Open Letter to the Commission Asking for Removal of Forestry and Bioenergy from the Current Climate Taxonomy Delegated Act

Brussels, 9 April 2021

Dear President von der Leyen, Vice-President Timmermans and Dombrovskis, Commissioner McGuinness,

We are dismayed by the latest version of the forestry and bioenergy criteria in the climate mitigation taxonomy draft Delegated Act.

Rules on forestry were already relatively weak in the initial November 2020 Delegated Act draft, as we assessed at that time. However, according to recent media reports, criteria are being manipulated to the point that we now face the prospect of the taxonomy becoming counterproductive for forestry. Our early assessment finds that logging could be deemed to be providing a 'significant contribution' to climate mitigation when in reality it does not even ensure 'no significant harm' to biodiversity - let alone provide any actual climate benefits. We believe that this is in breach of the Taxonomy Regulation.

We appreciate that, at this late stage, there is no longer time to re-discuss all forestry criteria. The same is true for bioenergy criteria, which are equally problematic. As a result, the only way forward that we can see for these land-based sectors is to remove both forestry and bioenergy from the climate taxonomy Delegated Act, as the Commission rightly did for agriculture, and allow more time for discussion in order to find criteria that are scientifically credible.

Below are some of the most striking findings of our analysis of the forestry criteria:

- For holdings under 25 ha, there is no requirement to perform any type of climate benefit
 analysis to claim that forestry substantially contributes to climate mitigation under the
 Taxonomy. This figure of 25 ha must be compared to the <u>EU average forest holding of 13 ha. In
 fact, around 2/3 of EU forest owners have holdings of less than 3 hectares</u>. This is a loophole of
 epic proportions.
- The relevant requirement to prove additionality has been removed, as has any requirement for controls, and the initial audit can be carried out by any private entity. In Finland for example, 95% of forests are already certified, essentially with the PEFC scheme. Considering that this could mean that the Taxonomy criteria classify 95% of Finnish forest management as substantially contributing to climate mitigation and doing 'no significant harm' to biodiversity, the Taxonomy would be sanctioning a scientific disgrace.¹
- The climate benefit analysis only requires the demonstration of climate benefits over a period of 30 years after the beginning of the activity i.e. **after 2050**, since the adoption of the Delegated

¹ According to an assessment of threatened habitat types in Finland, "forests in Finland have significantly lost their natural, ecological characteristics. At the same time, the area of many forest habitats has diminished. As a result of these changes, 76% of forest habitats in Finland are now threatened. Another 21% of the forest habitats were assessed as nearly threatened" (Finnish Environment Institute 2018; Kontula and Raunio 2018). More can be found in Pappila, 2020 (In: Sustainability and Law General and Specific Aspects).

Act is planned in 2021. The previous draft required benefits to be demonstrated over 20 years, not 30. 30 years is inconsistent with the 2050 deadline of the EU net-zero and the Paris Agreement goals. If any climate benefit can do, even a 1% improvement over 30 years, then this is not a substantial contribution.

- Sustainability of logging is basically defined as adherence to national legislation, or to the very generic criteria of the Forest Europe guidelines. Almost all current logging would comply. This is opposed to climate science: there is robust scientific evidence that current logging has massively degraded biodiversity² and is rapidly reducing Europe's carbon sink.
- Perversely, a 'Do No Significant Harm' criterion on circular economy prevents any changes that
 would significantly reduce wood production, hence logging. This would mean that if logging
 volumes were previously unsustainable, there is no allowance for reducing it to a sustainable level
 including for "conservation" forestry.

These are not simply loopholes that would allow a few unsustainable projects to go through. If the leaked text is not radically changed, it would transform the Taxonomy from a claimed anti-greenwashing gold standard into an actual greenwashing tool.

Bioenergy criteria, which were already fully inadequate in the November draft, have been worsened further. The classification of bioenergy as a 'transitional' activity has been removed. The criteria state that almost any activity that is aligned with the flawed Renewable Energy Directive is counted as sustainable, including the use of dedicated cropland for energy. This contradicts all recent authoritative scientific research and the Commission's own impact assessment on woody biomass.

The purpose of the EU Taxonomy is to correctly label green finance: this means following the best scientific evidence on an activity's environmental impact.

Capitulating to the aggressive forestry and bioenergy lobbies would not do any good to European forests nor climate, but it would undermine the Taxonomy and more broadly the European Green Deal. This must be avoided.

We call on you to urgently consider our recommendations and we ask for an urgent meeting with you or your cabinet to discuss the draft text. We are available to exchange with you on this issue as soon as possible.

Yours sincerely,

² State of Nature in the EU report: "Over the last few centuries, forests managed to varying degrees of intensity have replaced almost all of Europe's natural forests. Currently, less than one third of Europe's forests are uneven-aged, 30 % have only one tree species (mainly conifers), 51 % have only two to three tree species, and only 5 % of forests have six or more tree species (Forest Europe, 2015). These general tendencies are not reflected in the reported pressures on forest habitats and species, as in fact many commercial forests do not classify as Annex I habitat types or do not constitute suitable habitats for protected species."

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WWF European Policy Office, Sebastien Godinot, Senior economist

NABU, Dr. Steffi Ober, Senior Policy Officer for Economy and Sustainable Research

Fern, Hannah Mowat, campaigns coordinator

Environmental Paper Network, Finance Working Group, Karen Vermeer, Coordinator

Global Forest Coalition, Simone Lovera, executive director

Transport & Environment, Luca Bonaccorsi, Director of Sustainable Finance

E3G - Third Generation Environmentalism, Tsvetelina Kuzmanova, Policy Advisor

Bellona Europa, Keith Whiriskey, Deputy Director

ClientEarth, Brian Rohan, Head of Climate & Forests Programme

Milieudefensie - Friends of the Earth Netherlands, Jonas Hulsens, Senior Policy Officer

Nova Scotia Healthy Forest Coalition, Bob Bancroft, Biologist

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Wild Europe, Toby Aykroyd, Coordinator

No Electricity from Forest, NSW, Australia, Frank Dennis, spokesperson

Partnership for Policy Integrity, Mary Booth, Director

Profundo, Jan Willem van Gelder, Director

Rivers without Boundaries International Coalition, Eugene Simonov, Coordinator

BankTrack, Johan Frijns, Director

Biofuelwatch, Almuth Ernsting, Co-director

Stichting de Woudreus (Drenthe), Mieke Vodegel, Founder and Board Member

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Pracownia na Rzecz Wszystkich Istot, Radosław Slusarczyk, Director of the Board

Mighty Earth, Nico Muzi, Europe Director

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Protect the Forest, Sweden, Lina Burnelius, Project leader & International coordinator

ZERO - Association for the Sustainability of the Earth System, Francisco Ferreira, President of the Board

Association 2Celsius, Mihai Stoica, Executive Director

Economy, Land and Climate Insight, Edward Robinson, Director

Pivot Point, A Nonprofit Corporation, Peter Riggs, Director

Ecology Action Centre, Raymond Plourde, Senior Wilderness Coordinator

ForestCom, Dmytro Karabchuk, Executive Director

Suomen luonnonsuojeluliitto, Tapani Veistola, Head of Nature Conservation Unit

ROBIN WOOD, Jana Ballenthien, Forest Campaigner

Forum Ökologie & Papier, Evelyn Schönheit, Environmental Scientist

ARA, Wolfgang Kuhlmann, Director

WOLF Forest Protection Movement, Juraj Lukáč, Chief

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Save Estonia's Forests, Liina Steinberg, member of board

Corporate Europe Observatory, Martin Pigeon, researcher & campaigner

Forests, Climate & Biomass Energy Working Group, Environmental Paper Network, Peg Putt, Coordinator

The Irish Peatland Conservation Council, Tristram Whyte Conservation, Policy & Fundraising Officer

The Hedge Laying Association of Ireland, Shane Downer, General Manager

FEASTA, The Foundation for the Economics of Sustainability, Caroline Whyte, Director

The Organic Centre, Ireland, Dr Jan Melia, General Manager

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Canopy, Tamara Stark, Campaigns Director

An Taisce, The National Trust for Ireland, Phil Kearney, Chair

Zero Waste Alliance Ireland, Sean Cronin, Director