

Green Project Mapping

June 2021



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 Green Project eligibility with reference to their contribution to the GBP's 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 its own stated five environmental objectives (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 a 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, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals](#) as well as the [various guidance notes on impact reporting](#).



Green Project categories and environmental objectives

The GBP recognise several broad categories of eligible Green Projects which contribute to one or more of the five high-level environmental objectives: Climate Change Mitigation, Climate Change Adaptation, Natural Resource Conservation, Biodiversity Conservation, and Pollution Prevention and Control.

Table I Mapping the contribution of Green Project categories to the Green Bond Principles' environmental objectives (see Annex A) provides a mapping of GBP-eligible project categories to GBP-environmental objectives based on their most commonly observed contributions. The Green Bond Principles urge issuers to clarify the expected significance of such contributions in the use of proceeds section of the [Green Bond Information Template](#).

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

A common understanding of what qualifies as a Green Project and how these contribute positively to environmental objectives would help investors, issuers and banks seeking opportunities for green investing across multiple jurisdictions and enhance market efficiency and redirect capital flows to more sustainable investment opportunities.

Green Project categories and various classification systems

Table II High-level Equivalences Across Various Classification Standards (See Annex B) provides a high-level comparison across various classification systems of broad market use. It is based on the core green aspects and facilitates the comparison of various systems to each of the GBP-objectives. The table shows how different classification systems use different terminology, but it does not determine eligibility, benchmarks, metrics or targets for each classification, and green eligibility may vary depending on sector and geography.

It is important to emphasise that these tables are meant to serve as a reference and that projects should be assessed on their 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 acquire an external review of the Green Projects' eligibility and environmental impact.

DISCLAIMER

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Annex A

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

GBP - Environmental objectives					
GBP-project categories	Climate change mitigation	Climate change adaptation	Biodiversity	Natural resource conservation	Pollution prevention and control
Renewable energy	● ● ●			●	●
Energy efficiency	● ● ●				●
Pollution prevention and control projects				●	● ● ●
Environmentally sustainable management of living natural resources and land use	●	● ●	● ● ●	● ● ●	
Terrestrial and aquatic biodiversity conservation projects		●	● ● ●	● ● ●	
Clean transportation	● ● ●			●	● ● ●
Sustainable water and waste water management		● ●	● ●	● ●	● ● ●
Climate change adaptation projects		● ● ●			
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 Endorsed Project Catalogue 2020	CBI	MDB-IDFC (climate change mitigation only)	EU Taxonomy (economic activities below may contribute significantly to one or more of 6 EU environmental objectives)
Renewable energy	Clean energy	Energy generation, transmission and storage	Renewable energy	Energy
Energy efficiency	Energy efficiency improvement		Energy efficient transmission and distribution systems	Various activities, including information and communication and professional, scientific and technical activities
Pollution prevention and control	Pollution prevention and treatment Integrated utilisation of resources	Waste management	Waste	Water supply, sewerage, waste management and remediation
Environmentally sustainable management of living natural resources and land use	Green agriculture Ecological agriculture	Agriculture forestry land conservation and restoration	Agriculture, forestry and land use	Forestry
Terrestrial and aquatic biodiversity conservation	Ecological protection and construction		Afforestation and reforestation, and biosphere conservation	Environmental protection and restoration activities
Clean transportation	Green transportation	Land transport shipping	Transport	Transport
Sustainable water and wastewater management	Water saving and non-conventional water resources	Water infrastructure	Wastewater	Water supply, sewerage, waste management and remediation
Climate change adaptation	n/a	<i>Not an activity but one of the environmental objectives*</i>	n/a	<i>Not an activity but one of the EU environmental objectives*</i>
Circular economy adapted products, production technologies and processes and/or certified eco-efficient products	Integrated utilisation of resources Services applicable to various categories: consultancy/operation management service/audit, inspection and evaluation of projects/monitoring and detection/promotion and certification of technical products	Industry and energy intensive commercial	Low carbon technologies, energy efficiency in industry	Manufacturing
Green buildings	Sustainable buildings	Buildings	Energy efficiency in buildings	Construction and real estate activities, professional services related to energy performance of buildings

*Under both the CBI and the EU Taxonomy various projects and activities in a diverse set of sectors are mapped to the objective of climate change adaptation.



Contact details

ICMA Paris Representative Office
62 rue la Boétie
75008 Paris
France

Tel: +33 1 70 17 64 70

greenbonds@icmagroup.org

socialbonds@icmagroup.org

sustainabilitybonds@icmagroup.org

www.icmagroup.org/sustainable-finance