From:

EC PRESIDENT VDL

To: Cc:

SEIBERT Bioern (CAB-VON DER LEYEN):

(CAB-VON DER LEYEN);

CAB-VON DER LEYEN); RECOVER); WATSON John (SG); ARBAU (CAB-VON DER LEYEN), GAUER Celine (SG-

@ec.europa.eu;

Francois (DEFIS); (SG-RECOVER); @ec.europa.eu;
(SG-RECOVER);

Subject:

EU Taxonomy - Overwhelming majority of stakeholders asks for a science-based climate taxonomy

Delegated Act

Date:

mardi 9 février 2021 18:01:21

Dear President von der Leyen,

In December's consultation on the EU taxonomy delegated acts, 45.000 citizens, equivalent to more than 97% of respondents, asked for a taxonomy based on climate science.

In particular, citizens called on the Commission to:

- Maintain the 100 gCO2/kWh threshold for the power sector and tighten it regularly;
- Maintain the current forestry criteria;
- Tighten the extremely weak bioenergy criteria;
- Postpone livestock production and re-examine the criteria in the Platform
- Withdraw the shipping criteria and ask the Platform to re-examine them;
- **Tighten the hydropower criteria** by removing new installations.

Please find attached a letter from the directors of the NGOs WWF, Transport&Environment, Birdlife, and NABU with more details on these recommendations.

The signatories of the letter also call on the Commission to dispel the large number of misleading and baseless statements on the taxonomy - that it risks 'choking sectors', is 'too strict', and 'risks creating a green bubble' - which threaten the entire taxonomy.

Obstructive Member States lack the numbers in the Council to oppose the taxonomy: the Commission should therefore refuse to weaken the criteria to accommodate them and should instead tighten them as outlined above and proceed with the Delegated Act's publication, while using the delay to re-explain that the taxonomy aims to set a gold standard and to dispel confusion on what a taxonomy-based transition will be for a given company, building on the forthcoming inputs from the Transition taskforce of the EU Platform.

We would be happy to discuss these recommendations with you or your cabinet at your earliest convenience.

Kind regards,

(on behalf of WWF, T&E, Birdlife, NABU)

__

WWF European Policy Office |

EU Transparency Register Nr: 1414929419-24 |

www.wwf.eu

09 February 2021

Dear President von der Leyen,

Dear Executive Vice-President Dombrovskis,

Dear Executive Vice-President Timmermans,

Dear Commissioner McGuinness,

Overwhelming majority of stakeholders asks for a science-based climate taxonomy Delegated Act

Last December, over 45.000 EU citizens responded to the Commission's consultation on the draft climate taxonomy Delegated Act to support a taxonomy based on science and aligned with the EU Green Deal. They made up 97% of all responses to the Commission's consultation and their positions should be duly taken into account when finalising the Delegated Act.

At the same time, <u>an open letter by 130 civil society organisations</u> – many of which, as members of the Technical Expert Group (TEG) and Platform on Sustainable Finance (Platform), have supported the Commission's efforts to build the taxonomy – highlighted a number of activities where criteria need to be tightened or maintained.

Both types of stakeholders stressed that:

- The 100 gCO2/kWh limit for energy production should be maintained and tightened every five years down to zero. As the EIB's President Werner Hoyer recently made clear, "gas is over". Classifying fossil gas as sustainable would bring the entire taxonomy into disrepute. It would even force the signatories to this letter to publicly criticise the taxonomy and recommend that the European Parliament and Council reject it.
- Forestry criteria should neither be weakened nor postponed. Obstructive stakeholders like the Finnish and Swedish industries are challenged in their very own countries on their unsustainable forestry practices. The taxonomy needs to highlight best practices, not business as usual.
- The bioenergy criteria, which are extremely weak, must be tightened. The current criteria would classify activities that increase emissions compared to fossil fuels, such as burning trees and crops, as sustainable. This is completely counterproductive, as shown by this recent Commission report. The Commission should reverse its decision to classify the burning of forest biomass as sustainable and exclude from the taxonomy all bioenergy feedstocks that increase emissions compared to fossil fuels, like purpose-grown crops.
- **Livestock production should be re-examined** and be postponed for now, as the current standards focus on technical solutions rather than on reducing the number and concentration of livestock.
- Sea and coastal transport for passengers and goods have been introduced at the very last
 moment with no expert oversight or stakeholder consultation. The standards proposed claim
 that the status quo in shipping is environmentally sustainable. This is not true. These sections
 need to be withdrawn altogether and addressed in the Platform on Sustainable Finance together
 with the rest of the sustainability criteria for shipping.
- The hydropower criteria should be tightened to remove new installations. The TEG recommended that new small hydropower installations (under 10 MW) should be excluded in

order to protect the EU's already heavily fragmented freshwater ecosystems from further hydropower development. This criterion was removed from the draft Delegated Act but should be reinstated to protect biodiversity, one of the key objectives of the Green Deal.

Fossil fuels, burning trees and crops for energy, intensive animal farming, excessive hydropower, and polluting cargo and cruise liners significantly damage our planet and people's health, and should not be featured in the list of 'green' activities. Furthermore, civil society submitted extensive recommendations on forestry, the need for hydrogen to be produced exclusively with renewable sources, the need to keep incineration out of the taxonomy, and the need to exclude nuclear power.

Unfortunately, a collection of misleading statements has been growing of late, blaming the taxonomy for potentially "choking entire sectors of the economy" and "creating a green bubble". Anyone who knows the Regulation is aware that the taxonomy is just a classification system and it only requires disclosure by environmental funds and large corporates. The taxonomy neither prevents nor enforces any type of behaviour. Countries, banks and investors all remain 'sovereign' to invest in whatever they wish.

While public disclosure is an enabling step to changing behaviour, it is clearly not sufficient to stop unsustainable finance: since the Paris Agreement was signed, banks have lent almost \$3 trillion to fossil fuels, despite public disclosure and criticism every year from civil society. We urge the Commission, therefore, to publicly rebut these misleading and scaremongering statements, which are not based on evidence and which threaten the whole taxonomy.

We have calculated that obstructionist Member States in the Council are far from reaching the qualified majority required to veto the Act: the Commission should therefore not weaken any criteria in its draft, but instead improve them, move to explain that the taxonomy aims to set a gold standard, and dispel confusion, notably on what 'transitional activities' are exactly.

We are convinced that the taxonomy can help reduce counter-productive greenwashing, and help companies to transition in a timely fashion and to align themselves with the EU climate goals and the Green Deal. We assure you of our strong support for a taxonomy that is fully based on science and would be pleased to discuss this with you or your cabinets at your earliest convenience.

Yours sincerely,

WWF European Policy Office
Transport & Environment
Birdlife
NABU