

**The sectors of activities and eligible operation types are considered universally aligned with Paris Agreement’s Mitigation Goals**

Operations listed below shall be subject to additional evaluation if they meet at least one of the following criteria:

1. Their economic viability relies heavily on the use, processing or transportation of fossil fuels;
2. Their economic viability depends on the available subsidies associated with fossil fuels; and
3. Operations heavily depend on the direct use of fossil fuels.

Sector	Eligible operation type	Conditions and guidance
1	2	3
Energy	Generation of renewable energy (e.g., from wind, solar, wave power, etc.) with negligible lifecycle GHG emissions	Includes generation of heat or cooling
	Rehabilitation and desilting of existing hydropower plants, including maintenance of the catchment area (for example, a forest management plan)	Rehabilitation includes work on the water holding capacity of the dam and work on pipes/turbines to increase productivity and bring additional grid stabilization benefits, and for pumped storage

1	2	3
	District heating or cooling systems with negligible lifecycle GHG emissions	Using significant renewable energy or waste heat or cogenerated heat  OR Including: a) Modification to lower temperature delta b) Advanced pilot systems (control and energy management, etc.)
	Electricity transmission and distribution, including energy access, energy storage, and demand-side management	
	Cleaner cooking technologies	Cleaner cooking technologies substitute the use of traditional solid biomass fuels in open fires; they include sustainable biomass or electric cookstoves
Manufacturing	Non-energy-intensive industry (excludes chemicals, iron and steel, cement, pulp and paper, and aluminium)	Consider the nature of the product produced (carbon content, lifetime, ability to be reused/recycled).
	Manufacture of electric vehicles; non-motorized vehicles, electric locomotives; non-motorized rolling stock	
	Manufacture of components for renewable energy or energy efficiency	

## Annex 3 continued

1	2	3
Agriculture, forestry, land use and fisheries	Afforestation, reforestation, sustainable forest management, forest conservation, soil health improvement	With the exception of operations that expand or promote expansion into areas of high carbon stocks or high biodiversity areas
	Low-GHG agriculture, climate-smart agriculture	With the exception of operations that expand and promote expansion into areas of high carbon stocks or high biodiversity areas and taking into account (international) transport
	Conservation of natural habitats and ecosystems	With the exception of operations that expand or promote expansion into areas of high carbon stocks or high biodiversity areas
	Fishing and aquaculture	
	Non-ruminant livestock with negligible lifecycle GHG emissions	
Flood management and protection, coastal protection, urban drainage		
Waste	Separate waste collection (in preparation for reuse and recycling), composting and anaerobic digestion of biowaste, material recovery, and landfill gas recovery from closed landfills	
Water supply and wastewater	Water supply systems (e.g., expansion, rehabilitation); water quality improvement; water efficiency (e.g., non-revenue water reduction, efficient process in industries); drought management; water management at watershed level	Desalination plants need to go through specific assessment
	Gravity-based or renewable energy-powered irrigation systems	

1	2	3
	Wastewater treatment (domestic or industrial), including treatment and collection of sewage, sludge treatment (e.g., digestion, dewatering, drying, storage), wastewater reuse technology, resource recovery technologies (e.g., biogas into biofuel, phosphorus recovery, sludge as agriculture input, sludge as co-combustion material)	
Transport	Electric and non-motorized urban mobility	
	Roads with low traffic volumes providing access to communities which currently do not have all-weather access (for example, connecting farmers to markets or providing access to a rural school, hospital, or better social benefits)	Except if there is any risk of contributing to deforestation
	Electric passenger or freight transport	
	Short sea shipping of passengers and freight ships	
	Inland waterways passenger and freight transport vessels	
	Port infrastructure (maritime and inland waterways)	
	Rail infrastructure	
	Road upgrading, rehabilitation, reconstruction, and maintenance without capacity expansion	
Public buildings and public installations	Buildings (education, healthcare, housing, offices, retail, etc.)	Needs to meet green building certification criteria as established by each individual MDB  MDBs are working on the approach to assess the Paris alignment of buildings and the role of certification schemes. This approach can also take into account the impact of materials on the alignment of buildings with the low-carbon pathways envisioned by the Paris Agreement.

1	2	3
	LED street lighting Parks and open public spaces	Excluding energy-consuming installations Energy-consuming installations are those beyond lighting and routine maintenance such as watering. Examples are major built-up area (i.e., buildings) or energy-intensive installations (e.g., fountains or playground and recreational equipment that need a non-renewable power source <sup>1</sup> .
Information and communications technology (ICT) and digital technologies	Information and communication, excluding data centers	
Research, development and innovation	Professional, scientific, research and development (R&D), and technical activities	
Services	Public administration and compulsory social security	
	Education (excluding infrastructure/buildings)	
	Human health and social work activities (excluding infrastructure/buildings)	
	Social protection, cash transfer schemes	
	Arts, entertainment and recreation (excluding infrastructure/buildings)	
Cross-sectoral activities	Conversion to electricity of applications that currently use fossil fuels	