

Protection and restoration of biodiversity and ecosystems

Implementation of the EU Taxonomy in the built environment

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Biodiversity in the EU Taxonomy

The new construction of buildings can significantly contribute to three of the core objectives of the EU Taxonomy:

- Climate change mitigation
- Climate change adaptation
- Transition to a circular economy

For any new construction to be EU Taxonomy-aligned, it cannot cause significant harm to any of the six sustainability objectives anchored in the EU Taxonomy. This includes the 'protection and restoration of biodiversity and ecosystems' (see chart on right).

EU Biodiversity Strategy

The 'EU Biodiversity Strategy for 2030' aims to bring biodiversity on the path to recovery by 2030 with a clear intent to stabilise and future-proof the European territory based on four distinct objectives, the reduction of: impacts of climate change, forest fires, food insecurity and disease outbreaks (through wildlife protection).

New construction

Do no significant harm (DNSH) criteria for the "protection and restoration of biodiversity and ecosystems"

- ✓ has completed an **Environmental Impact Assessment (EIA)** or screening,
- ✓ has undergone an appropriate assessment if located in or near **biodiversity-sensitive areas**,
- ✓ is not built on one of the following:



(a) arable land and crop land with a moderate to high level of soil fertility and below ground biodiversity ([EU LUCAS database](#))



(b) greenfield land of recognised high biodiversity value and land that serves as habitat of endangered species ([European Red List / IUCN Red List](#))



(c) land matching the definition of forest as set out in national law (National GHG inventory (priority resource), [FAO definition of forest](#) (secondary source))

[Climate Delegated Act](#)

(Annex I 7.1. p.126 & Annex II 7.1. p.314)

[Environmental Delegated Act](#)

(Annex II 3.1. p.36-37)

Implementation challenges

The EU Platform on Sustainable Finance – a group of experts supporting the development of the EU sustainable finance agenda – released an assessment report on [data and usability of the EU Taxonomy](#). The report highlights the “low feasibility” of these criteria in the context of green mortgages.

WorldGBC’s European Regional Network (ERN) has similar concerns on the usability and verification of the criteria, and thus the veracity of the beneficial impact they have on the protection of biodiversity.

Ambiguity in legal text

Key terms such as ‘**below ground biodiversity**’ or ‘**near biodiversity**’ aren’t defined in the EU Taxonomy Delegated Acts, leaving room for interpretation.

‘**Greenfield land of recognised high biodiversity value, and land that serves as habitat of endangered species**’ is particularly ambiguous and interpreted differently across markets.

LUCAS database is not practicable

The EU Taxonomy refers to the Land Use/Cover Area frame Survey (LUCAS) – a harmonised dataset that extends over the EU’s territory. The database lacks granularity to inform decisions at the building level, and there is no reference to the level of soil fertility of arable land and crop land to inform the EU Taxonomy criteria. It is also not easily accessible.

Ambiguous role of building permits

The [Frequently Asked Questions](#) in the EU Taxonomy Navigator stipulate that ‘**a building permit can be used as proof of compliance to show that the new construction is not built on the land types in points (a), (b) and (c)**’.

This statement conflicts with the legal text in the Climate Delegated Act. Further, **local authorities issuing building permits can lack awareness and capacity on (EU) sustainability goals and the EU Taxonomy**. They often cannot inform, clarify or guarantee a project’s compliance with the EU Taxonomy criteria.

Recommendations

Align EU Taxonomy criteria and reporting with other EU policies

The **EU Biodiversity Strategy for 2030** (see [box on p1](#)), published in 2019, provides a clear intent regarding protection and restoration objectives for EU land. These should be integrated into the EU Taxonomy.

The **EU Nature Restoration Law**, adopted in February 2024, aims to restore 20% of EU land for biodiversity and ecosystems. The EU Taxonomy should cross-reference these forward-looking restoration criteria.

The **EU Sustainable Finance Disclosure Regulation (SFDR)** introduces disclosure requirements of ‘principal adverse impact’ (PAI) on biodiversity for operations ‘in or near biodiverse sensitive areas’. Definitions and reporting requirements between the SFDR and EU Taxonomy regulations should be aligned.

National governments should provide information on the national application of these DNSH criteria and make the information available to financial institutions and companies.

Case study: Norway’s EU Taxonomy definitions on biodiversity

Norway published the legal document ‘National and significant regional interests in the environmental area – clarification of the environmental administration’s objection practice’. It provides key national legal terms and definitions, and references appropriate national maps provided by the Norwegian Institute of Bioeconomy Research (Nibio) to guide decisions on land use.

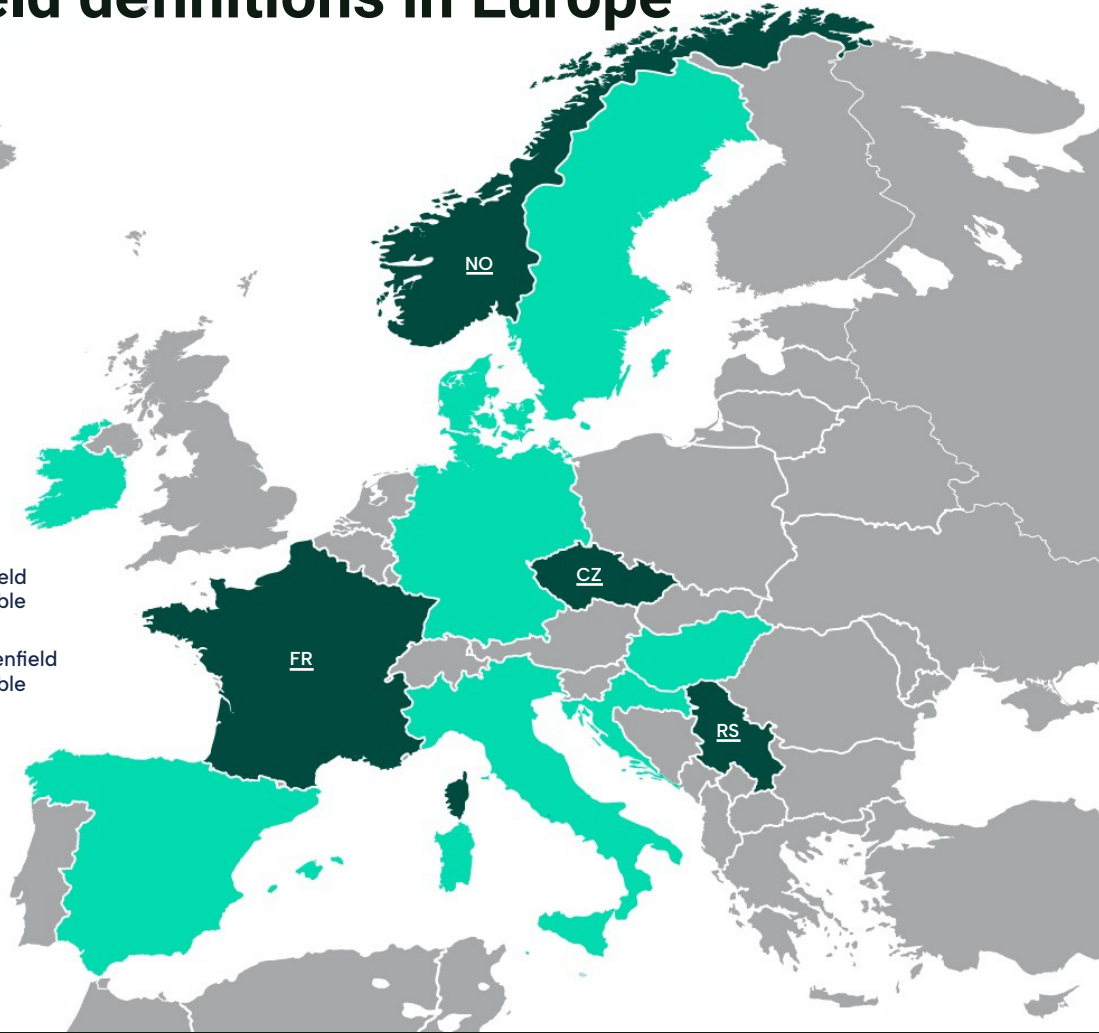
Norwegian GBC therefore defines biodiversity DNSH compliance as:

‘A project shall investigate whether the site has been defined as agricultural area in the last 10 years before the land was converted to building development, based on Nibio’s maps. For converted agricultural land, an approved zoning plan is not sufficient to show that the criterion is met.’

Greenfield definitions in Europe

Legend

-  National greenfield definition available
-  No national greenfield definition available
-  Unclear / not researched



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The World Green Building Council (WorldGBC) is the largest and most influential local-regional-global action network, leading the transformation to sustainable and decarbonised built environments for everyone, everywhere.

Together, with over 75 Green Building Councils and industry partners from all around the world, we are driving systemic changes to the built environment.

Our partners

WorldGBC's Sustainable Finance Taskforce is sponsored by:

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WorldGBC's Sustainable Finance Taskforce aims to unlock finance flows into the transition towards a sustainable built environment.

The WorldGBC network enhances consensus and collective learning from across the value chain on key sustainable finance regulation, builds capacities amongst the industry and advocates for an ambitious yet practically implementable regulatory framework.

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