European Parliament

2019-2024



Committee on Economic and Monetary Affairs Committee on the Environment, Public Health and Food Safety

2021/2753(DEA)

27.9.2021

DRAFT MOTION FOR A RESOLUTION

pursuant to Rule 111(3) of the Rules of Procedure

on the Commission delegated regulation of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (C(2021)2800 – 2021/2753 (DEA))

Committee on Economic and Monetary Affairs Committee on the Environment, Public Health and Food Safety

Member responsible: Silvia Modig

(Joint committee procedure - Rule 58 of the Rules of Procedure)

B9-0000/2021

European Parliament resolution on the Commission delegated regulation of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

(C(2021)2800) – 2021/2753(DEA))

The European Parliament,

- having regard to the Commission delegated regulation of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (C(2021)2800),
- having regard to Article 290 of the Treaty on the Functioning of the European Union (TFEU),
- 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) 2019/2088¹, and in particular Articles 10(3), 11(3) and 23(6) thereof,
- having regard to Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law')²
- having regard to the Commission communication of 20 May 2020 entitled 'EU Biodiversity Strategy for 2030: Bringing nature back into our lives' (COM(2020)0380), and the resolution of the European Parliament of 9 June 2021 on the same topic³,
- having regard to the Intergovernmental Panel on Climate Change's (IPCC) special report on global warming of 1,5 °C and its sixth assessment report (AR6) of 9 August 2021 and its synthesis report thereon;
- having regard to IPBES-IPCC Co-Sponsored Workshop Report on Biodiversity and Climate Change published 10th June 2021,
- having regard to European Environment Agency report published on 11 May 2020 entitled 'The European Environment - state and outlook 2020: knowledge for transition

¹ OJ L 198, 22.6.2020, p. 13.

² OJ L 243, 9.7.2021, p. 1.

³ Text adopted, P9_TA(2021)0277

to a sustainable Europe',

- having regard to European Environment Agency report of 20 August 2020 entitled 'State of nature in the EU - Results from reporting under the nature directives 2013-2018',
- having regard to Joint Research Centre report of 26 January 2021 entitled 'The use of woody biomass for energy production in the EU',
- having regard to Rule 111(3) of its Rules of Procedure,
- having regard to the joint deliberations of the Committee on Economic and Monetary Affairs and the Committee on the Environment, Public Health and Food Safety under Rule 58 of the Rules of Procedure,
- having regard to the motion for a resolution of the Committee on Economic and Monetary Affairs and the Committee on the Environment, Public Health and Food Safety,
- A. whereas the Commission delegated regulation establishes technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives; whereas it and its annexes are intended to give credible, additional information to ensure investors, companies and other entities know which investments substantially contribute to environmental objectives and guide financial flows towards sustainable activities; whereas the exclusion of a particular economic activity does not necessarily mean that the activity is not sustainable;
- B. whereas Article 17 of Regulation (EU) 2020/852 sets out the criteria for the 'do no significant harm' principle, Article 10(2) lays down the criteria for transitional activities, and Article 19 (1) includes the requirement for technical screening criteria to be based on conclusive scientific evidence and on the precautionary principle enshrined in Article 191 TFEU;
- C. whereas Parliament has declared a climate and environmental emergency and has committed to urgently take the concrete action needed to fight and contain this threat before it is too late⁴;
- D. whereas according to Regulation (EU) 2021/1119, the Union is committed to stepping up efforts to tackle climate change and to delivering on the implementation of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (the 'Paris Agreement'), guided by its principles and on the basis of the best available scientific knowledge, in the context of the long-term temperature goal of the Paris Agreement;
- E. whereas the IPCC has concluded that global warming of 1, 5°C and 2°C will be

⁴ Texts adopted, P9_TA(2019)0078.

exceeded during the 21st century unless deep reductions in CO_2 and other greenhouse gas emissions occur in the coming decades; whereas global warming will lead to many changes in the climatic system including increased frequency of extreme weather events and sea level rise that will have an adverse effect on the economy and cause enormous human suffering; whereas changes in several climatic impact-drivers would be more severe in higher temperatures⁵;

- F. whereas the IPCC AR6 shows that evidence of observed changes in extremes such as heatwaves, heavy precipitation, droughts, and tropical cyclones, and in particular, their attribution to human influence, has strengthened since the fifth assessment report ⁶;
- G. whereas according to the European Environment Agency it is still currently the case that Europe continues to lose biodiversity at an alarming rate⁷; whereas the Union has achieved neither the Biodiversity Strategy to 2020 objectives nor the global Aichi Biodiversity Targets;
- H. whereas the resolution of the European Parliament on the EU Biodiversity Strategy for 2030⁸ stresses the need to fully deliver on its targets and calls for measures to also address biodiversity loss outside protected areas while pointing out that restoring nature and ecosystems in protected areas does not make up for continued loss of biodiversity and degradation of ecosystems in other areas;
- I. whereas the resolution of the European Parliament on the EU Biodiversity Strategy for 2030⁹ underlines the need to revise and align Union rules on the use of biomass for energy production with the objectives of the EU Biodiversity Strategy for 2030 and Regulation (EU) 2021/1119, notably as part of Directive (EU) 2018/2001 of the European Parliament and of the Council¹⁰ and the delegated acts to Regulation (EU) 2020/852;
- J. whereas IPBES and IPCC in their Co-Sponsored Workshop Report on Biodiversity and Climate stressed that climate change and biodiversity loss are interconnected problems and they should be addressed holistically¹¹;
- K. whereas numerous scientists have been warning about the pitfalls of bioenergy and pointed out that relying too heavily on bioenergy as a substituent for fossil fuels could undermine both climate goals and the world's biodiversity¹²;
- L. whereas on 21 April 2021 the non-governmental organisations of the World Wildlife Fund EU, Transport & Environment, BirdLife, the European consumer organisation

⁵ the Intergovernmental Panel on Climate Change's (IPCC) special report on global warming of 1,5 °C, <u>https://www.ipcc.ch/sr15/</u>

⁶ to the Intergovernmental Panel on Climate Change's (IPCC) sixth assessment report (AR6) and its synthesis report, <u>https://www.ipcc.ch/report/ar6/wg1/</u>

⁷ European Environment Agency, 'The European environment — state and outlook 2020: knowledge for transition to a sustainable Europe', 11 May 2020, <u>https://www.eea.europa.eu/soer/2020</u>

⁸ Text adopted, P9_TA(2021)0277

⁹ Text adopted, P9_TA(2021)0277

¹⁰ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

¹¹https://doi.org/10.5281/zenodo.4782538

¹² For example Scientist Letter to Biden, Von der Leyen, Michel, Suga\ & Moon Regarding Forest Bioenergy (February 11, 2021)

BEUC, and Environmental Coalition On Standards suspended their participation in the Union Platform on Sustainable Finance as protest to, in their opinion, the weak and unscientific criteria for bioenergy and forestry laid down in the Union's green finance taxonomy¹³; whereas on 31 May 2021 these NGOs returned to the Union Platform on Sustainable Finance after the Commission committed to a higher level of transparency in the adoption of future delegated acts on the sustainable finance taxonomy¹⁴;

- M. whereas out of 24 bioenergy scenarios studied by the Joint Research Centre, 23 scenarios pose a risk to climate change mitigation or biodiversity or both; whereas in 19 scenarios the risk is more severe; whereas the one scenario with short term carbon emission mitigation potential and positive or neutral biodiversity impact could still increase emissions for up to 20 years¹⁵;
- N. whereas 14 % of bioenergy used in the Union currently comes from uncategorised origin that is most likely primary wood; whereas the tendency to report uncategorised origin of bioenergy is currently increasing¹⁶; whereas the use of primary wood for bioenergy is against the cascading use principle and undermines both climate mitigation and biodiversity protection efforts;
- O. whereas Directive (EU) 2018/2001 incentivises the burning of whole trees, stem wood and purpose-grown biofuels; whereas almost 800 scientists sent a letter to Parliament advising to restrict the forest biomass eligible under Directive (EU) 2018/2001 only to residues and wastes¹⁷; whereas over 500 scientists addressed a letter to Ursula von der Leyen and other world leaders advising them not to promote policies to cut down whole trees or divert large portions of stem wood for bioenergy and warning that increased demand for vegetable oil based fuels adds to the global pressure to clear more forests already created by rising food demand¹⁸; whereas the Commission proposal to amend Directive (EU) 2018/2001 only includes minor changes to the existing policies and is not aligned with the scientific advice; whereas in the delegated regulation the criteria for bioenergy are aligned with Directive (EU) 2018/2001;
- P. whereas burning wood emits more carbon per energy unit than burning fossil gas, oil or coal¹⁹ and should therefore be seen as a transitional energy source instead of an long-term solution and hence be labelled as a transitional activity under Regulation (EU) 2020/852;
- Q. whereas the general conservation status of the Union's forest habitats' biodiversity and species listed in the Council Directive 92/43/EEC²⁰ is unfavourable with little signs of

¹³ See for example <u>https://www.euractiv.com/section/energy-environment/news/ngos-walk-out-on-eu-green finance-group-over-forestry-bioenergy-rules/</u>

¹⁴ See for example <u>https://ecostandard.org/news_events/european-commission-commits-to-higher-transparency</u> in-taxonomy-decision-making-ecos-resumes-work-in-official-advisory-group/

¹⁵ Joint Research Centre, 'The use of woody biomass for energy purposes in the EU', 2021, p. 78-160, https://publications.jrc.ec.europa.eu/repository/handle/JRC122719

¹⁶ Joint Research Centre, 'The use of woody biomass for energy purposes in the EU', 2021, p. 7, https://publications.jrc.ec.europa.eu/repository/handle/JRC122719

¹⁷ Letter from scientist to the EU Parliament regarding forest biomass (updated January 14, 2018)

¹⁸ Scientist Letter to Biden, Von der Leyen, Michel, Suga\ & Moon Regarding Forest Bioenergy (February 11, 2021)

¹⁹ See for example Letter from scientist to the EU Parliament regarding forest biomass (updated January 14, 2018)

 $[\]overline{^{20}}$ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and

positive development²¹; whereas forestry is currently the primary driver of pressure for most of the forest habitat types²²;

- R. whereas the forest management criteria in the delegated regulation are based on national law and do not adequately identify forest practices that cause biodiversity loss for the purposes of Regulation (EU) 2020/852; whereas the criteria allow forest management practices such as planting intensive mono-species plantations, stump harvesting and utilisation of harmful chemicals that are detrimental for the biodiversity;
- S. whereas the demand of bioenergy and wood based materials is likely to increase considerably in the future; whereas guaranteeing the sustainable development of the European bio-economy and ensuring predictable investment environment for industry actors calls for more scientifically sound regulation;
- T. whereas Regulation (EU) 2020/852 should determine the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and to determine whether that economic activity causes no significant harm to any of the other environmental objectives; whereas the delegated regulation should be properly aligned with the latest scientific knowledge and the 'do no significant harm' principle and the criteria of transitional activities under Regulation (EU) 2020/852;
- 1. Objects to the Commission delegated regulation;
- 2. Considers that the Commission delegated regulation is not compatible with the aim and the content of Regulation (EU) 2020/852;
- 3. Instructs its President to forward this resolution to the Commission and to notify it that the delegated regulation cannot enter into force;
- 4. Calls on the Commission to submit a new delegated act which takes account of the concerns set out above;
- 5. Calls on the Commission to ensure that the new delegated act is based on the latest scientific and technical knowledge and consistent with the Paris Agreement and the 'do no significant harm' principle of Regulation (EU) 2020/852;
- 6. Instructs its President to forward this resolution to the Council and to the governments and parliaments of the Member States.

flora (OJ L 206, 22.7.1992, p. 7.).

 ²¹ European Enviroment Agency, 'State of nature in the EU: Results from reporting under the nature directives 2013-2018', 20.8.2020, p. 35-70, <u>https://www.eea.europa.eu/publications/state-of-nature-in-the-eu-2020</u>
²² European Enviroment Agency, 'State of nature in the EU: Results from reporting under the nature directives 2013-2018', 20.8.2020, p. 71-106, <u>https://www.eea.europa.eu/publications/state-of-nature-in-the-eu-2020</u>