

## Annex 1.2. to the General Eligibility Criteria

### PARIS AGREEMENT ALIGNMENT<sup>1</sup>

Projects related to **energy production, construction or rehabilitation of buildings and acquisition of mobile assets** must be aligned with the conditions indicated in this Annex 1.2.

#### 1. Energy production and related activities

Project **shall not** relate to:

- coal mining, processing, transport and storage;
- oil exploration and production, refining, transport, distribution and storage;
- natural gas exploration and production, liquefaction, regasification, transport, distribution and storage;
- electric power generation exceeding the Emissions Performance Standard<sup>2</sup> (i.e. 250 grams of CO<sub>2</sub>e per kWh of electricity), applicable to fossil fuel-fired power and cogeneration plants, geothermal and hydropower plants with large reservoirs.

**The heating and cooling** (including Combined Cooling/Heat and Power production (CCHP, CHP<sup>3</sup>)) **of buildings**,<sup>4</sup> including agricultural and industrial buildings, **is limited to:**

- heat production using renewable fuels or “eligible cogeneration”. Eligible cogeneration is eligible if based on:
  - 100% Renewable Energy (RE), waste heat or a combination thereof; or
  - <100% Renewable Energy and the remaining part is gas-fired (no other fossil fuel is eligible): overall efficiency >85% where efficiency is defined as (Heat + Electricity production) / Gas fuel consumption > 85%;
- small and medium-sized natural gas boilers with a capacity of up to 20 MWth if meeting the minimum energy efficiency criteria, defined as A-rated boilers in the EU (applicable to <400 kWth) or boilers with efficiencies of >90%;
- rehabilitation or extension of existing district heating networks – insofar as there is no increase in CO<sub>2</sub> emissions as a result of the combustion of coal, peat, oil, gas or non-organic waste on an annual basis;
- new district heating networks or substantial extensions of existing district heating networks insofar as the network uses at least 50% renewable energy or 50% waste heat or 75% cogenerated heat, or 50% of a combination of such energy and heat.

For projects including power and/or heat production using biomass, the following biomass sustainability conditions shall be met:

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<sup>1</sup> EIB's activities are aligned with the principle and goals of the Paris Agreement, which is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Drawing on the Agreement, this implies that financing activities need to be aligned with the Paris Agreement temperature and adaptation goals, and “consistent with pathways towards low-carbon and climate-resilient development”. In line with the principle of proportionality, the alignment framework for intermediated operations focusses on the three most CO<sub>2</sub> intensive sectors:

(i) energy,

(ii) mobile assets for transport services, and

(iii) highly energy-intensive industries included in the final report on EU taxonomy developed by the Technical Expert Group on Sustainable Finance set up by the European Commission (i.e. basic iron and steel, plus associated downstream activities, aluminium, basic chemicals, cement and plastics).

The highly energy-intensive sectors are identified as Excluded Sectors in the NACE code list.

<sup>2</sup> Emissions Performance Standard

<sup>3</sup> Combined Cooling/Heat and Power production

<sup>4</sup> Buildings are defined as roofed constructions having walls, for which energy is used to condition the indoor climate. This definition of buildings encompasses greenhouses and industrial buildings

- feedstock shall be from non-contaminated biomass or biogenic waste inside the EU, or certified for sustainability when sourced outside the EU, and shall not consist of food and feed crops;
- forest feedstock is to be certified according to international sustainable forest certification standards;
- use of palm oil products or raw material from tropical forest and/or protected sites are excluded. Protected sites include Natura 2000 sites designated under EU legislation, sites recognized under the Ramsar, Bern (Emerald network) and Bonn Conventions and areas designated or identified for designation as protected areas by national Governments.

The above conditions for heat/cooling production of buildings also apply to agricultural and industrial buildings, e.g. a flower production facility. In particular, new facilities are only eligible for EIB financing if the associated power/heat/cooling production system complies with the above energy performance criteria. Financings for working capital, R&D and equipment other than the power/heat/cooling production system used in existing facilities are eligible irrespective of the energy performance of the existing power/heat/cooling production system, provided that the Sub-Project meets all other conditions in this Side Letter. The energy performance criteria do not apply to industrial process heat.

## 2. Energy efficiency of buildings

The construction of new buildings and major rehabilitation of existing buildings (exceeding 25% of the surface area or 25% of the building value excluding land) shall comply with national energy standards defined by the Energy Performance of Buildings Directive (EPBD, 2018/844/ EU).

## 3. CO2 emission limits for mobile assets used for transport

The financing of mobile assets used for transport <sup>5</sup> is subject to the following eligibility conditions:

<b>Passenger cars</b>	<ul style="list-style-type: none"> <li>• Direct emissions <math>\leq 115</math>g CO<sub>2</sub>/km according to the Worldwide Light duty vehicle Test Procedure (WLTP) on a <u>vehicle by vehicle basis</u> <sup>6</sup>. In case the vehicle has been produced before 1st September 2019 then a conversion factor of 1.21 from NEDC to WLTP applies to determine the vehicle emissions.</li> <li>• The vehicle shall be primarily used for business purposes as opposed to personal use.</li> </ul>
<b>Vans / Light Commercial Vehicles</b>	<ul style="list-style-type: none"> <li>• Direct emissions <math>\leq 182</math>g CO<sub>2</sub>/km according to the Worldwide Light duty vehicle Test Procedure (WLTP) on a <u>vehicle by vehicle basis</u>. In case the vehicle has been produced before 1st September 2019 then a conversion factor of 1.24 from NEDC to WLTP applies to determine the vehicle emissions.</li> <li>• The vehicle shall be primarily used for business purposes as opposed to personal use.</li> </ul>
<b>L-category vehicles (2- and 3-wheel vehicles and quadricycles)</b>	<ul style="list-style-type: none"> <li>• Zero direct emissions vehicles.</li> </ul>

<sup>5</sup> Mobile assets not for the purpose of transport are not covered by these restrictions (for instance, machinery for construction works, agriculture/forestry mobile assets, etc.)

<sup>6</sup> Vehicles with direct emissions  $\leq 115$ g CO<sub>2</sub>/km include fully electric zero direct emission vehicles.

<p><b>Trucks / Heavy duty vehicles (HDVs)</b></p>	<ul style="list-style-type: none"> <li>For trucks from groups HDV 4, HDV 5, HDV 9 and HDV 10, direct emissions shall be below the respective reference value (based on VECTO<sup>7</sup> as per the vehicle registration documents (Certificate of Conformity)):</li> </ul> <table border="1" data-bbox="552 264 1386 714"> <thead> <tr> <th>Group description</th> <th>Vehicle Group</th> <th>Vehicle sub-group*</th> <th>Reference value CO<sub>2</sub> [g/tkm]</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Rigid (trucks), 4x2 axle, GVW &gt; 16t</td> <td rowspan="3">4</td> <td>4-UD</td> <td>307.23</td> </tr> <tr> <td>4-RD</td> <td>197.16</td> </tr> <tr> <td>4-LH</td> <td>105.96</td> </tr> <tr> <td rowspan="2">Tractor (tow-trucks) 4x2 axle, GVW &gt; 16t</td> <td rowspan="2">5</td> <td>5-RD</td> <td>84.00</td> </tr> <tr> <td>5-LH</td> <td>56.60</td> </tr> <tr> <td rowspan="2">Rigid, 6x2 axle</td> <td rowspan="2">9</td> <td>9-RD</td> <td>110.98</td> </tr> <tr> <td>9-LH</td> <td>65.16</td> </tr> <tr> <td rowspan="2">Tractor, 6x2 axle</td> <td rowspan="2">10</td> <td>10-RD</td> <td>83.26</td> </tr> <tr> <td>10-LH</td> <td>58.26</td> </tr> </tbody> </table> <p>* UD = Urban delivery RD = Regional delivery LH = Long haul</p> <ul style="list-style-type: none"> <li>Other HDV trucks not mentioned in the above table will be deemed eligible.</li> <li>All HDVs shall meet the Euro VI standard<sup>8</sup> with the exception of HDVs for waste collection which must meet at least the Euro V standard.</li> <li>Vehicles dedicated to transport fossil fuels or fossil fuels blended with alternative fuels are not eligible.</li> </ul>	Group description	Vehicle Group	Vehicle sub-group*	Reference value CO <sub>2</sub> [g/tkm]	Rigid (trucks), 4x2 axle, GVW > 16t	4	4-UD	307.23	4-RD	197.16	4-LH	105.96	Tractor (tow-trucks) 4x2 axle, GVW > 16t	5	5-RD	84.00	5-LH	56.60	Rigid, 6x2 axle	9	9-RD	110.98	9-LH	65.16	Tractor, 6x2 axle	10	10-RD	83.26	10-LH	58.26
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<p><b>Public transport: Trams, metros &amp; buses (urban and interurban)</b></p>	<ul style="list-style-type: none"> <li>Zero direct emission mobile assets (trams, metros &amp; buses).</li> <li>Other mobile assets are eligible if direct emissions are equal to or below 50 gCO<sub>2</sub> equivalent per person-km (gCO<sub>2</sub>e/pkm).</li> </ul>																														
<p><b>Trains</b></p>	<ul style="list-style-type: none"> <li>Zero direct emission trains.</li> <li>Other <u>passenger trains</u> are eligible if direct emissions are equal to or below 50 gCO<sub>2</sub> equivalent per person-km (gCO<sub>2</sub>e/pkm).</li> <li>Other <u>freight trains</u> are eligible if direct emissions are equal to or below 28.3 gCO<sub>2</sub> equivalent per tonne-km (gCO<sub>2</sub>e/tkm).</li> <li>Vehicles dedicated to transport fossil fuels or fossil fuels blended with alternative fuels are not eligible.</li> </ul>																														
<p><b>Inland Water Way vessels</b></p>	<ul style="list-style-type: none"> <li>Zero direct emission vessels.</li> <li>Other <u>passenger vessels</u> are eligible if direct emissions are equal to or below 50 gCO<sub>2</sub> equivalent per person-km (gCO<sub>2</sub>e/pkm).</li> <li>Other <u>freight vessels</u> are eligible if direct emissions are equal to or below 28.3 gCO<sub>2</sub> equivalent per tonne-km (gCO<sub>2</sub>e/tkm).</li> <li>Vessels dedicated to transport fossil fuels or fossil fuels blended with alternative fuels are not eligible.</li> </ul>																														
<p><b>Other mobile assets</b></p>	<ul style="list-style-type: none"> <li>Mobile assets (including maritime vessels) not covered under the previous categories are eligible.</li> <li>Maritime vessels dedicated to transport fossil fuels or fossil fuels blended with alternative fuels are not eligible.</li> </ul>																														

<sup>7</sup> [Vehicle Energy Consumption calculation Tool - VECTO | Climate Action \(europa.eu\)](#)

<sup>8</sup> EC regulation 582/2011.