

Joint NGO Statement – Ten Priorities for the Taxonomy Consultation

We, a coalition of environmental, social justice and human rights NGOs representing millions of EU citizens, and working with millions of people in the Global South, strongly support the development of an EU sustainable taxonomy rooted in climate and environmental science to boost the development of fully sustainable economic activities and reduce the risk of greenwashing.

We have responded individually to the TEG's public consultation on its proposed technical criteria for the taxonomy. These responses have included calls for a complementary brown taxonomy and for an independent, science-based EU Platform.

In addition, we call for much better specification of the minimum social safeguards – including due diligence procedures – required for any economic activity. This is to ensure meaningful implementation of the minimum social safeguards identified in Article 13, including those added by the European Parliament and the European Council. The review and assessment of the suitability of these safeguards should be a critical mandate of the future Platform on Sustainable Finance, which should include stakeholders with the expertise to carry out these tasks.

Without prejudice to those views, we also want to highlight the following shared demands, which we consider crucial.

A. Economic activities for which the criteria need to be tightened

1. Bioenergy for power and heat

To ensure that bioenergy incentivised by EU policies delivers genuine climate benefits compared to fossil fuels, stricter criteria on the type of feedstock that can be burned are required. The taxonomy should only cover activities using separately collected biowaste, fast-decaying wastes and residues with no other use. It should exclude any activity based on 'first generation' crop-based biofuels and biogas or the use of coarse forest harvest residues such as tree trunks and stumps.

In addition, the TEG should exclude co-firing of biomass with fossil fuels, coal-to-biomass conversion, and burning biomass exclusively or primarily to obtain electricity, not heat. More generally for the power sector, we recommend reducing the Emissions Performance Standard from 100 gCO₂/kWh to eg 50 gCO₂/kWh.

2. Forestry

One of our main concerns is the lack of action to protect natural forests against deforestation. The implicit incentive for large-scale monoculture plantations is concerning. Afforestation or reforestation of forests is insufficient to replace forests lost to deforestation. Protecting, restoring and enriching biodiversity should be an underlying principle of the actions. Furthermore, a highly referenced April 2019 study published in Nature concluded that "restoring natural forests is the best way to remove atmospheric carbon". This should therefore receive a higher priority under the taxonomy.

3. Hydropower

As one of the key degraders of freshwater biodiversity, hydropower should be subject to stricter and simpler criteria. More than half of European rivers are degraded by tens of thousands of dams. Greenfield hydropower plants should therefore not be developed in the EU anymore: retrofits should be given priority but only if they are more beneficial to society and environment than decommissioning and they don't cause added deterioration of water status.

Outside the EU, hydropower should never impact freshwater ecosystems of high ecological importance nor take place in protected areas. It should only be developed as a last resort when alternatives such as solar, wind or demand-side energy efficiency are unavailable. This should be based on comprehensive impact assessments and cost-benefits analyses which give nature, water conservation and human rights the same weight as economic, climate and energy issues.

Tighter criteria are also needed for pollution and ecosystems impacts. Criteria should be added for new pumped-storage hydropower to favour its development outside natural streams and lakes.

4. Cross-cutting 'do no significant harm' criteria on biodiversity and strategic environmental assessments

We need stronger do no significant harm (DNSH) criteria on biodiversity. The TEG should, as a minimum, exclude industrial activities and infrastructure that may harm protected areas; it rightly proposed not to harm UNESCO World Heritage Sites and Key Biodiversity Areas but this should apply to all economic activities. Ideally, it should require an assessment that each project does not harm biodiversity. Furthermore, we need strategic environmental assessments to confirm the environmental and social acceptability of a development.

DNHS requirements should be inserted consistently into all relevant sectoral standards and ensure adherence to European regulations and international environmental conventions.

B. Economic activities to remove from the EU sustainable taxonomy

5. Livestock

Intensive livestock activities should be excluded from the taxonomy. The industry is highly carbon-intensive, emissive, polluting, and strongly linked to deforestation. In addition, there are major animal welfare and human health concerns. It risks slowing down the transition to a more sustainable plant-based diet, as required in most Paris-compliant climate scenarios. Organic livestock could be an exception.

6. Biofuels and biogas for transport

It is impossible to monitor whether a vehicle has only used biogas or biofuels. Trucks can currently run on biofuels such as hydrogenated vegetable oil (HVO) instead of diesel: they could easily use HVO one day

and diesel the next. It would also be impossible to monitor whether a vehicle is running only on biogas, as all vehicles which can run on biogas can also run on fossil gas.

These are significant weaknesses. We therefore urge the TEG to remove the explicit inclusion of biofuels for trucks, coaches, and ships as well as the related infrastructure, as it cannot be traced precisely along the supply chain.

7. Fossil fuel vehicles and vessels

Transport represents a massive 27% of EU greenhouse gas emissions: the sector will need to be decarbonised rapidly to achieve our Paris climate targets. However, fossil fuel vehicles could satisfy the current TEG criteria. The thresholds should be improved to ensure that fossil fuel (including gas) vehicles and vessels are not promoted in the taxonomy. The taxonomy should only promote investment in Paris-aligned transport.

C. Economic activities that were rightly excluded and should not be reincluded

8. Nuclear power

Nuclear power was rightly excluded by the TEG as the waste from nuclear fission causes dangerous pollution – thus significantly harming the taxonomy’s pollution objective. The TEG was therefore correct in its assessment that nuclear power is unsustainable and it should retain that assessment.

Nuclear power is also responsible for some of the worst man-made disasters in recent times.

9. Fossil fuels (including gas)

Fossil fuels clearly operate on emissions that are far beyond the 100 gCO₂/kWh threshold identified by the TEG. They should therefore be excluded completely from the taxonomy. The TEG’s threshold is a timely, science-based reminder of how much we need to decarbonise our power sources to meet the Paris Agreement – and how far we are from that today.¹ Carbon Capture and Storage (CCS) should not be used for fossil-based power.

The European Investment Bank has recently announced an exclusion of fossil fuel lending from its draft Energy Lending Policy, with some exceptions. The taxonomy should continue on this trajectory and exclude fossil fuels completely.

10. Incineration

Waste incineration undermines upper-tier activities of the waste hierarchy which are more protective of the climate. Many reports have recognised that much of what is currently used as incinerator feedstock could be recycled or composted. The TEG has therefore rightly excluded incineration per se. It should also close the remaining loopholes which allow the use of refuse-derived fuel for e.g. cement production.

¹ As an alternative to fossil fuels, hydrogen should be considered in the taxonomy but only if produced from renewable power.

Signed

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