

Water, Sewerage & Waste

Source Metadata

Field	Value
source	eu_taxonomy
source_version	EU Taxonomy 2026 revision
source_id	EU-MIT-005
eu_objective	climate_mitigation
sector	Water, Sewerage and Waste
mitigation	Y
adaptation	N
last_checked	2026-05-26

EU Taxonomy Definition

This category covers water collection, treatment, and supply systems, wastewater treatment, and waste management activities that contribute to climate mitigation through reduced GHG emissions and resource recovery. Eligible activities include construction and operation of water supply systems with energy recovery, anaerobic digestion of sewage sludge and biowaste, composting, material recovery from waste streams, landfill gas capture, and waste-to-energy where it displaces fossil fuel use. The 2026 revision strengthens the waste hierarchy principle, prioritizing prevention and recycling over energy recovery.

Technical Screening Criteria Summary

Wastewater treatment plants must incorporate energy efficiency measures achieving electricity consumption below defined benchmarks per population equivalent served. Anaerobic digestion facilities must capture and utilize at least 90% of methane produced. Composting must meet quality standards for output material and demonstrate net GHG benefit versus landfill disposal. Material recovery must achieve specific sorting efficiency rates and material purity thresholds. Landfill gas capture requires collection efficiency above 85%. Waste-to-energy is eligible only for non-recyclable residual waste and must meet R1 energy efficiency formula thresholds.

Do No Significant Harm (DNSH)

Activities must not harm adaptation (flood resilience of water infrastructure), water resources (effluent quality meeting Urban Waste Water Treatment Directive standards), circular economy (waste activities must respect the waste hierarchy), pollution (emission limits for incineration under the Industrial Emissions Directive, leachate management for composting), and biodiversity (siting requirements avoiding sensitive water bodies and protected areas).

LATAM Relevance

LATAM faces significant infrastructure gaps in water and waste management, making EU-aligned investment frameworks critical for mobilizing capital. European development finance institutions (EIB, KfW, AFD) frequently apply taxonomy principles when financing water and sanitation projects in Colombia, Peru, and Central America. The circular economy transition in LATAM waste management directly benefits from EU Taxonomy alignment for green bond eligibility.

Colombia Green Finance Taxonomy Alignment

The TVC covers water supply, wastewater treatment, and solid waste management. Alignment is moderate — Colombia's framework addresses these sectors but without the EU's specific energy efficiency benchmarks for treatment plants or the strict waste hierarchy requirements for energy recovery eligibility. The TVC's waste criteria are more flexible, allowing broader waste-to-energy pathways than the EU permits.

Cleantech Taxonomy Crosswalk

Maps to Cleantech Taxonomy sectors WA (Waste) and WW (Water & Wastewater) — nodes WA-REC (recycling), WA-ORG (organic waste treatment), WA-ENE (waste-to-energy), WW-TRE (treatment), WW-SUP (supply). Cross-references with ES (Energy) for biogas and energy recovery pathways.