

**Priority question for written answer P-004542/2020
to the Commission**

Rule 138

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Subject: Application of taxonomy

Commitments under the Next Generation EU (NGEU) recovery package are set to be made between 2021 and 2023, with the Member States being requested to prepare national investment plans. The Commission will review these plans and has indicated that the sustainable finance taxonomy will be used to guide the recovery.

However, the full taxonomy criteria will not enter into force until 1 January 2023, when two thirds of the period for making these financial commitments will have already lapsed. This matters greatly, as the premature application of the taxonomy may result in some low-carbon economic activities (e.g. nuclear energy) being excluded from financing programmes purely due to regulatory work on the criteria being unfinished. Giving some activities earlier access to funding would unjustly distort open competition in the single market and could even be counterproductive to the cost-effective decarbonisation of Member State economies.

1. How does the Commission justify its plan to apply the unfinished taxonomy in its review of the national recovery plans before the criteria are fully determined, especially when this risks distorting the market for clean economic activities?
2. If the taxonomy is applied before the criteria has been fully developed, how will the Commission ensure that no unfair biases in favour of certain low-carbon economic activities emerge?