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From:	General Secretariat of the Council
To:	Permanent Representatives Committee
Subject:	Draft Regulation of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (first reading) - Decision to use the written procedure for the adoption of the Council's position at first reading and of the statement of the Council's reasons = Statements

Statement by Germany

We share the objective to establish a credible taxonomy that will guide investors in identifying environmentally sustainable activities. However, with a view to the inclusion into the taxonomy of sectors for which the EU does not have competence to regulate, we have strong concerns regarding the use of delegated acts. As regards the forestry sector, we stress that the formulation of forest policies is the competence of the Member States. The use of delegated acts to define sustainability criteria in relation to the forestry sector should not prejudice any shift of competence from the Member States to the EU in this policy domain.

In addition, as to “sustainable forest management” Germany is of the opinion that the definition as contained in FOREST EUROPE Resolution “General Guidelines for the Sustainable Management of Forests in Europe”, as unanimously adopted by the Member States and the European Union in 1993, should be regarded as the basis.

Statement by Luxembourg

The taxonomy should be an essential instrument to guide investors in identifying environmentally sustainable activities. Luxembourg recalls that nuclear energy is not a safe nor a sustainable energy source. A credible taxonomy does consequently not allow for nuclear power generation and nuclear fuel cycle projects of any kind to qualify as sustainable activities.

In that regard, the reinforcement of the "do no significant harm" principle in the final version of the regulation shall safeguard the credibility of the taxonomy in the eyes of a broad range of European investors and of the EU population. We rely on the European institutions to ensure that this principle is applied in a strict and unambiguous manner. Any different application of this principle, in particular when it comes to nuclear energy, would risk creating long-term "lock-in effects" into such technologies, thereby generating an undeterminable amount of additional costs, and would hence run counter the overall objective of the sustainable finance agenda.
