

*Brussels, 12th of April 2024*

To the attention of

Mr Maroš Šefčovič, Commissioner for European Green Deal Interinstitutional Relations and Foresight

Mr Virginijus Sinkevičius, Commissioner for the Environment, Oceans and Fisheries

Dear Commissioner Šefčovič and Commissioner Sinkevičius,

We are writing to you with great concern to learn that the Portuguese company Altri SGPS S.A., dedicated mainly to the production of cellulose pulp and eucalyptus forest crops, has officially announced its intention to install a soluble cellulose and vegetable fiber production plant in A Ulloa (Lugo), Spain. They intend to obtain €250 million of public funding through the PERTE (NextGenerationEU) industrial decarbonization program.

After studying the documentation presented by the Portuguese company (application for a water abstraction concession from the river Ulla, integrated environmental authorisation, environmental impact study and declaration of public utility), the undersigned MEPs and MPs wish to express our firm opposition to the project due to the enormous negative socio-environmental impacts that we detected.

But above all we want to draw attention to how irrational it would be to grant public funds to an activity so destructive to the Galician environment and primary sectors. The company itself has stated that it needs to opt for at least 25% of its investment - between 200 and 250 million euros of the 900 million euros it says it will invest - from public money, currently focusing its sights on the Next Generation funds and the PERTE decarbonisation fund, but without ruling out other avenues. This would make it the third largest public financing through the PERTE in Spain.

To this end, the project seeks to install a water catchment system with a flow of 46,000 cubic metres per day –as much as the entire province of Lugo consumes–. In addition, the factory would discharge organic compounds (total phosphorus, total nitrogen, sulfates in a high temperature) into the river Ulla and would affect a body of water 1.5 km away with serious eutrophication problems. Due to a deterioration in the ecological status of the water bodies, the environmental objectives of the article 4 (a) for surface waters in the Water Framework Directive 2000/60/EC would be jeopardised.

Among the many negative impacts, the location of the facility stands out. Its more than 360 hectares are zero metres from the Serra do Careón SAC (ES1110014) and the discharge point is very close - upstream - to the Ulla-Deza Fluvial System SAC (ES1140001). These lands were once part of the proposals, in response to a request from the European Commission, for the extension of the Natura 2000 network in 2008 and 2011 by the regional administration, which have not been carried out. We

would like to point out that, although the competence is in principle autonomous, the European Commission has opened various infringement proceedings against Spain (and Galicia among other Autonomous Communities) for failure to comply with its obligations to complete the Natura 2000 network and for ineffective management instruments. The area is home to several rare botanical endemisms in danger of extinction and many species that must be subject to habitat conservation measures according to EU Directive 2009/147/EC, which Galicia is obliged to comply with.

The implementation of such an industry would also have an enormous impact on the socio-economic fabric of both the region of A Ulloa, which is eminently rural, agro-livestock farming and an obligatory stop on the Way of St. James, and of the Arousa estuary, its shellfish banks and its traditional fishing. A significant number of people who live in the directly affected area will see their lands that support them expropriated. At the same time, in the area of indirect influence there are several educational centers and homes that will have their health affected in the long term, an issue accredited by different professionals with experience in areas affected by this type of factories in the country. In relation to the application of the DNHS principle, the Commission's technical guide establishes the obligation to consider the direct and indirect effects of the activity during the entire life cycle. In this regard, Altri's project, in its more than 5,000 pages, does not consider the possible health effects that the emission, recognized in its project, of environmental pollutants such as nitrogen oxides, sulfur dioxide and other particles that are responsible for a large part of the harmful effects on people's health, may generate in the local population throughout the activity's life cycle.

Furthermore, Galicia cannot support another industry that would result in further eucalyptus eucalyptus plantations. Numerous scientific studies have shown that the exaggerated proliferation of these monocultures in the northwest of the peninsula is directly related to biodiversity loss, poor ecological integrity, landscape flammability and even limitations in mitigating climate change.

It would be really disappointing and incomprehensible that the European Union would facilitate public funding for such an aggressive industry. And it would be very difficult to explain the incoherence of allocating recovery, transformation and resilience funds to a project that does not seem to comply at all with the DNSH (Do No Significant Harm) Principle regarding issues such as the "protection and restoration of biodiversity and ecosystems" and the "sustainable use and protection of water and marine resources".

For all these reasons, the undersigned MEPs would like to ask you to be consistent and apply the same criteria in your decision making, and therefore we ask you to reconsider the approval of this project as a project benefiting from funding from the EERP for industrial decarbonisation.

Sincerely,

Plataforma Ulloa Viva

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