**Environmental Compliance and Do No Significant Harm**

All projects supported under the Green Transition Fund must comply with relevant EU and national environmental legislation and in particular with the ‘[Do no significant harm’ Technical Guidance (2021/C58/01)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021XC0218%2801%29).

Specifically the following projects are not eligible:

* activities related to fossil fuels, including downstream use**1**;
* activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks**2**;
* activities related to waste landfills, incinerators**3** and mechanical biological treatment plants**4**; and
* activities where the long-term disposal of waste may cause harm to the environment.

1. Except projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the ‘Do no significant harm’ Technical Guidance (2021/C58/01).
2. Where the activity supported achieves projected greenhouse gas emissions that are not substantially lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.
3. This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.
4. This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.