures and 75% for estimated expenditures, resulting in a total of EUR 2,546.2 million.
- The remaining proceeds from the 2025 issuance were then allocated to eligible expenditures incurred in 2025, applying the same haircuts of 95% and 75% for confirmed and estimated amounts, respectively. This second step accounted for EUR 113.8 million.
- Finally, the allocated expenditure amounts were distributed proportionally across the different Green OLOs, based on the nominal amounts issued under each bond.

This step-by-step approach ensures that Green OLO proceeds are consistently linked to eligible green expenditures that have been effectively disbursed. Any revisions to previously reported estimates will be reflected in the subsequent allocation report.

3.3 Finalization of previous allocations

In the 2023 Allocation & Impact Report, the allocations related to tax deductions for green investments and the promotion of clean transportation were initially based on estimated figures. These expenditures have since been reassessed to confirm that the final amounts exceed the original estimates and that no overallocation of proceeds has occurred.

As shown in the table below, the tax deduction for green investments has been finalized at EUR 189.68 million, significantly higher than the initial estimate of EUR 35.25 million. This substantial discrepancy between the estimate and the final amount is mainly due to two factors. In the first place, the amount of investment spending and the taxable profits to which the deductions can be applied are hard to predict figures that fluctuate a lot from year to year. Hence, conservative estimates are used. Furthermore, a significantly higher tax deduction rate was granted for green investments than the one used to make the initial estimate (20.5% instead of 13.5%).

Similarly, the final amount for the tax deduction aimed at promoting clean transportation reached EUR 476.923 million, compared to an initial estimate of EUR 396.96 million.

Based on these final figures, it can be confirmed that no overallocation of proceeds occurred in the 2023 Allocation Report.

2023 allocation report		
Eligible fiscal expenditures	Estimates	Final
• Tax deductions green investments	35.325.000€	189.680.000€
• Tax deduction and exemptions to promote clean transportation	396.960.000€	476.923.000€

3.4 The sustainable development goals

On 25 September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development, establishing 17 Sustainable Development Goals (SDGs) as a universal framework to guide global sustainable development efforts. As part of its international commitments, Belgium remains dedicated to contributing to the achievement of these SDGs by 2030. The initiatives financed under the Green OLO Framework directly support Belgium's progress toward these objectives. In order to strengthen this contribution, an assessment of funded projects from the perspective of the SDGs is integrated into the Green OLO methodology. This alignment with both national and international sustainability objectives enables a comprehensive evaluation of projects, ensuring that they contribute meaningfully to sustainable development outcomes at both the domestic and global levels.

In line with the "High-Level Mapping to the Sustainable Development Goals" published by the International Capital Market Association (ICMA) in June 2020, a correspondence has been established between the eligible Green OLO categories and the relevant SDGs. This mapping is presented in Section 5.3 of this report and remains a useful reference framework for linking green bond allocations to global sustainability objectives.

Building on this foundation and reflecting evolving international best practices, Belgium continues to enhance its approach to SDG integration. In particular, greater emphasis is increasingly placed on linking funded projects not only to SDG alignment but also to measurable sustainability impacts, where feasible. This includes the use of quantitative indicators, such as greenhouse gas emission reductions, energy savings, and environmental improvements to better illustrate contributions to key goals, such as SDG 7 (Affordable and Clean Energy), SDG 11 (Sustainable Cities and Communities), SDG 13 (Climate Action), and SDG 15 (Life on Land).

Furthermore, the SDG assessment is considered alongside the European Union's sustainable finance framework, notably the EU Taxonomy for environmentally sustainable activities. This dual approach ensures consistency between global sustainability objectives and the EU's regulatory definition of environmentally sustainable economic activities, thereby strengthening the robustness and credibility of the Green OLO Framework.

Finally, in line with the outcomes of the 2023 UN SDG Summit, which called for accelerated action and increased mobilisation of sustainable finance to bridge the SDG funding gap, Green OLO issuances are also framed as a key instrument in scaling up investments that support the transition to a sustainable and resilient economy. In this context, particular attention is given to the role of sovereign green bonds in channelling capital towards projects with high environmental and societal value.

4

ALLOCATION AND IMPACT REPORTING

This section outlines how the proceeds from the 2025 bond issuance have been allocated across various expenditures, including impact analyses where available. More detailed information on all expenditures, categorized by year of spending, is provided in the allocation tables later in this report. In addition, all amounts and their corresponding impacts have been clearly distinguished between the two Green OLOs.

For ease of access and further analysis, the detailed allocation and impact tables will also be made available in an Excel spreadsheet on the Belgian Debt Agency's website[35].

Environmental impact assessments were carried out across five key expenditure categories, representing **35% of the total EUR 2.660 billion issuance**. For the Green OLO project, expense calculations were based on expenditures that could be quantified using available data, complemented by input from stakeholders who provided critical information. The assessment primarily focused on tackling the global challenge of climate change by estimating reductions in greenhouse gas (GHG) emissions. It is important to note that these evaluations relied on existing data and used emission factors to approximate environmental impacts. Limitations were acknowledged in assessing qualitative dimensions and biodiversity effects, due to data constraints and the need for assumptions. Nevertheless, international collaboration and the reduced package charge enabled the evaluation of environmental impacts beyond GHG emission reductions.

Methodologies for estimating GHG emissions reductions were developed in accordance with established principles of environmental evaluation and aligned with the work of the European Commission's Technical Expert Group on Sustainable Finance. These approaches are consistent with prevailing market practices and comparable impact reports for similar types of expenditure. Detailed descriptions of the methodologies are provided in the methodological appendix of this report.

To enhance clarity and accessibility, the assessment was streamlined to include only the elements necessary to ensure reliable results and data availability. Transparency was prioritized through clear documentation and the use of publicly available data, enabling the analysis to be replicated and facilitating the testing and comparison of alternative scenarios.

4.1 CLEAN TRANSPORTATION

As highlighted in the previous report, clean transportation continues to represent the largest share of green expenditures financed through green OLOs in 2025. Although the total amount allocated to this category declined from EUR 2.582 bn in 2024 to EUR 2.225 bn in 2025, its relative importance remains largely unchanged, accounting for 84% of total green spending in 2025 compared with 87% in 2024.

This strong allocation reflects the strategic emphasis placed on rail infrastructure and public transport within Belgium's green bond framework. Such investments are regarded as essential drivers for the long-term decarbonisation of the transport sector.

In 2024, transport-related emissions accounted for 25.4% of Belgium's total greenhouse gas emissions (Figure 5), up from 14.4% in 1990 (Figure 6). This increase is primarily driven by road transport, which was responsible for 96.7% of transport-sector emissions in 2024. In contrast, inland waterway transport represented 1.5% of emissions, while rail transport accounted for only 0.3%. Belgium's role as a major transit country has contributed significantly to the growth of transport activity and its associated emissions.

A structural imbalance nevertheless emerges. While road transport generates almost all emissions within the sector, most green investments are channelled towards rail transport. This allocation is consistent with a long-term decarbonisation strategy, but it also underlines the difficulty of reducing road transport emissions in the short term.

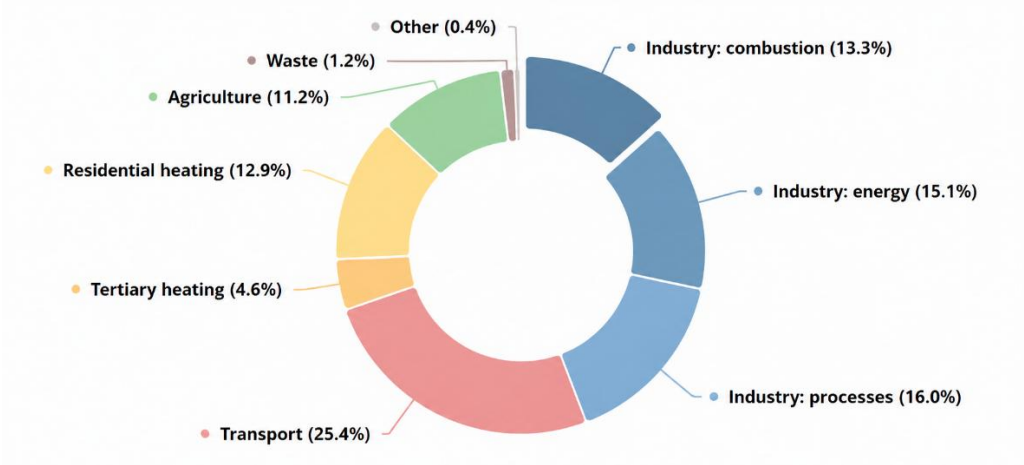
[35] Belgian Debt Agency

Within the road transport segment, most indicators continue to trend upward, and emissions in 2024 appear to have fully recovered from the decline observed in 2020 as a result of the COVID-19 pandemic and the associated restrictions on mobility.

For the other types of engines taken as a whole, although their number has almost multiplied by 13 since 2015, their share of the car fleet only represents 15%.

Road transport remains by far the largest energy consumer among all transport modes in Belgium. The number of private vehicles continues to increase, with “standard petrol hybrids” (36%) and “plug-in petrol hybrids” (21%) recording the strongest growth in absolute terms. By contrast, the number of LPG-powered vehicles has been declining since the 2000s, representing only 2.5% of alternative-fuel vehicles in 2024. Battery electric vehicles account for 36% of these alternative engines, corresponding to a fleet of 308,000 vehicles in 2024.

FIGURE 3: GHG EMISSIONS SHARE PER SECTOR IN BELGIUM IN 2024 [36]



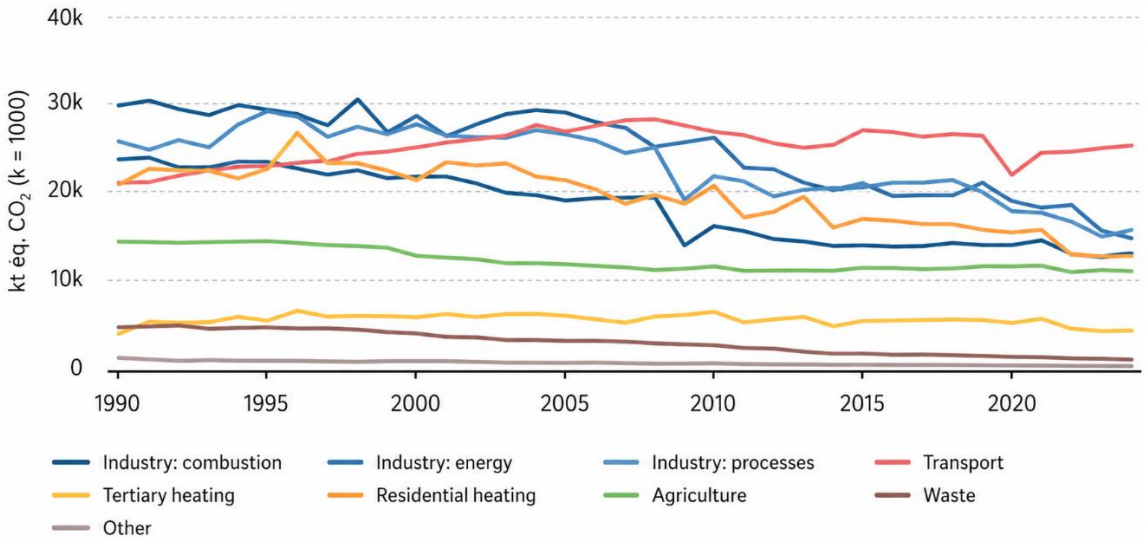
Achieving a rapid and substantial reduction in transport-related emissions requires action on three complementary fronts. First, overall mobility demand must be reduced. Secondly, a shift towards less polluting modes of transport must be undertaken. For example, each person who chooses to drive a car emits between 126 and 160 grams of CO_2 per kilometre, while an equivalent journey by train produces an average of just 23.8 grams of CO_2[37]. While rail transport cannot substitute for every type of mobility need, these figures illustrate the importance of developing a multimodal transport system in which more sustainable modes play a greater role. Third, technological improvements are needed to reduce emissions across all transport modes, notably through the electrification of the vehicle fleet.

Green OLO-funded investments primarily support the second and third of these levers. By financing rail infrastructure and enhancing the energy efficiency of transport systems, they contribute both to a modal shift towards lower-emission transport and to technological improvements within the sector. In contrast, measures aimed at reducing overall mobility demand generally fall outside the scope of such financial instruments.

[36] https://climat.be/en-belgique/climat-et-emissions/emissions-des-gaz-a-effet-de-serre/emissions-par-secteur

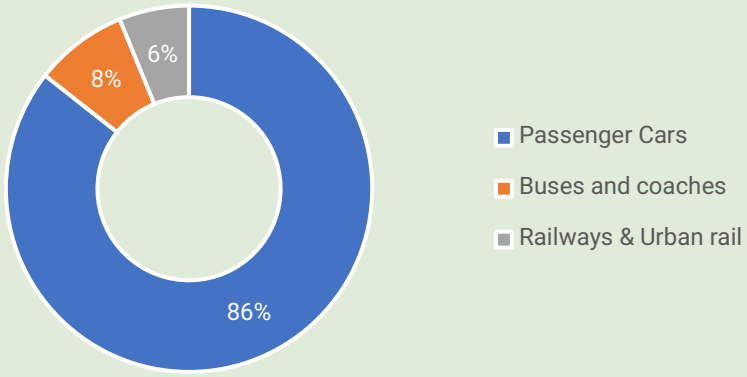
[37] https://www.belgiantrain.be/-/media/corporate/pdfs/ondernemingsplan-2023-2032-nl.ashx?la=nl&hash=4FE266EA273E0EFCC361FD88BB5E58555319170B , p.7.

FIGURE 4: GHG EMISSIONS PER SECTOR IN BELGIUM (1990-2024) [38]



Rail transport is a key pillar of Belgium's sustainable mobility strategy due to its accessibility and comparatively low emissions. This was reaffirmed in the Rail Vision 2040 plan, adopted on 6 May 2022, which sets targets to increase rail's modal share to 15% for passenger transport and 20% for freight transport by 2040, compared with 6% and 12% respectively today.

Modal split of passenger transport in Belgium, 2021



Source : https://erf.be/statistics/passenger-transport-2024/

The Rail Vision 2040 was developed to address the challenge of energy autonomy. Following the sharp increase in energy prices in recent years, Belgium has become increasingly aware of its dependence on imported fossil fuels. In this context, increasing the modal share of rail transport for both passengers and freight is considered a key objective for strengthening energy independence while reducing expenditure on fossil fuel imports[39].

The implementation of the Rail Vision's objectives is supported by several strategic planning instruments. These include the SNCB Public Service Contract, the Infrabel Performance Contract, as well as the Business Plans and Multi-Annual Investment Plans of both companies for the 2023–2032 period. Approved by the federal government on 23 December 2022, these frameworks provide the foundation for achieving the long-term ambitions set out in the Rail Vision 2040.

[38] https://climat.be/en-belgique/climat-et-emissions/emissions-des-gaz-a-effet-de-serre/emissions-par-secteur
[39] https://mobilit.belgium.be/sites/default/files/publicaties%20en%20statistieken/20220506_vision_rail_2040_-_versionlongue_fr.pdf

These plans aim to:

- extend the train offer by 10% by 2032.
- increase the number of travellers by 30% and improve the customer experience significantly.
- invest in passenger reception by doubling the current number of fully accessible stations.
- invest in modern and comfortable rolling stock with a 50% renewal of the fleet by 2032.

4.1.1 Subsidies to SNCB (Belgian railways) – OpEx

Through its annual budget, the federal government provides financial support to SNCB to enable the fulfilment of its public service mission and the operation of the Belgian railway network. These subsidies cover a range of operating expenditures. Within the Green OLO Framework, three expenditure sub-categories are identified as environmentally sustainable and therefore eligible for green financing:

- the infrastructure fee annually paid by SNCB to Infrabel for the use of the rail network when offering its transport services.
- the costs for maintenance and repair of the company's own rolling stock and sanitation works.
- the costs for remediation of the company's own rolling stock and sanitation works.

The selection of eligible green expenditure amounts is based on SNCB's detailed accounting data.

As noted in previous reports, and since 2022, the infrastructure charges paid by SNCB to Infrabel have been reduced. This change reflects a revised financing structure under which part of the funding is now provided directly by the federal government to Infrabel through a dedicated subsidy.

ICMA GBP Category	**Clean transportation**
Type	**Federal budget expenditures**
EU taxonomy activity	6.1 Passenger interurban rail transport
Expenditure	Subsidies to SNCB (Belgian railways) - OpEx
Allocated amount (Mio EUR)	379.9
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**379.9**

4.1.2 Subsidies to SNCB (Belgian railways) – CapEx

The federal government also supports SNCB’s major investment programmes through dedicated subsidies.

These investments are instrumental in advancing the government’s objective of encouraging a modal shift towards more environmentally sustainable modes of transport in Belgium. By enhancing the quality, capacity and attractiveness of rail services, they contribute to reducing reliance on private vehicles and fostering behavioural change among both commuters and leisure travellers. Measures such as increasing service frequency and modernising rolling stock make rail transport a more competitive alternative to road transport, thereby supporting the reduction of greenhouse gas emissions and contributing to broader environmental objectives.

Within the investment programmes financed by the federal government, a selected subset of expenditures has been identified as eligible under the Green OLO Framework. Eligible amounts correspond to expenditures effectively disbursed by SNCB

during the relevant budget years. More specifically, investments across several categories have been selected based on SNCB's detailed accounting information.

The eligibility methodology distinguishes between investments that are directly linked to zero-emission rail transport and broader investment categories for which only a proportion of the expenditure is considered green. For the latter, an allocation factor is applied based on the share of passenger-kilometres travelled on electrified rail lines relative to total passenger-kilometres travelled on both electrified and diesel-operated lines. Although SNCB has confirmed that this share exceeds 95.5%, a conservative factor of 95.5% has been applied for prudential reasons.

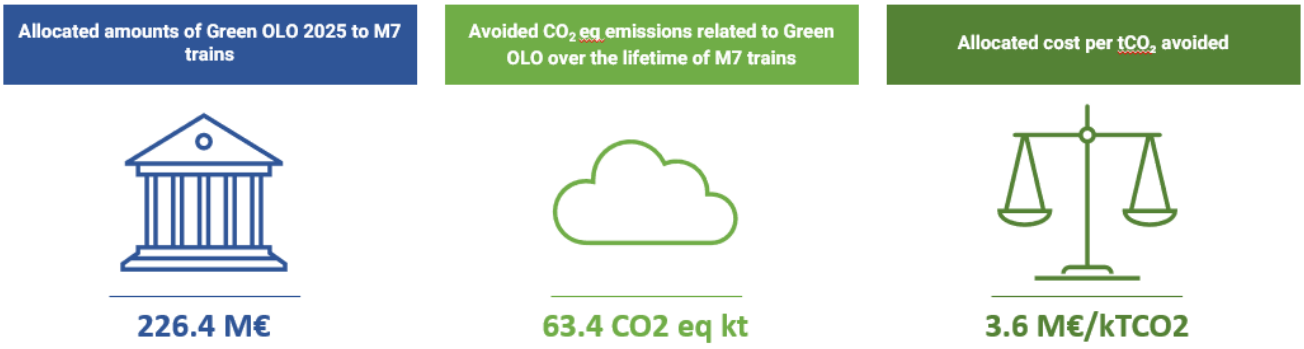
Examples of the aforementioned investments are:

- **Rolling Stock**: continuation of the M7 double-deck coach procurement programme to increase capacity on the busiest lines; acquisition of electric locomotives; major overhauls of M6 coaches; deployment of ETCS; and more.
- **Workshops**: construction of a new hall at the Hasselt workshop; roof renewal works at the central workshops in Mechelen and Salzinnes; renovation of WC waste disposal facilities in various workshops; development of a new logistics centre in Mechelen; construction of an inspection pit in Forest; track and workshop yard works; installation of platforms in the Ostend and Schaerbeek workshops; replacement of machinery; lifting equipment installations in workshops; various renovations and maintenance works; and more.
- **Stations**: continuation of major station projects (Ghent-Saint-Peter, Mons, Mechelen, Ottignies, etc.) and projects related to the Brussels Regional Express Network (RER); raised platforms in 10 additional stations (Bas-Oha, Brugelette, Dinant, Esneux, Floreffe, Saint-Job, Poix-Saint-Hubert, Sleidinge, Evergem and Waarschoot); creation of additional bicycle parking spaces (+3,166); accessibility improvements for persons with reduced mobility in 16 additional stations (Antwerp-South, Brugelette, Brussels-Luxembourg, Dinant, Hasselt, Kiewit, Liège-Saint-Lambert, Poix-Saint-Hubert, Saint-Job, Verviers-Central, Visé, Mérode, Esneux, Sleidinge, Waarschoot and Evergem); various station redevelopment projects; and more.
- **Digitalisation & Process Improvement**: development of digital sales systems; passenger information solutions (on displays and within the journey planner, train compositions, etc.); new functionalities in mobile applications for train attendants; information security initiatives; planning solutions for train drivers, train controllers and rolling stock management; cybersecurity developments; and more.
- **Buildings & Other Projects**: **Fonsny Master Plan**. This project concerns the construction of SNCB's new headquarters. The objective is to develop a building that optimises office space for the company's management while meeting stringent environmental requirements and achieving an excellent BREEAM certification rating (83%). The project also includes the implementation of a digital twin to optimise energy management and maintenance, as well as to enhance user experience, well-being and health. In 2025, expenditures mainly relate to internal and external costs associated with monitoring the procurement process during the negotiation phase.

ICMA GBP Category	Clean transportation
Type	**Federal budget expenditures**
EU taxonomy activity	6.1 Passenger interurban rail transport
Expenditure	Subsidies to SNCB (Belgian railways) – CapEx rolling stock purchase
Allocated amount (Mio EUR)	297.9
Quantitative Impact Assessment (kt CO2 eq)	63.4
Expenditure	Subsidies to SNCB (Belgian railways) – CapEx Reception of clients
Allocated amount (Mio EUR)	119.2
Quantitative Impact Assessment (kt CO2 eq)	x
Expenditure	Subsidies to SNCB (Belgian railways) – CapEx Workshop, Digitalisation, Railway buildings e.a.
Allocated amount (Mio EUR)	93.2
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**510.3**
Total assessment (kt CO_2 eq)	**63.4**

IMPACT ASSESSMENT OF M7 RAIL CARS

The total avoided CO_2 eq emissions financed by the Green OLO 2025 over the lifetime of the M7 (45 years) amounts to 63.4 kt CO_2 eq.



One of SNCB's flagship investment programmes remains the acquisition of M7 double-decker coaches, which are intended to increase capacity on the country's busiest rail corridors. Within this investment category, only the procurement of M7 rolling stock has been subject to a dedicated impact assessment, reflecting the availability of relevant performance data.

The M7 fleet represents a new generation of modern, high-performance rolling stock, characterised by enhanced speed, greater passenger capacity and improved comfort. While these trains are not intended to create new rail connections or increase service frequency, they play an important role in improving the energy performance of the existing fleet and reducing its environmental footprint. Compared with older rolling stock nearing the end of its operational life, M7 coaches are expected to lower energy consumption per seat by between 20% and 30% over their estimated 45-year service life.

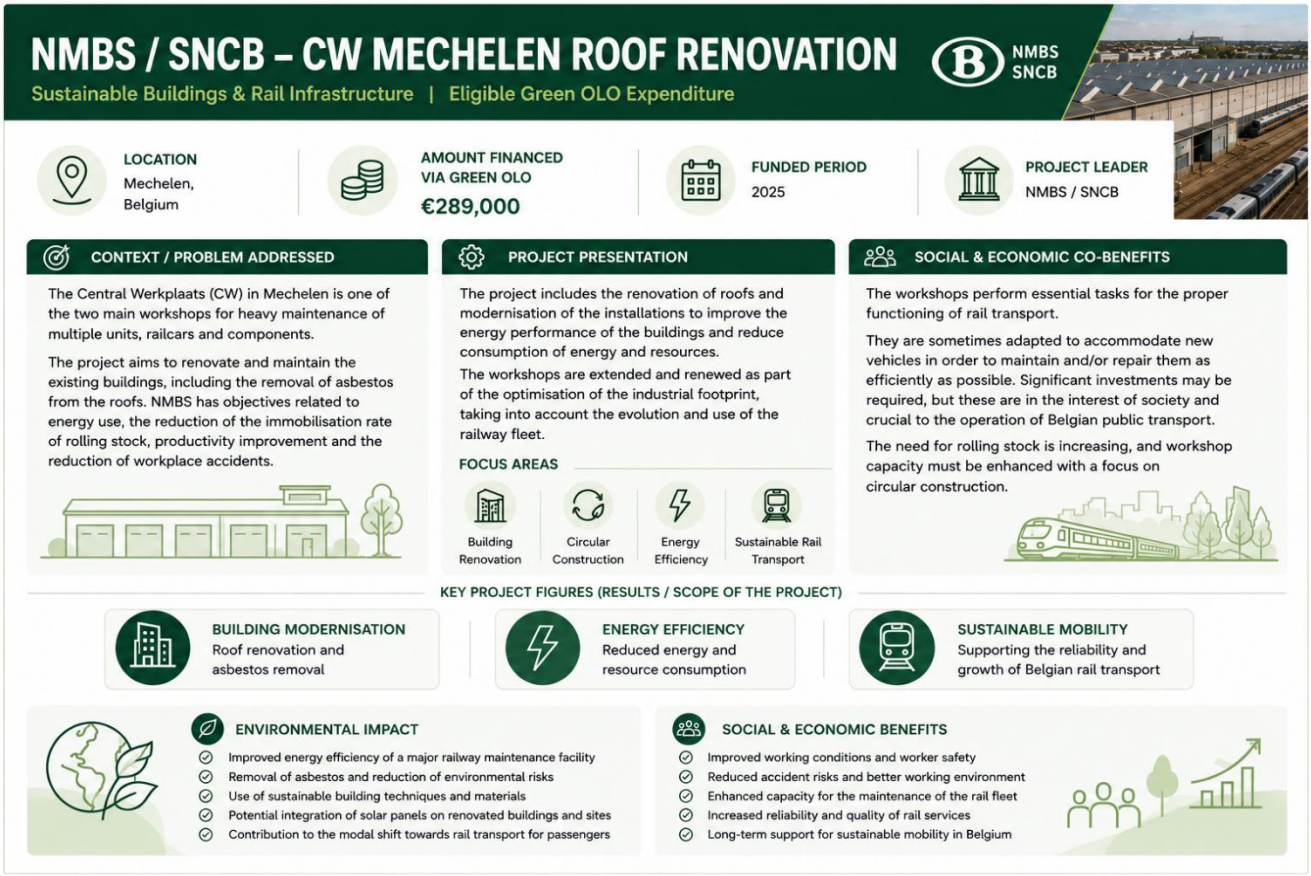
In addition, the deployment of M7 trains on heavily used routes, particularly in and around Brussels, significantly increases passenger capacity on lines experiencing growing demand. This enables SNCB to accommodate more travellers while

improving service quality and operational efficiency. Through these investments, SNCB contributes both to better demand management and to the achievement of Belgium's climate and environmental objectives.

Overall, the M7 programme illustrates the transition towards a more sustainable railway system by combining improved energy efficiency, lower emissions, greater accessibility and enhanced passenger comfort. As such, it forms an integral part of SNCB's broader strategy to deliver an environmentally responsible transport service that meets the evolving needs of its users.

PURCHASE OF M7 DOUBLE-DECK TRAINS	
Improvement in energy efficiency of M7 trains (per seat)	25%
Avoided CO_2 eq emissions related to Green OLO in 2025 over the lifetime of M7 trains [kt]	**63.4**
Avoided CO2 eq emissions related to Green OLO 86 2025 over the lifetime of M7 trains [kt]	0.5
Avoided CO2 eq emissions related to Green OLO 96 2025 over the lifetime of M7 trains [kt]	1.6
Avoided CO2 eq emissions related to Green OLO 2024 over the lifetime of M7 trains [kt]	61.3

The following case study illustrates the rail infrastructure investment that is eligible under the Green OLO framework. The renovation of the CW Mechelen maintenance facility supports improved energy performance, safer working conditions and the long-term reliability of Belgium's rail transport system. It exemplifies how eligible expenditures can contribute to more sustainable public transport infrastructure while generating environmental and socio-economic benefits.



4.1.3 Subsidies to Infrabel (rail network operator) – OpEx

Infrabel, as the manager of Belgium's railway infrastructure, plays a central role in the operation, maintenance and development of the national rail network. Historically, a significant share of its operating costs was financed through the infrastructure charges paid by SNCB for access to and use of the rail network. Since the reform of the financing mechanism, part of these charges has been replaced by a direct subsidy granted by the federal government.

For the purposes of the Green OLO Framework, this subsidy is only considered eligible under specific conditions. In particular, eligibility is assessed on the basis of Infrabel's annual financial results and only applies where the company's other sources of revenue are sufficient to cover staff-related expenses. Under this assumption, the federal subsidy can be deemed to finance other operating expenditures associated with the management and functioning of the railway infrastructure.

ICMA GBP Category	**Clean transportation**
Type	**Federal budget expenditures**
EU taxonomy activity	6.14 Infrastructure for rail transport
Expenditure	Subsidies to Infrabel (rail network operator) - OpEx
Allocated amount (Mio EUR)	299.4
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	299.4

4.1.4 Subsidies to Infrabel (rail network operator) – CapEx

The federal government provides annual funding for Infrabel's investment programme. As in previous years, expenditures related to rail infrastructure, the European Train Control System (ETCS), the Regional Express Rail Network (RER/GEN), and feeder and high-speed rail infrastructure have been fully retained as eligible under the Green OLO Framework. However, investments in production facilities are no longer considered eligible, as compliance with the required electrification criteria could not be adequately verified.

Only the capacity maintenance has been subject to an impact analysis because there was sufficient data available to conduct the calculations.

ICMA GBP Category	**Clean transportation**
Type	**Federal budget expenditures**
EU taxonomy activity	6.14 Infrastructure for rail transport
Expenditure	Subsidies to Infrabel (rail network operator) – CapEx – Capacity Maintenance
Allocated amount (Mio EUR)	398.1
Quantitative Impact Assessment (kt CO2 eq)	258.4
Expenditure	Subsidies to Infrabel (rail network operator) – CapEx ETCS
Allocated amount (Mio EUR)	206.8
Quantitative Impact Assessment (kt CO2 eq)	x
Expenditure	Subsidies to Infrabel (rail network operator) – CapEx Capacity extension & service improvement (capacity extension, reception, HST, GEN)
Allocated amount (Mio EUR)	165.1
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**770.0**
Total assessment (kt CO_2 eq)	**258.4**

Investments remain similar to those of the previous years. Some examples are:

- Renewal and safety of the railway axis Brussels-Luxemburg[40]; The goal is to upgrade the 175 km rail corridor (lines 161/162) from Brussels to the Luxembourg border to increase speeds from ~130 km/h to 160 km/h, reducing travel time by up to 20 minutes. Works include curve realignment, platform renovations at major stations, and replacement of bridges, tunnels, and level crossings. The line is being re-electrified (25 kV AC on the Namur–border section) with modern signalling, broader track gauge (2.25 m), and extensive civil engineering (rock face stabilization). Major sections and station upgrades have already been completed, with full project delivery planned by 2026.
- Improved safety and robustness of the Brussels North-South link[41]: As part of the ETCS deployment and broader modernization projects, Infrabel is enhancing the Brussels North-South railway connection, a critical and heavily trafficked corridor. The upgrades include installing advanced signalling systems (ETCS Level 2), renewing track infrastructure, and improving operational reliability to reduce delays and increase safety. These efforts ensure better traffic management in one of Belgium's busiest rail hubs, contributing to smoother and safer passenger and freight flows through central Brussels
- Addition of a third and fourth track between Ghent and Bruges[42]: The aim is to add two extra tracks (making four) on the line between Ghent and Bruges to separate slow freight and fast passenger services. This includes renovating seven station areas, replacing level crossings, and building new bridges and noise barriers. The project is designed to improve operational fluidity, accommodate growing daily traffic (≈250 trains/day), and support both commuter and freight transport.
- Investments in the ports for an increased freight traffic by rail:
    - Zeebrugge[43]: The goal is to increase the rail freight capacity of the port to support growing container traffic. Infrabel is building a new marshalling yard in Zwankendamme with 18 classification tracks and modern infrastructure compliant with European standards. This aims to shift more freight from road to rail and ease road congestion.
    - Antwerp[44]: This project focuses on improving rail access to the Port of Antwerp, especially in the northern zone, through infrastructure upgrades and new rail connections. It aims to streamline freight flows and increase overall capacity. These investments are part of a broader strategy for sustainable freight transport.
    - North Sea Port (Ghent–Terneuzen)[45]: Infrabel is extending certain tracks to 750 m and modernizing rail infrastructure and signalling systems. The project supports the port's freight growth and strengthens cross-border rail links with the Netherlands. Centralized traffic management is also being implemented to enhance efficiency.

[40] https://infrabel.be/fr/project/modernisation-axe-3
[41] https://infrabel.be/fr/project/etcs
[42] https://infrabel.be/fr/projet/gand-bruges
[43] https://infrabel.be/fr/projet/port-de-zeebruges
[44] https://infrabel.be/fr/project/le-port-danvers
[45] https://infrabel.be/fr/project/north-sea-port-gand-terneuzen

IMPACT ASSESSMENT - MAINTENANCE OF RAILWAY INFRASTRUCTURE

The total avoided CO_2 eq emissions financed by the Green OLO 2025 over the lifetime of maintenance investment amounts to 258.4 kt CO_2 eq.

Allocated amounts of Green OLO 2025 to maintenance of railway infrastructure	Avoided CO_2 eq emissions related to Green OLO over the lifetime of maintenance investments	Allocated cost per tCO_2 avoided
		
398.1 M€	258.4 CO2 eq kt	1.5 M€/kTCO2

Each year, Infrabel, Belgium's railway infrastructure manager, undertakes maintenance work on the network. This primarily involves tracks, catenary systems (overhead power lines), and signalling. These activities are essential to ensure traffic safety, maintain train punctuality, and provide an adequate level of comfort for passengers.

Regular maintenance is crucial: without it, the network's reliability gradually declines. This results in speed restrictions, more frequent failures, and disruptions on the affected lines. Ultimately, rail becomes less attractive, often to the advantage of more polluting and energy-intensive modes of transport, such as private cars and road freight.

Preventive maintenance also helps extend the lifespan of equipment and lowers the cost of repairs, which are often higher in emergency situations. Conversely, inadequate maintenance can result in accidents or temporary line closures, with significant impacts on national mobility.

If a section is not renovated within the annual programme, it effectively loses its place in the maintenance cycle. It will only be addressed again once all other sections have been treated, which may result in a delay equivalent to the equipment's technical lifespan—up to 40 years. As a result, postponing works can have consequences lasting several decades, leading to a continuous decline in line performance.

It is therefore essential to plan investments in a balanced manner across the entire network to prevent the emergence of weak points that could undermine overall rail system performance. A long-term perspective, supported by stable funding, is necessary to ensure a resilient, reliable and truly sustainable rail network.

MAINTENANCE OF RAILWAY INFRASTRUCTURE	
Avoided CO_2 eq emissions related to Green OLO in 2025 over the lifetime of M7 trains [kt]	**258.4**
Avoided CO2 eq emissions related to Green OLO 86 2025 over the lifetime of M7 trains [kt]	2.9
Avoided CO2 eq emissions related to Green OLO 96 2025 over the lifetime of M7 trains [kt]	9.7
Avoided CO2 eq emissions related to Green OLO 2024 over the lifetime of M7 trains [kt]	245.8

4.1.5 Tax exemptions and deductions to promote clean transportation

The Belgian personal income tax legislation includes several incentives designed to encourage the use of more sustainable modes of transport. These tax benefits mainly consist of:

- the full exemption of employer reimbursements for commuting expenses made by public transport for taxpayers applying the standard deduction for professional expenses;
- the full exemption of bicycle allowances granted by employers to employees commuting by bicycle, subject to a maximum amount per kilometre.

The value of these tax expenditures is estimated by the Strategic Expertise and Support Service of the FPS Finance based on personal income tax returns. As noted previously, the 2025 figures remain provisional and are based on expert estimates derived from finalised data from previous years and preliminary tax return information. The allocation methodology takes this uncertainty into account.

Impact assessments have been carried out for both categories of expenditure, relying on sufficient data availability and scientifically robust assumptions validated by transport sector experts.

ICMA GBP Category	**Clean transportation**
Type	**Federal fiscal expenditures**
EU taxonomy activity	6.3 Urban and suburban transport, road passenger transport
Expenditure	Tax exemption for employer reimbursement of costs for commute by public communal transport
Allocated amount (Mio EUR)	196.4
Quantitative Impact Assessment (kt CO2 eq)	134.1
EU taxonomy activity	6.4 Operation of personal mobility devices, cycle logistics
Expenditure	Tax exemption for employer payments for commute by bicycle
Allocated amount (Mio EUR)	68.7
Quantitative Impact Assessment (kt CO2 eq)	18.9
EU taxonomy activity	6.5 Transport by motorbikes, passenger cars and light commercial vehicles
Expenditure	Tax deduction for the purchase of specific electric vehicles (not electric cars)
Allocated amount (Mio EUR)	0.5
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**265.5**
Total assessment (kt CO_2 eq)	**153.0**

The tax deduction for the acquisition of certain **electric vehicles**—specifically motorcycles, tricycles, and quadricycles powered solely by electricity—was abolished as of the 2025 income year (Articles 64 and 90, paragraph 4, of the Law of 18 December 2024, Belgian Official Gazette of 30 December 2024). As a result, no related tax expenditure is expected from 2025 onward. Nevertheless, a residual amount of EUR 0.5 million from 2024 was still allocated under this category in 2025.

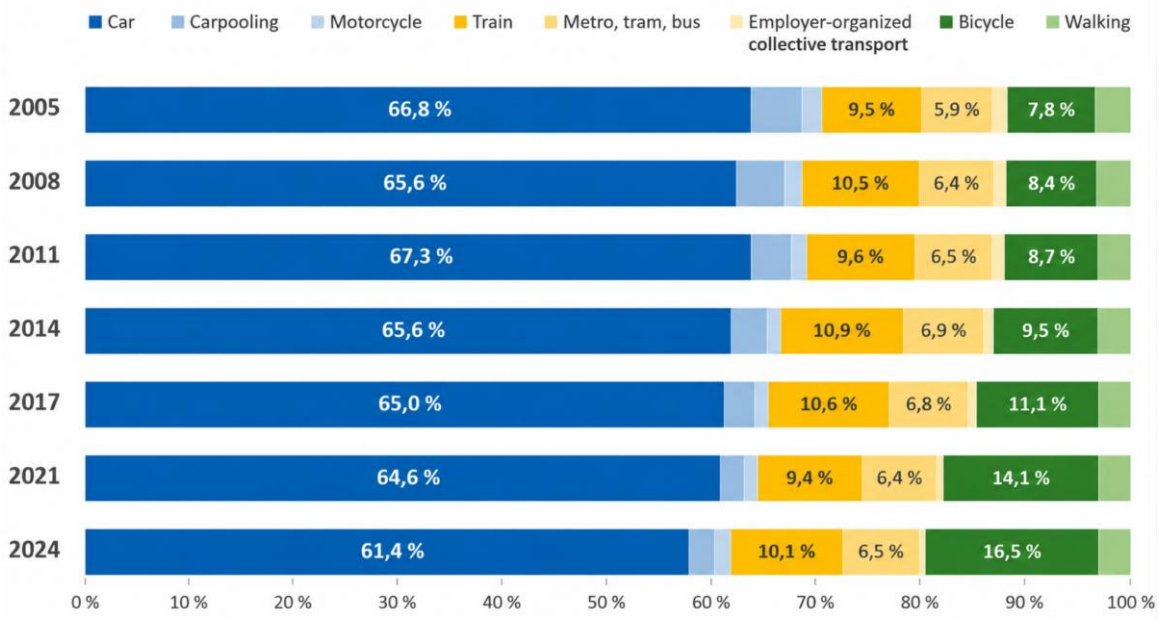
IMPACT ASSESSMENT - TAX EXEMPTION TO PROMOTE PUBLIC TRANSPORTATION

The total avoided CO_2 eq emissions financed by the Green OLO 2025 amounts to 134.1 kt of CO_2 eq.

Allocated amounts of Green OLO 2025 to tax exemption to promote public transportation	Avoided CO_2 eq emissions related to Green OLO over tax exemption to promote public transportation	Allocated cost per tCO_2 avoided
196.4 M€	134.1 CO2 eq kt	1.5 M€/kTCO2

According to FPS Mobility figures[46], in 2024 the large majority (61,4%) of commuting between home and work was done by car.

FIGURE 5: PASSENGER TRANSPORT PER MODE IN BELGIUM (2005-2024)



This expenditure category relates to the full tax exemption granted to taxpayers who apply the standard deduction for professional expenses and receive employer reimbursements for commuting costs. The exemption applies exclusively to journeys made using public transport. In the absence of this exemption, it is estimated that a considerable share of current public transport users would switch to alternative, often more polluting, modes of travel. This analysis relies on the concept of price elasticity of demand for public transport, as well as diversion factors used by the Federal Planning Bureau in their PLANET modelling tool[47]. These variables are essential for evaluating how shifts in transport behaviour influence environmental impacts and traffic conditions to help predict how people will change their transportation choices.

[46] FPS Mobility and Transport, BeMob - Les déplacements domicile-travail 2024-2025, (online), p. 9, available in French on: Enquête des déplacements domicile-travail | Mobilité

[47] Federal Planning Bureau, Télétravail et demande de transport, Working Paper 2026/01, Brussels, 2026, available on: Bureau fédéral du Plan – Working Paper 2026/01 (visited on 3 June 2026).

EXEMPTION FOR REIMBURSEMENT OF COMMUTING BY PUBLIC TRANSPORT	
Mpkm [48]travelled by train due to policy	2175.8
Mpkm travelled by bus, tram and metro due to policy	923.7
Pkm travelled by bus, tram, metro due to policy from ex-car users [%]	68%
Pkm travelled by train due to policy from ex-car users [%]	82%
Avoided CO_2 eq emissions related to Green OLO in 2025 [kt]	**134.1**
Avoided CO_2 eq emissions related to Green OLO 86 2025 [kt]	1.4
Avoided CO_2 eq emissions related to Green OLO 96 2025 [kt]	4.7
Avoided CO_2 eq emissions related to Green OLO 2024 eligible expenses allocated in 2024 [kt]	128.0

IMPACT ASSESSMENT – BICYCLE ALLOWANCE

The total avoided CO_2 eq emissions financed by the Green OLO 2025 amounts to 18.9 kt of CO_2 eq.

Allocated amounts of Green OLO 2025 to bicycle allowance	Avoided CO_2 eq emissions related to Green OLO over bicycle allowance	Allocated cost per tCO_2 avoided
		
68.7 M€	18.9 CO2 eq kt	3.6 M€/kTCO2

Since 2023, Belgium has further encouraged cycling commutes through Collective Labour Agreement (CLA/CCT) No. 164, which introduced a mandatory bicycle allowance for many private-sector employees commuting by bike. The allowance is tax- and social security-exempt up to the applicable ceiling.[49]

To achieve a global modal shift, it is essential to focus specifically on commuting journeys. This shift plays a key role in Belgium's transition towards carbon neutrality by 2050. It is a shared responsibility between employers, employees, and public authorities, and it involves actively promoting the use of public transport.

[48] Million Passenger Kilometer (MPKM) refers to the total distance travelled by passengers, aggregated into millions of kilometers.
[49] https://www.securex.be/fr/lex4you/employeur/actualites/indemnites-et-avantages-velo-en-2025-tout-ce-que-vous-devez-savoir-2025

FIGURE 6: CHANGE IN MODAL SPLIT OF COMMUTING TRIPS IN PERCENTAGE POINTS (2005–2024)[50]

BELGIUM	2005	2021	2024	'05-'24	'21-'24
Car (alone)	66.8 %	64.6 %	**61.4 %**	-8.1 %	-4.9 %
Carpool	4.7 %	1.8 %	**1.7 %**	-64.0 %	-7.4 %
Motorcycle	1.7 %	0.9 %	**0.7 %**	-57.6 %	-20.8 %
Train	9.5 %	9.4 %	**10.1 %**	+6.4 %	+7.7 %
Metro, tram, bus	5.9 %	6.4 %	**6.5 %**	+9.9 %	+1.9 %
Employer-organised transport	1.2 %	0.5 %	**0.4 %**	-70.1 %	-25.2 %
Bicycle	7.8 %	14.1 %	**16.5 %**	+110.9 %	+16.9 %
Walking	2.4 %	2.4 %	**2.8 %**	+16.7 %	+17.2 %

Beyond encouraging a modal shift towards cycling, achieving this objective also requires two complementary conditions:

(i) adjusting the respective financial contributions of employers and employees to commuting costs, and
(ii) adapting the fiscal and parafiscal framework applicable to commuting.

For the 2025 impact assessment, the total amount of bicycle allowances granted was divided by the standard reimbursement rate of €0.36 per kilometre in order to estimate the total cycling distance covered under the scheme.

Based on this estimated distance, the emissions that would have occurred in the absence of the policy were calculated. This analysis used elasticity values, diversion factors, and emission rates for alternative modes of transport—such as cars, motorcycles, trains, buses, trams, and metro—that might have been used instead of cycling.

BICYCLE ALLOWANCE	
Mpkm travelled by bicycle due to policy	573.6
Pkm travelled by bicycle due to policy from ex-car users [%]	40%
Avoided CO_2 eq emissions related to Green OLO [kt]	**18.9**
Avoided CO_2 eq emissions related to Green OLO 86 2025 [kt]	0.2
Avoided CO_2 eq emissions related to Green OLO 96 2025 [kt]	0.7
Avoided CO_2 eq emissions related to Green OLO 2024 eligible expenses allocated in 2023 [kt]	18.0

[50] FPS Mobility and Transport, BeMob – Les déplacements domicile-travail 2024-2025, (online), available in French on: Enquête des déplacements domicile-travail | Mobilité

4.2 OTHER GREEN CATEGORIES

Aside from the expenditures aimed at clean transportation, a series of other expenses and investments are funded by the amounts issued in Green OLO format.

4.2.1 Increased tax deductions for green investments

The Belgian Income Tax Code provides an investment deduction allowing taxpayers to deduct a percentage of the acquisition value of eligible green investments directly from their taxable base. Initially, two categories of investment deductions were retained under the Green OLO Framework:

- **Energy-saving investments**
    - This category covers investments aimed at improving energy efficiency, promoting a more rational use of energy, enhancing industrial processes from an energy perspective, and supporting energy recovery within the industrial sector.
    - The applicable deduction rate was 15.5%.
- **Investments supporting the reuse of containers**
    - This category applies to tangible fixed assets used exclusively in the production, collection, temporary storage, transport, sorting and cleaning of reusable containers. It also covers equipment facilitating the return of reusable containers from points of sale to bottling facilities or distribution centres.
    - The applicable deduction rate was 3%.

Since tax year 2022, a third category of expenditures has been introduced in the form of tax deductions for green investments:

- **Zero-emission trucks and charging infrastructure**
    - This category covers investments in trucks with zero direct carbon emissions, as well as infrastructure for hydrogen refuelling (using blue, turquoise or green hydrogen) and electric charging infrastructure dedicated to zero-emission trucks.
    - The applicable tax deduction rate is gradually decreasing over time, amounting to 35% for investments made in 2022 and 2023, and 31.5% for investments carried out in 2024.

A new tax deductions regime for green investments

In May 2024, Belgium reformed its investment deduction regime, with the new system entering into force on 1 January 2025. Under the new framework, a basic investment deduction rate of 10% applies to SMEs and self-employed persons, replacing the former ordinary deduction regime. Investments involving climate-harmful substances are excluded unless no carbon-free alternative is available.

In addition, enhanced thematic investment deductions have been introduced. These apply to eligible investments related to:

- Energy efficiency & renewables
- Zero-emission transport
- Environmental protection
- Digital assets supporting the above-mentioned objectives.

The enhanced deduction rates are set at 40% for SMEs and self-employed persons and 30% for large companies. Eligible investments are defined through Royal Decree lists that are updated every three years. Access to the enhanced deduction requires certification by the competent authority confirming compliance with the eligibility criteria and limited environmental harm.

Furthermore, the Federal Government Agreement of 31 January 2025 foresees additional reforms, including:

- Harmonisation of the enhanced investment deduction rates at 40% for the energy, mobility and environmental investment lists;
- Unlimited carry-forward of unused investment deductions;
- Simplification and broader accessibility of the green investment deduction scheme, particularly for investments supporting the energy transition;
- Removal of the restriction linked to European public support for CCS and CCU investments under the environmental investment list.

As outlined in Sections 3.2 and 3.3, the methodology used to estimate eligible tax expenditures related to green investment deductions was revised from fiscal year 2021 onwards. The updated approach ensures consistency with the methodology applied to other federal tax expenditures by assessing the actual impact of these deductions on corporate income tax revenues during the relevant fiscal year. Eligible expenditure amounts for 2023, 2024 and 2025 have therefore been estimated using this revised methodology.

ICMA GBP Category	**Energy efficiency / Circular economy**
Type	**Federal fiscal expenditures**
EU taxonomy activity	x
Expenditure	Increased tax deduction for green investments
Allocated amount (Mio EUR)	85.0
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**85.0**

4.2.2 Reduced package charge for individual reusable drink packages

Belgium introduced a packaging charge on beverage containers in 1993 as part of a broader set of environmental taxes. This tax, which is equivalent to an excise duty, applies to individual beverage packaging, with the exception of milk and flavoured milk-based drinks. Its objective is to encourage more sustainable consumer behaviour by promoting reuse through deposit-refund systems and supporting recycling through price incentives. In practice, the reduced packaging charge mainly benefits glass packaging.

Reusable packaging may qualify for a reduced tax rate, provided that the beverage distributor has obtained the required approval. To be considered reusable, the packaging must be refillable at least seven times, collected through a deposit system and effectively reused.

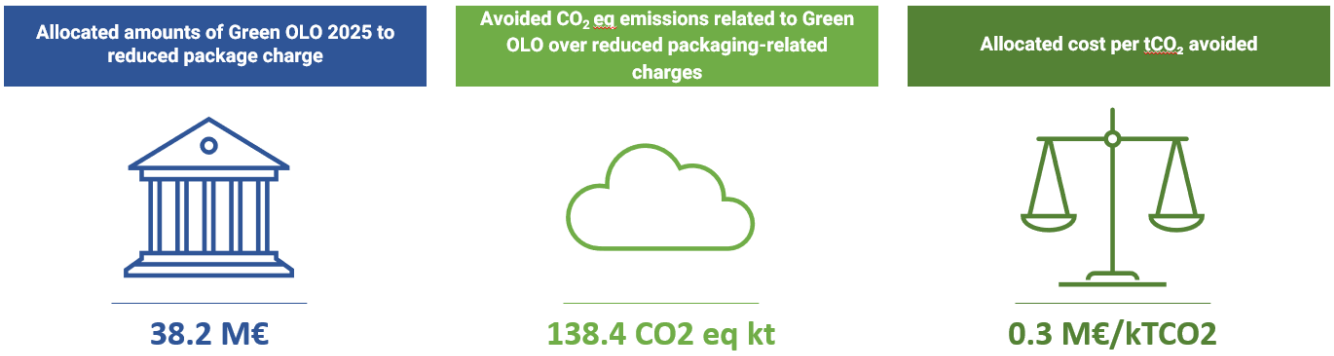
The resulting reduction in tax revenue is considered eligible green expenditure under the Green OLO Framework, as it contributes to pollution prevention and supports the transition towards a circular economy. This tax expenditure is reported annually in the *Inventory of Exemptions, Deductions and Reductions Affecting State Revenue*, annexed to the Federal Budget of Resources.

ICMA GBP Category	Circular economy
Type	**Federal fiscal expenditures**
EU taxonomy activity	2.3. Collection and transport of non-hazardous and hazardous waste
Expenditure	Reduced package charge for using individual reusable drink packages
Allocated amount (Mio EUR)	38.2
Quantitative Impact Assessment (kt CO2 eq)	138.4
Total allocated amount (MIO EUR)	**38.2**
Total assessment (kt CO_2 eq)	**138.4**

IMPACT ASSESSMENT – REDUCED PACKAGE CHARGE

The reduced packaging charge, related to the Green OLO, is estimated to have avoided in 2025:

- ✓ **138.4 kt of CO2 eq.**
- ✓ **98.5 kt of sand.**
- ✓ **39.4 kt of lime.**
- ✓ **32.4 kt of caustic soda.**
- ✓ **6.3 kt of glass released in the environment, which translates to approximately 25.0 million bottles being spared from ending up in the environment.**



The reduced packaging charge contributes to waste prevention, pollution reduction and the mitigation of greenhouse gas (GHG) emissions, while supporting the development of a circular economy. By incentivising the reuse of packaging, it reduces the environmental impacts associated with the production of new containers and limits the need for virgin raw materials, thereby generating multiple environmental benefits.

The impact assessment of this measure was carried out in terms of avoided CO_2-equivalent emissions and avoided extraction of raw materials. The analysis was based on an estimate of the volume of reusable containers (expressed in thousands of litres), derived from the difference between the packaging charges applicable to reusable and non-reusable containers.

REDUCED PACKAGING CHARGE FOR USING INDIVIDUAL REUSABLE BEVERAGE CONTAINERS	
Avoided CO_2 eq emissions related to Green OLO [kt]	**138.4**
Avoided CO_2 eq emissions related to Green OLO 86 2025 [kt]	1.4
Avoided CO_2 eq emissions related to Green OLO 96 2025 [kt]	4.9
Avoided CO_2 eq emissions related to Green OLO 2024 eligible expenses allocated in 2024 [kt]	132.1
Avoided use of materials related to Green OLO in 2025[kt]:	**170.3**
• Sand	98.5
• Lime	39.4
• Caustic soda	32.4
Avoided glass in the environment in 2025[kt]	**6.3**
Avoided glass in the environment related to Green OLO [M number of items]	**25.0**

4.2.3 Contributions to development cooperation

The Federal Public Service (FPS) for Foreign Affairs, Foreign Trade and Development Cooperation manages contributions to Development Cooperation. Its approach is guided by the Development Cooperation Act.[51] in light of current global environmental challenges. This legislation requires that environmental protection, sustainable management of natural resources, and efforts to combat climate change, desertification, and global deforestation be incorporated into all its activities.

Belgium's international climate action aims to support low-carbon, climate-resilient and inclusive development pathways. This includes promoting the sustainable management, restoration, conservation and equitable use of natural resources, biodiversity, ecosystems and landscapes, while accelerating the green transition in partner countries. A particular focus is placed on mobilising resources for climate change adaptation in response to the needs of vulnerable countries and populations. Priority areas include (i) sustainable food systems, (ii) biodiversity, ecosystems and sustainable land use, and (iii) sustainable urban development.

Belgium also supports the development and implementation of Nationally Determined Contributions (NDCs) by helping partner countries strengthen and implement ambitious climate policies. Most of this support is provided through grants and is primarily directed towards African countries and Least Developed Countries (LDCs). Climate finance is channelled through bilateral development cooperation programmes as well as through dedicated multilateral mechanisms, including the Green Climate Fund, the Adaptation Fund, the Least Developed Countries Fund and specialised United Nations agencies.

Since 2021, Belgium has substantially increased its international climate finance. The federal government's contribution[52] rose from EUR 70 million in 2020 to EUR 250.8 million in 2024, largely through additional funding provided to multilateral

[51] https://etaamb.openjustice.be/fr/loi-du-19-mars-2013_n2013015084.html

[52] Belgium's international climate finance is shared between de federal Government and the 3 regions. Each has its own contribution to international climate finance.

funds, institutions and partnerships. Consistent with Belgium's long-standing development priorities, the additional resources mobilised between 2021 and 2025 are primarily dedicated to strengthening climate policies in partner countries and supporting climate adaptation efforts in Africa. Within this framework, funding is directed towards initiatives that combine climate action with the protection and sustainable management of biodiversity and ecosystems, the promotion of sustainable agriculture, and the development of more sustainable urban environments.

Eligible expenditures under the category "Development Cooperation" include two main types of spendings:

- Multilateral funds (major part of expenses):
    - **Global Environment Facility**
      The Federal Government is a long-standing donor to the GEF and has contributed with 92,5M EUR to the 8th replenishment (GEF-8, 2022–2026), the latest tranche in 2025 being 20 M EUR.
      Overall, the GEF expects that its investments over the replenishment period will generate significant global environmental benefits, including inter alia (i) large-scale biodiversity conservation and ecosystem restoration, (ii) substantial reductions in greenhouse gas emissions, (iii) improved management of land and transboundary waters, and (iv) reduced pollution and better chemicals and waste management, contributing to the achievement of multiple multilateral environmental agreements.
      Through its integrated programming approach, GEF-8 funding supports transformative initiatives addressing biodiversity loss, climate change, land degradation, ocean health, and pollution in a coordinated manner, helping countries deliver on global environmental goals while advancing sustainable development.
    - **Least Developed Countries Fund**
      Belgium contributed 18,45 M EUR to the LDCF and is the second biggest donor. Overall, the LDCF expects that the overall LDCF portfolio of approved projects will inter alia generate an impact of (i) 77.76 million direct beneficiaries, (ii) 14.43 million hectares of land better managed to withstand the effects of climate change, (iii) 3.74 million people trained to identify, prioritize, implement, monitor and/or evaluate adaptation strategies and measures, (iv) 4,803 policies, plans, and processes developed or strengthened to identify, prioritize, and integrate adaptation strategies and measures and (v) 3,443 Private sector enterprises engaged in climate change adaptation and resilience action.
    - **Green Climate Fund**
      The Federal Government is contributing EUR 150M to the 2nd replenishment of the Green Climate Fund (2024-2027), in tranches of EUR 37,5M per year.
      Overall, the GCF expects that its USD 15.9 billion investments in 286 climate projects will inter alia generate an impact of (i) >1 billion people with increased climate resilience, (ii) 3.1 billion ton of CO2 emissions avoided, (iii) USD 17.7 billion in physical assets made more resilient against the consequences of climate change and/or made more capable to reduce the emissions of greenhouse gases and (iv) 113 million hectares of land brought under improved practices with reduced emissions and/or climate resilient management practices.
    - **UN Environment Programme**
      Belgium will contribute 16 million EUR in 2025-2028 and has contributed its first tranche of 4 million to the United Nations Environment Programme (UNEP) in 2025, as part of its continued support to UNEP's Environment Fund and thematic initiatives.
      UNEP is the leading global environmental authority within the United Nations system and plays a central role in addressing the triple planetary crisis of climate change, biodiversity loss and pollution. It supports countries worldwide through science-based assessments, policy advice, capacity-building and by convening international environmental negotiations.
    - **CGIAR**

The Federal Government is contributing EUR 5.3 million in earmarked funding to CGIAR's Multifunctional Landscapes Program and EUR 4 million in core funding.

CGIAR is a leading global research partnership that advances science and innovation to transform food, land and water systems, with the aim of improving food security, strengthening climate resilience, and protecting natural resources. Its programmes contribute inter alia to (i) sustainable agricultural productivity, (ii) climate adaptation and mitigation, (iii) restoration and integrated management of landscapes, and (iv) enhanced livelihoods for vulnerable populations.

The Multifunctional Landscapes Program under CGIAR focuses on promoting integrated, sustainable management of land, water, and biodiversity in agricultural landscapes to enhance food production, climate resilience, ecosystem health, and livelihoods simultaneously.

- **CEBioS**

  The CEBioS programme (contribution of 8 M EUR over 2024-2029, 1,5 M EUR in 2025) carries out capacity building for partners of the Belgian cooperation in the field of biodiversity conservation and sustainable management linked to poverty eradication. It works in the framework of international obligations of Belgium under the Convention on Biological Diversity (CBD) and the Belgian biodiversity strategy 2020.

- **Central African Forest Initiative**

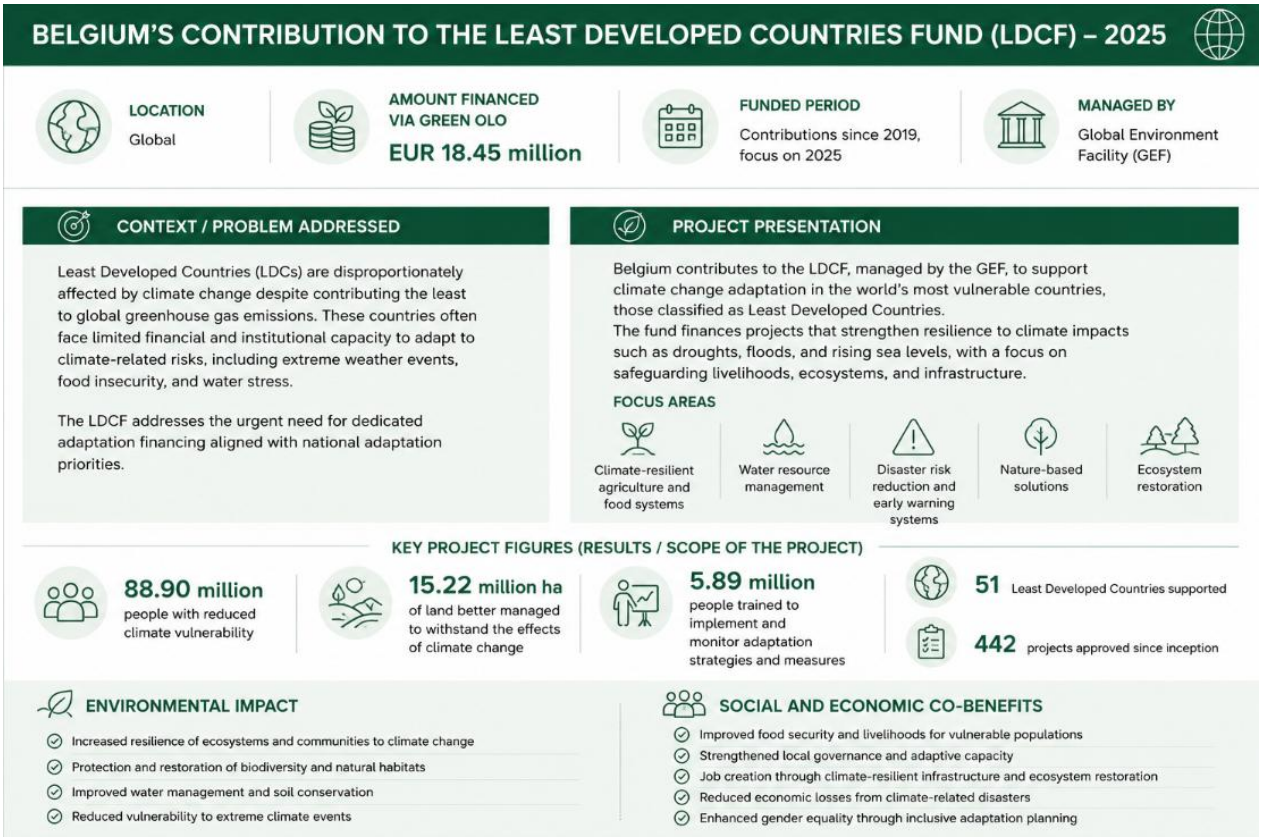
  The Federal Government is contributing EUR 5.645 million to the Central African Forest Initiative (CAFI) Private Sector Window, financed by ETS credits.

  CAFI's Private Sector Window aims to mobilize private investment in sustainable land use and forest protection in the Congo Basin, supporting initiatives that reduce deforestation, strengthen sustainable value chains, and promote economic development aligned with climate and biodiversity objectives.

- Bilateral development projects: several climate action projects in partner countries that all qualify under the Rio Marker 2, ensuring that biodiversity, desertification or climate change mitigation or adaptation are the principal objective of the project. Those projects are developed and managed in partnership with multilateral organizations (UNDP, UNCDF, UNESCO, UNHCR, FAO, etc.) or NGOs (Red Cross, ULB Cooperation, Trias, etc.).

ICMA GBP Category	Renewable Energy / Living Resources and Land Use
Type	Investments by federal government agencies
EU taxonomy activity	x
Expenditure	Contributions to development cooperation
Allocated amount (Mio EUR)	192.4
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount (MIO EUR)	**192.4**

Belgium's contribution to the Least Developed Countries Fund (LDCF) is considered eligible under the Green OLO Framework as it supports climate change adaptation in vulnerable countries. The **case study** below provides an overview of the fund's activities, areas of intervention and portfolio-level results. The indicators presented relate to the LDCF as a whole and are intended to illustrate the nature and scale of the environmental and social benefits associated with the eligible expenditure category.

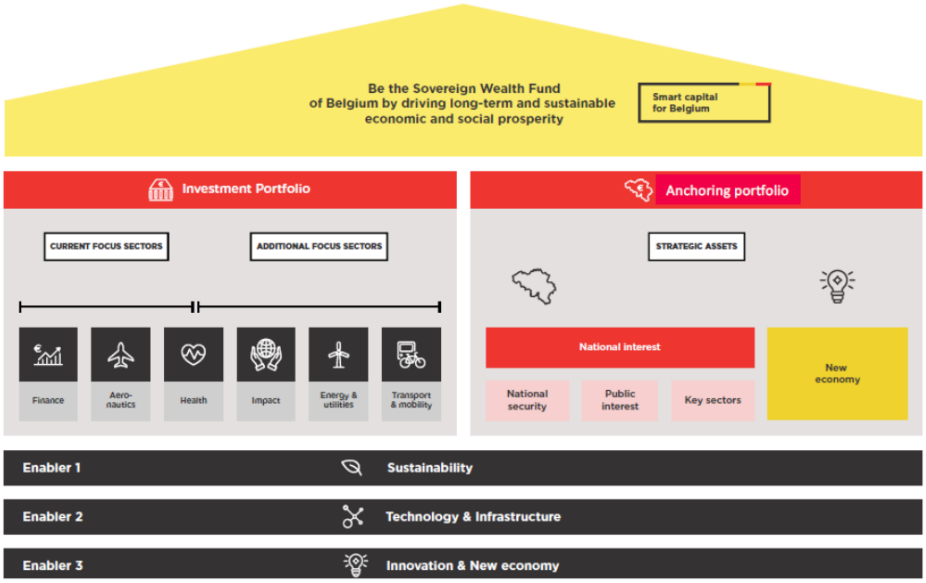


4.2.4 Green Investments by SFPIM

The Federal Holding and Investment Company (SFPIM) centrally manages the federal government's shareholdings, collaborates on specific government projects, and follows its own investment strategy to benefit the Belgian economy. When evaluating potential investments, SFPIM considers compliance with environmental standards, such as active environmental protection, applying the precautionary principle to environmental challenges, and energy efficiency management. For the transformation funds, SFPIM verifies actual compliance with the EU taxonomy DNSH criteria.

As illustrated in the figure below, investments are distributed across six key sectors—finance, aeronautics, health, impact, energy and utilities, and transport—and are supported by three cross-cutting enablers: (i) sustainability, (ii) technology and infrastructure, and (iii) innovation and the new economy. Within this investment framework, projects that make a direct contribution to environmental sustainability is identified and recognised as eligible under the Green OLO Framework in the year the corresponding funds are disbursed.

FIGURE 7: ONE PAGE PRESENTATION OF SFPIM



These investments are primarily directed towards renewable energy projects, circular economy initiatives, biotechnology and green technology funds, as well as innovations that promote the sustainability of the agri-food sector. Examples of 2025 investments are:

- **Aukera** (renewable energy generation through large-scale solar parks)
- **Regeneration BV** (circular economy)
- **Biotope Ventures II** (biotech and green technology investment fund)
- **Newtree Impact** (sustainable agri-food and food transformation technologies)

ICMA GBP Category	**Renewable Energy / Living Resources and Land Use**
Type	**Investments by federal government agencies**
EU taxonomy activity	x
Expenditure	Green investments by SFPIM
Allocated amount (Mio EUR)	96.5
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**96.5**

4.2.5 Green investments by BIO

The Belgian Investment Company for Developing Countries (BIO) is a private company with capital owned by the Belgian State through the FPS Development Cooperation. It aims to bolster a robust private sector in developing and/or emerging countries. This support is intended to help these countries access growth and sustainable development within the framework of the Sustainable Development Goals.

BIO directly invests in private sector projects, making a structural contribution to the socio-economic advancement of these host countries. Its mandate includes strict criteria regarding geographical targets, financing tools, and, above all, impact on development. A significant challenge for Development Finance Institutions (DFIs) like BIO is to ensure financed companies recognize and understand that good governance, along with strong environmental and social performance, are crucial for

their success, and must be integrated into their strategic planning on a permanent base. BIO considers environmental and social impacts throughout the project's lifecycle and integrates principles of good practice at every level, from business strategies to daily decision-making.

In 2024, BIO adopted a Strategic Impact Framework (SIF), establishing a structured and impact-oriented approach to ensure that its activities generate measurable and meaningful contributions to sustainable development. At the heart of the framework are the Strategic Impact Targets (SITs), which set out BIO's commitments across ten priority areas aligned with its Sustainable Development Goals (SDG) agenda. These targets are supported by three cross-cutting commitments: decent work, gender equality, and climate and ecological sustainability.

Within the Green OLO Framework, disbursements in the form of loans for renewable energy projects, including solar and hydropower installations with a capacity of up to 25 MW, as well as investments in renewable energy funds, are considered eligible green expenditures.

Projects financed in 2025 include:

- **Afrigreen Debt Impact Fund SLP:** BIO has invested 10 M € in the Afrigreen Debt Impact Fund, a private equity fund focused on solar renewable energy in Sub Saharan Africa.
- **SUSI Asia Energy Transition Fund:** BIO invests 7 M $ in the SUSI Asia Energy Transition Fund, a private equity infrastructure fund focused on Southeast Asia.
- **Frontier Energy II:** With more than 750 MW of renewable energy in development, construction and operation, Frontier Energy is a leading investor in the African renewable energy market. Bio has invested 8 M € in this project.

ICMA GBP Category	**Renewable Energy**
Type	**Investments by federal government agencies**
EU taxonomy activity	x
Expenditure	Green investments by Bio
Allocated amount (Mio EUR)	22.7
Quantitative Impact Assessment (kt CO2 eq)	x
Total allocated amount	**22.7**

To illustrate the nature of investments eligible under the Green OLO Framework, the following **case study** presents the San Isidro Solar Project developed by Nordic Solar in Nicaragua and financed through BIO. The project demonstrates how eligible expenditures can contribute to the deployment of renewable energy infrastructure, the reduction of greenhouse gas emissions and the strengthening of sustainable economic development. The information provided below is intended to showcase the characteristics and expected benefits of investments within the eligible expenditure category.

NORDIC SOLAR – SAN ISIDRO SOLAR PROJECT (NICARAGUA)

Renewable Energy | Eligible Green OLO Expenditure

LOCATION
Malpaisillo, León Department, Nicaragua
(about 100 km north of Managua)

AMOUNT FINANCED VIA GREEN OLO
USD 8.8 million loan

FUNDED PERIOD
December 2023
(BIO debt financing approval)

PROJECT LEADER
Nordic Solar (SPV for the San Isidro solar project) (BIOinvest)

CONTEXT / PROBLEM ADDRESSED

Nicaragua relies significantly on hydropower generation, which can be affected by seasonal drought conditions.
The project aims to strengthen the reliability and availability of electricity in Nicaragua, particularly during the dry season, by providing clean, affordable and sustainable electricity through a new solar PV power plant.

PROJECT PRESENTATION

The project consists of the development and operation of a **14 MWac solar photovoltaic power plant** supplying renewable electricity to Nicaragua's national grid.

FOCUS AREAS

- Renewable Energy Generation
- Grid Reliability
- Climate Change Mitigation
- Sustainable Infrastructure

KEY PROJECT FIGURES (RESULTS / SCOPE OF THE PROJECT)

- **14 MWac** Solar PV capacity *(16 MWdc)*
- **33+ GWh** Clean electricity generated annually
- **56,000** People equivalent served
- **20,000** tCO_2e avoided per year
- Electricity sold to the national grid

Construction completion expected by the end of 2024

ENVIRONMENTAL IMPACT

- More than 33 GWh of renewable electricity generated annually
- Avoids approximately 20,000 tonnes of CO_2-equivalent emissions per year
- Strengthened environmental management
- Biodiversity studies and reforestation planning
- Waste management measures

SOCIAL & ECONOMIC CO-BENEFITS

- Improved access to reliable electricity for households and businesses
- Supports private-sector innovation and infrastructure development
- Contributes to affordable energy supply and economic activity
- Community engagement measures
- Compliance with international social standards (IFC Performance Standards)

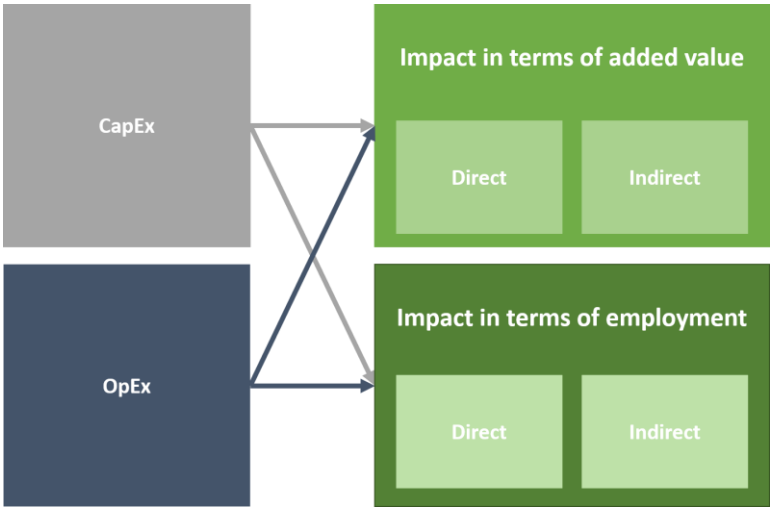
4.3 SOCIO-ECONOMIC CO-BENEFITS OF GREEN OLO EXPENDITURES

Beyond their environmental objectives, several expenditures financed under the Belgian Green OLO Framework may also contribute to broader socio-economic outcomes. Depending on the expenditure category, these contributions may include improved accessibility to sustainable mobility solutions, support for public health and active mobility, strengthened territorial connectivity, enhanced economic resilience and innovation, as well as support for vulnerable communities.

The overview below presents selected socio-economic co-benefits associated with the main expenditure categories financed under the Green OLO Framework. Given the diversity of expenditures and data availability, the analysis combines quantitative indicators, where available, with qualitative examples intended to illustrate broader socio-economic contributions.

4.3.1 Quantitative indicators: Socio-economic impacts related to the amounts allocated to SNCB and Infrabel

This chapter provides a detailed assessment of the socio-economic impacts related to the OLO amounts allocated to SNCB and Infrabel for the year 2025. An analysis of the direct and indirect benefits of the CAPEX and OPEX expenditures associated with these activities is carried out based on the OLO amounts allocated to these entities for that year, broken down by sector of activity. This consolidation and breakdown of expenditures allow, using the multipliers provided by the Federal Planning Bureau[53], to calculate the value added as well as the direct and indirect employment generated by the activities of SNCB and Infrabel.



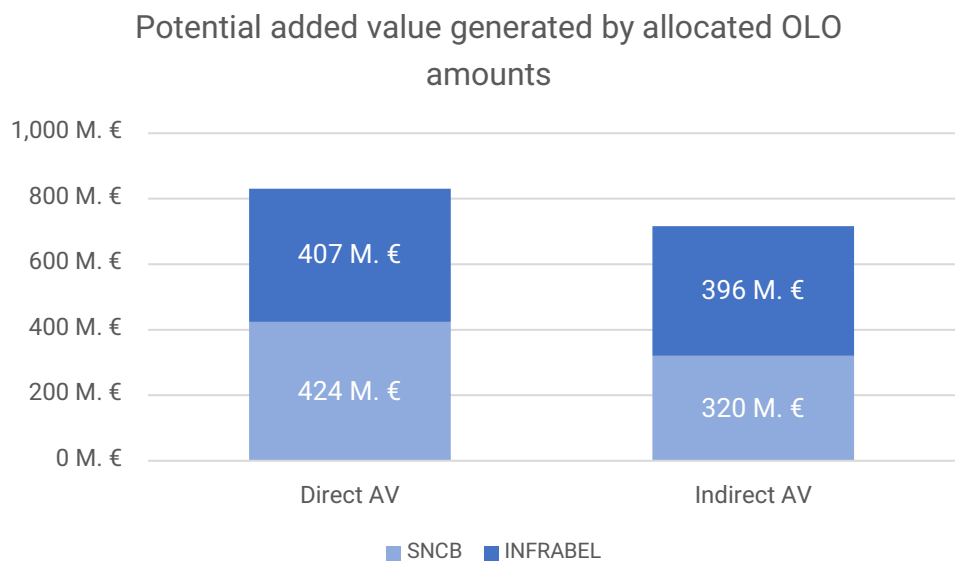
The analysis quantifies the direct and indirect value added as well as the direct and indirect employment supported by these investments. The assessment is based on the allocation of investment expenditures to different economic sectors (2-digit NACE codes), allowing the application of production and employment multipliers provided by the Belgian Federal Planning Bureau (FPB).

It should be noted that the impacts presented here are not limited to Belgium. The results include both domestic and international effects, reflecting the global supply chains involved in the production of goods and services required for the investments.

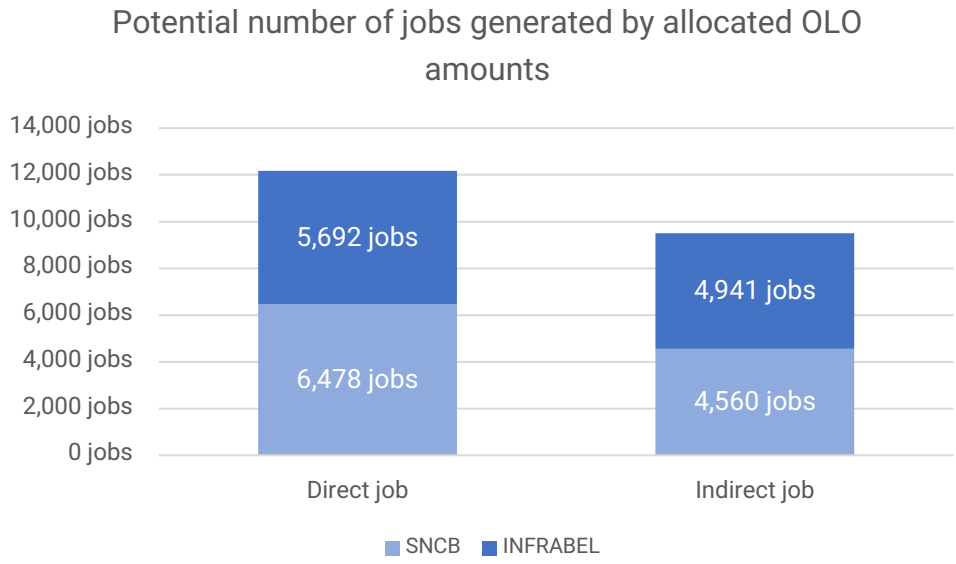
After applying the production multipliers, total value added potentially generated by the investments is estimated at approximately €1.55 billion. This consists of €831 million in direct value added and €716 million in indirect value added. SNCB

[53] Federal Planning Bureau: Bureau fédéral du Plan - Bases de données - Tableaux entrées-sorties : Multiplicateurs 2015

contributes €424 million in direct value added and €320 million in indirect value added, while Infrabel contributes €407 million and €396 million respectively.



The employment analysis indicates that the investments support a total of 21,671 jobs (expressed in full-time equivalent jobs for one year). This includes 12,170 direct jobs and 9,501 indirect jobs. SNCB accounts for 6,478 direct jobs and 4,560 indirect jobs, while Infrabel supports 5,692 direct jobs and 4,941 indirect jobs.



Overall, the results highlight the significant socio-economic benefits generated by Green OLO investments, both through direct economic activity within the railway sector and through substantial spillover effects across the wider economy.

4.3.2 Qualitative indicators

4.3.2.1 Accessibility and social inclusion

Investments in rail infrastructure and public transport contribute to improving access to sustainable mobility solutions across Belgium. Several expenditures financed under the Green OLO Framework support the accessibility, reliability and affordability of public transportation, including for persons with reduced mobility. Fiscal incentives related to public transport and bicycle commuting may also contribute to reducing commuting costs and facilitating access to low-carbon mobility alternatives.

4.3.2.2 Public health and quality of life

Several expenditures financed under the Green OLO Framework may also contribute to broader public health and quality of life benefits. Investments supporting public transportation and active mobility can contribute to reducing road congestion, local air pollution and noise levels, particularly in densely populated areas. Measures encouraging bicycle commuting may also support more active mobility behaviours and generate positive health co-benefits associated with physical activity.

In addition, the promotion of sustainable mobility alternatives may contribute to improving urban living conditions and reducing dependence on private car use for daily commuting.

4.3.2.3 Economic competitiveness and innovation

Certain expenditures financed under the Green OLO Framework may contribute to strengthening Belgium's long-term economic resilience, innovation capacity and industrial transition. Investments in rail infrastructure, sustainable mobility and green technologies support the modernization of strategic infrastructure and the development of low-carbon economic activities.

Green investments supported through SFPIM and fiscal incentives for green investments may also contribute to fostering innovation, supporting sustainable business transformation and strengthening the competitiveness of Belgian companies in the context of the low-carbon transition. In addition, investments improving freight rail capacity and logistics efficiency may support more resilient and sustainable supply chains.

4.3.2.4 Support for vulnerable communities

Some expenditures financed under the Green OLO Framework may generate broader benefits for vulnerable communities and support more inclusive transition pathways. Fiscal measures supporting affordable public transportation and sustainable commuting alternatives may help reduce mobility-related costs for households.

In addition, contributions to development cooperation and investments supported by BIO may contribute to improving access to energy and climate resilience in developing economies, particularly for communities exposed to climate-related risks. Biodiversity-related initiatives may also support the long-term resilience of local communities through the preservation of ecosystem services and natural resources.

5

TABLES & ANNEXES

5.1 ALLOCATION TABLE

		Green OLO: allocation reporting 2025					Expenditure amounts 2025 (Mio EUR)		Allocated amounts 2025 (Mio EUR)		Allocated ammounts 2025 (Mio EUR)			
		Expenditures	FPS / Entity	Green Bond Principle	Green Sector	Type of Expenditures	2025	F(inal)/ E(stimate)	2024 Previous	2025	Expenditures 2024		Expenditures 2025	
											OLO 86	OLO 96	OLO 86	OLO 96
Clean transportation Expenditures	4.1.1	SUBSIDIES TO THE SNCB (BELGIAN RAILWAY EXPLOITATION)	FPS Mobility and Transport	Climate change	Clean Transportation	Operating expenditure	551.8	F	362.2	17.6	82.4	279.8	4.0	13.6
	4.1.2	SUBSIDIES TO THE SNCB (INVESTMENT PROGRAMME)	FPS Mobility and Transport	Climate change	Clean Transportation	Investment expenditure	634.7	F	490.0	20.3	111.5	378.6	4.6	15.7
	4.1.3	SUBSIDIES TO INFRABEL (EXPLOITATION PROGRAMME)	FPS Mobility and Transport	Climate change	Clean Transportation	Operating expenditure	437.4	F	285.4	14.0	64.9	220.5	3.2	10.8
	4.1.4	SUBSIDIES TO INFRABEL (INVESTMENT PROGRAMME)	FPS Mobility and Transport	Climate change	Clean Transportation	Investment expenditure	1,084.7	F	735.3	34.7	167.2	568.0	7.9	26.8
	4.1.5	TAX EXEMPTIONS AND DEDUCTIONS TO PROMOTE CLEAN TRANSPORTATION	FPS Finance	Climate change	Clean Transportation	Tax expenditure	492.5	E	253.1	12.4	57.6	195.5	2.8	9.6
Other Expenditures	4.2.1	INCREASED TAX DEDUCTIONS FOR GREEN INVESTMENTS	FPS Finance	Climate change	Energy Efficiency/ Circular Economy	Tax expenditure	271.9	E	78.1	6.9	17.8	60.4	1.6	5.3
	4.2.2	REDUCED PACKAGE CHARGE FOR USING INDIVIDUAL REUSABLE DRINK PACKAGES	FPS Finance	Natural Ressources	Circular Economy	Tax expenditure	54.4	F	36.5	1.7	8.3	28.2	0.4	1.3
	4.2.3	CONTRIBUTIONS TO DEVELOPMENT COOPERATION	FPS Foreign Affairs, Foreign Trade and Development Cooperation	Biodiversity Climate Change	Renewable Energy/ Living Resources and Land Use	Investment expenditure	104.0	F	189.1	3.3	43.0	146.1	0.8	2.6
	4.2.4	GREEN INVESTMENTS BY THE SFPI-FPIM	SFPI-FPIM	Natural Ressources Climate Change	Renewable Energy/ Living Resources and Land Use / Clean Transportation / Circular Economy / Energy Efficiency	Investment expenditure	78.9	F	94.0	2.5	21.4	72.6	0.6	1.9
	4.2.5	GREEN INVESTMENTS BY BIO INVEST	Bio-Invest	Climate change	Renewable Energy	Investment expenditure	7.8	F	22.5	0.2	5.1	17.4	0.1	0.2
		TOTAL					**3,718.2**		**2,546.2**	**113.8**	**579.1**	**1,967.1**	**25.9**	**87.9**

					Green OLO Allocated Amounts	Global Challenge			Green Sector				
	Item	Expenditures	FPS / Entity	Type of Expenditures		Climate Change	Natural Ressources	Biodiversity	Clean Transportation	Living Resources and Land Use	Renewable Energy	Circular Economy	Energy Efficiency
Clean transportation Expenditures	4.1.1	SUBSIDIES TO THE SNCB (BELGIAN RAILWAY EXPLOITATION)	FPS Mobility and Transport	Operating expenditure	379.9				379.9				
	4.1.2	SUBSIDIES TO THE SNCB (INVESTMENT PROGRAMME)	FPS Mobility and Transport	Investment expenditure	510.3				510.3				
	4.1.3	SUBSIDIES TO INFRABEL (EXPLOITATION PROGRAMME)	FPS Mobility and Transport	Operating expenditure	299.4				299.4				
	4.1.4	SUBSIDIES TO INFRABEL (INVESTMENT PROGRAMME)	FPS Mobility and Transport	Investment expenditure	770.0				770.0				
	4.1.5	TAX EXEMPTIONS AND DEDUCTIONS TO PROMOTE CLEAN TRANSPORTATION	FPS Finance	Tax expenditure	265.5				265.5				
Other Expenditures	4.2.1	INCREASED TAX DEDUCTIONS FOR GREEN INVESTMENTS	FPS Finance	Tax expenditure	85.0								85.0
	4.2.2	REDUCED PACKAGE CHARGE FOR USING INDIVIDUAL REUSABLE DRINK PACKAGES	FPS Finance	Tax expenditure		38.2						38.2	
	4.2.3	CONTRIBUTIONS TO DEVELOPMENT COOPERATION	FPS Foreign Affairs, Foreign Trade and Development Cooperation	Investment expenditure	189.7			2.8		192.4			
	4.2.4	GREEN INVESTMENTS BY THE SFPI-FPIM	SFPI-FPIM	Investment expenditure	90.8	5.6		0.1	12.3	6.0	75.5	2.8	-
	4.2.5	GREEN INVESTMENTS BY BIO INVEST	Bio-Invest	Investment expenditure	22.7						22.7		
	TOTAL				**2,613.3**	**43.8**		**2.9**	**2,237.4**	**198.4**	**98.2**	**41.0**	**85.0**

5.2 IMPACT TABLE

EXPENDITURES	ALLOCATED AMOUNTS 2025 (MIO EUR)	PERIOD COVERED BY THE ASSESSMENT	ASSESSED IMPACT	ASSESSMENT (KT)
SUBSIDIES TO THE SNCB – CAPEX (M7 PURCHASE)	226.4	Impact all over the lifetime of M7 trains (45 years)	Avoided GHG emissions	**63.4**
SUBSIDIES TO INFRABEL – CAPEX (MAINTENANCE OF RAILWAY INFRASTRUCTURE)	398.1	Impact over the lifetime of maintenance investments (40 years)	Avoided GHG emissions	**258.4**
TAX EXEMPTIONS AND DEDUCTIONS TO PROMOTE CLEAN TRANSPORTATION – PUBLIC TRANSPORT	196.4	2025	Avoided GHG emissions	**134.1**
TAX EXEMPTIONS AND DEDUCTIONS TO PROMOTE CLEAN TRANSPORTATION – BICYCLE	68.7	2025	Avoided GHG emissions	**18.9**
REDUCED PACKAGE CHARGE FOR USING INDIVIDUAL REUSABLE DRINK PACKAGES	38.2	2025	Avoided GHG emissions	**138.4**
			Avoided extracted materials (caustic soda, sand, limestone)	**170.3**
			Avoided glass in the environment	**6.3**
TOTAL	**972.8**			*Avoided GHG emission:* **613,2**

5.3 SDG'S MAPPING OF THE EXPENDITURES

	1 NO POVERTY	3 GOOD HEALTH AND WELL-BEING	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	14 LIFE BELOW WATER	15 LIFE ON LAND	17 PARTNERSHIPS FOR THE GOALS
SUBSIDIES TO SNCB (OPEX)		✓			✓	✓		✓		✓			
SUBSIDIES TO SNCB (CAPEX)		✓			✓	✓	✓	✓		✓			
SUBSIDIES TO INFRABEL (OPEX)		✓			✓	✓		✓		✓			
SUBSIDIES TO INFRABEL (CAPEX)		✓			✓	✓		✓		✓			
TAX EXEMPTIONS AND DEDUCTIONS TO PROMOTE CLEAN TRANSPORTATION		✓		✓	✓	✓	✓	✓	✓	✓			
INCREASE TAX DEDUCTIONS FOR GREEN INVESTMENTS		✓		✓	✓	✓			✓	✓			
REDUCED PACKAGE CHARGE								✓		✓		✓	
GREEN INVESTMENTS BY THE SFPI-FPIM				✓	✓	✓		✓		✓		✓	
GREEN INVESTMENTS BY BIO INVEST	✓	✓	✓	✓	✓		✓			✓		✓	✓
CONTRIBUTIONS TO DEVELOPMENT COOPERATION	✓	✓	✓	✓	✓		✓			✓	✓	✓	✓

5.4 BELGIUM IN ESG METRICS

This outlook is intended to give investors a clear and comprehensive overview of Belgium's ESG key performance indicators. The metrics are based on regularly updated data from reliable public sources, enabling investors to benchmark Belgium's performance against the European average.

TABLE 1 : PRESENTATION OF BELGIUM WITH A SELECTION OF ESG METRICS (SOURCES: EUROSTAT, WORLD BANK, REPORTERS WITHOUT BORDERS, THE HERITAGE FOUNDATION)

Indicator	Source	Unit	Reference year	Belgium	EU 27
GDP (current prices)	Eurostat	billion euro	**2024** **(2023)**	620.271 (+2,97%)	18016.189 (+4,40%)
Population	Eurostat	million persons	**2025-Q4** **(2024)**	11.925 (+0,38%)	452.324 (+0,17%)
Net greenhouse gas emissions	Eurostat	tons per capita	**2024** **(2022)**	8.2 (-5,75%)	6.35 (-13,01%)
Share of renewable energy in gross final energy consumption	Eurostat	%	**2024** **(2023)**	14.3 (-2,99%)	25.2 (-2,79%)
Final energy consumption per capita	Eurostat	tons of oil equivalent per capita	**2024** **(2023)**	2.7 (+2,26%)	2.0 (+0,50%)
Share of buses and trains in passenger transport	Eurostat	% of inland passenger-km	**2023** **(2022)**	19.6 (+4,26%)	16.9 (+3,05%)
Recycling rate of municipal waste	Eurostat	% of total municipal waste generated	**2024** **(2022)**	56.2 (+2,74%)	48.1 (-2,04%)
Share of forest area	Eurostat	% of total land area	**2022** **(2018)**	23.9 (-1,65%)	N/A
Terrestrial protected areas	Eurostat	% of country area	**2023** **(2022)**	15.5 (+5,44%)	26.4 (+1,15%)
Marine protected areas	Eurostat	% of marine area	**2023** **(2022)**	38.1 (+0,79%)	13.7 (+11,38%)
Real GDP per capita	Eurostat	EUR per capita, chain-linked volumes (2020)	**2025** **(2024)**	44.650 (+0,54%)	34.110 (+1,34%)
Gini coefficient of equivalised disposable income	Eurostat	on a zero to one hundred scale	**2025** **(2023)**	23.4 (-3,7%)	N/A
Purchasing power adjusted GDP per capita	Eurostat	index EU = 100	**2024** **(2023)**	115 (-1,71%)	100 (+0%)
Income share of the bottom 40 % of the population	Eurostat	% of income	**2025**	25.1	N/A

			(2023)	(+1,62%)	
Employment rate	Eurostat	% of population aged 20 to 64	**2025** **(2024)**	72.8 (+0,69%)	76.1 (+0,40%)
People at risk of poverty	Eurostat	% of population	**2025** **(2023)**	9.9 (-18,18%)	N/A
In-work at-risk-of-poverty rate	Eurostat	% of population aged 18 or over	**2025** **(2023)**	4.1 (-12,77%)	N/A
Self-reported unmet need for medical care	Eurostat	% of population aged 16 or over	**2025** **(2023)**	0.9 (-18,18%)	N/A
Life expectancy	Eurostat	years	**2024** **(2023)**	82.4 (-0,12%)	81.5 (+0,12%)
Tertiary educational attainment	Eurostat	% of population aged 25 to 34	**2025** **(2023)**	52.7 (+5,40%)	44.8 (+3,94%)
Gender employment gap	Eurostat	percentage points, people aged 20 to 64	**2025** **(2024)**	7.1 (-11,25%)	9.6 (-4%)
Seats held by women in national parliaments and governments	Eurostat	% of seats	**2025** **(2024)**	44.2 (+3,27%)	33.6 (+0,60%)
Positions held by women in senior management	Eurostat	% of board members	**2025** **(2023)**	39.2 (+3,43%)	33.6 (+5,66%)
Freedom of press	Reporters Without Borders	Global Ranking (0-180)	**2026** **(2024)**	16.0 (+11,11%)	N/A
Worldwide Governance indicator: rule of law	World Bank	0 (lowest) to 100 (highest) score	**2024** **(2023)**	79.0 (+0,30%)	N/A
Government effectiveness	World Bank	0 (lowest) to 100 (highest) score	**2024** **(2023)**	74.6 (+0,80%)	N/A
Control of corruption	World Bank	0 (lowest) to 100 (highest) score	**2024** **(2023)**	77.6 (+0,05%)	N/A
Ease of doing business	World Bank	1 = Most business-friendly regulations	**2019**	46.0	N/A
Labour freedom	The heritage foundation	0 (lowest) to 100 (highest) score	**2026** **(2025)**	69.2 (+0,29%)	N/A
Population with confidence in the EU Parliament	Eurostat	% of population	**2025** **(2023)**	56.0 (+5,66%)	52.0 (+6,12%)

Following the annual update of the table outlining Belgium's ESG key performance indicators, a comparative analysis has been conducted to assess the country's trends over time and to examine their alignment with changes observed in European averages across environmental, social, and governance metrics.

ENVIRONMENTAL INDICATORS

Belgium presents a contrasted environmental profile, with some indicators improving while others diverge from EU-wide progress. Final energy consumption per capita rose by 2.26% between 2023 and 2024, a sharper increase than the EU average (+0.50%), signalling a rebound effect after previous reductions. At the same time, the share of renewable energy declined to 14.3% (-2.99%), further widening the gap with the EU level of 25.2% and confirming persistent structural challenges in the energy transition.

Greenhouse gas emissions per capita continued to fall (-5.75%), yet Belgium still emits significantly more than the EU average (8.2 vs. 6.35 tons per capita), highlighting the need for deeper decarbonisation efforts.

Waste management remains a strong point: the recycling rate increased to 56.2%, outperforming the EU, where the rate slightly declined. Public transport usage also progressed, with buses and trains reaching 19.6% of passenger-kilometres, slightly above the EU average.

In terms of biodiversity protection, Belgium expanded its terrestrial protected areas to 15.5%, though still far from the EU benchmark of 26.4%. Conversely, it performs exceptionally well in marine protection, with 38.1% of marine areas protected.

SOCIAL INDICATORS

Belgium continues to demonstrate strong social performance, with several indicators showing clear improvement, although some structural challenges remain. The in-work at-risk-of-poverty rate declined to 4.1% in 2025 (-12.77%), confirming a strengthening of income conditions among employed individuals. This positive trend is reinforced by a significant decrease in the overall population at risk of poverty, which fell to 9.9% (-18.18%), as well as a reduction in unmet medical needs (0.9%, -18.18%). Together, these developments contribute to improved social protection and access to essential services.

Income distribution indicators also show progress. The share of income held by the bottom 40% increased to 25.1% (+1.62%), while the Gini coefficient declined to 23.4, indicating relatively low-income inequality by international standards.

Economic fundamentals remain solid but more moderate. Real GDP per capita reached €44,650 in 2025 (+0.54%), remaining well above the EU average (€34,110). However, purchasing power-adjusted GDP per capita declined to an index of 115 (-1.71%), suggesting that rising living costs continue to partially offset income gains, despite Belgium's automatic wage indexation system.

Labour market indicators present a mixed picture. While the employment rate increased slightly to 72.8% (+0.69%), it remains below the EU average (76.1%). At the same time, the gender employment gap narrowed significantly to 7.1 percentage points (-11.25%), reflecting meaningful progress toward greater gender equality in the labour market.

Belgium continues to perform well in human capital indicators. Tertiary educational attainment among 25–34-year-olds rose to 52.7% (+5.40%), well above the EU average (44.8%). Life expectancy remains high at 82.4 years, still exceeding the EU level (81.5), although it recorded a slight decline, contrasting with a marginal increase at the European level.

GOVERNANCE INDICATORS

Belgium continues to display solid governance fundamentals, with all core indicators showing slight improvements. According to the World Bank's Worldwide Governance Indicators, the country scores 79.0 for rule of law (+0.30%), 77.6 for control of corruption (+0.05%), and 74.6 for government effectiveness (+0.80%). These incremental gains suggest overall institutional stability and the continued effectiveness of public administration, albeit without significant structural breakthroughs.

Press freedom remains a key strength, with Belgium ranked 16th globally in 2026, marking a notable improvement compared to the previous assessment. This confirms the country's strong media environment and safeguards for journalistic independence.

Labour freedom reached 69.2 in 2026, reflecting a marginal increase (+0.29%). While recent labour market reforms may support greater flexibility over time, their impact remains gradual at this stage.

However, public trust indicators reveal a strengthening of institutional confidence. Trust in the European Parliament in Belgium rose to 56% (+5.66%), closely mirroring the positive trend observed across the European Union (52%, +6.12%). This increase suggests growing confidence in European institutions among Belgian citizens and indicates a convergence with broader EU-wide patterns of political trust.

CONCLUSION

Belgium presents a solid overall ESG profile, combining strong institutional foundations with resilient social outcomes and more mixed environmental performance.

Environmental indicators highlight notable strengths in waste management, sustainable mobility, and marine conservation, but also point to persistent structural challenges in energy consumption, renewable energy deployment, and emissions reduction.

Socially, Belgium demonstrates robust results in poverty reduction, inequality, healthcare access, and education, reflecting the resilience of its social model, although more moderate progress in employment and purchasing power calls for continued efforts to support inclusive growth.

From a governance perspective, the country benefits from stable institutions, high-quality public administration, and strong press freedom, though declining public trust signals the need to reinforce citizen engagement and confidence in institutions.

6

ATTESTATION BY AN EXTERNAL AUDIT FIRM

Independent Auditor's Limited Assurance Report to the Strategic Committee of the Belgian Debt Agency on the Allocation Table included in the Green OLO Allocation & Impact Report 2025

To the Strategic Committee of the Belgian Debt Agency

Conclusion

We have performed a limited assurance engagement on the Belgian Debt Agency's (hereafter "BDA" or "the Agency") allocated Green OLO proceeds to eligible expenditures (together "the Selected Information"):

- 2024 allocated Green OLO proceeds amounting to 2.546,2 million EUR (page 52)
- 2025 allocated Green OLO proceeds amounting to 113,8 million EUR (page 52)

as included in the Annual Green OLO Allocation and Impact Report 2025 ("The Report"), has been prepared in accordance with the applicable criteria of proceeds allocation to Green Eligible Expenditures as outlined in section 4.1. of the Green OLO Framework published in June 2022 at https://www.debtagency.be/en/green-olo ("The Criteria"):

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Information included in the Report is not prepared, in all material respects, in accordance with the Criteria.

Our conclusion on the Selected Information does not extend to any other information that accompanies or contains the Selected Information and our assurance report.

In addition, our assurance conclusion excludes the following areas:

- The suitability of the Criteria in relation to the Green Bond Principles of the international Capital Markets Association which was assessed by the 'Second-Party Opinion' published in June 2022 at https://www.debtagency.be/en/green-olo; and
- The accuracy of the allocation of the Green OLO proceeds by type of expenditure, entity, sector or climate related challenge or goal.

Basis for conclusion

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "*Assurance Engagements other than Audits or Reviews of Historical Financial Information*", issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the 'Our responsibilities' section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Restriction on use of our report

Our report is intended solely for the use of BDA, to whom it is addressed, in connection with the Selected Information as of and for the year ended December 31, 2025 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come

Responsibilities of management for the Selected Information

The management of BDA is responsible for the preparation of the Report and the Selected Information contained herein that is free from material misstatement in accordance with the Criteria as well as:

- designing, implementing, and maintaining internal control relevant to the preparation of the Report and the Selected Information contained therein that is free from material misstatement, whether due to fraud or error;
- selecting and developing suitable Criteria for preparing the Selected Information and appropriately referring to or describing the Criteria used;
- selecting and applying policies, making judgements that are reasonable in the circumstances and maintaining adequate records in relation to the Report and the Selected Information contained herein; and
- preparing and properly calculating, the Selected Information in accordance with the Criteria.

Our responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Strategic Committee of the BDA.

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Selected Information that is sufficient and appropriate to provide as a basis for our conclusion. Our procedures selected depend on our understanding of the Selected Information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we:

- we have considered the process used to prepare the Report and the Selected information contained therein;

- We evaluated the appropriateness of the applicable Criteria used and other relevant procedures, including the reasonableness of related disclosures to the Selected Information.

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:

- Interviewing relevant persons responsible for providing the Selected Information, for carrying out internal control procedures on and for consolidating the Selected Information;
- Inspecting relevant internal and external documentation, on a limited test basis, in order to evaluate the reliability of the Selected Information; and
- Performing analytical procedures to confirm our understanding of trends in the Selected Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Antwerp, July 9, 2026

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises

Steven Mulkens

Bedrijfsrevisor

7

CONTACT

CONTACT

Belgian Debt Agency
Avenue des Arts, 30 – B-1040 Bruxelles

Tel : + 32 257 470 80
Email : public.debt@minfin.fed.be
Website: https://www.debtagency.be/en

RESPONSIBLE EDITOR

Jean DEBOUTTE
Director Strategy, Risk Management & Investors Relations
Chairman of the Executive Committee

Date : 09.07.2026