



Photo: Neil Cousy



A strong start in Brussels

How we're pushing forward EU policy change

EU policy? Oh dear! Who would willingly choose to spend their time dealing with those cumbersome topics? Even the terminology they use is baffling! The EU Taxonomy, the "do no significant harm" principle, delegated acts... A typical reaction from many people might be: "No one can get their head round all that!" or "It's enough to make you turn and run!" But in Brussels, decisions are made that concern us all. EuroNatur defends the interests of civil society at EU-level by monitoring and commenting critically on the processes that affect Europe's nature. In order to be able to get ourselves well and truly in the mix, we opened an office in the heart of the European Quarter in October 2021.

Having a strong presence in Brussels is a necessity because, under its „European Green Deal" (see box), the European Union is currently disbursing historically large amounts of money in order to lead Europe into a „greener" future. A list of criteria is meant to help steer investments in the right direction and achieve the EU's major environmental objectives; these include ensuring Europe is carbon-neutral by 2050 and making species decline and habitat destruction a thing of the past. So, it's all heading in the right direction then? No way! What at first glance might seem like a big step in the right direction, turns out on closer inspection to pose dangers both to people and to nature. Investments that are supposed to do good are actually at risk of causing huge damage. EuroNatur is exposing these inconsistencies and keeping up the pressure on officials in Brussels by demanding a truly green turnaround.

Thomas Freisinger sweeps through the countryside on his racing bike. Cycling in his spare time gives Thomas the headspace and clear focus he needs for his demanding work as an EU Policy Officer in Brussels.



„In some cases, finance ministry officials have indicated that a project will cause no significant damage, but they haven't supplied any reliable underlying data to support their assessment.“

Thomas Freisinger, EU Policy Officer in Brussels

„Hardly anything remained of what was a good idea“ A pseudo-sustainability principle is a cause for concern

For over a year, a number of EU infringement proceedings against the Romanian government have been under way. The accusation: in the Carpathians, Europe's last great primary forests are being illegally cut down. With these proceedings still in progress, Romania is receiving around 200 million euros from the European Union - for new technologies to protect the Carpathian forests from extreme weather events. In this interview, Thomas Freisinger talks about why that's a problem. He explains why European civil society urgently needs to question and comment critically on the processes at EU-level.

Thomas, why should the example from Romania make people's hair stand on end?

The approximately 200 million euros come from a programme known as the Covid-19 recovery fund or Recovery and Resilience Facility which was set up by the European Union in 2020. The aim of the fund - in addition to supporting post-pandemic economic reconstruction - is to drive forward ecological change in Europe. That includes halting biodiversity loss. The so-called reconstruction plan that Romania submitted to the EU Commission is very clearly pursuing the exact opposite of that objective. Money from the grant will be used, among other things, for building forest roads that will make forests easier to access. As the past experiences of our Romanian partner organisation Agent Green have shown, this is only likely to further increase deforestation, even in remote areas.

The Romanian example highlights the risk of European funds being used to destroy nature rather than to preserve it. It's not just that the Covid-19 recovery fund is a historically large sum of money, it's also the first time money has been allocated according to the "do no significant harm" (DNSH) principle. Businesses have to align their economic activities with at least one of the EU's six environmental objectives without compromising any of the other environmental objectives. Under the "Green Deal" this approach could now

become a model for other policy areas. But it sounds like the principle has already failed its first test...

You could say that! However, we had a hard time figuring that out because the big problem is being able to get any data or information at all on the recovery plans - especially for the Eastern and South Eastern European countries. The Romanian example is, unfortunately, just one of many.

We've come to the conclusion that less than one per cent (!) of the 672 billion euro Covid-19 recovery fund has been spent on biodiversity protection or restoration. It's even becoming evident that at least ten percent of it - and this is still a conservative estimate - will flow into projects that will harm biodiversity. The EU Commission has given member states a roughly three-page, meaningless statement on how the DNSH principle should be applied.

Isn't it just a matter of the EU Commission asking for the appropriate evidence in future, and then everything will be fine?

Unfortunately it's not that simple. We went through the list of criteria line by line. It's supposed to ensure that investments don't jeopardise the EU's environmental objectives. Whilst we were doing that, we noticed something serious. The "do no significant harm" principle - which at first sounds great - is largely about maintaining the status quo. The list of criteria merely provides a checklist for determining whether existing legislation is being complied with. It's scandalous! To save our planet we need much more ambitious targets. What's more, this logic assumes that, for example, the Water Framework Directive or the Habitats Directive are perfect. From our perspective, that's far from being the case. Despite that, the "do no significant harm" principle is being sold to us as a ground-breaking new instrument that will solve all our problems.

What should have been done differently?

A lot of things! On the positive side, this is the first time efforts



„The ‘Do no significant harm’ principle needs to be tightened. Otherwise, there’s a risk that the EU will be supporting projects that are harmful to nature with large sums of money.“

Perhaps this agama in northern Macedonia is wondering how long it will be before its species is also extinct? Probably not. Nevertheless, with our EU policy work, we want to help prevent this from happening.

have been made to develop scientifically based criteria which will help to classify investments into those that are sustainable and those that are harmful. But in the end, hardly anything remained of what was a good idea. In particular, the EU Commission should have listened to the advice of its scientific experts. That way, many of the criteria would have been far stricter than those already required by EU law. But the EU Commission is heavily influenced both by member states and by the respective lobby groups. A primary example is the decision that, under certain conditions, nuclear power and fossil gas should be classified as climate-friendly and sustainable in the EU Taxonomy (see box). The experts responsible for this area had strongly opposed it. However, a large proportion of EU member states support this particular classification - which now makes greenwashing perfectly acceptable - so, we have the exact opposite of what the EU Taxonomy and the DNSH principle were supposed to prevent.

Do we have any recommendations in terms of how things should be done differently in future?

As far as the “do no significant harm” principle is concerned, the baptism of fire we went through with the Covid-19 recovery fund has taught us a great deal - including that there is still a lot of catching up to do when it comes to demonstrating that projects do no harm. The EU needs to support member states with this, and monitor them much more closely - as the Romanian example clearly shows.

The sustainability of the activities must also be guaranteed on a permanent basis as well as being continuously verified by independent experts. So far, the personnel and skills needed just aren't there - both at national and at EU-level. This urgently needs to change.

Is the EU Commission responding accordingly and doing all it

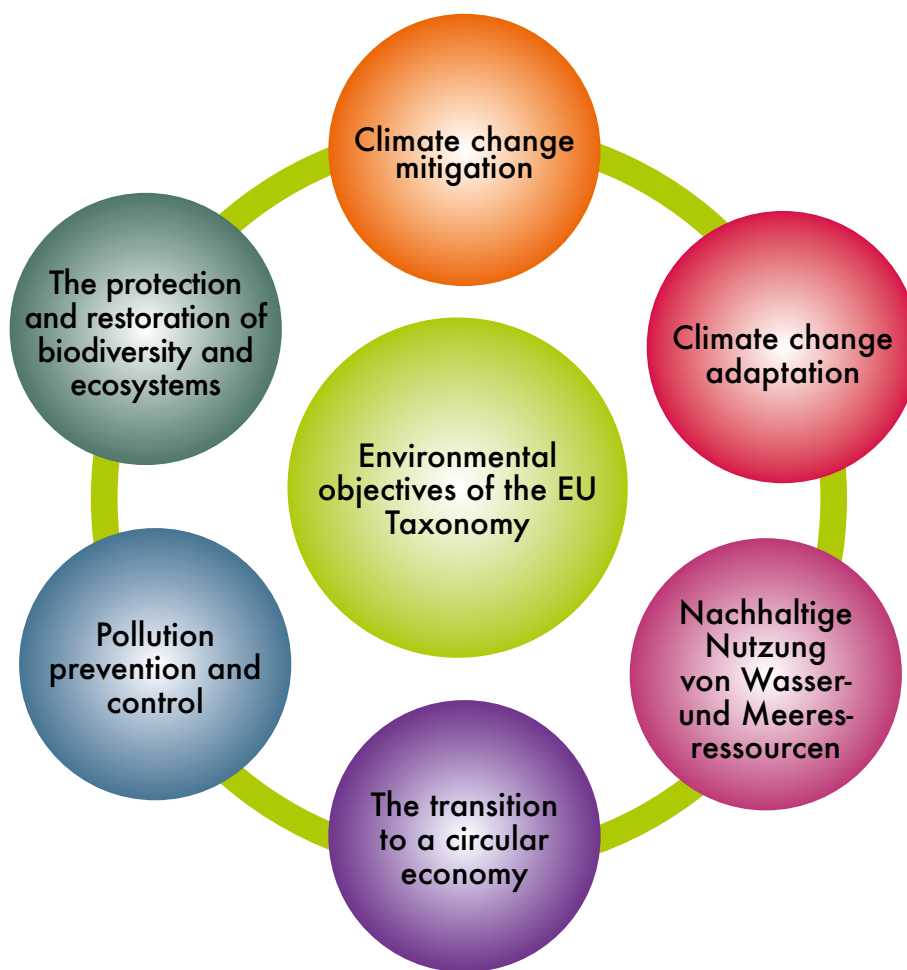
can to close these dangerous loopholes before the principle becomes fully established?

No, quite the opposite! Up to this point, the DNSH principle had been developed for use only as an investment guideline for private banks. Now, it's going to be transferred exactly as it is to the public sector - under time pressure and with all its inherent weaknesses. The current issue is EU Cohesion Policy (see box). There's a risk that hundreds of billions of euros from the European Regional Development Fund will be distributed according to this flawed principle. This needs to be looked at even more closely than it would be if it was happening in the private financial sector. After all, we citizens pay our taxes every month and we expect the EU to apply its own principles by ensuring that investments do no harm to nature or the environment - and that there's absolutely no greenwashing going on. Furthermore, no one should receive financial support simply for complying with the law.

Even though we've not yet been able to avert this development, the collective outcry from the ten most important nature and environmental protection NGOs (The Green 10) has been important. Why is that?

EuroNatur and Bankwatch were the first organisations to challenge the DNSH principle. In the Green 10 - which includes Friends of the Earth, Greenpeace and BirdLife International - we've found renowned allies. We've published a joint position paper which has now landed on the desks of MEPs who have a say in the matter. This gives us a basis on which we can have a discussion. We've also been able to further strengthen our position as a serious NGO in Brussels. It's very important that we voice our criticism right from the very start. This is about our credibility. The issue will probably be with us for the next few years and we're certainly going to keep piling on the pressure.

Text and interview: Katharina Grund



The six environmental objectives of the EU Taxonomy (see graphic) were formulated to facilitate the achievement of the European Green Deal's major objective – that the European Union should be climate neutral by 2050.



Photo: Andrei Ion; Graphics: Kerstin Sauer & Katharina Grund

A short EU glossary

European Green Deal

The European Union should be climate neutral by 2050 at the latest. This is the ultimate goal of the Green Deal (see diagram). At the same time, a green economy will be promoted. Extensive plans have been made to achieve this. It requires billions of dollars of public and corporate investment in environmentally sustainable activities.

EU Taxonomy

The EU Taxonomy is an important part of the European Green Deal. A complex list of criteria is intended to steer investments in the right direction in order to achieve the EU's six environmental goals (see diagram). A list of sustainable economic activities will play a key role, particularly for financial market participants such as large investment funds. But public funds are also likely to be allocated according to the taxonomy criteria. So far, only the criteria for the first two environmental goals (climate change mitigation and climate change adaptation) have been defined.

The "do no significant harm" principle (DNSH)

This is part of the EU Taxonomy. Businesses must align their economic activities with at least one of the EU's six environmental objectives without compromising any of the other environmental objectives.

Cohesion Policy

As part of the EU's Cohesion Policy, the European Regional Development Fund aims to reduce the developmental imbalances between different EU regions and improve living conditions in regions that are economically underdeveloped.



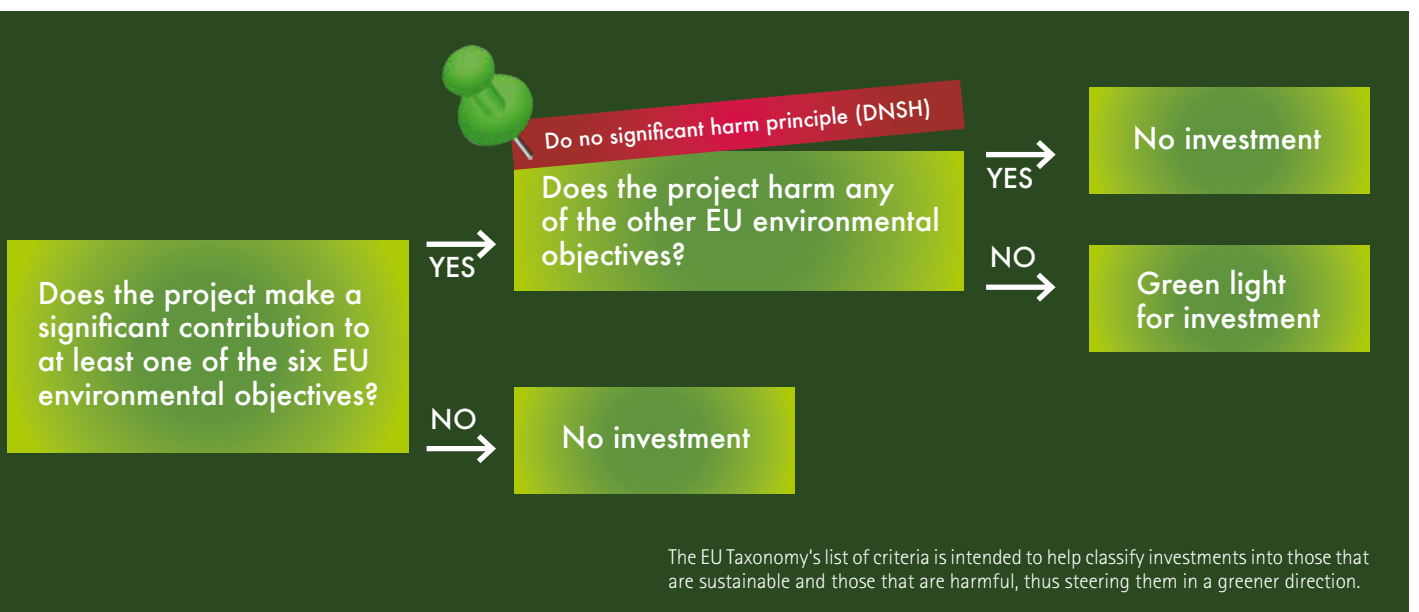
Photo: Agent Green, Bábnova - Repetto Forest

Climate protection must not jeopardise nature!

The EU Commission's decision to classify fossil gas and nuclear power as sustainable forms of energy production is not the only wrong turn that European energy policy has taken. A draft Renewable Energy Directive is expected in 2022. In the EU, discussions are taking place about declaring the use of wood biomass – and thus the destruction of forests – as a green form of energy production. Instead, we are campaigning for a sustainable pathway. This will turn away from nuclear power and fossil fuels whilst at the same time signposting alternatives to the use of wood for heating or to the further expansion of hydropower. In order to ensure our ideas are listened to in Brussels, we've launched the RED4Nature (RED stands for Renewable Energy Directive) environmental policy campaign. We're going to be pushing for an energy system that works with nature, not against it. You can find out how that might look in the 2/2022 edition of EuroNatur magazine. If this has already sparked your curiosity, you can find our position paper on the subject as well as some opinion pieces from EuroNatur experts at red4nature.eu



Photo: Martina Schickhofer



The EU Taxonomy's list of criteria is intended to help classify investments into those that are sustainable and those that are harmful, thus steering them in a greener direction.