

As the Commission prepares criteria for supplementary Delegated Act in Autumn, NGOs outline how including gas in the Taxonomy would turn it into a greenwashing tool, completely undermining its credibility and sending a disastrous global signal.

WWF and more than 150 civil society groups have written an open letter to European institutions, notably the Commission, urging it not to label fossil gas as a green investment. The public letter, signed by organisations such as WWF, Greenpeace, Birdlife, and Transport & Environment, is sounding the alarm about the risk of fossil gas being included in the Taxonomy.

The Taxonomy Regulation determines which economic activities can be labelled as environmentally sustainable in order to orient investments into those activities - a key plank of the Green Deal, which will rely heavily on private financing to achieve its targets. Crucially, the regulation stipulates that this classification must be based on conclusive scientific evidence. However, the European Commission proposed the inclusion of fossil gas in the Taxonomy in March of 2021 but subsequently postponed the decision to a Delegated Act due to be published in Autumn of 2021.

Yet the International Energy Agency's recent 'Net-Zero by 2050' report finds that, to limit global temperature rise to 1.5°C, no new investments in new fossil fuel supply, including oil and gas exploration, should occur beyond projects committed to in 2021.

The European Commission's own impact assessment for its 55% net emissions reduction target found that to meet this goal by 2030, EU gas consumption needs to decline by 30%. In this context, new investments in gas for power or heating, with an average lifetime of 25-30 years, are neither low-carbon nor transitional.

Henry Eviston, sustainable finance spokesman at WWF European Policy Office, said: "The expert evidence just keeps piling up: fossil gas is not and never will be green; it's a high-carbon fossil fuel like coal and oil. The International Energy Agency itself has made clear that fossil gas expansion is incompatible with the Paris Agreement. In light of this overwhelming consensus, the EU must keep gas out of the Taxonomy, or it will completely undermine the credibility of both the Taxonomy and the Green Deal".

Paul Schreiber, campaigner at Reclaim Finance, said: 'A "sustainable taxonomy" that welcomes methane gas would offer financial institutions the ideal alibi to keep on milking the fossil fuel cash cow in spite of the growing consensus against gas development. But with methane leaks gas can emit greenhouse gases in similar quantities to coal, and scenarios aiming at limiting global warming to 1.5°C require a drastic reduction of



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its use. There's no place for gas in a sustainable taxonomy worthy of the name'.

Source: wwf.eu