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P9_TA(2020)0305

Sustainable Europe Investment Plan — How to finance the Green Deal

European Parliament resolution of 13 November 2020 on the Sustainable Europe Investment Plan — How to finance the Green Deal (2020/2058(INI))

(2021/C 415/04)

The European Parliament,

- having regard to the Commission communication of 14 January 2020 entitled ‘Sustainable Europe Investment Plan — European Green Deal Investment Plan’ (COM(2020)0021),
- having regard to the Commission communication of 11 December 2019 entitled ‘The European Green Deal’ (COM(2019)0640), and to its resolution thereon of 15 January 2020 ⁽¹⁾,
- having regard to the Commission proposal of 2 May 2018 for a Council regulation laying down the multiannual financial framework (MFF) for the years 2021 to 2027 (COM(2018)0322) and to the amended proposal of 28 May 2020 (COM(2020)0443), together with the amended proposal of 28 May 2020 for a decision on the system of Own Resources of the European Union (COM(2020)0445),
- having regard to its interim report of 14 November 2018 on the Multiannual Financial Framework 2021-2027 — Parliament’s position with a view to an agreement ⁽²⁾,
- having regard to its resolution of 10 October 2019 on the 2021-2027 multiannual financial framework and own resources: time to meet citizens’ expectations ⁽³⁾,
- having regard to its resolution of 15 May 2020 on the new multiannual financial framework, own resources and the recovery plan ⁽⁴⁾,
- having regard to the final report and recommendations of the High Level Group on Own Resources of December 2016,
- having regard to its legislative resolution of 16 September 2020 on the draft Council decision on the system of own resources of the European Union ⁽⁵⁾,
- having regard to the Commission communication of 27 May 2020 entitled ‘Europe’s moment: Repair and Prepare for the Next Generation’ (COM(2020)0456) and its accompanying legislative proposals,
- having regard to Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision (EU) 2015/1814 of the European Parliament and of the Council of 6 October 2015 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and amending Directive 2003/87/EC,

⁽¹⁾ Texts adopted, P9_TA(2020)0005.

⁽²⁾ Texts adopted, P8_TA(2018)0449.

⁽³⁾ Texts adopted, P9_TA(2019)0032.

⁽⁴⁾ Texts adopted, P9_TA(2020)0124.

⁽⁵⁾ Texts adopted, P9_TA(2020)0220.

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- having regard to its resolution of 18 December 2019 on fair taxation in a digitalised and globalised economy: BEPS 2.0 ⁽⁶⁾,
 - having regard to its resolution of 17 April 2020 on EU coordinated action to combat the COVID-19 pandemic and its consequences ⁽⁷⁾,
 - having regard to the final report by the High Level Expert Group on Sustainable Finance (HLEG) of 31 January 2018,
 - having regard to the Commission communication of 8 March 2018 entitled ‘Action plan: Financing Sustainable Growth’ (COM(2018)0097),
 - having regard to its resolution of 29 May 2018 on sustainable finance ⁽⁸⁾,
 - having regard to its resolution of 23 July 2020 on the conclusions of the extraordinary European Council meeting of 17-21 July 2020 ⁽⁹⁾,
 - 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) 2019/2088, and Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial sector,
 - having regard to the Commission’s quarterly European Economic Forecasts,
 - having regard to the United Nations Framework Convention on Climate Change (UNFCCC), to the Kyoto Protocol thereto and to the Paris Agreement,
 - having regard to United Nations-supported Principles for Responsible Investment, Principles for Responsible Banking and Principles for Sustainable Insurance,
 - having regard to the European Pillar of Social Rights, the International Bill of Human Rights, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the UN Sustainable Development Goals and the International Labour Organisation’s declaration on Fundamental Rights and Principles at Work and the eight ILO core conventions,
 - having regard to the statutes of the European Central Bank (ECB),
 - having regard to the Treaty on the Functioning of the European Union (TFEU),
 - having regard to the joint deliberations of the Committee on Budgets and the Committee on Economic and Monetary Affairs under Rule 58 of its Rules of Procedure,
 - having regard to Rule 54 of its Rules of Procedure,
 - having regard to the opinions of the Committee on the Environment, Public Health and Food Safety, the Committee on Transport and Tourism, the Committee on Agriculture and Rural Development and the Committee on Culture and Education,
 - having regard to the report of the Committee on Budgets and the Committee on Economic and Monetary Affairs (A9-0198/2020),
- A. whereas the necessary investments for climate change adaptation have not yet been assessed and incorporated into MFF climate figures;

⁽⁶⁾ Texts adopted, P9_TA(2019)0102.

⁽⁷⁾ Texts adopted, P9_TA(2020)0054.

⁽⁸⁾ OJ C 76, 9.3.2020, p. 23.

⁽⁹⁾ Texts adopted, P9_TA(2020)0206.

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- B. whereas the path to climate neutrality by 2050 will boost the competitiveness of the Union economy, and result in a surplus of sustainable, high quality jobs;
- C. whereas the 2019 International Panel on Climate Change (IPCC) special report on global warming of 1,5 °C makes it clear that policies adopted so far are insufficient to prevent global warming from exceeding 1,5 °C, biodiversity loss, and the disturbance of biogeochemical flows;
- D. whereas the EU climate law will set in stone the EU's commitment to climate neutrality by 2050, including ambitious intermediary steps needed to achieve this objective;
- E. whereas the Commission has estimated the investment needed at EU level to achieve the current 2030 climate objectives at EUR 240 billion per year⁽¹⁰⁾ plus additional amounts of EUR 130 billion per year for environmental objectives, EUR 192 billion per year for social infrastructure and EUR 100 billion per year for Europe's wider transport infrastructure; whereas this adds up to a total of at least EUR 662 billion of investment needs per year; whereas these figures are based on a 2030 climate objective of lowering greenhouse gas (GHG) emissions by 40 %; whereas now that the Parliament has agreed on more ambitious objectives, the investment gap is even higher; whereas it is essential to mobilise all available funds to close the investment gap;
- F. whereas Article 2(1) of the Paris Agreement calls for 'making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development';
- G. whereas the European Green Deal is a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use, and which should also contribute to ensuring the strategic autonomy of the EU;
- H. whereas the COVID-19 pandemic underlines the importance of investments in a socially and environmentally sustainable economy, in particular investments promoting cutting edge R&D, a competitive industrial sector, a deeper and stronger single market, strong SMEs, healthcare, a robust welfare system and social wellbeing;
- I. whereas the spending required to support European economies raises the question of how debt incurred will be repaid; whereas it is important to prevent an increase in inequalities, as occurred following the previous crisis;
- J. whereas creating a sustainable economic system is central to developing the long-term strategic autonomy of the EU and to increase the EU's resilience;
- K. whereas trade policy has an impact on greenhouse gas (GHG) emissions;
- L. whereas GHG emissions from transport represent 27 % of global EU emissions and are the only ones still increasing; whereas transport must contribute in a technologically neutral way to reaching the EU emissions reduction targets of the EU that aim for climate neutrality by 2050, while making sure that transport remains affordable and competitive; whereas reduction of transport sector emissions can be accelerated for both infrastructure and the vehicle fleet by developing and strengthening synergies with other sectors, such as digital or energy;
- M. whereas tax exemptions for the aviation and maritime sectors may also distort competition between industrial sectors, and may promote inefficient and polluting modes of transport;
- N. whereas Article 2 of the Statutes of the ECB provides that, if the objective of price stability is achieved and is not called into question, the ECB's monetary policy must be conducted with a view to furthering the objectives of the EU laid down in Article 3 of the Treaty on European Union (TEU), which provides among other objectives for the protection of the quality of the environment;

⁽¹⁰⁾ https://ec.europa.eu/info/sites/info/files/economy-finance/assessment_of_economic_and_investment_needs.pdf

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- O. whereas in the context of its monetary policy strategy review, the ECB will assess whether and how, acting within its mandate, it can take into account sustainability considerations, and in particular risks related to environmental sustainability;
- P. whereas the activation of the general escape clause aims to allow Member States to pursue a fiscal policy that will facilitate the implementation of all measures necessary to adequately deal with the crisis while remaining within the rules-based framework of the Stability and Growth Pact (SGP); whereas the general escape clause stipulates that its application should not endanger fiscal sustainability;
1. Welcomes the Sustainable Europe Investment Plan (SEIP) as central to ensuring the success of the Green Deal and the transition towards a more sustainable, competitive, circular and resilient economy, in line with Union's environmental commitments, including climate commitments under the Paris Agreement and the EU climate law; stresses that the plan should be at the heart of a coordinated and inclusive Union response to building a more resilient economy and society after the COVID-19 pandemic, and should foster territorial, social and economic cohesion; points out that sustainability must be in compliance with financial stability considerations;
 2. Welcomes the Commission's Recovery Plan for Europe, which has the European Green Deal and Digitalisation Strategy at its heart; endorses the underlying principle that public investments will respect the 'do no significant harm' (DNSH) principle, and highlights that this principle applies to both social and environmental objectives; emphasises that national recovery and resilience plans should put the EU on the path to climate neutrality by 2050, as enshrined in the EU climate law, including the 2030 intermediate targets, thus ensuring Member States' transition towards a circular and climate neutral economy, based on science and timebound climate targets;
 3. Recalls that investments under the Recovery and Resilience Facility must respect the 'do no harm' principle; stresses that climate-relevant investments should be in line with the EU Taxonomy and that national recovery plans should be aligned with the National Energy and Climate Plans (NECPs);
 4. Considers that achieving a fair transition to climate neutrality is a major responsibility for the EU; calls for the implementation of appropriate measures and policies to make this transformation a success, involving the public and private sectors, regions, cities and Member States; calls for investments to be prioritised to support a sustainable transition, the digital agenda and European sovereignty in strategic sectors by means of a consistent industrial strategy; believes that digitalisation of the public and private sectors will help in reaching climate neutrality;
 5. Stresses that the success of the EU's aim to achieve climate neutrality and be a circular economy by 2050 will depend, among other factors, on adequate financing and coherent integration of sustainability into public and private finance; underlines the fact that public financing alone will not be sufficient to reach the aforementioned goals and contribute to the transition; stresses that substantial additional amounts of sustainable public and private investments will be needed; calls on the Commission, therefore, to encourage public and private investments when developing the SEIP; underlines the fact that, even with ambitious funding, available funds will not be unlimited; considers it essential for the SEIP to provide for and enable additional investment with real added value and that does not crowd out market financing; calls on the Commission to establish a robust framework for reporting and monitoring to ensure that spending has a real impact; insists that the link between expenditure and revenue, particularly through the creation of new own resources, will be key to the implementation of the Green Deal;
 6. Notes that all sectors of the EU economy will be impacted by the transition towards a green economy, and insists that the path to climate neutrality should boost the competitiveness of the European economy and result in a net surplus of sustainable, high quality jobs in the Union; underlines the fact that the green transition should be inclusive and in line with the principles of economic, social and environmental sustainability; considers that the SEIP should leave nobody behind and focus, where necessary, on reducing disparities between Member States and regions in achieving climate neutrality objectives; recalls that saving and creating jobs, as well as additional training and reskilling, are of utmost importance in the sustainable energy transition;
 7. Stresses also that in order for the European Green Deal to be successful, European producers of sustainable products and services need to see its advantages;

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8. Calls on the Commission and Member States to make sure that the SEIP is adequately financed to ensure that future programmes, such as the Renovation Wave Strategy, will have a sufficient impact on every building in the EU, are made acceptable to all Union citizens, and are welcomed by them;

9. Questions whether the SEIP, in its current form, will enable the mobilisation of EUR 1 trillion by 2030, given the negative economic outlook following the COVID-19 pandemic; requests the Commission ensures full transparency on financing issues, such as the optimistic leverage effect, potential double-counting of certain investments, or the lack of clarity over the extrapolations of certain amounts; questions, further, how the new MFF proposed by the Commission and agreed in the European Council's Conclusions would enable the achievement of the SEIP targets; is concerned that by frontloading EU programmes, a green investment gap might arise at the end of the next MFF period; calls on the Commission and Member States to come forward with plans that explain how they will bridge the considerable investment gap by means of both private and public investments, including an assessment of the new economic outlook resulting from the current crisis and the expected increased ambition of the climate, energy and environmental goals for 2030; underlines the fact that the SEIP is an EU long-term goal and cannot be undermined by lower MFFs in the future which allocate a large proportion of money to the repayment of long-term debt;

10. Notes that the Commission, in its SEIP Communication of 14 January 2020, has estimated EU level investment needs for achieving the current 2030 climate objectives to be of at least EUR 662 billion per year; calls on the Commission to reflect these new figures in a revised SEIP architecture;

11. Calls on the Commission to disclose the exposure of all MFF and Next Generation EU funds to the different EU taxonomy objectives and categories;

12. Wishes to see it ensured that funding from the SEIP, at EU, national and regional level, goes towards the policies and programmes with the highest potential to contribute to the fight against climate change and other environmental objectives, including the transition of EU companies, in particular SMEs, to a more competitive Union and to job creation, while adapting to different national, regional and local needs; looks forward to the Commission's publication, before the start of the next MFF, of a framework for tracking climate, biodiversity and other sustainable spending using, as appropriate, the criteria established by the Taxonomy Regulation; calls for this framework to include, inter alia, a monitoring methodology, together with corresponding corrective measures, and a sustainability-proofing and tracking mechanism to identify harmful impacts in accordance with the DNSH principle and commitments under the Paris Agreement;

13. Highlights that the success of the SEIP depends on the adequacy of the public and private financing, and on the coherence of EU policies; underlines therefore the need for harmonised sustainability indicators and a methodology for measuring impact; insists that in the light of the SEIP, impact assessments should be initiated in relation to other pieces of legislation, whether they are still at the legislative stage or have already been adopted, to evaluate the compatibility of existing EU legislation with EU environmental goals;

14. Emphasises that one of the SEIP's objectives should be to ensure a shift from unsustainable to sustainable economic activities;

15. Believes that public and private finance should take into account the Taxonomy Regulation and adhere to the DNSH principle in order to ensure that EU policies and financing, including the EU budget, the programmes financed through Next Generation EU (NGEU), the European Semester, and European Investment Bank (EIB) financing do not contribute to projects and activities that significantly harm social or environmental objectives, and do not undermine economic competitiveness or result in job losses; stresses that public budgets and public banks will not be able to bridge the investment gaps alone; recalls that every year 10 major European banks still invest more than EUR 100 billion in fossil fuels; recalls that under the Taxonomy Regulation, the Commission must adopt by the end of 2020 a delegated act containing technical screening criteria for activities which substantially contribute to climate change mitigation and adaptation;

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16. Calls on the Commission to ensure that the new MFF does not support or invest in activities which would lead to a lock-in of assets that are harmful to the climate and environmental objectives of the Union, considering the lifetime of the assets;

17. Calls on the Commission to assess options to extend the use of the EU taxonomy for tracking climate and environment spending in all EU public funding, including the new MFF, InvestEU, the Next Generation EU instrument, the Solvency Support Instrument, the Recovery and Resilience Facility and European Investment Bank (EIB) funds;

18. Calls for an operationalisation of the DNSH principle in relevant EU funding regulations, for instance through climate, environmental and social sustainability proofing; recalls that strict investment rules should not be introduced without prior consultation of local and regional public authorities, industries and SMEs;

19. Calls on the Commission to assess and identify activities that significantly harm environmental sustainability, in line with Article 26(2)(a) of Regulation (EU) 2020/852 and as recommended by the European Central Bank and the central banks' and regulators' Network for Greening the Financial System (NFGS);

20. Calls for the realistic phasing-out of public and private investments in polluting and harmful economic activities, for which economically feasible alternatives are available, while fully respecting the rights of Member States to choose their energy mix, with the objective of implementing a renewable energy system and an energy grid that is compatible with the Paris Agreement; underlines the urgency of finding these alternatives through massive investments in technological innovation and energy efficiency; insists that SEIP-funded activities must not contribute to further social inequalities and the deepening of the East-West economic and social divide in the EU; recalls in this context that between 2014 and 2016, EUR 112 billion per year were spent by 11 countries and the European Union to subsidise fossil fuels; calls on the Commission and Member States to prepare strategies to phase out all environmentally harmful subsidies in order to improve the consistency and credibility of the EU in preserving biodiversity and natural ecosystems, and to boost the transition towards clean energy systems and a climate neutral and circular economy;

21. Considers that the transition to climate neutrality should preserve a level playing field for EU companies and their competitiveness, particularly in the case of unfair competition from third countries; believes that to achieve its aims, the SEIP should also contribute to sustainable European production, and reduce global emissions through trade policy; calls for trade agreements not to guarantee investor protection at the expense of environmental, social or health standards; underlines the importance of enforceable climate and other environmental standards being included in trade agreements entered into by the EU with third countries, also in order to ensure a level playing field for European companies; calls for it to be ensured that third countries are eligible for cross-border projects that contribute to the objectives of the Paris Agreement;

22. Underlines that Erasmus+, the European Solidarity Corps and Creative Europe, as the EU's main education, volunteering and culture programmes, constitute an essential tool in the global response to climate change, and play a key role in fostering education in the skills needed for the green transition, raising awareness of environmental and climate change issues, especially among young people volunteering to protect the environment, and developing creative, inclusive and accessible solutions to tackle environmental challenges; stresses that these programmes contribute to achieving the EU's sustainable development goals; highlights in this regard the importance of agricultural internships supported by Erasmus+;

The EU budget: targeting, triggering and catalysing financial resources

23. Stresses the central role of the EU budget in delivering the SEIP; reiterates its long-standing position that new initiatives should always be subject to sustainability assessment and proofing, should be financed through additional appropriations, and should not negatively affect other policies; highlights the importance of long-standing EU policies, such as cohesion or agriculture, together with other key policy areas, such as research, innovation or climate change adaptation and mitigation; calls on the Commission and Member States to deliver on their political commitments, and equip the Union with a future-oriented MFF that is capable of responding to citizens' expectations;

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24. Underlines the importance of sustainable private investments and their role in achieving the objectives of the SEIP, and believes that private financing needs to be facilitated; stresses further that technical support should be enhanced through local and national incubators and project nurseries that bring together financiers and project promoters;

25. Welcomes the European Council's acceptance of the European Union Recovery Instrument as an emergency instrument to support investments and reforms; deplores, however, the proposal to significantly reduce top-ups to several EU programmes, and to cancel them altogether for other programmes; believes that the proposed cuts to programmes supporting the transition of carbon-dependent regions run counter to the EU's Green Deal agenda, and will ultimately also affect the financing of the SEIP;

26. Underlines the fact that, in order to meet its obligations under the Paris Agreement, the EU's contribution to the climate objectives should be underpinned by an ambitious share of climate- and biodiversity-related expenditure in the EU budget; aims, therefore, to achieve as soon as possible a legally binding spending target of 30 % for climate mainstreaming and 10 % for biodiversity; stresses that the climate spending target should apply to the MFF as a whole; underlines the fact that a 37 % climate target should also be applicable to NGEU expenditure; urges the Commission to establish a meaningful and transparent tracking and monitoring framework for climate-related expenditure in the EU budget; stresses the essential role of new own resources in enabling the EU budget to reach a higher level of climate financing in the future;

27. Welcomes the proposal to top up the Just Transition Fund (JTF), with additional funds from NGEU, but regrets the Council's proposal to reduce these top-ups, and stresses that additional support will be needed to make sure that workers affected directly and indirectly by the transition receive adequate assistance; reiterates that resources from the JTF may complement the resources available under cohesion policy, and points out that the new proposal should not be to the detriment of cohesion policy through mandatory transfers from the national envelopes of the Member States and should not lead to distortions of competition;

28. Believes that the principle of a just transition should be mainstreamed throughout the Green Deal, and that the JTF should in particular focus on the regions most heavily dependent on fossil fuels; emphasises that projects receiving the funds must be environmentally, socially and economically sustainable and viable in the long term; calls therefore for a comprehensive EU strategy for the development and modernisation of the regions benefitting from the JTF;

29. Stresses that the drafting of the just transition plans should involve all relevant stakeholders; believes that just transition plans should take into account the different starting points of Member States and regions in the transition to climate neutrality; notes that there should be greater clarity on the eligibility criteria for funding; believes that the programmes financed by the JTF should also be assessed using climate tracking, natural capital accounting and life cycle methodologies;

30. Welcomes the two additional pillars of the Just Transition Mechanism, in particular a dedicated scheme under InvestEU and a public sector loan facility, which, together with the JTF will create new economic opportunities and contribute to alleviating the socio-economic effects of the transition to climate neutrality and the implementation of the circular economy in the EU in the most vulnerable and carbon-intensive regions and cities, and help address energy affordability challenges faced by citizens during the transition process; considers that, for these pillars to be a success, it is essential to guarantee sufficient technical assistance for Member States, regions and cities;

31. Stresses that a socially just transition will not be possible without a massive contribution by metropolitan areas; considers, therefore, that resources from the second and third pillars of the Just Transition Mechanism should be easily available for cities, in order to develop a large scale financial mechanism to help city-level climate and social efforts; points out that this may include directly accessible funds for, among others, housing policies, building renovation, retrofit and insulation programmes, public transport projects, improving cities' green infrastructure, the introduction of circular economy instruments or sustainable water management projects;

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32. Welcomes InvestEU's role in the implementation and functioning of the SEIP, and considers that it should play a key role in the Union's green, fair and resilient recovery; deplores the fact that the proposed financing of InvestEU, both through the MFF and NGEU, was significantly reduced compared to the latest Commission proposal; welcomes the proposal to create a Strategic Investment Facility, particularly the addition of a fifth window — the European investment window — within InvestEU to promote sustainable investments in key technologies and value chains; stresses that projects financed under InvestEU should be consistent with the Union's 2030 climate and environment commitments;

33. Underlines the fact that the revised Commission proposal already integrates the preliminary agreement on InvestEU reached between Parliament and Council in May 2019; recalls that in addition to a privileged position for the EIB Group, this agreement also provides for an important role for other implementing partners, such as national promotional banks or other international financial institutions; recalls, moreover, that InvestEU is a demand-driven instrument, and that for this reason excessive sectoral or geographical concentration should be avoided; stresses that it is necessary to ensure that adequate technical assistance is available on the ground in order for projects to be financed where they are most needed, and in a way that provides genuine additionality; highlights, in this respect, the vital contribution of the Advisory Hub, for which an adequate financial allocation needs to be ensured;

34. Reaffirms the EU's responsibility, as global leader in the fight against climate change, to encourage other international partners to follow a similar approach; believes that the resources that the EU Budget grants to third countries should not be spent in any way that runs counter to the objectives of the Green Deal, and should aim to facilitate the achievement of its objectives, taking into account the different level of development of every country, and their varying investment needs; considers that the pandemic has demonstrated that action to protect the environment and biodiversity outside the Union is inseparably linked with health at home, and that such action is cost-effective when compared with the impacts of the pandemic;

35. Notes that the Innovation Fund and the Modernisation Fund should make a significant contribution to the sustainable transition towards net zero GHG emissions by 2020, and welcomes in particular the fact that the Modernisation Fund is designed to support investments to improve energy efficiency in 10 lower income Member States, and is therefore an important tool for ensuring a just transition; highlights nonetheless the need for heightened scrutiny of the Fund, as investments into activities which significantly harm social and environmental objectives should not be eligible under the Modernisation Fund;

36. Considers it necessary to avoid any overlap with related activities funded through the Union budget, and believes that the existence of these Funds outside the Union budget could be to the detriment of budgetary oversight; urges the Commission to keep the budgetary authority properly informed of the Funds' implementation;

37. Welcomes the Commission's intention to review both the Modernisation Fund and the Innovation Fund as part of its revision of the Emissions Trading Scheme (ETS); reiterates its long-standing demand to classify a significant proportion of ETS revenues as own resources;

38. Stresses the important role that the Common Agricultural Policy (CAP) and the Common Fisheries Policy will have to play in achieving the objectives of the SEIP; notes that on the path of the EU agricultural and fisheries sectors towards a more sustainable management of natural resources and preservation of biodiversity, the CAP should maintain its objectives of supporting the provision of a high-quality food supply, guaranteeing food sovereignty for Europeans, contributing to stable and acceptable earnings for farmers and fishers, and contributing to the sustainable development of rural areas; highlights the need to ensure that the CAP contributes to the EU's climate and sustainability goals, as underlined by the European Court of Auditors' report of 7 November 2018;

39. Underlines the importance of facilitating access to public and private finance to support increased green investment, the development of, and access to, digitalisation tools, modernisation and innovation, which will enable the agricultural sector, the fisheries sector and rural areas to meet the challenges and opportunities of realising the objectives and ambition of the Green Deal;

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40. Stresses that cohesion policy, as the main EU investment policy, will play a crucial role in supporting the transition to climate neutrality; draws attention to the fact that, in the aftermath of the COVID-19 pandemic, cohesion policy will be one of the decisive instruments in the sustainable economic recovery, and should keep its long-standing role of contributing to the promotion of social, economic and territorial cohesion, as laid down in the EU Treaties; insists that cohesion policy should be reinforced to allow it to meet its main objectives and contribute to the success of the European Green Deal;

41. Supports the Commission's innovative approach reflected in its statement that the EU budget will contribute to achieving climate and environmental objectives through its revenue side as well; recalls Parliament's position in favour of introducing new own resources that can generate added value and substantially support the European Green Deal;

42. Reaffirms its previous position regarding the list of potential candidates for new own resources, as set out in its interim report on the MFF, which should correspond to essential EU objectives including the fight against climate change and the protection of the environment; asks, therefore, for the introduction, without creating any additional burden on citizens, of new own resources, which could, for example, include resources for which the Commission gave figures in 2018 based on:

- (i) the auction revenues of the ETS, which could raise between EUR 3 and 10 billion per year,
- (ii) a contribution on non-recycled plastic packaging waste, which could raise between EUR 3 and 10 billion per year,
- (iii) the future carbon border adjustment mechanism, which could raise between EUR 5 and 14 billion per year,
- (iv) a common consolidated corporate tax base, which could raise more than EUR 12 billion per year,
- (v) a tax on large digital companies, which could raise between EUR 750 million and 1,3 billion per year, and,
- (vi) a financial transaction tax (FTT), which, based on the original Commission proposal from 2012 and taking into account Brexit and economic growth, could raise up to EUR 57 billion per year, depending on the scope of the tax;

reiterates, in this regard, its call to all Member States to join the enhanced cooperation framework on the FTT; calls on the Commission to provide details about the own resources presented in its Communication of 27 May 2020 on the Recovery Plan as soon as possible, including on the levy based on the operations of large enterprises and the possible extension of the ETS to the maritime and aviation sectors;

43. Insists that a basket of new own resources should be included in the EU budget as of 2021, while a legally binding calendar should also be established to propose and introduce new own resources in the course of the next MFF; calls for the proceeds from the new own resources to be sufficient to cover at least the repayment obligations under the Recovery Instrument; expects that any revenue beyond that level should flow into the EU budget to bridge, inter alia, the funding gap in the Green Deal, without affecting the principle of universality;

44. Underlines the fact that both types of revenue, environmental and non-specifically environmental, will be indispensable for the establishment of a reliable basket of genuine new own resources, since the income produced by environmental revenues could proportionally decrease over time as the EU advances towards climate neutrality;

Financial institutions — enabling the implementation of the Green Deal

45. Welcomes the EIB's decision to revise its energy lending policy and climate strategy, and to devote 50 % of its operations to climate action and environmental sustainability from 2025 onwards with the aim of achieving the EU's obligations under the Paris Agreement; calls on the EIB to also revise its transport lending policy, and to commit to the sustainable transition towards climate neutrality and a circular economy while taking into account the different energy

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mixes of Member States, and devoting particular attention to the sectors and regions most affected by the transition; calls in particular for new policies to be implemented in the carbon-intensive industrial sectors in which the EIB is active in order to support the transition of these sectors with a view to aligning all new sectoral loans to the goal of achieving climate neutrality by 2050 at the latest; commends the EIB's commitment to ending financing of fossil fuel energy projects by 2021; requires the adoption and publication of verifiable transition plans to reach climate neutrality objectives;

46. Stresses that the EIB's response to the COVID-19 pandemic should be consistent with the objectives of the SEIP; notes, however, that not all projects financed can contribute to achieving the EU's climate objectives, and insists that this should not prevent their financing; is of the opinion, however, that the EIB's portfolio must be aligned with EU sustainability goals and the DNSH principle; calls on the EIB to establish a concrete roadmap for reaching the 50 % granular target by 2025, and to disclose annually the share of its assets that finances activities that qualify as environmentally sustainable according to the EU Taxonomy; recalls that the Bank's response to the COVID-19 pandemic should generate EUR 240 billion of investments, and was made possible in a matter of weeks;

47. Considers that for the EIB to play a successful role in financing the Green Deal, a bottom-up and participatory approach is crucial, and that the EIB should promote specific dialogues between the public and private sectors, and better coordinate with various stakeholders, such as local and regional authorities, and representatives from civil society; stresses furthermore the EIB's independence, while underlining the importance of ensuring democratic scrutiny of investments;

48. Recalls that the EIB is the world's largest issuer of green bonds, having raised more than EUR 23 billion over 11 years; notes that a major challenge has been to set common standards so as to avoid greenwashing; welcomes the EIB's new Sustainability Awareness Bonds, launched in 2018 and designed to support investment related to the UN Sustainable Development Goals; underlines the importance of setting common standards for these new bonds to ensure that projects are transparent, verifiable and measurable; calls on the EIB to continue this activity and to expand the issuance of green bonds and sustainability awareness bonds, which can facilitate the implementation of the SEIP and help develop the market for social and environmental sustainability bonds, building on work under the EU Action Plan on Financing Sustainable Growth and the EU Taxonomy;

49. Encourages the EIB to play an active role in supporting projects that contribute to a just transition, such as research, innovation and digitalisation, SME access to finance, and social investment and skills;

50. Notes that the EIB President, Werner Hoyer, has emphasised the need to strengthen the EIB's capital base in order to allow it to carry on with the ambitious projects underpinning the transition to a sustainable economy;

51. Recognises the important role of the national promotional banks and institutions (NPBIs) and of international financial institutions (IFIs), including the European Bank for Reconstruction and Development and the World Bank, in the financing of sustainable projects, thereby contributing to the achievement of the Paris Agreement goals; stresses that given their experience and capabilities at national and regional level, NPBIs can be instrumental in maximising the impact of public funds, including through partnerships under InvestEU, thereby helping to achieve the Union's climate objectives; underlines the fact that the financing of SMEs is key to the successful implementation of the SEIP;

52. Underlines also the fact that NPBIs are well versed in the conception, management and financing of relatively small projects, because of their experience in this field; welcomes, therefore, their involvement in various aspects of the SEIP, as the bodies best suited to channel European level investments to the real economy and at local scale; underlines the importance of ensuring local technical support for project promoters and innovation, and highlights the role of project nurseries in helping projects to mature sufficiently to receive financing; calls for State aid reforms that will allow NPBIs to provide preferential loans to promote sustainability;

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53. Notes that public and private investment can help sustainable recovery and resilience where finance is directed to green investments, such as electricity grids, supergrids and smart grids, railway networks, energy efficiency, and circular economy projects;

54. Emphasises that environmental and climate disasters pose increasing financial stability risks, and that, therefore, prudential regulation and supervision should better incorporate those long-term risks in their assessments; considers that the fight against climate change and the promotion of sustainability should be taken account of more in ECB policies, while fully respecting its mandate and independence, and without jeopardising its role as a guardian of financial and monetary stability; recalls the statement of its President that the ECB is supporting the development of a taxonomy as a way of facilitating the incorporation of environmental considerations in central bank portfolios; notes the ambition displayed in the recent Eurosystem reply to the Commission's public consultations on the Renewed Sustainable Finance Strategy and the revision of the Non-Financial Reporting Directive (NFRD), which stated that market forces can and should be a key driver of the redirection of financial flows towards sustainable economic activities; welcomes the calls from the ECB and the Central Banks and Regulators' Network for Greening the Financial System (NGFS) for financial regulators to better assess sustainability-related financial risks;

55. Encourages the ECB to move forward with its monetary policy strategy in full respect of the ECB's price stability mandate enshrined in the TFEU; notes that as part of its monetary policy strategy review, the ECB will assess, in line with the Paris Agreement, whether and how, acting within its mandate, it can take sustainability considerations — and in particular risks related to environmental sustainability — into account in its collateral framework and annual stress testing exercise, while keeping a separation between monetary policy and prudential supervision roles; encourages, furthermore, the ECB to disclose the level of alignment of monetary policy with the Paris Agreement, while setting a roadmap for future alignment, using the EU taxonomy for these actions appropriately; invites the ECB to look at further ways of supporting the EIB in order to increase the EIB's financing capacity without creating market distortions;

56. Suggests the ECB should assess the rebalancing of its carbon-intensive bond portfolio in the context of the Corporate Sector Purchase Programme (CSPP) in the light of the EIB's climate commitments;

57. Calls on the European Supervisory Authorities (ESAs), together with national competent authorities (NCAs), to develop annual climate stress tests on the financial institutions under their supervision, as currently discussed in particular in the NGFS, in order to understand where climate-related financial risks lie in the portfolios of relevant EU financial institutions, and the extent of those risks;

58. Believes that public transport is central to achieving sustainable urban mobility; stresses the need to increase support for public transport networks and fleets at a local and regional level as an effective tool for the transition and towards low-emission mobility, while promoting modal shift, especially in metropolitan centres, and connectivity in rural areas to promote territorial cohesion; considers a stronger articulation of urban transport financing with the Sustainable Urban Mobility Plans (SUMPs) to be essential to boosting the transformation of urban mobility; calls on the Commission to cooperate with the Member States in developing sustainable urban mobility plans and policies, including support for efficient public transport systems and active mobility solutions, such as walking and cycling, and the promotion of accessibility and multimodality among different modes of transport;

Mobilising private investments for a sustainable recovery

59. Supports a renewed sustainable finance strategy; underlines the need for an evolving EU eco-label for financial products, for an EU Green Bond Standard (EU GBS), and for more reliable, comparable and accessible sustainability data obtained by harmonising sustainability indicators; recalls the considerable importance of green finance to the international role of the EU and the euro in the next decade; highlights the importance for SMEs of simplified reporting standards that allow them to fully participate in capital markets;

60. Insists that more reliable, comparable and accessible sustainability data is indispensable to making the EU's sustainable finance system work in practice; welcomes the idea of the High Level Forum on the Capital Markets Union to establish a European single access point (ESAP) to aggregate information about companies in the EU through the

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interconnection of existing national and EU registers and company databases as a way to help companies, in particular in smaller Member States, to attract investors; stresses that companies should be able to control the availability of their data in the ESAP; calls on the Commission to submit a legislative proposal for a European single access point for financial and non-financial information on listed and unlisted EU companies, while also respecting the proportionality principle where appropriate; calls on the Commission to streamline the transparency requirements under the NFRD and bring them into line with those under the Taxonomy Regulation and the Sustainable Finance Disclosure Regulation; calls for transparent methodologies in the gathering and publishing of data; calls on the Commission to put in place effective data monitoring and reporting of the SEIP's implementation, making it available to the public so as to guarantee full transparency for EU green transition spending; deems that a significant share of the EU Bonds to be issued in the context of the Recovery plan are issued based on the EU GBS as proposed by the Commission;

61. Commends the progress made on the basis of the initiatives included in the 2018 Sustainable Finance Action Plan; calls for the adoption of the delegated acts provided for in the Taxonomy Regulation, taking into account the range of sustainability criteria and indicators; calls specifically for a swift implementation of the DNSH principle as outlined in the Sustainable Finance and Disclosure and Taxonomy Regulations; highlights the importance of ambitious disclosure requirements for all financial products and entities;

62. Considers that the future renewed EU sustainable finance strategy is a major opportunity to accelerate the transition towards more sustainable retail investment; calls on the Commission to propose the measures needed to incentivise sustainable retail investment;

63. Takes note of Article 26(2) of the Taxonomy Regulation, which mandates the Commission to publish by 31 December 2021 a report describing the provisions that would be required to extend the scope of that Regulation beyond environmentally sustainable economic activities, including other sustainability objectives, such as social objectives;

64. Endorses the call by the High Level Expert Group on Sustainable Finance for new measures to foster long-termism, which benefits people and the planet; invites the Commission to analyse and propose how a long-term perspective can be better incorporated in the corporate governance regime and rules; welcomes the preparation of a sustainable corporate governance initiative;

65. Calls on the Commission to consider a revision of the NFRD, which could incorporate the disclosure of the impact of corporate activities on environmental, social and governance sustainability;

66. Insists that in mobilising finance for the Green Deal, public and private investment must complement each other where possible; stresses that private sector investment should not be crowded out so that funding for the SEIP can be maximised;

67. Recalls that investments and lending in unsustainable economic activities may lead to stranded assets or sunk investments, with lock-in effects; points out that this risk needs to be sufficiently integrated in credit ratings and prudential frameworks, including the Basel framework; calls on the Commission, therefore, to examine ways of improving the inclusion of sustainability risks and the prudential treatment of long-term investments and lending, including in the EU Banking Rule Book, which will additionally promote overall financial systemic stability, and to further seek to promote reliability, comparability and transparency of sustainability factors in credit ratings; believes that the latter could be addressed in forthcoming reviews of the Credit Rating Agencies Regulation, the Capital Requirements Directive Regulation/Directive and the Solvency frameworks;

68. Recalls that sustainable investments do not necessarily come with a lower risk-profile than other types of investments;

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69. Believes that it should be made easier for SMEs in the Union to access public and private financing under the SEIP; highlights the need for additional efforts to inform SMEs about the new financing opportunities under the SEIP;

Promoting sustainable public investment in times of crisis

70. Calls for the creation of an instrument for sustainable investments to achieve the goals set out in the European Green Deal, but stresses that whatever financing model is chosen, increased levels of public investment should contribute to the sustainability of public finance in the EU; considers that a possible review of the EU's economic governance framework should consider the recommendations of the independent European Fiscal Board and should stimulate Member States to bring their economies and public expenditure into line with the goals of the European Green Deal; supports the Commission's pledge to explore other enabling frameworks, such as Green Bond Standards, and encourages the Commission to map best practices on green budgeting;

71. Calls for public support for the transport sector, especially airlines, the tourism sector and the automobile sector, to be used in a sustainable and efficient manner; calls for transitional activities defined in the Taxonomy Regulation to be eligible to receive funding under the SEIP, and calls for special attention to be paid to access to funding and other forms of support for micro-enterprises and SMEs;

72. Calls for the mainstreaming of sustainable public procurement and tendering, and increased European coordination in this regard;

73. Welcomes the fact that recovery and resilience plans will be based on shared EU priorities; highlights in this regard the European Green Deal and the European Pillar of Social Rights, as well as the Digital Agenda and the strategic aim of achieving European sovereignty in strategic sectors, with a sustainable industrial base; recalls the need for green recovery investment and the need to increase convergence among Member States in implementing the SEIP, which could help to speed up economic recovery; calls for the inclusion of priorities in areas such as employment, skills, education, digital entrepreneurship, research and innovation, and health, but also in areas related to business and the non-profit sector, including public administration and the financial sector; calls on the Commission to provide technical assistance to public authorities in drafting transition plans so as to avoid stranded assets; calls on the Commission to monitor the implementation of the recovery and resilience plans, and to ensure that serious breaches lead to the recovery of allocations paid; stresses the importance of respect for the rule of law and our democratic values by the Member States issuing the plans;

74. Insists that the European Green Deal's 'do no harm' principle applies to all recovery plans;

75. Regrets the decision by the European Council to remove the Solvency Support Instrument from the NGEU programme; sees it as an important tool to level the playing field in the single market;

76. Calls for companies benefitting from public support to commit to public country-by-country reporting, while respecting the possibility for temporary derogations provided for to protect commercially sensitive information; calls for these companies to also ensure fair competition, reduce the gender pay gap, respect their non-financial reporting obligations, guarantee jobs, disclose any beneficial treatment received, and strictly refrain from engaging in any tax avoidance strategies via subsidiaries in non-cooperative jurisdictions for tax purposes without substantial economic activity; insists that these companies should contribute fairly to the recovery efforts by paying their fair share of taxes; seeks in this context a new social contract for business, harmonising profit aims with considerations for people and the planet;

77. Calls on the Commission to revise the rules on State aid, including the Temporary Framework introduced as a response to the COVID-19 pandemic, as needed in order to obtain greater public support for the European Green Deal and ensure that State aid support is conditional on meeting the Union's climate and environmental objectives; notes that any revision of State aid rules should be carefully designed to prevent distortions of competition in the internal market, and ensure its integrity and a level playing field in any future revision;

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78. Calls on the Commission, when approving a State aid request by a Member State in accordance with Article 108 TFEU, to include in its decision provisions requiring beneficiaries in carbon-intensive sectors to adopt climate targets and green transition roadmaps, and demonstrate the alignment of their business model and activities with the objectives set out in Chapter 2 of Regulation (EU) 2018/1999;

79. Welcomes the planned revision of the Energy Taxation Directive for 2021, and calls on the Commission to present legislative proposals to bring VAT rates in line with environmental considerations, introduce a single-use plastic levy, and increase relevant minimum excise duties that have lost their effect due to inflation; seeks to pair these reforms with efforts to maintain purchasing power for those with the lowest income levels in the European Union;

80. Recalls the increasing investment needs related to the green transition, and that corporate tax evasion and tax avoidance cause potential lost resources for national and EU budgets quantified as ranging from EUR 50-70 billion to EUR 160-190 billion which could be used for investment in the SEIP; calls on Member States to mobilise resources to finance the sustainable and just transition by implementing any potential OECD inclusive framework agreement, including Pillar 2 thereunder; calls for an intensified fight against tax fraud, tax evasion, tax avoidance and aggressive tax planning; calls for EU-level coordination to detect, investigate and avoid aggressive tax planning schemes by individuals and corporations; calls for an ambitious strategy on business taxation for the 21st century; calls on the Council to update the criteria on the definition of harmful tax regimes in the Code of Conduct on Business Taxation, and reiterates its position of 26 March 2019 on Member States facilitating aggressive tax planning; encourages the Commission to establish criteria to assess Member States' tax practices; reminds the Commission of Article 116 TFEU in the context of tax-related dossiers, and encourages the Commission to make use of that provision in order to avoid distortions of competition within the single market;

81. Wishes it to be ensured that everybody contributes equitably to the post-COVID-19 recovery and the transition towards a competitive and sustainable economy, while taking into account the different capacities of Member States; considers that, as highlighted by ECB President Christine Lagarde on 7 July 2020, the vulnerable often 'are the most affected' by the COVID-19 pandemic, while asset prices have so far gone up throughout the crisis; encourages Member States and the Commission to look into new resources to fund the economic recovery that take this into account;

82. Stresses that the increased financing of the Green Deal will imply a significant degree both of budgetary discipline and of scrutiny in order to prevent fraud and the diversion of funds; notes that the European Anti-Fraud Office (OLAF) lacks capacity to prevent financial fraud on its own; calls therefore on all Member States to join the European Public Prosecutor's Office (EPPO);

83. Believes that the combination of the proposals in this report can raise the EUR 660 billion per year needed to win the battle for climate and jobs;

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84. Instructs its President to forward this resolution to the Commission and the governments and Parliaments of the Member States.
