

Excluded Sectors under EGF programme

1. Production or activities involving harmful or exploitative forms of forced labour/harmful child labour.
2. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
3. Any business relating to pornography or prostitution.
4. Production or trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES).
5. Production or use of or trade in hazardous materials such as radioactive materials (except for medical isotopes and materials for diagnostics and treatment in healthcare provision), unbounded asbestos fibres and products containing PCBs [3].
6. Cross-border trade in waste and waste products unless compliant with the Basel Convention and the underlying national and EU regulations but for the avoidance of doubt, use of waste as a fuel in district heating is not excluded.
7. Unsustainable fishing methods (i.e. drift net fishing in the marine environment using nets in excess of 2.5 km in length and blast fishing).
8. Production or trade in pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances [4] and other hazardous substances subject to international phase-outs or bans.
9. Destruction of Critical Habitats [5]. Production and distribution of racist, anti-democratic and/or neo-Nazi media.
10. Tobacco, if it forms a substantial part of the Final Recipient's primary financed business activities [6] or a substantial part of the EGF Final Recipient Transaction.
11. Live animals for scientific and experimental purposes, including the breeding of these animals, unless in compliance with the EU Directive 2010/63/EU as amended by Regulation (EU) 2019/1010 of the European Parliament and of the Council on the protection of animals used for scientific purposes.
12. Ammunition and weapons, military/police equipment, infrastructure or correctional facilities, prisons [7].
13. Gambling, casinos and equivalent enterprises or hotels hosting such facilities.
14. Commercial concessions over, and logging on, tropical natural forest; conversion of natural forest into a plantation.
15. Purchase of logging equipment for use in tropical natural forests or high nature value forest in all regions; and activities that lead to clear cutting and/or degradation of tropical natural forests or high nature value forest.
16. New palm oil plantations.
17. Any business with a political or religious content.
18. Fossil fuel-based energy production and related activities
(i) Coal mining, processing, transport and storage;
(ii) Oil exploration & production, refining, transport, distribution and storage;
(iii) Natural gas exploration & production, liquefaction, regasification, transport, distribution and storage; or
(iv) Electric power generation exceeding the Emissions Performance Standard (i.e. 250 grams of CO ₂ e per kWh of electricity), applicable to fossil fuel-fired power and cogeneration plants, geothermal and hydropower plants with large reservoirs.
19. Energy-intensive and/or high CO₂-emitting industries
(i) Manufacture of other organic basic chemicals;
(ii) Manufacture of other inorganic basic chemicals;
(iii) Manufacture of fertilizers and nitrogen compounds;
(iv) Manufacture of plastics in primary forms;
(v) Manufacture of cement;

(vi) Manufacture of basic iron and steel and ferro-alloys;
(vii) Manufacture of tubes, pipes, hollow profiles and related fittings, of steel;
(viii) Cold drawing of bars;
(ix) Cold rolling of narrow strip;
(x) Cold forming or folding;
(xi) Cold drawing of wire;
(xii) Aluminum production;
(xiii) Manufacture of conventionally-fueled aircraft and related machinery;
(xiv) Conventionally-fueled passenger air transport;
(xv) Conventionally-fueled freight air transport; or
(xvi) Service activities incidental to conventionally-fueled air transportation.
Desalination projects shall not be financed.

[1] Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

[2] Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, moral or social development. In addition any labour that is performed by a person which has not yet reached the age of 15 is considered to be harmful, unless the local legislation specifies compulsory school attendance or the minimum age for working to be higher; in such cases, the higher age applied for defining harmful child labour.

[3] Polychlorinated biphenyls

[4] Ozone Depleting Substances: Chemical compounds, which react with and delete stratospheric ozone, resulting in "holes in the ozone layer". The Montreal Protocol lists ODs and their target reduction and phase-out dates.

[5] Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the World Conservation Union ("IUCN") classification, including habitat required for the survival of critically endangered or endangered species as defined by the IUCN Red List of Threatened Species or as defined in any national legislation; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic or cultural importance to local communities. Primary Forest or forests of High Conservation Value shall be considered Critical Habitats. For the purpose of this Agreement, the environment and social requirements attached hereto are understood and agreed to provide reasonable and satisfactory assurance of the avoidance of destruction of critical habitat.

[6] A benchmark for substantial is 5-10% of the balance sheet or the financed volume or sales revenues of the promoter.

[7] Such activities are fully excluded from EIB support in all countries other than EU member states. In the EU, excluded activities relating to defence, public order and safety are limited to production (or construction) of, distribution (or processing) of, and trade in weapons, ammunition, explosives, equipment or infrastructures specifically designed for military use, and equipment or infrastructure which result in limiting people's individual rights and freedom (i.e. prisons, detention centres of any form) or in violation of human rights.