

Green Project Mapping

June 2019



Disclaimer

This document does not constitute an offer to purchase or sell securities nor constitute specific advice of whatever form (tax, legal, environmental, accounting or regulatory) and does not create any rights in, or liability to, any person, public or private. Issuers adopt and implement the mapping voluntarily and independently, without reliance on or recourse if there is a conflict between any applicable laws, statues and regulations and the guidelines the relevant local law, statues and regulations shall prevail.

Green Projects

High-level mapping to GBP Environmental Objectives and other Green Classifications

Introduction

The Green Bonds Principles (GBP) are designed to promote the transparency and integrity needed to increase capital allocation to Green Projects. The capital markets are seeking greater clarity on how eligible Green Projects may contribute to environmental objectives, as well as their alignment with other green taxonomies, classifications and related environmental standards.

This document aims to provide a broad frame of reference by which issuers, investors, underwriters and other bond market participants can relate and evaluate the benefits and contribution of the GBP's Green Project categories to the five environmental objectives referenced in the GBP (i.e. Climate Change Mitigation, Climate Change Adaptation, Natural Resource Conservation, Biodiversity Conservation, and Pollution Prevention and Control). It also provides a basis for comparison to other green taxonomies and classification systems currently used in the market.

The mapping complements the GBP in promoting green finance through the debt capital markets. The GBP do not promote any taxonomy or environmental standard but provide an indicative list of the most commonly used types of Green Project categories supported or expected to be supported by the green bond market.

While the GBP do not take a position on which green technologies, standards, claims or declarations are optimal for environmentally sustainable benefits, this is an effort to compare various approaches in the market. The document may be considered alongside other documents published in the Principles' Resource Centre, particularly: **Green and Social Bonds: A High-level Mapping to the Sustainable Development Goals** as well as the **Handbook on the Harmonized Framework for Impact Reporting** and future guidance notes on impact reporting.

Green Project categories and environmental objectives

Table I provides a mapping of the contribution of Green Project categories to the aforementioned environmental objectives (see Annex A) based on their most commonly observed contributions. The process for project evaluation and selection – under the second core component of the GBP - calls for an issuer of a Green Bond to communicate to investors the environmental sustainability objectives of their Green Project(s).

Such attributions are indicative only, as the relevant objectives and their relative contributions will be project specific. Furthermore, projects may also be deemed to contribute to various objectives not necessarily with a given priority among them. The assessment is based on the issuer's judgement.

A common understanding of what qualifies as a Green Project and how it may contribute positively to environmental objectives may help investors, issuers and banks identify green assets across multiple jurisdictions, thereby enhancing market efficiency through redirecting capital flows to more sustainable investment opportunities.

Green Project categories and various classification systems

Table II provides an indicative and high-level comparison across various classification systems of broad market use (See Annex B). It is based on the core green aspects and seeks to facilitate the comparison of various systems to each of the GBP project categories. The table shows how different classification systems may use different terminology or may focus on a particular attribute of the GBP's project category. It does not determine project eligibility, nor relevant benchmarks, metrics or targets for each classification. Furthermore, a project's classification may vary depending on sector and geography.

It is important to emphasize that these tables are meant to serve as reference, and that each project should be assessed on its distinct merits. Alignment with one or more of the other classification systems does not automatically ensure Green Project eligibility or alignment with the GBP. It is also important to note that relevant objectives and relative contributions are entirely project specific and may vary depending on geography. The GBP recommend that issuers seek an external review including an independent assessment of a Green Project's eligibility.

Annex A

Table I: Mapping of the GBP-project categories to environmental objectives

GBP-project categories	Environmental objectives				
	Climate change mitigation	Climate change adaptation	Biodiversity	Natural resource conservation	Pollution prevention and control
Renewable energy	● ● ●			●	●
Energy efficiency	● ● ●				●
Pollution prevention and control				●	● ● ●
Environmentally sustainable management of living natural resources and land use	●	● ●	● ● ●	● ● ●	
Terrestrial and aquatic biodiversity conservation		●	● ● ●	● ● ●	
Clean transportation	● ● ●			●	● ● ●
Sustainable water and wastewater management		● ●	● ●	● ●	● ● ●
Climate change adaptation		● ● ●			
Eco-efficient and/or circular economy adapted products, production technologies and processes	● ●		●	● ● ●	●
Green buildings	● ● ●	●		● ● ●	●

Contribution to objective:

primary ● ● ● secondary ● ● tertiary ●

Annex B

Table II: High level equivalence across classification standards

GBP-project categories	China Green Bond Catalogue		CBI	MDB-IDFC (climate change mitigation only)	EU Taxonomy
Renewable energy	Clean energy		Energy	Renewable energy	TBD
Energy efficiency	Energy saving			Energy efficient transmission and distribution systems	
Pollution prevention and control	Pollution prevention and control		Waste and pollution control	Waste	
Environmentally sustainable management of living natural resources and land use	Ecological protection and climate change adaption		Nature based assets	Agriculture, forestry and land use	
Terrestrial and aquatic biodiversity conservation				Afforestation and reforestation, and biosphere conservation	
Clean transportation	Clean transportation		Transport	Transport	
Sustainable water and wastewater management	Resource conservation and recycling		Water	Wastewater	
Climate change adaptation	Ecological protection and climate change adaption		No relevant category	No relevant category	
Eco-efficient and/or circular economy adapted products, production technologies and processes	Energy saving	Resource conservation and recycling	Industry and energy intensive commercial	Low carbon technologies, energy efficiency in industry	
Green buildings			Low carbon buildings	Energy efficiency in buildings	

Please note that details and the current status of each of the taxonomies/classification referred to above can be found at the following links:

The China Green Bond Catalogue:

<https://policy.asiapacificenergy.org/sites/default/files/Preparation-Instructions-on-Green-Bond-Endorsed-Project-Catalogue-2015-Edition-by-EY.pdf>

CBI:

<https://www.climatebonds.net/files/files/CBI-Taxonomy-Sep18.pdf>

MDB-IDFC:

https://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf

EU Taxonomy:

https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance_en



Contact details

ICMA Paris Representative Office

62 rue la Boétie

75008 Paris

France

Tel: +33 1 70 17 64 70

greenbonds@icmagroup.org

www.icmagroup.org