# STATE OF ISRAEL
# GREEN BOND IMPACT REPORT

2025

Accountant General Department
Ministry of Finance

December

STATE OF ISRAEL
MINISTRY OF FINANCE

**State of Israel**

**Green Bond Impact Report**

December 2025

Israel Ministry of Finance

1 Kaplan Street

Jerusalem, 9195015

Israel

Photos: iStock.

The publication is available for download at gov.il -

https://www.gov.il/en/pages/green-bond-framework

ISIN: US46514BRA79

The State of Israel applies a portfolio-based approach, reporting on impact on an aggregated level where most relevant and in correspondence with the Green Bond Framework, published on November, 2022.

The “Asi” Stream, Northern Israel

# Introduction

The State of Israel and the Financing Division of the Office of the Accountant General in the Ministry of Finance (MoF), are pleased to publish the Impact Report corresponding to the State's USD 2 billion January 2023 Green Bond issuance (the Programme), in line with the Green Bond Framework's (November 2022) reporting commitments.

The report presents impact and allocation data, where available, from nine expenditures all financed by the Programme. As of 2024, all proceeds of the January 2023 Green Bond were fully disbursed among three key priority areas, as set out in the National Action Plan on Climate Change 2022-2026: Clean Transportation, Sustainable Water Management, and Sustainable Management of Living Natural Resources and Land Use.

The issuance of the Israel's inaugural Green Bond exemplifies the state's commitment to tackling climate change, biodiversity loss, and other environmental challenges while achieving economic growth during a period of heightened security challenges. These goals are to be achieved through numerous measures: targets, incentives, financial support, and investment programmes.

As the first impact report for the Programme, this publication provides as much information as possible on the data that are currently available and the impacts of individual expenditures. The report aligns with the recommendations of ICMA's "Handbook – Harmonized Framework for Impact Reporting" (June 2021).


02 Tel Aviv new Urban Light Train Station

# 9 PROJECTS

## Allocated across 3 sectors

As of 2024, all proceeds of the January 2023 Green Bond were fully disbursed among three priority sectors: 1) Clean Transportation, 2) Sustainable Water Management, and 3) Sustainable Management of Living Natural Resources and Land Use.

These, in turn, were allocated to nine projects, of which seven were in the Clean Transportation sector, as follows: 1) Light Rail Tel Aviv – Red Line, 2) Light Rail Tel Aviv – Green and Purple Line, 3) Light Rail Jerusalem – JENT, 4) Light Rail Jerusalem – Blue Line, 5) Israel train electrification, 6) Cycling Infrastructure, 7) EV charging stations, 8) Wastewater treatment, 9) River restoration.

Avoided $CO_2e$ emission estimates were available for 88% of the portfolio totalling 27.8k $tCO_2e$ representing an emissions reduction of 13.9 $gCO_2e$ per USD 1 of the Green Bond invested.

### CLEAN TRANSPORTATION

**URBAN LIGHT RAIL (4 projects)**

6.6k $tCO_2e$ avoided
133 km total of urban rail

**CYCLING INFRASTRUCTURE**

112.8km of cycle lanes

**EV CHARGING STATIONS**

19.2k $tCO_2e$ avoided
>1k charging points

**HEAVY RAIL ELECTRIFICATION**

2.0k $tCO_2e$ avoided
c.65–85% NO & NOx reduction

### SUSTAINABLE WASTEWATER MANAGEMENT

**WASTEWATER**

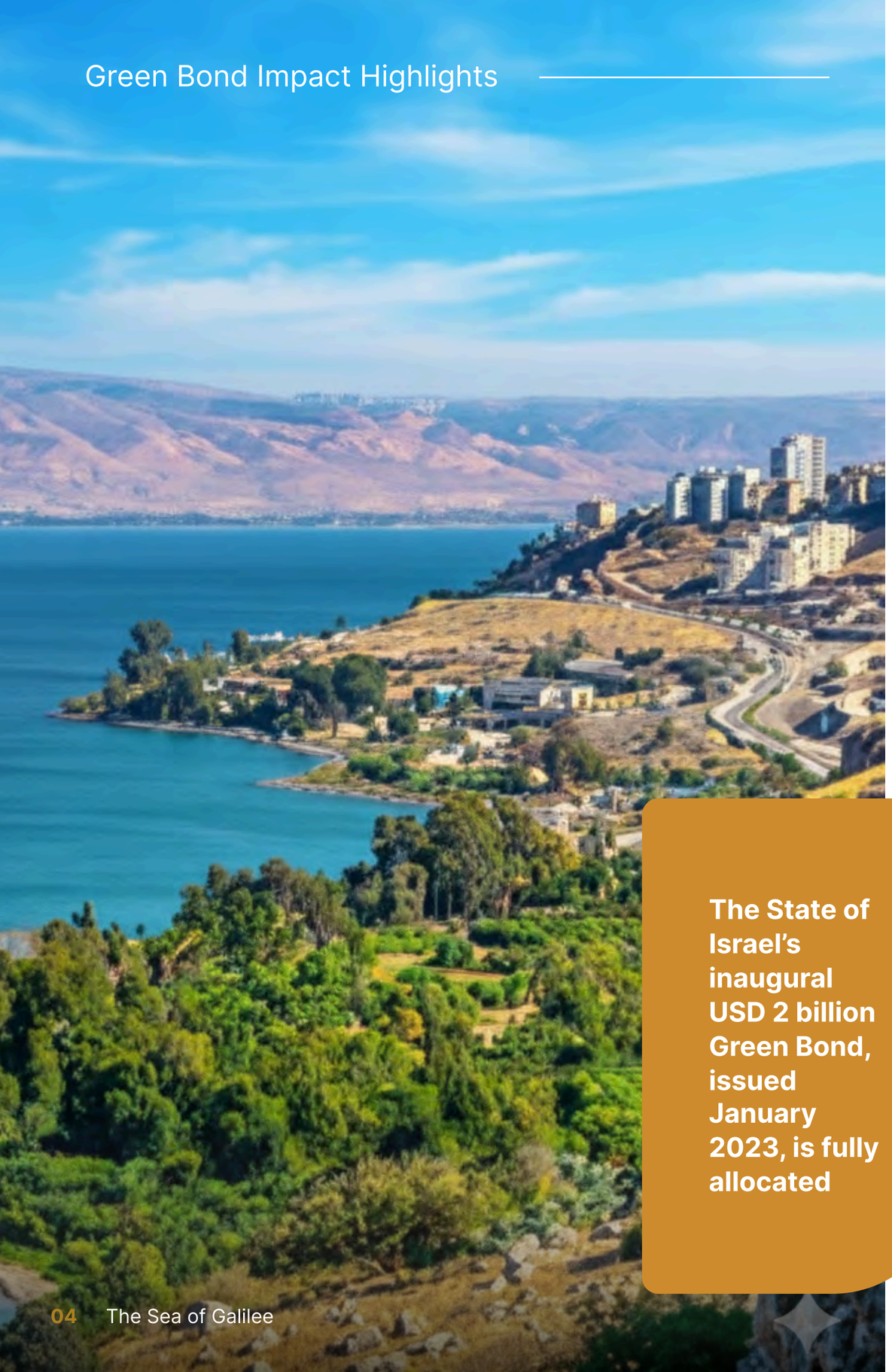
24.4m $m^3$ of wastewater treated annually

### SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES

**STREAM RESTORATION**

61km of streams restored in Northern Israel

# Green Bond Impact Highlights



**The State of Israel's inaugural USD 2 billion Green Bond, issued January 2023, is fully allocated**

| Outstanding Green Debt Instruments | | | | |
|---|---|---|---|---|
| ISIN | Issuance Date | Maturity Date | Principal Amount (USD) | Principal Amount (Equiv. ILS)* |
| US46514BRA79 | 17-Jan-2023 | 17-Jan-2033 | 2,000,000,000 | 6,813,381,481 |
| Total | | | 2,000,000,000 | 6,813,381,481 |

| Proceeds | Amount allocated to 2022 expenditures (ILS) | Amount allocated to 2023 expenditures (ILS) |
|---|---|---|
| Allocated proceeds | 5,592,698, 209 | 1,220,683,272 |
| | Total: 6,813,381,481<br>Refinancing (2022 budget): 82% \| New financing (2023 budget): 18% | |
| Unallocated proceeds | 0 | |

| Eligible Green Expenditures | | | | | |
|---|---|---|---|---|---|
| Green Category | Amount ILS* | | | Share of total allocation | Primary impact metric |
| | 2022 | 2023 | Total | | |
| Clean Transportation | 5,451,728,111 | 1,087,496,299 | 6,539,224,410 | 96.0% | tCO2e avoided |
| Sustainable Water Management | 135,199,516 | 126,252,784 | 261,452,300 | 3.8% | $m^3$ wastewater treated |
| Sustainable Management of Living Natural Resources and Land Use | 5,770,582 | 6,934,189 | 12,704,771 | 0.2% | km streams restored |


The Sea of Galilee

# Key Milestones on the Way to Sustainability

**1994**
UN Framework Convention on Climate Change

**2002**
Ratification of the Kyoto protocol

**2009**
Israel's Climate Change Preparedness – Ready for Climate Change and Greenhouse Gas Emissions Reduction

**2010**
Formulation of a National Program to Reduce Greenhouse Gases

**2015**
UN 2030 SDG Agenda

Action Plan for National Land Remediation Launched

**2016**
Paris Agreement

Israel's Preparedness to Adapt to Climate Change: Implementing Recommendations for a Strategy and a National Action Plan; Israel is signatory to the Paris Agreement

**2019**
EU Clean Energy Package / European Green Deal

**2021**
The COP 26 Glasgow Summit

National Implementation Plan

- 2030 GHG reduction target of 27%
- 2050 GHG reduction target of 85%
- 2050 goal of net-zero emissions

**2022**
First Green Bond Framework

**2023**
Inaugural USD 2bn Green Bond issuance

**2024**
Publication of Israeli Taxonomy of Sustainable Activities

Publication of the Green Bond Allocation Report

# Strong Commitments to Climate action

## Economy-wide targets for GHG emissions reduction in 2030

27%

**about 58 million tons GHG emissions**

In the framework of Government Decision #171 from 25.07.21, a 2030 GHG reduction target of at least 27% was determined compared to the level in 2015.

## Economy-wide targets for GHG emissions reduction in 2050

85%

**about 12 million tons GHG emissions**

Government Decision #171 sets a long-term target for 2050 of at least an 85% reduction in GHG emissions relative to the level in 2015.



## Climate Change Mitigation Action Plan

| Measures | Main Steps | Key Actions |
|---|---|---|
| **Energy** | Energy efficiency | Support for industry, local authorities, large energy consumers |
| | End the use of coal | End of coal and transition of power plants |
| | Renewables | Development of grid, storage, regulations and removal of barriers for renewables, with emphasis on double land use and agrivoltaics |
| **Transportation** | Transitioning from private vehicle use to sustainable public transport | Infrastructure development for mass transit |
| | Moving over to zero emission vehicles | Grants for the purchase of zero emission buses |
| **Industry** | Reduction in the use of fossil fuels | Support for energy efficiency and transitioning to clean energy sources |
| | Circular economy and reducing consumption | Support for industrial symbiosis plan, with investments in improving resource consumption and in the recycling industry |
| | Transition to green refrigerants | Regulations for the air conditioner and cooling system installation profession and for the service providers for these systems |
| **Waste** | Promoting recycling | Obligatory treatment of organic and agricultural waste, while establishing mandatory standards for the use of treated waste |
| | Preventing landfilling | Ban on landfilling unsorted solid waste and untreated organic waste |
| | Reduction at source | Support for pilot projects to reduce the amount of municipal waste generated in households (reduce and recycle) |
| **Cities and Buildings** | Green building | Mandate green building standard (5281) for all new buildings in Israel |
| | Zero energy building | Preparation of a document with clear definitions of a net zero energy structure |
| | Optimal density | Incorporate optimal density in national master planning strategy |
| | Urban renewal | Promote detailed and descriptive plans and policy documents for urban renewal |

# Climate Change Mitigation Action Plan

## Climate Change Mitigation Action Plan

| Measures | Main Steps | Key Actions |
|---|---|---|
| **Economy-wide Measures** | Preparedness of goverment ministries | Formulation of climate preparedness plans by all government ministries and agencies |
| | National climate computing center | Formulation of climate risk maps and scenarios for decision makers |
| **Urban Systems** | Preparedness of local authorities | Formulation of climate preparedness plans by local government |
| | Shading in public areas and urban forests | Shading urban space, extension of green land cover, tree planting in cities and shading public facilities |
| | Water and runoff management | Implementation of nature-based solutions for the management of urban runoff |
| | Strengthening community resilience | Establishment of a surveillance system to monitor mortality, morbidity and treatment of high risk groups |
| **Nature Based Systems** | Prevention of floods and flooding | Support for restoration of streams to manage risks of floods and flooding |
| | Prevention of forest fires | Approval of regulations for protection of communities adjacent to forests and the establishment of buffer zones around them |
| | Strengthening the resilience of natural systems | A national plan for the conservation of biodiversity and the restoration of ecosystems |
| | Prevention of outbreaks of disease | Preparation of a plan for monitoring and risk management of zoonotic diseases |
| **Education Systems** | Formal education system | Formulation of a multidisciplinary climate education plan |
| | Informal education system | Support for local authorities to operate programs within all groups of the educational system |
| | Youth movements and organizations | Support for training of management, counselors and members of youth groups |



Source: National Action Plan on Climate Change 2022–2026

# Focus on Green Bond Reporting

08 Rothschild Blvd. Tel Aviv

## Green Bond Framework: Post-Issuance Reporting Commitments

**Allocation Reporting**

In the year following the first issuance, and annually until full allocation, Israel will publish an allocation report covering at least the following:

- Net proceeds of outstanding Green Bonds.
- The size of the Eligible Green Project Portfolio.
- Subject to confidentiality considerations, a list of the Eligible Green Expenditures financed through Israel's Green Bonds, including a description of the projects and allocated amounts.
- The total amount allocated per eligible green category.
- The proportional allocation of proceeds between existing projects (refinancing) and new projects.
- The remaining balance of unallocated proceeds, as well as type of temporary instruments, if any.

**Impact Reporting**

- Impact reporting will be published between one and three years following the respective issuance and at least once in each bond's lifetime.
- Israel will provide impact reporting outlining the environmental impact of the Eligible Expenditures, providing granularity at the category and project level.
- Israel intends to align, on a best effort basis, with the recommendation of ICMA's "Handbook – Harmonized Framework for Impact Reporting" (June 2021).
- Impact reporting will also include the calculation methodologies and assumptions used for impact indicators.

**Post-issuance External Verification on Reporting**

Israel will request, on an annual basis, starting the year after issuance and until full allocation, an external review on the allocation of Green Bond proceeds to Eligible Green Projects, provided by an independent third party.

# Green Bond Process & Milestones

## Green Bond Framework Publication

2022 Nov

The Ministry of Finance published the State of Israel Green Bond Framework, outlining eligible green expenditure categories including clean transportation, sustainable water management, and sustainable natural resources. CICERO rated the framework "dark green."

## Green Bond Issuance

2023 Jan

Israel completed its inaugural USD 2 billion green bond issuance—a 10-year dollar-denominated bond. The offering was six times oversubscribed, attracting over 200 investors from 35 countries.

## Allocation Report Publication

2024 Jan

The Accountant General's Department published the first Green Bond Allocation Report, demonstrating that all proceeds were disbursed to three priority areas: clean transportation, sustainable water management, and sustainable management of living natural resources. The report was reviewed by S&P Global.

## Impact Report Publication

2025 Dec

With the publication of the Impact Report, Israel has fulfilled all post-issuance reporting commitments for the inaugural green bond in adherence to ICMA Green Bond Principles.



Naamann River, North of Israel

# Israel's Green Bond Framework

**Use of Proceeds**

Proceeds from future Green Bonds will be used to finance or refinance expenditures providing distinct environmental benefits and which comply with the eligibility criteria outlined in the Framework ("Eligible Green Expenditures")

Eligible categories:

- Clean Transportation
- Renewable Energy
- Energy Efficiency
- Green Buildings
- Sustainable Water and Wastewater Management
- Pollution Prevention and Control and Circular Economy
- Environmentally Sustainable Management of Living Natural Resources and Land Use
- Climate Change Adaptation

**Process for Project Evaluation and Selection**

A Sustainable Finance Working Group (SFWG) was established to manage the Sovereign Green Bond Program (chaired by the Ministry of Finance) in order to:

- Review and assess the proposed expenditures to determine their compliance with the Framework
- Annually monitor the compliance of selected expenditures
- In the event of an expenditure postponement, cancellation, divestment or ineligibility, identify new expenditures
- Support and facilitate impact and allocation reporting

Exclusion criteria: fossil fuel energy, gambling, alcohol, investments related to pure internal combustion engines, tobacco, weapons, waste to landfill

**Management of Proceeds**

- Proceeds will be deposited in general funding accounts and then managed on an aggregated basis for multiple Green Bonds (portfolio approach)
- The Ministry of Finance will oversee the allocation and tracking of net proceeds through a Green Bond Register

**Reporting**

- An annual allocation report will be published for each Green Bond until full allocation of the proceeds
- An annual post-issuance external verification for the allocation of Green Bond proceeds will be conducted by an independent third party
- An impact report will be published between 1 and 3 years following each respective issuance



While the EU Taxonomy does not apply to Israel, the State recognizes its importance and its framework adheres to the Green Bond Principles and aligns with the Substantial Contribution Criteria of the EU Taxonomy, as well as the draft Israeli Taxonomy, to the extent possible.

Source: State of Israel Green Bond Framework

The Green Line Railway

# Clean Transportation

Transport is the second largest source of GHG emissions in Israel's economy, accounting for approximately 20% of total emissions (OECD, 2023). Rapid residential expansion, high car dependency, and rising vehicle kilometers travelled underscore the need for a low-carbon transition in the transport sector. The allocation contributes to Israel's significant spending on efficient public transport and the state's target of shifting 20% of transportation from cars to public transport by 2030 while addressing market failures like congestion, air and noise pollution, road safety, and greenhouse gas emissions.

By supporting the critical infrastructure required to promote modal and technological shifts from road to rail, cycle, and EVs, the project aligns with the goals of the National Action Plan on Climate Change (2022–2026) to reduce GHG emissions from transportation by 96% by 2050 (versus a 2015 baseline).

The eligible expenditures of the sector amount to ILS 6,539,224,410 and are distributed across 7 budget items in the following categories: Urban light rail transportation, Heavy rail transportation, Cycling infrastructure, and EV charging infrastructure.

## Impact Metrics

**URBAN LIGHT RAIL (4 projects)**

6.6k tCO2e emissions avoided p.a.

133km total of urban rail

**CYCLING INFRASTRUCTURE**

112.8km of cycle lanes

**HEAVY RAIL ELECTRIFICATION**

2.0k tCO2e emissions avoided p.a.

c.65–85% est. NO & NOx reduction

**EV CHARGING STATIONS**

19.2k tCO2e emissions avoided p.a.

>1k charging points

# Clean Transportation

**Israel plans to shift 20% of transportation from cars to public transport by 2030**

## Allocated Eligible Green Expenditures

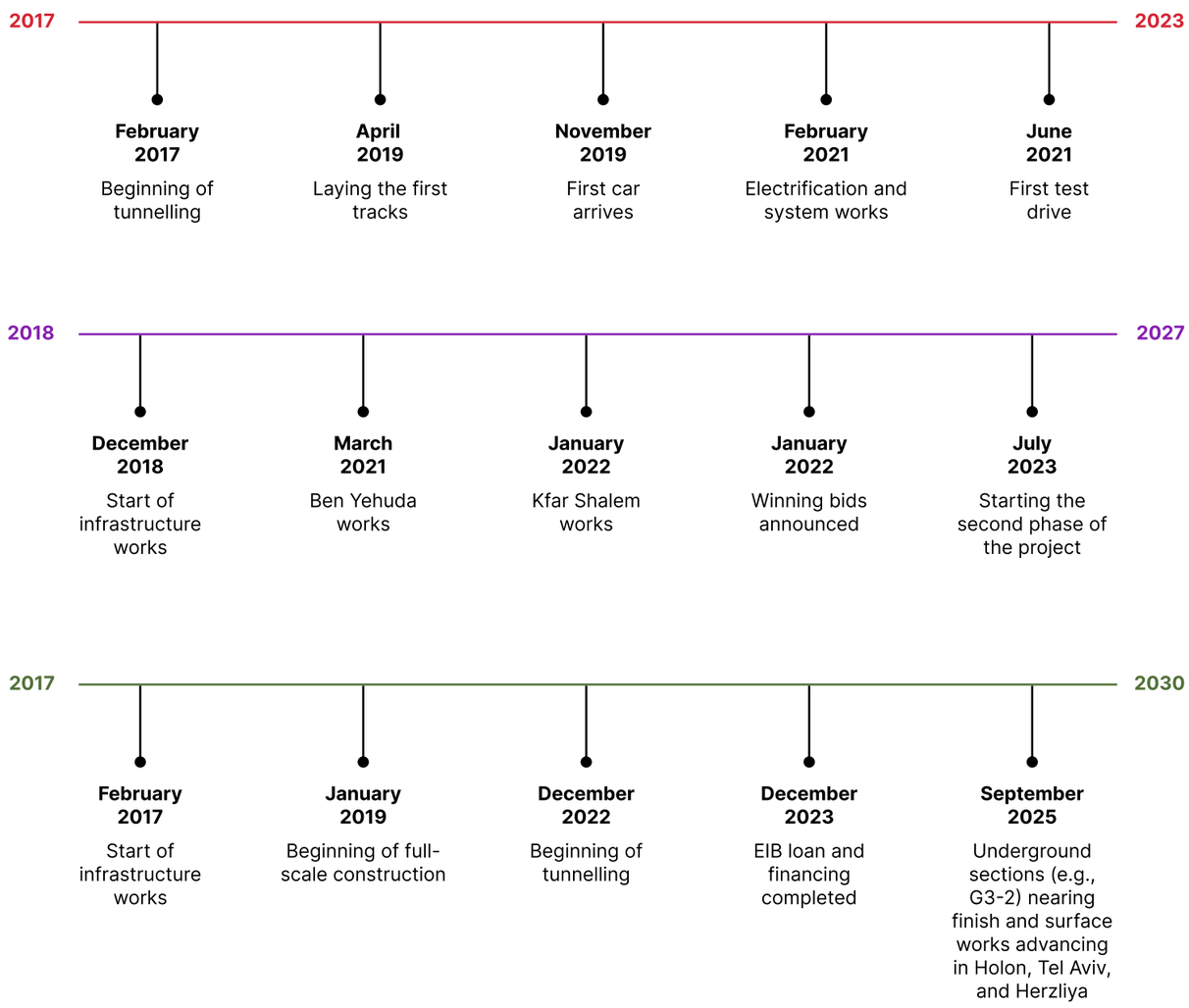
| Measures | Expenditures | 2022 Budget ILS | 2023 Budget ILS | Description |
|---|---|---|---|---|
| Rail transport services | **Light Rail Jerusalem – JENT**<br>**Light Rail Jerusalem – Blue Line**<br>**Light Rail Tel Aviv – Red Line**<br>**Light Rail Tel Aviv – Green & Purple Line**<br>**Israel train electrification** | 5,148,214,142 | 354,551,957 | Development, upgrade and operation of mass transportation systems with zero tail-pipe $CO_2$ emissions, and associated infrastructure |
| Roadway | **Cycling Infrastructure** | 22,909,081 | 484,231,401 | Development of cycling infrastructure |
| Charging stations | **Charging stations in public spaces** | 280,604,889 | 248,712,942 | Installation of electric vehicle charging stations – public transportation buses and private vehicles |
| | | **5,451,728,111** | **1,087,496,299** | |

# Tel Aviv Metropolitan Area Light Rail

The development of the light rail system in the Tel Aviv metropolitan area represents one of Israel's most ambitious urban infrastructure projects. As the country's economic and cultural hub, Tel Aviv has long struggled with growing traffic congestion, limited public transport options, and rising environmental concerns.

Proceeds of the Green Bond assisted in financing the Tel Aviv Metropolitan Area's Light Rail mass transportation system (known as the Dankal). The system is designed to link key residential, business, and cultural centres within Tel Aviv and its surrounding cities. Comprising three lines—the Red Line (25 km, 34 stations), the Green Line (39 km, 62 stations), and the Purple Line (27 km, 43 stations)—the network will total approximately 90 kilometers and serve 139 stations upon full completion.

Proceeds of the Green Bond financed the development of infrastructure, including railway infrastructure and station infrastructure, purchasing of rolling stock, electrification of the lines, and development and installation of an operating system (NTA Metropolitan Mass Transit System).




**Red Line**
Inaugurated in September 2023

- 25 KM
- 34 Stations
- 234,000 daily passengers
- 20 kt CO2e avoided p.a.*

**Purple Line**
Under development

- 27 KM
- 43 Stations
- 256,000 daily passengers
- 21 kt CO2e avoided p.a.*

**Green Line**
Under development

- 39 KM
- 62 Stations
- 275,000 daily passengers
- 23 kt CO2e avoided p.a.*

*Total estimated tCO2/e avoided emissions for the entire rail lines, not the Green Bond allocation contribution

## Israel Train Electrification

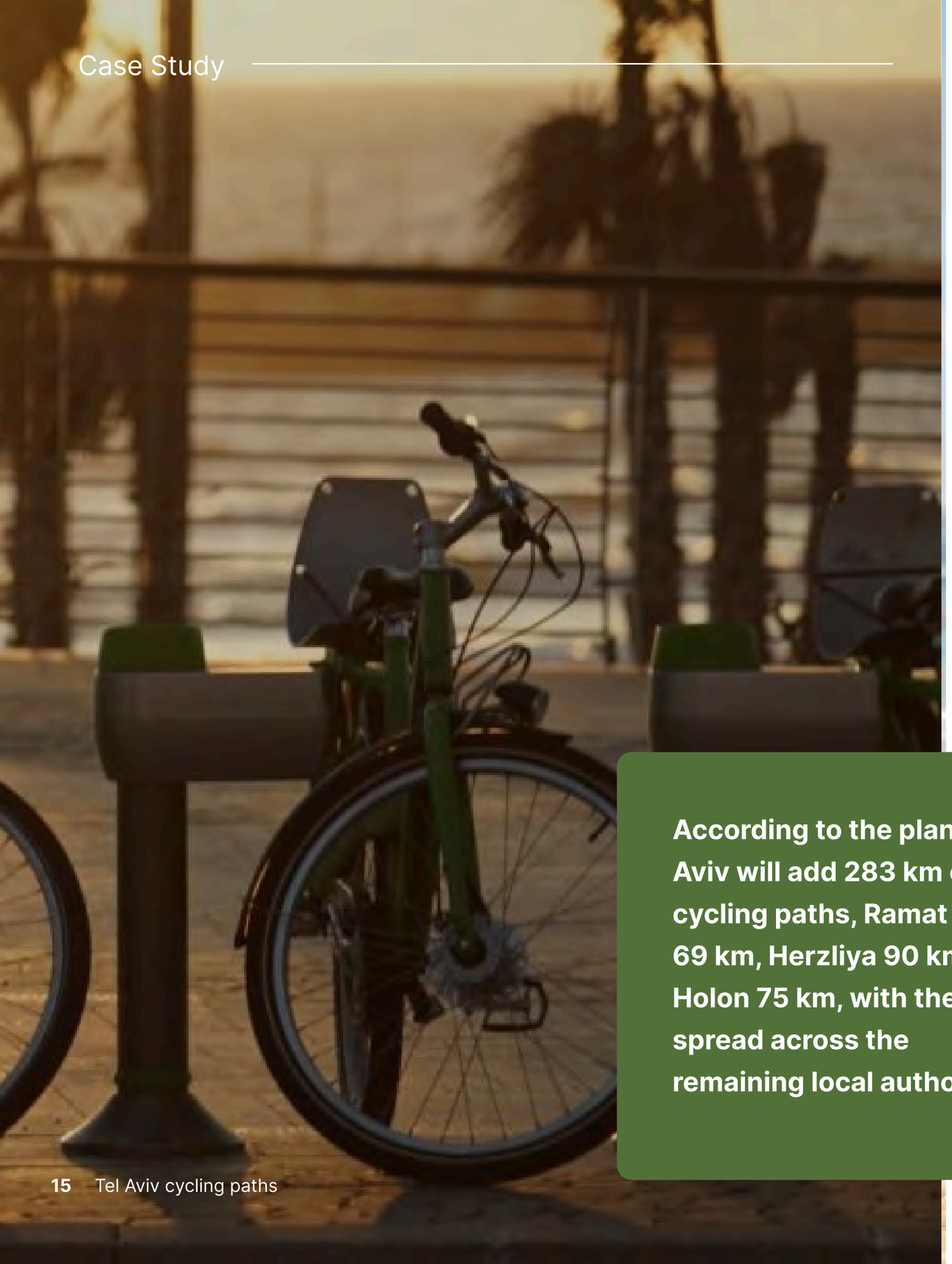
Israel's heavy rail network electrification represents a cornerstone of the country's modern transportation strategy, bringing a comprehensive transition from diesel to electric traction across hundreds of kilometres of mainline railway.

Proceeds of the Green Bond assisted in financing the conversion and electrification of existing train lines. This allows for the replacement of diesel-powered engines by an electric train system. It includes the electrification of 450km rail lines and the development of associated infrastructure, including 14 voltage conversions, the construction of overhead power lines, development of control systems, and purchase of equipment such as locomotives and electric rolling stock.

Israel is in the process of electrifying its entire passenger train network. As of 2024, approximately 70% of the heavy rail network is electrified. By 2040, Israel Railways' strategic plan aims to double the railways network to 2,572km and serve 300 million passengers annually. This would include high-speed trains, which will optimize connectivity while reducing traffic and road accidents.

**By 2040,**
**Israel Railways' strategic plan aims to double the railways network to 2,572km and serve 300 million passengers annually**

Israel Railway - Gilboa Region



15 Tel Aviv cycling paths

## Cycling Infrastructure

Proceeds of the Green Bond assisted in financing the development of dedicated bicycle networks across multiple cities—including Holon, Rosh Ha'Ain, Herzliya, and Netanya. The goal is to establish a network of wide, separated bicycle paths that not only connect city centers and residential zones but also provide a fast, healthy, and environmentally friendly alternative to private vehicles. Each investment seeks to reduce both local pollution and urban congestion by creating seamless and accessible routes for non-motorized transport.

In 2022, Israel's Ministry of Transport introduced a comprehensive plan to expand the nation's cycling infrastructure as part of its broader push for sustainable transport solutions. This plan includes the expansion of public transit, integration of multimodal options, and ambitious targets for cycling networks—such as 283 kilometers of bike paths in Tel Aviv, 90 in Herzliya, 75 in Holon, and 69 in Ramat Gan, with additional kilometers allocated across other municipalities. Efforts in cities like Herzliya focus specifically on solving the "first and last kilometer" challenge by enhancing connectivity between train stations, business districts, and neighborhoods.

**According to the plan, Tel Aviv will add 283 km of cycling paths, Ramat Gan 69 km, Herzliya 90 km, Holon 75 km, with the rest spread across the remaining local authorities**

# Sustainable Water & Wastewater Management

Israel is the global leader in wastewater recycling. As an arid nation facing rising temperatures, a 15-25% precipitation reduction by 2100, and extreme weather, sustainable water is a national priority.  In 2022, 90% of domestic wastewater was recycled for agriculture, urban irrigation, and landscaping, with 574 million cubic meters treated—a 50% increase since 2000 (Central Bureau of Statistics, 2022).

The National Action Plan on Climate Change 2022-2026 highlights wastewater management as a critical adaptation strategy, promoting reuse to reduce pollution, conserve water, and build resilience through treatment of sewage and agricultural waste.

Green Bond allocations in this sector accelerate infrastructure development, expand treatment capacities, and enhance distribution networks, ensuring that wastewater reuse remains central to Israel's climate adaptation and sustainable growth strategy.

**90%**
**of domestic wastewater is recycled**

## Impact Metrics

**SUSTAINABLE WASTEWATER MANAGEMENT**

24.4 million $m^3$ of wastewater treated annually*

## Allocated Eligible Green Expenditures

| Category | Expenditures | 2022 Budget ILS | 2023 Budget ILS | Description |
|---|---|---|---|---|
| Sustainable Wastewater Management | **Wastewater collection and treatment and renewal of wastewater collection and treatment** | 135,199,516 | 126,252,784 | Development and operation of wastewater recovery facilities |

## Case Study

Today, Israel leads the world in the rate of effluent recovery from the total amount of wastewater treated, recycling nearly 90% of its wastewater—approximately four times higher than any other country (Israel Water Authority). The sewage system is of significant importance to the framework for all water resources and agricultural-purpose water allocations.

The proceeds of the Green Bond assisted local authorities with the development, operation, and maintenance of water reclamation plants – according to the highest standards. The facilities are located near the cities of Hadera, Ashkelon, and Ashdod, among other locations.

*Total wastewater treatment volume is estimated based on comparable projects. See methodology for more details.

# Sustainable Management of Living Natural Resources & Land Use

The sustainable management of living natural resources and land use is a cornerstone of Israel's climate adaptation and biodiversity strategy. According to the Red Data Book on Israel's vertebrates, approximately 35% of the country's vertebrates are endangered, with rates ranging from 20% for nesting birds to 83% for amphibians.

Protecting and rehabilitating degraded ecosystems is not only essential for conserving biodiversity, but also for maintaining ecosystem services such as carbon sequestration, soil fertility, and natural flood regulation, which are vital for long-term resilience.

Protecting and rehabilitating degraded ecosystems is essential for conserving biodiversity and maintaining ecosystem services such as carbon sequestration, soil fertility, and natural flood regulation. Within this framework, stream restoration has emerged as a critical area of focus.

**Additional 200km of streams restored by 2030**

## Impact Metrics

**SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES**

61km of streams restored

## Allocated Eligible Green Expenditures

| Category | Expenditures | 2022 Budget ILS | 2023 Budget ILS | Description |
|---|---|---|---|---|
| Sustainable Management of Living Natural Resources | **Restoration of rivers and streams to prevent further deterioration of and enhance natural water resources** | 5,770,582 | 6,934,189 | River restoration |

## Case Study

The restoration of streams enables preservation of unique habitats, nature, and landscapes. In addition to the environmental benefit, river restoration also contributes to the creation of open public spaces, entertainment, and recreation centers for the population’s well-being.

Green Bond proceeds assisted in financing the treatment and restoration of five northern streams. A drought period led to the need of this targeted project to restore the Gaathon, Naaman, Zipori, Kishon, and Hadera streams in northern Israel.

## Methodology

**Urban Light Rail.** Avoided emissions estimates for rail projects are based on analysis of the activity-based model of the Ministry of Transportation for Tel Aviv found in the EIB Carbon Footprint study of Tel Aviv's light rail Green Line project in 2023[18] where it was estimated that the change in annual emissions, for all other modes, stemming from the reduction of mileage of competing road modes resulting from the shift in demand to the project, were estimated at 30k tCO2e p.a. while annual emissions stemming from project's operations were estimated at 7k tCO2e (implying a 23k tCO2e p.a. net gain). These figures were then adjusted proportionally to the estimate number of daily passengers for the Tel Aviv Purple and Red Lines, as well as the JENT Blue and Green Lines. The EIB study was chosen as the most accurate benchmark for urban light rail projects in Israel while daily passenger numbers is the best available proxy for estimated modal shift through vehicle displacement.

**Heavy Rail Electrification.** Avoided emissions estimates for Israel's train electrification allocation which primarily funded tracks and related infrastructure is based on the Israel Ministry of Environmental Protection's passenger efficiency estimates for passenger-kilometres (pkm) for 2020[6] and adjusted for the Green Bond allocation's estimated share of pkm (based on relative km of rail) in accordance to the latest Rail Services data from the Israel Central Bureau of Statistics[2]. Air pollution abatement estimates for train electrification was directly taken from the 2025 study of the impact of the Holon-Bat Yam passenger train line (central Israel) electrification on air pollutant concentrations[21]. Using data collected from air quality monitoring stations that operated at the train stations across the electrified train line between 2018 – 2022, the study demonstrated a statistically significant reduction in the annual average NO2, NO and NOX concentrations (29–45%, 79–85% and 65–75%, respectively), attributed to the electrification of the passenger train line.

**Cycling infrastructure.** Avoided emissions were not available due to shared impact attribution and data limitations with regards to accurate modal shift estimates. Data relating to total length of bicycle lanes are directly from the Ministry of Transportation.

**Charging stations.** Avoided emissions estimates are based on comparable studies from Spain (EIB, 2020)[19] for private car infrastructure and Indonesia (U. of Kyushu, 2024)[16] for public bus infrastructure as well as the UN IFI Grid Factor of 402 gCO2/kWh (2021)[15]. Data relating to the number of charging stations is directly from the Ministry of Transportation .

**Sustainable Wastewater Management.** Total $m^3$ of wastewater treated annually is derived from the World Bank Water Global Practice Technical Paper (2017)[23] estimating wastewater treatment costs in Israel at USD3.15 per $m^3$.

**Sustainable Management of Living Natural Resources & Land Use.** Total number and KM of streams restored is directly from the Ministry of Environment.

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# Eligible Green Expenditures

| Measures | Main Steps | Environmental Objectives | UN Sustainable Development Goals |
|---|---|---|---|
| Clean Transportation | Expenditures related to the research & development, facilitation, construction, upgrade, installation or operation of zero- and low-carbon transport assets.<br>Electric rail transport services, including passenger interurban, urban and suburban rail transport with zero direct (tailpipe) $CO_2$ emissions and related infrastructure enabling public rail transport.<br>Sustainable road transport services, including:<br>• Urban and suburban transport and road passenger transport with zero direct (tailpipe) $CO_2$ emissions, and related infrastructure enabling low-carbon road transport and public transport.<br>• Operation of personal mobility devices, cycle logistics and related infrastructure for personal mobility, cycle logistics. | Climate Change Mitigation | 9 Industry, Innovation and Infrastructure<br>11 Sustainable Cities and Communities<br>13 Climate Action |
| Renewable Energy | Expenditures related to the research & development, facilitation, construction, upgrade, installation or operation of renewable energy infrastructure with life cycle emissions of less than 100g$CO_2$e/kWh, declining to net-0g$CO_2$e/kWh by 2050, for example:<br>• Electricity generation using solar photovoltaic technology<br>• Electricity generation from wind power<br><br>Enabling assets promoting the deployment of renewable energy technologies:<br>• Storage of electricity<br>• Transmission and distribution of electricity, with the main purpose to increase and facilitate generation of renewable electricity* | Climate Change Mitigation | 7 Affordable And Clean Energy<br>9 Industry, Innovation and Infrastructure<br>13 Climate Action |
| Energy Efficiency | Expenditures related to the research & development, facilitation, construction, upgrade, installation or operation of projects and programs that reduce energy consumption or improve resource efficiency, for example:<br>• Energy efficiency programs supporting industry, commerce and local authorities aiming for a 30% reduction in energy demand, such as LED street lighting and energy efficient cooling technologies. | Climate Change Mitigation | 9 Industry, Innovation and Infrastructure<br>13 Climate Action |
| Green Buildings | Expenditures related to the research & development, facilitation, construction, upgrade, installation or operation of energy-efficient buildings, for example:<br>• Construction of new buildings and acquisition and ownership of buildings that either meet: a minimum of 2 stars according to the green construction law 5281 – Green building standards; or LEED Gold status or above.<br>• Renovation of existing buildings which result in reducing primary energy demand by at least 30% or lead to a minimum energy rating of C.<br>• Installation, maintenance, and repair of energy efficiency equipment, such as acquisition, installation or maintenance of improved insulation, LED lighting, new boiler, etc. | Climate Change Mitigation and Adaptation | 11 Sustainable Cities and Communities<br>13 Climate Action |
| Sustainable Water and Wastewater Management | Expenditures related to the research & development, facilitation, construction, upgrade, installation or operation of sustainable water and wastewater facilities and projects that also meet high standards for energy consumption, for example:<br>• Construction, extension, and operation of water collection, treatment, and supply systems as well as renewal of water collection, and supply systems. Projects may include facilities and technologies designed to improve drinking water quality, improve reliable fresh water supply or increase water use efficiency, for example through urban drainage systems or water purification processes.<br>• Construction, extension and operation of wastewater collection and treatment and renewal of wastewater collection and treatment.<br>• Technologies to reduce overall water demand in stressed areas. | Sustainable Use and Protection of Water and Marine Resources | 3 Good Health And Well-Being<br>6 Clean Water And Sanitation |



*Transmission and distribution infrastructure or equipment dedicated to creating a direct connection, or expanding an existing direct connection to a power production plant that is more CO2 intensive than 100 gCO2e/kWh, measured on a life cycle basis over a rolling five-year period, is not eligible

# Eligible Green Expenditures

| Measures | Main Steps | Key Actions | Expected Outcomes |
|---|---|---|---|
| Pollution Prevention and Control and Circular Economy | Expenditures related to the research & development, facilitation, construction, upgrade, installation or operation of projects that reduce pollution to air, water and land, for example:<br><br>Waste management<br>• Projects that encourage and facilitate collecting, treating and recycling waste<br>• Projects to prevent landfilling<br>• Projects to increase waste reduction at source to support reduction of food waste and food rescue, reduce plastic waste and increase recycling and support reduction of municipal waste generated in households (reduce and recycle)<br><br>Circular economy<br><br>Projects that support the development of products or packaging that are reusable, recyclable and include refurbished materials, components and products* | Pollution Prevention and Control; Transition to a Circular Economy | 9 Industry, Innovation and Infrastructure<br>12 Responsible Consumption And production |
| Environmentally Sustainable Management of Living Natural Resources and Land Use | Expenditures related to the research and development, sustainable management and preservation of terrestrial and marine ecosystems, such as:<br>• The protection, preservation, restoration of terrestrial and marine ecosystems with the aim of preserving or enhancing natural capital<br>• Sustainable agriculture practices and climate smart farming that prevents or minimizes the degradation of soil, ecosystems or habitat loss, or that promotes soil carbon sequestration<br>• Restoration of rivers and streams in order to prevent further deterioration of and enhance natural water resources | Protection and Restoration of Biodiversity and Ecosystems | 14 Life Below Water<br>13 Climate Action<br>15 Life on Land |
| Climate Change Adaptation | Expenditures related to the research & development, facilitation, construction, upgrade, installation or operation of climate adaptation projects, for example:<br>• Projects to improve preparedness of local authorities for the prevention of flooding and fires<br>• Projects promoting technological innovations in the fields of energy, water, environment, and sustainability to respond to climate change | Climate Change Adaptation | 11 Sustainable Cities And Communities<br>13 Climate Action |

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Prepared with the support of Green Swan Lab Ltd