

**Regional Sustainable Finance Taxonomy
for the Western Balkans Six
Whitelist for Eligible Green Activities**

PREAMBLE

WE, the high-level government representatives of the Western Balkans Six (WB6), gathered in the framework of the Berlin Process and in alignment with the Common Regional Market Action Plan 2025–2028 (CRM 2),

RECALLING our shared commitment to advance regional economic integration, foster convergence with European Union standards, and enhance the long-term competitiveness and sustainability of our region;

RECOGNISING the central role of sustainable finance in mobilising investments that support climate and environmental objectives while contributing to inclusive and resilient growth in the region;

REAFFIRM our commitment to establish a Regional Sustainable Finance Taxonomy as one of the key deliverables under CRM 2, aimed at providing a coherent, transparent, and regionally adapted classification system to guide both public and private investments toward environmentally sustainable economic activities;

WELCOMING the work of the Working Group on Financial Markets (WGFM), composed of representatives of the WB6 Ministries of Finance and Central Banks, as the regional platform tasked with developing the regional taxonomy, under the coordination of the Regional Cooperation Council (RCC);

DETERMINE that activities of the regional taxonomy shall contribute to six core environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems, and must not significantly harm any of these objectives;

ACKNOWLEDGE that the regional taxonomy will be developed in a phased manner, within the timeframe set out under CRM 2, and based on the principles of the EU Sustainable Finance Taxonomy;

ENDORSE the Whitelist for Eligible Green Activities (the “Whitelist”) as the initial output of the regional taxonomy process and as a reference tool in support of the implementation of the WB6 Green Bond Standard (WB6 GBS);

DECLARE that this Whitelist will be progressively expanded into a comprehensive and regionally harmonised sustainable finance taxonomy;

INVITE financial institutions, public authorities, and other stakeholders to use the Whitelist, and the full taxonomy once developed, as a voluntary and practical tool to improve the transparency, comparability, and credibility of green investments across the WB6;

AND HEREBY RECOGNISE the following Whitelist for Eligible Green Activities as an integral part of this endorsed document.

Western Balkan Six Whitelist for Eligible Green Activities

No.	Sector	Sub-sector	Eligible activity	Eligibility criteria	Relevance to Environmental Objectives	Relevance to GAWB pillar(s)
1.	Energy	Renewable energy – solar PV	Installation of solar photovoltaic (PV) power generation facilities	- Must use renewable energy sources as defined in EU Renewable Energy Directive (EU 2018/2001) - Must not involve fossil fuels or peat - Complies with grid codes for renewables integration - PV panels meet environmental standards (e.g. RoHS)	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
2.	Energy	Renewable energy – wind	Development of onshore and offshore wind power plants and turbines	- No fossil fuel combustion - Wind projects must follow environmental and social safeguards. Turbines sited to minimise ecological harm (e.g. per EIA legislation)	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
3.	Energy	Renewable energy – geothermal	Generation of power from geothermal energy resources	- Geothermal facilities must have low lifecycle GHG emissions (e.g. <100 g CO₂/kWh) and sustainable reservoir management - Must not induce significant seismic risks	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
4.	Energy	Renewable energy – small hydropower	Small-scale hydropower generation (run-of-river or micro hydro)	- Capacity <10 MW and compliant with environmental safeguards - No large dams or high-impact reservoirs - Must not significantly alter river ecology	- Climate change mitigation - Pollution prevention and control - Sustainable use of water resources	- Decarbonisation - Depollution
5.	Energy	Renewable energy – biomass energy	Generation of power and/or heat from solid biomass fuels	- Biomass feedstock must be sustainably sourced (e.g. agricultural residues or certified forestry biomass) - No net deforestation or use of peat - Emissions controls in line with EU air pollution limits	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
6.	Energy	Renewable energy – biogas and bio-methane	Production of biogas/bio-methane from organic waste, manure or wastewater for energy use	- Feedstock limited to organic waste, manure or wastewater sludge (no energy crops that compete with food) - Digesters must capture methane for productive use and have gas cleaning if used in grid - Residue used as fertiliser if safe	- Climate change mitigation - Circular economy - Pollution prevention and control	- Decarbonisation - Depollution - Sustainable agriculture
7.	Energy	Green hydrogen	Production of hydrogen via electrolysis using renewable electricity	- Electricity supply for electrolyser must be 100% renewable - Process should meet relevant efficiency standards - Hydrogen used for decarbonising hard-to-abate sectors (no fossil-derived hydrogen) - Aligns with Hydrogen Strategy targets (if adopted)	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
8.	Energy	Energy storage systems	Deployment of energy storage to support renewable energy integration	- Systems must enable increased use of renewables - Environmental standards for batteries (proper recycling plans) - Pumped hydro limited to existing reservoirs or low impact sites	- Climate change mitigation - Climate change adaptation	- Decarbonisation - Depollution

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9.	Energy	Smart grids & transmission	Smart grid and transmission infrastructure for integrating renewables and reducing losses	- Investments should modernise the grid (smart meters, grid automation) or expand transmission chiefly to connect renewable generation - Must result in improved efficiency/reduced grid losses or enable higher renewable share	- Climate change mitigation - Climate change adaptation	- Decarbonisation
10.	Energy	Energy efficiency – public infrastructure	Upgrading public lighting and municipal systems to energy-efficient technology	- Achieves significant energy savings (e.g. >50% reduction in electricity use for lighting) - Uses best available technology (LEDs, high-efficiency pumps) - Where legal basis exists, compliance with eco-design standards	- Climate change mitigation	- Decarbonisation - Depollution
11.	Energy	District heating & cooling	Modernisation of district heating/cooling systems to improve efficiency or switch to renewables	- Projects must substantially increase system efficiency or replace fossil fuels with renewables/waste heat - New or upgraded systems should emit significantly less CO₂ - No new coal-fired heat sources	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
12.	Transport	Clean public urban transport	Deployment of zero- or low-emission public transport systems in cities	- Must lower GHG and air pollutant emissions versus baseline by 20% - Charging or fuelling infrastructure powered by renewables	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
13.	Transport	Low-carbon rail & mass transit	Investment in rail infrastructure and rolling stock to shift transport to low-carbon modes	- Projects such as railway electrification, new rail lines or train upgrades must reduce road traffic and associated emissions - Supports modal shift	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
14.	Transport	Non-motorised transport	Infrastructure for cycling, walking and other active mobility	- Must directly enable modal shift away from vehicles - Designs follow safety and accessibility standards - Yields zero direct emissions in operation	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
15.	Transport	EV infrastructure & e-mobility	Installation of electric vehicle charging infrastructure and support for e-mobility uptake	- Charging stations must support electric vehicles powered by electricity - Projects can include battery swapping or smart charging systems - No direct fossil fuel use	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
16.	Transport	Clean logistics & freight	Transition of freight transport to low-emission options	- Projects to deploy electric or hydrogen trucks, vans, and cargo vehicles, or shift freight from road to rail/inland waterways - Must achieve substantially lower CO₂ and pollutant emissions per ton-km - Vehicles should meet or exceed EU CO₂ standards for Heavy Duty Vehicles	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution

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17.	Transport	Clean water transport	Electrification of waterborne transport and related infrastructure	- Applies to vessels converted to or built as electric or hydrogen-powered. - Must replace higher-emission diesel engines and reduce water pollution (no oil/fuel leakage) - Meets marine safety standards	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
18.	Buildings	Green buildings – residential	Construction of new residential buildings with green design and superior energy performance	- Building should meet or exceed minimum energy performance criteria as per energy building standards - Uses sustainable materials - Must implement water-saving and waste-reducing features - Obtains green building certification (e.g. LEED, BREEAM) if available	- Climate change mitigation - Transition to a circular economy (for material reuse) - Climate change adaptation (if design includes resilience)	- Decarbonisation - Circular economy (if recycled materials used)
19.	Buildings	Green buildings – commercial & public	Construction of new commercial or public buildings with high sustainability standards	- Must have best-in-class energy performance ($\geq 20\%$ better than relevant building code) - Incorporates energy-efficient HVAC, insulation, lighting and renewable energy on-site - Follows green building certifications (e.g. LEED Gold/Platinum, BREEAM Excellent) for design, construction and operation - Includes climate resilience features	- Climate change mitigation - Transition to a circular economy - Climate change adaptation	- Decarbonisation - Circular economy (if recycled materials used) - Climate adaptation (for resilience features)
20.	Buildings	Energy-efficient building retrofit	Retrofit (renovation) of existing buildings to improve energy performance and sustainability	- Retrofit measures must achieve significant energy savings ($\geq 20\%$ reduction in energy use vs pre-renovation) or upgrade the building's energy class (e.g. from C to A) - Preferably aligns with EU building renovation wave targets - Avoids added fossil-fuel systems	- Climate change mitigation - Pollution prevention and control	- Decarbonisation - Depollution
21.	Water	Water supply & efficiency	Improvement of water supply infrastructure to reduce losses and ensure clean water access	- Projects such as upgrading water distribution networks to cut water loss or new supply systems for underserved areas - Must improve efficiency of water use or expand access to safe water - Pumps and equipment should be energy efficient - Aligns with sustainable water resource management plans	- Sustainable use and protection of water resources - Climate change adaptation	- Depollution
22.	Water	Water recycling & reuse	Systems for water recycling, reuse and efficient water management	- Must meet water quality standards for intended reuse and reduce freshwater extraction - Supports circular water economy	- Sustainable use and protection of water resources - Transition to a circular economy - Pollution prevention and control	- Depollution - Circular economy

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23.	Water	Flood protection infrastructure	Construction of flood management infrastructure to protect against extreme rainfall and flooding	- “Grey” infrastructure like dikes, levees, floodwalls, storm drains, retention basins, etc. must be designed for projected climate change impacts (increased floods) - Reduces flood risk for communities/infrastructure	- Climate change adaptation - Sustainable use and protection of water resources - Protection of biodiversity	- Climate adaptation - Depollution
24.	Water	Nature-based flood solutions	Ecosystem-based approaches to flood control and water resilience	- Projects that restore or enhance natural systems for flood mitigation - Must improve water retention or slow runoff - Contributes to biodiversity - No use of hard engineering that damages ecosystems	- Climate change adaptation - Protection and restoration of biodiversity and ecosystems - Sustainable use of water resources	- Climate adaptation - Protection of Nature and Biodiversity
25.	Water	Municipal wastewater treatment	Construction or upgrade of urban wastewater treatment plants	- Must result in improved wastewater treatment - Ensures proper sludge management - No direct discharge of untreated sewage after project	- Sustainable use and protection of water resources - Pollution prevention and control	- Depollution
26.	Water	Industrial wastewater treatment	Treatment facilities for industrial effluents and water pollution control in industry	- Can include on-site recycling of treated water - Prevents contamination of rivers/soil - Aligns with BAT (Best Available Techniques) under EU Industrial Emissions Directive	- Sustainable use and protection of water resources - Pollution prevention and control	- Depollution
27.	Water	Drinking water treatment	Installation or upgrade of drinking water treatment and purification systems	- Ensures provision of safe potable water and improves water quality - Energy efficient technologies preferred - Improves public health and reduces need for bottled water	- Sustainable use and protection of water resources - Pollution prevention and control - Climate change adaptation	- Depollution
28.	Agriculture	Organic farming	Conversion to certified organic agricultural practices	- Farms must obtain recognised organic certification and maintain soil fertility and animal welfare standards - Avoids high-emission inputs - Requires crop rotation, natural pest control and organic soil amendments	- Climate change mitigation - Pollution prevention and control - Protection of biodiversity and ecosystems	- Sustainable agriculture and food production

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29.	Agriculture	Precision agriculture and efficient irrigation	Adoption of precision farming techniques and efficient irrigation systems	- Uses technology to optimise input use and reduce waste - Drip irrigation or smart irrigation controls that significantly cut water use (≥20% savings) while maintaining yields - Aligns with climate-smart agriculture approaches to increase resource productivity	- Climate change mitigation - Sustainable use of water resources - Pollution prevention and control	- Sustainable agriculture and food production - Circular economy
30.	Agriculture	Climate-resilient farming practices	Implementation of farming practices that enhance resilience to climate change	- Practices should maintain or improve yields under changing climate and reduce vulnerability of farmers	- Climate change adaptation - Sustainable use of water resources - Protection of biodiversity and ecosystems	- Sustainable agriculture and food production - Climate adaptation
31.	Agriculture	Soil conservation & land management	Measures to prevent soil erosion, enhance soil health and restore degraded agricultural land	- Improves soil structure and carbon content - Must demonstrate reduction in soil erosion or land degradation on farmland - Avoids practices that cause deforestation or peatland drainage	- Climate change mitigation - Climate change adaptation - Protection of biodiversity and ecosystems	- Sustainable agriculture and food production - Protection of Nature and Biodiversity
32.	Agriculture	Manure management & bioenergy	Sustainable manure management and biogas production on farms	- Can include biogas digesters that convert manure to biogas for energy (heat/electricity) and produce nutrient-rich digestate for fertiliser - Must comply with relevant nitrate limits for land application to avoid runoff - Reduces greenhouse gas emissions from open manure decomposition	- Climate change mitigation - Pollution prevention and control - Circular economy	- Sustainable agriculture and food production - Circular economy - Depollution
33.	Agriculture	Agroforestry & sustainable land use	Integration of agroforestry or sustainable forestry practices into agriculture landscapes	- Trees must be managed sustainably - Enhances carbon sequestration, soil stability and microclimate for crops - Aligns with biodiversity and climate objectives	- Climate change mitigation - Climate change adaptation - Protection and restoration of biodiversity and ecosystems	- Sustainable agriculture and food production - Protection of Nature and Biodiversity
34.	Industry	Industrial energy efficiency	Energy efficiency improvements in industrial processes and facilities	- Installation of high-efficiency equipment, waste-heat recovery, insulation, process optimisation and energy management systems (e.g. ISO 50001) to cut energy use per unit output - Must achieve substantial energy efficiency gains and/or significant GHG emission reduction (≥20% improvement) - No expansion of fossil fuel capacity - Projects should undergo energy audit to identify savings	- Climate change mitigation	- Decarbonisation
35.	Industry	Industrial pollution prevention & control	Reduction of air, water, and soil pollutants from industrial activities	- Investments in pollution control technologies and processes - Emission levels should meet or exceed relevant air quality standards	- Pollution prevention and control	- Depollution

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36.	Industry	Circular economy in industry (industrial symbiosis)	Implementation of resource efficiency and waste reuse in industrial processes	- Projects that enable one industry's waste or by-product to be used as input in another process (industrial symbiosis) or that increase use of recycled/secondary raw materials in production - Must demonstrably reduce raw material use or waste disposal - Compliance with quality and safety standards for recycled inputs is required	- Transition to a circular economy - Climate change mitigation - Pollution prevention and control	- Circular economy - Decarbonisation - Depollution
37.	Industry	Manufacturing of renewable energy equipment	Manufacture of components and equipment for renewable energy or energy efficiency technologies	- Production facilities and processes for energy or energy efficiency technologies - Eligible if the end products contribute significantly to climate change mitigation - Manufacturing process should adhere to high environmental standards (e.g. ISO 14001) and not involve banned toxic substances	- Climate change mitigation	- Decarbonisation
38.	Industry	Manufacturing of low-emission vehicles & batteries	Production of electric, hybrid or hydrogen vehicles and associated components	- Manufacturing capacity for clean vehicles or batteries - The facility should implement energy and resource efficient processes - Products must meet stringent performance standards - Battery manufacturing should ensure responsible sourcing of minerals and include recycling plans - No production of fossil-fuel only vehicles	- Climate change mitigation - Transition to a circular economy	- Decarbonisation - Circular economy
39.	Waste	Recycling facilities	Establishment or upgrade of facilities for recycling materials	- Projects must increase recycling rates and recovery of materials - The facility should achieve high recycling efficiency and output quality	- Transition to a circular economy - Pollution prevention and control - Climate change mitigation	- Circular economy - Depollution
40.	Waste	Composting & bio-digestion of organics	Facilities for composting or anaerobic digestion of organic waste	- Diverts biodegradable waste from landfills - Composting projects must produce stable compost that meets quality standards for use in agriculture - Anaerobic digestion projects must capture biogas for energy use and manage digestate safely as fertiliser, preventing methane emissions - No inclusion of inorganic or hazardous waste in feedstock	- Transition to a circular economy - Climate change mitigation - Pollution prevention and control	- Circular economy - Sustainable agriculture and food production - Depollution
41.	Waste	Waste-to-Energy (WTE) for non-recyclable waste	Energy recovery from non-recyclable residual waste through incineration or other thermal processes with energy use	- Facility must meet stringent pollution control standards - Must achieve high energy efficiency and contribute to reducing landfilling - Ash and other by-products should be treated safely	- Climate change mitigation - Pollution prevention and control - Transition to a circular economy	- Circular economy - Depollution

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42.	Waste	Landfill gas capture & utilisation	Systems to capture landfill methane gas and utilise it for energy or flare it	- The captured gas should be used for electricity or heat generation or upgraded to bio-methane for the grid/vehicles or flared if utilisation not feasible – to ensure its destruction - Must significantly reduce uncontrolled methane emissions - Aligns with pollution control and climate mitigation goals	- Climate change mitigation - Pollution prevention and control	- Circular economy - Depollution
43.	Waste	Hazardous & Medical Waste Management	Facilities for safe treatment and disposal of hazardous waste and medical waste	- Must comply with standards for hazardous waste - Ensures containment of toxins	- Pollution prevention and control - Protection of biodiversity and ecosystems	- Depollution
44.	Waste	Remediation of Contaminated Sites	Cleanup and rehabilitation of polluted soil and lands	- Must follow risk assessment and attain pollution levels below relevant thresholds for safe use - No further contaminant leakage to environment - Aligns with “polluter pays” and depollution objectives	- Pollution prevention and control - Protection of biodiversity and ecosystems	- Depollution - Protection of Nature and Biodiversity
45.	Waste	Reuse & Repair Initiatives	Facilities or programmes that enable reuse, refurbishing, and life-extension of products and materials	- Supports circular economy by preventing waste generation - Must demonstrably replace new purchases and reduce waste disposal	- Transition to a circular economy - Pollution prevention and control	- Circular economy
46.	Biodiversity	Afforestation & Reforestation	Planting of new forests or replanting trees in deforested areas using sustainable methods	- Projects must use native or climate-resilient tree species and aim to restore forest cover on degraded or barren land - No conversion of natural grasslands or wetlands into plantations - Contributes to carbon sequestration and ecosystem restoration	- Climate change mitigation - Protection and restoration of biodiversity and ecosystems - Climate change adaptation	- Protection of Nature and Biodiversity
47.	Biodiversity	Conservation of Natural Habitats	Protection and conservation of natural ecosystems and landscapes	- Must directly contribute to preserving or improving the ecological status of priority habitats or species - Aligns with EU Natura 2000 principles - Cannot support activities that degrade the habitat	- Protection and restoration of biodiversity and ecosystems - Pollution prevention and control	- Protection of Nature and Biodiversity
48.	Biodiversity	Ecosystem Restoration	Active restoration of degraded ecosystems to a natural or semi-natural state	- Must show clear ecological improvements and be guided by science based measures - Avoid introducing non-native species - Enhances ecosystem services and climate resilience	- Protection and restoration of biodiversity and ecosystems - Climate change adaptation	- Protection of Nature and Biodiversity - Depollution

No.	Sector	Sub-sector	Eligible activity	Eligibility criteria	Relevance to Environmental Objectives	Relevance to GAWB pillar(s)
49.	Biodiversity	Sustainable Forest Management	Management of existing forests in a sustainable manner for timber and ecosystem services	- Forestry practices that have sustainable certification (FSC or PEFC) or equivalent - Must ensure selective logging or harvesting that maintains forest regeneration, biodiversity, and carbon storage - No clear-cutting of primary/old-growth forests - Encourages mixed-species forestry and long rotation periods - Protects high conservation value areas within managed forests	- Protection and restoration of biodiversity and ecosystems - Climate change mitigation - Transition to a circular economy	- Protection of Nature and Biodiversity - Sustainable agriculture and food production
50.	Biodiversity	Urban Greening & Nature-Based Solutions	Development of green spaces and nature-based solutions in urban areas	- Must increase urban biodiversity, improve air quality, manage urban heat or stormwater and enhance residents' well-being - Projects should prioritise native vegetation and ensure maintenance plans - Avoid removal of existing green space (net gain should be positive)	- Protection and restoration of biodiversity and ecosystems - Climate change adaptation - Pollution prevention and control	- Protection of Nature and Biodiversity - Climate adaptation - Depollution
51.	Biodiversity	Marine & Coastal Ecosystem Protection	Conservation and restoration of coastal and marine ecosystems	- Activities to protect marine biodiversity and coastal zones - Must contribute to healthier marine life populations, water quality or coastal resilience - No funding of unsustainable aquaculture or coastal development under this category	- Protection and restoration of biodiversity and ecosystems - Sustainable use and protection of water and marine resources - Climate change adaptation	- Protection of Nature and Biodiversity - Depollution