



2022/2594(DEA)

14.6.2022

DRAFT MOTION FOR A RESOLUTION

pursuant to Rule 111(3) of the Rules of Procedure

on Commission delegated regulation of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities
(C(2022)00631 – 2022/2594(DEA))

Committee on Economic and Monetary Affairs
Committee on the Environment, Public Health and Food Safety

Members responsible: Othmar Karas, Christophe Hansen, Alexander Bernhuber, Sirpa Pietikäinen, Paul Tang, Simona Bonafè, Martin Hojsík, Linea Søgaaard-Lidell, Emma Wiesner, Monica Semedo, Claudia Gamon, Róza Thun und Hohenstein, Bas Eickhout and Michael Bloss (on behalf of the Greens/EFA), Silvia Modig and Dimitrios Papadimoulis (on behalf of the LEFT), Evelyn Regner, Rasmus Andresen, Jutta Paulus, Marie Toussaint, Roman Haider, Mick Wallace, Nikolaj Villumsen, Anja Hazekamp, Cornelia Ernst, Malin Björk, José Gusmão, Marisa Matias, Idoia Villanueva Ruiz, Martin Schirdewan, Chris MacManus, Manon Aubry, Manuel Bompard, Petros Kokkalis

(Joint committee procedure - Rule 58 of the Rules of Procedure)

European Parliament resolution on Commission delegated regulation of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities (C(2022)00631 – 2022/2594(DEA))

The European Parliament,

- having regard to the Commission delegated regulation of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities (C(2022)00631),
- having regard to Article 290 of the Treaty on the Functioning of the European Union,
- having regard to the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol thereto,
- having regard to the Paris Agreement¹, adopted on 12 December 2015 at the 21st Conference of the Parties to the UNFCCC (COP21), in particular its Article 2(1), point (c),
- having regard to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088², and in particular Articles 8(4), 10(3), 11(3) and 23(6) thereof,
- having regard to Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law')³,
- having regard to Decision (EU) 2022/591 of the European Parliament and of the Council of 6 April 2022 on a General Union Environment Action Programme to 2030⁴,
- having regard to the response of the Platform on Sustainable Finance of 21 January 2022⁵ to the Commission delegated regulation under Articles 10(4) and 11(4) of Regulation (EU) 2020/852,
- having regard to the statement by the Chair of the Platform on Sustainable Finance of 3 February 2022,

¹ OJ L 282, 19.10.2016, p. 4.

² OJ L 198, 22.6.2020, p. 13.

³ OJ L 243, 9.7.2021, p. 1.

⁴ OJ L 114, 12.4.2022, p. 22.

⁵ https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/220121-sustainable-finance-platform-response-taxonomy-complementary-delegated-act_en.pdf

- having regard to the final report of the Platform on Sustainable Finance of March 2022 on taxonomy extension options supporting a sustainable transition⁶,
 - having regard to Rule 111(3) of its Rules of Procedure,
 - having regard to the joint deliberations of the Committee on Economic and Monetary Affairs and the Committee on the Environment, Public Health and Food Safety under Rule 58 of the Rules of Procedure,
 - having regard to the motion for a resolution of the Committee on Economic and Monetary Affairs and the Committee on the Environment, Public Health and Food Safety,
- A. whereas Regulation (EU) 2020/852 establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable;
 - B. whereas Article 3 of Regulation (EU) 2020/852 lays down four cumulative conditions for an economic activity to qualify as environmentally sustainable, namely that the economic activity contributes substantially to one or more of the environmental objectives set out in Article 9 in accordance with Articles 10 to 16, does not significantly harm any of the environmental objectives set out in Article 9 in accordance with Article 17, is carried out in compliance with the minimum safeguards laid down in Article 18, and complies with the technical screening criteria that have been established by the Commission in accordance with Articles 10(3), 11(3), 13(2), 14(2) or 15(2);
 - C. whereas Article 10 of Regulation (EU) 2020/852 distinguishes between economic activities that qualify as contributing substantially to climate change mitigation by various means as set out in paragraph 1, and economic activities, set out in paragraph 2, for which there is no technologically and economically feasible low-carbon alternative, and which qualify as contributing substantially to climate change mitigation where they support the transition to a climate-neutral economy consistent with a pathway to limit the temperature increase to 1,5°C above pre-industrial levels, and where those activities have greenhouse gas emission levels that correspond to the best performance in the sector or industry, do not hamper the development and deployment of low-carbon alternatives, and do not lead to a lock-in of carbon-intensive assets, considering the economic lifetime of those assets;
 - D. whereas Article 19(1), point (i), of Regulation (EU) 2020/852 requires the technical screening criteria to take into account the potential market impact of the transition to a more sustainable economy, including the risk of certain assets becoming stranded as a result of such transition, as well as the risk of creating inconsistent incentives for investing sustainably;
 - E. whereas Articles 23(4) and 23(5) of Regulation (EU) 2020/852 require the Commission to gather all necessary expertise prior to the adoption and during the development of delegated acts establishing the technical screening criteria, to act in accordance with the principles and procedures laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making⁷, and to notify any delegated act simultaneously to the European

⁶ https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/220329-sustainable-finance-platform-finance-report-environmental-transition-taxonomy_en.pdf

⁷ OJ L 123, 12.5.2016, p. 1.

Parliament and to the Council as soon as it adopts that delegated act;

- F. whereas, according to point 13 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making, the Commission is to carry out impact assessments of its delegated acts which are expected to have significant economic, environmental or social impacts, and the final results of the impact assessments are to be made available to the European Parliament, the Council and national Parliaments, and made public at the time of adoption of the delegated act;
- G. whereas the Better Regulation Guidelines adopted on 3 November 2021 provide that stakeholders must be able to give feedback on draft delegated acts of general application through the launch of a four-week public consultation;
- H. whereas a draft of the Commission delegated regulation was transmitted to Member States during the night of 31 December 2021, without consulting the European Parliament;
- I. whereas the European Parliament, as a co-legislator, has equal standing in the decision-making process concerning Regulation (EU) 2020/852, but, unlike the Council, has not received a proper opportunity to provide its views and comments ahead of the adoption of the Commission delegated regulation;
- J. whereas in the letter of 18 January 2022 from the Chair of the Committee on Economic and Monetary Affairs and the Chair of the Committee on the Environment, Public Health and Food Safety to the Commission, a majority of those committees' coordinators requested that the Commission opens the draft Commission delegated regulation for a public consultation and expressed concern in relation to the lack of a proper impact assessment of that delegated regulation;
- K. whereas, despite the Parliament's request, the Commission delegated regulation has not been the subject of a dedicated public consultation or of a dedicated impact assessment, in contrast to the process that led to the adoption of Commission Delegated Regulation (EU) 2021/2139⁸;
- L. whereas the Technical Expert Group on sustainable finance, which was set up by the Commission to provide advice to the Commission on the criteria established in Delegated Regulation (EU) 2021/2139, in its technical report on Taxonomy published on 9 March 2020⁹, had already taken a position on the scientific basis for including activities in the Taxonomy of environmentally sustainable activities, as required under Article 19 of Regulation (EU) 2020/852;
- M. whereas Article 20 of Regulation (EU) 2020/852 establishes the Platform on Sustainable Finance, with the aim of providing expertise and advice to the Commission when

⁸ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1).

⁹ https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy_en.pdf

establishing and updating technical screening criteria;

- N. whereas the Platform on Sustainable Finance concluded in its response of 21 January 2022 that the proposed criteria are not consistent with the provisions of Regulation (EU) 2020/852, and that the relevant activities cannot be considered sustainable within the meaning of that Regulation;
 - O. whereas the Platform on Sustainable Finance highlights usability and legal concerns for potential investors as well as concerns about financial market losses;
 - P. whereas the Chair of the Platform on Sustainable Finance stated on 3 February 2022 that the draft Commission delegated regulation constitutes an evident departure from a science-based approach, which risks weakening the integrity of sustainable finance;
 - Q. whereas the aim of Regulation (EU) 2020/852 is to increase transparency, credibility and consistency in the classification of economic activities and limit the risk of greenwashing and fragmentation in relevant markets;
 - R. whereas the Commission delegated regulation would instead increase the complexity of decision-making for institutional and retail investors and create additional administrative burdens for financial institutions;
 - S. whereas the Commission delegated regulation therefore risks damaging the aim of Regulation (EU) 2020/852 by creating fragmentation and confusion in Union markets and undermining the credibility of the Taxonomy as a guide for investments;
 - T. whereas the European Investment Bank has expressed concerns that the Commission delegated regulation could be ‘discredited’ and could lead to a loss of investor trust;
 - U. whereas the taxonomy provided for under Regulation (EU) 2020/852 should avoid any incentives that would run counter to the Union’s urgent task of increasing energy security and energy sovereignty;
 - V. whereas certain economic activities that do not meet the requirements of Regulation (EU) 2020/852 and cannot, therefore, be included in the Taxonomy could nevertheless play a role in guaranteeing stable energy supply during the transition to a sustainable economy;
1. Objects to the Commission delegated regulation;
 2. Instructs its President to forward this resolution to the Commission and to notify it that the delegated regulation cannot enter into force;
 3. Considers that the technical screening criteria proposed in the Commission delegated regulation do not respect Article 3 of Regulation 2020/852;
 4. Considers that any new or amended delegated act adopted under Regulation (EU) 2020/852 could have significant economic, environmental and social impacts, and urges therefore the Commission to ensure that such delegated acts are systematically made subject to public consultation and impact assessment in accordance with point 13 of the Interinstitutional Agreement of 13 April 2016 on Better Law-Making;
 5. Instructs its President to forward this resolution to the Council and to the governments

and parliaments of the Member States.