



Bundesamt
für Wirtschaft und
Ausfuhrkontrolle



The EU Taxonomy Regulation – Impact on Energy Efficiency

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1. Overview and Background



1.1 Focus and Scope of the EU Taxonomy

Focus:

- With the EU Taxonomy a classification system for environmentally sustainable economic activities is established:
 - The Taxonomy primarily defines sustainability requirements for economic activities.
 - The Taxonomy offers a list of green economic activities as an orientation for corporations or firms
 - The Taxonomy incorporates disclosure requirements

Scope:

- In its current version the Taxonomy mainly focuses on the environmental sector. Targets in the social sector and in corporate governance have not been fully integrated yet.



1.2 Environmental Objectives of the Taxonomy Regulation

- **1. Climate Change Mitigation**
 - Economic Activities which reduce or avoid GHG emissions or enhance the removal of GHG emissions from the atmosphere.
- **2. Climate Change Adaptation**
 - Economic Activities which, for example, provide solutions for either reducing the adverse impacts of current and future climate or reducing risks of the impacts.
- **3. Sustainable use and protection of water and marine sources**
 - Conservation or Achievement of a „good“ environmental status of bodies of water.
- **4. Transition to a circular economy**
 - Transition to a circular economy through increased focus on activities that contribute to waste prevention, re-use and recycling.
- **5. Pollution, Prevention and Control**
 - Economic activities contribute substantially if they help to prevent and control pollution by e.g. reducing pollutant emissions or improving air quality.
- **6. Protection and restoration of biodiversity and ecosystems**
 - Economic activities which, for example, help to restore or protect the biodiversity of ecosystems (e.g. sustainable land use).



1.3 The EU Taxonomy and Energy Efficiency

- **Important questions:**
 1. How will the EU-Taxonomy impact finance in the energy efficiency sector?
 2. What positive or negative impacts will the EU-Taxonomy have on actors in the energy efficiency sector?
 3. Which problems might stem from the reporting obligations outlined in the Non-Financial Disclosure Regulation for actors in the energy sector?
- **Possibilities for Energy Efficiency-Measures:**
 - Improving the financial attractiveness of energy efficiency for companies and investment banks.
 - The evaluation of financial activities based on sustainability criteria provided by the EU Taxonomy might lead to a higher visibility and better acceptance of energy efficiency.
- **Possible barriers:**
 - Problems of „Compliance“ from SMEs with the Taxonomy criteria might lead to missing out on possible investment opportunities



2. EU Taxonomy Regulation - Providing assistance for actors in the Energy Efficiency sector



2.1 Starting Point and Project Idea

- **First evaluations of possible effects the EU Taxonomy:**
 - **Literature:** The EU Taxonomy might strengthen financial investments in sustainable products. However, it is still not apparent how strong its impact may be in practice.
 - **Stakeholder:** High degree of uncertainty on the issue how reporting obligations as well as technical screening criteria of the taxonomy should be applied. Furthermore, some of the criteria of the taxonomy have not been addressed in corresponding national standards.
- **Conclusion and need for further research:** The Taxonomy can be considered as an opportunity or potential to foster green finance in the energy efficiency sector and help to enhance environmental sustainability. However, actors seem to be uncertain about how to fulfil the requirements of the EU Taxonomy and if these requirements apply to them.



2.2 Goals of the planned EU-Taxonomy-Project

Important goals of the EU Taxonomy Project:

1. Identification of crucial actors in the energy sector, who have to apply the EU Taxonomy requirements and such who are free to align their activities.
2. Classification and Estimation what requirements actors in the energy efficiency sector have to take into account to comply with the EU Taxonomy.
3. Assessment of finance products in the energy efficiency sector and their possible alignment with the EU Taxonomy.
4. Evaluation of taxonomy-conform investment potentials in the energy efficiency sector.



3. Conclusion



Conclusion and Outlook

Conclusion:

- The EU Taxonomy might be a driver for sustainable investments in the energy efficiency sector, if actors are able to align and if necessary adjust their portfolios or activities with the requirements.
- The planned project by the BfEE shall show and elaborate to which degree the energy efficiency sector and its financing is affected by the EU Taxonomy

Outlook:

- It is yet to be seen, if and in what regard the EU Taxonomy will be expanded in the forthcoming years and what impacts those Expansions might have on the energy efficiency sector.
 - There has yet to be a decision on how to categorise gas and nuclear power.
 - The delegated acts for the last four environmental goals are not implemented yet and their impact on energy efficiency is not therefore not entirely foreseeable.
 - There are still considerations on extending the Taxonomy by labelling and including classifications for “brown” investments and economic activities.



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THANK YOU VERY MUCH FOR YOUR ATTENTION!



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