

28 May 2024

CEMBUREAU FEEDBACK TO EC CALL FOR EVIDENCE ON SOCIAL CLIMATE FUND – GUIDANCE ON APPLYING THE ‘DO NO SIGNIFICANT HARM’ PRINCIPLE

Use the existing do not significant harm criteria of the delegated acts

CEMBUREAU, the European Cement association, welcomes the opportunity provided by the European Commission to provide feedback on the coming Communication on the do not significant harm (DNSH) principle to the Social Climate Fund and policy reflections for its future extension under the next multiannual financial framework.

CEMBUREAU believes that, for activities covered by the EU Taxonomy Delegated Acts (Climate and Environmental), the DNSH should only mirror the DNSH technical criteria included in the Delegated Acts developed according to the process set by the EU Taxonomy Regulation. The development of additional ad hoc criteria, like the ones used in the technical guidance on the application of ‘do no significant harm’ under the Recovery and Resilience Facility Regulation, should be avoided.

The criteria setting is initiated by the Commission Platform on Sustainable Finance. It is composed of experts in their fields. Furthermore, the Commission committed to have invited experts when developing or updating activity specific criteria. Based on the work of the platform, the Commission develops a draft delegated regulation which is open to public consultation. When the delegated act is adopted, it must not be opposed by the European Parliament or the Council to be published in the Official Journal of the European Union and enter into force.

That process ensures (1) technical input from experts and (2) political oversight.

Additionally, it ensures legal certainty while a Communication of the Commission is reversible. This is a key factor. When industry is investing in its climate and environmental transition, legal certainty to get access to EU funding is fundamental.

Moreover, the Commission just committed to reduce the reporting requirements by 25%. Sticking to the existing DSNH criteria for covered activities, and already reported on by companies, would comply with this political objective which our industry supports.

Finally, this approach avoids the creation of diverging approaches in the application of the principle highlighted in the call for evidence. The activities covered by the EU Taxonomy Delegated Acts already have DNSH criteria for all of six environmental objectives.

CEMBUREAU is ready to further contribute to the development of the Communication and policy reflections for the future extension of the DNSH principle.
