



**Norges  
Naturvernforbund**  
Friends of the Earth Norway



**NORSK  
FRILUFTSLIV**



**NORSKE  
LAKSEELVER**

Oslo, 18 December 2020

## Input to the public consultation on the EU Commission's initiative "Sustainable finance – EU classification system for green investments"

This input is sent on behalf of the following associations in Norway, representing the interests of more than one million memberships:

- Friends of the Earth Norway (Naturvernforbundet)
- The Norwegian Trekking Association (DNT)
- The Norwegian Association of Hunters and Anglers (NJFF)
- The Norwegian Outdoor Council (Norsk Friluftsliv)
- The Norwegian Biodiversity Network (Sabima)
- Norwegian Salmon Rivers (Norske Lakseelver)

The proposal is a very important step in the right direction and we congratulate the Commission on taking a strong stand for sustainability, to pave way for sustainable activities and to halt green washing in various industries.

We wish to encourage the Commission to stay true to the ideas behind this initiative, to protect, conserve and enhance the EU's natural capital and to base the design and content of it all on scientific evidence. The reports from the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) has made it absolutely clear that nature degradation and biodiversity loss is at least as big a threat to humanity as the climate crisis. In fact, solving the climate crisis is all about saving nature!

We strongly support the proposal and the 'do no significant harm'-criteria (DNSH); that in order to protect and restore biodiversity and ecosystems, criteria "should be specified for all activities that can pose risks to the status or condition of habitats, species or ecosystems".

In Norway, the debate about the Commission's proposed classification system for green investments, has focused on its implications for hydropower. The hydropower sector and hydropower organizations are keen at using labels such as «green energy» and often talk about sustainability and how they will contribute to climate change adaptation. The recent debate in Norway shows that the hydropower sector does not take the full responsibility for its negative impact on nature. Declining populations of species like Atlantic salmon and freshwater pearl mussel, both species of national and European significance, degraded freshwater ecosystems in many rivers, restrictions and bans on angling are all examples that underline the fact that the hydropower authorities have to implement stronger measures to safeguard biodiversity and recreational values.

Rain and snowmelt refill the hydropower water reservoirs again and again, providing a seemingly endless source of renewable energy. But that can obviously not be the only criteria for a green label. In the implementation of the EU Water Framework Directive (WFD), Norway excessively uses exemptions and less stringent environmental objectives for water bodies affected by hydropower. We think it is time that all hydropower activity should comply with modern environmental standards.

We therefore strongly support the Commission's proposal on technical screening criteria for hydropower, both for existing hydropower plants and for the construction of new ones. Our only reservation is regarding the Commission's proposal to limit the scope of the act to hydropower with a power density above 5 W/m<sup>2</sup>. Small hydropower is known to cause an unproportionally large negative impact on the environment in comparison with the energy produced. The TEG report thus proposed to exclude hydropower below 10 MW. We think the best solution would be that the classification system applies to hydropower per se, such that the criteria, including DNSH, are equal for all sizes of hydropower facilities.

We think it is important that the DNSH-criteria refer to the Water Framework Directive, if that is the intention behind for instance "All technically feasible and ecologically relevant mitigation measures have been implemented to reduce adverse impacts on water as well as on protected habitats and species directly dependent on water." In addition, the criteria should demand that the environmental conditions in hydropower licenses can be assessed every 6 years, in compliance with the planning cycles of the WFD, and that new licences and revision of conditions in old licenses should be obliged by the environmental objectives or measures set in the River Basin Management Plans (RBMPs) and Programs of Measures resulting from implementation of the WFD. It is also important that the criteria cover effects of hydropeaking.

With today's massive science based evidence on the negative impacts of hydropower on freshwater biodiversity, it is important that the sector finally has to make use of available technology and knowledge on environmental flow patterns, that would allow hydropower plants to operate at a much lower negative environmental impact.

The Norwegian Ministry of Finance recently held a public consultation regarding Norwegian interests in the context of this initiative from the EU Commission. We would like to quote (our translation) a section of the input from The Norwegian Association of Municipalities hosting Hydropower Plants (LVK) and two other municipality organisations, one representing Norwegian industry municipalities (Industrikommunene) and one, which is actually a non-profit limited company, providing energy sales for municipalities (Kommunekraft AS):

"Over all, The Norwegian Association of Municipalities hosting Hydropower Plants (LVK), Industrikommunene and Kommunekraft support the establishment of a framework for the classification system for sustainable economic activities and that the regulation is interpreted in harmony with the Water Framework Directive. It is important that Norway, being Europe's biggest producer of hydropower and most important hydropower nation, is a pioneer in securing that our own hydropower is produced in compliance with the WFD and modern environmental standards, and that hydropower does not significantly hamper the fulfilment of other environmental objectives, such as the conservation of ecosystems and biodiversity."

This reveals society's demand for truly green energy.

We note that the Norwegian Ministry of Finance asks the Commission to re-evaluate the criteria for hydropower, to secure that it is treated equally with other renewable sources of energy. We truly hope that the only way in which the Commission will re-evaluate criteria for renewable energy activities, is to make sure that those of wind and solar are equally «strict» as those for hydro. Uniform criteria and transparency, as well as science-based criteria, are success factors for this initiative.

We want to extend our best wishes to the Commission in landing this initiative, for truly transparent criteria for labelling any activity sustainable or green, and hope the Commission will be able to withstand the, without doubt, strong attempts at weakening the criteria for various sectors.

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