The Commission is aware of the specific situation of the EU Outermost Regions and the challenges they face for their energy transition. With the Climate Delegated Act\(^1\), the Commission set out under which criteria numerous energy sector activities can be considered as substantially contributing to climate change mitigation and adaptation. The criteria applicable to energy generation activities of particular interest to the Outermost Regions, like biomass, solar, wind or geothermal energy were defined in a technology-neutral manner. Technical screening criteria applicable to bioenergy-related activities have been designed to be consistent with existing legislation, namely Directive (EU) 2018/2001\(^2\).

The EU Taxonomy has a key role to play in providing transparency and mobilising financing to reach our climate and environmental objectives. Its goal is to provide clear and harmonised definitions for environmentally sustainable economic activities. The EU Taxonomy should be an enabler, not an obstacle to the energy transition across Europe. Activities that contribute substantially to one of the six environmental objectives, while not harming any of the other five environmental objectives, can be classified as sustainable under the EU Taxonomy.

The Platform on Sustainable Finance is an independent, advisory body for the Commission. It has not yet provided an assessment of the impact of the Taxonomy on capital flows but will do so in the future.

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