The need for a common language in Green Finance

Towards a standard-neutral taxonomy for the environmental use of proceeds

China's Green Bond Endorsed Project Catalogue and
The Common Principles for Climate Mitigation Finance Tracking
mapped and compared.

Phase I Report of Joint Research

by

European Investment Bank
Green Finance Committee of China Society for Finance and Banking

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Table of Contents

EIB-PREFACE

In June this year, EIB celebrated the tenth anniversary of its first green bond with a new reference green bond of 30 year tenor, the longest green benchmark ever issued until then. It was a strong statement that highlighted both the healthy dynamic of the segment and the EU Bank's commitment to its further development.

The roots of EIB's strategic approach to green bonds lie in the Berlin Declaration of 2007, which put energy and climate protection at the heart of European integration, as well as in the concomitant EU Energy Action Plan, which set ambitious GHG-emission targets and engaged the European Investment Bank in their implementation on the ground.

While upscaling climate action lending, to renewable energy and energy efficiency in the first place, the Bank decided to actively involve stakeholders in its endeavours, putting accountability and precise definition of the eligible projects at the core of its dialogue with capital markets.

New issuance is only one part of this dialogue, which is also supported by ongoing engagement in the area of best practice. In the past years, EIB's contributions have ranged from the upgrade of its own allocation and reporting to the promotion of impact reporting harmonization and the start of ex-post reporting as well as the provision of "reasonable assurance" to investors through independent external audit.

Widespread recognition and credibility, sealed by chairmanship of the executive committee of the Green Bond Principles (GBP), have helped the Bank continue extending the range of its initiatives. One important area is the classification of the activities underlying green bonds, and, more in general, green finance. Lack of clarity in this area questions comparability, increases the uncertainty associated with investment decisions, prevents clear policy signals.

Our approach is pragmatic and result-oriented: together, Chinese issuers, EIB and its peers raised the largest amounts of green bonds in 2016. It is therefore legitimate for China Green Finance Committee (CGFC) and EIB to map and compare the use-of-proceeds classifications of these two constituencies in a coherent manner. A consistent logical framework, rather than the "right" use-of-proceeds, is therefore what we are striving for in this exercise.

Simultaneously, we aim to establish a reference for further discussions in multiple *fora* (e.g. GBP, IFI-working groups, the European Commission's High Level Expert Group on sustainable finance, external reviewers). The goal is to explore the feasibility of mapping and comparing in a coherent manner the classification of activities established for the use of proceeds of any green bond. At the same time, we are pursuing consistency between green lending and green funding, a condition for material impact investment.

The study is the result of close cooperation between EIB's Projects and Finance Directorates, and combines appraisal and capital markets expertise, framing the relevant issues without fear of complexity, still with a concrete objective in mind. This is helped by an innovative approach to the classification of the activities underlying any financial product.

This White Paper thus sets the scene for a broader debate that should ultimately lead to the establishment of a common language in green finance. The objective is to help practitioners clarify and compare their preferences with precision, so that demand can meet supply more efficiently within and across jurisdictions, spurring market support to global public policies.

In pursuing these goals, the White Paper directly serves the China-EU strategic partnership in climate finance and clean energy, which has the potential to develop synergies of core relevance for the planet. Two-way capital market flows are an important component of this partnership and should benefit from the work presently underway.

Jonathan Taylor, Vice President, European Investment Bank

PBoC-PREFACE

In recent years, green finance has developed from a niche area to a substantial market, while still delivering immense potential for growth. Today, as the global green bond market surpasses $100bn of annual issuance, the time is ripe for greater efforts towards global compatibility and harmonization of standards in order to enhance all stakeholders' participation in the international green bond market. The aim of this white paper, co-authored by China's Green Finance Committee (launched by the People's Bank of China in 2015) and the European Investment Bank, is to provide a basis for future international cooperation on improving green finance definitions and standards with a view to facilitating cross-border green capital flows, via a comparative study of green bond standards used by China, EIB and MDBs.

The development of green finance is a key priority for China. Domestically, China has already achieved remarkable success in rapidly expanding its green finance market. In August 2016, with the approval of the State Council, the People's Bank of China and six other ministries jointly issued the 'Guidelines for Establishing the Green Financial System', providing a comprehensive and overarching framework for developing green finance. These guidelines address the green aspects of credit, securities markets, funds, PPPs, insurance, emission rights trading, local initiatives, international cooperation, as well as risk assessment. Achievements to date include nearly 10% of Chinese domestic lending by banks being green, China becoming the world's largest green bond market, and the launch of more than 50 local green funds.

Internationally, China is actively advocating for the global development of green finance. Under China's presidency of the G20, green finance became a key theme at the G20 agenda for the first time. The G20 Green Finance Study Group was launched as part of this effort to support the G20's goal of strong, sustainable, and balanced growth. This initiative taken by China has been continued today through the latest G20 summit in Hamburg and should advance further towards the next G20 meeting in Argentina. As exemplified by this white paper, China sees the EU as a strategic partner in promoting green finance internationally, and looks forward to continuing the joint efforts towards environmental sustainability in the future.

Globally, a number of green bond standards exist without a clear method for comparison. The launch of this white paper is a meaningful first step for improving market understanding of the various green bond standards and for enhancing consistency for such standards. It will help market participants to better understand the language of green finance in China, Europe, and across the globe. This white paper focuses on providing a compatibility scheme between the Chinese Green Bond Endorsed Project Catalogue, the EIB's Climate Awareness Bonds, and the MDB-IDFC standards as these represent the most applied standards globally. By working to develop a 'Rosetta Stone' of green bond categories, the white paper assists market actors to make better informed decisions, thereby helping the realization of environmental policy goals.

At the time we launch this white paper, the PBC and EIB welcome all stakeholders to participate in the efforts for scaling up the green bond market globally, and to jointly contribute to sustainable development for all.

Yin Yong, Deputy Governor of the People's Bank of China

Summary

On the global scene, China and the EU are actively advocating for green finance to be included as a central pillar of sustainable development. Under China's presidency of the G20, green finance became a key theme at the G20 agenda for the first time. The G20 Green Finance Study Group was launched as part of this effort to support the G20's goal of strong, sustainable, and balanced growth. This initiative has been continued today through the latest G20 summit in Hamburg and may advance further towards 2018 under the G20 framework.

This white paper, co-authored by China's Green Finance Committee (CGFC，launched by the People's Bank of China in 2015) and the European Investment Bank, is focused on the case of green bonds, since this market has achieved a scale and frequency of cross-border flows to make harmonization critical. Internationally a number of green bond standards exist without a clear method for comparison. As a basis for developing greater harmony, this paper aims to provide a scheme on the basis of which the Chinese Green Bond Endorsed Project Catalogue, the project eligibility criteria of EIB's Climate Awareness Bonds (a sub-set of EIB's lending criteria), and the MDB-IDFC Common Principles for Climate Mitigation Finance Tracking become conceptually compatible, as these represent core applied standards for the classification of activities underlying green bonds globally.

The present white paper serves this end by initiating a study on how to enhance comparability of green bond standards in China and the EU. Announced in March 2017, the CGFC/EIB initiative aims to provide a logical framework for initiatives that could create momentum for harmonizing green finance standards, including proposals for a "translation device" or "Rosetta Stone" using a universal taxonomy of environmental activities for the comparison of classifications and standards, starting with climate change mitigation. Furthermore, a few *ad hoc* working groups of EU-China technical specialists may be established to take this work forward in the other areas of green development (e.g. pollution prevention and control, climate change adaptation, biodiversity loss, and natural resource depletion).

Regarding specifically the comparison of standards, the technical conclusions of the paper are：

1. The Chinese, MDB-IDFC, and EIB standards use different categories for the classification of the underlying assets. While the Chinese green bond catalogue, which is largely consistent with the Green Bond Principles, has a broader scope of green, covering "environmental protection" among others, the MDB-IDFC and EIB standards are focused on climate change. However, both standards include areas not included in the other. Therefore, direct comparison at the first stage of this study is taking place in the area of climate mitigation.

2. Regarding the Chinese standard, within climate change mitigation, four categories are not included in the MDB-IDFC standard, namely energy saving on greenfield facility construction for industries with national energy consumption allowance, clean utilization of coal, ultra-high voltage grid infrastructure, as well as urban underground pipeline projects. On the other hand, within the broader scope of the Chinese standard, some items outside the MDB-IDFC standard are included namely environmental restoration projects, coal washing and processing for the purpose of clean utilization of coal, cleaner gasoline and diesel, and a few aspects of ecological protection and climate change adaptation. These differences are similar between the Chinese and the EIB standard.

3. When it comes to the EIB standard, as climate change mitigation, i.e. "low carbon", is the scope of both the MDB-IDFC and the EIB standard, the difference between the two lies in what specific categories to cover within such scope. Here the analysis finds that the EIB lending standard is different from the MDB-

IDFC standard in its inclusion of nuclear energy[1]. This difference also exists towards the Chinese standard, which does not include nuclear energy either.

4. The MDB-IDFC standard further includes a number of categories not included in the Chinese or EIB standard. As opposed to the Chinese standard, the MDB-IDFC standard specifically includes renewable energy power plant retrofits, wind-driven pumping systems, energy audits to end-users, carbon capture and storage, non-motorized transport, projects producing low carbon components, as well as a number of aspects of technical assistance. Lastly, the MDB-IDFC standard also includes categories not included in the EIB standard, namely energy efficiency in thermal power stations (coal[2]).

This white paper recommends that a broader working group of China-EU technical specialists works further on compatibility between the Chinese and MDB-IDFC standards. This includes potentially splitting and rephrasing categories to enhance direct compatibility, extending the analysis beyond climate change mitigation toward broader areas of "environmental protection", and exploring ways to identify a "common ground" that could serve as the basis for green bonds issued and/or sold by China in the overseas market as well as by international issuers in the Chinese domestic market. This effort can also feed into the work of the Green Bond Principles, and could create momentum for enhancing the consistency of green bond standards globally.

[1] Nuclear energy is however not eligible for CAB-allocation.
[2] Energy efficiency in conventional coal-fired power plants is ineligible for EIB unless it meets EPS and is in all cases not counted as Climate Mitigation.

1. The policy framework for green finance

1.1. G20 initiatives to scale up green finance

Under China's Presidency, green finance became for the first time one of the key themes for the G20. China initiated the G20 Green Finance Study Group, in support of the G20's strategic goal of strong, sustainable and balanced growth. The mandate of the Group is

"*to identify institutional and market barriers to green finance and, based on country experiences, develop options on how to enhance the ability of the financial system to mobilize private capital for green investment"*[3].

Green finance is defined as

"*financing of investments that provide environmental benefits in the broader context of environmentally sustainable development*".

Following the G20 Summit in Hangzhou, the G20 Green Finance Synthesis Report was published. The conclusions of the Report were included in the G20 Leaders' Communiqué, showing broad consensus and support. Consequently, the G20 Green Finance Synthesis Report provides an important reference for green finance globally. The Report:

A. Divulges that only a small fraction of bank lending is explicitly classified as "green" according to national definitions, less than 1% of global bonds are labeled green and less than 1% of the holdings by global institutional investors are green infrastructure assets. The potential for scaling up is substantial.

B. Identifies the following challenges: inadequate consideration of externalities, maturity mismatch, **lack of clarity in green definitions**, information asymmetry, and lack of analytical capacities.

C. Highlights a number of key options to enhance the ability of the financial system to mobilize private capital for green investment:

   1. Provide strategic policy signals and frameworks
   2. Promote voluntary principles for green finance
   3. Expand learning networks for capacity building
   4. Support the development of local green bond markets
   5. **Promote international collaboration to facilitate cross-border investment in green bonds**
   6. Encourage and facilitate knowledge sharing on environmental and financial risk
   7. **Improve the measurement of green finance activities and their impacts**

Of direct relevance to this White Paper are:

Option 5: "Country authorities or market bodies could promote cross-border investment in green bonds, including through bilateral **collaboration between different green bond markets**, where market participants could explore options for a mutually accepted green bond term-sheet."

Option 7: "Building on G20 and broader experiences, the G20 and country authorities could promote an initiative to work on **green finance indicators and associated definitions**, and to consider options for the analysis of the economic and broader impacts of green finance."

This is the overarching institutional framework within which CGFC and EIB have developed their cooperation with concrete action in 2017.

[3] http://unepinquiry.org/wp-content/uploads/2016/09/Synthesis_Report_Full_EN.pdf

1.2. PRC's policy and regulatory initiatives to scale up green finance

In **August 2016**, China issued "Guidelines for Establishing the Green Financial System"[4], with the approval of the State Council. Harmonized with existing relevant policies, this document provides the overarching framework for green finance in China. As China is at a crucial stage of economic structural adjustment and transformation for its development model, the demand for green finance to support green industries and sustainable development is constantly expanding. In order to fully implement the "Opinions of China's Central Party Committee and the State Council on Accelerating the Development of Ecological Civilization" (Zhongfa [2015] No.12) and the "Overall Plan for the Structural Reform for Ecological Civilization" (Zhongfa [2015] No.25), as well as promote the development concepts of innovation, harmony, greenness, openness and sharing.

The Guidelines define "green finance" as

"financial services provided for economic activities that are supportive of environment improvement, climate change mitigation and more efficient resource utilization. These economic activities include the financing, operation and risk management for projects in areas such as environmental protection, energy savings, clean energy, green transportation, and green buildings",

and highlight the following key actions:

1. Vigorously Develop Green Lending.
2. **Enhance the Role of the Securities Market in Supporting Green Investment.**
3. Launch Green Development Funds and Mobilize Social Capital through Public and Private Partnerships (PPP).
4. Develop Green Insurance.
5. Improve Environmental Rights Trading Market and Develop Related Financing Instruments.
6. Support Local Government Initiatives to Develop Green Finance.
7. **Promote International Cooperation in Green Finance.**
8. Prevent Financial Risks and Strengthen Implementation.

Most relevant to this white paper, point 3 highlights the relevance of **green bonds**. The Guidelines aim, *i.a.*, to: improve the rules and regulations for green bonds and **unify the green bond definitions** (item 12); take measures to reduce the financing cost of green bonds (item 13); formulate standards for third party verification (item 14); **improve environmental information disclosure** (item 17); and guide institutional investors to invest in green assets (item 18).

These objectives are pursued by five key documents issued by People´s Bank of China (PBoC), National Association of Financial Market Institutional Investors (NAFMII), Shanghai Securities Exchange, Shenzhen Securities Exchange, and the National Development and Reform Commission (NDRC). Different assessment standards exist depending on the type of green bonds, as summarized in the table below:

[4] http://www.pbc.gov.cn/english/130721/3133045/index.html

Table 1: PRC assessment standards

Types of Green Bonds	Green Financial Bond	Green Debt Financing Instrument	Green Enterprise Bond		Green Corporate Bond
Regulating Actors	PBoC	NAFMII	Shanghai Securities Exchange	Shenzhen Securities Exchange	NDRC
Policy Documents & Release dates	PBoC announcement no. 39 **22/12/2015**	NAFMII, guideline for non-financial enterprise green note **22/03/2017**	Guidelines to Support Green Corporate Bond Issuance by CSRC 2/3/2017		NDRC no. 3504 **31/12/2015**
			Announcement no 13【2016】by Shanghai Stock Exchange **16/3/2016**	Announcement no 206【2016】 by Shenzhen Stock Exchange **22/4/2016**	
Use of Proceeds Classifications	GB Catalogue	GB Catalogue	GB Catalogue		NDRC catalogue with 12 types[5]
Management of proceeds	A specialized account has to be established to clearly track the management of proceeds	A specialized account has to be established to clearly track the management of proceeds	A specialized account has to be established to clearly track the management of proceeds	A specialized account has to be established to clearly track the management of proceeds	Unspecified
Project evaluation and assessment	Third Party Certification	Third Party Certification	Third Party Certification	Third Party Certification	No need of Third Party Certification, Regulator decides
Information Disclosure	Has to notify the market on use of proceeds each quarter and last year report of funds using & special auditor report before 30th April each year as well as reporting to PBoC	Disclose to the market use of proceeds and development of green projects every half year	At least disclosure once a year. A Guidance in preparation		Unspecified

Green bonds have thus become an important capital markets financing tool for China's real economy. As of the 1st of July 2017, the total amount of issuance with China's labeled green bond market reached $48bn. In 2016, China's green bond market became the largest in the world, with a share of around 38% of the total issued during the year.

In line with point 8 above, the development of China's green bond assessment standards has relied on regular contacts with international self-regulatory organizations, market standard providers and regulators. In particular, China's Green Finance Committee (GFC), operating under the auspices of the PBoC, has benefitted from the input of the International Capital Market Association (ICMA) as Secretariat to the Green Bond Principles (GBP), and the Climate Bonds Initiative (CBI).

The CGFC-EIB collaboration and this White Paper aim to further improve the transparency of Chinese green finance at the international level, stimulate an open China-EU dialogue for the shared understanding of the common goals, and facilitate the agreement of complementary paths towards the achievement of these goals.

1.3. EU´s policy and regulatory initiatives to scale up green finance

The G20 definition of green finance is consistent with EU policy objectives. "*Environmental protection*" is enshrined in the Charter of Fundamental Rights of the Citizens of the European Union (art. 37). Art. 11 of

[5] NDRC is currently in the process of unifying the GB Catalogue with its own Catalogue. This synthesis is expected to be completed by March 2018.

the Treaty on the Functioning of the European Union (TFEU) further stipulates that "*environmental protection requirements must be integrated into the definition and implementation of the Union's policies and activities, in particular with a view to promoting sustainable development.*"

In a classification proposed by the UNEP Inquiry[6], environmental policies and activities serve three goals: climate change mitigation, climate change adaptation, and other environmental objectives. In the area of climate change mitigation, the EU assigns a special role to energy policy, which art. 194 TFEU requires to "*promote energy efficiency and energy saving and the development of new and renewable forms of energy*".

In **March 2007**, the Berlin Declaration signed on the occasion of the 50th anniversary of the Treaties of Rome put energy policy and climate protection at the heart of European integration. At the same time, the EU Council underlined the responsibility of the EU in international climate policy and adopted an integrated 2020 Energy and Climate Change Package[7]. This included the Energy Action Plan focusing on renewable energy and energy efficiency to cut GHG-emissions. The EIB, as Bank of the European Union, decided to strengthen its investments in these areas and issued the **first green bond** to directly involve capital markets via accountability and precision in the use of proceeds.

In **October 2014**, this commitment was reinforced and extended with the 2030 Climate and Energy Framework[8]. The Framework provided the basis for the EU's signature of the Paris Agreement and the establishment of an ambitious financing target - at least 20% of EU's budget should be spent on climate change-related action between 2014 and 2020.

With the Capital Markets Union (CMU) Action Plan of **September 2015**, the European Commission (EC or Commission) set out a comprehensive programme with a view to putting in place the CMU-building blocks by 2019. The **need to support EU green bond standards** was highlighted in the plan.

In **September 2016**[9], the EC underlined that reforms for sustainable finance are essential to meet the EU's climate and environment objectives in the context of its international commitments (including the Paris Agreement on climate change), and that it furthers these objectives in the context of the G20.

In **October 2016**, the Commission decided to establish a High-Level Expert Group on Sustainable Finance (HLEG) to develop an overarching and comprehensive European strategy on integration of effective policy provisions in the EU financial policy framework. In light of its status as EU public institution as well as its technical expertise in funding, project evaluation and lending in the relevant areas, the EIB has been asked by the Commission to assist the HLEG as an Observer and Technical Adviser.

In the related Decision[10], the Commission highlights that:

1. The Paris Agreement on climate change includes the commitment to align financial flows with a pathway towards low-carbon and climate-resilient development;
2. The current financial system needs to be better aligned with EU policies in support of sustainable growth and investments;
3. The HLEG should have particular regard to the challenges posed by climate and environmental risk to the financial system and the need to harness financial markets in responding to these challenges.

The members of the HLEG will finalise their recommendations in a report to the Commission in December 2017. The HLEG´s *interim* report was presented by the European Commission on **July 18, 2017**[11]. The

[6] Source: UNEP Inquiry 'Definitions and Concepts. Background Note.', September 2016, accessible at http://unepinquiry.org/wp-content/uploads/2016/09/1_Definitions_and_Concepts.pdf
[7] See: https://ec.europa.eu/clima/policies/strategies/2020_en
[8] See: https://ec.europa.eu/clima/policies/strategies/2030_en
[9] See http://ec.europa.eu/finance/capital-markets-union/docs/20160913-cmu-accelerating-reform_en.pdf
[10] See http://ec.europa.eu/finance/capital-markets-union/docs/20161028-press-release_en.pdf
[11] http://ec.europa.eu/info/publications/170713-sustainable-finance-report_en

report recognizes the **priority of a single EU-taxonomy for the classification of sustainable assets by objectives and sectors**, and dedicates the first of its early recommendations to this subject, asking in particular that the European Commission:

"*First, invites the **European Investment Bank** to coordinate the development of an EU classification for climate change finance, conducted in consultation with relevant constituencies (technical specialists, market practitioners, policy-makers and civil society representatives) and taking account of work already accomplished or in progress in this area. This process could be completed by the end of 2017 and its integrity would be secured via monitoring by an independent party or appointed committee*."

The CGFC-EIB cooperation and this White Paper describe the conceptual framework and provide market-based insights that support the required institutional work with a solid technical background.

2. Improving clarity in green finance: the role of use-of-proceeds taxonomies

The 2016 G20 Green Finance Synthesis Report states that (p.10):

"*In many countries and markets, the **lack of clarity as to what constitutes green finance activities and products** (such as green loans and green bonds) can be an obstacle for investors, companies and banks seeking to identify opportunities for green investing*."

Clarity requires in the first place a classification of the green activities underlying any financial product - a "universal taxonomy" for the use of proceeds – to permit objective descriptions and comparisons as well as the development of standards and labels to guide the choices of market participants.

We discuss below the classification of green (i.e. environmental) activities. The same approach can in principle be extended to the other activities (social, economic, governance) considered in the scheme of sustainable development proposed by the UNEP Inquiry and adopted by the HLEG in its Interim Report (p.12).

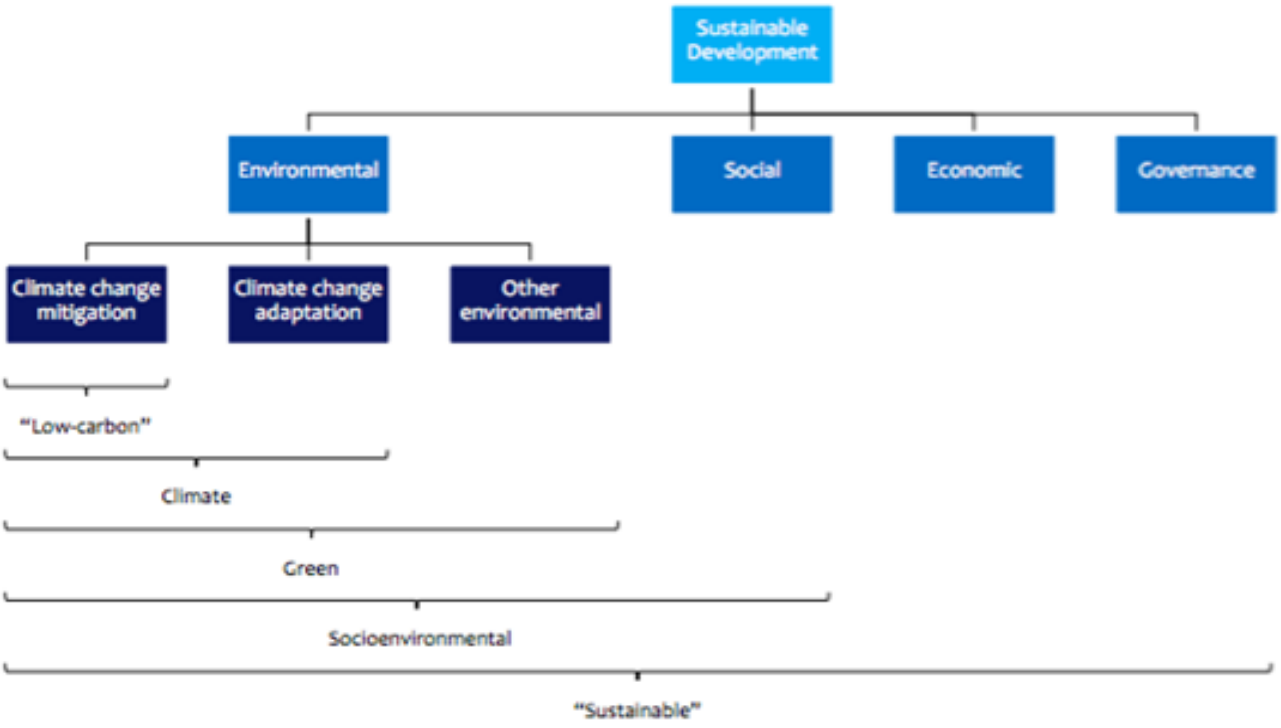

Figure 1. A simplified scheme for understanding broad terms (UNEP Inquiry. 2016: 10-11)

2.1. First condition for clarity: completeness and precision

Green bonds are designed to provide investors with accountability regarding the issuers' disbursements to the target activities. The *"lack of clarity as to what constitutes green finance activities"* prevents a univocal definition for the use of proceeds.

The Green Bond Principles[12] address this challenge pragmatically with an indicative list of "the most commonly used types of projects supported or expected to be supported by the Green Bond market". Included are "broad categories of eligibility" of diverse nature[13], for example both activities and policy objectives.

The challenges of this approach are illustrated by the examples in **Annex I**. All other conditions equal, issuers and investors may target:

1. different **policy objectives** or have different definitions of the same policy objective (**worksheet A**);
2. different **activities and activity subsectors** (**worksheet B**);
3. different **screening criteria** for any given indicator (**worksheet C**) [14],

that are difficult to clarify and compare without disclosure of all relevant parameters.

FIRST CONCLUSION: The *status quo* can be improved by agreeing on a universal reference taxonomy that entails (**first table in Annex II**):

A. a matrix of <u>all</u> potentially eligible activities and core policy objectives (e.g. climate change mitigation and adaptation, biodiversity, conservation of natural resources, pollution prevention and control); and
B. one primary indicator for each combination of activity and policy objective to clarify the primary measure of each activity's contribution to the relevant policy objective.

A key question is whether this improvement can be achieved by pure market forces or rather via official intervention. China and France have opted for the latter; the EU is presently considering various options in the context of the HLEG. The G20 Green Finance Synthesis Report (p.27) highlights the potential synergy of public and private cooperation:

"*(…) the G20 and country authorities could promote an initiative to work with the private sector on green finance indicators and associated definitions and improved data availability, possibly with the assistance of selected international organizations*."

2.2. Second condition for clarity: comparability

<u>If all market participants refer to a single universal taxonomy</u> (the case illustrated in Annex II), comparability can be achieved by:

A. providing market guidance via standards (including standards enacted via legislation) which clarify (**second table in Annex II**):
    1. which activities in the universal taxonomy serve the public agenda;

[12] https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/GreenBondsBrochure-JUNE2017.pdf
[13] E.g. "renewable energy", "pollution prevention and control", "eco-efficient and/or circular economy adapted products, production technologies and processes".
[14] A green bond issued by an energy company provides a practical case in point. Even if policy objective and activity may be clearly defined (climate mitigation via energy efficiency reducing the company's GHG emissions), the absence of a meas:ure and a target for the significance of the energy savings associated with the intended investments (e.g. in proportion to the value of the energy efficiency components of the target projects) may generate some reservations and easily turn into broader, partially unrelated and undifferentiated criticism. This may cast doubt on the credibility of the entire market.

2. the value for each primary indicator that is compatible with the public agenda; and

B. requiring users of proceeds to:

1. clarify at product inception:
   - which combinations of activity and policy objective they target for the use of proceeds;
   - their target value for each primary indicator;
2. report subsequently on the indicator values estimated for the actual use of proceeds.

This approach recognizes the value of simple and clear policy guidance as well as of transparent disclosure, which are highly appreciated by market participants.

If market participants refer to different universal taxonomies, the absence of shared terminology hampers transparency and accountability.

SECOND CONCLUSION: The *status quo* could be improved through:

A. a "translation device" for the conversion of activity descriptions between taxonomies;
B. the use of the same primary indicators for the same activities in all taxonomies.

This approach recognizes that there are reasons for different terminologies across jurisdictions and that realistically such differences cannot be paved away in the foreseeable future. This recognition is in line with the statement of the G20 Green Finance Synthesis Report (p.27) that:

"(…) *more clarity about green finance definitions is demanded from the market and policy makers, although it does not require a "one size fits all" approach. Some internationally comparable indicators are also useful in facilitating cross-border and cross-market green investment* (…)".

This is the market framework within which CGFC and EIB have developed their cooperation with concrete action in 2017.

3. Mapping and comparing China/EIB practices

In their joint efforts, CGFC and EIB have been guided by the G20 Green Finance Synthesis Report, which states that (p.7):

"*The diversity of local conditions means some practices that work well in one country may not be suitable in another country. Country contexts vary, including national priorities and the stage of development of their financial systems. As a result, the relative weight of different challenges to green finance will vary between contexts, as will the reasons and importance for actions in the financial system to overcome these challenges. The GFSG has therefore focused on* ***mapping existing practices*** *and emphasizing voluntary options for country action and international cooperation".*

The starting point of CGFC-EIB coordinated action has therefore been to map and compare the use of proceeds taxonomies taken as reference for Chinese and EIB's green financial bonds. This work is presented in detail in **Annex III**.

3.1. The China Green Bond Endorsed Project Catalogue (the "China GB Catalogue")

Green financial bonds are, together with green enterprise bonds, covered by the PBoC's Announcement No. 39, which includes as annex a Green Bond Endorsed Project Catalogue[15]. This Catalogue is reported in **Worksheet A of Annex III**.

[15] https://policy.asiapacificenergy.org/node/2675

The principles on which the GB catalogue is based acknowledge that in addition to challenges from climate change, China is facing other issues such as severe environmental pollution, aggravated resource constraints and deteriorated ecological degradation. As a consequence, the Catalogue must take multi-dimensional environmental benefits into account: GHG emission reduction, pollution reduction, resource conservation, ecological protection, and more. The Catalogue prioritizes projects with direct and marked environmental benefits, in accordance with national industrial policy. Consequentially, the basic principles are as follows:

1. **Conforming to national conditions**: Focusing on improving the ecological environment and easing resource pressure, and following the lead of national industrial policy at the current stage.
2. **Highlighting environmental benefits**: Supporting projects with marked environmental benefits and positive spillover effects.
3. **Simple and clear**: taking into account the fact that most capital market practitioners are not environmental professionals, and thus employing a definition and classification method that is easy to follow and operate.
4. **Making continuous adjustment**: timely updating the Catalogue according to technological advancement, policy adjustment, standard updates and changes in resource and environmental conditions.
5. **In line with international practice**: taking international standards and practices as reference to develop the domestic definition and classification method, in order to facilitate international cooperation in green finance.

The completeness and precision of the China GB Catalogue is the fundament of stricter disclosure responsibilities, so that investors can direct their funds to environmental projects with higher accountability as to the use of proceeds. Project subsidies from central and local governments have been put in place on this basis. Further preferential policies for green bonds may be used, such as government subsidies for green bond verification and the PBOC including green bonds as eligible collaterals for banks to borrow from the central bank at preferential rates. These preferential policies can lower the financing cost to some extent, leading issuers and investors to invest more in projects for environmental protection, low-carbon and more generally sustainable development.

3.2. CABs Project Eligibility Criteria, EIB Climate Action Lending Eligibility List, MDB-IDFC Common Principles for Climate Mitigation Finance Tracking

EIB's green financial bonds are labelled "Climate Awareness Bonds" or "CABs". Their features are described in a yearly "CAB Statement" supported by reasonable assurance from an external auditor[16]:. "Accountability in the future disbursement in the fields of **renewable energy and energy efficiency**, and precise definition of the types of projects to be included in this category" are the core objectives.

The activity focus is therefore more limited than for the China GB Catalogue. CAB project eligibility criteria are however coherent with:

1. **EIB's Climate Action Lending Eligibility List**[17]; and
2. **MDB-IDFC's Common Principles for Climate Mitigation Finance Tracking ("Principles")**[18].

The latter is a set of definitions and guidelines, including a list of eligible activities, developed by the joint climate finance group of multilateral development banks (MDBs)[19] and the International Development

[16] http://www.eib.org/attachments/fi/cab-statement-2016.pdf, p.3 and p.9.
[17] http://www.eib.org/attachments/strategies/eib_climate_strategy_en.pdf,
[18] http://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf
[19] AfDB, ADB, EBRD, **EIB**, IDB, IFC, IDA/IBRD

Finance Club (IDFC)[20] . They "reflect the approach that both groups have been following for tracking climate change mitigation activities for a number of years, and are based on the application of **harmonized terms**" [21].

THIRD CONCLUSION: the MDB-IDFC list of climate mitigation activities is a better touchstone for the comparison with the China GB Catalogue, since it:

A. extends to a broader spectrum of climate mitigation activities beyond renewable energy and energy efficiency;
B. applies to both green bonds and green loans, helping coherence between the two segments;
C. is an instrument used by MDBs to convert and collate their respective climate action figures for joint reporting, which is important in a global policy perspective[22].
D. China Development Bank is a member of IDFC and an issuer of green bonds in the international markets.
E. is currently under review by MDB-IDFC (with EIB in a coordination role for MDBs) for alignment with COP21 goals, which may lead to a fruitful cross-fertilization between our workstreams.

The MDB-IDFC list is therefore reported in **worksheet B of Annex III** and has been taken as *medium* ("unit of account") for the mapping/comparison of the China GB Catalogue and the EIB Climate Action Lending Eligibility List. This permits to associate Chinese activities with EIB activities indirectly, establishing an embryonal "translation device" ("Rosetta Stone") for the use of proceeds.

3.3. Mapping and comparing the China GB Catalogue and the MDB-IDFC list of climate mitigation activities

The scope of the China GB Catalogue ("environmental protection") is larger than the scope of the MDB-IDFC climate mitigation finance tracking list ("low carbon"), which only considers activities promoting "efforts to reduce or limit greenhouse gas (GHG) emissions or enhance GHG sequestration". A direct comparison can therefore only take place for climate change mitigation. This comparison needs to be preceded by a clarification of which, among the Chinese activities, serves primarily this policy objective.[23]

3.3.1. Mapping and comparing policy objectives

Worksheet C of Annex III maps the China GB Catalogue based on the **green bond policy objectives listed in the use-of-proceeds section of the 2016 edition of the Green Bond Principles**: climate change mitigation, climate change adaptation, conservation of natural resources, biodiversity, and pollution control[24].

The table associates each activity with a primary objective, framing in red the activities where some split/rephrasing of the activity description may facilitate its attribution.

[20] www.idfc.org as of today: AFD, Bancoldex, BE, BNDES, BOAD, BSTDB, CABEI, CAF, **CDB**, CDG, COFIDE, DBSA, HBOR, ICD, IEB, JICA, KDB, KFW, NAFIN, PTA SIDBI, TSKB, VEB,
[21] As an example, the MDB/IDFC list of climate mitigation finance activities is used for the conversion and compilation of MDB's statistics in the yearly *Joint Report on Multilateral Development Banks' Climate Finance*.
Latest joint MDB-report: http://www.eib.org/attachments/press/2016-joint-report-on-mdbs-climate-finance.pdf
[22] The MDBs importance in "catalysing the transformational change envisaged by the Paris Agreement" has been recently underlined in the G20 Hamburg Action Plan (section 3) as well as in the EU Council Conclusions on Climate Finance (item 5).
[23] It also implies that the contribution of activities serving environmental areas other than mitigation has to be addressed at a later stage with the help of *ad hoc* taxonomies.
[24] This approach is compatible with the scheme proposed by the UNEP Inquiry (see page 10 above) and in principle permits extension of the same analysis to further types of sustainable objectives other than environmental objectives (e.g. social objectives). Such extension goes however beyond the scope of this White Paper.

3.3.2. Mapping and comparing climate change mitigation activities

Specifically for climate change mitigation, **worksheet C of Annex III** shades in dark grey the China GB activities that can be directly attributed to one or more MDB-IDFC activities. Where this is not feasible, the activity is shaded in light grey.

Worksheet D of Annex III associates the climate mitigation activities in the China GB Catalogue and their equivalents in the MDB-IDFC list. The China GB activities with one single association are left unshaded. Each activity with multiple associations is shaded in a different colour, to permit easy recognition: the colour repeats itself when the same China GB activity is associated with different MDB-IDFC activities down the list. Split/rephrasing of the activities' description may in this case facilitate the establishment of equivalents.

3.3.3. Mapping and comparing screening criteria for climate change mitigation activities

At the end of each activity description, **Worksheet C of Annex III** also highlights in red the core screening criteria (e.g. "demonstrated GHG-emission reductions" or "rehabilitation/greenfield") of the MDB-IDFC Common Principles that would apply to a Chinese activity when appropriate.

Based on the equivalences established in worksheet D, worksheet E of Annex III compares in more detail the public screening criteria used in China GB and EIB practices for each activity on the MDB-IDFC list[25].

FOURTH CONCLUSION:

A. Chinese policy objectives are entirely compatible with GBP-objectives.
B. Equivalences can be established between the China GB mitigation activities and the MDB-IDFC-mitigation activities, and clear MDB-IDFC screening criteria can be identified for inclusion/exclusion.
C. Only four China GB mitigation activities cannot be captured by the MDB-IDFC mitigation activities and the GBP-policy objectives.
D. The MDB-IDFC list can be used as *medium* to compare in detail the screening criteria applied to each activity by the China GB Catalogue and the EIB.

In a nutshell, it is possible to detail China's policy in a manner logically coherent with GBP guidelines and MDB-IDFC policies. Within the appropriate framework, market participants can be provided with the information they need for informed, precise and therefore efficient choices.

4. Mapping and comparing the existing practices of external reviewers and international financial institutions ("IFIs")

The mapping and comparison via the MDB-IDFC list can be extended to the existing practices of other market participants. In this field, only limited information is readily available and CGFC-EIB have started collecting feedbacks from two important constituencies: international financial institutions (IFIs) as well as green bond external reviewers.

[25] A slightly amended version of this list was used for the Joint MDB Report

4.1. Initial feedbacks from an ongoing consultation with International Financial Institutions

The following IFIs, most of which cooperated with the EIB in the IFI-Working Group on green bond impact reporting harmonization in 2015, have been involved and consulted with regard to their screening criteria (19/9): ADB, AFD, AfDB, AIIB, EBRD, IDB, IBRD, IFC, IsDB, KFW, FMO, NIB, NDB.

The collection of detailed feedbacks is ongoing and **worksheet F in Annex III** depicts those already received (FMO and NIB).

4.2. Initial feedbacks from an ongoing consultation with green bond external reviewers

During 2017, EIB, i4CE and WWF have jointly arranged three dedicated roundtables with external reviewers (7/3, 15/6 and 13/10), initially without Chinese participation. The first of these roundtables (summary attached in Annex IV) concluded that the absence of a shared green taxonomy is a major hurdle for external reviews and their comparability, reiterating the G20 conclusions.

The second roundtable launched a formal consultation on taxonomies and screening criteria in use with the following external reviewers: Accreditation Services, Beyond Ratings, Bureau Veritas, Cicero, Climate Bond Initiative, Deloitte, DNV, Epic Sustainability, Ernst & Young, First Environment, Fitch Ratings, KPMG, LuxFLAG, Moody's, PWC, Oekom, S&P, Sustainalytics, TÜV NORD, VERICO, VIGEO.

Worksheet G in Annex III depicts the detailed feedbacks received thus far (Beyond Ratings, Cicero, Climate bond Initiative, PWC, S&P) and discussed in the third roundtable. For the first time, a Chinese external reviewer (China Energy Conservation and Environmental Protection) was invited to join as observer. The intention is to involve more Chinese external reviewers as the technical discussion is extended.

Overall, the main conclusions are as follows:

A. "Lack of clarity" is confirmed: despite positive reception of the initiative, the number of detailed feedbacks has been limited thus far;
B. MDB-IDFC's list of activities is a good "unit of account", covering most of the activities considered by other classifications;[26]:
C. Comparisons are possible only when screening criteria are homogeneous[27];
D. Direct and measurable comparisons are possible only for impact indicators (assuming the same estimation methodologies are applied); these can be used as a "minimum common denominator" from which further standard-biased analyses can be developed;
E. There are methodological differences, e.g. regarding the partial or total eligibility of project cost.

FIFTH CONCLUSION:

Extension of mapping and comparison to other market participants has fact-finding value and can help the definition of a more complete universal taxonomy (activities plus primary screening criteria and indicators) that could be suitable as unit of account going forward.

[26] Not covered are for example: nuclear energy, fisheries and aquaculture, coastal infrastructure, water infrastructure, other eligible assets and products beyond RE and buildings component, transport – water, transport – aviation, new facility less GHG-intensive than national power grid average.
[27] Including: "principle-based" inclusion or exclusion of activities, criteria unrelated to climate change mitigation (e.g. financial or ESG criteria), qualitative assessments within a strategic framework, and impact indicators.

5. Conclusions

The G20 has highlighted that the absence of shared definitions constitutes a barrier for the development of green finance. This challenge, timely addressed by China with the promulgation of the Green Bond Endorsed Project Catalogue in 2015, has been equally recognized by the European Commission's High-Level Expert Group on sustainable finance, which is to formulate recommendations by the end of this year.

CGFC and EIB have decided to address this issue jointly in the context of the strategic partnership between China and the EU on climate change and clean energy. They draw from the concrete experience of green bonds, their initiative legitimated by the significance of China and MDB-IDFC issuers in this market. The White Paper summarizes the first set of cooperation results and recommends a way forward.

Given the diversity of local conditions and plurality of approaches, multiple assessment standards are desirable to scale up green finance. Yet, their efficient comparison requires a shared classification that both encompasses all the activities and policy objectives and clarifies the screening criteria. A taxonomy of this kind would enable market participants to formulate and communicate their core preferences, benchmark their preferences towards standards, as well as deal with information disclosure and external reviews.

Adoption of such a taxonomy should help enhance communication, trust, and effectiveness, towards helping cross-border financial flows between China and the EU. Realistically, however, different terminologies are unlikely to disappear in the near future. This White Paper therefore aims to establish the foundations of a "translation device" between standards, based on input from all actors.

Regarding specifically the comparison of standards, the technical conclusions of the paper are：

1. The Chinese, MDB-IDFC, and EIB standards use different categories. While the Chinese green bond catalogue, which is largely consistent with the Green Bond Principles, has a broader scope of green, covering "environmental protection" among others, the MDB-IDFC and EIB standards are focused on climate change. However, both standards include areas not included in the other. Therefore, direct comparison at the first stage of this study is taking place in the area of climate mitigation.

2. Regarding the Chinese standard, within climate change mitigation, four categories are not included in the MDB-IDFC standard, namely on energy saving on greenfield facility construction for industries with national energy consumption allowance, clean utilization of coal, ultra-high voltage grid infrastructure, as well as urban underground pipeline projects. On the other hand, within the broader scope of the Chinese standard, some items outside the MDB-IDFC standard are included namely environmental restoration projects, coal washing and processing for the purpose of clean utilization of coal, cleaner gasoline and diesel, and a few aspects of ecological protection and climate change adaptation. These differences are similar between the Chinese and the EIB standard.

3. When it comes to the EIB standard, as climate change mitigation, i.e. "low carbon", is the scope of both the MDB-IDFC and the EIB standard, the difference between the two lies in what specific categories to cover within such scope. Here the analysis finds that the EIB lending standard is different from the MDB-IDFC standard in its inclusion of nuclear energy (which is however not eligible for CAB-allocations). This difference also exists towards the Chinese standard, which does not include nuclear energy either.

4. The MDB-IDFC standard further includes a number of categories not included in the Chinese or EIB standard. As opposed to the Chinese standard, the MDB-IDFC standard specifically includes renewable energy power plant retrofits, wind-driven pumping systems, energy audits to end-users, carbon capture and storage, non-motorized transport, projects producing low carbon components, as well as a number of

aspects of technical assistance. Lastly, the MDB-IDFC standard also includes categories not included in the EIB standard, namely energy efficiency in thermal power stations (coal[28]).

6. Recommendations

This white paper suggests that further work on compatibility between the Chinese and MDB-IDFC standards would have practical value and meet with strong interest. This could for example take the form of a broader technical working group of China-EU specialists with focus on, potentially, splitting and rephrasing categories to enhance direct compatibility, extending the analysis beyond climate change mitigation toward broader areas of "environmental protection", and exploring ways to identify a "common ground" that could serve as the basis for green bonds issued and/or sold by China in the overseas market as well as by international issuers in the Chinese domestic market. This effort can also feed into the work of the Green Bond Principles, and could create momentum for enhancing the consistency of green bond standards globally.

More specifically, the results of this study prompt the following two recommendations for further work in the coming months:

I. A dedicated technical working group[29] to be established may be tasked with:
   a. Improving the establishment of equivalences between the China GB and the MDB-IDFC lists (e.g. via splitting/rephrasing activity descriptions);
   b. Reaching consensus on screening criteria and indicators as primary measures of the contribution of each activity to climate change mitigation;
   c. Extending the analysis to environmental objectives other than climate change mitigation;
   d. Identifying the "overlapping" portion between China GB and international standards, which can potentially serve as a basis for the issuance or selling of Chinese green bonds on the overseas market as well as of non-Chinese issuers in the Chinese domestic market.

II. A discussion may be initiated within the GBP-Working Group on Green Eligible Projects on whether, how, and when the conclusions of this White Paper could be mainstreamed into the GBPs.

[28] Energy efficiency in conventional coal-fired power plants is ineligible for EIB unless it meets EPS and is in all cases not counted as Climate Mitigation.
[29] The group may include CGFC, EIB, other IFIs and external reviewers, as well as experts from the European Commission and the National Development and Reform Commission.

Annex: Authors and Contributing Institutions

As a China-EU initiative, this white paper was jointly authored by the European Investment Bank(EIB) and the Green Finance Committee (GFC) of China Society for Finance and Banking. As an executive member institution of GFC, International Institute of Green Finance (IIGF) at Central University of Finance and Economics makes a substantial contribution to the white paper.

On the EU side, under the supervision of Eila Kreivi, EIB Head of Capital Markets, Aldo Romani, EIB Deputy Head of Funding Euro, has coordinated EIB's team as well as the market consultations. He and Dominika Rosolowska, Capital Market Officer Americas/Asia/Pacific, drafted EIB's contributions to the White Paper. Eugene Howard, Managerial Adviser in Energy, and Nancy Saich, Managerial Adviser in Climate and Environment, mapped the China GB Catalogue as well as market feedbacks on screening criteria. Alexander Krauss, Trainee, and Tomomitsu Maruta, IR Officer, shaped the tables in the attachments.

On the China side, under the supervision of Dr. Ma Jun, Chairman of the GFC and the Co-chair of G20 Green Finance Study Group, Professor Wang Yao and her team have spearheaded the Chinese engagement. Prof. Wang is the Deputy Secretary General of the GFC and Director General of IIGF. She, Mathias Lund Larsen and their colleagues at IIGF drafted GFC's contributions to the White Paper, and Cui Ying reviewed the China GB Catalogue mapping.

European Investment Bank

The European Investment Bank (EIB or Bank) was created by the Treaty of Rome in 1958. It is a core instrument of EU's public policy and is owned by the 28 Member States of the European Union. In 2016, the Bank signed around €70bn of financings, making it the largest Multilateral Development Bank globally. Environmental protection and climate change mitigation are core operational priorities for the EIB[30].

In 2007, EIB launched the first green bond. The Bank is the largest issuers of green bonds to date and chairs the Steering Committee of the Green Bond Principles. Spurring the sustainable growth of this bond market is a stated objective of EIB's Climate Strategy.

Since 2010, the Bank has had a formal target for the climate action component of its annual lending activity (presently: 25% minimum). An important objective is coherence and comparability of the information tracked and reported. The Bank has thus been working with other international financial institutions (IFIs) towards a harmonised approach to eligibility criteria and GHG-accounting (MDB-IDFC Common Principles for Climate Finance Tracking[31])..

The Projects Directorate of the EIB is coordinator of the MDB expert group on climate change mitigation tracking until 2019. One core objective of the CGFC-EIB cooperation on this White Paper is to add a market perspective for this workstream, establishing a direct link between this workstream and the ongoing discussion on green bond taxonomies for a closer dialogue between policy and markets on green finance.

Green Finance Committee of China Society for Finance and Banking

The Green Finance Committee of China Society for Finance and Banking was established in April 2015 with the approval of the People's Bank of China. The committee is a non-for-profit professional organization dedicated to research and coordination of green finance initiatives of member institutions. Its mandate covers developing policy proposals on green finance, promoting innovative green investment and financing products and services, increasing awareness of green investment among institutional investors, strengthening capacity building, and helping to implement green finance policies.

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[30] EIB Group Corporate Operational Plan 2017-2019, p. 7, accessible at: http://www.eib.org/infocentre/publications/all/operational-plan-2017-2019.htm

[31] See http://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf and http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Common_Principles_for_Climate_Change_Adaptation_Finance_Tracking_-_Version_1__02_July__2015.pdf

As of the beginning of 2017, the Green Finance Committee had about 190 member institutions, including all major Chinese banks and many insurance companies, asset owners and managers, brokers, green companies, third party service providers and research institutions in the area of green finance. The financial assets under management of the member institutions amounts to RMB 120 trillion, accounting for roughly 70% of the total asset of China's financial industry. The current chairman of the Green Finance Committee is Dr. Ma Jun, Co-Chair of the G20 Green Finance Study Group, Special Advisor the Governor of the People's Bank of China, and Special Advisor to United Nations Environment on sustainable finance.

In green bonds space, the GFC has developed China's Green Bond Endorsed Project Catalogue (GB Catalogue) which is used to support the implementation of green bond guidelines by PBOC, the National Association of Financial Market Institutional Investors（NAFMII）, Shanghai Stock Exchange and the Shenzhen Stock Exchange. Most of Chinese green bond issuers and all green bond verifiers are members of the GFC.

GFC is also promoting the harmonization of different Chinese green bond standards domestically, and has been driving the international cooperation on green finance in many areas. On this China-EU joint research project, the GFC has established a mobilized support from regulatory authorities, issuers, underwriters, and investors.

The International Institute of Green Finance (IIGF) of the Central University of Finance and Economics (CUFE)

The International Institute of Green Finance (IIGF) of Central University of Finance and Economics (CUFE), is an independent and non-profit think tank established in China in 2016. It conducts research within a range of areas of green finance such as credit, bonds, insurance, carbon-trading, information disclosure, and risk assessment, as well as climate finance, energy finance. The IIGF is specialized in Chinese green finance at a national and local level and additionally conducts research on green finance internationally. The IIGF is based within the Central University of Finance and Economics (CUFE) in Beijing, and is partially financed by donations from Tianfeng Securities. The institute is headed by Prof. Wang Yao, who also serves as Deputy Secretary General of GFC.

The IIGF works with numerous stakeholders in green finance both within and outside China. Within China, the IIGF is executive member institution of Green Finance Committee (GFC) of China Society of Finance and Banking and works with the the People's Bank of China, the Chinese Ministry of Finance, the National Development and Reform Commission, the Chinese Ministry of Environment, as well as with a number of national, regional and local government institutions, financial institutions, and research organizations. Internationally, the IIGF conducts joint research with organizations such as UNEP, UN PRI, the European Investment Bank, Cambridge University, and the International Institute for Sustainable Development.

Within green bonds the IIGF is working closely with the PBoC and the GFC to develop coherent standards in China. The IIGF further provides research on a number of areas within green bonds nationally and internationally. Lastly, the IIGF promotes and assist in the international integration of green bond standards by launching a Chinese green bond index on the Luxembourg Stock Exchange, and assisting Chinese organizations to launch green bonds abroad.

Annex I – A

STATUS QUO:
ENTANGLEMENT OF "GREEN BOND OBJECTIVES" AND "ACTIVITIES"

A.1) FIRST NEED: NEUTRALITY

=> Overall taxonomy of "green" has to permit all acceptable definitions of "green" in the market

USE OF PROCEEDS TAXONOMY AS DEFINED BY THE MARKET AT LARGE TO ENCOMPASS ALL PREFERENCES IN THE MARKET	ISSUER PREFERENCES (Issuer "Assessment Standards")		
Green Bond Principles ("GBP ") June 2016	**BOND A**	**BOND B**	**BOND C**
Renewable energy	Wind power	Wind power	Wind power
	Hydro	Hydro	Hydro
Energy efficiency	Energy efficiency - industry - rehabilitation	Energy efficiency - industry - rehabilitation	Energy efficiency - industry - rehabilitation
	Reduce gas flaring in oil industry		
		Energy efficiency - consumer products	
			Ultra Super Critical Coal ("USCC")
Pollution prevention and control		Coal mine rehabilitation	Coal mine rehabilitation
Sustainable management of living natural resources			Recycling centre
		Reforestation	
Terrestrial and aquatic biodiversity conservation			River habitat restoration
Clean transportation			
Sustainable water management			
Climate change adaptation		Water supply serving climate adaptation	
			Drip irrigation serving climate adaptation
Eco-efficient products, production technologies and processes			
Green Bond according to GBPs?	**YES**	**YES**	**YES**

A.2) FIRST CHALLENGE: Issuers and investors may target different "green" objectives

=> potential controversy (red areas), since the overall taxonomy does not permit clear distinction of preferences with regard to "green" objectives

INVESTOR PREFERENCES (Investor "Assessment Standards")	ISSUER PREFERENCES (Issuer "Assessment Standards")		
	BOND A	**BOND B**	**BOND C**
Investor 1: Climate Change Mitigation ONLY	**YES**	**NO**	**NO**
Investor 2: Climate Change Mitigation, Adaptation and Pollution Control ONLY	**YES**	**YES**	**NO**
Investor 3: Green Bond (all objectives, no sectoral exclusion)	**YES**	**YES**	**YES**

A.3) SECOND CHALLENGE: Issuers and investors may have different definitions of the same "green" objective

=> potential controversy (red areas), since the overall taxonomy does not permit clear distinction of preferences (exclusions/inclusions) with regard to the same "green" objective

INVESTOR PREFERENCES (Investor "Assessment Standards")	ISSUER PREFERENCES (Issuer "Assessment Standards")		
	BOND A	**BOND B**	**BOND C**
Investor 4: all objectives, Pollution Control excluding USCC	**YES**	**YES**	**NO**
Investor 5: all objectives, Pollution Control including USCC	**YES**	**YES**	**YES**

GREEN ACCORDING TO INVESTOR	
NOT GREEN ACCORDING TO INVESTOR	

FIRST OBJECTIVE:
DISENTANGLEMENT OF "GREEN BOND OBJECTIVES" AND "ACTIVITIES"

A.4) FIRST SOLUTION: A MATRIX OF OBJECTIVES AND ACTIVITIES

=> Easier differentiation, co-existence and matching of issuer and investor preferences

GBP USE OF PROCEEDS TAXONOMY AFTER SEPARATION AND EXTRACTION OF OBJECTIVES	NEW TAXONOMY FOR THE MARKET AT LARGE	Green Bond Objectives (as per GBP), for bonds A, B and C															
	Green Activities (exemplary and non-exhaustive list for illustrative purposes)	Climate Change Mitigation			Climate Change Adaptation			Natural Resource Depletion			Biodiversity Loss			Pollution Prevention & Control		
Renewable energy	Wind power	A	B	C												
	Hydro	A	B	C												
Energy efficiency	Energy efficiency - industry - rehabilitation	A	B	C												
	Reduce gas flaring in oil industry	A														
	Energy efficiency - consumer products		B													
	USCC															C*
	Coal mine rehabilitation														B	C
	Recycling centre									C						
	Reforestation		B													
	River habitat restoration												C			
Clean transportation																
Sustainable water management																
	Water supply serving climate adaptation					B										
	Drip irrigation serving climate adaptation						C									
Eco-efficient products, production technologies and processes																

*Inclusion or exclusion from eligibility depends on the definition of the policy objective by activity

INVESTOR 1
eligible bond: A

INVESTOR 2
eligible bonds: A, B

INVESTOR 3
eligible bonds: A, B, C

INVESTOR 4
eligible bonds: A,B

INVESTOR 5
eligible bonds: A, B, C

Annex I – B

STATUS QUO:
NO ADEQUATE SUBACTIVITY GRANULARITY

B.1) SECOND NEED: SUBACTIVITY PRECISION

=> Overall taxonomy of "green" has to permit precise description by subsector to differentiate "green" preferences

NEW TAXONOMY FOR THE MARKET AT LARGE WITHOUT SUBACTIVITIES	ISSUER PREFERENCES (Issuer "Assessment Standards")		
Green Project Sectors (exemplary and non-exhaustive list for illustrative purposes)	BOND A	BOND B	BOND C
Wind power	Wind power	Wind power	Wind power
Hydro	Hydro	Hydro	Hydro
Energy efficiency - industry - rehabilitation	Energy efficiency - industry - rehabilitation	Energy efficiency - industry - rehabilitation	Energy efficiency - industry - rehabilitation
Reduce gas flaring in oil industry	Reduce gas flaring in oil industry		
Energy efficiency - consumer products		Energy efficiency - consumer products	
USCC			USCC
Coal mine rehabilitation		Coal mine rehabilitation	Coal mine rehabilitation
Recycling centre			Recycling centre
Reforestation		Reforestation	
River habitat restoration			River habitat restoration
Water supply serving climate adaptation		Water supply serving climate adaptation	
Drip irrigation serving climate adaptation			Drip irrigation serving climate adaptation
Green Bond according to GBPs?	YES	YES	YES

INSUFFICIENT SUBACTIVITY GRANULARITY
SUFFICIENT SUBACTIVITY GRANULARITY

B.2) SECOND CHALLENGE: issuers and investors may target different "green" subactivities

=> potential controversy (orange areas), since the overall taxonomy does not permit clear distinction with regard to green subactivities

INVESTOR PREFERENCES (Investor "Assessment Standards")	ISSUER PREFERENCES (Issuer "Assessment Standards")		
	BOND A	BOND B	BOND C
Investor 6: all objectives, no activity exclusion, no large hydro	?	?	?
Investor 7: all objectives, no activity exclusion, no large hydro, no coal mine tailings remediation	?	?	?
Investor 8: all objectives, no activity exclusion, no large hydro, Pollution Control including coal mine tailings remediation	?	?	?

B.4) RESULT: AVOIDANCE OF AMBIGUITY AND REDUCED CONTROVERSY POTENTIAL via sufficient subactivity granularity by activity and objectives

Investor 6: all objectives, no activity exclusion, no large hydro	NO	YES	NO
Investor 7: all objectives, no activity exclusion, no large hydro, no coal mine tailings remediation	NO	NO	NO
Investor 8: all objectives, no activity exclusion, no large hydro, Pollution Control including coal mine tailings remediation	NO	YES	NO

GREEN ACCORDING TO INVESTOR
NOT GREEN ACCORDING TO INVESTOR
IMPOSSIBILITY OF EFFICIENT DECISION-MAKING DUE TO INSUFFICIENT SUBACTIVITY GRANULARITY

SECOND OBJECTIVE:
ESTABLISHMENT OF A SHARED TAXONOMY WITH ADEQUATE SUBACTIVITY GRANULARITY

B.3) SECOND SOLUTION: MORE PRECISE TAXONOMY OF SUBACTIVITIES

NEW TAXONOMY FOR THE MARKET AT LARGE WITH IMPROVED SUBSECTORAL GRANULARITY	ISSUER PREFERENCES (Issuer "Assessment Standards")		
Green Project Sectors (exemplary and non-exhaustive list for illustrative purposes)	BOND A	BOND B	BOND C
Wind power	Wind power	Wind power	Wind power
Run-of-river hydro	Run-of-river hydro	Run-of-river hydro	
Small hydro with storage	Small hydro with storage	Small hydro with storage	Small hydro with storage
Large hydro with storage	Large hydro with storage		Large hydro with storage
Energy efficiency - industry - rehabilitation	Energy efficiency - industry - rehabilitation	Energy efficiency - industry - rehabilitation	Energy efficiency - industry - rehabilitation
Reduce gas flaring in oil industry	Reduce gas flaring in oil industry		
Energy efficiency - consumer products		Energy efficiency - consumer products	
USCC			USCC
Coal mine methane capture		Coal mine methane capture	Coal mine methane capture
Coal mine tailings remediation		Coal mine tailings remediation	
Recycling centre			Recycling centre
Reforestation		Reforestation	
River habitat restoration			River habitat restoration
Water supply serving climate adaptation		Water supply serving climate adaptation	
Drip irrigation serving climate adapation			Drip irrigation serving climate adapation
Green Bond according to GBPs?	YES	YES	YES

=> Easier differentiation, co-existence and matching of issuer and investor preferences

NEW TAXONOMY FOR THE MARKET AT LARGE WITH SUBACTIVITIES	Green Policy Objectives (as per GBPs)														
Green activities (exemplary and non-exhaustive list for illustrative purposes)	Climate Change Mitigation			Climate Change Adaptation			Natural Resource Depletion			Biodiversity Loss			Pollution Prevention & Control		
Wind power	A	B	C												
Run-of-river hydro	A	B													
Small hydro with storage	A	B	C												
Large hydro with storage	A		C												
Energy efficiency - industry - rehabilitation	A	B	C												
Reduce gas flaring in oil industry	A														
Energy efficiency - consumer products		B													
USCC															C*
Coal mine methane capture		B	C												
Coal mine tailings remediation														B*	
Recycling centre									C						
Reforestation		B													
River habitat restoration												C			
Water supply serving climate adaptation					B										
Drip irrigation serving climate adapation						C									

*Inclusion or exclusion from eligibility depends on the definition of the policy objective by subactivity

INVESTOR 6
eligible bonds: B

INVESTOR 7
eligible bonds: NONE

INVESTOR 8
eligible bonds: B

Annex I – C

STATUS QUO:
NO ADEQUATE SCREENING GRANULARITY

C.1) THIRD NEED: TECHNOLOGY PRECISION
=> Overall taxonomy of "green" has to permit precise expression of adequate screening criteria for "green"

NEW TAXONOMY FOR THE MARKET AT LARGE WITHOUT SCREENING CRITERIA	ISSUER PREFERENCES (Issuer "Assessment Standards")		
Green Project Sectors (exemplary and non-exhaustive list for illustrative purposes)	**BOND A**	**BOND B**	**BOND C**
Wind power	Wind power	Wind power	Wind power
Run-of-river hydro	Run-of-river hydro	Run-of-river hydro	
Small hydro with storage	Small hydro with storage	Small hydro with storage	Small hydro with storage
Large hydro with storage	Large hydro with storage		Large hydro with storage
Energy efficiency - industry - rehabilitation	Energy efficiency - industry - rehabilitation	Energy efficiency - industry - rehabilitation	Energy efficiency - industry - rehabilitation
Reduce gas flaring in oil industry	Reduce gas flaring in oil industry		
Energy efficiency - consumer products		Energy efficiency - consumer products	
USCC			USCC
Coal mine methane capture		Coal mine methane capture	Coal mine methane capture
Coal mine tailings remediation		Coal mine tailings remediation	
Recycling centre			Recycling centre
Reforestation		Reforestation	
River habitat restoration			River habitat restoration
Water supply serving climate adaptation		Water supply serving climate adaptation	
Drip irrigation serving climate adaptation			Drip irrigation serving climate adaptation
Green Bond according to GBPs?	**YES**	**YES**	**YES**

INSUFFICIENT SCREENING GRANULARITY
SUFFICIENT SCREENING GRANULARITY

C.2) THIRD CHALLENGE : Issuers and investors may target different "green" screening criteria

=> potential controversy (orange areas), since the overall taxonomy does not permit clear distinction with regard to "green" screening criteria

INVESTOR PREFERENCES (Investor "Assessment Standards")	ISSUER PREFERENCES (Issuer "Assessment Standards")		
	BOND A	**BOND B**	**BOND C**
Investor 9: all objectives, no activity exclusion, all objectives excluding EE industry < ET*	?	?	?

*efficiency threshold

C.4) RESULT: AVOIDANCE OF AMBIGUITY AND REDUCED CONTROVERSY POTENTIAL via sufficient screening granularity by activity and objective

Investor 9: all objectives, no activity exclusion, all objectives excluding EE industry < ET	**YES**	**NO**	**YES**
Investor 10: all objectives, no activity exclusion, Pollution control including EE industry < ET	**YES**	**YES**	**YES**

GREEN ACCORDING TO INVESTOR
NOT GREEN ACCORDING TO INVESTOR
IMPOSSIBILITY OF EFFICIENT DECISION-MAKING DUE TO INSUFFICIENT SCREENING GRANULARITY

THIRD OBJECTIVE:
ESTABLISHMENT OF A SHARED TAXONOMY WITH ADEQUATE SCREENING GRANULARITY

C.3) THIRD SOLUTION: MORE PRECISE TAXONOMY OF SCREENING CRITERIA

NEW TAXONOMY FOR THE MARKET AT LARGE WITH THRESHOLDS	ISSUER PREFERENCES (Issuer "Assessment Standards")		
Green Project Sectors (exemplary and non-exhaustive list for illustrative purposes)	**BOND A**	**BOND B**	**BOND C**
Wind power	Wind power	Wind power	Wind power
Run-of-river hydro	Run-of-river hydro	Run-of-river hydro	
Small hydro with storage	Small hydro with storage	Small hydro with storage	Small hydro with storage
Large hydro with storage	Large hydro with storage		Large hydro with storage
Energy efficiency - industry - rehabilitation > Efficiency Threshold ("ET")	EE - industry - rehabilitation > "ET"	EE - industry - rehabilitation > "ET"	EE - industry - rehabilitation > "ET"
Energy efficiency - industry - rehabilitation < Efficiency Threshold ("ET")		EE - industry - rehabilitation < "ET"	
Reduce gas flaring in oil industry	Reduce gas flaring in oil industry		
Energy efficiency - consumer products		Energy efficiency - consumer products	
USCC			USCC
Coal mine methane capture		Coal mine methane capture	Coal mine methane capture
Coal mine tailings remediation		Coal mine tailings remediation	
Recycling centre			Recycling centre
Reforestation		Reforestation	
River habitat restoration			River habitat restoration
Water supply serving climate adaptation		Water supply serving climate adaptation	
Drip irrigation serving climate adapation			Drip irrigation serving climate adapation
Green Bond according to GBPs?	**YES**	**YES**	**YES**

=> Easier differentiation, co-existence and matching of issuer and investor preferences

NEW TAXONOMY FOR THE MARKET AT LARGE	Green Policy Objectives (as per GBPs)														
Green Activities (exemplary and non-exhaustive list for illustrative purposes)	**Climate Change Mitigation**			**Climate Change Adaptation**			**Natural Resource Depletion**			**Biodiversity Loss**			**Pollution Prevention & Control**		
Wind power	**A**	**B**	**C**												
Run-of-river hydro	**A**	**B**													
Small hydro with storage	**A**	**B**	**C**												
Large hydro with storage	**A**		**C**												
Energy efficiency - industry - rehabilitation > Efficiency Threshold ("ET")	**A**	**B**	**C**												
Energy efficiency - industry - rehabilitation < Efficiency Threshold ("ET")														**B***	
Reduce gas flaring in oil industry	**A**														
Energy efficiency - consumer products		**B**													
USCC															**C***
Coal mine methane capture		**B**	**C**												
Coal mine tailings remediation														**B***	
Recycling centre									**C**						
Reforestation		**B**													
River habitat restoration												**C**			
Water supply serving climate adaptation					**B**										
Drip irrigation serving climate adapation						**C**									

* inclusion or exclusion from eligibility depends on the definition of the policy objective by screening criterion

INVESTOR 9
eligible bonds: A, C

INVESTOR 10
eligible bond:A, B, C

Annex II

Annex II: Universal taxonomy provides basis for any individual assessment standard

- **Universal Taxonomy**

			Policy Objectives				
Macro-sectors	**Sectors**	**Sub-sectors**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Biodiversity Loss**	**Natural Resource Depletion**	**Pollution Prevention and Control**
MACRO-SECTOR A	SECTOR A1	SUB-SECTOR A1.1.	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator
		SUB-SECTOR A1.2.	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator
	SECTOR A2	ASUB-SECTOR 2.1.	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator
		SUB-SECTOR A2.2.	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator
		SUB-SECTOR A2.3.	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator	Primary Criterion/Indicator
...	...	...	...	...	...	...	...

- **Individual Standards**

			Policy Objectives				
Macro-sectors	**Sectors**	**Sub-sectors**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Biodiversity Loss**	**Natural Resource Depletion**	**Pollution Prevention and Control**
MACRO-SECTOR A	SECTOR A1	SUB-SECTOR A1.1.	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator
		SUB-SECTOR A1.2.	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator
	SECTOR A2	SUB-SECTOR A2.1.	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator
		SUB-SECTOR A2.2.	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator
		SUB-SECTOR A2.3.	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator	Target value for Primary Indicator
...	...	...	...	...	...	...	...

Annex III – A

China Green Bond Endorsed Project Catalogue (CGBEPC; December 2015)

Level-I Category	Level-II Category	Level-III Category	Specification / defining criteria	National Industries Classification Code	Notes
1 Energy Saving	1.1.Industrial Energy Saving	1.1.1 Device/Facility Construction and Operation	1. For the industries with a national standard of energy consumption allowance for unit product, energy consumption of the device/facility (except coal-fired power generation) or the process ≤ The reference value in the national standard of energy consumption allowance for unit product. 2. For coal-fired generator units: Ultra supercritical or supercritical CHP generator units with a capacity of no less than 300MW; back pressure heating units without a capacity limit. 3. For projects adopting special technology with high efficiency and low consumption, for instance, the ultra-high voltage (UHV) grid: identified according to the special technology directly; 4. For biomass and low heat value (LHV) fuel power generation projects: identified according to the property of biomass and LHV fuel. 5. For high energy efficiency application projects, for instance, LED lighting : identified according to the technology of application.	E-Construction-48 Civil Engineering Construction	The reference value of energy consumption allowance for unit product (process): should refer to the national standard of energy consumption allowance in each industry, or National Guidance for Industrial Energy Consumption (2014), Chapter 4, Energy Consumption for Product and Process in Key Industries, Table 4. Energy Consumption for Main Product and Process in Key Industries.
		1.1.2 Energy-saving Technology Improvement	Renovation projects adopting the energy saving technology listed in the Catalogue for Promoting the National Key Energy-saving Technology (2014, Energy-saving part); Renovation projects of centralized heating complying with policies of “developing large capacity units and suppressing small ones”, and “equivalent capacity replacement”. Energy-saving renovation project in industrial, transportation and communication area. The renovated device/facility/equipment should meet at least one of the following conditions: 1. The energy consumption of the device/facility or the process ≤ the reference value of energy consumption allowance for unit product in national standards. 2. the energy-saving efficiency of the renovated device/facility/equipment ≥ the average energy-saving efficiency/capability of energy-saving applications in the	E Construction-48 Civil Engineering Construction -4840 Mining Engineering Construction or-49 Construction and Installation	For projects with existing national standard of energy savings measurement and verification, the energy saving effect should be evaluated according to the standards.
	1.2 Sustainable Building	1.2.1 Newly-built Green Building	The Newly-built buildings should meet following standards: 1. Newly-built industrial buildings: no less than two-star of the Evaluation Standard for Green Industrial Building (GB/T50878-2013) 2. Newly-built resident and public buildings: No less than two-star of the Evaluation Standard for Green Building (GB/T50378-2006).	E Construction -47 Housing Construction	
		1.2.2 Energy Saving Technology Improvement on Existing Building	The energy saving building renovation project includes but not limited to: energy saving renovation on building envelope, heat supply system, heating and cooling system, lighting, hot water supply facility.	E Construction -49 Construction and Installation; -50 architectural ornament and others	
	1.3 Energy Management Center	1.3.1 Facility Construction and Operation	An integrated energy management system which saves energy systematically, by using automation and information technology and centralized management, to implement centralized flat monitoring and digital management to each process of production, distribution and consumption in corporate energy system, and improve and optimize the balance of energy. Including the purchase and installation of hardware facility, as well as the development and application of supporting software.	I Information transmission, software and information technology services -65 Software and information technology services -6510 Software development and -6520 Information system integration service	The project construction should be comply with the Construction Requirements of Energy Control Center for Industrial Enterprises
	1.4 Urban and Rural Infrastructure Construction with Energy Saving Efficiency	1.4.1 Facility Construction	Include but not limited to: 1. Urban underground pipeline corridor project; 2. Construction and renovation projects of adjusting the underground pipeline layout, route and buried depth, according to the situation of urban waterlogging and heat-island effect; 3. Construction and renovation projects of adjusting the district heating and water supply dispatching, as well as improving the pipeline standard of heat insulation and moisture resistance, according to the change of temperature.	E Construction -48 Civil Engineering Construction -4819 Other road, tunnel and bridge engineering construction; -485 Wiring and piping engineering construction	Reference: the State Council Office’s Guidance on Promoting the Construction of Integrated Urban Underground Pipeline Corridor (Document No. 【2015】61)
2 Pollution Prevention and Control	2.1 Pollution Prevention and Control	2.1.1 Facility Construction and Operation	The construction and operation of waste treatment facility includes but not limited to: Treatment of waste water, sludge in waste water treatment, air pollution, municipal solid waste (MSW) (including hazardous waste and medical waste), waste treatment of integrated governance, treatment facilities and final treatment facilities (including construction and operation of pipelines, collection, transfer and storage facilities)	D Production and supply of electricity, thermal power, fuel gas and water -46 Production and supply of water-4620 Treatment and Reuse of sewage; 7340 Marine service; N Management of water, environment and public utilities -77 Ecological protection and environmental governance	Meet national standards for corporates with service of pollution governance facility. The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal should be complied with where the waste transfer is applicable.
	2.2 Environmental Restoration Project	2.2.1 Project Implementation	The environmental restoration project includes but not limited to: Integrated improvement of the urban polluted water, mine land reclamation and ecological restoration, remediation of soil pollution and etc.	N Management of water, environment and public utilities -77 Ecological protection and environmental governance	The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal should be complied with where the waste transfer is applicable
	2.3 Clean Utilization of Coal	2.3.1 Device/Facility Construction and Operation	Device/Facility construction and operation projects conducting coal washing and processing, using coal by quality and classification, adopting technologies easy for pollution treatment to replace the traditional use of coal.	B Mining-06 Coal mining and washing ； E Construction-48 Civil Engineering Construction -4840 Mining Engineering Construction; C Manufacturing-25 Petroleum refining and coking, nuclear fuel processing -2520 Coking; 33 Metal products -3311 Metal structure manufacturing	Only device/facility construction and operation projects complying with the Action Plan of Clean Utilization of Coal (2015-2020), and Opinions on Regulating the Coal Fuel Demonstration Work
	3.1 Water Saving and Unconventional Water Use	3.1.1 Facility Construction and Operation	Include but not limited to: transformation of industrial water saving technology, agricultural water saving irrigation, transformation of urban pipeline network for water supply, integrated use of water resource, unconventional water use (including sea water desalination, treatment and reuse of brackish water, recycling water, mine water), and the supporting facility construction and operation of sponge city.	E-Construction-48 Civil Engineering Construction; D Production and supply of electricity, thermal power, fuel gas and water -46 Production and supply of water-4690 Other treatment, use and distribution of water; N Management of water, environment and public utilities -76 Management of water conservancy-7620 Management of water resource ；-7630 Collection and distribution of natural water	To optimize the allocation of water resource, the project should benefit climate change adaption.

3 Resource Conservation and Recycling	3.2 Redevelopment and Integrated Utilization of Tailings and Associated Mine	3.2.1 Device/Facility Construction and Operation	Specific to the redevelopment of tailings and associated mine with a purpose of resource efficiency improvement, development of geothermal power, reinjection and integrated utilization	B Mining-06 Coal mining and washing; -07 Oil and gas exploitation; -08 Ferrous metals mining and dressing; -09 Non-ferrous metals mining and dressing; -10 Nonmetal minerals mining and dressing; -12 Other mining industry	Not include the thermal power plant and mineral water manufacturer taking advantage of the geothermal resource and water resource
	3.3 Recycling and Utilization of Industrial Solid Wastes, Exhaust Gas, and Effluent	3.3.1 Device/Facility Construction and Operation	Specific to collection and resourcelization of industrial solid waste, exhaust gas, and effluent.	B Mining-06 Coal mining and washing; C Manufacuring-14 Food manufacturing-146 Manufacturing of condiment and fermented products; -17 Textile; -19 Leather, fur, feather and its products; shoemaking industry -22 Paper making and paper products; -25 Petroleum refining and coking, nuclear fuel processing; -29 Rubber and plastic products; -30 Nonmetal mineral products D Production and supply of electricity, thermal power, fuel gas and water-4411 Thermal power generation; C Manufacturing-31 Ferrous metal smelting and rolling; -32 Non-ferrous metal smelting and rolling; -33 Metal products- 3360 Metal surface treatment and heat treatment processing	Meet national standards for corporates with service of pollution governance facility.
	3.4 Recycling, Processing and Utilization of Renewable Resource	3.4.1 Facility Construction and Operation of Recycling, Sorting and Dismantling System	Specific to the construction and operation of waste collection system for metal and non-metal production and processing in industrial area; construction and operation of recycling, sorting and dismantling system for “city minerals” resource, for instance, scrap car, scrap electronics, waste plastics, waste steel, waste non-ferrous metal and etc.	C Manufacturing-42 Integrated use of wasted resource	
		3.4.2 Processing Device/Facility Construction and Operation	Specific to the construction and operation of waste processing and reuse system for metal and non-metal production and processing in industrial area; construction and operation of processing and reuse system for “city minerals” resource, for instance, scrap car, scrap electronics, waste plastics, waste steel, waste non-ferrous metal and etc.	C Manufacturing-42 Integrated use of wasted resource	
	3.5 Remanufacturing of Electromechanical Products	3.5.1 Device/Facility Construction and Operation	Specific to construction and operation of remanufacturing device/facility for electromechanical products, for instance, auto parts, engineering machines, and machine tools.	C Manufacturing-38 Automobile manufacturing-3660 Auto parts manufacturing; -34 General equipment manufacturing; -33 Metal products	
	3.6 Recycling and Utilization of Biomass Resource	3.6.1 Device/Facility Construction and Operation	Specific to construction and operation of resourcelization device/facility for biomass waste, like straw, forest waste, and household waste. This includes but not limited to: Production device/facility for non-grain liquid biomass fuel, power generation and heating device/facility for agricultural and forest biomass, production device/facility for biogas, resourcelization device/facility for household waste.	N Management of water, environment and public utilities-78 Management public utilities-7820 Management of environmental sanitation; A Agriculture , forestry , husbandry and fishery-05 Agriculture , forestry , husbandry and fishery services-0519 Other agriculture services; -0529 Other forestry services; -0530 Husbandry services; D Production and supply of electricity, thermal power, fuel gas and water-44 Production and supply of electricity and thermal power-4419 Other electricity production	
	4.1 Railway Transportation	4.1.1 Facility Construction and Operation	Specific to the construction and operation (including technical transformation and upgrading) of railway lines and terminals, and special supply station and substation.	E Construction-48 Civil engineering construction-481 Engineering construction of railway, road, tunnel and bridge -4811 Railway engineering construction and G Transportation, warehousing and postal industry-53 Railway transportation	
	4.2 Urban Rail Transit	4.2.1 Facility Construction and Operation	Specific to the construction and operation of rail transit, including urban underground and light rail.	E Construction-48 Civil engineering construction-481 Engineering construction of railway, road, tunnel and bridge -4811 Railway engineering construction and 4819 Other engineering construction of road, tunnel and bridge G Transportation, warehousing and postal industry -54 Road transportation-5412 Urban rail transit 。	
	4.3 Public Urban and Rural Transportation	4.3.1 Vehicle Purchase	Specific to purchase of public vehicles, including bus and electric bus for passengers.	G Transportation, warehousing and postal industry -54 Road transportation-5411 Electric passenger bus	
		4.3.2 Facility Construction and Operation	Specific to the construction and operation of stations, BRT lines, and other supporting facilities in public transportation, as well as the lines maintenance.	G Transportation, warehousing and postal industry -54 Road transportation-5411 Electric passenger bus	

4 Clean Transportation	4.4 Waterway Transportation	4.4.1 Vessel Purchase	Specific to the phase-out of old vessels, and purchase of standardized inland-waterway vessels, and vessels transport on costal water and ocean which fully meet the latest international guidance, agreements and standards.	G Transportation, warehousing and postal industry -55 Waterway transportation	References: Implementation Plan of Improving Industrial Structure, Promoting Industrial Transformation and Upgrading for Shipping Industry (2013-2015); Measurement for Subsidy Management of Inland Ship Standardization; Working Focus on Energy Saving and Emission Reduction in Transportation Industry 2014; International Convention for the Prevention of Pollution From Ships (MARPOL73/78) where the ocean shipping is applicable.
		4.4.2 Waterway Regulation	Specific to the high-quality inland waterway dredging projects	E Construction- 48 Civil engineering construction-4823 engineering construction of port and shipping facility	References: Implementation Plan of Improving Industrial Structure, Promoting Industrial Transformation and Upgrading for Shipping Industry (2013-2015); Working Focus on Energy Saving and Emission Reduction in Transportation Industry 2014; International
	4.5 Clean Fuel	4.5.1 Device/Facility Construction and Operation	Specific to the device/facility construction and operation which meets the fuel production requirements of GB V standard gasoline and GB IV standard diesel, or the technical transformation projects on existing fuel production with improved cleanness standards (the GB V standard gasoline and GB IV standard diesel should be met after the transformation project)	C Manufacturing- 35 Special equipment manufacturing -3521 Manufacturing of special equipment for oil refining and chemical production	
		4.5.2 Manufacturing of Auto Fuel Products	Specific to the fuel products which meet the fuel production requirements of GB V standard gasoline and GB IV standard diesel; and production of clean fuel additives, like antiknock and oxidizer.	C Manufacturing-25 Petroleum refining and coking, nuclear fuel processing -2511 Crude processing and petroleum product manufacturing	
	4.6 New Energy Automobile	4.6.1 Parts and Whole Car Manufacturing	Specific to whole car manufacturing, including new energy car like electric car, fuel-battery car and natural-gas car; motor manufacturing, energy storing device manufacturing and other parts manufacturing.	C Manufaturing-36 Automobile manufacturing; -38 Electrical machinery and equipment manufacturing -381 Motor Manufacturing ； -384 Battery manufacturing	
		4.6.2 Supporting Facility Construction and Operation	Specific to construction and operation of charging and energy supply facility for new energy car.	E Construction- 48 Civil engineering construction	
	4.7 Internet Application on Transportation	4.7.1 Facility Construction and Operation	Specific to hardware and software facility and system that improves the capability and efficiency of transportation and logistics. The facility or system should base on mobile communication terminal, telecommunication base station, GPS, and internet technology, apply the Internet of Things and Big Data, to achieve integrated management of resource with comprehensive information communication and sharing. The service targets directly on logistics and transportation facility. The construction and operation includes: logistics information service platform, smart storage system, smart logistics distribution system, online integrated system of transportation resource (vehicle and ship), transportation management, executive information system, smart monitoring system and etc.	G Transportation, warehousing and postal industry; I Information transmission, software and information technology services	The Internet ticket booking system for vehicle, ship and flight is not included; Applications mainly based on internet technology like taxi booking software.
5 Clean Energy	5.1 Wind Power Generation	5.1.1 Facility Construction and Operation	Specific to construction and operation of wind farm (including supporting wind power monitoring system, wind power prediction system, integrated control system of wind farm and etc.)	D Production and supply of electricity, thermal power, fuel gas and water-44 Production and supply of electricity and thermal power-4414 Wind power generation	
	5.2 Solar Photovoltaic (PV) Power Generation	5.2.1 Facility Construction and Operation	The solar PV power plant and high-temperature solar power plants (excluding distributed solar PV power generation system) should meet following requirements: 1. No less than15.5% of the photoelectric conversion efficiency for poly-crystalline silicon cell module, no more than 2.5% of the decay rate for the module within one year after the project' start-up; no more than 0.7% of the decay rate afterwards. 2. No less than16% of the photoelectric conversion efficiency for mono-crystalline silicon cell module, no more than 3% of the decay rate for the module within one year after the project' start-up; no more than 0.7% of the decay rate afterwards. 3. No less than 28% of the photoelectric conversion efficiency for high concentration PV (HCPV) cell module, no more than 2% of the decay rate for the module within one year after the project' start-up; no more than 0.5% of the decay rate afterwards; no more than 10% of the decay rate in whole project lifetime. 4. No less than 8% of the photoelectric conversion efficiency for silicon based film cell module; No less than 11% of the photoelectric conversion efficiency for copper indium gallium selenide (CIGS) film cell module; No less than 11% of the photoelectric conversion efficiency for cadmium telluride (CdTe) film cell module; No less than 10% of the photoelectric conversion efficiency for other film cell module; 5. No more than 20% of the decay rate for polycrystalline silicon, monocrystalline silicon and film cell module in whole project lifetime.	D Production and supply of electricity, thermal power, fuel gas and water-44 Production and supply of electricity and thermal power-4415 Solar power generation	
	5.3 Smart Grid and Energy Internet	5.3.1 Facility Construction and Operation/Upgrading	Specific to grid construction and operation or technical transformation and upgrading projects, which improve the balance and responsiveness of supply and demand, promote integrated energy efficiency of the grid, lower the transformation of power loss in transmission, and enhance the capability of renewables access. 1. Smart grid: Grid construction and operation, as well as the technical transformation and upgrading projects, which adopt smart electric equipment, integrated simultaneous two-way information system and other advanced technologies. 2. Energy internet construction and operation of grid, micro-grid and other energy (like natural gas) internet, which integratedly applies power electronics, information and smart management technology， connecting distributed energy (including distributed renewable energy), distributed energy storage device and various types of load, to achieve two-way energy flow and peer exchange and sharing.	D Production and supply of electricity, thermal power, fuel gas and water-44 Electricity production-4420 Electricity supply; -45 Production and supply of fuel gas	
	5.4 Distributed Energy Resource	5.4.1 Facility Construction and Operation	Specific to construction and operation of energy management system, for instance, regional energy station (including regional natural gas station), distributed power generation like distributed photovoltaic power generation, distributed energy access and peak-valley load regulating system, distributed power trading platform, and etc.	D Production and supply of electricity, thermal power, fuel gas and water-44 Production and supply of electricity and thermal power-4420 Electricity supply	

	5.5 Solar Thermal Application	5.5.1 Device/Facility Construction and Operation	Specific to construction and operation of device/facility using solar energy, which includes but not limited to: Installation and operation of solar water heater; solar heating system; medium-high temperature solar heat collection system; solar cooling system, heat pump air-condition system; solar energy and air source heat pump hot water system, high-temperature megawatt solar power generation device/facility.	D Production and supply of electricity, thermal power, fuel gas and water-44 Production and supply of electricity and thermal power	
	5.6 Hydropower Generation	5.6.1 Facility Construction and Operation	Specific to hydropower construction and operation like reservoir dam, hydraulic tunnel, powerhouse, generator unit and etc.	D Production and supply of electricity, thermal power, fuel gas and water-44 Production and supply of electricity and thermal power- Hydropower generation	Meet requirements of Opinion of Energy Work 2014 and other related documents, also the ecologic and environmental protection and resettlement action plan of the project should be assessed and approved
	5.7 Other New Energy Application	5.7.1 Facility Construction and Operation	Specific to engineering construction and operation of renewable energy generation like geothermal power and marine power.	D Production and supply of electricity, thermal power, fuel gas and water-44 Production and supply of electricity and thermal power-4419 Other electricity production	
6 Ecological Protection and Climate Change Adaption	6.1 Natural Ecological Protection and Protective Development of Tourism Resource	6.1.1 Facility Construction and Operation	Specific to natural reserve engineering; ecological restoration and vegetation conservation engineering; and ecological protective development of tourism resource. These include but not limited to: National park, national geological park, the protection project of natural heritage, construction and maintenance of national and provincial natural reserve; construction and maintenance of ecological function area, like specific wildlife habitat, wetland, desert, and prairie; coastal ecological restoration and vegetation conservation engineering; environmental pressure release on ecologically vulnerable area (like ecomigration); urban gardening; land reclamation.	N Management of water, environment and public utilities -77 Ecological protection and environmental governance-771 Ecological protection; -78 Management public utilities-785 Management of parks and scenic spots-7852 Management of scenic spot	
	6.2 Ecological Agriculture, Husbandry and Fishery	6.2.1 Project Implementation and Facility Construction and Operation	Include integrating breeding project of agricultural, husbandry, and fishery thoroughbred, manufacturing agricultural, husbandry, and fishery organic products (including facility construction and operation). The output and products of projects should meet following requirements or policies: 1. GB/T19630 standard of Chinese organic products; 2. Environment and quality standards of Agriculture Department, 7 general guidance of pesticides, fertilizer, veterinary drug, feed and feed additives, food additives, and animal hygiene, 45 product quality standards, product mark should be in compliance with the “Measures of Mark Management for Green Food”.	A Agriculture , forestry , husbandry and fishery-01 Agriculture; -03 Husbandry; -04 Fishery	1. Projects should be in compliance with the Safety Management Regulation of Agricultural Genetically Modified Organisms (GMOs); 2. Tobacco cultivation projects are excluded, as well as the fishing methods which are harmful to marine ecological environment and diversity, for instance, fish net fishing and large ocean drift net fishing; 3. Projects should be in compliance with the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade where applicable; the production should be in compliance with the Montreal Protocol on Substances that Deplete the Ozone Layer.
	6.3 Forestry Development	6.3.1 Project Implementation and Facility Construction and Operation	Specific to the forest tending management and sustainable forestry development project, including but not limited to: 1. Afforestation; 2. Forestry seed breeding and seedling production; 3. Underwood planting and underwood breeding.	A Agriculture , forestry , husbandry and fishery-02 Forestry	1. Any species development and (international) trade of animal and plats listed outside the Convention on International Trade in Endangered Species of Wild Fauna and Flora(CITES); 2. Exclude the natural commercial deforestation of natural forest.
	6.4 Emergency Prevention and Control of Disaster	6.4.1 Facility Construction and Operation	Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : 1. Disaster monitoring of major infrastructure (water conservancy, transportation, communication, electricity transmission, municipal infrastructure an etc.) and emergency response system ; 2. Dyke construction of major rivers, riverway dredging 、 flood storage area engineering and maintenance, controlling hinge construction of main and tributary stream; 3. Construction and operation of hygiene emergency response for addressing natural disaster and extreme weather, the production and storage of hygiene emergency response facilities; 4. Monitoring, prevention and control system of forest fire, harmful and exotic species; 5. Waning, prevention and control system of agriculture disaster; monitoring, prevention and control system of animal epidemics; 6. Monitoring system of marine disaster, ecological protection of prairie, control of soil and water loss; 7. Natural forest protection project (NEPP), converting cultivated land into forests, construction and maintenance of shelter forest; 8. Production, storage and transmission of disaster preparedness supplies.	I Information transmission, software and information technology services -65 Software and information technology services; N Management of water, environment and public utilities -76 Management of water conservancy- 7610 Management of flood control facilities;- 77 Ecological protection and environmental governance-771 Ecological protection; -78 Management public utilities-7810 Management of municipal facilities; A Agriculture , forestry, husbandry and fishery-05 Agriculture , forestry, husbandry and fishery services	

Annex III – B

MDB / IDFC Common Principles for Climate Change Mitigation Finance Tracking (MDBIDFCCPCMFT)		
1. Renewable Energy	1.1 Electricity Generation	1.1.1 Wind power
		1.1.2 Geothermal power (only if net emission reductions can be demonstrated)
		1.1.3 Solar power (concentrated solar power, photovoltaic power)
		1.1.4 Biomass or biogas power (only if net emission reductions, including carbon pool balance, can be demonstrated)
		1.1.5 Ocean power (wave, tidal, ocean currents, salt gradient, etc.)
		1.1.6 Hydropower plants (only if net emission reductions can be demonstrated)
		1.1.7 Renewable energy power plant retrofits
	1.2 Heat Production or other renewable energy application	1.2.1 Solar water heating and other thermal applications of solar power in all sectors
		1.2.2 Thermal applications of geothermal power in all sectors
		1.2.3 Wind-driven pumping systems or similar
		1.2.4 Thermal applications of sustainably/produced bioenergy in all sectors, incl. efficient, improved biomass stoves
	1.3 Measures to facilitate integration of renewable energy into grids	1.3.1 New, expanded and improved transmission systems (lines, substations)
		1.3.2 Storage systems (battery, mechanical, pumped storage)
		1.3.3 New information and communication technology, smart-grid and mini-grid
2. Lower-carbon and efficient energy generation	2.1 Transmission and distribution systems	2.1.1 Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability/reliability, (only if net emission reductions can be demonstrated)
	2.2 Power Plants	2.2.1 Thermal power plant retrofit to fuel switch from a more GHG-intensive fuel to a different and less GHG-intensive fuel type
		2.2.2 Conversion of existing fossil-fuel based power plant to co-generation technologies that generate electricity in addition to providing heating/cooling
		2.2.3 Energy-efficiency improvement in existing thermal power plant
3. Energy efficiency	3.1 Energy efficiency in industry in existing facilities	3.1.1 Industrial energy-efficiency improvements though the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery
		3.1.2 Installation of co/generation plants that generate electricity in addition to providing heating/cooling
		3.1.3 More efficient facility replacement of an older facility (old facility retired)
	3.2 Energy efficiency improvements in existing commercial, public and residential buildings	3.2.1 Energy-efficiency improvement in lighting, appliances and equipment
		3.2.2 Substitution of existing heating/cooling systems for buildings by co/generation plants that generate electricity in addition to providing heating/cooling
		3.2.3 Retrofit of existing buildings: Architectural or building changes that enable reduction of energy consumption
	3.3 Energy efficiency improvements in the utility sector and public services	3.3.1 Energy-efficiency improvement in utilities and public services through the installation of more efficient lighting or equipment
		3.3.2 Rehabilitation of district heating and cooling systems
		3.3.3 Utility heat loss reduction and/or increased waste heat recovery
		3.3.4 Improvement in utility scale energy efficiency through efficient energy use, and loss reduction
	3.4 Vehicle energy efficiency fleet retrofit	3.4.1 Existing vehicles, rail or boat fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.)
	3.5 Energy efficiency in new commercial, public and residential buildings	3.5.1 Use of highly efficient architectural designs, energy efficiency appliances and equipment, and building techniques that reduce building energy consumption, exceeding available standards and complying with high energy efficiency certification or rating schemes
	3.6 Energy audits	3.6.1 Energy audits to energy end-users, including industries, buildings, and transport systems
4. Agriculture, forestry and land-use	4.1 Agriculture	4.1.1 Reduction in energy use in traction (e.g. efficient tillage), irrigation, and other agricultural processes
		4.1.2 Agricultural projects that improve existing carbon pools (, rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, reduced tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, peatland restoration, etc.)
		4.1.3 Reduction of non Co2 GHG emissions from agricultural practices (eg: paddy rice production, reduction in fertilizer use …)
	4.2 Afforestation and reforestation, and biosphere conservation	4.2.1 Afforestation (plantations) on non-forested land
		4.2.2 Reforestation on previously forested land
		4.2.3 Sustainable forest management activities that increase carbon stocks or reduce the impact of forestry activities
		4.2.4 Biosphere conservation projects (including payments for ecosystem services) targeting reducing emissions from the deforestation or degradation of ecosystems
	4.3 Livestock	4.3.1 Livestock projects that reduce methane or other GHG emissions (manure management with biodigestors, etc.)
	4.4 Biofuels	4.4.1 Production of biofuels (including biodiesel and bioethanol) (only if net emission reductions can be demonstrated)
5. Non-energy GHG reductions	5.1 Fugitive emissions	5.1.1 Reduction of gas flaring or methane fugitive emissions in the oil and gas industry
		5.1.2 Coal mine methane capture
	5.2 Carbon capture and storage	Projects for carbon capture and storage technology that prevent release of large quantities of CO2 into the atmosphere from fossil fuel use in power generation, and process emissions in other industries
	5.3 Air conditioning and refrigeration	5.3.1 Retrofit of existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential
	5.4 Industrial processes	5.4.1 Reduction in GHG emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage
6. Waste and wastewater	6.1 Waste and wastewater	6.1.1 Treatment of wastewater if not a compliance requirement (e.g. performance standard or safeguard) as part of a larger project that reduce methane emissions (only if net GHG emission reductions can be demonstrated)
		6.1.2 Waste management projects that capture or combust methane emissions
		6.1.3 Waste to energy projects
		6.1.4 Waste collection, recycling and management projects that recover or reuse materials and waste as inputs into new products or as a resource (only if net emission reductions can be demonstrated).
	7.1 Urban transport modal change	7.1.1 Urban mass transit
		7.1.2 Non-motorized transport (bicycles and pedestrian mobility)

MDB / IDFC Common Principles for Climate Change Mitigation Finance Tracking (MDBIDFCCPCMFT)		
7. Transport	7.2 Transport oriented urban development	7.2.1 Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.), leading to a reduction in the use of passenger cars
		7.2.2 Transport demand management measures dedicated to reduce GHG emissions (e.g., speed limits, high-occupancy vehicle lanes, congestion charging/road pricing, parking management, restriction or auctioning of license plates, car-free city areas, low-emission zones)
	7.3 Inter-urban transport	7.3.1 Railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines)
		7.3.2 Waterways transport ensuring a modal shift of freight and/or passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure)
8. Low-carbon technologies	8.1 Products or equipment	8.1.1 Projects producing components, equipment or infrastructure dedicated for the renewable and energy efficiency sectors
	8.2 R&D	8.2.1 Research and development of renewable energy or energy efficiency technologies
9. Cross-cutting issues	9.1 Support to national, regional or local policy, through technical assistance or policy lending,	9.1.1 Mitigation national, sectorial or territorial policies /planning/action plan policy /planning/institutions
		9.1.2 Energy sector policies and regulations leading to climate change mitigation or mainstreaming of climate action (energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies)
		9.1.3 Systems for monitoring the emissions of greenhouse gases
		9.1.4 Efficient pricing of fuels and electricity (subsidy rationalization, efficient end-user tariffs, and efficient regulations on electricity generation, transmission, or distribution)
		9.1.5 Education, training, capacity building and awareness raising on climate change mitigation/sustainable energy/sustainable transport; mitigation research
		9.1.6 Other policy and regulatory activities, including those in non-energy sectors, leading to climate change mitigation or mainstreaming of climate action
	9.2 Financing instruments	9.2.1 Carbon Markets and finance (purchase, sale, trading, financing and other technical assistance). Includes all activities related to compliance-grade carbon assets and mechanisms, such as CDM, JI, AAUs, as well as well-established voluntary carbon standards like the VCS or the Gold Standard.
10. miscellaneous	10.1 Other activities with net greenhouse gas reduction	10.1.1 Any other activity not included in this list for which the results of an ex-ante greenhouse gas accounting (undertaken according to commonly agreed methodologies) show emission reductions

Annex III – C

China Green Bond Endorsed Project Catalogue (CGBEPC)				GREEN BOND OBJECTIVES ACCORDING TO GREEN BOND PRINCIPLES				
Level-I Category	**Level-II Category**	**Level-III Category**	**Specification / defining criteria**	**CLIMATE CHANGE MITIGATION** **DARK GREY: according to both MDB/IDFC and CGBEPC*** **LIGHT GREY: according only to CGBEPC** ***In some cases, further discussion among experts is required to establish more precise specification/defining criteria, particularly in Energy Efficiency, granular approaches, clean fuel types, and thresholds for unequivocal alignment.**	**CLIMATE CHANGE ADAPTATION** **NB: For MDB/IDFC, all and any adaptation must result from application of the "three key steps"-process.**	**NATURAL RESOURCE DEPLETION**	**BIODIVERSITY LOSS**	**POLLUTION CONTROL*** ***In some cases, further discussion among experts is required to establish more precise specification/defining criteria, particularly in Energy Efficiency, granular approaches, clean fuel types, and thresholds.**
				LOW-CARBON		*Classification of "environmental" objectives as per page 11 of UNEP paper "Measuring Progress: Definitions and concepts background note", September 2016 link: http://unepinquiry.org/wp-content/uploads/2016/09/1_Definitions_and_Concepts.pdf		
				CLIMATE				
				GREEN				
1 Energy Saving	1.1.Industrial Energy Saving	1.1.1 Device/Facility Construction and Operation	1. For the industries with a national standard of energy consumption allowance for unit product, energy consumption of the device/facility (except coal-fired power generation) or the process ≤ The reference value in the national standard of energy consumption allowance for unit product.	**1.1.Industrial Energy Saving** **1.1.1 Device/Facility Construction and Operation** **1.** For the industries with a national standard of energy consumption allowance for unit product, energy consumption of the device/facility (except coal-fired power generation) or the process ≤ The reference value in the national standard of energy consumption allowance for unit product. **(REHABILITATION OR REPLACEMENT)**				
				1.1.Industrial Energy Saving **1.1.1 Device/Facility Construction and Operation** **1.** For the industries with a national standard of energy consumption allowance for unit product, energy consumption of the device/facility (except coal-fired power generation) or the process ≤ The reference value in the national standard of energy consumption allowance for unit product. **(GREENFIELD)**				
			2. For coal-fired generator units: Ultra supercritical or supercritical CHP generator units with a capacity of no less than 300MW; back pressure heating units without a capacity limit.	**1.1.Industrial Energy Saving** **1.1.1 Device/Facility Construction and Operation** **2.a** Ultra supercritical or supercritical coal-fired CHP generator units with a capacity of no less than 300MW; back pressure heating units without a capacity limit.				**1.1.Industrial Energy Saving** **1.1.1 Device/Facility Construction and Operation** **2.b** For coal-fired generator units: Ultra supercritical or supercritical generator units with a capacity of no less than 300MW; back pressure heating units without a capacity limit.
			3. For projects adopting special technology with high efficiency and low consumption, for instance, the ultra-high voltage (UHV) grid: identified according to the special technology directly;	**1.1.Industrial Energy Saving** **1.1.1 Device/Facility Construction and Operation** **3.** For projects adopting special technology with high efficiency and low consumption, for instance, the ultra-high voltage (UHV) grid, identified according to the special technology directly; **(REHABILITATION)**				
				1.1.Industrial Energy Saving **1.1.1 Device/Facility Construction and Operation** **3.** For projects adopting special technology with high efficiency and low consumption, for instance, the ultra-high voltage (UHV) grid, identified according to the special technology directly; **(GREENFIELD)**				
			4. For biomass and low heat value (LHV) fuel power generation projects: identified according to the property of biomass and LHV fuel.	**1.1.Industrial Energy Saving** **1.1.1 Device/Facility Construction and Operation** **4.** For biomass and low heat value (LHV) fuel power generation projects: identified according to the property of biomass and LHV fuel. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**				**1.1.Industrial Energy Saving** **1.1.1 Device/Facility Construction and Operation** **4.** For biomass and low heat value (LHV) fuel power generation projects: identified according to the property of biomass and LHV fuel. **(NON-DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
			5. For high energy efficiency application projects, for instance, LED lighting : identified according to the technology of application.	**1.1.Industrial Energy Saving** **1.1.1 Device/Facility Construction and Operation** **5.** For high energy efficiency application projects, for instance, LED lighting : identified according to the technology of application.				
		1.1.2 Energy-saving Technology Improvement	Renovation projects adopting the energy saving technology listed in the Catalogue for Promoting the National Key Energy-saving Technology (2014, Energy-saving part); Renovation projects of centralized heating complying with policies of "developing large capacity units and suppressing small ones", and "equivalent capacity replacement". Energy-saving renovation project in industrial, transportation and communication area. The renovated device/facility/equipment should meet at least one of the following conditions: 1. The energy consumption of the device/facility or the process ≤ the reference value of energy consumption allowance for unit product in national standards. 2. the energy-saving efficiency of the renovated	**1.1.Industrial Energy Saving** **1.1.2 Energy-saving Technology Improvement** Renovation projects adopting the energy saving technology listed in the Catalogue for Promoting the National Key Energy-saving Technology (2014, Energy-saving part); Renovation projects of centralized heating complying with policies of "developing large capacity units and suppressing small ones", and "equivalent capacity replacement". Energy-saving renovation project in industrial, transportation and communication area. The renovated device/facility/equipment should meet at least one of the following conditions: 1. The energy consumption of the device/facility or the process ≤ the reference value of energy consumption allowance for unit product in national standards. 2. the energy-saving efficiency of the renovated device/facility/equipment ≥ the average energy-saving efficiency/capability of energy-saving applications in the industry/area.				
	1.2 Sustainable Building	1.2.1 Newly-built Green Building	The Newly-built buildings should meet following standards: 1. Newly-built industrial buildings: no less than two star of the Evaluation Standard for Green Industrial Building (GB/T50878-2013) 2. Newly-built resident and public buildings: No less than two-star of the Evaluation Standard for Green Building (GB/T50378-2006).	**1.2 Sustainable Building** **1.2.1 Newly-built Green Building** The Newly-built buildings should meet following standards: 1. Newly-built industrial buildings: no less than two-star of the Evaluation Standard for Green Industrial Building (GB/T50878-2013) 2. Newly-built resident and public buildings: No less than two-star of the Evaluation Standard for Green Building (GB/T50378-2006).				
		1.2.2 Energy Saving Technology Improvement on Existing Building	The energy saving building renovation project includes but not limited to: energy saving renovation on building envelope, heat supply system, heating and cooling system, lighting, hot water supply facility.	**1.2 Sustainable Building** **1.2.2 Energy Saving Technology Improvement on Existing Building** The energy saving building renovation project includes but not limited to: energy saving renovation on building envelope, heat supply system, heating and cooling system, lighting, hot water supply facility.				
	1.3 Energy Management Center	1.3.1 Facility Construction and Operation	An integrated energy management system which saves energy systematically, by using automation and information technology and centralized management, to implement centralized flat monitoring and digital management to each process of production, distribution and consumption in corporate energy system, and improve and optimize the balance of energy. Including the purchase and installation of hardware facility, as well as the development and application of supporting software.	**1.3 Energy Management Center** **1.3.1 Facility Construction and Operation** An integrated energy management system which saves energy systematically, by using automation and information technology and centralized management, to implement centralized flat monitoring and digital management to each process of production, distribution and consumption in corporate energy system, and improve and optimize the balance of energy. Including the purchase and installation of hardware facility, as well as the development and application of supporting software.				
	1.4 Urban and Rural Infrastructure Construction with Energy Saving Efficiency	1.4.1 Facility Construction	Include but not limited to: 1. Urban underground pipeline corridor project; 2. Construction and renovation projects of adjusting the underground pipeline layout, route and buried depth, according to the situation of urban waterlogging and heat-island effect; 3. Construction and renovation projects of adjusting the district heating and water supply dispatching, as well as improving the pipeline standard of heat insulation and moisture resistance, according to the change of temperature.	**1.4 Urban and Rural Infrastructure Construction with Energy Saving Efficiency** **1.4.1 Facility Construction** **1.** Urban underground pipeline corridor project;				
					1.4 Urban and Rural Infrastructure Construction with Energy Saving Efficiency **1.4.1 Facility Construction** **2.** Construction and renovation projects of adjusting the underground pipeline layout, route and buried depth, according to the situation of urban waterlogging and heat-island effect;			
				1.4 Urban and Rural Infrastructure Construction with Energy Saving Efficiency **1.4.1 Facility Construction** **3.** Construction and renovation projects of adjusting the district heating and water supply dispatching, as well as improving the pipeline standard of heat insulation and moisture resistance, according to the change of temperature.				

China Green Bond Endorsed Project Catalogue (CGBEPC)				GREEN BOND OBJECTIVES ACCORDING TO GREEN BOND PRINCIPLES				
Level-I Category	**Level-II Category**	**Level-III Category**	**Specification / defining criteria**	**CLIMATE CHANGE MITIGATION** **DARK GREY: according to both MDB/IDFC and CGBEPC*** **LIGHT GREY: according only to CGBEPC** ***In some cases, further discussion among experts is required to establish more precise specification/defining criteria, particularly in Energy Efficiency, granular approaches, clean fuel types, and thresholds for unequivocal alignment.**	**CLIMATE CHANGE ADAPTATION** **NB: For MDB/IDFC, all and any adaptation must result from application of the "three key steps"-process.**	**NATURAL RESOURCE DEPLETION**	**BIODIVERSITY LOSS**	**POLLUTION CONTROL*** ***In some cases, further discussion among experts is required to establish more precise specification/defining criteria, particularly in Energy Efficiency, granular approaches, clean fuel types, and thresholds.**
				LOW-CARBON		*Classification of "environmental" objectives as per page 11 of UNEP paper "Measuring Progress: Definitions and concepts background note", September 2016 link: http://unepinquiry.org/wp-content/uploads/2016/09/1_Definitions_and_Concepts.pdf		
				CLIMATE				
				GREEN				
2 Pollution Prevention and Control	2.1 Pollution Prevention and Control	2.1.1 Facility Construction and Operation	The construction and operation of waste treatment facility includes but not limited to: Treatment of waste water, sludge in waste water treatment, air pollution, municipal solid waste (MSW) (including hazardous waste and medical waste), waste treatment of integrated governance, treatment facilities and final treatment facilities (including construction and operation of pipelines, collection, transfer and storage facilities)	**2.1 Pollution Prevention and Control** **2.1.1 Facility Construction and Operation** The construction and operation of waste treatment facility includes but not limited to: Treatment of waste water, sludge in waste water treatment, air pollution, municipal solid waste (MSW) (including hazardous waste and medical waste), waste treatment of integrated governance, treatment facilities and final treatment facilities (including construction and operation of pipelines, collection, transfer and storage facilities) **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**				**2.1 Pollution Prevention and Control** **2.1.1 Facility Construction and Operation** The construction and operation of waste treatment facility includes but not limited to: Treatment of waste water, sludge in waste water treatment, air pollution, municipal solid waste (MSW) (including hazardous waste and medical waste), waste treatment of integrated governance, treatment facilities and final treatment facilities (including construction and operation of pipelines, collection, transfer and storage facilities) **(NON-DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
	2.2 Environmental Restoration Project	2.2.1 Project Implementation	The environmental restoration project includes but not limited to: Integrated improvement of the urban polluted water, mine land reclamation and ecological restoration, remediation of soil pollution and etc.				**2.2 Environmental Restoration Project** **2.2.1 Project Implementation** The environmental restoration project includes but not limited to: Integrated improvement of the urban polluted water, mine land reclamation and ecological restoration, remediation of soil pollution and etc.	**2.2 Environmental Restoration Project** **2.2.1 Project Implementation** The environmental restoration project includes but not limited to: Integrated improvement of the urban polluted water, mine land reclamation and ecological restoration, remediation of soil pollution and etc.
	2.3 Clean Utilization of Coal	2.3.1 Device/Facility Construction and Operation	Device/Facility construction and operation projects conducting coal washing and processing, using coal by quality and classification, adopting technologies easy for pollution treatment to replace the traditional use of coal.					**2.3 Clean Utilization of Coal** **2.3.1 Device/Facility Construction and Operation** Device/Facility construction and operation projects conducting coal washing and processing, using coal by quality and classification, adopting technologies easy for pollution treatment to replace the traditional use of coal.
3 Resource Conservation and Recycling	3.1 Water Saving and Unconventional Water Use	3.1.1 Facility Construction and Operation	Include but not limited to: transformation of industrial water saving technology, agricultural water saving irrigation, transformation of urban pipeline network for water supply, integrated use of water resource, unconventional water use (including sea water desalination, treatment and reuse of brackish water, recycling water, mine water), and the supporting facility construction and operation of sponge city.	**3.1 Water Saving and Unconventional Water Use** **3.1.1 Facility Construction and Operation** Include but not limited to: transformation of industrial water saving technology, agricultural water saving irrigation, transformation of urban pipeline network for water supply, integrated use of water resource, unconventional water use (including sea water desalination, treatment and reuse of brackish water, recycling water, mine water), and the supporting facility construction and operation of sponge city. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**				**3.1 Water Saving and Unconventional Water Use** **3.1.1 Facility Construction and Operation** Include but not limited to: transformation of industrial water saving technology, agricultural water saving irrigation, transformation of urban pipeline network for water supply, integrated use of water resource, unconventional water use (including sea water desalination, treatment and reuse of brackish water, recycling water, mine water), and the supporting facility construction and operation of sponge city. **(NON-DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
	3.2 Redevelopment and Integrated Utilization of Tailings and Associated Mine	3.2.1 Device/Facility Construction and Operation	Specific to the redevelopment of tailings and associated mine with a purpose of resource efficiency improvement, development of geothermal power, reinjection and integrated utilization	**3.2 Redevelopment and Integrated Utilization of Tailings and Associated Mine** **3.2.1 Device/Facility Construction and Operation** **(b)** Device/Facility Construction and Operation. Specific to development of geothermal power, reinjection and integrated utilization. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**		**3.2 Redevelopment and Integrated Utilization of Tailings and Associated Mine** **3.2.1 Device/Facility Construction and Operation** **(a)** Device/Facility Construction and Operation. Specific to the redevelopment of tailings and associated mine with a purpose of resource efficiency improvement.		**3.2 Redevelopment and Integrated Utilization of Tailings and Associated Mine** **3.2.1 Device/Facility Construction and Operation** **(b)** Device/Facility Construction and Operation. Specific to development of geothermal power, reinjection and integrated utilization. **(NON-DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
	3.3 Recycling and Utilization of Industrial Solid Wastes, Exhaust Gas, and Effluent	3.3.1 Device/Facility Construction and Operation	Specific to collection and resourcelization of industrial solid waste, exhaust gas, and effluent.	**3.3 Recycling and Utilization of Industrial Solid Wastes, Exhaust Gas, and Effluent** **3.3.1 Device/Facility Construction and Operation** Specific to collection and resourcelization of industrial solid waste, exhaust gas, and effluent. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**		**3.3 Recycling and Utilization of Industrial Solid Wastes, Exhaust Gas, and Effluent** **3.3.1 Device/Facility Construction and Operation** Specific to collection and resourcelization of industrial solid waste, exhaust gas, and effluent. **(NON-DEMONSTRATED GHG EMISSIONS REDUCTIONS)**		**3.3 Recycling and Utilization of Industrial Solid Wastes, Exhaust Gas, and Effluent** **3.3.1 Device/Facility Construction and Operation** Specific to collection and resourcelization of industrial solid waste, exhaust gas, and effluent. **(NON-DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
	3.4 Recycling, Processing and Utilization of Renewable Resource	3.4.1 Facility Construction and Operation of Recycling, Sorting and Dismantling System	Specific to the construction and operation of waste collection system for metal and non-metal production and processing in industrial area; construction and operation of recycling, sorting and dismantling system for "city minerals" resource, for instance, scrap car, scrap electronics, waste plastics, waste steel, waste non-ferrous metal and etc.	**3.4 Recycling, Processing and Utilization of Renewable Resource** **3.4.1 Facility Construction and Operation of Recycling, Sorting and Dismantling System** Specific to the construction and operation of waste collection system for metal and non-metal production and processing in industrial area; construction and operation of recycling, sorting and dismantling system for "city minerals" resource, for instance, scrap car, scrap electronics, waste plastics, waste steel, waste non-ferrous metal and etc. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**		**3.4 Recycling, Processing and Utilization of Renewable Resource** **3.4.1 Facility Construction and Operation of Recycling, Sorting and Dismantling System** Specific to the construction and operation of waste collection system for metal and non-metal production and processing in industrial area; construction and operation of recycling, sorting and dismantling system for "city minerals" resource, for instance, scrap car, scrap electronics, waste plastics, waste steel, waste non-ferrous metal and etc. **(NON-DEMONSTRATED GHG EMISSIONS REDUCTIONS)**		
		3.4.2 Processing Device/Facility Construction and Operation	Specific to the construction and operation of waste processing and reuse system for metal and non-metal production and processing in industrial area; construction and operation of processing and reuse system for "city minerals" resource, for instance, scrap car, scrap electronics, waste plastics, waste steel, waste non-ferrous metal and etc.	**3.4 Recycling, Processing and Utilization of Renewable Resource** **3.4.2 Processing Device/Facility Construction and Operation** Specific to the construction and operation of waste processing and reuse system for metal and non-metal production and processing in industrial area; construction and operation of processing and reuse system for "city minerals" resource, for instance, scrap car, scrap electronics, waste plastics, waste steel, waste non-ferrous metal and etc.. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**		**3.4 Recycling, Processing and Utilization of Renewable Resource** **3.4.2 Processing Device/Facility Construction and Operation** Specific to the construction and operation of waste processing and reuse system for metal and non-metal production and processing in industrial area; construction and operation of processing and reuse system for "city minerals" resource, for instance, scrap car, scrap electronics, waste plastics, waste steel, waste non-ferrous metal and etc. **(NON-DEMONSTRATED GHG EMISSIONS REDUCTIONS)**		
	3.5 Remanufacturing of Electromechanical Products	3.5.1 Device/Facility Construction and Operation	Specific to construction and operation of remanufacturing device/facility for electromechanical products, for instance, auto parts, engineering machines, and machine tools.	**3.5 Remanufacturing of Electromechanical Products** **3.5.1 Device/Facility Construction and Operation** Specific to construction and operation of remanufacturing device/facility for electromechanical products, for instance, auto parts, engineering machines, and machine tools. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**		**3.5 Remanufacturing of Electromechanical Products** **3.5.1 Device/Facility Construction and Operation** Specific to construction and operation of remanufacturing device/facility for electromechanical products, for instance, auto parts, engineering machines, and machine tools. **(NON-DEMONSTRATED GHG EMISSIONS REDUCTIONS)**		
	3.6 Recycling and Utilization of Biomass Resource	3.6.1 Device/Facility Construction and Operation	Specific to construction and operation of resourcelization device/facility for biomass waste, like straw, forest waste, and household waste. This includes but not limited to: Production device/facility for non-grain liquid biomass fuel, power generation and heating device/facility for agricultural and forest biomass, production device/facility for biogas, resourcelization device/facility for household waste.	**3.6 Recycling and Utilization of Biomass Resource** **3.6.1 Device/Facility Construction and Operation** Specific to construction and operation of resourcelization device/facility for biomass waste, like straw, forest waste, and household waste. This includes but not limited to: Production device/facility for non-grain liquid biomass fuel, power generation and heating device/facility for agricultural and forest biomass, production device/facility for biogas, resourcelization device/facility for household waste. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**		**3.6 Recycling and Utilization of Biomass Resource** **3.6.1 Device/Facility Construction and Operation** Specific to construction and operation of resourcelization device/facility for biomass waste, like straw, forest waste, and household waste. This includes but not limited to: Production device/facility for non-grain liquid biomass fuel, power generation and heating device/facility for agricultural and forest biomass, production device/facility for biogas, resourcelization device/facility for household waste. **(NON-DEMONSTRATED GHG EMISSIONS REDUCTIONS)**		

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Level-I Category	**Level-II Category**	**Level-III Category**	**Specification / defining criteria**	**CLIMATE CHANGE MITIGATION** **DARK GREY: according to both MDB/IDFC and CGBEPC*** **LIGHT GREY: according only to CGBEPC** ***In some cases, further discussion among experts is required to establish more precise specification/defining criteria, particularly in Energy Efficiency, granular approaches, clean fuel types, and thresholds for unequivocal alignment.**	**CLIMATE CHANGE ADAPTATION** **NB: For MDB/IDFC, all and any adaptation must result from application of the "three key steps"-process.**	**NATURAL RESOURCE DEPLETION**	**BIODIVERSITY LOSS**	**POLLUTION CONTROL*** ***In some cases, further discussion among experts is required to establish more precise specification/defining criteria, particularly in Energy Efficiency, granular approaches, clean fuel types, and thresholds.**
				LOW-CARBON				
				CLIMATE				
				GREEN				
4 Clean Transportation	4.1 Railway Transportation	4.1.1 Facility Construction and Operation	Specific to the construction and operation (including technical transformation and upgrading) of railway lines and terminals, and special supply station and substation.	**4.1 Railway Transportation** **4.1.1 Facility Construction and Operation** Specific to the construction and operation (including technical transformation and upgrading) of railway lines and terminals, and special supply station and substation. **(DEMONSTRATED MODAL SHIFT FROM ROAD TO RAIL)**				
	4.2 Urban Rail Transit	4.2.1 Facility Construction and Operation	Specific to the construction and operation of rail transit, including urban underground and light rail.	**4.2 Urban Rail Transit** **4.2.1 Facility Construction and Operation** Specific to the construction and operation of rail transit, including urban underground and light rail.				
	4.3 Public Urban and Rural Transportation	4.3.1 Vehicle Purchase	Specific to purchase of public vehicles, including bus and electric bus for passengers.	**4.3 Public Urban and Rural Transportation** **4.3.1 Vehicle Purchase** Specific to purchase of public vehicles, including bus and electric bus for passengers.				
		4.3.2 Facility Construction and Operation	Specific to the construction and operation of stations, BRT lines, and other supporting facilities in public transportation, as well as the lines maintenance.	**4.3 Public Urban and Rural Transportation** **4.3.2 Facility Construction and Operation** Specific to the construction and operation of stations, BRT lines, and other supporting facilities in public transportation, as well as the lines maintenance.				
	4.4 Waterway Transportation	4.4.1 Vessel Purchase	Specific to the phase-out of old vessels, and purchase of standardized inland-waterway vessels, and vessels transport on costal water and ocean which fully meet the latest international guidance, agreements and standards.	**4.4 Waterway Transportation** **4.4.1 Vessel Purchase** Specific to the phase-out of old vessels, and purchase of standardized inland-waterway vessels, and vessels transport on costal water and ocean which fully meet the latest international guidance, agreements and standards. **(LOW CARBON FUELS OR MODAL SHIFT)**				**4.4 Waterway Transportation** **4.4.1 Vessel Purchase** Specific to the phase-out of old vessels, and purchase of standardized inland-waterway vessels, and vessels transport on costal water and ocean which fully meet the latest international guidance, agreements and standards. **(OTHER FUELS)**
		4.4.2 Waterway Regulation	Specific to the high-quality inland waterway dredging projects	**4.4 Waterway Transportation** **4.4.2 Waterway Regulation** Specific to the high-quality inland waterway dredging projects **(MODAL SHIFT FROM ROAD TO WATERWAY)**				
	4.5 Clean Fuel	4.5.1 Device/Facility Construction and Operation	Specific to the device/facility construction and operation which meets the fuel production requirements of GB V standard gasoline and GB IV standard diesel, or the technical transformation projects on existing fuel production with improved cleanness standards (the GB V standard gasoline and GB IV standard diesel should be met after the transformation project)					**4.5 Clean Fuel** **4.5.1 Device/Facility Construction and Operation** Specific to the device/facility construction and operation which meets the fuel production requirements of GB V standard gasoline and GB IV standard diesel, or the technical transformation projects on existing fuel production with improved cleanness standards (the GB V standard gasoline and GB IV standard diesel should be met after the transformation project)
		4.5.2 Manufacturing of Auto Fuel Products	Specific to the fuel products which meet the fuel production requirements of GB V standard gasoline and GB IV standard diesel; and production of clean fuel additives, like antiknock and oxidizer.					**4.5 Clean Fuel** **4.5.2 Manufacturing of Auto Fuel Products** Specific to the fuel products which meet the fuel production requirements of GB V standard gasoline and GB IV standard diesel; and production of clean fuel additives, like antiknock and oxidizer.
	4.6 New Energy Automobile	4.6.1 Parts and Whole Car Manufacturing	Specific to whole car manufacturing, including new energy car like electric car, fuel-battery car and natural-gas car; motor manufacturing, energy storing device manufacturing and other parts manufacturing.	**4.6 New Energy Automobile** **4.6.1 Parts and Whole Car Manufacturing** Specific to whole car manufacturing, including new energy car like electric car, fuel-battery car and natural-gas car; motor manufacturing, energy storing device manufacturing and other parts manufacturing.				
		4.6.2 Supporting Facility Construction and Operation	Specific to construction and operation of charging and energy supply facility for new energy car.	**4.6 New Energy Automobile** **4.6.2 Supporting Facility Construction and Operation** Specific to construction and operation of charging and energy supply facility for new energy car.				
	4.7 Internet Application on Transportation	4.7.1 Facility Construction and Operation	Specific to hardware and software facility and system that improves the capability and efficiency of transportation and logistics. The facility or system should base on mobile communication terminal, telecommunication base station, GPS, and internet technology, apply the Internet of Things and Big Data, to achieve integrated management of resource with comprehensive information communication and sharing. The service targets directly on logistics and transportation facility. The construction and operation includes: logistics information service platform, smart storage system, smart logistics distribution system, online integrated system of transportation resource (vehicle and ship), transportation management, executive information system, smart monitoring system and etc.	**4.7 Internet Application on Transportation** **4.7.1 Facility Construction and Operation** Specific to hardware and software facility and system that improves the capability and efficiency of transportation and logistics. The facility or system should base on mobile communication terminal, telecommunication base station, GPS, and internet technology, apply the Internet of Things and Big Data, to achieve integrated management of resource with comprehensive information communication and sharing. The service targets directly on logistics and transportation facility. The construction and operation includes: logistics information service platform, smart storage system, smart logistics distribution system, online integrated system of transportation resource (vehicle and ship), transportation management, executive information system, smart monitoring system and etc. **(DEDICATED TO GHG EMISSIONS REDUCTIONS)**				**4.7 Internet Application on Transportation** **4.7.1 Facility Construction and Operation** Specific to hardware and software facility and system that improves the capability and efficiency of transportation and logistics. The facility or system should base on mobile communication terminal, telecommunication base station, GPS, and internet technology, apply the Internet of Things and Big Data, to achieve integrated management of resource with comprehensive information communication and sharing. The service targets directly on logistics and transportation facility. The construction and operation includes: logistics information service platform, smart storage system, smart logistics distribution system, online integrated system of transportation resource (vehicle and ship), transportation management, executive information system, smart monitoring system and etc. **(NON-DEDICATED TO GHG EMISSIONS REDUCTIONS)**

*Classification of "environmental" objectives as per page 11 of UNEP paper "Measuring Progress: Definitions and concepts background note", September 2016
link: http://unepinquiry.org/wp-content/uploads/2016/09/1_Definitions_and_Concepts.pdf

China Green Bond Endorsed Project Catalogue (CGBEPC)				GREEN BOND OBJECTIVES ACCORDING TO GREEN BOND PRINCIPLES				
Level-I Category	**Level-II Category**	**Level-III Category**	**Specification / defining criteria**	**CLIMATE CHANGE MITIGATION** **DARK GREY: according to both MDB/IDFC and CGBEPC*** **LIGHT GREY: according only to CGBEPC** ***In some cases, further discussion among experts is required to establish more precise specification/defining criteria, particularly in Energy Efficiency, granular approaches, clean fuel types, and thresholds for unequivocal alignment.**	**CLIMATE CHANGE ADAPTATION** **NB: For MDB/IDFC, all and any adaptation must result from application of the "three key steps"-process.**	**NATURAL RESOURCE DEPLETION**	**BIODIVERSITY LOSS**	**POLLUTION CONTROL*** ***In some cases, further discussion among experts is required to establish more precise specification/defining criteria, particularly in Energy Efficiency, granular approaches, clean fuel types, and thresholds.**
				LOW-CARBON				
				CLIMATE				
				GREEN				
5 Clean Energy	5.1 Wind Power Generation	5.1.1 Facility Construction and Operation	Specific to construction and operation of wind farm (including supporting wind power monitoring system, wind power prediction system, integrated control system of wind farm and etc.)	**5.1 Wind Power Generation** **5.1.1 Facility Construction and Operation** Specific to construction and operation of wind farm (including supporting wind power monitoring system, wind power prediction system, integrated control system of wind farm and etc.)				
	5.2 Solar Photovoltaic (PV) Power Generation	5.2.1 Facility Construction and Operation	The solar PV power plant and high-temperature solar power plants (excluding distributed solar PV power generation system) should meet following requirements: 1. No less than15.5% of the photoelectric conversion efficiency for poly-crystalline silicon cell module, no more than 2.5% of the decay rate for the module within one year after the project' start-up; no more than 0.7% of the decay rate afterwards. 2. No less than16% of the photoelectric conversion efficiency for mono-crystalline silicon cell module, no more than 3% of the decay rate for the module within one year after the project' start-up; no more than 0.7% of the decay rate afterwards. 3. No less than 28% of the photoelectric conversion efficiency for high concentration PV (HCPV) cell module, no more than 2% of the decay rate for the module within one year after the project' start-up; no more than 0.5% of the decay rate afterwards; no more than 10% of the decay rate in whole project lifetime. 4. No less than 8% of the photoelectric conversion efficiency for silicon based film cell module; No less than 11% of the photoelectric conversion efficiency for copper indium gallium selenide (CIGS) film cell module; No less than 11% of the photoelectric conversion efficiency for cadmium telluride (CdTe) film cell module; No less than 10% of the photoelectric conversion efficiency for other film cell module; 5. No more than 20% of the decay rate for polycrystalline silicon, monocrystalline silicon and film cell module in whole project lifetime.	**5.2 Solar Photovoltaic (PV) Power Generation** **5.2.1 Facility Construction and Operation** The solar PV power plant and high-temperature solar power plants (excluding distributed solar PV power generation system) should meet following requirements: 1. No less than15.5% of the photoelectric conversion efficiency for poly-crystalline silicon cell module, no more than 2.5% of the decay rate for the module within one year after the project' start-up; no more than 0.7% of the decay rate afterwards. 2. No less than16% of the photoelectric conversion efficiency for mono-crystalline silicon cell module, no more than 3% of the decay rate for the module within one year after the project' start-up; no more than 0.7% of the decay rate afterwards. 3. No less than 28% of the photoelectric conversion efficiency for high concentration PV (HCPV) cell module, no more than 2% of the decay rate for the module within one year after the project' start-up; no more than 0.5% of the decay rate afterwards; no more than 10% of the decay rate in whole project lifetime. 4. No less than 8% of the photoelectric conversion efficiency for silicon based film cell module; No less than 11% of the photoelectric conversion efficiency for copper indium gallium selenide (CIGS) film cell module; No less than 11% of the photoelectric conversion efficiency for cadmium telluride (CdTe) film cell module; No less than 10% of the photoelectric conversion efficiency for other film cell module; 5. No more than 20% of the decay rate for polycrystalline silicon, monocrystalline silicon and film cell module in whole project lifetime.			
	5.3 Smart Grid and Energy Internet	5.3.1 Facility Construction and Operation/Upgrading	Specific to grid construction and operation of technical transformation and upgrading projects, which improve the balance and responsiveness of supply and demand, promote integrated energy efficiency of the grid, lower the transformation of power loss in transmission, and enhance the capability of renewables access. 1. Smart grid: Grid construction and operation, as well as the technical transformation and upgrading projects, which adopt smart electric equipment, integrated simultaneous two-way information system and other advanced technologies. 2. Energy internet construction and operation of grid, micro-grid and other energy (like natural gas) internet, which integratedly applies power electronics, information and smart management technology, connecting distributed energy (including distributed renewable	**5.3 Smart Grid and Energy Internet** **5.3.1 Facility Construction and Operation/Upgrading** Specific to grid construction and operation or technical transformation and upgrading projects, which improve the balance and responsiveness of supply and demand, promote integrated energy efficiency of the grid, lower the transformation of power loss in transmission, and enhance the capability of renewables access. 1. Smart grid: Grid construction and operation, as well as the technical transformation and upgrading projects, which adopt smart electric equipment, integrated simultaneous two-way information system and other advanced technologies. 2. Energy internet construction and operation of grid, micro-grid and other energy (like natural gas) internet, which integratedly applies power electronics, information and smart management technology, connecting distributed energy (including distributed renewable energy), distributed energy storage device and various types of load, to achieve two-way energy flow and peer exchange and sharing.				
	5.4 Distributed Energy Resource	5.4.1 Facility Construction and Operation	Specific to construction and operation of energy management system, for instance, regional energy station (including regional natural gas station), distributed power generation like distributed photovoltaic power generation, distributed energy access and peak-valley load regulating system, distributed power trading	**5.4 Distributed Energy Resource** **5.4.1 Facility Construction and Operation** Specific to construction and operation of energy management system, for instance, regional energy station (including regional natural gas station), distributed power generation like distributed photovoltaic power generation, distributed energy access and peak-valley load regulating system, distributed power trading platform, and etc.				
	5.5 Solar Thermal Application	5.5.1 Device/Facilty Construction and Operation	Specific to construction and operation of device/facility using solar energy, which includes but not limited to: Installation and operation of solar water heater; solar heating system; medium-high temperature solar heat collection system; solar cooling system, heat pump air-condition system; solar energy and air source heat pump hot water system, high-	**5.5 Solar Thermal Application** **5.5.1 Device/Facility Construction and Operation** Specific to construction and operation of device/facility using solar energy, which includes but not limited to: Installation and operation of solar water heater; solar heating system; medium-high temperature solar heat collection system; solar cooling system, heat pump air-condition system; solar energy and air source heat pump hot water system, high-temperature megawatt				
	5.6 Hydropower Generation	5.6.1 Facility Construction and Operation	Specific to hydropower construction and operation like reservoir dam, hydraulic tunnel, powerhouse, generator unit and etc.	**5.6 Hydropower Generation** **5.6.1 Facility Construction and Operation** Specific to hydropower construction and operation like reservoir dam, hydraulic tunnel, powerhouse, generator unit and etc. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**				**5.6 Hydropower Generation** **5.6.1 Facility Construction and Operation** Specific to hydropower construction and operation like reservoir dam, hydraulic tunnel, powerhouse, generator unit and etc. **(NON-DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
	5.7 Other New Energy Application	5.7.1 Facility Construction and Operation	Specific to engineering construction and operation of renewable energy generation like geothermal power and marine power.	**5.7 Other New Energy Application** **5.7.1 Facility Construction and Operation** Specific to engineering construction and operation of renewable energy generation like geothermal power and marine power. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS - FOR GEOTHERMAL ONLY)**				**5.7 Other New Energy Application** **5.7.1 Facility Construction and Operation** Specific to engineering construction and operation of renewable energy generation like geothermal power and marine power. **(NON-DEMONSTRATED GHG EMISSIONS REDUCTIONS - FOR GEOTHERMAL ONLY)**

*Classification of "environmental" objectives as per page 11 of UNEP paper "Measuring Progress: Definitions and concepts background note", September 2016
link: http://unepinquiry.org/wp-content/uploads/2016/09/1_Definitions_and_Concepts.pdf

China Green Bond Endorsed Project Catalogue (CGBEPC)				GREEN BOND OBJECTIVES ACCORDING TO GREEN BOND PRINCIPLES				
Level-I Category	Level-II Category	Level-III Category	Specification / defining criteria	**CLIMATE CHANGE MITIGATION** **DARK GREY: according to both MDB/IDFC and CGBEPC*** **LIGHT GREY: according only to CGBEPC** ***In some cases, further discussion among experts is required to establish more precise specification/defining criteria, particularly in Energy Efficiency, granular approaches, clean fuel types, and thresholds for unequivocal alignment.**	**CLIMATE CHANGE ADAPTATION** **NB: For MDB/IDFC, all and any adaptation must result from application of the "three key steps"-process.**	**NATURAL RESOURCE DEPLETION**	**BIODIVERSITY LOSS**	**POLLUTION CONTROL*** ***In some cases, further discussion among experts is required to establish more precise specification/defining criteria, particularly in Energy Efficiency, granular approaches, clean fuel types, and thresholds.**
				LOW-CARBON			*Classification of "environmental" objectives as per page 11 of UNEP paper "Measuring Progress: Definitions and concepts background note", September 2016 link: http://unepinquiry.org/wp-content/uploads/2016/09/1_Definitions_and_Concepts.pdf	
				CLIMATE				
				GREEN				
6 Ecological Protection and Climate Change Adaption	6.1 Natural Ecological Protection and Protective Development of Tourism Resource	6.1.1 Facility Construction and Operation	Specific to natural reserve engineering; ecological restoration and vegetation conservation engineering; and ecological protective development of tourism resource. These include but not limited to: National park, national geological park, the protection project of natural heritage, construction and maintenance of national and provincial natural reserve; construction and maintenance of ecological function area, like specific wildlife habitat, wetland, desert, and prairie; coastal ecological restoration and vegetation conservation engineering; environmental pressure release on ecologically vulnerable area (like ecomigration); urban gardening; land reclamation.	**6.1 Natural Ecological Protection and Protective Development of Tourism Resource** **6.1.1 Facility Construction and Operation** Specific to natural reserve engineering; ecological restoration and vegetation conservation engineering; and ecological protective development of tourism resource. These include but not limited to: National park, national geological park, the protection project of natural heritage, construction and maintenance of national and provincial natural reserve; construction and maintenance of ecological function area, like specific wildlife habitat, wetland, desert, and prairie; coastal ecological restoration and vegetation conservation engineering; environmental pressure release on ecologically vulnerable area (like ecomigration); urban gardening; land reclamation. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**			**6.1 Natural Ecological Protection and Protective Development of Tourism Resource** **6.1.1 Facility Construction and Operation** Specific to natural reserve engineering; ecological restoration and vegetation conservation engineering; and ecological protective development of tourism resource. These include but not limited to: National park, national geological park, the protection project of natural heritage, construction and maintenance of national and provincial natural reserve; construction and maintenance of ecological function area, like specific wildlife habitat, wetland, desert, and prairie; coastal ecological restoration and vegetation conservation engineering; environmental pressure release on ecologically vulnerable area (like ecomigration); urban gardening; land reclamation. **(NON-DEMONSTRATED GHG EMISSIONS REDUCTIONS)**	
	6.2 Ecological Agriculture, Husbandry and Fishery	6.2.1 Project Implementation and Facility Construction and Operation	Include integrating breeding project of agricultural, husbandry, and fishery thoroughbred, manufacturing agricultural, husbandry, and fishery organic products (including facility construction and operation). The output and products of projects should meet following requirements or policies: 1. GB/T19630 standard of Chinese organic products; 2. Environment and quality standards of Agriculture Department, 7 general guidance of pesticides, fertilizer, veterinary drug, feed and feed additives, food additives, and animal hygiene, 45 product quality standards, product mark should be in compliance with the "Measures of Mark	**6.2 Ecological Agriculture, Husbandry and Fishery** **6.2.1 Project Implementation and Facility Construction and Operation** Include integrating breeding project of agricultural, husbandry, and fishery thoroughbred, manufacturing agricultural, husbandry, and fishery organic products (including facility construction and operation).The output and products of projects should meet following requirements or policies: 1. GB/T19630 standard of Chinese organic products; 2. Environment and quality standards of Agriculture Department, 7 general guidance of pesticides, fertilizer, veterinary drug, feed and feed additives, food additives, and animal hygiene, 45 product quality standards, product mark should be in compliance with the "Measures of Mark Management for Green Food". **(DEDICATED TO GHG EMISSIONS REDUCTIONS)**			**6.2 Ecological Agriculture, Husbandry and Fishery** **6.2.1 Project Implementation and Facility Construction and Operation** Include integrating breeding project of agricultural, husbandry, and fishery thoroughbred, manufacturing agricultural, husbandry, and fishery organic products (including facility construction and operation).The output and products of projects should meet following requirements or policies: 1. GB/T19630 standard of Chinese organic products; 2. Environment and quality standards of Agriculture Department, 7 general guidance of pesticides, fertilizer, veterinary drug, feed and feed additives, food additives, and animal hygiene, 45 product quality standards, product mark should be in compliance with the "Measures of Mark Management for Green Food". **(NON-DEDICATED TO GHG EMISSIONS REDUCTIONS)**	**6.2 Ecological Agriculture, Husbandry and Fishery** **6.2.1 Project Implementation and Facility Construction and Operation** Include integrating breeding project of agricultural, husbandry, and fishery thoroughbred, manufacturing agricultural, husbandry, and fishery organic products (including facility construction and operation).The output and products of projects should meet following requirements or policies: 1. GB/T19630 standard of Chinese organic products; 2. Environment and quality standards of Agriculture Department, 7 general guidance of pesticides, fertilizer, veterinary drug, feed and feed additives, food additives, and animal hygiene, 45 product quality standards, product mark should be in compliance with the "Measures of Mark Management for Green Food". **(NON-DEDICATED TO GHG EMISSIONS REDUCTIONS)**
	6.3 Forestry Development	6.3.1 Project Implementation and Facility Construction and Operation	Specific to the forest tending management and sustainable forestry development project, including but not limited to: 1. Afforestation; 2. Forestry seed breeding and seedling production; 3. Underwood planting and underwood breeding.	**6.3 Forestry Development** **6.3.1 Project Implementation and Facility Construction and Operation** Specific to the forest tending management and sustainable forestry development project, including but not limited to: 1. Afforestation; 2. Forestry seed breeding and seedling production; 3. Underwood planting and underwood breeding.				
	6.4 Emergency Prevention and Control of Disaster	6.4.1 Facility Construction and Operation	Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : 1. Disaster monitoring of major infrastructure (water conservancy, transportation, communication, electricity transmission, municipal infrastructure an etc.) and emergency response system ;	TAB	**6.4 Emergency Prevention and Control of Disaster** **6.4.1 Facility Construction and Operation** Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : **1.** Disaster monitoring of major infrastructure (water conservancy, transportation, communication, electricity transmission, municipal infrastructure an etc.) and emergency response system ;			
			2. Dyke construction of major rivers, riverway dredging、flood storage area engineering and maintenance, controlling hinge construction of main and tributary stream;		**6.4 Emergency Prevention and Control of Disaster** **6.4.1 Facility Construction and Operation** Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : **2.** Dyke construction of major rivers, riverway dredging、flood storage area engineering and maintenance, controlling hinge construction of main and tributary stream;			
			3. Construction and operation of hygiene emergency response for addressing natural disaster and extreme weather, the production and storage of hygiene emergency response facilities;		**6.4 Emergency Prevention and Control of Disaster** **6.4.1 Facility Construction and Operation** Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : **3.** Construction and operation of hygiene emergency response for addressing natural disaster and extreme weather, the production and storage of hygiene emergency response facilities;			
			4. Monitoring, prevention and control system of forest fire, harmful and exotic species;				**6.4 Emergency Prevention and Control of Disaster** **6.4.1 Facility Construction and Operation** Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : **4.** Monitoring, prevention and control system of forest fire, harmful and exotic species;	
			5. Waning, prevention and control system of agriculture disaster; monitoring, prevention and control system of animal epidemics;		**6.4 Emergency Prevention and Control of Disaster** **6.4.1 Facility Construction and Operation** Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : **5.** Waning, prevention and control system of agriculture disaster; monitoring, prevention and control system of animal epidemics;	**6.4 Emergency Prevention and Control of Disaster** **6.4.1 Facility Construction and Operation** Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : **5.** Waning, prevention and control system of agriculture disaster; monitoring, prevention and control system of animal epidemics;		
			6. Monitoring system of marine disaster, ecological protection of prairie, control of soil and water loss;		**6.4 Emergency Prevention and Control of Disaster** **6.4.1 Facility Construction and Operation** Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : **6.** Monitoring system of marine disaster, ecological protection of prairie, control of soil and water loss;		**6.4 Emergency Prevention and Control of Disaster** **6.4.1 Facility Construction and Operation** Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : **6.** Monitoring system of marine disaster, ecological protection of prairie, control of soil and water loss;	
			7. Natural forest protection project (NEPP), converting cultivated land into forests, construction and maintenance of shelter forest;	**6.4 Emergency Prevention and Control of Disaster** **6.4.1 Facility Construction and Operation** Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : **7.** Natural forest protection project (NEPP), converting cultivated land into forests, construction and maintenance of shelter forest;	**6.4 Emergency Prevention and Control of Disaster** **6.4.1 Facility Construction and Operation** Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : **7.** Natural forest protection project (NEPP), converting cultivated land into forests, construction and maintenance of shelter forest;		**6.4 Emergency Prevention and Control of Disaster** **6.4.1 Facility Construction and Operation** Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : **7.** Natural forest protection project (NEPP), converting cultivated land into forests, construction and maintenance of shelter forest;	
			8. Production, storage and transmission of disaster preparedness supplies.		**6.4 Emergency Prevention and Control of Disaster** **6.4.1 Facility Construction and Operation** Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : **8.** Production, storage and transmission of disaster preparedness supplies.			

Annex III – D

List of activities eligible for MDB/IDFC classification as Climate Mitigation Finance **Extract from MDB / IDFC Common Principles for Climate Change Mitigation Tracking** (MDBIDFCCP; version 2 - 15th June 2015). For the full text of the Common Principles which also includes purpose, definitions and guidelines, please refer to: http://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf			CGBEPC mapped on MDBIDFCCP Corresponding category from CGBEPC (if applicable)
1. Renewable Energy	1.1 Electricity Generation	1.1.1 Wind power	**5.1 Wind Power Generation** **5.1.1 Facility Construction and Operation** Specific to construction and operation of wind farm (including supporting wind power monitoring system, wind power prediction system, integrated control system of wind farm and etc.)
		1.1.2 Geothermal power (only if net emission reductions can be demonstrated)	**3.2 Redevelopment and Integrated Utilization of Tailings and Associated Mine** **3.2.1 Device/Facility Construction and Operation** **(b)** Device/Facility Construction and Operation. Specific to development of geothermal power, reinjection and integrated utilization. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
			5.7 Other New Energy Application **5.7.1 Facility Construction and Operation** Specific to engineering construction and operation of renewable energy generation like geothermal power and marine power. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS - FOR GEOTHERMAL ONLY)**
		1.1.3 Solar power (concentrated solar power, photovoltaic power)	**5.2 Solar Photovoltaic (PV) Power Generation** **5.2.1 Facility Construction and Operation** The solar PV power plant and high-temperature solar power plants (excluding distributed solar PV power generation system) should meet following requirements: 1. No less than15.5% of the photoelectric conversion efficiency for poly-crystalline silicon cell module, no more than 2.5% of the decay rate for the module within one year after the project' start-up; no more than 0.7% of the decay rate afterwards. 2. No less than16% of the photoelectric conversion efficiency for mono-crystalline silicon cell module, no more than 3% of the decay rate for the module within one year after the project' start-up; no more than 0.7% of the decay rate afterwards. 3. No less than 28% of the photoelectric conversion efficiency for high concentration PV (HCPV) cell module, no more than 2% of the decay rate for the module within one year after the project' start-up; no more than 0.5% of the decay rate afterwards; no more than 10% of the decay rate in whole project lifetime. 4. No less than 8% of the photoelectric conversion efficiency for silicon based film cell module; No less than 11% of the photoelectric conversion efficiency for copper indium gallium selenide (CIGS) film cell module; No less than 11% of the photoelectric conversion efficiency for cadmium telluride (CdTe) film cell module; No less than 10% of the photoelectric conversion efficiency for other film cell module; 5. No more than 20% of the decay rate for polycrystalline silicon, monocrystalline silicon and film cell module in whole project lifetime.
			5.5 Solar Thermal Application **5.5.1 Device/Facility Construction and Operation** Specific to construction and operation of device/facility using solar energy, which includes but not limited to: Installation and operation of solar water heater; solar heating system; medium-high temperature solar heat collection system; solar cooling system, heat pump air-condition system; solar energy and air source heat pump hot water system, high-temperature megawatt solar power generation device/facility.
		1.1.4 Biomass or biogas power (only if net emission reductions, including carbon pool balance, can be demonstrated)	**1.1.Industrial Energy Saving** **1.1.1 Device/Facility Construction and Operation** **4.** For biomass and low heat value (LHV) fuel power generation projects: identified according to the property of biomass and LHV fuel. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
			3.6 Recycling and Utilization of Biomass Resource **3.6.1 Device/Facility Construction and Operation** Specific to construction and operation of resourcelization device/facility for biomass waste, like straw, forest waste, and household waste. This includes but not limited to: Production device/facility for non-grain liquid biomass fuel, power generation and heating device/facility for agricultural and forest biomass, production device/facility for biogas, resourcelization device/facility for household waste. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
		1.1.5 Ocean power (wave, tidal, ocean currents, salt gradient, etc.)	**5.7.1**
		1.1.6 Hydropower plants (only if net emission reductions can be demonstrated)	**5.6 Hydropower Generation** **5.6.1 Facility Construction and Operation** Specific to hydropower construction and operation like reservoir dam, hydraulic tunnel, powerhouse, generator unit and etc. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
		1.1.7 Renewable energy power plant retrofits	**no corresponding category**
	1.2 Heat Production or other renewable energy application	1.2.1 Solar water heating and other thermal applications of solar power in all sectors	**5.5.1**
		1.2.2 Thermal applications of geothermal power in all sectors	**5.7.1**
		1.2.3 Wind-driven pumping systems or similar	**5.1.1**
			1.1.Industrial Energy Saving **1.1.1 Device/Facility Construction and Operation** **5.** For high energy efficiency application projects, for instance, LED lighting : identified according to the technology of application.
		1.2.4 Thermal applications of sustainably/produced bioenergy in all sectors, incl. efficient, improved biomass stoves	**1.1.1.4**
			3.6.1

List of activities eligible for MDB/IDFC classification as Climate Mitigation Finance			CGBEPC mapped on MDBIDFCCP
	1.3 Measures to facilitate integration of renewable energy into grids	1.3.1 New, expanded and improved transmission systems (lines, substations)	**5.3 Smart Grid and Energy Internet** **5.3.1 Facility Construction and Operation/Upgrading** Specific to grid construction and operation or technical transformation and upgrading projects, which improve the balance and responsiveness of supply and demand, promote integrated energy efficiency of the grid, lower the transformation of power loss in transmission, and enhance the capability of renewables access. 1. Smart grid: Grid construction and operation, as well as the technical transformation and upgrading projects, which adopt smart electric equipment, integrated simultaneous two-way information system and other advanced technologies. 2. Energy internet construction and operation of grid, micro-grid and other energy (like natural gas) internet, which integratedly applies power electronics, information and smart management technology, connecting distributed energy (including distributed renewable energy), distributed energy storage device and various types of load, to achieve two-way energy flow and peer exchange and sharing.
		1.3.2 Storage systems (battery, mechanical, pumped storage)	**5.3.1**
		1.3.3 New information and communication technology, smart-grid and mini-grid	**5.3.1** **5.4 Distributed Energy Resource** **5.4.1 Facility Construction and Operation** Specific to construction and operation of energy management system, for instance, regional energy station (including regional natural gas station), distributed power generation like distributed photovoltaic power generation, distributed energy access and peak-valley load regulating system, distributed power trading platform, and etc.
2. Lower-carbon and efficient energy generation	2.1 Transmission and distribution systems	2.1.1 Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability/reliability, (only if net emission reductions can be demonstrated)	**1.1.Industrial Energy Saving** **1.1.1 Device/Facility Construction and Operation** **3.** For projects adopting special technology with high efficiency and low consumption, for instance, the ultra-high voltage (UHV) grid, identified according to the special technology directly; **(REHABILITATION)**
	2.2 Power Plants	2.2.1 Thermal power plant retrofit to fuel switch from a more GHG-intensive fuel to a different and less GHG-intensive fuel type	**1.1.Industrial Energy Saving** **1.1.1 Device/Facility Construction and Operation** **1.** For the industries with a national standard of energy consumption allowance for unit product, energy consumption of the device/facility (except coal-fired power generation) or the process ≤ The reference value in the national standard of energy consumption allowance for unit product. **(REHABILITATION OR REPLACEMENT)**
		2.2.2 Conversion of existing fossil-fuel based power plant to co-generation technologies that generate electricity in addition to providing heating/cooling	**1.1.1.1**
		2.2.3 Energy-efficiency improvement in existing thermal power plant	**1.1.1.1**
	3.1 Energy efficiency in industry in existing facilities	3.1.1 Industrial energy-efficiency improvements though the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery	**1.1.1.5** **1.1.Industrial Energy Saving** **1.1.2 Energy-saving Technology Improvement** Renovation projects adopting the energy saving technology listed in the Catalogue for Promoting the National Key Energy-saving Technology (2014, Energy-saving part); Renovation projects of centralized heating complying with policies of “developing large capacity units and suppressing small ones”, and “equivalent capacity replacement”. Energy-saving renovation project in industrial, transportation and communication area. The renovated device/facility/equipment should meet at least one of the following conditions: 1. The energy consumption of the device/facility or the process ≤ the reference value of energy consumption allowance for unit product in national standards. 2. the energy-saving efficiency of the renovated device/facility/equipment ≥ the average energy-saving efficiency/capability of energy-saving applications. **3.3 Recycling and Utilization of Industrial Solid Wastes, Exhaust Gas, and Effluent** **3.3.1 Device/Facility Construction and Operation** Specific to collection and resourcelization of industrial solid waste, exhaust gas, and effluent. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
		3.1.2 Installation of co/generation plants that generate electricity in addition to providing heating/cooling	**1.4 Urban and Rural Infrastructure Construction with Energy Saving Efficiency** **1.4.1 Facility Construction** **3.** Construction and renovation projects of adjusting the district heating and water supply dispatching, as well as improving the pipeline standard of heat insulation and moisture resistance, according to the change of temperature.
		3.1.3 More efficient facility replacement of an older facility (old facility retired)	**1.1.1.1**

List of activities eligible for MDB/IDFC classification as Climate Mitigation Finance			CGBEPC mapped on MDBIDFCCP
3. Energy efficiency	3.2 Energy efficiency improvements in existing commercial, public and residential buildings	3.2.1 Energy-efficiency improvement in lighting, appliances and equipment	**1.1.1.5**
		3.2.2 Substitution of existing heating/cooling systems for buildings by co/generation plants that generate electricity in addition to providing heating/cooling	**1.2 Sustainable Building** **1.2.2 Energy Saving Technology Improvement on Existing Building** The energy saving building renovation project includes but not limited to: energy saving renovation on building envelope, heat supply system, heating and cooling system, lighting, hot water supply facility.
		3.2.3 Retrofit of existing buildings: Architectural or building changes that enable reduction of energy consumption	**1.1.2** **1.2.2**
	3.3 Energy efficiency improvements in the utility sector and public services	3.3.1 Energy-efficiency improvement in utilities and public services through the installation of more efficient lighting or equipment	**1.1.1.5**
		3.3.2 Rehabilitation of district heating and cooling systems	**1.1.2** **1.4.1.3**
		3.3.3 Utility heat loss reduction and/or increased waste heat recovery	**1.4.1.3**
		3.3.4 Improvement in utility scale energy efficiency through efficient energy use, and loss reduction	**1.3 Energy Management Center** **1.3.1 Facility Construction and Operation** An integrated energy management system which saves energy systematically, by using automation and information technology and centralized management, to implement centralized flat monitoring and digital management to each process of production, distribution and consumption in corporate energy system, and improve and optimize the balance of energy. Including the purchase and installation of hardware facility, as well as the development and application of supporting software. **5.3.1** **5.4.1**
	3.4 Vehicle energy efficiency fleet retrofit	3.4.1 Existing vehicles, rail or boat fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.)	**4.3 Public Urban and Rural Transportation** **4.3.1 Vehicle Purchase** Specific to purchase of public vehicles, including bus and electric bus for passengers. **4.4 Waterway Transportation** **4.4.1 Vessel Purchase** Specific to the phase-out of old vessels, and purchase of standardized inland-waterway vessels, and vessels transport on costal water and ocean which fully meet the latest international guidance, agreements and standards. **(LOW CARBON FUELS OR MODAL SHIFT)** **4.6 New Energy Automobile** **4.6.1 Parts and Whole Car Manufacturing** Specific to whole car manufacturing, including new energy car like electric car, fuel-battery car and natural-gas car; motor manufacturing, energy storing device manufacturing and other parts manufacturing. **4.6 New Energy Automobile** **4.6.2 Supporting Facility Construction and Operation** Specific to construction and operation of charging and energy supply facility for new energy car.
	3.5 Energy efficiency in new commercial, public and residential buildings	3.5.1 Use of highly efficient architectural designs, energy efficiency appliances and equipment, and building techniques that reduce building energy consumption, exceeding available standards and complying with high energy efficiency certification or rating schemes	**1.2 Sustainable Building** **1.2.1 Newly-built Green Building** The Newly-built buildings should meet following standards: 1. Newly-built industrial buildings: no less than two-star of the Evaluation Standard for Green Industrial Building (GB/T50878-2013) 2. Newly-built resident and public buildings: No less than two-star of the Evaluation Standard for Green Building (GB/T50378-2006).
	3.6 Energy audits	3.6.1 Energy audits to energy end-users, including industries, buildings, and transport systems	**no corresponding category**

List of activities eligible for MDB/IDFC classification as Climate Mitigation Finance			CGBEPC mapped on MDBIDFCCP
4. Agriculture, forestry and land-use	4.1 Agriculture	4.1.1 Reduction in energy use in traction (e.g. efficient tillage), irrigation, and other agricultural processes	**6.2 Ecological Agriculture, Husbandry and Fishery** **6.2.1 Project Implementation and Facility Construction and Operation** Include integrating breeding project of agricultural, husbandry, and fishery thoroughbred, manufacturing agricultural, husbandry, and fishery organic products (including facility construction and operation).Include integrating breeding project of agricultural, husbandry, and fishery thoroughbred, manufacturing agricultural, husbandry, and fishery organic products (including facility construction and operation). The output and products of projects should meet following requirements or policies: 1. GB/T19630 standard of Chinese organic products; 2. Environment and quality standards of Agriculture Department, 7 general guidance of pesticides, fertilizer, veterinary drug, feed and feed additives, food additives, and animal hygiene, 45 product quality standards, product mark should be in compliance with the "Measures of Mark Management for Green Food". **(DEDICATED TO GHG EMISSIONS REDUCTIONS)**
		4.1.2 Agricultural projects that improve existing carbon pools (, rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, reduced tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, peatland restoration, etc.)	**6.2.1**
		4.1.3 Reduction of non Co2 GHG emissions from agricultural practices (eg: paddy rice production, reduction in fertilizer use …)	**6.2.1**
	4.2 Afforestation and reforestation, and biosphere conservation	4.2.1 Afforestation (plantations) on non-forested land	**6.3 Forestry Development** **6.3.1 Project Implementation and Facility Construction and Operation** Specific to the forest tending management and sustainable forestry development project, including but not limited to: 1. Afforestation; 2. Forestry seed breeding and seedling production; 3. Underwood planting and underwood breeding.
		4.2.2 Reforestation on previously forested land	**6.3.1**
		4.2.3 Sustainable forest management activities that increase carbon stocks or reduce the impact of forestry activities	**6.3.1**
		4.2.4 Biosphere conservation projects (including payments for ecosystem services) targeting reducing emissions from the deforestation or degradation of ecosystems	**6.1 Natural Ecological Protection and Protective Development of Tourism Resource** **6.1.1 Facility Construction and Operation** Specific to natural reserve engineering; ecological restoration and vegetation conservation engineering; and ecological protective development of tourism resource. These include but not limited to: National park, national geological park, the protection project of natural heritage, construction and maintenance of national and provincial natural reserve; construction and maintenance of ecological function area, like specific wildlife habitat, wetland, desert, and prairie; coastal ecological restoration and vegetation conservation engineering; environmental pressure release on ecologically vulnerable area (like ecomigration); urban gardening; land reclamation. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
	4.3 Livestock	4.3.1 Livestock projects that reduce methane or other GHG emissions (manure management with biodigestors, etc.)	**6.2.1**
	4.4 Biofuels	4.4.1 Production of biofuels (including biodiesel and bioethanol) (only if net emission reductions can be demonstrated)	**3.6.1**

List of activities eligible for MDB/IDFC classification as Climate Mitigation Finance			CGBEPC mapped on MDBIDFCCP
5. Non-energy GHG reductions	5.1 Fugitive emissions	5.1.1 Reduction of gas flaring or methane fugitive emissions in the oil and gas industry	**2.1 Pollution Prevention and Control** **2.1.1 Facility Construction and Operation** The construction and operation of waste treatment facility includes but not limited to: Treatment of waste water, sludge in waste water treatment, air pollution, municipal solid waste (MSW) (including hazardous waste and medical waste), waste treatment of integrated governance, treatment facilities and final treatment facilities (including construction and operation of pipelines, collection, transfer and storage facilities) **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
			3.3.1
		5.1.2 Coal mine methane capture	**3.2.1 (b)**
	5.2 Carbon capture and storage	5.2.1 Projects for carbon capture and storage technology that prevent release of large quantities of CO2 into the atmosphere from fossil fuel use in power generation, and process emissions in other industries	**3.3.1**
	5.3 Air conditioning and refrigeration	5.3.1 Retrofit of existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential	**no corresponding category**
	5.4 Industrial processes	5.4.1 Reduction in GHG emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage	**no corresponding category**
6. Waste and wastewater	6.1 Waste and wastewater	6.1.1 Treatment of wastewater if not a compliance requirement (e.g. performance standard or safeguard) as part of a larger project that reduce methane emissions (only if net GHG emission reductions can be demonstrated)	**2.1.1**
			3.1 Water Saving and Unconventional Water Use **3.1.1 Facility Construction and Operation** Include but not limited to: transformation of industrial water saving technology, agricultural water saving irrigation, transformation of urban pipeline network for water supply, integrated use of water resource, unconventional water use (including sea water desalination, treatment and reuse of brackish water, recycling water, mine water), and the supporting facility construction and operation of sponge city. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
		6.1.2 Waste management projects that capture or combust methane emissions	**3.3.1**
		6.1.3 Waste to energy projects	**3.3.1**
		6.1.4 Waste collection, recycling and management projects that recover or reuse materials and waste as inputs into new products or as a resource (only if net emission reductions can be demonstrated).	**3.3.1**
			3.4 Recycling, Processing and Utilization of Renewable Resource **3.4.1 Facility Construction and Operation of Recycling, Sorting and Dismantling System** Specific to the construction and operation of waste collection system for metal and non-metal production and processing in industrial area; construction and operation of recycling, sorting and dismantling system for “city minerals” resource, for instance, scrap car, scrap electronics, waste plastics, waste steel, waste non-ferrous metal and etc. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
			3.4 Recycling, Processing and Utilization of Renewable Resource **3.4.2 Processing Device/Facility Construction and Operation** Specific to the construction and operation of waste processing and reuse system for metal and non-metal production and processing in industrial area; construction and operation of processing and reuse system for “city minerals” resource, for instance, scrap car, scrap electronics, waste plastics, waste steel, waste non-ferrous metal and etc. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**
			3.5 Remanufacturing of Electromechanical Products **3.5.1 Device/Facility Construction and Operation** Specific to construction and operation of remanufacturing device/facility for electromechanical products, for instance, auto parts, engineering machines, and machine tools. **(DEMONSTRATED GHG EMISSIONS REDUCTIONS)**

List of activities eligible for MDB/IDFC classification as Climate Mitigation Finance			CGBEPC mapped on MDBIDFCCP
7. Transport	7.1 Urban transport modal change	7.1.1 Urban mass transit	**4.2 Urban Rail Transit** **4.2.1 Facility Construction and Operation** Specific to the construction and operation of rail transit, including urban underground and light rail.
			4.3.1
			4.3 Public Urban and Rural Transportation **4.3.2 Facility Construction and Operation** Specific to the construction and operation of stations, BRT lines, and other supporting facilities in public transportation, as well as the lines maintenance.
		7.1.2 Non-motorized transport (bicycles and pedestrian mobility)	**no corresponding category**
	7.2 Transport oriented urban development	7.2.1 Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.), leading to a reduction in the use of passenger cars	**no corresponding category**
		7.2.2 Transport demand management measures dedicated to reduce GHG emissions (e.g., speed limits, high-occupancy vehicle lanes, congestion charging/road pricing, parking management, restriction or auctioning of license plates, car-free city areas, low-emission zones)	**4.7 Internet Application on Transportation** **4.7.1 Facility Construction and Operation** Specific to hardware and software facility and system that improves the capability and efficiency of transportation and logistics. The facility or system should base on mobile communication terminal, telecommunication base station, GPS, and internet technology, apply the Internet of Things and Big Data, to achieve integrated management of resource with comprehensive information communication and sharing. The service targets directly on logistics and transportation facility. The construction and operation includes: logistics information service platform, smart storage system, smart logistics distribution system, online integrated system of transportation resource (vehicle and ship), transportation management, executive information system, smart monitoring system and etc. **(DEDICATED TO GHG EMISSIONS REDUCTIONS)**
	7.3 Inter-urban transport	7.3.1 Railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines)	**4.1 Railway Transportation** **4.1.1 Facility Construction and Operation** Specific to the construction and operation (including technical transformation and upgrading) of railway lines and terminals, and special supply station and substation. **(DEMONSTRATED MODAL SHIFT FROM ROAD TO RAIL)**
		7.3.2 Waterways transport ensuring a modal shift of freight and/or passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure)	**4.4 Waterway Transportation** **4.4.2 Waterway Regulation** Specific to the high-quality inland waterway dredging projects **(MODAL SHIFT FROM ROAD TO WATERWAY)**

List of activities eligible for MDB/IDFC classification as Climate Mitigation Finance			CGBEPC mapped on MDBIDFCCP
8. Low-carbon technologies	8.1 Products or equipment	8.1.1 Projects producing components, equipment or infrastructure dedicated for the renewable and energy efficiency sectors	**1.1.1.5**
	8.2 R&D	8.2.1 Research and development of renewable energy or energy efficiency technologies	**no corresponding category**
9. Cross-cutting issues	9.1 Support to national, regional or local policy, through technical assistance or policy lending,	9.1.1 Mitigation national, sectorial or territorial policies /planning/action plan policy /planning/institutions	**no corresponding category**
		9.1.2 Energy sector policies and regulations leading to climate change mitigation or mainstreaming of climate action (energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies)	**no corresponding category**
		9.1.3 Systems for monitoring the emissions of greenhouse gases	**no corresponding category**
		9.1.4 Efficient pricing of fuels and electricity (subsidy rationalization, efficient end-user tariffs, and efficient regulations on electricity generation, transmission, or distribution)	**no corresponding category**
		9.1.5 Education, training, capacity building and awareness raising on climate change mitigation/sustainable energy/sustainable transport; mitigation research	**no corresponding category**
		9.1.6 Other policy and regulatory activities, including those in non-energy sectors, leading to climate change mitigation or mainstreaming of climate action	**no corresponding category**
	9.2 Financing instruments	9.2.1 Carbon Markets and finance (purchase, sale, trading, financing and other technical assistance). Includes all activities related to compliance-grade carbon assets and mechanisms, such as CDM, JI, AAUs, as well as well-established voluntary carbon standards like the VCS or the Gold Standard.	**no corresponding category**
10. miscellaneous	10.1 Other activities with net greenhouse gas reduction	10.1.1 Any other activity not included in this list for which the results of an ex-ante greenhouse gas accounting (undertaken according to commonly agreed methodologies) show emission reductions	**no corresponding category**

Annex III – E

List of activities eligible for MDB/IDFC classification as Climate Mitigation Finance **Extract from MDB / IDFC Common Principles for Climate Change Mitigation Tracking** (MDB-IDFC-CP; version 2 - 15th June 2015). For the full text of the Common Principles which also includes purpose, definitions and guidelines, please refer to: http://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf			List of activities eligible for MDB classification as Climate Mitigation Finance as published in the Annex C of the 2016 Joint Report on Multilateral Development Banks' Climate Finance (published Sept 2017) Note the same categories and sub-categories from the MDB/IDFC Common Principles also apply here (Columns B & C)	EIB	CGBEPC
Category	**Sub-category**	**Example**	**Eligible Activities**	**EIB criteria for Climate Mitigation (granular approach used in line with harmonised MDB methodology)** **Note: EIB List of Eligible Climate Mitigation Activities currently under review, and revised version due before end of 2017**	**CGBEPC subcateories mapping** including the relevant eligibility criteria
1. Renewable Energy	1.1 Electricity Generation	1.1.1 Wind power	1.1.1 Wind power	2.1 (Renewable Energy) Wind **Criteria:** onshore wind; offshore wind; commercially mature technologies; onshore wind competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	5.1 Wind Power Generation 5.1.1 Facility Construction and Operation Specific to construction and operation of wind farm (including supporting wind power monitoring system, wind power prediction system, integrated control system of wind farm and etc.)
		1.1.2 Geothermal power Criteria: only if net emission reductions can be demonstrated	1.1.2 Geothermal power Criteria: only if net emission reductions can be demonstrated	2.4 (Renewable Energy) Geothermal **Criteria:** commercially mature technology; proven reserves (no drilling risk); net CO2 emissions reduction is demonstrated; competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	5.7 Other New Energy Application 5.7.1 Facility Construction and Operation Specific to engineering construction and operation of renewable energy generation like geothermal power and marine power.
		1.1.3 Solar power (concentrated solar power, photovoltaic power)	1.1.3 Solar power (concentrated solar power, photovoltaic power)	2.2 (Renewable Energy) Solar **Criteria:** photovoltaic; concentrated solar power; commercially mature technology	5.2 Solar Photovoltaic (PV) Power Generation 5.2.1 Facility Construction and Operation The solar PV power plant and high-temperature solar power plants (excluding distributed solar PV power generation system) should meet following requirements: 1. No less than15.5% of the photoelectric conversion efficiency for poly-crystalline silicon cell module, no more than 2.5% of the decay rate for the module within one year after the project' start-up; no more than 0.7% of the decay rate afterwards. 2. No less than16% of the photoelectric conversion efficiency for mono-crystalline silicon cell module, no more than 3% of the decay rate for the module within one year after the project' start-up; no more than 0.7% of the decay rate afterwards. 3. No less than 28% of the photoelectric conversion efficiency for high concentration PV (HCPV) cell module, no more than 2% of the decay rate for the module within one year after the project' start-up; no more than 0.5% of the decay rate afterwards; no more than 10% of the decay rate in whole project lifetime. 4. No less than 8% of the photoelectric conversion efficiency for silicon based film cell module; No less than 11% of the photoelectric conversion efficiency for copper indium gallium selenide (CIGS) film cell module; No less than 11% of the photoelectric conversion efficiency for cadmium telluride (CdTe) film cell module; No less than 10% of the photoelectric conversion efficiency for other film cell module; 5. No more than 20% of the decay rate for polycrystalline silicon, monocrystalline silicon and film cell module in whole project lifetime. 5.4 Distributed Energy Resource 5.4.1 Facility Construction and Operation Specific to construction and operation of energy management system, for instance, regional energy station (including regional natural gas station), distributed power generation like distributed photovoltaic power generation, distributed energy access and peak-valley load regulating system, distributed power trading platform, and etc. 5.5 Solar Thermal Application 5.5.1 Device/Facility Construction and Operation Specific to construction and operation of device/facility using solar energy, which includes but not limited to: Installation and operation of solar water heater; solar heating system; medium-high temperature solar heat collection system; solar cooling system, heat pump air-condition system; solar energy and air source heat pump hot water system, high-temperature megawatt solar power generation device/facility.
		1.1.4 Biomass or biogas power Criteria: only if net emission reductions, including carbon pool balance, can be demonstrated	1.1.4 Biomass or biogas power Criteria: only if they result in net reductions in emissions, taking into account production, processing and transportation	2.7 (Renewable Energy) Biomass **Criteria:** solid biomass; biogas; bioliquids; non-	1.1.Industrial Energy Saving 1.1.1 Device/Facility Construction and Operation
		1.1.5 Ocean power (wave, tidal, ocean currents, salt gradient, etc.)	1.1.5 Ocean power (wave, tidal, ocean currents, salt gradient, etc.)	2.5 (Renewable Energy) Hydrothermal and ocean **Criteria:** commercially mature technology	5.7 Other New Energy Application 5.7.1 Facility Construction and Operation Specific to engineering construction and operation of renewable energy generation like geothermal power and marine power.
		1.1.6 Hydropower plants Criteria: only if net emission reductions can be demonstrated	1.1.6 Hydropower plants Criteria: only if net emission reductions can be demonstrated	2.6 (Renewable Energy) Hydropower **Criteria:** commercially mature technology; net GHG emissions reduction is demonstrated; competitive with fossil	5.6 Hydropower Generation 5.6.1 Facility Construction and Operation Specific to hydropower construction and operation like reservoir dam, hydraulic tunnel, powerhouse, generator unit and etc.
		1.1.7 Renewable energy power plant retrofits	1.1.7 Renewable energy power plant retrofits	2. Renewable Energy - Electricity, heat or fuel production (new and extension/modernisation) projects from renewable sources **Criteria:** commercially mature technology; competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	N/A
	1.2 Heat Production or other renewable energy application	1.2.1 Solar water heating and other thermal applications of solar power in all sectors	1.2.1 Solar water heating and other thermal applications of solar power in all sectors	2.2 (Renewable Energy) Solar **Criteria:** commercially mature technology; for commercialised heat production, competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	5.5 Solar Thermal Application 5.5.1 Device/Facility Construction and Operation Specific to construction and operation of device/facility using solar energy, which includes but not limited to: Installation and operation of solar water heater; solar heating system; medium-high temperature solar heat collection system; solar cooling system, heat pump air-condition system; solar energy and air source heat pump hot water system, high-temperature megawatt solar power generation device/facility.
		1.2.2 Thermal applications of geothermal power in all sectors	1.2.2 Thermal applications of geothermal power in all sectors	2.4 (Renewable Energy) Geothermal **Criteria:** heat pumps; other geothermal heat production; commercially mature technology; net GHG emissions reduction is demonstrated	3.2 Redevelopment and Integrated Utilization of Tailings and Associated Mine 3.2.1 Device/Facility Construction and Operation Specific to the redevelopment of tailings and associated mine with a purpose of resource efficiency improvement, development of geothermal power, reinjection and integrated utilization
		1.2.3 Wind-driven pumping systems or similar	1.2.3 Wind-driven pumping systems or similar applications	Category under development	N/A
		1.2.4 Thermal applications in all sectors, incl. efficient, improved biomass stoves Criteria: sustainably produced	1.2.4 Thermal applications of bioenergy in all sectors Criteria: sustainably produced	2.7 (Renewable Energy) Biomass **Criteria:** commercially mature technology; net GHG emissions reduction is demonstrated; for commercialised heat production: competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	1.1.Industrial Energy Saving 1.1.1 Device/Facility Construction and Operation 4. For biomass and low heat value (LHV) fuel power generation projects: identified according to the property of biomass and LHV fuel. 3.6 Recycling and Utilization of Biomass Resource 3.6.1 Device/Facility Construction and Operation Specific to construction and operation of resourcelization device/facility for biomass waste, like straw, forest waste, and household waste. This includes but not limited to: Production device/facility for non-grain liquid biomass fuel, power generation and heating device/facility for agricultural and forest biomass, production device/facility for biogas, resourcelization device/facility for household waste.
	1.3 Measures to facilitate integration of renewable energy into grids	1.3.1 New, expanded and improved transmission systems (lines, substations)	1.3.1 New, expanded and improved transmission systems (lines, substations)		
		1.3.2 Storage systems (battery, mechanical, pumped storage)	1.3.2 Storage systems (battery, mechanical, pumped storage) that facilitate integration of renewables, or increase renewable energy production	2.12 (Renewable Energy) - associated infrastructure such as substations and transmission lines that are required for the supply of renewable energy **Criteria:** capacity of associated infrastructure justified by connection of new renewable energy capacity, or increased utilisation of existing capacity; net GHG emissions reduction is demonstrated	5.3 Smart Grid and Energy Internet 5.3.1 Facility Construction and Operation/Upgrading Specific to grid construction and operation or technical transformation and upgrading projects, which improve the balance and responsiveness of supply and demand, promote integrated energy efficiency of the grid, lower the transformation of power loss in transmission, and enhance the capability of renewables access. 1. Smart grid: Grid construction and operation, as well as the technical transformation and upgrading projects, which adopt smart electric equipment, integrated simultaneous two-way information system and other advanced technologies. 2. Energy internet construction and operation of grid, micro-grid and other energy (like natural gas) internet, which integratedly applies power electronics, information and smart management technology, connecting distributed energy (including distributed renewable energy), distributed energy storage device and various types of load, to achieve two-way energy flow and peer exchange and sharing.
		1.3.3 New information and communication technology, smart-grid and mini-grid	1.3.3 New information and communication technology, smart-grid and mini-grid	2.12 (Renewable Energy) - associated infrastructure such as substations and transmission lines that are required for the supply of renewable energy **Criteria:** capacity of associated infrastructure justified by connection of new renewable energy capacity; net GHG emissions reduction is demonstrated	5.3 Smart Grid and Energy Internet 5.3.1 Facility Construction and Operation/Upgrading Specific to grid construction and operation or technical transformation and upgrading projects, which improve the balance and responsiveness of supply and demand, promote integrated energy efficiency of the grid, lower the transformation of power loss in transmission, and enhance the capability of renewables access. 1. Smart grid: Grid construction and operation, as well as the technical transformation and upgrading projects, which adopt smart electric equipment, integrated simultaneous two-way information system and other advanced technologies. 2. Energy internet construction and operation of grid, micro-grid and other energy (like natural gas) internet, which integratedly applies power electronics, information and smart management technology, connecting distributed energy (including distributed renewable energy), distributed energy storage device and various types of load, to achieve two-way energy flow and peer exchange and sharing. 5.4 Distributed Energy Resource 5.4.1 Facility Construction and Operation Specific to construction and operation of energy management system, for instance, regional energy station (including regional natural gas station), distributed power generation like distributed photovoltaic power generation, distributed energy access and peak-valley load regulating system, distributed power trading platform, and etc.

List of activities eligible for MDB/IDFC classification as Climate Mitigation Finance **Extract from MDB / IDFC Common Principles for Climate Change Mitigation Tracking** (MDB-IDFC-CP; version 2 - 15th June 2015). For the full text of the Common Principles which also includes purpose, definitions and guidelines, please refer to: http://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf			List of activities eligible for MDB classification as Climate Mitigation Finance as published in the Annex C of the 2016 Joint Report on Multilateral Development Banks' Climate Finance (published Sept 2017) Note the same categories and sub-categories from the MDB/IDFC Common Principles also apply here (Columns B & C)	EIB	CGBEPC
Category	**Sub-category**	**Example**	**Eligible Activities**	**EIB criteria for Climate Mitigation (granular approach used in line with harmonised MDB methodology)** **Note: EIB List of Eligible Climate Mitigation Activities currently under review, and revised version due before end of 2017**	**CGBEPC subcateories mapping** including the relevant eligibility criteria
2. Lower-carbon and efficient energy generation	2.1 Transmission and distribution systems	2.1.1 Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability/reliability Criteria: only if net emission reductions can be demonstrated; in case capacity expansion, only the part that is reducing existing losses is included	2.1.1 Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability/reliability Criteria: in case of capacity expansion, only the portion of the investment that is reducing existing losses is included	1. Energy Efficiency - transmission and distribution infrastructure to reduce energy use and/or technical losses **Criteria:** net present value of energy savings, including environmental externalities, at least equal 50% of the net present value of the project cost over its life; net GHG emissions reduction is demonstrated	1.1.Industrial Energy Saving 1.1.1 Device/Facility Construction and Operation 3. For projects adopting special technology with high efficiency and low consumption, for instance, the ultra-high voltage (UHV) grid, identified according to the special technology directly;
	2.2 Power Plants	2.2.1 Thermal power plant retrofit to fuel switch from a more GHG-intensive fuel to a different and less GHG-intensive fuel type	2.2.1 Thermal power plant retrofit to fuel switch from a more GHG-intensive fuel to a different and less GHG-intensive fuel type Criteria: excluding replacement of coal by coal	10.5 (Other) - Thermal power plant modernisations that allow fuel switching from a more GHG-intensive fuel to a different, less GHG-intensive fuel may also be eligible, subject to meeting the Bank's emissions performance standard for GHG emissions. **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; compliance with the EIB emissions performance standard (EPS), currently 550 gmCO2/kWh, dropping to 450 gmCO2/kWh on 1/1/2018; net GHG emissions reduction is demonstrated	1.1.Industrial Energy Saving 1.1.1 Device/Facility Construction and Operation 1. For the industries with a national standard of energy consumption allowance for unit product, energy consumption of the device/facility (except coal-fired power generation) or the process
		2.2.2 Conversion of existing fossil-fuel based power plant to co-generation technologies that generate electricity in addition to providing heating/cooling Criteria: in all cogeneration projects it is required that energy efficiency is substantially higher than separate production	2.2.2 Conversion of existing fossil-fuel based power plant to co-generation technologies that generate electricity in addition to providing heating/cooling Criteria: in all co-generation projects energy efficiency is required to be substantially higher than separate production of electricity and heat	1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC (including that energy efficiency is substantially higher than separate production) ; coal powered CHP plants are excluded	1.1.Industrial Energy Saving 1.1.2 Energy-saving Technology Improvement Renovation projects adopting the energy saving technology listed in the Catalogue for Promoting the National Key Energy-saving Technology (2014, Energy-saving part); Renovation projects of centralized heating complying with policies of "developing large capacity units and suppressing small ones", and "equivalent capacity replacement". Energy-saving renovation project in industrial, transportation and communication area. The renovated device/facility/equipment should meet at least one of the following conditions: 1. The energy consumption of the device/facility or the process s the reference value of energy consumption allowance for unit product in national standards. 2. the energy-saving efficiency of the renovated device/facility/equipment ≥ the average energy-saving efficiency/capability of energy-saving applications.
		2.2.3 Energy-efficiency improvement in existing thermal power plant	2.2.3 Energy-efficiency improvement in existing thermal power plant	1. Energy Efficiency - thermal power plant rehabilitation **Criteria:** net present value of energy savings, including environmental externalities, at least equal 50% of the net present value of the project cost over its life; compliance with the EIB emissions performance standard (EPS), currently 550 gmCO2/kWh, dropping to 450 gmCO2/kWh on 1/1/2018	
3. Energy efficiency	3.1 Energy efficiency in industry in existing facilities	3.1.1 Industrial energy-efficiency improvements though the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery	3.1.1 Industrial energy efficiency improvements though the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery and/or resource efficiency Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	1. Energy Efficiency - industrial energy efficiency **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; investments	1.1.Industrial Energy Saving 1.1.1 Device/Facility Construction and Operation 5. For high energy efficiency application projects, for instance, LED lighting : identified according to the technology of application.
		3.1.2 Installation of co/generation plants that generate electricity in addition to providing heating/cooling	3.1.2 Installation of co-generation plants that generate electricity in addition to providing heating/cooling Criteria: in all co-generation projects energy efficiency is required to be substantially higher than separate production of electricity and heat	1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC (including that energy efficiency is substantially higher than separate production); coal powered CHP plants are excluded	1.1.Industrial Energy Saving 1.1.1 Device/Facility Construction and Operation 1. For the industries with a national standard of energy consumption allowance for unit product, energy consumption of the device/facility (except coal-fired power generation) or the process
		3.1.3 More efficient facility replacement of an older facility (old facility retired)	3.1.3 Replacement of an older facility (old facility retired) with a more efficient facility Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	1. Energy Efficiency - industrial energy efficiency **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; net present value of energy savings, including environmental externalities, at least equal 50% of the net present value of the project cost over its life	1.1.Industrial Energy Saving 1.1.1 Device/Facility Construction and Operation 1. For the industries with a national standard of energy consumption allowance for unit product, energy consumption of the device/facility (except coal-fired power generation) or the process
	3.2 Energy efficiency improvements in existing commercial, public and residential buildings	3.2.1 Energy-efficiency improvement in lighting, appliances and equipment	3.2.1 Energy-efficiency improvement in lighting, appliances and equipment Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC (including that energy efficiency is substantially higher than separate production); coal powered CHP plants are excluded 1.2 (Energy Efficiency) - energy efficiency measures of building refurbishments **Criteria:** achieve cost-optimal refurbishment levels, as defined by a "white list" of EIB approved energy efficiency measures for buildings or as defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or net present value of energy savings, including environmental externalities, at least equals 50% of the net present value of the project cost over its life	1.1.Industrial Energy Saving 1.1.1 Device/Facility Construction and Operation 5. For high energy efficiency application projects, for instance, LED lighting : identified according to the technology of application.
		3.2.2 Substitution of existing heating/cooling systems for buildings by co/generation plants that generate electricity in addition to providing heating/cooling Criteria: in all cogeneration projects it is required that energy efficiency is substantially higher than separate production	3.2.2 Substitution of existing heating/cooling systems for buildings by co/generation plants that generate electricity in addition to providing heating/cooling Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient		1.2 Sustainable Building 1.2.2 Energy Saving Technology Improvement on Existing Building The energy saving building renovation project includes but not limited to: energy saving renovation on building envelope, heat supply system, heating and cooling system, lighting, hot water supply facility.
		3.2.3 Retrofit of existing buildings: Architectural or building changes that enable reduction of energy consumption	3.2.3 Retrofit of existing buildings: Architectural or building changes that enable reduction of energy consumption Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient		1.2 Sustainable Building 1.2.2 Energy Saving Technology Improvement on Existing Building The energy saving building renovation project includes but not limited to: energy saving renovation on building envelope, heat supply system, heating and cooling system, lighting, hot water supply facility.
	3.3 Energy efficiency improvements in the utility sector and public services	3.3.1 Energy-efficiency improvement in utilities and public services through the installation of more efficient lighting or equipment	3.3.1 Energy-efficiency improvement in utilities and public services through the installation of more efficient lighting or equipment Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient		1.1.Industrial Energy Saving 1.1.1 Device/Facility Construction and Operation 5. For high energy efficiency application projects, for instance, LED lighting : identified according to the technology of application.
		3.3.2 Rehabilitation of district heating and cooling systems	3.3.2 Rehabilitation of district heating and cooling systems Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	1. Energy Efficiency - industrial energy efficiency **Criteria:** net present value of energy savings, including environmental externalities, at least equals 50% of the net present value of the project cost over its life 1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC(including that energy efficiency is substantially higher than separate production) ; coal powered CHP plants are excluded	1.1.Industrial Energy Saving 1.1.2 Energy-saving Technology Improvement Renovation projects adopting the energy saving technology listed in the Catalogue for Promoting the National Key Energy-saving Technology (2014, Energy-saving part); Renovation projects of centralized heating complying with policies of "developing large capacity units and suppressing small ones", and "equivalent capacity replacement". Energy-saving renovation project in industrial, transportation and communication area. The renovated device/facility/equipment should meet at least one of the following conditions: 1. The energy consumption of the device/facility or the process s the reference value of energy consumption allowance for unit product in national standards. 2. the energy-saving efficiency of the renovated device/facility/equipment ≥ the average energy-saving efficiency/capability of energy-saving applications. 1.4 Urban and Rural Infrastructure Construction with Energy Saving Efficiency 1.4.1 Facility Construction Include but not limited to: 1. Urban underground pipeline corridor project; 2. Construction and renovation projects of adjusting the underground pipeline layout, route and buried depth, according to the situation of urban waterlogging and heat-island effect; 3. Construction and renovation projects of adjusting the district heating and water supply dispatching, as well as improving the pipeline standard of heat insulation and moisture resistance, according to the change of temperature.
		3.3.3 Utility heat loss reduction and/or increased waste heat recovery	3.3.3 Reduction of heat loss in utilities and/or increased recovery of waste heat	1. Energy Efficiency - industrial energy efficiency **Criteria:** as defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or net present value of energy savings, including environmental externalities, at least equals 50% of the net present value of the project cost over its life 1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC; coal powered CHP plants are excluded	1.4 Urban and Rural Infrastructure Construction with Energy Saving Efficiency 1.4.1 Facility Construction Include but not limited to: 1. Urban underground pipeline corridor project; 2. Construction and renovation projects of adjusting the underground pipeline layout, route and buried depth, according to the situation of urban waterlogging and heat-island effect; 3. Construction and renovation projects of adjusting the district heating and water supply dispatching, as well as improving the pipeline standard of heat insulation and moisture resistance, according to the change of temperature.

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		3.3.4 Improvement in utility scale energy efficiency through efficient energy use, and loss reduction	3.3.4 Improvement in utility-scale energy efficiency through efficient energy use, and loss reduction, or resource efficiency improvements	1. Energy Efficiency - industrial energy efficiency **Criteria:** as defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or net present value of energy savings, including environmental externalities, at least equals 50% of the net present value of the project cost over its life 1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC(including that energy efficiency is substantially higher than separate production) ; coal powered CHP plants are excluded	1.3 Energy Management Center 1.3.1 Facility Construction and Operation An integrated energy management system which saves energy systematically, by using automation and information technology and centralized management, to implement centralized flat monitoring and digital management to each process of production, distribution and consumption in corporate energy system, and improve and optimize the balance of energy. Including the purchase and installation of hardware facility, as well as the development and application of supporting software. 5.3 Smart Grid and Energy Internet 5.3.1 Facility Construction and Operation/Upgrading Specific to grid construction and operation or technical transformation and upgrading projects, which improve the balance and responsiveness of supply and demand, promote integrated energy efficiency of the grid, lower the transformation of power loss in transmission, and enhance the capability of renewables access. 1. Smart grid: Grid construction and operation, as well as the technical transformation and upgrading projects, which adopt smart electric equipment, integrated simultaneous two-way information system and other advanced technologies. 2. Energy internet construction and operation of grid, micro-grid and other energy (like natural gas) internet, which integratedly applies power electronics, information and smart management technology，connecting distributed energy (including distributed renewable energy), distributed energy storage device and various types of load, to achieve two-way energy flow and peer exchange and sharing. 5.4 Distributed Energy Resource 5.4.1 Facility Construction and Operation Specific to construction and operation of energy management system, for instance, regional energy station (including regional natural gas station), distributed power generation like distributed photovoltaic power generation, distributed energy access and peak-valley load regulating system, distributed power trading platform, and etc.
	3.4 Vehicle energy efficiency fleet retrofit	3.4.1 Existing vehicles, rail or boat fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.)	3.4.1 Existing vehicles, rail or boat fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.) Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	4.7 (Transport) - replacement and refurbishment including the retrofitting of elements to achieve better energy efficiency **Criteria:** EIB's Energy Efficiency criteria - detailed criteria for transport under development	4.3 Public Urban and Rural Transportation 4.3.1 Vehicle Purchase Specific to purchase of public vehicles, including bus and electric bus for passengers. 4.4 Waterway Transportation 4.4.1 Vessel Purchase Specific to the phase-out of old vessels, and purchase of standardized inland-waterway vessels, and vessels transport on costal water and ocean which fully meet the latest international guidance, agreements and standards. 4.5 Clean Fuel 4.5.1 Device/Facility Construction and Operation Specific to the device/facility construction and operation which meets the fuel production requirements of GB V standard gasoline and GB IV standard diesel, or the technical transformation projects on existing fuel production with improved cleanness standards (the GB V standard gasoline and GB IV standard diesel should be met after the transformation project) 4.6 New Energy Automobile
	3.5 Energy efficiency in new commercial, public and residential buildings	3.5.1 Use of highly efficient architectural designs, energy efficiency appliances and equipment, and building techniques that reduce building energy consumption Criteria: exceeding available standards and complying with high energy efficiency certification or rating schemes	3.5.1 Use of highly efficient architectural designs, energy efficiency appliances and equipment, and building techniques that reduce building energy consumption Criteria: exceeding available standards and complying with high energy efficiency certification or rating schemes	1.3 (Energy Efficiency) - the construction of near zero energy buildings **Criteria:** buildings in compliance with Energy Performance of Buildings Directive 2010/31/EU in the EU up to 2020 **Criteria:** for outside of EU under discussion	1.2 Sustainable Building 1.2.1 Newly-built Green Building The Newly-built buildings should meet following standards: 1. Newly-built industrial buildings: no less than two-star of the Evaluation Standard for Green Industrial Building (GB/T50878-2013) 2. Newly-built resident and public buildings: No less than two-star of the Evaluation Standard for Green Building (GB/T50378-2006).
	3.6 Energy audits	3.6.1 Energy audits to energy end-users, including industries, buildings, and transport systems	3.6.1 Energy audits to energy end-users, including industries, buildings, and transport systems	1.2 (Energy Efficiency) - energy efficiency measures of building refurbishments **Criteria:** energy audit in line with the European Standard EN 16247 Energy or equivalent	N/A

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4. Agriculture, forestry and land-use	4.1 Agriculture	4.1.1 Reduction in energy use in traction (e.g. efficient tillage), irrigation, and other agricultural processes	4.1.1 Reduction in energy use in traction (e.g. efficient tillage), irrigation, and other agricultural processes	1. Energy Efficiency - industrial energy efficiency 7.5 (Forestry and Land Use) Improved water management **Criteria:** net present value of energy savings, including environmental externalities, at least equal 50% of the net present value of the project cost over its life	6.2 Ecological Agriculture, Husbandry and Fishery 6.2.1 Project Implementation and Facility Construction and Operation Include integrating breeding project of agricultural, husbandry, and fishery thoroughbred, manufacturing agricultural, husbandry, and fishery organic products (including facility construction and operation).Include integrating breeding project of agricultural, husbandry, and fishery thoroughbred, manufacturing agricultural, husbandry, and fishery organic products (including facility construction and operation). The output and products of projects should meet following requirements or policies: 1. GB/T19630 standard of Chinese organic products; 2. Environment and quality standards of Agriculture Department, 7 general guidance of pesticides, fertilizer, veterinary drug, feed and feed additives, food additives, and animal hygiene, 45 product quality standards, product mark should be in compliance with the "Measures of Mark Management for Green Food".
		4.1.2 Agricultural projects that improve existing carbon pools (, rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, reduced tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, peatland restoration, etc.)	4.1.2 Agricultural projects that improve existing carbon pools (such as rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, reduced tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, peatland restoration, etc.)	7.6 (Forestry and Land Use) - soil management 7.7 (Forestry and Land Use) - biomass management **Criteria:** under development	
		4.1.3 Reduction of non Co2 GHG emissions from agricultural practices (eg: paddy rice production, reduction in fertilizer use ...)	4.1.3 Reduction of non-CO2 GHG emissions from agricultural practices and technologies (for example, paddy rice production, reduction in fertiliser use)	7. (Forestry and Land Use) **Criteria:** under development	
	4.2 Afforestation and reforestation, and biosphere conservation	4.2.1 Afforestation (plantations) on non-forested land	4.2.1 Afforestation (plantations) and agroforestry on non-forested land	7.1 (Forestry and Land Use) - afforestation 7.2 (Forestry and Land Use) - reforestation 7.3 (Forestry and Land Use) - forest protection 7.4 (Forestry and Land Use) - fast-growing plantations **Criteria:** under development	6.3 Forestry Development 6.3.1 Project Implementation and Facility Construction and Operation Specific to the forest tending management and sustainable forestry development project, including but not limited to: 1. Afforestation; 2. Forestry seed breeding and seedling production; 3. Underwood planting and underwood breeding.
		4.2.2 Reforestation on previously forested land	4.2.2 Reforestation on previously forested land		
		4.2.3 Sustainable forest management activities that increase carbon stocks or reduce the impact of forestry activities	4.2.3 Sustainable forest management activities that increase carbon stocks or reduce the impact of forestry activities		
		4.2.4 Biosphere conservation projects (including payments for ecosystem services) targeting reducing emissions from the deforestation or degradation of ecosystems	4.2.4 Biosphere conservation and restoration projects (including payments for ecosystem services) seeking to reduce emissions from the deforestation or degradation of ecosystems		6.1 Natural Ecological Protection and Protective Development of Tourism Resource 6.1.1 Facility Construction and Operation Specific to natural reserve engineering; ecological restoration and vegetation conservation engineering; and ecological protective development of tourism resource. These include but not limited to: National park, national geological park, the protection project of natural heritage, construction and maintenance of national and provincial natural reserve; construction and maintenance of ecological function area, like specific wildlife habitat, wetland, desert, and prairie; coastal ecological restoration and vegetation conservation engineering; environmental pressure release on ecologically vulnerable area (like ecomigration); urban gardening; land reclamation.
	4.3 Livestock	4.3.1 Livestock projects that reduce methane or other GHG emissions (manure management with biodigestors, etc.)	4.3.1 Livestock projects that reduce methane or other GHG emissions (for example, manure management with biodigesters, and improved feeding practices to reduce methane emissions)	10.3 (Other) - other projects that reduce methane emissions **Criteria:** under development	6.2 Ecological Agriculture, Husbandry and Fishery 6.2.1 Project Implementation and Facility Construction and Operation Include integrating breeding project of agricultural, husbandry, and fishery thoroughbred, manufacturing agricultural, husbandry, and fishery organic products (including facility construction and operation).Include integrating breeding project of agricultural, husbandry, and fishery thoroughbred, manufacturing agricultural, husbandry, and fishery organic products (including facility construction and operation). The output and products of projects should meet following requirements or policies: 1. GB/T19630 standard of Chinese organic products; 2. Environment and quality standards of Agriculture Department, 7 general guidance of pesticides, fertilizer, veterinary drug, feed and feed additives, food additives, and animal hygiene, 45 product quality standards, product mark should be in compliance with the "Measures of Mark Management for Green Food".
	4.4 Biofuels	4.4.1 Production of biofuels (including biodiesel and bioethanol) Criteria: only if net emission reductions can be demonstrated	4.4.1 Production of biofuels, including biodiesel and bioethanol Criteria: only if net emission reductions can be demonstrated	2.13 (Renewable Energy) - biofuel production projects **Criteria:** non-contaminated solid biomass proven to originate from a sustainable chain of supply; net GHG emissions reduction is demonstrated	3.6 Recycling and Utilization of Biomass Resource 3.6.1 Device/Facility Construction and Operation Specific to construction and operation of resourcelization device/facility for biomass waste, like straw, forest waste, and household waste. This includes but not limited to: Production device/facility for non-grain liquid biomass fuel, power generation and heating device/facility for agricultural and forest biomass, production device/facility for biogas, resourcelization device/facility for household waste.
5. Non-energy GHG reductions	5.1 Fugitive emissions	5.1.1 Reduction of gas flaring or methane fugitive emissions in the oil and gas industry	5.1.1 Reduction of gas flaring or methane fugitive emissions in the oil and gas industry	10.3 (Other) - other projects that reduce methane emissions or industrial plant modernisation projects **Criteria:** net GHG emissions reduction is demonstrated; Some sectors may not be eligible for EIB financing (not linked with climate methodology)	3.3 Recycling and Utilization of Industrial Solid Wastes, Exhaust Gas, and Effluent 3.3.1 Device/Facility Construction and Operation Specific to collection and resourcelization of industrial solid waste, exhaust gas, and effluent.
		5.1.2 Coal mine methane capture	5.1.2 Coal mine methane capture		
	5.2 Carbon capture and storage	5.2.1 Projects for carbon capture and storage technology that prevent release of large quantities of CO2 into the atmosphere from fossil fuel use in power generation, and process emissions in other industries	5.2.1 Projects for carbon capture and storage technology that prevent release of large quantities of CO2 into the atmosphere from fossil fuel use in power generation, and process emissions in other industries	10. (Other) - activity with demonstrable substantial reductions in GHG emissions - specifically 8.7 (RDI) - carbon capture and storage **Criteria:** for non-RDI projects, net GHG emissions reduction is demonstrated	N/A
	5.3 Air conditioning and refrigeration	5.3.1 Retrofit of existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential	5.3.1 Retrofit of existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential	6.12 (Urban Development) - eco-innovations for the built environment aimed at reducing emissions or increasing climate resilience. 10. (Other) - projects that eliminate or reduce emissions of N2O, PFC, HFC, SF6 and NF3. **Criteria:** net GHG emissions reduction is demonstrated	1.2 Sustainable Building 1.2.2 Energy Saving Technology Improvement on Existing Building The energy saving building renovation project includes but not limited to: energy saving renovation on building envelope, heat supply system, heating and cooling system, lighting, hot water supply facility.
	5.4 Industrial processes	5.4.1 Reduction in GHG emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage	5.4.1 Reduction in GHG emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage	10.3 (Other) - other projects that reduce methane emissions or industrial plant modernisation projects 10.4 (Other) - projects that eliminate or reduce emissions of N2O, PFC, HFC, SF6 and NF3 **Criteria:** net GHG emissions reduction is demonstrated	3.3 Recycling and Utilization of Industrial Solid Wastes, Exhaust Gas, and Effluent 3.3.1 Device/Facility Construction and Operation Specific to collection and resourcelization of industrial solid waste, exhaust gas, and effluent.
6. Waste and wastewater	6.1 Waste and wastewater	6.1.1 Treatment of wastewater if not a compliance requirement (e.g. performance standard or safeguard) as part of a larger project that reduce methane emissions Criteria: only if net GHG emission reductions can be demonstrated	6.1.1 Portion of treatment of wastewater that reduces methane emissions Criteria: only if net GHG emission reductions can be demonstrated and if not a compliance requirement to meet, for example, a performance standard or safeguard requirement	10.2 (Other) - avoidance projects from wastewater treatment plants **Criteria:** eligible if net GHG emissions reduction can be demonstrated and if not a complicance requirement. Detailed screening criteria under development	2.1 Pollution Prevention and Control 2.1.1 Facility Construction and Operation The construction and operation of waste treatment facility includes but not limited to: Treatment of waste water, sludge in waste water treatment, air pollution, municipal solid waste (MSW) (including hazardous waste and medical waste), waste treatment of integrated governance, treatment facilities and final treatment facilities (including construction and operation of pipelines, collection, transfer and storage facilities)
		6.1.2 Waste management projects that capture or combust methane emissions	6.1.2 Waste management projects that capture or combust methane emissions	5. Solid Waste - solid waste sector projects **Criteria:** share of landfill gas recovery related components of project considered climate mitigation; net GHG emissions reduction is demonstrated	3.3 Recycling and Utilization of Industrial Solid Wastes, Exhaust Gas, and Effluent 3.3.1 Device/Facility Construction and Operation Specific to collection and resourcelization of industrial solid waste, exhaust gas, and effluent.
		6.1.3 Waste to energy projects	6.1.3 Waste to energy projects	5. Solid Waste - solid waste sector projects **Criteria:** The biodegradable share of total energy inputs from non-hazardous, non-recyclable waste to the facility; net GHG emissions reduction is demonstrated	
		6.1.4 Waste collection, recycling and management projects that recover or reuse materials and waste as inputs into new products or as a resource Criteria: only if net emission reductions can be demonstrated	6.1.4 Waste collection, recycling and management projects that recover or reuse materials and waste as inputs into new products or as a resource Criteria: only if net emission reductions can be demonstrated	5. Solid Waste - solid waste sector projects **Criteria:** net GHG emissions reduction is demonstrated	3.3 Recycling and Utilization of Industrial Solid Wastes, Exhaust Gas, and Effluent 3.3.1 Device/Facility Construction and Operation Specific to collection and resourcelization of industrial solid waste, exhaust gas, and effluent. 3.4 Recycling, Processing and Utilization of Renewable Resource 3.4.1 Facility Construction and Operation of Recycling, Sorting and Dismantling System Specific to the construction and operation of waste collection system for metal and non-metal production and processing in industrial area; construction and operation of recycling, sorting and dismantling system for "city minerals" resource, for instance, scrap car, scrap electronics, waste plastics, waste steel, waste non-ferrous metal and etc. 3.4 Recycling, Processing and Utilization of Renewable Resource 3.4.2 Processing Device/Facility Construction and Operation Specific to the construction and operation of waste processing and reuse system for metal and non-metal production and processing in industrial area; construction and operation of processing and reuse system for "city minerals" resource, for instance, scrap car, scrap electronics, waste plastics, waste steel, waste non-ferrous metal and etc. 3.5 Remanufacturing of Electromechanical Products 3.5.1 Device/Facility Construction and Operation Specific to construction and operation of remanufacturing device/facility for electromechanical products, for instance, auto parts, engineering machines, and machine tools.

List of activities eligible for MDB/IDFC classification as Climate Mitigation Finance **Extract from MDB / IDFC Common Principles for Climate Change Mitigation Tracking** (MDB-IDFC-CP; version 2 - 15th June 2015). For the full text of the Common Principles which also includes purpose, definitions and guidelines, please refer to: http://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf			List of activities eligible for MDB classification as Climate Mitigation Finance as published in the Annex C of the 2016 Joint Report on Multilateral Development Banks' Climate Finance (published Sept 2017) Note the same categories and sub-categories from the MDB/IDFC Common Principles also apply here (Columns B & C)	EIB	CGBEPC
Category	**Sub-category**	**Example**	**Eligible Activities**	**EIB criteria for Climate Mitigation (granular approach used in line with harmonised MDB methodology)** **Note: EIB List of Eligible Climate Mitigation Activities currently under review, and revised version due before end of 2017**	**CGBEPC subcateories mapping** including the relevant eligibility criteria
7. Transport	7.1 Urban transport modal change	7.1.1 Urban mass transit	7.1.1 Urban mass transit	4.3 (Transport) - urban mass transit **Criteria:** The below listed public transport means and the accompanying infrastructure (tracks, stops, park and ride facilities, management systems, ticket offices, garages, etc.) -public transport buses -bus rapid transit -underground and above-ground rail rapid transit -tramways -urban ferries This could include new or replacement, refurbishment, maintenance of existing infrastructure and vehicles	4.2 Urban Rail Transit 4.2.1 Facility Construction and Operationz Specific to the construction and operation of rail transit, including urban underground and light rail. 4.3 Public Urban and Rural Transportation 4.3.1 Vehicle Purchase Specific to purchase of public vehicles, including bus and electric bus for passengers. 4.3 Public Urban and Rural Transportation 4.3.2 Facility Construction and Operation Specific to the construction and operation of stations, BRT lines, and other supporting facilities in public transportation, as well as the lines maintenance.
		7.1.2 Non-motorized transport (bicycles and pedestrian mobility)	7.1.2 Non-motorized transport (bicycles and pedestrian mobility)	6.8 (Urban Development) - non-motorised forms of transport **Criteria:** No specific criteria	N/A
	7.2 Transport oriented urban development	7.2.1 Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.), leading to a reduction in the use of passenger cars	7.2.1 Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.), leading to a reduction in the use of passenger cars	6.1 (Urban Development) - investments for the reduction of the use of passenger cars 6.5 (Urban Development) mixed-use and denser developments that promote urban concentration, (6.6) reduce the need for travel or (6.7) promote resource efficiency **Criteria:** Under development	4.2 Urban Rail Transit 4.2.1 Facility Construction and Operationz Specific to the construction and operation of rail transit, including urban underground and light rail. 4.3 Public Urban and Rural Transportation 4.3.2 Facility Construction and Operation Specific to the construction and operation of stations, BRT lines, and other supporting facilities in public transportation, as well as the lines maintenance.
		7.2.2 Transport demand management measures dedicated to reduce GHG emissions (e.g., speed limits, high-occupancy vehicle lanes, congestion charging/road pricing, parking management, restriction or auctioning of license plates, car-free city areas, low-emission zones)	7.2.2 Transport and travel demand-management measures dedicated to reducing pollutant emissions, including GHG emissions (such as high-occupancy vehicle lanes, congestion charging or road pricing, parking management, restriction or auctioning of license plates, car-free city areas, low-emission zones) Criteria: General traffic management is not included. This category is for demand management to reduce GHG emissions, assessed on a case-by-case basis.	6.1 (Urban Development) - reduction of the use of passenger cars and (6.2) CO2 emissions **Criteria:** Under development	4.7 Internet Application on Transportation 4.7.1 Facility Construction and Operation Specific to hardware and software facility and system that improves the capability and efficiency of transportation and logistics. The facility or system should base on mobile communication terminal, telecommunication base station, GPS, and internet technology, apply the Internet of Things and Big Data, to achieve integrated management of resource with comprehensive information communication and sharing. The service targets directly on logistics and transportation facility. The construction and operation includes: logistics information service platform, smart storage system, smart logistics distribution system, online integrated system of transportation resource (vehicle and ship), transportation management, executive information system, smart monitoring system and etc.
	7.3 Inter-urban transport	7.3.1 Railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines)	7.3.1 Railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines)	4.4 (Transport) - inter-urban rail **Criteria:** Demonstration of modal shift from road or air (including avoidance of shift back to road or air); Dedicated infrastructure and equipment to transport fossil fuels is excluded	4.1 Railway Transportation 4.1.1 Facility Construction and Operation Specific to the construction and operation (including technical transformation and upgrading) of railway lines and terminals, and special supply station and substation.
		7.3.2 Waterways transport ensuring a modal shift of freight and/or passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure)	7.3.2 Waterways transport ensuring a modal shift of freight and/or passenger transport from road or air to waterways (improvement of existing infrastructure or construction of new infrastructure)	4.5 (Transport) inland waterway 4.6 (Transport) intermodal and short sea shipping facilities **Criteria:** for inland waterways and short sea shipping: Demonstration of modal shift from road or air (including avoidance of shift back to road or air); Dedicated infrastructure and equipment to transport fossil fuels is excluded **Criteria:** for port activities and multimodal terminals: If modal shift away from road or air demonstrated (including avoidance of shift back to road or air); % based on proportion of facilities in low carbon modes: i.e. rail, short sea shipping, inland waterways traffic proportion OR based on cost of components in these modes; Excluding cruise terminals and facilities entirely dedicated to fossil fuels.	4.4 Waterway Transportation 4.4.2 Waterway Regulation Specific to the high-quality inland waterway dredging projects
			7.4 Infrastructure for low carbon transport 7.4.1 Charging stations and other infrastructure for electric vehicles, hydrogen or dedicated biofuel fuelling	4. (Transport) **Criteria:** Under development	4.6 New Energy Automobile 4.6.2 Supporting Facility Construction and Operation Specific to construction and operation of charging and energy supply facility for new energy car.
8. Low-carbon technologies	8.1 Products or equipment	8.1.1 Projects producing components, equipment or infrastructure dedicated for the renewable and energy efficiency sectors	8.1.1 Projects producing components, equipment or infrastructure dedicated to the renewable and energy efficiency sectors, or low-carbon technologies	2.11 (Renewable Energy) - related component manufacturing facilities **Criteria:** Under development	N/A
	8.2 R&D	8.2.1 Research and development of renewable energy or energy efficiency technologies	8.2.1 Research and development of renewable energy or energy efficiency technologies, or low-carbon technologies	8.1 (RDI) - renewable energies, (8.2) second generation biofuels, (8.3) low-emission engines, (8.4) energy-efficient electrical motors, (8.5) lights and devices, (8.6) efficiency improvement from industrial processes, components and systems **Criteria:** Under development	N/A
9. Cross-cutting issues	9.1 Support to national, regional or local policy, through technical assistance or policy lending,	9.1.1 Mitigation national, sectorial or territorial policies /planning/action plan policy /planning/institutions	9.1.1 National, sectoral or territorial policies/planning/action plans/planning/institutions dedicated to mitigation such as NDCs, NAMAs and plans for scaling up renewable energy	No corresponding categories in current EIB eligibility list, however this is under review	N/A
		9.1.2 Energy sector policies and regulations leading to climate change mitigation or mainstreaming of climate action (energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies)	9.1.2 Energy sector policies and regulations leading to climate change mitigation or the mainstreaming of climate action such as energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies, power market reform to enable renewable energy		N/A
		9.1.3 Systems for monitoring the emissions of greenhouse gases	9.1.3 Systems for monitoring the emissions of greenhouse gases		N/A
		9.1.4 Efficient pricing of fuels and electricity (subsidy rationalization, efficient end-user tariffs, and efficient regulations on electricity generation, transmission, or distribution)	9.1.4 Efficient pricing of fuels and electricity (such as subsidy rationalisation, efficient end-user tariffs, and efficient regulations on electricity generation, transmission or distribution, and on carbon pricing)		N/A
		9.1.5 Education, training, capacity building and awareness raising on climate change mitigation/sustainable energy/sustainable transport; mitigation research	9.1.5 Education, training, capacity-building and awareness-raising on climate change mitigation or sustainable energy or sustainable transport; mitigation research		N/A
		9.1.6 Other policy and regulatory activities, including those in non-energy sectors, leading to climate change mitigation or mainstreaming of climate action	9.1.6 Other policy and regulatory activities, including those in non-energy sectors, leading to climate change mitigation or mainstreaming of climate action, such as fiscal incentives for low-carbon vehicles, sustainable afforestation standards		N/A
	9.2 Financing instruments	9.2.1 Carbon Markets and finance (purchase, sale, trading, financing and other technical assistance). Includes all activities related to compliance-grade carbon assets and mechanisms, such as CDM, JI, AAUs, as well as well-established voluntary carbon standards like the VCS or the Gold Standard.	9.2.1 Carbon markets and finance (purchase, sale, trading, financing and other technical assistance); includes all activities related to compliance-grade carbon assets and mechanisms		N/A
			9.3 Supply chain 9.3.1 Measures in existing supply chains dedicated to improvements in energy efficiency or resource efficiency upstream or downstream, leading to an overall reduction in GHG emissions		N/A
10. miscellaneous	10.1 Other activities with net greenhouse gas reduction	10.1.1 Any other activity not included in this list for which the results of an ex-ante greenhouse gas accounting (undertaken according to commonly agreed methodologies) show emission reductions	10.1.1 Any other activity if agreed by MDBs may be added to the Joint Typology of Mitigation Activities when the results of ex ante GHG accounting (undertaken according to commonly agreed methodologies) show emission reductions that are higher than a commonly agreed threshold, and are consistent with a pathway towards low greenhouse gas emissions development.	10. Other - any sector activity in a sector not included in this list **Criteria:** net GHG emissions reduction is demonstrated and compatible with low-carbon pathways in line with Paris Agreement; requires agreement with other MDBs	N/A

Categories with no corresponding categories in MDB-IDFC-CP				**EIB Climate Change Mitigation categories with no corresponding categories in MDB-IDFC-CP**	**CGBEPC categories with no corresponding categories in the MDB-IDFC**
				3. Nuclear Energy Nuclear power plants and related infrastructure (e.g. energy efficiency in nuclear fuel processing plants). Excluding nuclear enrichment facilities.	2 Pollution Prevention and Control 2.2 Environmental Restoration Project 2.2.1 Project Implementation The environmental restoration project includes but not limited to: Integrated improvement of the urban polluted water, mine land reclamation and ecological restoration, remediation of soil pollution and etc.
					2 Pollution Prevention and Control 2.3 Clean Utilization of Coal 2.3.1 Device/Facility Construction and Operation Device/Facility construction and operation projects conducting coal washing and processing, using coal by quality and classification, adopting technologies easy for pollution treatment to replace the traditional use of coal.
					4 Clean Transportation 4.5 Clean Fuel 4.5.2 Manufacturing of Auto Fuel Products Specific to the fuel products which meet the fuel production requirements of GB V standard gasoline and GB IV standard diesel; and production of clean fuel additives, like antiknock and oxidizer.
					6 Ecological Protection and Climate Change Adaption 6.4 Emergency Prevention and Control of Disaster 6.4.1 Facility Construction and Operation Specific to disaster monitoring, warning and emergency response system, major river dyke construction and riverway dredging engineering, and other engineering construction and operation including soil and water loss control, ecological protection of forests and prairies and etc. These include but not limited to : 1. Disaster monitoring of major infrastructure (water conservancy, transportation, communication, electricity transmission, municipal infrastructure an etc.) and emergency response system ; 2. Dyke construction of major rivers, riverway dredging., flood storage area engineering and maintenance, controlling hinge construction of main and tributary stream; 3. Construction and operation of hygiene emergency response for addressing natural disaster and extreme weather, the production and storage of hygiene emergency response facilities; 4. Monitoring, prevention and control system of forest fire, harmful and exotic species; 5. Waning, prevention and control system of agriculture disaster; monitoring, prevention and control system of animal epidemics; 6. Monitoring system of marine disaster, ecological protection of prairie, control of soil and water loss; 7. Natural forest protection project (NEPP), converting cultivated land into forests, construction and maintenance of shelter forest; 8. Production, storage and transmission of disaster preparedness supplies.

Annex III – F

List of activities eligible for MDB/IDFC classification as Climate Mitigation Finance **Extract from MDB / IDFC Common Principles for Climate Change Mitigation Tracking** (MDB-IDFC-CP; version 2 - 15th June 2015). For the full text of the Common Principles which also includes purpose, definitions and guidelines, please refer to: http://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf			**List of activities eligible for MDB classification as Climate Mitigation Finance as published in the Annex C of the 2016 Joint Report on Multilateral Development Banks' Climate Finance (published Sept 2017)** Note the same categories and sub-categories from the MDB/IDFC Common Principles also apply here (Columns B & C)	**EIB** **EIB criteria for Climate Mitigation (granular approach used in line with harmonised MDB methodology)** **Note: EIB List of Eligible Climate Mitigation Activities currently under review, and revised version due before end of 2017**	**FMO** **FMO Criteria for Climate Mitigation**	**NIB** **NIB criteria for Climate Mitigation**
Category	**Sub-category**	**Example**	**Eligible Activities**		**Eligible Activities**	
1. Renewable Energy	1.1 Electricity Generation	1.1.1 Wind power	1.1.1 Wind power	2.1 (Renewable Energy) Wind **Criteria:** onshore wind; offshore wind; commercially mature technologies; onshore wind competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	1.1.1 Wind power	Renewable Energy, Wind, **Critera:** Additional renewable capacity supplying electricity to the grid
		1.1.2 Geothermal power Criteria: only if net emission reductions can be demonstrated	1.1.2 Geothermal power Criteria: only if net emission reductions can be demonstrated	2.4 (Renewable Energy) Geothermal **Criteria:** commercially mature technology; proven reserves (no drilling risk); net CO2 emissions reduction is demonstrated; competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	1.1.2 Geothermal power **Criteria**: only if net emission reductions can be demonstrated	Renewable Energy, Geothermal **Criteria:** increased electricity or heat generation from geothermal installations
		1.1.3 Solar power (concentrated solar power, photovoltaic power)	1.1.3 Solar power (concentrated solar power, photovoltaic power)	2.2 (Renewable Energy) Solar **Criteria:** photovoltaic; concentrated solar power; commercially mature technology	1.1.3 Solar power (concentrated solar power, photovoltaic power)	Renewable Energy Solar **Criteria:** Additional renewable capacity supplying electricity to the grid
		1.1.4 Biomass or biogas power Criteria: only if net emission reductions, including carbon pool balance, can be demonstrated	1.1.4 Biomass or biogas power Criteria: only if they result in net reductions in emissions, taking into account production, processing and transportation	2.7 (Renewable Energy) Biomass **Criteria:** solid biomass; biogas; bioliquids; non-contaminated solid biomass proven to originate from a sustainable chain of supply; net GHG emissions reduction is demonstrated; for commercialised electricity production, competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	1.1.4 Biomass or biogas power **Criteria:** Realization of 2nd generation waste biomass or biogas power generation (ie. From agri waste or landfills) because it does not decrease biomass and soil carbon pools (preferably with demonstrated expected annual GHG avoidance)	Renewable Energy Biomass **Criteria:** Use of renewable fuels (peat is not regarded as a renewable fuel)
		1.1.5 Ocean power (wave, tidal, ocean currents, salt gradient, etc.)	1.1.5 Ocean power (wave, tidal, ocean currents, salt gradient, etc.)	2.5 (Renewable Energy) Hydrothermal and ocean **Criteria:** commercially mature technology	1.1.5 Ocean power (wave, tidal, ocean currents, salt gradient, etc.)	Renewable Energy
		1.1.6 Hydropower plants Criteria: only if net emission reductions can be demonstrated	1.1.6 Hydropower plants Criteria: only if net emission reductions can be demonstrated	2.6 (Renewable Energy) Hydropower **Criteria:** commercially mature technology; net GHG emissions reduction is demonstrated; competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	1.1.6 Hydropower plants **Criteria:** only if net emission reductions can be demonstrated	Renewable Energy, Hydropower **Criteria:** Upgrading of existing small, medium and large hydropower schemes and new Micro and small scale new hydropower schemes
		1.1.7 Renewable energy power plant retrofits	1.1.7 Renewable energy power plant retrofits	2. Renewable Energy - Electricity, heat or fuel production (new and extension/modernisation) projects from renewable sources **Criteria:** commercially mature technology; competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	1.3.2. Renewable energy power plant retrofits	Covered in above given that the project increase the generartion of power

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Category	**Sub-category**	**Example**	**Eligible Activities**		**Eligible Activities**	
1. Renewable Energy	1.2 Heat Production or other renewable energy application	1.2.1 Solar water heating and other thermal applications of solar power in all sectors	1.2.1 Solar water heating and other thermal applications of solar power in all sectors	2.2 (Renewable Energy) Solar **Criteria:** commercially mature technology; for commercialised heat production, competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	1.2.1 Solar water heating and other thermal applications of solar power in all sectors	Renewable Energy, Solar **Criteria:** No projects in the portfolio so far, thus no criteria have been developed.
		1.2.2 Thermal applications of geothermal power in all sectors	1.2.2 Thermal applications of geothermal power in all sectors	2.4 (Renewable Energy) Geothermal **Criteria:** heat pumps; other geothermal heat production; commercially mature technology; net GHG emissions reduction is demonstrated	1.2.2 Thermal applications of geothermal power in all sectors	Renewable Energy Geothermal **Criteria:** heat pumps; other geothermal heat production; commercially mature technology; net GHG emissions reduction is demonstrated
		1.2.3 Wind-driven pumping systems or similar	1.2.3 Wind-driven pumping systems or similar applications	Category under development	1.2.3 Wind-driven pumping systems or similar applications	**Criteria**: No projects in the portfolio so far, thus no criteria have been developed.
		1.2.4 Thermal applications in all sectors, incl. efficient, improved biomass stoves Criteria: sustainably produced	1.2.4 Thermal applications of bioenergy in all sectors Criteria: sustainably produced	2.7 (Renewable Energy) Biomass **Criteria:** commercially mature technology; net GHG emissions reduction is demonstrated; for commercialised heat production: competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security	1.2.4 Thermal applications of bioenergy in all sectors **Criteria**: sustainably produced	District cooling **Criteria:** Net GHG emissions reduction is demonstrated
	1.3 Measures to facilitate integration of renewable energy into grids	1.3.1 New, expanded and improved transmission systems (lines, substations)	1.3.1 New, expanded and improved transmission systems (lines, substations)	2.12 (Renewable Energy) - associated infrastructure such as substations and transmission lines that are required for the supply of renewable energy **Criteria:** capacity of associated infrastructure justified by connection of new renewable energy capacity, or increased utilisation of existing capacity; net GHG emissions reduction is demonstrated	1.3.1 New transmission systems (lines, substations) or new systems (e.g., new information and communication technology, storage facility, etc.) and mini-grid to facilitate the integration of renewable energy sources into the grid. **Criteria:** net GHG emissions reduction is demonstrated	Renewable Energy - associated infrastructure such as substations and transmission and distribution lines that are required for the supply of renewable energy **Criteria:** capacity of associated infrastructure justified by connection of new renewable energy capacity, or increased utilisation of existing capacity
		1.3.2 Storage systems (battery, mechanical, pumped storage)	1.3.2 Storage systems (battery, mechanical, pumped storage) that facilitate integration of renewables, or increase renewable energy production			
		1.3.3 New information and communication technology, smart-grid and mini-grid	1.3.3 New information and communication technology, smart-grid and mini-grid	2.12 (Renewable Energy) - associated infrastructure such as substations and transmission lines that are required for the supply of renewable energy **Criteria:** capacity of associated infrastructure justified by connection of new renewable energy capacity; net GHG emissions reduction is demonstrated	1.3.3. Improving existing systems to facilitate the integration of renewable energy sources into grid (case by case assessment)	So far not considered relevant for GHG reductions

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Category	**Sub-category**	**Example**	**Eligible Activities**		**Eligible Activities**	
2. Lower-carbon and efficient energy generation	2.1 Transmission and distribution systems	2.1.1 Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability/reliability Criteria: only if net emission reductions can be demonstrated; in case capacity expansion, only the part that is reducing existing losses is included	2.1.1 Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability/reliability Criteria: in case of capacity expansion, only the portion of the investment that is reducing existing losses is included	1. Energy Efficiency - transmission and distribution infrastructure to reduce energy use and/or technical losses **Criteria:** net present value of energy savings, including environmental externalities, at least equal 50% of the net present value of the project cost over its life; net GHG emissions reduction is demonstrated	2.1.1. Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses, excluding capacity expansion **Criteria**: only if net emission reductions can be demonstrated;	1. Energy Efficiency - transmission and distribution infrastructure to reduce energy use and/or technical losses **Criteria:** Absolute saving needs to be demonstated
	2.2 Power Plants	2.2.1 Thermal power plant retrofit to fuel switch from a more GHG-intensive fuel to a different and less GHG-intensive fuel type	2.2.1 Thermal power plant retrofit to fuel switch from a more GHG-intensive fuel to a different and less GHG-intensive fuel type Criteria: excluding replacement of coal by coal	10.5 (Other) - Thermal power plant modernisations that allow fuel switching from a more GHG-intensive fuel to a different, less GHG-intensive fuel may also be eligible, subject to meeting the Bank's emissions performance standard for GHG emissions. **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; compliance with the EIB emissions performance standard (EPS), currently 550 gmCO2/kWh, dropping to 450 gmCO2/kWh on 1/1/2018; net GHG emissions reduction is demonstrated	2.2.1 Thermal power plant retrofit to fuel switch from a more GHG-intensive fuel to a different, less GHG-intensive fuel type	Other - Thermal power plant modernisations that allow fuel switching. **Criteria:** Switch from fossil to renewable fuels
		2.2.2 Conversion of existing fossil-fuel based power plant to co-generation technologies that generate electricity in addition to providing heating/cooling Criteria: in all cogeneration projects it is required that energy efficiency is substantially higher than separate production	2.2.2 Conversion of existing fossil-fuel based power plant to co-generation technologies that generate electricity in addition to providing heating/cooling Criteria: in all co-generation projects energy efficiency is required to be substantially higher than separate production of electricity and heat	1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC (including that energy efficiency is substantially higher than separate production) ; coal powered CHP plants are excluded	2.2.2 Conversion of existing fossil-fuel based power plant to co-generation technologies that generate electricity in addition to providing heating/cooling. 2.2.3.Waste heat recovery improvements.	**Criteria**: all projects that NIB has suported have increased renwable output and have thus been categorised "renewable energy"
		2.2.3 Energy-efficiency improvement in existing thermal power plant	2.2.3 Energy-efficiency improvement in existing thermal power plant	1. Energy Efficiency - thermal power plant rehabilitation **Criteria:** net present value of energy savings, including environmental externalities, at least equal 50% of the net present value of the project cost over its life; compliance with the EIB emissions performance standard (EPS), currently 550 gmCO2/kWh, dropping to 450 gmCO2/kWh on 1/1/2018	2.2.4 Energy-efficiency improvement in existing thermal power plant	Energy Efficiency - thermal power plant rehabilitation **Criteria:** Eligable for biomass fuelled plants.

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Category	**Sub-category**	**Example**	**Eligible Activities**		**Eligible Activities**	
3. Energy efficiency	3.1 Energy efficiency in industry in existing facilities	3.1.1 Industrial energy-efficiency improvements though the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery	3.1.1 Industrial energy efficiency improvements though the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery and/or resource efficiency Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	1. Energy Efficiency - industrial energy efficiency **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; investments defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or net present value of energy savings, including environmental externalities, at least equal 50% of the net present value of the project cost over its life	3.1.1 Industrial energy efficiency improvements though the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery and/or resource efficiency **Criteria:** Principle 4 applies i.e. Brownfield energy efficiency is classified as green if: 4a New technologies are substantially more efficient (>20%) than the replaced technologies; and, 4b The replaced technology is taken out-of-use by the current owner. 4c This does not apply for cars and (agro) vehicles: for this type of equipment it should be demonstrated that it is a 20% efficiency improvement as compared to the average sold (newly) in the market.	Energy Efficiency - industrial energy efficiency **Criteria:** currently a general recuirement on 30 % savings, but a revision towards more sector specific targets is under development.
		3.1.2 Installation of co/generation plants that generate electricity in addition to providing heating/cooling	3.1.2 Installation of co-generation plants that generate electricity in addition to providing heating/cooling Criteria: in all co-generation projects energy efficiency is required to be substantially higher than separate production of electricity and heat	1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC (including that energy efficiency is substantially higher than separate production); coal powered CHP plants are excluded	3.1.2 Installation of co-generation plants that generate electricity in addition to providing heating/cooling **Criteria:** in all co-generation projects energy efficiency is required to be substantially higher than separate production of electricity and heat	Energy Efficiency - highly efficient combined heat and power (CHP) plants **Criteria:** all projects that NIB has suported have increased renwable output and have thus been categorised "renewable energy"
		3.1.3 More efficient facility replacement of an older facility (old facility retired)	3.1.3 Replacement of an older facility (old facility retired) with a more efficient facility Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	1. Energy Efficiency - industrial energy efficiency **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; net present value of energy savings, including environmental externalities, at least equal 50% of the net present value of the project cost over its life	3.1.3 Replacement of an older facility (old facility retired) with a more efficient facility	Energy Efficiency - industrial energy efficiency Criteria: currently a general recuirement on 30 % savings, but a revision towards more sector specific targets is under development.
	3.2 Energy efficiency improvements in existing commercial, public and residential buildings	3.2.1 Energy-efficiency improvement in lighting, appliances and equipment	3.2.1 Energy-efficiency improvement in lighting, appliances and equipment Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC (including that energy efficiency is substantially higher than separate production); coal powered CHP plants are excluded 1.2 (Energy Efficiency) - energy efficiency measures of building	3.2.1 Energy-efficiency improvement in lighting, appliances and equipment **Criteria:** Princple 4 applies i.e. Brownfield energy efficiency is classified as green if: 4a New technologies are substantially more efficient (>20%) than the replaced technologies; and, 4b The replaced technology is taken out-of-use by the current owner. 4c This does not apply for cars and (agro) vehicles: for this type of equipment it should be demonstrated that it is a 20% efficiency improvement as compared to the average sold (newly) in the market.	Energy Efficiency - **Criteria:** currently a general recuirement on 30 % savings, but a revision towards more sector specific targets is under development.
		3.2.2 Substitution of existing heating/cooling systems for buildings by co/generation plants that generate electricity in addition to providing heating/cooling Criteria: in all cogeneration projects it is required that energy efficiency is substantially higher than separate production	3.2.2 Substitution of existing heating/cooling systems for buildings by co/generation plants that generate electricity in addition to providing heating/cooling Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient		3.2.2 Substitution of existing heating/cooling systems for buildings by co/generation plants that generate electricity in addition to providing heating/cooling **Criteria:** Principle 4 applies i.e. Brownfield energy efficiency is classified as green if: 4a New technologies are substantially more efficient (>20%) than the replaced technologies; and, 4b The replaced technology is taken out-of-use by the current owner. 4c This does not apply for cars and (agro) vehicles: for this type of equipment it should be demonstrated that it is a 20% efficiency improvement as compared to the average sold (newly) in the market.	

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Category	**Sub-category**	**Example**	**Eligible Activities**		**Eligible Activities**	
3. Energy efficiency	3.3 Energy efficiency improvements in the utility sector and public services	3.2.3 Retrofit of existing buildings: Architectural or building changes that enable reduction of energy consumption	3.2.3 Retrofit of existing buildings: Architectural or building changes that enable reduction of energy consumption Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	1.2 (Energy Efficiency) - energy efficiency measures of building refurbishments **Criteria:** achieve cost-optimal refurbishment levels, as defined by a "white list" of EIB approved energy efficiency measures for buildings or as defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or net present value of energy savings, including environmental externalities, at least equals 50% of the net present value of the project cost over its life	3.2.3 Retrofit of existing buildings: Architectural or building changes that enable reduction of energy consumption **Criteria**: Principle 4 applies i.e. Brownfield energy efficiency is classified as green if: 4a New technologies are substantially more efficient (>20%) than the replaced technologies; and, 4b The replaced technology is taken out-of-use by the current owner. 4c This does not apply for cars and (agro) vehicles: for this type of equipment it should be demonstrated that it is a 20% efficiency improvement as compared to the average sold (newly) in the market.	Energy Efficiency - **Criteria:** currently a general recuirement on 30 % savings, but a revision towards more sector specific targets is under development.
		3.3.1 Energy-efficiency improvement in utilities and public services through the installation of more efficient lighting or equipment	3.3.1 Energy-efficiency improvement in utilities and public services through the installation of more efficient lighting or equipment Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient		3.3.1 Energy-efficiency improvement in utilities and public services through the installation of more efficient lighting or equipment **Criteria:** Principle 4 applies i.e. Brownfield energy efficiency is classified as green if: 4a New technologies are substantially more efficient (>20%) than the replaced technologies; and, 4b The replaced technology is taken out-of-use by the current owner. 4c This does not apply for cars and (agro) vehicles: for this type of equipment it should be demonstrated that it is a 20% efficiency improvement as compared to the average sold (newly) in the market.	
		3.3.2 Rehabilitation of district heating and cooling systems	3.3.2 Rehabilitation of district heating and cooling systems Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	1. Energy Efficiency - industrial energy efficiency **Criteria:** net present value of energy savings, including environmental externalities, at least equals 50% of the net present value of the project cost over its life 1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC(including that energy efficiency is substantially higher than separate production) ; coal powered CHP plants are excluded	3.3.2 Rehabilitation of district heating and cooling systems **Criteria**:Principle 4 applies i.e. Brownfield energy efficiency is classified as green if: 4a New technologies are substantially more efficient (>20%) than the replaced technologies; and, 4b The replaced technology is taken out-of-use by the current owner. 4c This does not apply for cars and (agro) vehicles: for this type of equipment it should be demonstrated that it is a 20% efficiency improvement as compared to the average sold (newly) in the market.	**Criteria:** currently a general recuirement on 30 % savings, but a revision towards more sector specific targets is under development.
		3.3.3 Utility heat loss reduction and/or increased waste heat recovery	3.3.3 Reduction of heat loss in utilities and/or increased recovery of waste heat	1. Energy Efficiency - industrial energy efficiency **Criteria:** as defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or net present value of energy savings, including environmental externalities, at least equals 50% of the net present value of the project cost over its life 1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC; coal powered CHP plants are excluded	3.3.3 Utility heat loss reduction and/or increased waste heat recovery	**Criteria**: currently a general recuirement on 30 % savings, but a revision towards more sector specific targets is under development.

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Category	**Sub-category**	**Example**	**Eligible Activities**		**Eligible Activities**	
3. Energy efficiency		3.3.4 Improvement in utility scale energy efficiency through efficient energy use, and loss reduction	3.3.4 Improvement in utility-scale energy efficiency through efficient energy use, and loss reduction, or resource efficiency improvements	1. Energy Efficiency - industrial energy efficiency **Criteria:** as defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or net present value of energy savings, including environmental externalities, at least equals 50% of the net present value of the project cost over its life 1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC(including that energy efficiency is substantially higher than separate production) ; coal powered CHP plants are excluded	3.3.4 Improvement in utility scale energy efficiency through efficient energy use, and loss reduction	**Criteria:** currently a general recuirement on 30 % savings, but a revision towards more sector specific targets is under development.

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Category	**Sub-category**	**Example**	**Eligible Activities**		**Eligible Activities**	
3. Energy efficiency	3.4 Vehicle energy efficiency fleet retrofit	3.4.1 Existing vehicles, rail or boat fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.)	3.4.1 Existing vehicles, rail or boat fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.) Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	4.7 (Transport) - replacement and refurbishment including the retrofitting of elements to achieve better energy efficiency **Criteria:** EIB's Energy Efficiency criteria - detailed criteria for transport under development	3.4.1 Existing vehicles, rail or boat fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.) **Criteria**:Principle 4 applies i.e. Brownfield energy efficiency is classified as green if: 4a New technologies are substantially more efficient (>20%) than the replaced technologies; and, 4b The replaced technology is taken out-of-use by the current owner. 4c This does not apply for cars and (agro) vehicles: for this type of equipment it should be demonstrated that it is a 20% efficiency improvement as compared to the average sold (newly) in the market.	Categorised as public transportations **Criteria: Not defined.**
	3.5 Energy efficiency in new commercial, public and residential buildings	3.5.1 Use of highly efficient architectural designs, energy efficiency appliances and equipment, and building techniques that reduce building energy consumption Criteria: exceeding available standards and complying with high energy efficiency certification or rating schemes	3.5.1 Use of highly efficient architectural designs, energy efficiency appliances and equipment, and building techniques that reduce building energy consumption Criteria: exceeding available standards and complying with high energy efficiency certification or rating schemes	1.3 (Energy Efficiency) - the construction of near zero energy buildings **Criteria:** buildings in compliance with Energy Performance of Buildings Directive 2010/31/EU in the EU up to 2020 **Criteria:** for outside of EU under discussion	3.5.1 Use of highly efficient architectural designs, energy efficiency appliances and equipment, and building techniques that reduce building energy consumption **Criteria**: exceeding available standards and complying with high energy efficiency certification or rating schemes	Green buildings are categorised "Green building. **Criteria:** highest rating levels according to LEED and BREEAM.
	3.6 Energy audits	3.6.1 Energy audits to energy end-users, including industries, buildings, and transport systems	3.6.1 Energy audits to energy end-users, including industries, buildings, and transport systems	1.2 (Energy Efficiency) - energy efficiency measures of building refurbishments **Criteria:** energy audit in line with the European Standard EN 16247 Energy or equivalent	3.6.1 Energy audits to energy end-users, including industries, buildings, and transport systems	Not financed by NIB
4. Agriculture, forestry and land-use	4.1 Agriculture	4.1.1 Reduction in energy use in traction (e.g. efficient tillage), irrigation, and other agricultural processes	4.1.1 Reduction in energy use in traction (e.g. efficient tillage), irrigation, and other agricultural processes	1. Energy Efficiency - industrial energy efficiency 7.5 (Forestry and Land Use) Improved water management **Criteria:** net present value of energy savings, including environmental externalities, at least equal 50% of the net present value of the project cost over its life	4.1.1 Reduction in energy use in traction (e.g. efficient tillage), irrigation, and other agricultural processes	NIB is not active in this sector
		4.1.2 Agricultural projects that improve existing carbon pools (, rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, reduced tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, peatland restoration, etc.)	4.1.2 Agricultural projects that improve existing carbon pools (such as rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, reduced tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, peatland restoration, etc.)	7.6 (Forestry and Land Use) - soil management 7.7 (Forestry and Land Use) - biomass management **Criteria:** under development	4.1.2Agriculture projects that do not deplete and/or improve existing carbon pools (Reduction in fertilizer use, rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, low tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, etc.)	NIB is not active in this sector
		4.1.3 Reduction of non Co2 GHG emissions from agricultural practices (eg: paddy rice production, reduction in fertilizer use …)	4.1.3 Reduction of non-CO2 GHG emissions from agricultural practices and technologies (for example, paddy rice production, reduction in fertiliser use)	7. (Forestry and Land Use) **Criteria:** under development	Projects or companies that lead to expanded sustainable/green output in line with one of the following certification schemes (company or project needs to be or become certified): UTZ Certified, Better Cotton Iniative, Roundtable for Sustainable Palm Oil (RSPO), Roundtable on Sustainable Biomaterials (RSB), Roundtable on Responsible Soy (RTRS), The Intercultural Federation of Organic Agriculture Movements (IFOAM), Proterra, Soil Association or Bonsucro.	NIB is not active in this sector
	4.2 Afforestation and reforestation, and biosphere conservation	4.2.1 Afforestation (plantations) on non-forested land	4.2.1 Afforestation (plantations) and agroforestry on non-forested land	7.1 (Forestry and Land Use) - afforestation 7.2 (Forestry and Land Use) - reforestation 7.3 (Forestry and Land Use) - forest protection 7.4 (Forestry and Land Use) - fast-growing plantations **Criteria:** under development	4.2.1 Afforestation (plantations) and agroforestry on non-forested land	Forestry not eligible for loans under NIB environmental mandate
		4.2.2 Reforestation on previously forested land	4.2.2 Reforestation on previously forested land		4.2.2 Reforestation on previously forested land	
		4.2.3 Sustainable forest management activities that increase carbon stocks or reduce the impact of forestry activities	4.2.3 Sustainable forest management activities that increase carbon stocks or reduce the impact of forestry activities		4.2.3 Sustainable forest management activities that increase carbon stocks or reduce the impact of forestry activities	

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4. Agriculture, forestry and land-use		4.2.4 Biosphere conservation projects (including payments for ecosystem services) targeting reducing emissions from the deforestation or degradation of ecosystems	4.2.4 Biosphere conservation and restoration projects (including payments for ecosystem services) seeking to reduce emissions from the deforestation or degradation of ecosystems		4.2.4 Biosphere conservation projects (including payments for ecosystem services) targeting reducing emissions from the deforestation or degradation of ecosystems	
	4.3 Livestock	4.3.1 Livestock projects that reduce methane or other GHG emissions (manure management with biodigestors, etc.)	4.3.1 Livestock projects that reduce methane or other GHG emissions (for example, manure management with biodigesters, and improved feeding practices to reduce methane emissions)	10.3 (Other) - other projects that reduce methane emissions **Criteria:** under development	4.3.1 Livestock projects that reduce methane or other GHG emissions (for example, manure management with biodigesters, and improved feeding practices to reduce methane emissions)	No criteria
	4.4 Biofuels	4.4.1 Production of biofuels (including biodiesel and bioethanol) Criteria: only if net emission reductions can be demonstrated	4.4.1 Production of biofuels, including biodiesel and bioethanol Criteria: only if net emission reductions can be demonstrated	2.13 (Renewable Energy) - biofuel production projects **Criteria:** non-contaminated solid biomass proven to originate from a sustainable chain of supply; net GHG emissions reduction is demonstrated	4.4.1 Production of biofuels, including biodiesel and bioethanol **Criteria**: only if net emission reductions can be demonstrated	Only biogas generated from organic waste qualifies, for liquid biofuels a net improvement needs to be demonstrated from a life-cycle perspective.
5. Non-energy GHG reductions	5.1 Fugitive emissions	5.1.1 Reduction of gas flaring or methane fugitive emissions in the oil and gas industry	5.1.1 Reduction of gas flaring or methane fugitive emissions in the oil and gas industry	10.3 (Other) - other projects that reduce methane emissions or industrial plant modernisation projects **Criteria:** net GHG emissions reduction is demonstrated; Some sectors may not be eligible for EIB financing (not linked with climate methodology)	5.1.1 Reduction of gas flaring or methane fugitive emissions in the oil and gas industry	Case by case.
		5.1.2 Coal mine methane capture	5.1.2 Coal mine methane capture		5.1.2 Coal mine methane capture	
	5.2 Carbon capture and storage	5.2.1 Projects for carbon capture and storage technology that prevent release of large quantities of CO2 into the atmosphere from fossil fuel use in power generation, and process emissions in other industries	5.2.1 Projects for carbon capture and storage technology that prevent release of large quantities of CO2 into the atmosphere from fossil fuel use in power generation, and process emissions in other industries	10. (Other) - activity with demonstrable substantial reductions in GHG emissions - specifically 8.7 (RDI) - carbon capture and storage **Criteria:** for non-RDI projects, net GHG emissions reduction is demonstrated	5.2.1 Projects for carbon capture and storage technology that prevent release of large quantities of CO2 into the atmosphere from fossil fuel use in power generation, and process emissions in other industries	NIB not active in this sector.
	5.3 Air conditioning and refrigeration	5.3.1 Retrofit of existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential	5.3.1 Retrofit of existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential	6.12 (Urban Development) - eco-innovations for the built environment aimed at reducing emissions or increasing climate resilience. 10. (Other) - projects that eliminate or reduce emissions of N2O, PFC, HFC, SF6 and NF3. **Criteria:** net GHG emissions reduction is demonstrated	5.3.1 Retrofit of existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential	**Criteria:** net GHG emissions reduction is demonstrated
	5.4 Industrial processes	5.4.1 Reduction in GHG emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage	5.4.1 Reduction in GHG emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage	10.3 (Other) - other projects that reduce methane emissions or industrial plant modernisation projects 10.4 (Other) - projects that eliminate or reduce emissions of N2O, PFC, HFC, SF6 and NF3 **Criteria:** net GHG emissions reduction is demonstrated	5.4.1 Reduction in GHG emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage **Criteria**: demonstrated by >20% GHG efficiency or resource efficiency improvement	**Criteria:** net GHG emissions reduction or any other absolute improvement for the envirnment to be is demonstrated

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Category	**Sub-category**	**Example**	**Eligible Activities**		**Eligible Activities**	
6. Waste and wastewater	6.1 Waste and wastewater	6.1.1 Treatment of wastewater if not a compliance requirement (e.g. performance standard or safeguard) as part of a larger project that reduce methane emissions Criteria: only if net GHG emission reductions can be demonstrated	6.1.1 Portion of treatment of wastewater that reduces methane emissions **Criteria:** only if net GHG emission reductions can be demonstrated and if not a compliance requirement to meet, for example, a performance standard or safeguard requirement	10.2 (Other) - avoidance projects from wastewater treatment plants **Criteria:** eligible if net GHG emissions reduction can be demonstrated and if not a complicance requirement. Detailed screening criteria under development	6.1.1 Treatment of wastewater if not a compliance requirement as part of an industrial process (only if net emission reductions can be demonstrated).	Wastewater treatment **Criteria:** Improved, new or increased treatment capacity
		6.1.2 Waste management projects that capture or combust methane emissions	6.1.2 Waste management projects that capture or combust methane emissions	5. Solid Waste - solid waste sector projects **Criteria:** share of landfill gas recovery related components of project considered climate mitigation; net GHG emissions reduction is demonstrated	6.1.2 Waste management and waste-to-energy projects that reduce methane emissions and generate energy (e.g. incineration of waste, landfill gas capture, and landfill gas combustion)	Solid Waste - solid waste sector projects **Criteria:** In line with the waste hierarchy
		6.1.3 Waste to energy projects	6.1.3 Waste to energy projects	5. Solid Waste - solid waste sector projects **Criteria:** The biodegradable share of total energy inputs from non-hazardous, non-recyclable waste to the facility; net GHG emissions reduction is demonstrated	6.1.2 Waste management and waste-to-energy projects that reduce methane emissions and generate energy (e.g. incineration of waste, landfill gas capture, and landfill gas combustion)	Solid Waste - solid waste sector projects **Criteria:** net emissions reduction is demonstrated
		6.1.4 Waste collection, recycling and management projects that recover or reuse materials and waste as inputs into new products or as a resource Criteria: only if net emission reductions can be demonstrated	6.1.4 Waste collection, recycling and management projects that recover or reuse materials and waste as inputs into new products or as a resource Criteria: only if net emission reductions can be demonstrated	5. Solid Waste - solid waste sector projects **Criteria:** net GHG emissions reduction is demonstrated	6.1.2 Waste management and waste-to-energy projects that reduce methane emissions and generate energy (e.g. incineration of waste, landfill gas capture, and landfill gas combustion)	Solid Waste - solid waste sector projects **Criteria:** an absolute improvement for the envirnment to be demonstrated
7. Transport	7.1 Urban transport modal change	7.1.1 Urban mass transit	7.1.1 Urban mass transit	4.3 (Transport) - urban mass transit **Criteria:** The below listed public transport means and the accompanying infrastructure (tracks, stops, park and ride facilities, management systems, ticket offices, garages, etc.) -public transport buses -bus rapid transit -underground and above-ground rail rapid transit -tramways -urban ferries This could include new or replacement, refurbishment, maintenance of existing infrastructure and vehicles	7.1.1 Urban mass transit	**Criteria:** mainly based on electricity or bio fuels (improvement of general transport logistics to increase energy efficiency of infrastructure and transport, e.g. reduction of empty running), railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines), waterways transport ensuring a modal shift of freight and/or passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure).
		7.1.2 Non-motorized transport (bicycles and pedestrian mobility)	7.1.2 Non-motorized transport (bicycles and pedestrian mobility)	6.8 (Urban Development) - non-motorised forms of transport **Criteria:** No specific criteria	7.1.2 Non-motorized transport (bicycles and pedestrian mobility)	**Criteria:** Eligible but no specific criteria

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Category	**Sub-category**	**Example**	**Eligible Activities**		**Eligible Activities**	
7. Transport	7.2 Transport oriented urban development	7.2.1 Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.), leading to a reduction in the use of passenger cars	7.2.1 Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.), leading to a reduction in the use of passenger cars	6.1 (Urban Development) - investrments for the reduction of the use of passenger cars 6.5 (Urban Development) mixed-use and denser developments that promote urban concentration, (6.6) reduce the need for travel or (6.7) promote resource efficiency **Criteria:** Under development	7.2.1 Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.), leading to a reduction in the use of passenger cars	NIB has not financed this type of projects
		7.2.2 Transport demand management measures dedicated to reduce GHG emissions (e.g., speed limits, high-occupancy vehicle lanes, congestion charging/road pricing, parking management, restriction or auctioning of license plates, car-free city areas, low-emission zones)	7.2.2 Transport and travel demand-management measures dedicated to reducing pollutant emissions, including GHG emissions (such as high-occupancy vehicle lanes, congestion charging or road pricing, parking management, restriction or auctioning of license plates, car-free city areas, low-emission zones) Criteria: General traffic management is not included. This category is for demand management to reduce GHG emissions, assessed on a case-by-case basis.	6.1 (Urban Development) - reduction of the use of passenger cars and (6.2) CO2 emissions **Criteria:** Under development	7.2.2 Transport and travel demand-management measures dedicated to reducing pollutant emissions, including GHG emissions (such as high-occupancy vehicle lanes, congestion charging or road pricing, parking management, restriction or auctioning of license plates, car-free city areas, low-emission zones) **Criteria:** General traffic management is not included. This category is for demand management to reduce GHG emissions, assessed on a case-by-case basis.	NIB has not financed this type of projects
	7.3 Inter-urban transport	7.3.1 Railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines)	7.3.1 Railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines)	4.4 (Transport) - inter-urban rail **Criteria:** Demonstration of modal shift from road or air (including avoidance of shift back to road or air); Dedicated infrastructure and equipment to transport fossil fuels is excluded	7.3.1 Railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines)	**Criteria**: mainly based on electricity or bio fuels (improvement of general transport logistics to increase energy efficiency of infrastructure and transport, e.g. reduction of empty running), railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines), waterways transport ensuring a modal shift of freight and/or passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure).
		7.3.2 Waterways transport ensuring a modal shift of freight and/or passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure)	7.3.2 Waterways transport ensuring a modal shift of freight and/or passenger transport from road or air to waterways (improvement of existing infrastructure or construction of new infrastructure)	4.5 (Transport) inland waterway 4.6 (Transport) intermodal and short sea shipping facilities **Criteria:** for inland waterways and short sea shipping: Demonstration of modal shift from road or air (including avoidance of shift back to road or air); Dedicated infrastructure and equipment to transport fossil fuels is excluded **Criteria:** for port activities and multimodal terminals: If modal shift away from road or air demonstrated (including avoidance of shift back to road or air); % based on proportion of facilities in low carbon modes: i.e. rail, short sea shipping, inland waterways traffic proportion OR based on cost of components in these modes; Excluding cruise terminals and facilities entirely dedicated to fossil fuels.	7.3.2 Waterways transport ensuring a modal shift of freight and/or passenger transport from road or air to waterways (improvement of existing infrastructure or construction of new infrastructure)	waterways transport ensuring a modal shift of freight and/or passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure)
			7.4 Infrastructure for low carbon transport 7.4.1 Charging stations and other infrastructure for electric vehicles, hydrogen or dedicated biofuel fuelling	4. (Transport) **Criteria:** Under development	7.4 Engine upgrades resulting in particulate matter, NOx and/or SOx reductions of >20% if the upgrade does not increase levels of other pollutants.	See above.

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Category	**Sub-category**	**Example**	**Eligible Activities**		**Eligible Activities**	
8. Low-carbon technologies	8.1 Products or equipment	8.1.1 Projects producing components, equipment or infrastructure dedicated for the renewable and energy efficiency sectors	8.1.1 Projects producing components, equipment or infrastructure dedicated to the renewable and energy efficiency sectors, or low-carbon technologies	2.11 (Renewable Energy) - related component manufacturing facilities **Criteria:** Under development	8.1.1 Projects producing components, equipment or infrastructure dedicated to the renewable and energy efficiency sectors, or low-carbon technologies	No critera
	8.2 R&D	8.2.1 Research and development of renewable energy or energy efficiency technologies	8.2.1 Research and development of renewable energy or energy efficiency technologies, or low-carbon technologies	8.1 (RDI) - renewable energies, (8.2) second generation biofuels, (8.3) low-emission engines, (8.4) energy-efficient electrical motors, (8.5) lights and devices, (8.6) efficiency improvement from industrial processes, components and systems **Criteria:** Under development	8.2.1 Research and development of renewable energy or energy efficiency technologies, or low-carbon technologies	No critera
9. Cross-cutting issues	9.1 Support to national, regional or local policy, through technical assistance or policy lending,	9.1.1 Mitigation national, sectorial or territorial policies /planning/action plan policy /planning/institutions	9.1.1 National, sectoral or territorial policies/planning/action plans/planning/institutions dedicated to mitigation such as NDCs, NAMAs and plans for scaling up renewable energy	No corresponding categories in current EIB eligibility list, however this is under review	9.1.1 - Mitigation national, sectorial or territorial policies/planning/action plan policy/planning/institutions	NIB is not financing this type of operations
		9.1.2 Energy sector policies and regulations leading to climate change mitigation or mainstreaming of climate action (energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies)	9.1.2 Energy sector policies and regulations leading to climate change mitigation or the mainstreaming of climate action such as energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies, power market reform to enable renewable energy		9.1.2 Energy sector policies and regulations leading to climate change mitigation or the mainstreaming of climate action such as energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies, power market reform to enable renewable energy	
		9.1.3 Systems for monitoring the emissions of greenhouse gases	9.1.3 Systems for monitoring the emissions of greenhouse gases		9.1.3 Systems for monitoring the emissions of greenhouse gases	
		9.1.4 Efficient pricing of fuels and electricity (subsidy rationalization, efficient end-user tariffs, and efficient regulations on electricity generation, transmission, or distribution)	9.1.4 Efficient pricing of fuels and electricity (such as subsidy rationalisation, efficient end-user tariffs, and efficient regulations on electricity generation, transmission or distribution, and on carbon pricing)		9.1.4 Efficient pricing of fuels and electricity (such as subsidy rationalisation, efficient end-user tariffs, and efficient regulations on electricity generation, transmission or distribution, and on carbon pricing)	
		9.1.5 Education, training, capacity building and awareness raising on climate change mitigation/sustainable energy/sustainable transport; mitigation research	9.1.5 Education, training, capacity-building and awareness-raising on climate change mitigation or sustainable energy or sustainable transport; mitigation research		9.1.5 Education, training, capacity-building and awareness-raising on climate change mitigation or sustainable energy or sustainable transport; mitigation research	
		9.1.6 Other policy and regulatory activities, including those in non-energy sectors, leading to climate change mitigation or mainstreaming of climate action	9.1.6 Other policy and regulatory activities, including those in non-energy sectors, leading to climate change mitigation or mainstreaming of climate action, such as fiscal incentives for low-carbon vehicles, sustainable afforestation standards		9.1.6 Other policy and regulatory activities, including those in non-energy sectors, leading to climate change mitigation or mainstreaming of climate action, such as fiscal incentives for low-carbon vehicles, sustainable afforestation standards	
	9.2 Financing instruments	9.2.1 Carbon Markets and finance (purchase, sale, trading, financing and other technical assistance). Includes all activities related to compliance-grade carbon assets and mechanisms, such as CDM, JI, AAUs, as well as well-established voluntary carbon standards like the VCS or the Gold Standard.	9.2.1 Carbon markets and finance (purchase, sale, trading, financing and other technical assistance); includes all activities related to compliance-grade carbon assets and mechanisms		9.3.1 Carbon Markets and finance (purchase, sale, trading, financing and other technical assistance. Includes all activities related to (**Criteria EIB note**) **compliance-grade carbon assets and mechanisms, such as CDM, JI, AAUs, as well as well-established voluntary carbon standards like the VCS or the Gold Standard.** - Greenline financing for purely renewable enery and/or water/material/pollution/energy efficiency >20% improvement (re)-financed through a financial intermediary (earmarked with use-of-funds clause) - Greenline financing for non-renewable energy and non-energy efficiency financing through new financial intermediaries or similar (e.g. earmarked lines of credit; lines for microfinance institutions, cooperatives, etc.) (earmarked with use-of-funds clause,) >20% improvement - Greenline (co)-financing for renewable energy and energy efficiency (re-)financing through financial intermediaries that are existing Green Partners (Green for Growth Fund (GfGF) and Climate Global Partnership Fund (CGPF)) (earmarked with use-of-funds clause) - Greenline (re)-financing the conversion of vehicles to CNG through financial intermediaries (earmarked with use-of-funds clause	
			9.3 Supply chain 9.3.1 Measures in existing supply chains dedicated to improvements in energy efficiency or resource efficiency upstream or downstream, leading to an overall reduction in GHG emissions			

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Category	**Sub-category**	**Example**	**Eligible Activities**		**Eligible Activities**	
10. miscellaneous	10.1 Other activities with net greenhouse gas reduction	10.1.1 Any other activity not included in this list for which the results of an ex-ante greenhouse gas accounting (undertaken according to commonly agreed methodologies) show emission reductions	10.1.1 Any other activity if agreed by MDBs may be added to the Joint Typology of Mitigation Activities when the results of ex ante GHG accounting (undertaken according to commonly agreed methodologies) show emission reductions that are higher than a commonly agreed threshold, and are consistent with a pathway towards low greenhouse gas emissions development.	10. Other - any sector activity in a sector not included in this list **Criteria:** net GHG emissions reduction is demonstrated and compatible with low-carbon pathways in line with Paris Agreement; to be agreed with other MDBs		**Criteria:** net GHG emissions reduction is demonstrated
Categories with no correspondi ng categories in MDB-IDFC-CP				**EIB Climate Change Mitigation categories with no corresponding categories in MDB-IDFC-CP**		
				3. Nuclear Energy Nuclear power plants and related infrastructure (e.g. energy efficiency in nuclear fuel processing plants). Excluding nuclear enrichment facilities.	Green Buildings certified by LEED (only LEED Gold or Platinum certifcation qualifies) or IFCs EDGE Tool	
					Green Buildings, not yet certified or certified under other scheme Criteria: Princplie 4 applies	
					4.2.4 & 4.2.5. FSC and/or PEFC Certification ; Rainforest Alliance Certification	
					6.2.3. Sanitation projects with proper waste treatment if it replaces open defecation.	
					9.2 Any other activity not included in this list for which the results of an ex-ante greenhouse gas accounting (undertaken according to commonly agreed methodologies) show emission reductions	
					10. Climate Change Adaptation	
					10.1 Activities Adressing Climate Vulnerability	
					11. Other Footprint	
					11.1 Biodiversity	
					11.2 Pollution mitigation	
					11.3 Conservation of natural resources	

Annex III – G

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Category	**Sub-category**	**Example**	**Eligible Activities**						
1. Renewable Energy	1.1 Electricity Generation	1.1.1 Wind power	1.1.1 Wind power	2.1 (Renewable Energy) Wind **Criteria:** onshore wind; offshore wind; commercially mature technologies; onshore wind competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	2.1 (Renewable Energy) Wind **Criteria:** net emissions reduction (including implications on back-up thermal generation capacities) consistent with national policy GHG emissions commitments and targets	Energy: Wind **Criteria:** automatically eligible	Ok for green bond financing. Be aware of biodiversity and landscape issues. Policies towards subcontractors relevant.		(Renewable Energy) Wind **Criteria:** onshore wind and offshore wind projects
		1.1.2 Geothermal power Criteria: only if net emission reductions can be demonstrated	1.1.2 Geothermal power Criteria: only if net emission reductions can be demonstrated	2.4 (Renewable Energy) Geothermal **Criteria:** commercially mature technology; proven reserves (no drilling risk); net CO2 emissions reduction is demonstrated; competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	2.4 (Renewable Energy) Geothermal **Criteria:** independent from national policy GHG emissions commitments and targets as this is a base-load source of power	Energy: Geothermal **Criteria:** Direct emissions <= 100gCO2e/kWh; or mitigation technologies deployed at the facility render release of non-condensable gas to the atmosphere negligible; or reviewed and registered under the CDM	Ok for green bond financing. Be aware of heavy metal pollution and consider local environmental impacts.		(Renewable Energy) Geothermal **Criteria:** Geothermal power generation
		1.1.3 Solar power (concentrated solar power, photovoltaic power)	1.1.3 Solar power (concentrated solar power, photovoltaic power)	2.2 (Renewable Energy) Solar **Criteria:** photovoltaic; concentrated solar power; commercially mature technology	2.2 (Renewable Energy) Solar **Criteria:** net emissions reduction (including implications on back-up thermal generation capacities) consistent with national policy GHG emissions commitments and targets	Energy: Solar **Criteria**: Concentrated solar power facilities shall have no more than 15% of electricity generated from non-renewable energy sources. **Criteria**: All other solar automatically eligible.	Ok for green bond financing. Lifecycle analysis preffered.		(Renewable Energy) Solar **Criteria:** photovoltaic; concentrated solar power
		1.1.4 Biomass or biogas power Criteria: only if net emission reductions, including carbon pool balance, can be demonstrated	1.1.4 Biomass or biogas power Criteria: only if they result in net reductions in emissions, taking into account production, processing and transportation	2.7 (Renewable Energy) Biomass **Criteria:** solid biomass; biogas; bioliquids; non-contaminated solid biomass proven to originate from a sustainable chain of supply; net GHG emissions reduction is demonstrated; for commercialised electricity production, competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	2.7 (Renewable Energy) Biomass **Criteria:** solid biomass; biogas; bioliquids; non-contaminated solid biomass proven to originate from a sustainable chain of supply; independent from national policy GHG emissions commitments and targets as this is a base-load source of power	Energy: Bioenergy **Criteria**: Subject to threshold in terms of gCO2e/kWh equivalent to circa [80%] reductions compared to fossil fuel baseline. Details to be determined by Q1 2017.	OK for green bond financing. Be aware of local negative effects, also transportation distance of biofuels. Only biofuels from sources that dont deplete existing terrestial carbon pools		(Renewable Energy) Biomass Biomass power generation
		1.1.5 Ocean power (wave, tidal, ocean currents, salt gradient, etc.)	1.1.5 Ocean power (wave, tidal, ocean currents, salt gradient, etc.)	2.5 (Renewable Energy) Hydrothermal and ocean **Criteria:** commercially mature technology	2.5 (Renewable Energy) Hydrothermal and ocean **Criteria:** net emissions reduction (including implications on back-up thermal generation capacities) consistent with national policy GHG emissions commitments and targets	Energy: Marine **Criteria:** Automatically eligible	Ok for green bond financing. Could require environmental impact assessment.		(Renewable Energy) Hydrothermal and ocean **Criteria**: wave and tidal power generation
		1.1.6 Hydropower plants Criteria: only if net emission reductions can be demonstrated	1.1.6 Hydropower plants Criteria: only if net emission reductions can be demonstrated	2.6 (Renewable Energy) Hydropower **Criteria:** commercially mature technology; net GHG emissions reduction is demonstrated; competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	2.6 (Renewable Energy) run-of-river Hydropower **Criteria:** independent from national policy GHG emissions commitments and targets as this is a base-load source of power 2.14 (Renewable Energy) Dam Hydropower **Criteria:** net emissions reduction (including implications on back-up thermal generation capacities) consistent with national policy GHG emissions commitments and targets	Energy: Hydropower **Criteria**: Subject to threshold in terms of gCO2e/kWh equivalent to circa [80%] reductions compared to fossil fuel baseline. Details to be determined by Q1 2017.	Ok for green bond financing. Large hydro requires significant scrutiny.		(Renewable Energy) Hydropower **Criteria**: small hydro (< 30 MW), large hydro (> 30 MW) (inside or outside tropical areas)
		1.1.7 Renewable energy power plant retrofits	1.1.7 Renewable energy power plant retrofits	2. Renewable Energy - Electricity, heat or fuel production (new and extension/modernisation) projects from renewable sources **Criteria:** commercially mature technology; competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	2. Renewable Energy - Electricity, heat or fuel production (new and extension/modernisation) projects from renewable sources **Criteria:** commercially mature technology; competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	Retrofits are covered under each of the asset categories above See 1.1.1 - 1.1.6 above	Ok for green bond finacing		
	1.2 Heat Production or other renewable energy application	1.2.1 Solar water heating and other thermal applications of solar power in all sectors	1.2.1 Solar water heating and other thermal applications of solar power in all sectors	2.2 (Renewable Energy) Solar **Criteria:** commercially mature technology; for commercialised heat production, competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	2.2 (Renewable Energy) Solar **Criteria:** net emissions reduction (including implications on back-up thermal generation capacities) consistent with national policy GHG emissions commitments and targets	Energy Solar As 1.1.3 above	Ok for green bond finacing		
		1.2.2 Thermal applications of geothermal power in all sectors	1.2.2 Thermal applications of geothermal power in all sectors	2.4 (Renewable Energy) Geothermal **Criteria:** heat pumps; other geothermal heat production; commercially mature technology; net GHG emissions reduction is demonstrated	2.4 (Renewable Energy) Geothermal **Criteria:** independent from national policy GHG emissions commitments and targets as this is a base-load source of heat	Energy: Geothermal **Further work required**	Ok for green bond finacing		
		1.2.3 Wind-driven pumping systems or similar	1.2.3 Wind-driven pumping systems or similar applications	Category under development		Energy: Wind As 1.1.1 above	Ok for green bond finacing		
		1.2.4 Thermal applications in all sectors, incl. efficient, improved biomass stoves Criteria: sustainably produced	1.2.4 Thermal applications of bioenergy in all sectors Criteria: sustainably produced	2.7 (Renewable Energy) Biomass **Criteria:** commercially mature technology; net GHG emissions reduction is demonstrated; for commercialised heat production: competitive with fossil fuel generation benchmark (which includes the cost of economic externalities - GHGs and security of supply - but excludes subsidies)	2.7 (Renewable Energy) Biomass **Criteria:** independent from national policy GHG emissions commitments and targets as this is a base-load source of heat	Energy: Bioenergy **Criteria:** Subject to threshold in terms of [X%] reductions compared to fossil fuel baseline. Details to be determined by Q1 2017.	Ok for green bond financing		
	1.3 Measures to facilitate integration of renewable energy into grids	1.3.1 New, expanded and improved transmission systems (lines, substations)	1.3.1 New, expanded and improved transmission systems (lines, substations)	2.12 (Renewable Energy) - associated infrastructure such as substations and transmission lines that are required for the supply of renewable energy **Criteria:** capacity of associated infrastructure justified by connection of new renewable energy capacity, or increased utilisation of existing capacity; net GHG emissions reduction is demonstrated	2.12 (Renewable Energy) - associated infrastructure such as substations and transmission lines that are required for the supply of renewable energy **Criteria:** capacity of associated infrastructure justified by connection of new renewable energy capacity, or increased utilisation of existing capacity; net GHG emissions reduction is demonstrated	Dedicated transmission systems are covered under each of the asset categories above **Criteria**: Eligible if dedicated to an eligible renewable energy	Ok as long as it is directly linked to renewable energy.		Green Energy module applicable as we consider the T&D system as a part of the renewable energy infrastructure
		1.3.2 Storage systems (battery, mechanical, pumped storage)	1.3.2 Storage systems (battery, mechanical, pumped storage) that facilitate integration of renewables, or increase renewable energy production			Energy: Energy Distribution & Management **Criteria**: Further work required - to be investigated by end 2017			
		1.3.3 New information and communication technology, smart-grid and mini-grid	1.3.3 New information and communication technology, smart-grid and mini-grid	2.12 (Renewable Energy) - associated infrastructure such as substations and transmission lines that are required for the supply of renewable energy **Criteria:** capacity of associated infrastructure justified by connection of new renewable energy capacity; net GHG emissions reduction is demonstrated	2.12 (Renewable Energy) - associated infrastructure such as substations and transmission lines that are required for the supply of renewable energy **Criteria:** capacity of associated infrastructure justified by connection of new renewable energy capacity; net GHG emissions reduction is demonstrated	Energy: Energy Distribution & Management **Criteria:** Further work requried - to be investigated by end 2017	Ok as long as it is directly linked to renewable energy.		

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Category	**Sub-category**	**Example**	**Eligible Activities**						
2. Lower-carbon and efficient energy generation	2.1 Transmission and distribution systems	2.1.1 Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability/reliability Criteria: only if net emission reductions can be demonstrated; in case capacity expansion, only the part that is reducing existing losses is included	2.1.1 Retrofit of transmission lines or substations and/or distribution systems to reduce energy use and/or technical losses including improving grid stability/reliability Criteria: in case of capacity expansion, only the portion of the investment that is reducing existing losses is included	1. Energy Efficiency - transmission and distribution infrastructure to reduce energy use and/or technical losses **Criteria:** net emissions reduction (including implications on back-up thermal generation capacities) consistent with national policy GHG emissions commitments and targets	1. Energy Efficiency - transmission and distribution infrastructure to reduce energy use and/or technical losses **Criteria:** net emissions reduction (including implications on back-up thermal generation capacities) consistent with national policy GHG emissions commitments and targets	Energy: Energy Distribution & Management **Criteria**: Further work required - to be investigated by end 2017	Depends on an assessment of the grid. Should avoid lock-in investment in obsolute technologies such as fossil fuel energy production.		
	2.2 Power Plants	2.2.1 Thermal power plant retrofit to fuel switch from a more GHG-intensive fuel to a different and less GHG-intensive fuel type	2.2.1 Thermal power plant retrofit to fuel switch from a more GHG-intensive fuel to a different and less GHG-intensive fuel type Criteria: excluding replacement of coal by coal	10.5 (Other) - Thermal power plant modernisations that allow fuel switching from a more GHG-intensive fuel to a different, less GHG-intensive fuel may also be eligible, subject to meeting the Bank's emissions performance standard for GHG emissions. **Criteria:** net emissions reduction (including implications on back-up thermal generation capacities) consistent with national policy GHG emissions commitments and targets	10.5 (Other) - Thermal power plant modernisations that allow fuel switching from a more GHG-intensive fuel to a different, less GHG-intensive fuel may also be eligible, subject to meeting the Bank's emissions performance standard for GHG emissions. **Criteria:** net emissions reduction (including implications on back-up thermal generation capacities) consistent with national policy GHG emissions commitments and targets	**Criteria:** If these are fossil fuel plants even after retrofit, then excluded from taxonomy. If converted to renewables, same as for 1.3.1.	Require more detailed assessment of alternatives. Careful scrutiny to avoid lock-in effects is needed.		
		2.2.2 Conversion of existing fossil-fuel based power plant to co-generation technologies that generate electricity in addition to providing heating/cooling Criteria: in all cogeneration projects it is required that energy efficiency is substantially higher than separate production	2.2.2 Conversion of existing fossil-fuel based power plant to co-generation technologies that generate electricity in addition to providing heating/cooling Criteria: in all co-generation projects energy efficiency is required to be substantially higher than separate production of electricity and heat	1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC (including that energy efficiency is substantially higher than separate production) ; coal powered CHP plants are excluded	1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC (including that energy efficiency is substantially higher than separate production) ; coal powered CHP plants are excluded	**Criteria:** If these are fossil fuel plants even after retrofit, then excluded from taxonomy. If converted to renewables, same as for 1.3.1.	Not necessarily green. Significant scrutiny to avoid lock-in is necessary		
		2.2.3 Energy-efficiency improvement in existing thermal power plant	2.2.3 Energy-efficiency improvement in existing thermal power plant	1. Energy Efficiency - thermal power plant rehabilitation **Criteria:** net present value of energy savings, including environmental externalities, at least equal 50% of the net present value of the project cost over its life; compliance with the EIB emissions performance standard (EPS), currently 550 gmCO2/kWh, under review	1. Energy Efficiency - thermal power plant rehabilitation **Criteria:** net present value of energy savings, including environmental externalities, at least equal 50% of the net present value of the project cost over its life; compliance with the EIB emissions performance standard (EPS), currently 550 gmCO2/kWh, dropping to 450 gmCO2/kWh on 1/1/2018	Excluded	Not necessarily green. Significant scrutiny to avoid lock-in is necessary	**add 2.2.4 Installation of a new facility less GHG-intensive than national power grid average (use of WBCSD electric sector methodology to prove GHG reductions, with a combination of Operational and Build Margins)**	
	3.1 Energy efficiency in industry in existing facilities	3.1.1 Industrial energy-efficiency improvements though the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery	3.1.1 Industrial energy efficiency improvements though the installation of more efficient equipment, changes in processes, reduction of heat losses and/or increased waste heat recovery and/or resource efficiency Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	1. Energy Efficiency - industrial energy efficiency **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; investments defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or net present value of energy savings, including environmental externalities, at least equal 50% of the net present value of the project cost over its life	1. Energy Efficiency - industrial energy efficiency **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; investments defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or that are consistent with national commitments or sectorial energy efficiency targets	Industry and Energy-Intensive Commercial **Criteria**: Further work required - to be investigated by end 2017	Not necessarily green. Significant scrutiny to avoid lock-in is necessary	Improvement to be demonstrated in the local/national context (as opposed to considering BAT technologies on a worldwide level as the baseline scenario)	1. Energy Efficiency - industrial energy efficiency **Criteria:** energy-efficiency projects aiming to provide the same service while reducing energy demand. Many of these technologies are assessed in other sectors (green buildings, green energy, and green transport), leaving two main categories of projects to consider within energy efficiency: energy-efficient products (such as those with an Energy Star certification) and industrial efficiencies
		3.1.2 Installation of co/generation plants that generate electricity in addition to providing heating/cooling	3.1.2 Installation of co-generation plants that generate electricity in addition to providing heating/cooling Criteria: in all co-generation projects energy efficiency is required to be substantially higher than separate production of electricity and heat	1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC (including that energy efficiency is substantially higher than separate production); coal powered CHP plants are excluded	1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC (including that energy efficiency is substantially higher than separate production); coal powered CHP plants are excluded	Industry and Energy-Intensive Commercial **Criteria**: Further work required - to be investigated by end 2017	Not necessarily green. Significant scrutiny to avoid lock-in is necessary		
		3.1.3 More efficient facility replacement of an older facility (old facility retired)	3.1.3 Replacement of an older facility (old facility retired) with a more efficient facility Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	1. Energy Efficiency - industrial energy efficiency **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; net present value of energy savings, including environmental externalities, at least equal 50% of the net present value of the project cost over its life	1. Energy Efficiency - industrial energy efficiency **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; consistent with national commitments or sectorial energy efficiency targets	Industry and Energy-Intensive Commercial **Criteria**: Further work required - to be investigated by end 2017	Not necessarily green - scrutiny to avoid lock-in is necessary.		
	3.2 Energy efficiency improvements in existing commercial, public and residential buildings	3.2.1 Energy-efficiency improvement in lighting, appliances and equipment	3.2.1 Energy-efficiency improvement in lighting, appliances and equipment Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC (including that energy efficiency is substantially higher than separate production); coal powered CHP plants are excluded 1.2 (Energy Efficiency) - energy efficiency measures of building refurbishments **Criteria:** achieve cost-optimal refurbishment levels, as defined by a "white list" of EIB approved energy efficiency measures for buildings or as defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or net present value of energy savings, including environmental externalities, at least equals 50% of the net present value of the project cost over its life	Buildings: Buildings **Criteria**: Buildings must i) already have a low emissions footprint, as indicated by being on the zero carbon trajectory for that city in terms of emissions performance (gCO2e/m2) or attaining a required level of performance against an approved proxy indicator/ buildings standard, or ii) improve their emissions performance by 30-50% (depending on the term of the bond). How that performance level is achieved (ie through energy efficient lighting, heating, fuel switching or other) is flexible. Buildings: Buildings **Criteria**: Buildings must i) already have a low emissions footprint, as indicated by being on the zero carbon trajectory for that city in terms of emissions performance (gCO2e/m2) or attaining a required level of performance against an approved proxy indicator/ buildings standard, or ii) improve their emissions performance by 30-50% (depending on the term of the bond). How that performance level is achieved (ie through energy efficient lighting, heating, fuel switching or other) is flexible. Buildings: Buildings **Criteria**: Buildings must i) already have a low emissions footprint, as indicated by being on the zero carbon trajectory for that city in terms of emissions performance (gCO2e/m2) or attaining a required level of performance against an approved proxy indicator/ buildings standard, or ii) improve their emissions performance by 30-50% (depending on the term of the bond). How that performance level is achieved (ie through energy efficient lighting, heating, fuel switching or other) is flexible.	OK for green bond financing - be aware of the rebound effects.	Improvement to be demonstrated in the local/national context (as opposed to considering BAT technologies on a worldwide level as the baseline scenario) Improvement to be demonstrated in the local/national context (as opposed to considering BAT technologies on a worldwide level as the baseline scenario) Improvement to be demonstrated in the local/national context (as opposed to considering BAT technologies on a worldwide level as the baseline scenario)	(Energy Efficiency) - reduction of environmental impact of buildings over their lifespan, construction of new residential or commercial buildings or retrofit **Criteria:** focused on energy efficiency and water saving. Certifications include BREEAM, LEED, Energy Star, Green Star. Examples of energy-saving initiatives include: - Energy-efficient heating, ventilation, and air conditioning systems; - Double glazing of glass windows/walls to improve thermal insulation; - High-efficiency pool equipment; -Smart meters; -High-efficiency water heating; and - Roof and wall insulation.
		3.2.2 Substitution of existing heating/cooling systems for buildings by co/generation plants that generate electricity in addition to providing heating/cooling Criteria: in all cogeneration projects it is required that energy efficiency is substantially higher than separate production	3.2.2 Substitution of existing heating/cooling systems for buildings by co/generation plants that generate electricity in addition to providing heating/cooling Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient						
		3.2.3 Retrofit of existing buildings: Architectural or building changes that enable reduction of energy consumption	3.2.3 Retrofit of existing buildings: Architectural or building changes that enable reduction of energy consumption Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient						

List of activities eligible for MDB/IDFC classification as Climate Mitigation Finance Extract from MDB / IDFC Common Principles for Climate Change Mitigation Tracking (MDB-IDFC-CP; version 2 - 15th June 2015). For the full text of the Common Principles which also includes purpose, definitions and guidelines, please refer to: http://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf			List of activities eligible for MDB classification as Climate Mitigation Finance as published in the Annex C of the 2016 Joint Report on Multilateral Development Banks' Climate Finance (published Sept 2017) Note the same categories and sub-categories from the MDB/IDFC Common Principles also apply here (Columns B & C)	EIB EIB criteria for Climate Mitigation (granular approach used in line with harmonised MDB methodology) Note: EIB List of Eligible Climate Mitigation Activities currently under review, and revised version due before end of 2017	Beyond Ratings Beyond Ratings criteria for Climate Mitigation (granular approach used in line with harmonised MDB methodology)	CBIGCD (Green Climate Definitions) mapped on MDBIDFCCP CBI criteria	CICERO Note: CICERO does not rely on any predefined taxonomies or thresholds but the context of how the issuer-defined project types contribute to the transformation to the low carbon and climate resilient future. Please find our comments and considerations based on our experience today in the green bond market today.	PWC	S&P Global Ratings
Category	**Sub-category**	**Example**	**Eligible Activities**						
3. Energy efficiency		3.3.1 Energy-efficiency improvement in utilities and public services through the installation of more efficient lighting or equipment	3.3.1 Energy-efficiency improvement in utilities and public services through the installation of more efficient lighting or equipment Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient		defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or that are consistent with national commitments or sectorial energy efficiency targets	Buildings: Buildings or Buildings: Built Environment (depending on the nature of the asset) **Criteria**: Buildings must i) already have a low emissions footprint, as indicated by being on the zero carbon trajectory for that city in terms of emissions performance (gCO2e/m2) or attaining a required level of performance against an approved proxy indicator(buildings standard, or ii) improve their emissions performance by 30-50% (depending on the term of the bond). How that performance level is achieved (ie through energy efficient lighting, heating, fuel switching or other) is flexible.		Improvement to be demonstrated in the local/national context (as opposed to considering BAT technologies on a worldwide level as the baseline scenario)	
		3.3.2 Rehabilitation of district heating and cooling systems	3.3.2 Rehabilitation of district heating and cooling systems Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	1. Energy Efficiency - industrial energy efficiency **Criteria:** net present value of energy savings, including environmental externalities, at least equals 50% of the net present value of the project cost over its life 1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC(including that energy efficiency is substantially higher than separate production) ; coal powered CHP plants are excluded	1. Energy Efficiency - industrial energy efficiency **Criteria:** consistent with national commitments or sectorial energy efficiency targets 1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC(including that energy efficiency is substantially higher than separate production) ; coal powered CHP plants are excluded	Buildings: Products & Systems for Building Efficiency **Criteria**: Further work required - to be investigated by end 2017	Not necessarily green - scrutiny to avoid lock-in is necessary.		
	3.3 Energy efficiency improvements in the utility sector and public services	3.3.3 Utility heat loss reduction and/or increased waste heat recovery	3.3.3 Reduction of heat loss in utilities and/or increased recovery of waste heat	1. Energy Efficiency - industrial energy efficiency **Criteria:** as defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or net present value of energy savings, including environmental externalities, at least equals 50% of the net present value of the project cost over its life 1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC; coal powered CHP plants are excluded	1. Energy Efficiency - industrial energy efficiency **Criteria:** as defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or consistent with national commitments or sectorial energy efficiency targets 1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC; coal powered CHP plants are excluded	Buildings: Products & Systems for Building Efficiency **Criteria**: Further work required - to be investigated by end 2017	Not necessarily green. Significant scrutiny to avoid lock-in is necessary		
		3.3.4 Improvement in utility scale energy efficiency through efficient energy use, and loss reduction	3.3.4 Improvement in utility-scale energy efficiency through efficient energy use, and loss reduction, or reisource efficiency improvements	1. Energy Efficiency - industrial energy efficiency **Criteria:** as defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or net present value of energy savings, including environmental externalities, at least equals 50% of the net present value of the project cost over its life 1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency Directive 2012/27/EU and its related Decisions 2011/877/EU and 2008/952/EC(including that energy efficiency is substantially higher than separate production) ; coal powered CHP plants are excluded	1. Energy Efficiency - industrial energy efficiency **Criteria:** as defined by an energy audit in line with the European Standard EN 16247 Energy or equivalent, or consistent with national commitments or sectorial energy efficiency targets 1.1 (Energy Efficiency) - highly efficient combined heat and power (CHP) plants **Criteria:** pollution emissions compliant with the Industrial Emissions Directive (IPPC) 2010/75/EU; energy efficiency compliant with the Energy Efficiency	Buildings: Products & Systems for Building Efficiency **Criteria**: Further work required - to be investigated by end 2017	Not necessarily green. Significant scrutiny to avoid lock-in is necessary		
	3.4 Vehicle energy efficiency fleet retrofit	3.4.1 Existing vehicles, rail or boat fleet retrofit or replacement (including the use of lower-carbon fuels, electric or hydrogen technologies, etc.)	3.4.1 Existing vehicles, rail or boat fleet retrofit or replacement including the retrofitting of elements to achieve better energy efficiency Criteria: general principle for brownfield energy efficiency activities involving the substitution of technologies - the old technologies are substituted well before the end of their lifetime and the new technologies are substantially more efficient	4.7 (Transport) - replacement and refurbishment including the retrofitting of elements to achieve better energy efficiency **Criteria:** EIB's Energy Efficiency criteria - detailed criteria for transport under development	4.7 (Transport) - replacement and refurbishment including the retrofitting of elements to achieve better energy efficiency **Criteria:** EIB's Energy Efficiency criteria - detailed criteria for transport under development	Transport: Private Passenger Transport, Public Passenger Transport or Dedicated Freight (depending on the nature of the asset) **Criteria**: Transport asset must already have a low emissions footprint, as indicated by being on the low carbon trajectory for passenger vehicles (in terms of gCO2e/passenger/km) or freight (in terms of gCO2e/tonne of freight/ km). How that performance level is achieved is flexible.	Not necessarily green - technology is rapidly improving in a more environmental friendly direction - individual assessment needed		(Transport) - replacement and refurbishment including the retrofitting of elements to achieve better energy efficiency **Criteria:** organised through two project subcategories: electric vehicles, fuel-efficient vehicles
	3.5 Energy efficiency in new commercial, public and residential buildings	3.5.1 Use of highly efficient architectural designs, energy efficiency appliances and equipment, and building techniques that reduce building energy consumption Criteria: exceeding available standards and complying with high energy efficiency certification or rating schemes	3.5.1 Use of highly efficient architectural designs, energy efficiency appliances and equipment, and building techniques that reduce building energy consumption Criteria: exceeding available standards and complying with high energy efficiency certification or rating schemes	1.3 (Energy Efficiency) - the construction of near zero energy buildings **Criteria:** buildings in compliance with Energy Performance of Buildings Directive 2010/31/EU in the EU up to 2020 **Criteria:** for outside of EU under discussion	1.3 (Energy Efficiency) - the construction of near zero energy buildings **Criteria:** buildings in compliance with Energy Performance of Buildings Directive 2010/31/EU in the EU up to 2020 **Criteria:** for outside of EU consistent with national commitments or sectorial energy efficiency targets	Buildings: Buildings **Criteria:** same criteria for new and existing buildings - As 3.2 above - same criteria for new and existing buildings. Buildings must i) already have a low emissions footprint, as indicated by being on the zero carbon trajectory for that city in terms of emissions performance (gCO2e/m2) or attaining a required level of performance against an approved proxy indicator(buildings standard, or ii) improve their emissions performance by 30-50% (depending on the term of the bond). How that performance level is achieved (ie through energy efficient lighting, heating, fuel switching or other) is flexible.	OK for green bond financing - heating and cooling from fossil fuel should be avoided - need to avoid lock-in effects of obsolete technologies		(Energy Efficiency) - reduction of environmental impact of buildings over their lifespan, construction of new residential or commercial buildings or retrofit **Criteria:** focused on energy efficiency and water saving. Certifications include BREEAM, LEED, Energy Star, Green Star. Examples of energy-saving initiatives include: - Energy-efficient heating, ventilation, and air conditioning systems; - Double glazing of glass windows/walls to improve thermal insulation; - High-efficiency pool equipment; - Smart meters; - High-efficiency water heating; and - Roof and wall insulation.
	3.6 Energy audits	3.6.1 Energy audits to energy end-users, including industries, buildings, and transport systems	3.6.1 Energy audits to energy end-users, including industries, buildings, and transport systems	1.2 (Energy Efficiency) - energy efficiency measures of building refurbishments **Criteria:** energy audit in line with the European Standard EN 16247 Energy or equivalent	1.2 (Energy Efficiency) - energy efficiency measures of building refurbishments **Criteria:** energy audit in line with the European Standard EN 16247 Energy or equivalent	Not explicitly included but would be covered as part of linked infrastructure under Buildings, Transport **Criteria:** NA	OK for green bond financing		

List of activities eligible for MDB/IDFC classification as Climate Mitigation Finance **Extract from MDB / IDFC Common Principles for Climate Change Mitigation Tracking** (MDB-IDFC-CP; version 2 - 15th June 2015). For the full text of the Common Principles which also includes purpose, definitions and guidelines, please refer to: http://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf			**List of activities eligible for MDB classification as Climate Mitigation Finance as published in the Annex C of the 2016 Joint Report on Multilateral Development Banks' Climate Finance (published Sept 2017)** Note the same categories and sub-categories from the MDB/IDFC Common Principles also apply here (Columns B & C)	**EIB** **EIB criteria for Climate Mitigation (granular approach used in line with harmonised MDB methodology)** **Note: EIB List of Eligible Climate Mitigation Activities currently under review, and revised version due before end of 2017**	**Beyond Ratings** **Beyond Ratings criteria for Climate Mitigation (granular approach used in line with harmonised MDB methodology)**	**CBIGCD (Green Climate Definitions) mapped on MDBIDFCCP** **CBI criteria**	**CICERO** **Note: CICERO does not rely on any predefined taxonomies or thresholds but the context of how the issuer-defined project types contribute to the transformation to the low carbon and climate resilient future. Please find our comments and considerations based on our experience today in the green bond market today.**	**PWC**	**S&P Global Ratings**
Category	**Sub-category**	**Example**	**Eligible Activities**						
4. Agriculture, forestry and land-use	4.1 Agriculture	4.1.1 Reduction in energy use in traction (e.g. efficient tillage), irrigation, and other agricultural processes	4.1.1 Reduction in energy use in traction (e.g. efficient tillage), irrigation, and other agricultural processes	1. Energy Efficiency - industrial energy efficiency 7.5 (Forestry and Land Use) Improved water management **Criteria:** net present value of energy savings, including environmental externalities, at least equal 50% of the net present value of the project cost over its life	1. Energy Efficiency - industrial energy efficiency 7.5 (Forestry and Land Use) Improved water management **Criteria:** consistent with national commitments or sectorial energy efficiency targets	Land Use & Seafood: Agriculture **Criteria**: under development	Not necessarily green - avoid fossil fuels - more detailed assessment of alternatives needed	Improvement to be demonstrated in the local/national context (as opposed to considering BAT technologies on a worldwide level as the baseline scenario)	
		4.1.2 Agricultural projects that improve existing carbon pools (, rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, reduced tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, peatland restoration, etc.)	4.1.2 Agricultural projects that improve existing carbon pools (such as rangeland management, collection and use of bagasse, rice husks, or other agricultural waste, reduced tillage techniques that increase carbon contents of soil, rehabilitation of degraded lands, peatland restoration, etc.)	7.6 (Forestry and Land Use) - soil management 7.7 (Forestry and Land Use) - biomass management **Criteria:** under development	7.6 (Forestry and Land Use) - soil management 7.7 (Forestry and Land Use) - biomass management **Criteria:** consistent with national commitments or sectorial energy efficiency targets	Land Use & Seafood: Agriculture **Criteria**: under development	OK for green bond financing		
		4.1.3 Reduction of non Co2 GHG emissions from agricultural practices (eg: paddy rice production, reduction in fertilizer use ...)	4.1.3 Reduction of non-CO2 GHG emissions from agricultural practices and technologies (for example, paddy rice production, reduction in fertiliser use)	7. (Forestry and Land Use) **Criteria:** under development	7. (Forestry and Land Use) **Criteria:** consistent with national commitments or sectorial energy efficiency targets	Land Use & Seafood: Agriculture **Criteria**: under development	OK for green bond financing		
	4.2 Afforestation and reforestation, and biosphere conservation	4.2.1 Afforestation (plantations) on non-forested land	4.2.1 Afforestation (plantations) and agroforestry on non-forested land	7.1 (Forestry and Land Use) - afforestation 7.2 (Forestry and Land Use) - reforestation 7.3 (Forestry and Land Use) - forest protection 7.4 (Forestry and Land Use) - fast-growing plantations **Criteria:** under development	7.1 (Forestry and Land Use) - afforestation 7.2 (Forestry and Land Use) - reforestation 7.3 (Forestry and Land Use) - forest protection 7.4 (Forestry and Land Use) - fast-growing plantations **Criteria:** consistent with national commitments or sectorial energy efficiency targets	Land Use & Seafood: Commercial Forestry **Criteria**: Under development - due Q1 2017	Ok for green bond financing - individual assessment necessary.		
		4.2.2 Reforestation on previously forested land	4.2.2 Reforestation on previously forested land			Land Use & Seafood: Commercial Forestry **Criteria**: Under development - due Q1 2017			
		4.2.3 Sustainable forest management activities that increase carbon stocks or reduce the impact of forestry activities	4.2.3 Sustainable forest management activities that increase carbon stocks or reduce the impact of forestry activities			Land Use & Seafood: Commercial Forestry **Criteria**: Under development - due Q1 2017			
		4.2.4 Biosphere conservation projects (including payments for ecosystem services) targeting reducing emissions from the deforestation or degradation of ecosystems	4.2.4 Biosphere conservation and restoration projects (including payments for ecosystem services) seeking to reduce emissions from the deforestation or degradation of ecosystems			Not explicitly included, but would be covered under Land Use & Seafood: Commercial Forestry if linked to eligible Commercial Forestry activities, or under Land Use & Seafood: Natural Ecosystem Protection and Restoration if linked to non-commercial forestry activities **Criteria**: NA			
	4.3 Livestock	4.3.1 Livestock projects that reduce methane or other GHG emissions (manure management with biodigestors, etc.)	4.3.1 Livestock projects that reduce methane or other GHG emissions (for example, manure management with biodigesters, and improved feeding practices to reduce methane emissions)	10.3 (Other) - other projects that reduce methane emissions **Criteria:** under development	10.3 (Other) - other projects that reduce methane emissions **Criteria:** consistent with national commitments or sectorial energy efficiency targets	Land Use & Seafood: Agriculture **Criteria**: under development	Ok for green bond financing - individual assessment necessary.		
	4.4 Biofuels	4.4.1 Production of biofuels (including biodiesel and bioethanol) Criteria: only if net emission reductions can be demonstrated	4.4.1 Production of biofuels, including biodiesel and bioethanol Criteria: only if net emission reductions can be demonstrated	2.13 (Renewable Energy) - biofuel production projects **Criteria:** non-contaminated solid biomass proven to originate from a sustainable chain of supply; net GHG emissions reduction is demonstrated	2.13 (Renewable Energy) - biofuel production projects **Criteria:** non-contaminated solid biomass proven to originate from a sustainable chain of supply; net GHG emissions reduction is demonstrated	Land Use & Seafood: Agriculture **Criteria**: subject to the same requirements as crops produced for agriculture	Ok for green bond financing - be aware of local negative effects, also transportation distance of biofuels and only from sources that don't deplete existing terrestrial carbon pools. Certifications schemes are relevant.		
5. Non-energy GHG reductions	5.1 Fugitive emissions	5.1.1 Reduction of gas flaring or methane fugitive emissions in the oil and gas industry	5.1.1 Reduction of gas flaring or methane fugitive emissions in the oil and gas industry	10.3 (Other) - other projects that reduce methane emissions or industrial plant modernisation projects **Criteria:** net GHG emissions reduction is demonstrated; Some sectors may not be eligible for EIB financing (not linked with climate methodology)	10.3 (Other) - other projects that reduce methane emissions or industrial plant modernisation projects **Criteria:** net GHG emissions reduction is demonstrated and/or consistent with national commitments or sectorial energy efficiency targets	Currently excluded from CBI taxonomy, but under discussion **Criteria**: NA	Not necessarily green - scrutiny to avoid lock-in is necessary.		
		5.1.2 Coal mine methane capture	5.1.2 Coal mine methane capture			Excluded from CBI taxonomy **Criteria**: NA			
	5.2 Carbon capture and storage	5.2.1 Projects for carbon capture and storage technology that prevent release of large quantities of CO2 into the atmosphere from fossil fuel use in power generation, and process emissions in other industries	5.2.1 Projects for carbon capture and storage technology that prevent release of large quantities of CO2 into the atmosphere from fossil fuel use in power generation, and process emissions in other industries	10. (Other) - activity with demonstrable substantial reductions in GHG emissions - specifically 8.7 (RDI) - carbon capture and storage **Criteria:** for non-RDI projects, net GHG emissions reduction is demonstrated	10. (Other) - activity with demonstrable substantial reductions in GHG emissions - specifically 8.7 (RDI) - carbon capture and storage **Criteria:** for non-RDI projects, net GHG emissions reduction is demonstrated and/or consistent with national commitments or sectorial energy efficiency targets	Noted under Energy: fossil fuels, but recognised as needing more analysis to determine eligibility credentials **Criteria**: NA	OK for green bond financing. More detailed assessment necessary to avoid leakage etc.		
	5.3 Air conditioning and refrigeration	5.3.1 Retrofit of existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential	5.3.1 Retrofit of existing industrial, commercial and residential infrastructure to switch to cooling agent with lower global warming potential	6.12 (Urban Development) - eco-innovations for the built environment aimed at reducing emissions or increasing climate resilience. 10. (Other) - projects that eliminate or reduce emissions of N2O, PFC, HFC, SF6 and NF3. **Criteria:** net GHG emissions reduction is demonstrated	6.12 (Urban Development) - eco-innovations for the built environment aimed at reducing emissions or increasing climate resilience. 10. (Other) - projects that eliminate or reduce emissions of N2O, PFC, HFC, SF6 and NF3. **Criteria:** net GHG emissions reduction is demonstrated and/or consistent with national commitments or sectorial energy efficiency targets	Buildings; Buildings **Criteria**: As 3.2 above Buildings must i) already have a low emissions footprint, as indicated by being on the zero carbon trajectory for that city in terms of emissions performance (gCO2e/m2) or attaining a required level of performance against an approved proxy indicator/ buildings standard, or ii) improve their emissions performance by 30-50% (depending on the term of the bond). How that performance level is achieved (ie through energy efficient lighting, heating, fuel switching or other) is flexible.	Not necessarily green - scrutiny to avoid lock-in is necessary.		
	5.4 Industrial processes	5.4.1 Reduction in GHG emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage	5.4.1 Reduction in GHG emissions resulting from industrial process improvements and cleaner production (e.g. cement, chemical), excluding carbon capture and storage	10.3 (Other) - other projects that reduce methane emissions or industrial plant modernisation projects 10.4 (Other) - projects that eliminate or reduce emissions of N2O, PFC, HFC, SF6 and NF3 **Criteria:** net GHG emissions reduction is demonstrated	10.3 (Other) - other projects that reduce methane emissions or industrial plant modernisation projects 10.4 (Other) - projects that eliminate or reduce emissions of N2O, PFC, HFC, SF6 and NF3 **Criteria:** net GHG emissions reduction is demonstrated and/or consistent with national commitments or sectorial energy efficiency targets	Industry and Energy-Intensive Commercial **Criteria**: as 3.1 above i.e. further work required - to be investigated by end 2017	Ok for green bond financing - individual assessment necessary.		

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Category	**Sub-category**	**Example**	**Eligible Activities**						
6. Waste and wastewater	6.1 Waste and wastewater	6.1.1 Treatment of wastewater if not a compliance requirement (e.g. performance standard or safeguard) as part of a larger project that reduce methane emissions Criteria: only if net GHG emission reductions can be demonstrated	6.1.1 Portion of treatment of wastewater that reduces methane emissions Criteria: only if net GHG emission reductions can be demonstrated and if not a compliance requirement to meet, for example, a performance standard or safeguard requirement	10.2 (Other) - avoidance projects from wastewater treatment plants **Criteria:** eligible if net GHG emissions reduction can be demonstrated and if not a complicance requirement. Detailed screening criteria under development	10.2 (Other) - avoidance projects from wastewater treatment plants **Criteria:** eligible if net GHG emissions reduction can be demonstrated and/or consistent with national commitments or sectorial energy efficiency targets	Water: Water Infrastructure **Criteria**: Improvement on emissions compared to Business as Usual	Ok for green bond financing - individual assessment necessary.		(Wastewater projects) - wastewater treatment plans and recycling **Criteria:** Wastewater projects include: - Wastewater treatment with no energy recovery, and - Wastewater treatment with energy recovery.
		6.1.2 Waste management projects that capture or combust methane emissions	6.1.2 Waste management projects that capture or combust methane emissions	5. Solid Waste - solid waste sector projects **Criteria:** share of landfill gas recovery related components of project considered climate mitigation; net GHG emissions reduction is demonstrated	5. Solid Waste - solid waste sector projects **Criteria:** share of landfill gas recovery related components of project considered climate mitigation; net GHG emissions reduction is demonstrated and/or consistent with national commitments or sectorial energy efficiency targets	Waste & Pollution Control: Waste disposal **Criteria**: Under development - due Q1 2017	Ok for green bond financing - individual assessment necessary.		
		6.1.3 Waste to energy projects	6.1.3 Waste to energy projects	5. Solid Waste - solid waste sector projects **Criteria:** The biodegradable share of total energy inputs from non-hazardous, non-recyclable waste to the facility; net GHG emissions reduction is demonstrated	5. Solid Waste - solid waste sector projects **Criteria:** The biodegradable share of total energy inputs from non-hazardous, non-recyclable waste to the facility; net GHG emissions reduction is demonstrated and/or consistent with national commitments or sectorial energy efficiency targets	Waste & Pollution Control: Waste disposal **Criteria**: Under development - due Q1 2017	OK for green bond financing. Policies on recycling materials are preferred (in particular focus on plastic fractions are needed).		**Criteria:** Landfill gas power generation
		6.1.4 Waste collection, recycling and management projects that recover or reuse materials and waste as inputs into new products or as a resource Criteria: only if net emission reductions can be demonstrated	6.1.4 Waste collection, recycling and management projects that recover or reuse materials and waste as inputs into new products or as a resource Criteria: only if net emission reductions can be demonstrated	5. Solid Waste - solid waste sector projects **Criteria:** net GHG emissions reduction is demonstrated	5. Solid Waste - solid waste sector projects **Criteria:** net GHG emissions reduction is demonstrated and/or consistent with national commitments or sectorial energy efficiency targets	Waste & Pollution Control: Recycling and/ or Waste Pollution Control: Composting **Criteria:** Under development - due Q1 2017	Ok for green bond financing - individual assessment necessary.		
	7.1 Urban transport modal change	7.1.1 Urban mass transit	7.1.1 Urban mass transit	4.3 (Transport) - urban mass transit **Criteria:** The below listed public transport means and the accompanying infrastructure (tracks, stops, park and ride facilities, management systems, ticket offices, garages, etc.) -public transport buses -bus rapid transit -underground and above-ground rail rapid transit -tramways -urban ferries This could include new or replacement, refurbishment, maintenance of existing infrastructure and vehicles	4.3 (Transport) - urban mass transit **Criteria:** The below listed public transport means and the accompanying infrastructure (tracks, stops, park and ride facilities, management systems, ticket offices, garages, etc.) -public transport buses -bus rapid transit -underground and above-ground rail rapid transit -tramways -urban ferries This could include new or replacement, refurbishment, maintenance of existing infrastructure and vehicles Consistency with GHG emissions sectorial target independently assessed by external reviewers and derived from the official total GHG emissions reduction target or from the total GHG emissions pathway independently assessed by external reviewers	Transport: Public Passenger Transport **Criteria**: See 3.4 above Transport asset must already have a low emissions footprint, as indicated by being on the low carbon trajectory for passenger vehicles (in terms of gCO2e/passenger/km) or freight (in terms of gCO2e/tonne of freight/ km). How that performance level is achieved is flexible.	Not necessarily green - technology is rapidly improving in a more environmental friendly direction - indivual assessment needed		(Transport) - Green transport **Criteria:** The below listed public transport project subcategories - Urban rail system
		7.1.2 Non-motorized transport (bicycles and pedestrian mobility)	7.1.2 Non-motorized transport (bicycles and pedestrian mobility)	6.8 (Urban Development) - non-motorised forms of transport **Criteria:** No specific criteria	6.8 (Urban Development) - non-motorised forms of transport **Criteria:** No specific criteria	Transport: Public Passenger Transport **Criteria**: See 3.4 above Transport asset must already have a low emissions footprint, as indicated by being on the low carbon trajectory for passenger vehicles (in terms of gCO2e/passenger/km) or freight (in terms of gCO2e/tonne of freight/ km). How that performance level is achieved is flexible.	Ok for green bond financing		

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Category	**Sub-category**	**Example**	**Eligible Activities**						
7. Transport	7.2 Transport oriented urban development	7.2.1 Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.), leading to a reduction in the use of passenger cars	7.2.1 Integration of transport and urban development planning (dense development, multiple land-use, walking communities, transit connectivity, etc.), leading to a reduction in the use of passenger cars	8.1 (Urban Development) - investments for the reduction of the use of passenger cars 8.5 (Urban Development) mixed-use and denser developments that promote urban concentration, (8.6) reduce the need for travel or (8.7) promote resource efficiency **Criteria:** Under development	8.1 (Urban Development) - investments for the reduction of the use of passenger cars 8.5 (Urban Development) mixed-use and denser developments that promote urban concentration, (8.6) reduce the need for travel or (8.7) promote resource efficiency **Criteria:**	Transport: Cross Cutting **Criteria**: Further work required	Ok for green bond financing		
		7.2.2 Transport demand management measures dedicated to reduce GHG emissions (e.g., speed limits, high-occupancy vehicle lanes, congestion charging/road pricing, parking management, restriction or auctioning of license plates, car-free city areas, low-emission zones)	7.2.2 Transport and travel demand-management measures dedicated to reducing pollutant emissions, including GHG emissions (such as high-occupancy vehicle lanes, congestion charging or road pricing, parking management, restriction or auctioning of license plates, car-free city areas, low-emission zones) Criteria: General traffic management is not included. This category is for demand	8.1 (Urban Development) - reduction of the use of passenger cars and (8.2) CO2 emissions **Criteria:** Under development	8.1 (Urban Development) - reduction of the use of passenger cars and (8.2) CO2 emissions **Criteria:**	Transport: Various **Criteria**: See 3.4 above Transport asset must already have a low emissions footprint, as indicated by being on the low carbon trajectory for passenger vehicles (in terms of gCO2e/passenger/km) or freight (in terms of gCO2e/tonne of freight/ km). How that performance level is achieved is flexible.	Ok for green bond financing		
	7.3 Inter-urban transport	7.3.1 Railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines)	7.3.1 Railway transport ensuring a modal shift of freight and/or passenger transport from road to rail (improvement of existing lines or construction of new lines)	4.4 (Transport) - inter-urban rail **Criteria:** Demonstration of modal shift from road or air (including avoidance of shift back to road or air); Dedicated infrastructure and equipment to transport fossil fuels is excluded	4.4 (Transport) - inter-urban rail **Criteria:** Consistency with GHG emissions sectorial target independently assessed by external reviewers and derived from the official total GHG emissions reduction target or from the total GHG emissions pathway independently assessed by external reviewers; Dedicated infrastructure and equipment to transport fossil fuels is excluded	Transport: Public Passenger /Transport and Dedicated Freight via rail **Criteria**: See 3.4 above Transport asset must already have a low emissions footprint, as indicated by being on the low carbon trajectory for passenger vehicles (in terms of gCO2e/passenger/km) or freight (in terms of gCO2e/tonne of freight/ km). How that performance level is achieved is flexible.	Ok for green bond financing - fossil fuel excluded.		(Transport) - Green transport **Criteria:** The below listed public transport project subcategories - National rail and freight systems
		7.3.2 Waterways transport ensuring a modal shift of freight and/or passenger transport from road to waterways (improvement of existing infrastructure or construction of new infrastructure)	7.3.2 Waterways transport ensuring a modal shift of freight and/or passenger transport from road or air to waterways (improvement of existing infrastructure or construction of new infrastructure)	4.5 (Transport) inland waterway 4.6 (Transport) intermodal and short sea shipping facilities **Criteria:** for inland waterways and short sea shipping: Demonstration of modal shift from road or air (including avoidance of shift back to road or air); Dedicated infrastructure and equipment to transport fossil fuels is excluded **Criteria:** for port activities and multimodal terminals: If modal shift away from road or air demonstrated (including avoidance of shift back to road or air), % based on proportion of facilities in low carbon modes: i.e. rail, short sea shipping, inland waterways traffic proportion OR based on cost of components in these modes; Excluding cruise terminals and facilities entirely dedicated to fossil fuels.	4.5 (Transport) inland waterway 4.6 (Transport) intermodal and short sea shipping facilities **Criteria**: Consistency with GHG emissions sectorial target independently assessed by external reviewers and derived from the official total GHG emissions reduction target or from the total GHG emissions pathway independently assessed by external reviewers **Criteria** for inland waterways and short sea shipping: Dedicated infrastructure and equipment to transport fossil fuels is excluded **Criteria** for port activities and multimodal terminals: Excluding cruise terminals and facilities entirely dedicated to fossil fuels.	Transport: Water-Bourne **Criteria**: Under development	Depending on fuel type and alternatives availble		

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Category	**Sub-category**	**Example**	**Eligible Activities**						
			7.4 Infrastructure for low carbon transport 7.4.1 Charging stations and other infrastructure for electric vehicles, hydrogen or dedicated biofuel fuelling	4. (Transport) **Criteria:** Under development	4. (Transport) **Criteria:** Consistency with GHG emissions sectorial target independently assessed by external reviewers and derived from the official total GHG emissions reduction target or from the total GHG emissions pathway independently assessed by external reviewers		Ok for green bond financing		
8. Low-carbon technologies	8.1 Products or equipment	8.1.1 Projects producing components, equipment or infrastructure dedicated for the renewable and energy efficiency sectors	8.1.1 Projects producing components, equipment or infrastructure dedicated to the renewable and energy efficiency sectors, or low-carbon technologies	2.11 (Renewable Energy) - related component manufacturing facilities **Criteria:** Under development	2.11 (Renewable Energy) - related component manufacturing facilities **Criteria:**	Covered under the category that the products relate to. E.g. for lighting, fans etc see Buildings. For wind turbines, see Energy: Wind etc **Criteria:** For production of renewable energy components - automatically eligible if dedicated to eligible renewable energy. Eligibility Criteria for production of energy efficient components for buildings currently under development	ok for green bond financing - life cycle assessment preferred		
	8.2 R&D	8.2.1 Research and development of renewable energy or energy efficiency technologies	8.2.1 Research and development of renewable energy or energy efficiency technologies, or low-carbon technologies	8.1 (RDI) - renewable energies, (8.2) second generation biofuels, (8.3) low-emission engines, (8.4) energy-efficient electrical motors, (8.5) lights and devices, (8.6) efficiency improvement from industrial processes, components and systems **Criteria:** Under development	8.1 (RDI) - renewable energies, (8.2) second generation biofuels, (8.3) low-emission engines, (8.4) energy-efficient electrical motors, (8.5) lights and devices, (8.6) efficiency improvement from industrial processes, components and systems and (8.8) composite materials especially new generation carbon fiber with applications leading to potential high energy and GHG emissions savings in key energy consuming sectors (automobile, air transportation, electric equipments, water treatment membranes) **Criteria:**	Not explicitly noted in the taxonomy, but R&D could be allowable for each category that is eligible under the taxonomy. **Criteria:** Must be linked to eligible assets and projects per rest of taxonomy	ok for green bond financing		
9. Cross-cutting issues	9.1 Support to national, regional or local policy, through technical assistance or policy lending,	9.1.1 Mitigation national, sectorial or territorial policies /planning/action plan policy (planning)/institutions	9.1.1 National, sectoral or territorial policies/planning/action plans/planning/institutions dedicated to mitigation such as NDCs, NAMAs and plans for scaling up renewable energy	No corresponding categories in current EIB eligibility list, however this is under review		Not explicitly recognised in taxonomy, but if linked to eligible assets as outlined elsewhere, would be eligible **Criteria:** NA	ok for green bond financing - mostly relevant for MDBs and national government issuances. Could be difficult to measure impacts.		
		9.1.2 Energy sector policies and regulations leading to climate change mitigation or mainstreaming of climate action (energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies)	9.1.2 Energy sector policies and regulations leading to climate change mitigation or the mainstreaming of climate action such as energy efficiency standards or certification schemes; energy efficiency procurement schemes; renewable energy policies, power market reform to enable renewable energy			Not explicitly recognised in taxonomy, but if linked to eligible assets as outlined elsewhere, would be eligible **Criteria:** NA			
		9.1.3 Systems for monitoring the emissions of greenhouse gases	9.1.3 Systems for monitoring the emissions of greenhouse gases			Not explicitly recognised in taxonomy, but if linked to eligible assets as outlined elsewhere, would be eligible **Criteria:** NA			
		9.1.4 Efficient pricing of fuels and electricity (subsidy rationalization, efficient end-user tariffs, and efficient regulations on electricity generation, transmission, or distribution)	9.1.4 Efficient pricing of fuels and electricity (such as subsidy rationalisation, efficient end-user tariffs, and efficient regulations on electricity generation, transmission or distribution, and on carbon pricing)			Not explicitly recognised in taxonomy, but if linked to eligible assets as outlined elsewhere, would be eligible **Criteria:** NA			
		9.1.5 Education, training, capacity building and awareness raising on climate change mitigation/sustainable energy/sustainable transport; mitigation research	9.1.5 Education, training, capacity-building and awareness-raising on climate change mitigation or sustainable energy or sustainable transport; mitigation research			Not explicitly recognised in taxonomy, but if linked to eligible assets as outlined elsewhere, would be eligible **Criteria:** NA			
		9.1.6 Other policy and regulatory activities, including those in non-energy sectors, leading to climate change mitigation or mainstreaming of climate action	9.1.6 Other policy and regulatory activities, including those in non-energy sectors, leading to climate change mitigation or mainstreaming of climate action, such as fiscal incentives for low-carbon vehicles, sustainable afforestation standards			Not explicitly recognised in taxonomy, but if linked to eligible assets as outlined elsewhere, would be eligible **Criteria:** NA			
	9.2 Financing instruments	9.2.1 Carbon Markets and finance (purchase, sale, trading, financing and other technical assistance). Includes all activities related to compliance-grade carbon assets and mechanisms, such as CDM, JI, AAUs, as well as well-established voluntary carbon standards like the VCS or the Gold Standard.	9.2.1 Carbon markets and finance (purchase, sale, trading, financing and other technical assistance); includes all activities related to compliance-grade carbon assets and mechanisms			Not explicitly recognised in taxonomy, but if linked to eligible assets as outlined elsewhere, would be eligible **Criteria:** NA			
			9.3 Supply chain 9.3.1 Measures in existing supply chains dedicated to improvements in energy efficiency or resource efficiency upstream or downstream, leading to an overall reduction in GHG emissions						
10. miscellaneous	10.1 Other activities with net greenhouse gas reduction	10.1.1 Any other activity not included in this list for which the results of an ex-ante greenhouse gas accounting (undertaken according to commonly agreed methodologies) show emission reductions	10.1.1 Any other activity if agreed by MDBs may be added to the Joint Typology of Mitigation Activities when the results of ex ante GHG accounting (undertaken according to commonly agreed methodologies) show emission reductions that are higher than a commonly agreed threshold, and are consistent with a pathway towards low greenhouse gas emissions development.	10. Other - any sector activity in a sector not included in this list **Criteria:** net GHG emissions reduction is demonstrated and compatible with low-carbon pathways in line with **Paris Agreement**, to be agreed with other MDBs	10. Other - any sector activity in a sector not included in this list **Criteria:** net GHG emissions reduction, is demonstrated and compatible with low-carbon pathways in line with national policy GHG emissions commitments and targets	No similar catch all in CBI taxonomy **Criteria:** NA	See note above, CICERO does not rely on any predefined taxonomies or thresholds but the context of how the issuer-defined project types contribute to the transformation to the low carbon and climate resilient future		
Categories with no corresponding categories in MDB-IDFC-CP				**EIB Climate Change Mitigation categories with no corresponding categories in MDB-IDFC-CP**		**Possible attribution of CBIGCD categories via addition of categories to MDBIDFCCP**			**Other categories**

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Category	Sub-category	Example	Eligible Activities						
				3. Nuclear Energy Nuclear power plants and related infrastructure (e.g. energy efficiency in nuclear fuel processing plants). Excluding nuclear enrichment facilities.	5. Nuclear Energy Nuclear power plants and related infrastructure (e.g. energy efficiency in nuclear fuel processing plants). Excluding nuclear enrichment facilities. Criteria: net emissions reduction (including implications on back-up thermal generation capacities) consistent with national policy GHG emissions commitments and targets	Energy - nuclear (In taxonomy as a placeholder - not considered green as yet. Flagged as needing more thought)	Comments from CICERO: 1) We are encouraged by your team's explanation that the aim of this work is to facilitate rather than replace the dialogue between issuers, verifiers and investors about what is green in the green bond market. The Respol bond caused a lively discussion in the market on whether these investments would actually reduce emissions in the long run or just prolong the life of the refineries. This dialogue happens without interference from heavy political and bureaucratic processes. Yet it has been a key success factor in mobilizing green capital through the green bond market. 2) A taxonomy should not be exhaustive in its form. The transformation to a low carbon and climate resilient future will require many new investments opportunities that we are not aware of today. We should welcome issuers that want to enter the market with new ideas. 3) It is important to recognize the limitations of a simplified technology taxonomy when determining how green a bond is. What is green is only to some extent dependent on technology types - the context, region, and governance can matter significantly. The context of specific regions has to be studied as well - e.g. could energy efficient train stations qualify as green bonds just because they fall under clean transportation? What about zero emission buildings in an airport? What about large hydro in different regions? For resilience projects understanding the context is even more important, and especially in integration with mitigation infrastructure. It is because of these contextual and regional differences CICERO's approach includes a focus on governance, or management, of the green bond in terms of good processes for analyzing and selecting green projects within a technology type. 4) CICERO has not developed our own taxonomy. We follow the Green Bond Principles categorization, which allow for climate but also broader environmental objectives. The categories and subcategories in the excel sheet that maps MDB and IDFC criteria are in our views sometimes too detailed (e.g. solar investments), in other instances we need much more context to better understand if these categories could be part of green bond financing (e.g. energy efficiency and transportation). We support EIB's initiative and have filled in our comments and considerations into the excel based on our experience today in the green bond market today. Please find the document attached. 5) We do not rely on any predefined taxonomies or thresholds but the context of how the issuer-defined project types contribute to the transformation to the low carbon and climate resilient future. E.g. we have provided a 2nd Opinion on large hydro in Norway, which has different considerations than if we were to review large hydro in South America. Sometimes the issuer makes reference to standards, e.g. building standards such as LEED, BREEAM etc., or forest related certification schemes, if so, we take this into consideration. In the building sector we also look for energy efficiency requirements and achievements beyond the standards that support low carbon pathways. We also look at how well the company contributes to driving new technology in the sector e.g. some market leaders are pushing new technologies or solutions that would not be captured in a taxonomy. We also view the green bond in the context of the issuer's strategies. Sometimes the issuer has developed a clear climate strategy including identifying projects they intend to allocate green bonds proceeds to in order to achieve their goals - we have seen this in many of the reviews we have done for region or municipality issuers. 6) Investing in projects that reduce climate impacts from existing technology, may lead to a postponement of investment in better technologies. This will always be difficult to assess in an objective manner, but should nevertheless be part of the project appraisals. The long-term goal of low carbon societies will eventually require a near phase out of fossil fuels, and marginal climate improvements today should not come in the way of more future oriented solutions that eventually require a near phase out fossil fuels. One should avoid investments in projects that lead down 'blind alleys'. E.g. the conversion of single cycle to combined cycle and replacement of separate heat and power with cogeneration are examples of projects that could potentially in CICERO's view lead to an increase in GHGs. These types of investments can prolong the lifetime of power plants, locking – in emitting infrastructure and result in increased accumulated GHG emissions in the long run. 7) In 2015, we introduced the Shades of Green rating methodology, which gives transparent information on how well a green bond aligns with a low-carbon climate resilient future. We assess whether a given activity or technology supports a low-carbon and climate resilient society in the long-term. In some cases, activities or technologies that reduce emissions in the near-term result in a prolonged use of high-emitting infrastructure and an increase in net emissions in the long term. CICERO strives to avoid locking-in of emissions through careful infrastructure investments and moving towards low- or zero-emitting infrastructure. That's why we were skeptical about including coal efficiency in green bonds in the early years, and why we would set the bar high if we were to provide a 2nd Opinion for a refinery. Further, the Shades of Green approach allows for a holistic consideration of technologies and solutions defined by the issuer, in context of aligning investments towards the infrastructure we need in the future.	add 2.2.4 Installation of a new facility less GHG-intensive than national power grid average (use of WBCSD electric sector methodology to prove GHG reductions, with a combination of Operational and Build Margins)	Nuclear Energy Nuclear power plants and related infrastructure (e.g. energy efficiency in nuclear fuel processing plants). In carbon hierarchy, ranked Tier 4 ("Decarbonisation technologies with significant environmental hazards") because of high carbon intensity of uranium mining, in spite of low levels of GHG
						Transport - water bourne (shipping vessels, canal construction etc). Included in taxonomy - criteria under discussion (includes shipping vessels, canals etc)			Water demand reduction projects are: - Conservation measures in residential buildings, - Conservation measures in commercial buildings, - Conservation measures in industrial equipment, - Smart metering in residential buildings, and - Reducing water losses in the water distribution network. Water treatment to increase supply covers: - Water desalination to supply potable municipal water, - Recycling wastewater to supply potable municipal water, - Recycling wastewater to supply non-potable water for agricultural uses, and
						Transport - aviation (In taxonomy as potentially green, but not labelled green at present. Flagged as needing more work)			- Coal plant efficiency upgrades, - New clean coal plants, and - Coal-to-gas conversions.
						(CBI) ADDITIONAL - WATER INFRASTRUCTURE			
						Additional MDBIDFCCP-categories suggested by CBI			
						(CBI) ADDITIONAL - ICT Broadband, data centres, networks			
						(CBI) ADDITIONAL Fisheries and aquaculture			
						(CBI) ADDITIONAL? Coastal infrastructure (restoration, enhancement and protection in coastal zones - to go alongside similar on land)			
						ADDITIONAL - WATER INFRASTRUCTURE e.g. Water storage, Protection - flood defences, sea rise defenses, drought defenses, Storm water management etc			
						Additional - manufacturing and production for other eligible assets and products beyond renewable energy and buildings components, eg also manufacture of electric vehicles etc etc			

Annex IV

Green bonds – A practitioner's round-table to guide the development of effective and credible frameworks for external reviews

9 June 2017 – final version

Discussion summary

World Wide Fund for Nature (WWF), in cooperation with the **European Investment Bank (EIB)** and the **Institute for Climate Economics (I4CE)** organized a practitioner's round-table breakfast event on external reviews of green bonds.

The round-table sought to explore how external reviews can enhance the efficiency of the green bond market, therefore its capacity to shed light on (and help improve) the underlying green finance activities and *inter alia* contribute to the implementation of the Paris Agreement, which relies on transparency, accountability, and compliance[1].

The roundtable event took place on 7 March 2017 in London and brought together practitioners from a large number of organisations[2] that provide external reviews of green bonds (as defined by the Green Bond Principles: i.e., consultant review, verification, certification and rating), including representatives from three of the big-four auditing firms, all the big-three credit rating agencies as well as a large number of consultants/second-party opinion providers, many of which are also recognised as "approved verifiers" by the Climate Bonds Standard.

It was the first in a series of events and the next roundtable on external reviews of green bonds is scheduled to take place on Thursday 15 June 2017 in Paris, back-to-back to the Annual General Meeting of the ICMA Green Bond Principles.

The roundtable sought to address five specific cross-cutting questions:

1. What is the goal of external reviews? Is this goal the same for all issuers and investors? How do different types of external review (*i.e*, consultant review, verification, certification and rating) complement each other?
2. What can be considered best practice in the areas of external review at present?
3. Which challenges are external reviewers currently facing?
4. How can these challenges be addressed?
5. How can external reviewers help to secure integrity, accelerate market uptake, provide for a level playing field and spur the sustainable growth of the green bond market?

[1] See meeting agenda in **Annex A**.
[2] See participant list in **Annex B**.

Background

The green bond market has enjoyed steady, double digit growth for several years. According to the Climate Bonds Initiative (CBI), 2016 was the most prolific year to date, with USD 81bn issuances, almost double the amount in 2015 (Climate Bonds Initiative, 2017a).

Green bonds are therefore high on the global agenda, including the G20 Green Finance Study Group, the FSB's Task Force on Climate-related Financial Disclosures (TCFD) and the European Commission's High Level Expert Group on sustainable finance[3]. Further steps towards mainstreaming of green bonds as intermediate objective for the broader promotion of green finance and the implementation of the Paris Agreement can therefore be expected at G20, EU and EU Member State level.

At EU Member State level, the French government has pioneered this development and taken active steps to promote the green bond market as a tool to underpin the environmental and ecological transition in France, and has identified the need to further increase the comparability and consistency of reporting and external review practices by promoting and harmonising best practices (MEEM, 2016).

The European Commission has equally started to look into ways how standardisation could spur the sustainable growth of the green bond market and a study (EC 2016), recently released by the European Commission, advised to explore how a common 'European Green Bonds Standard' could underpin this objective. More specifically, building on existing market-led initiatives, the study provided recommendations for pre-issuance and post-issuance review, including different types of external reviews that currently exist in the market, such as consultant review (also referred to as 'second opinion'), verification, certification and ratings.

The specification of these different forms of external review, a key step towards the recognition and avoidance of potential conflicts of interest, was introduced by the ICMA/Green Bond Principles (GBPs) in 2016, following the recommendations of a working group coordinated by the European Investment Bank. Another important contribution of this working group, also adopted by the GBPs, is the "External Review Form" (GBP 2016), a standard itemized description of the core components of green bonds which permits to compare more easily the analyses conducted by different external reviewers and at the same time provides an embryo of the "mutually accepted green bond term sheet" advocated by the G20 Green Finance Synthesis Report of September 2016 (G20 GFSG, 2016). This form was put on a tangible footing by KPMG in its Independent Reasonable Assurance Report of EIB's 2015 green bond practice in September last year (EIB 2016)[4].

WWF believes that effective and credible standards for green bonds --- including robust frameworks for external reviews[5] are urgently needed. For the green bond market to deliver on its green promise, WWF believes that the practice where issuers make self-declared statements on green benefits (with or without *ad hoc* external reviews) needs to develop organically towards a model in which systematic and complementary external reviews gradually mainstream best practice into the issuers' operations, at the same time promoting a higher degree of transparency, accountability, reliability and comparability among issuers and investors. Actual environmental benefits could then increasingly be fostered and certified according to effective and credible standards and best practices that are widely accepted (WWF 2016).

[3] WWF is a member of this group, EIB participates as Observer and technical advisor.
[4] http://www.eib.org/investor_relations/documents/cab-statement-2015.htm
[5] A summary overview of existing private sector frameworks and standards for green bond external reviews, as well as EU regulatory frameworks is provided in in **Annex C**.

This is why WWF, in cooperation with the European Investment Bank and the Institute for Climate Economics (I4CE), has decided to engage with external review practitioners to explore the best way forward towards the 'next generation of standards and market practice' in green bonds. If adequate standards are established, markets can help policy deliver results of great value for civil society.

Via reliable management of proceeds within a results-oriented framework, green bonds have drawn market attention to the lack of scientific consensus on material aspects of "green" (objectives, sectors, assessment metrics, impact reports, external reviews). A unique, joint platform of communication and action has thus been created for capital market practitioners, civil society representatives, project experts, and policy makers. Via this platform, we can join forces to develop concrete solutions and turn theory into practice in the relevant fields.

1. What is the goal of external reviews? Is this goal the same for all issuers and investors? How do different types of external reviews complement each other?

Green bond proceeds are allocated exclusively to projects in target policy areas. Allocations are reported transparently by policy objective under external monitoring. Larger issuance fosters accountability and peer pressure leads issuers to improve classification, assessment, allocation and reporting on the underlying assets incrementally ("mainstreaming").

This approach is flexible and inclusive: the issuer decides the target areas and the pace of mainstreaming, structuring a realistic dialogue with investors based on the issuer's individual circumstances. External reviews help improve competence, reliability and comparability of this dialogue between issuers and investors.

In this framework, external reviewers do not only act as deterrent in the field of green-washing but also as active motor of strategic change via the mainstreaming of sustainability into the existing operations of the issuers. The goal becomes the progressive and organic "greening" of the whole economy.

External reviews serve different client needs

Client-driven approaches to external review therefore prevail in the market. Different types of external reviews respond to a range of different issuer as well as investor needs and objectives.

As one participant put it: '…*some external reviews focus on processes and disclosure of information only, others pertain to the 'truthfulness' of the information provided and seek to assert whether the disclosed information is supported by underlying evidence. Others are applying professional expert judgement and seek to answer the questions whether or not the underlying assets of the bonds are "good enough",* e.g.: do investments in energy efficiency in a refinery, an airport or so called 'clean-coal' contribute significantly to pressing environmental efforts in accordance with scientific evidence? By reference to which policy objectives and technical thresholds? Within which strategic framework and transitional plan?'

Pre- and post-issuance external reviews serve different, though complementary, goals

An important distinction needs to be made between pre-issuance and post-issuance external reviews.

The former focuses on consulting services to help issuers put in place appropriate procedures and processes in advance of the issuance itself, and provide investors with *ex ante* comfort on the *capacity* of the issuer to achieve the level of commitment displayed in the issuer's bond documentation. The latter are geared towards providing an independent assessment of actual processes and investment flows once they have become operative, making issuers accountable to investors *ex post*.

The 'approved verifier' approach adopted in the Climate Bond Standard, purveyed by the Climate Bonds Initiative, offers a combination of pre-issuance and post issuance procedures.

From this perspective, four broad categories of mutually reinforcing external reviews were discussed during the roundtable.

Pre-issuance consultant review (also called 'evaluation' or 'second-party opinion'): the objective of pre-issuance review/consultancy services is multi-fold aiming to:

- Guide issuers to clarify what a green bond is about and structure their bond framework (categorization, evaluation, management, control and reporting) in line with market standards and best-practices and provide expertise on the nature and characteristics of the underlying assets;

- Inform investors and other stakeholders on the issuer's ESG profile and target strategy (risks materiality, policies, behaviours, dialogue with stakeholders, controversy management and governance), providing independent information to the market on both the issuer and the issuance;

- Provide a decision-making tool for investors;

- Provide additional information to be used by regulators to monitor and/or control the market.

"Second-party reviews" seek to (independently) assess the "level of commitment and the robustness of processes" of the issuer and his capacity to manage, monitor and report on the environmental risks and impacts of the bond, based on each consultant's proprietary assessment tools. The review covers 'so-called' reasonable diligences, the management processes and procedures that will be put in place by the issuer in order to ensure that the green bond will finance and achieve what is expected in terms of sustainable environmental benefits. Some of the second-party reviews can also be revised/refreshed subsequently post-issuance.

Post-issuance verification and certification: the objective of post-issuance external reviews is to verify that "what has been said is actually what has been done", including an 'opinion' or an independent public statement on the reporting prepared by the issuer.

Verification typically focuses on alignment of the issuer's green bond practice with internal standards (e.g., as designed by the issuer with the help of consultants) or claims otherwise made by the issuer and may include evaluation of the sustainability/ environmental features of the underlying assets.

Certification assesses such practice on the basis of external standards.

Post issuance green bond ratings and assessment tools: traditionally, the overall sustainability of the issuer has been assessed by ESG issuer ratings.

More recently, several rating agencies, including Moody's Investor Services, S&P Global Ratings, Vigeo Eiris and Oekom, have started developing rating and assessment tools specifically targeted to the green bond market.

One way to look at this task is to determine 'traditional' credit ratings that measure risk based on an assessment of the issuer after consideration of the issuer's financial exposures to environmental risks (e.g. climate-related risks). In this case, the rating applies to the issuer as such and not on specific green bonds issuances.

In another approach, the external reviewer performs a specific analysis of the "greenness" of, on the one hand, the assets eligible for allocation from the bond proceeds, and, on the other hand, the transparency and accountability associated with the allocation and reporting related to the bonds, possibly integrating the analysis with consideration of the issuer's overall sustainability. In this case, an a*d hoc* "sustainability bond rating" is established.

2. What can be considered "best practice" in the areas of external review at present?

A small group of organisations currently provide external reviews, including consulting/advisory firms, research organisations, auditors (regulated in most jurisdictions), sustainability and/or financial and/or non-financial credit rating agencies, the latter being subject to quality certification such as ARISTA[6] and/or credit rating regulation and supervised by organisations such as the SEC in the US and ESMA in Europe) (see **Annex C** for more details).

Some external reviewers use commonly-accepted international professional standards for their work, others rely on proprietary approaches they have developed for their own sake[7]. As an example, auditors are required to follow a specific audit standard in their assessment, which is independent and not always aligned with market needs, whereas a research firm is free to structure the analysis as it considers most appropriate for investors. The former provide investors with comparable data, whereas the latter provide details fitted to the specificities of the issuer and its bonds.

In the absence of comprehensive and commonly-accepted standards and frameworks for green bond external reviews, different methodologies and practices prevail even within the same external review area, limiting their comparability.

Several participants recognised that it is necessary to describe their respective service offerings precisely to help clients and external stakeholders better understand the respective scope, methodology and inherent limitations of their services. The required clarification applies to both the subject of the review, the responsibility assumed by the external reviewer and the nature of the existing relation between the issuer and the external reviewer to permit transparent assessment of the actual degree of independence (history, financial link, capital link, etc.).

Subject of external review: several participants highlighted that the External Reviews Form (ERF) template adopted by the GBPs in 2016 (GBP 2016) has identified and itemized the core features of green bonds, standardizing not only the description of external reviews but also that of the underlying green bonds, and making it easier for investors to compare.

Some external reviewers voiced concerns that this "minimalistic" approach may:

- undervalue the breadth and depth of the analysis undertaken by the external reviewer, thereby underestimating the relevance of its qualitative contribution and impact;
- blur the qualitative differences between the methodologies and analysis tools employed by competing external reviewers,

and explained that reviewers prefer to refer to their full report, rather than summarizing the information via the form.

On the other hand, the ERF-approach was strongly praised from a purely capital market perspective, since it makes it possible for investors to easily screen green bonds according to their respective investment criteria. If a single manageable set of core taxonomies is used by both issuers and investors, data providers (e.g. stock exchanges) can over time create automated databases to match issuer and investor preferences on a *prima facie* basis. KPMG's Reasonable Assurance Report on EIB's 2015 CAB Statement (KPMG 2016a), who has put the EIB's ERF on its letterhead last year, established an important precedent in this direction.

These two approaches are complementary and could be pursued hand-in-hand, adding both substance and efficiency to the way in which market assessment develops over time.

[6] ARISTA Standard, a quality standard set up by service providers themselves and purveyed and governed by the Association for Responsible Investment Services (ARISE).
[7] See summary in **Annex C**.

Responsibility of external reviewer: An independent assurance report (also called 'opinion' or 'assurance statement') is a technical paper that is expected to describe scope, modalities, methodology, responsibilities and conclusions of the external reviewer's assessment or examination of the commitments, processes and criteria put in place by the issuer (objectives, procedures, roles and responsibilities, monitoring systems and reports) to manage, control and report on his green bonds. It may assesse the issuer's commitments and performance considering both pre- and post-issuance findings and/or check that what was 'sold to investors' at issuance has actually been delivered only considering post-issuance findings.

Under international accounting standards[8], there are two different levels of assurance:

- **"Reasonable assurance"**: based on his examination, the reviewer concludes that the issuer actually did what he said he did; or
- **"Limited assurance"**: the reviewer confirms that he had an overall review of processes and procedures and that in the course of this work nothing inconsistent appeared that would contradict the information provided by the issuer. As the scope and level of detail of the work conducted by the reviewer does not allow formulating a positive statement, international standards recommend a more prudent wording: .e.g., *'… nothing has come to our attention that prevents us from…"*.

The comfort provided by EIB's external verification framework in 2016 (reasonable assurance) could be set as objective of a process to be delineated and implemented step-by-step by all types of issuers and external reviewers. Such evaluation frameworks would be more or less detailed depending on the complexity and level of sophistication achieved by the issuers' processes and procedures. It could be adapted incrementally in accordance with an implementation plan laid down by the issuer on the basis of his individual circumstances. This approach would direct attention and help internal as well as external accountability of the "greening" process, rather than the mere description of the *status quo*.

Caveat: while consultant reviews sometimes use an audit-like format and vocabulary, the scope and intent is very different from post-issuance reviews, since the statements are forward-looking and describe what will be done in the future, not what has already been done in the past. International auditing standards do not apply in these circumstances: "reasonable assurance" has a different meaning and adequate reference frameworks are required to avoid market confusion in this respect.

In conclusion, the discussions seemed to suggest that there is a need for clarification, harmonisation and, over time, standardization of the 'vocabulary' that is used within each of, and across, all categories of external reviews. This is a challenge that largely pertains to sustainable finance in general rather than specifically to green bonds.

[8] ISAE 3000 uses the terms "reasonable assurance engagement" and "limited assurance engagement" to distinguish between the two types of assurance engagement an assurance practitioner is permitted to perform. Excerpt from [ISAE 3000:]
"The objective of a **reasonable assurance** engagement is a reduction in assurance engagement risk to an acceptably low level in the circumstances of the engagement as the basis for a **positive form of expression of the practitioner's conclusion**. The objective of a **limited assurance** engagement is a reduction in assurance engagement risk to a level that is acceptable in the circumstances of the engagement, but where that risk is greater than for a reasonable assurance engagement, as the basis for **a negative form of expression of the practitioner's conclusion**."

3. Which major challenges are external review practitioners currently facing?

Markets are about free and efficient choices among a clear set of alternatives. Policy making is about clear indication of public priorities within those same alternatives. Without a common language, neither of them can work properly.

Most roundtable participants agreed that in the area of sustainable finance, and therefore also for green finance (as a sub-set of sustainable finance) and green bond external reviews, a major challenge is the absence of a single set of universally accepted taxonomies for each of:

- definitions for project policy objectives and sectors,
- project assessment methodologies (*in primis* in the field of GHG-emission calculations),
- reporting principles and indicators;
- external review standards.

These differences are due to the absence of scientific consensus as well as diverse range of policy priorities in different parts of the world. Finally, standards are likely to change over time: for example, it was suggested that the assessment of what is green (both with regard to the fight against climate change and by reference to a broader range of environmental challenges) is extending from greenhouse gas emission to more general contributions to the long-term need to 'decarbonise' the economy and help mitigate long-term climate risks.

A further complication derives from one opinion in the market, voiced by two roundtable participants, that defining what is green should not be limited to climate or environment-specific criteria but should entail an integrated approach considering all ESG criteria, in order to take a broader extra-financial risk perspective and consider sustainable long-term impacts of green projects**.** This raises the issue of how to combine an issuer- and a bond-based perspective in the analysis.

In a nutshell, what is considered "green" according to a framework or standard today, may not comply with future needs or if assessed against another framework or standard. As a result, external reviewers are obliged to rely on a broad range of sources and expertise, as well as their proprietary in-house tools and data, which might be challenged by other stakeholders. Reputational or legal risks might be involved. This explains why, historically, auditors (and to some extent certification/accreditation bodies) have been slower and more reluctant to enter the green bond market, waiting for credible and effective standards or frameworks to be established.

In addition, these challenges are exacerbated by a lack of knowledge and understanding of the complexity of green finance in the case of many potential issuers and the fact that many issuers (and banks) have trouble distinguishing the value propositions, methods and approaches and respective scope of services of different types of external reviews.

Indeed, while the Green Bond Principles only distinguish four broad categories of external review services (i.e., consultant reviews, verification, certification and rating[9]) some service providers argued that more clarity is needed in this area: external review providers are frequently asked by their clients to play a consulting role and then to review, later in the process, the framework so established or issuance findings. This objectively entails risks of perceived (or real) conflict of interest related to a lack of independence. This can occur because clear standards, guidance or advice on how to build eligibility frameworks are not readily available, even if sometimes the underwriter is playing this advisory role.

In summary: a common language does not exist at the moment.

[9] See summary in **Annex C**.

4. How can these challenges be addressed?

Creating a common language would provide a significant step forward to help issuers and investors map and compare different approaches to green and, more generally, sustainable finance. The establishment of shared reference taxonomies in the relevant fields would permit individual market participants to make unambiguous decisions, at the same time leaving them free to clarify and be loyal to their own preferences. This would combine clarity with flexibility to accommodate individual needs, including different national trajectories.

For example, an easy reporting framework could be followed by first-time issuers and facilitate third-party assessment. More mature issuers and market leaders could report more details, so that more demanding investors would be able to screen for best practices.

The working group on Green Eligible Projects, convened by the ICMA/GBP, seeks to address this challenge to a certain degree, but with a scope limited by the ambition to coalesce consensus in the market at large by virtue of pure market forces.

The roundtable discussed a number of possible steps to accelerate market uptake by a combination of bottom-up approaches driven by market forces with top-down initiatives of institutional nature (e.g., regulatory measures and/or incentives):

- Capacity-building and awareness-raising initiatives geared towards green bond issuers and investors (potential actors: public bodies, research organisations or NGOs);
- Government support to off-set the cost of pre-issuance consultant reviews and post-issuance assurance, provided that minimum standards are met;
- Voluntary labelling schemes such as the French government's Energy and Ecological Transition for Climate label that promote investments that respond to policy priorities;
- Standardized description of core features of a green bond, e.g. via inclusion of a standard form modelled on the GBP External Review Form in the EU Prospectus Directive (an example of the "mutually accepted Joint Term Sheet" advocated by the Green Finance Study Group).
- Standardisation efforts, such as the series of ISO standards for green finance, CBI's Climate Bond Standard as well as the recently announced cooperation between People's Bank of China and EIB for the development of a shared way to look at green bonds;
- Establishment of standardised metrics for impact evaluation and reporting of assets/project-specific environmental performance to strengthen the effectiveness of transparency.

All of the above may be simplified by the adoption of regulatory dispositions in the field of taxonomies, which, however, would need to be constructed on the basis of existing taxonomies, with the help of technical experts, and taking into account practical market needs.

5. How can external reviewers help to secure integrity, accelerate market uptake, provide for a level playing field and spur the sustainable growth of the market?

Several participants mentioned that sharing and developing good practices across external reviewers is useful for the green bond market at this stage of development. WWF, EIB and I4CE are indeed firmly convinced that targeted cooperation among external reviewers on some of the items above could provide valued input in the ongoing debate between market participants and policy-makers on how to best implement environmental policies, thereby spurring the sustainable growth of the green bond market for everybody's benefit.

With this in mind, we jointly intend to promote such cooperation with concrete initiatives, *in primis* in the area of use-of-proceeds taxonomies. This area is particularly important, since it that can be used to classify both eligible project policy objectives and eligible project sectors for a more efficient differentiation, co-existence and matching of sustainable issuance and investment preferences as well as the development of a more integrated approach to different policy priorities around the world.

For example, the technical experts working in the field of external reviews may play an important role in the definition of mapping and comparison of existing use-of-proceeds taxonomies such as, e.g. China Green Bond Endorsed Project Catalogue (CCSFB, 2015), IDFC/MDB climate finance tracking definitions (IDFC/MDB 2015), Climate Bonds initiative (CBI 2015), ICMA/GBP (2016), etc. which is required as a first step towards the development of shared green finance terminology for practitioners. This may take place in cooperation with public authorities and *ad-hoc* working groups with *ad hoc* mandates in this area.

Annexes

Annex A - Workshop objectives and agenda

Objectives of the practitioner's round-table

The objective of the round-table is to engage with external review service practitioners to share best practices and explore ways to enhance the comparability of their review statements and consistency of their approaches/methods. This would, of course, seek to build on the work that GBP and CBI have done in this area.

During this event we would like to:

- Put to focus the contribution that external reviews can provide to the efficiency of the green bond market, spurring its sustainable growth and powering its role as public policy instrument
- Inform external review providers about a study on market integrity that I4CE is conducting this year, offering opportunities for market practitioners to actively engage
- Gather information about similarities and differences in market practitioners' approaches to external reviews
- Kick-start the discussion about pathways for the market to generate best practice, develop external review standards, reduce uncertainty, clarify preferences and facilitate market choices.

Agenda of the round-table

To achieve these objectives the round-table breakfast event will be structured as follows:

8:00	Registration & welcome
8:30-9:00	Introductions, meeting objectives and setting the scene by the organisers: · **Introductions & welcome**, *Kristyna Pelikanova (EIB, Civil Society Division)* · **Objectives of the meeting**, *Jochen Krimphoff (WWF)* · **Overview of the I4CE study & key issues of green bonds external review practices, *Ian Cochran (I4CE)*.**
9:00-10-45	Practitioner's introduction by *Aldo M. Romani* (*EIB, Capital Markets Department*) followed by round-table interventions **by external review practitioners and their clients** moderated *by Jochen Krimphoff (WWF)* on best practice examples and how they add value answering the following questions: · How do **different types of external reviews** (i.e., consultant reviews, verification, certification and ratings) complement each other? What can be considered **best practice** in these areas at present? · What type of **barriers for market adoption** is the market currently facing? E.g.: lack of knowledge, lack of investor interest, lack of public recognition and competitive pressure, cost of services, lack of clarity (no external review standards, no supervisory authority), limited comparability (absence of shared definitions for green sectors-objectives/project assessment metrics/reporting principles, no external review disclosure obligations for issuers, imperfect disclosure of the external reviewers' preferences). · How can **best practice be promoted to accelerate market uptake** and provide for a level playing field? E.g.: knowledge sharing, public guidance, development of market standards (including standardization of green finance taxonomies), listing and investment guidelines, regulation/supervision, etc. · Which **challenges** are external review practitioners currently facing? How could they be addressed?
10:45-11:00	**Conclusion and next steps** *Ian Cochran (I4CE)*

Annex B - WWF-EIB-I4CE practitioner's round-table – participant list

#	Organisation	Name	Title	Email
1	**Accreditation Services International**	**Guntars Lagūns**	Managing director	g.laguns@accreditation-services.com
2	**Beyond Ratings**	**Guillaume Emin**	Founder	guillaume.emin@beyond-ratings.com
3	**Cicero**	**Harald Lund**	Senior climate finance specialist	hfl@cicero.oslo.no
4	**Climate Bonds Initiative**	**Rob Fowler**	Head of certification	rob.fowler@climatebonds.net rob.fowler@essentialchange.com.au
5	**Deloitte**	**Daniel Bressler**	Sustainability Services at Deloitte UK	dbressler@deloitte.co.uk
6	**European Investment Bank (EIB)**	**Aldo Romani**	Deputy Head of Funding – Euro Capital Markets Department	a.romani@eib.org
7	**European Investment Bank**	**Kristyna Pelikanova**	Civil Society Officer SG/CR/CS - Civil Society Division	k.pelikanova@eib.org
8	**EPIC Sustainability**	**Suryanarayana Murthy Kondreddi**	Director	director@epicsustainability.com
9	**Fitch Ratings**	**Monica Klingberg Insoll**	Managing director, credit market research	Monica.insoll@fitchratings.com
10	**French Ministry of Environment and the Sea (MEEM)**	**Julie Evain**	Chargée de mission finance verte	julie.evain@developpement-durable.gouv.fr
11	**I4CE**	**Morgane Nicol**	Project officer	morgane.nicol@i4ce.org
12	**I4CE**	**Ian Cochran**	Program Manager	ian.cochran@i4ce.org
13	**Green Bond Principles / ICMA**	**Valérie Guillaumin**	Director, Paris Office	greenbonds@icmagroup.org
14	**KPMG Luxembourg**	**Jane Wilkinson**	Partner	Jane.wilkinson@kpmg.lu
15	**Moody's**	**Henri Shilling**	Senior Vice President	Henry.Shilling@moodys.com
16	**Oekom AG**	**Jaspreet Duhra**	Director International Business Development	jaspreet.duhra@oekom-research.com
17	**PricewaterhouseCoopers (PwC)**	**Damian Regan**	Director assurance services	damian.regan@uk.pwc.com
18	**S&P's Global Rating Services**	**Miroslav Pektov**	Director financial institutions	miroslav.petkov@spglobal.com
19	**S&P's Global Rating Services**	**Jessica Williams**	Environmental & Climate Risk Research	jessica.williams@spglobal.com
20	**Sustainalytics**	**Cecilia Barsk**	Manager Advisory Services	cecilia.barsk@sustainalytics.com
21	**TÜV Nord**	**Tahsin Choudhury**	Head of Environmental Services	tchoudhury@tuv-nord.com
22	**Vigeo-Eiris**	**Laurie Chesné**	Senior Sustainability consultant, Head of Sustainable Bonds services	laurie.chesne@vigeo.com
23	**WWF-France/International**	**Jochen Krimphoff**	Deputy director - green finance	jochen@krimphoff.eu

Annex C: Overview of existing frameworks for green bond external reviews

The 2016 edition of the Green Bond Principles, recommends that …*issuers use an external review to confirm the alignment of their Green Bonds with the key features of the GBP*. There are a variety of ways for issuers to obtain outside input to the formulation of their Green Bond process and there are several levels and types of review that can be provided to the market. The Climate Bonds Initiative also offers guidance on the different types of reviews[10]. The table below summarizes the different types of external reviews that currently exist in the market, as well as the respective best practice, private standards or regulatory frameworks under which they are performed.

Type	Scope or review services and deliverables[11]	Best practice guidance, if and where applicable	Existing private sector standards and frameworks	EU regulatory frameworks
Evaluation (or assessment)	An issuer can seek independent evaluation from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of a Green Bond, such as the establishment/review of an issuer's Green Bond framework. "Second opinions" may fall into this category.	Not available (TBC)	Only very broad guidance for management consultancy services available (under **ISO/PRF 20700**).	Unregulated (TBC)
Verification	An issuer can have its Green Bond, associated Green Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria.	Not available (TBC) *Green bonds, draft disclosure guidance for issuers*, PwC 2015	International Standard for Assurance Engagements (ISAE) 3000	Auditing and professional services firms are regulated businesses in most jurisdictions.
Certification	An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.	Climate Bonds Standard 2.1 (December 2015) requirements for approved verifiers and related guidance.	Not available (TBC)	Unregulated.
Ratings	Rating: An issuer can have its Green Bond or associated Green Bond framework rated by qualified third parties, such as specialised research providers or rating agencies. Green Bond ratings are separate from an issuer's ESG rating as they typically apply to individual securities or Green Bond frameworks / programmes	Not available (TBC)	ARISTA standard, purveyed by the Association for Responsible Investment Services (ARISE), an industry body set up by service providers themselves.	Credit rating agencies are regulated in European markets by the European Securities and Markets Authority (ESMA)

[10] https://www.climatebonds.net/market/second-opinion
[11] source: Green Bond Principles (2016 edition)

Annex D: Overview of limitations and market challenges for external reviews

The table below summarizes selected market challenges and limitations for external review[12] and how these challenges could be addressed in the future.

Type[13]	Advantages	Market challenges / limitations	Ways how challenges could be addressed
Consultant review	· Valuable improvement on issuer disclosure and bond structuration. · Ensure the information investors are looking for is disclosed, providing a decision-making tool.	· Relatively high transaction costs for investors, limiting scaling of the market. · Reviews can lack independence. · Reviews often provide limited disclosure of environmental performance criteria.	· Increased consistency and detail in disclosure for second party reviews would be an important improvement going forward.
Verification	· Transaction costs can be lower, as the assurance can be integrated with general financial audits for the issuer. · More independence than the second party review; adherence to international assurance standards.	· Assurance does not cover the environmental impacts of the projects funded by the bond. · Post-issuance auditing might result in a requalification of the green bonds and the risk for investors to see their investments classified as not green.	· International assurance standards (ISAE 3000) could offer possibilities to expand the scope of the verification to include standardised non-financial metrics and data (see: EIB 2016; PwC 2015).
Certification	· Reducing transaction costs through standardisation. · Verifiers are less reliant on internal environmental expertise. · Independence from issuer increased compared to second party review model. · Science-based criteria.	· It is time-consuming and resource intensive to develop robust sector-specific criteria. · Issuers may be under the perception that undertaking third party assurance is costlier, in effort and money than a second party review, although the reverse can be the case in practice. · Post issuance verification can give rise to confidential price sensitive information that must be managed with due consideration (market sensitivity, legal and regulatory implications).	· Engaging the “big 4” professional services tapping into their expertise in auditing and assurance. · Engaging local auditing firms, while requiring them to apply a standardized approach to enable scale and improved access to international investors.
Ratings	· A robust and effective green bond product will help expand the labelling and certification of green bonds into the much broader and deeper mainstream debt capital markets. · The green bond reviews could benefit from rating agencies’ credibility in the mainstream financial markets.	· Certain rating agencies are currently exploring green bond assessments that are focused on rating the process (management of proceeds, disclosure and reporting), rather than providing detailed rating on how green the projects funded by the green bonds are. · Investors may want more on green asset quality, which some rating agencies do not directly have the expertise to assess. · As for second party providers, rating agencies might face lack of independence issues.	· Adapt methodologies to ensure that a green bond cannot get a high green bond rating based on good management of proceeds and reporting processes alone if the bond is not funding sound green projects.

[12] adapted from the G20 Green Finance Study Group (G20 GFSG 2016) and the European Commission (EC 2016)
[13] source: Green Bond Principles (2016 edition)

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About the organisers

WWF - World Wide Fund for Nature (www.panda.org) is one of the world's largest and most experienced independent conservation organisations, with over 5 million supporters and a global network active in more than 100 countries. WWF's mission is to stop the degradation of the planet's natural environmental and to build a future in which humans live in harmony with nature, by conserving the world's biological diversity, ensuring that the use of renewable natural resources is sustainable, and promoting the reduction of pollution and wasteful consumption.

The European Investment Bank (EIB) (www.eib.org) is the long-term lending institution of the European Union, owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals, operating on a non-profit-maximizing basis. The Bank's strong credit standing is underpinned by exceptional asset quality, a strong capital base, firm shareholder support, prudent liquidity management, conservative risk management and a sound funding strategy.

Institute for Climate Economics (I4CE) (www.i4ce.org) is a think tank decoding climate policies for public and private decision makers: industry, energy, finance, cities, agriculture, forest.

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