

From: [REDACTED]@clubofrome.org
Sent: Tuesday 27 April 2021 16:35
To: EC PRESIDENT VDL; MCGUINNESS Mairead (CAB-MCGUINNESS)
Cc: [REDACTED] (CAB-VON DER LEYEN); CAB MCGUINNESS CONTACT;
Subject: EU Taxonomy - Letter to President von der Leyen & Commissioner McGuinness
Attachments: Letter to President Von Der Leyen & Cmmr McGuinnesss - EU taxonomy - April 2021.pdf; Letter to President von der Leyen - EU taxonomy - December 2020.pdf

Dear President von der Leyen and Commissioner McGuinness,

I am writing to you in my professional and personal capacity but also as a former member of the Technical Expert Group on Sustainable Finance (TEG) and current member of the Platform on Sustainable Finance, both set up by the European Commission to assist in the implementation of EU legislation to integrate sustainability considerations into the EU's financial policy framework.

Please find a letter addressed to you attached, intending to reach out as a friend and champion of the European Institutions and a staunch supporter of your ambitious climate and sustainability leadership. I am writing to you in light of the publication of the EU Taxonomy Climate Delegated Act last Wednesday 21st April and to follow up on my letter sent in December 2020 regarding serious concerns on efforts to weaken European leadership.

I look forward to hearing from you and enhancing our collaboration as we move through these turbulent times.

With sincere regards,

[REDACTED]

[REDACTED]

The Club of Rome



Email: [REDACTED]@gmail.com

Twitter: [REDACTED]

Advisory Boards: BMW, ClimateKIC, Institute for European Environmental Policy (IEEP), UCB, UCL-Bartlett School for Environment, Energy & Resources (Chair), UN Food System Summit- Resilience Action Track (Co-Chair), **European Commission Advisor:** Expert Group on the Economic & Societal Impact of Research and Innovation (Chair), Technical Expert Group (TEG) on Sustainable Finance & Sustainable Finance Platform **Ambassador:** Energy Transition Commission (ETC) & WeAll (Well Being Alliance) **Senior Associate:** Cambridge Institute for Sustainability Leadership (CISL) & E3G **Visiting Lecturer:** Cambridge Institute for Sustainability Leadership (CISL) Executive & Masters Programmes; Nyenrode-Judge Business School Executive Education Programme **Co-Founder:** Women Enablers Change Agent Network (WECAN)

President Ursula von der Leyen
Commissioner Mairead McGuinness
European Commission
Berlaymont, Rue Archimede 73
1000 – Bruxelles



27th April 2021

Dear President von der Leyen and Commissioner McGuinness,

I am writing to you in my professional and personal capacity but also as a former member of the Technical Expert Group on Sustainable Finance (TEG) and current member of the Platform on Sustainable Finance, both set up by the European Commission to assist in the implementation of EU legislation to integrate sustainability considerations into the EU's financial policy framework.

In December 2020, I wrote to you with serious concerns regarding efforts to weaken European leadership in particular regards to the Delegated Acts on the EU's taxonomy of sustainable investments. I raised at the time that I feared the process to develop the EU taxonomy had altered from a forward-looking approach rooted in science, based on the evidence and advice of experts, to a back-ward looking approach rooted in vested interests. I raised my concern that if the science-based TEG outcomes were largely ignored in key sectors and we are locked into incrementalism, then there's every chance the Platform process could suffer the same fate. In light of the publication of the EU Taxonomy Climate Delegated Act last Wednesday 21st April, I have therefore been carefully assessing the details and considering my position on the Platform.

It is my opinion that there are substantial issues with the EU Taxonomy Climate Delegated Act, particularly for the criteria related to the forestry and bioenergy sectors, whilst at the same time there has been a robust, evidence-based approach taken in many areas of the Act. It has become evidently clear that this inconsistent outcome is a fault of the politicisation of the process which I feared. The TEG has made a marked difference to the outcome of the Delegated Act, yet the fundamental flaw is regarding the susceptibility of the process to external pressure and the inability of the governance structure to ensure the rules set out in the Regulation are followed (i.e. Article 19 - "The technical screening criteria established...shall...be based on conclusive scientific evidence and the precautionary principle enshrined in Article 191 TFEU"). The politicisation of the process leaves me in a tricky situation regarding my participation in the Platform, as I acknowledge that I can clearly have a valuable contribution but understand that without changes to the governance that my contributions will likely have limited impact.

I am thus grateful that the Chair of the Platform on Sustainable Finance, Nathan Fabian, has put forward recommendations to the European Commission on amending the governance surrounding the EU taxonomy. It is my hope that the role of the Platform can be strengthened while the involvement of the Member States in the process is altered. I understand that the European Commission has not yet acted on the recommendations from the Chair of the Platform but I very much hope you will do so very soon and give your green light for the demands put forward. I would like to emphasise the importance of this for the success of the continued development of the taxonomy and that without such changes I will find it difficult to continue participating in the Platform on Sustainable Finance.

With warm regards,

[Redacted signature]

[Redacted name]
[Redacted title]
The Club of Rome
Advisory Council, ClimateKIC



18 December 2020

President Ursula von der Leyen
Headquarters of European Commission
Berlaymont
Rue Archimède 73
BE-1000 Bruxelles

Dear President von der Leyen,

I am writing to you in my professional and personal capacity but also as a former member of the Technical Expert Group of Sustainable Finance (TEG) and current member of the Platform on Sustainable Finance, both set up by the European Commission to assist in the implementation of EU legislation to integrate sustainability considerations into the EU's financial policy framework.

Through my 30+ year history of engagement with the European institutions, serving as a bridge between policy development, progressive industrial shifts and civil society engagement, I have always sought to champion European leadership to deliver systemic change, addressing regional and global environmental and climate challenges. My enthusiasm for EU policy ambition and leadership was at its peak during my tenure on the TEG, both in terms of the integrated and interactive process as well as the ambitious science-based approach taken by the representatives of the European institutions present (European Commission Directorates, Joint Research Centre of the European Commission, European Investment Bank, European Central Bank and European Environment Agency amongst others) and the external experts like myself. But now I am writing to you with serious concerns regarding recent efforts to weaken European leadership across several files from the Common Agricultural Policy to the greening of the next EU budget and NextGenerationEU instrument, and now the Delegated Acts on the EU's taxonomy of sustainable investments.

As currently written, the EU taxonomy will move away from a tool that drives climate ambition and substantial contribution, as was initially intended, to a tool that measures compliance at less than ambitious levels in several sectors. This is not in line with EU's 2030 and 2050 climate targets and will lock-in public and private spending to an outdated economy, deeming it to be 'sustainable' and preventing space for innovation or incentives for the shift to transformational change.

The TEG members, in collaboration with observers from EU and international public bodies and over 200 additional sectoral and Member State experts, spent two years developing recommendations for technical screening criteria for economic activities that can make a substantial contribution to climate change mitigation or adaptation based upon the best scientific advice in accordance with Article 191 TFEU. The weakening of the Delegated Acts after such an extensive engagement process with EU technical experts, investors and Commission Directorates sends a very strong signal that such processes are actually mere window dressing. I know this is not your original intent, but I fear the Delegated Act procedure of the EU taxonomy, has clearly moved away from a forward-looking approach rooted in science to a back-ward looking approach rooted in vested interests.

The draft Delegated Act introduces incoherence into the application of specific thresholds that define what is and what is not 'sustainable'. Whilst some thresholds have been retained, notable and commendable is the stance that unabated gas is not consistent with achieving Paris Agreement goals and the two thresholds (100g and DNSH 270g) in this regard must stay, others have been altered. The draft Delegated Act takes a pick and choose approach, from sector to sector, when it comes to utilising the science-based recommendations of TEG. It has moved the taxonomy away from ensuring substantial contribution in all sectors. It is also completely disconnected from the approach of the European Investment Bank in their Climate Bank Roadmap, which will certainly create issues in rolling out private and public funds during co-investment. Please find the official EIT Climate-KIC consultation response in attachment which mirrors our disappointment and comments regarding several major changes to TEG recommendations. I regret to inform you that after having been a TEG and Taxonomy champion for the EU, I am now considering possible resignation from the Sustainable Finance Platform. Even though I respect the incredible leadership of the Commission, DG FISMA and Nathan Fabian, UNPRI as Chair, I fear that if the science-based TEG outcomes are largely ignored in key sectors and we are locked into incrementalism, then there's every chance the Platform process could



suffer the same fate. If this is the case than my involvement in the Platform will unfortunately be a waste of time, of energy and of the funding and in-kind support allocated by EIT Climate-KIC which has enabled my TEG and Platform involvement so far. My own personal and professional credibility together with that of EIT Climate-KIC will be questioned by staying on as a champion of science-based decision making if the final outcome locks us into the opposite.


Although the Taxonomy Delegated Act may seem like a small issue in comparison to our current COVID-19 recovery challenges, together with a final Recovery package which will deliver mixed results for the green transition, and a Common Agricultural Policy framework that does not match Farm to Fork policy aspirations, any weakening of the Taxonomy is a deep sign of loss of leadership as we attempt to bounce forward and build back better using the European Green deal as our North Star.

My sincere intent in sending you this letter is to reach out and voice my concerns as a friend and champion of the European Institutions and a staunch supporter of your ambitious climate and sustainability leadership. As you have seen through the recent publication of the Green Deal System Change Compass by the Club of Rome jointly with SYSTEMIQ, I firmly support the Green Deal and believe it is indeed our best recovery and resilience plan.

I look forward to hearing from you and enhancing our collaboration as we move through these turbulent times and very much hope that we will be able to maintain a strong Taxonomy framework using the EGD and climate neutrality objectives as it's anchor. May I take this opportunity to wish you all the best for the holiday period and my deep wishes for a healthy, regenerative and transformational 2021. Thank you for your unfaltering leadership.

With warm regards,




The Club of Rome
Advisory Council, ClimateKIC

CC: President Charles Michel, President of the European Council;
President David Sassoli, President of the European Parliament;
Executive Vice-President Valdis Dombrovskis, Executive Vice-President for An Economy that Works for People, European Commission;
Executive Vice-President Frans Timmermans, Executive Vice-President for the European Green Deal, European Commission;
Commissioner Mairead McGuinness, Commissioner for Financial services, financial stability and Capital Markets Union, European Commission;
Commissioner Paolo Gentiloni, Commissioner for the Economy, European Commission;
Commissioner Kadri Simson, Commissioner for Energy, European Commission;
Commissioner Janusz Wojciechowski, Commissioner for Agriculture, European Commission;
Commissioner Virginijus Sinkevičius, Commissioner for Environment, Oceans and Fisheries, European Commission;
Commissioner Thierry Breton, Commissioner for Internal Market, European Commission;
Commissioner Adina Vălean, Commissioner for Transport, European Commission;
Bas Eickhout, Co-lead rapporteur on the Taxonomy Regulation on behalf of Group of the Greens/European Free Alliance, European Parliament;
Sirpa Pietikäinen, Co-lead rapporteur on the Taxonomy Regulation on behalf of Group of the European People's Party, European Parliament.