From:

EC PRESIDENT VDL; @ec.europa.eu

To: Cc:

(CAB-VON DER LEYEN); CAB-VON DER LEYEN);

CAB-VON DER LEYEN); GAUER Celine (SG-RECOVER); WATSON John (SG); ARBAULT Francois (DEFL

Subject:

Open Letter to European Commission on EU Taxonomy Forestry and Bioenergy Criteria April 2021

Date:

vendredi 9 avril 2021 15:05:32

Dear President von der Leyen,

Please find enclosed a letter from 68 civil society organisations asking the European Commission to postpone forestry and bioenergy criteria in the EU Taxonomy of Sustainable Investments.

We are dismayed by the latest version of these criteria which, if approved, would undermine the Green Deal's credibility.

Forestry criteria, which were already weak in the November 2020 Delegated Act draft, are being manipulated to the extent that we now face the prospect of the Taxonomy becoming counterproductive for forestry. Bioenergy criteria, which were already fully inadequate in the November draft, have also been weakened even further.

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. Postponing forestry and bioenergy criteria would allow time for more discussion and analysis of these complex issues.

We are available to discuss this issue with you and your cabinet at your earliest convenience.

Kind regards,

(on behalf of the open letter's signatories)

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WWF European Policy Office |

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EU Transparency Register Nr: 1414929419-24 |

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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 essentially 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."

BirdLife Europe,
WWF European Policy Office,
NABU, ch
Fern,
Environmental Paper Network, Finance Working Group,
Global Forest Coalition,
Transport & Environment,
E3G - Third Generation Environmentalism,
Bellona Europa,
ClientEarth,
Milieudefensie - Friends of the Earth Netherlands,
Nova Scotia Healthy Forest Coalition,
Stand.earth,
Leefmilieu,
Climate Strategy,
Life of the Land,
Natural Resources Defense Council,
Rainforest Relief,
Society for Responsible Design,
Polish Zero Waste Association,
Bomenstichting Achterhoek,
Wild Europe,
No Electricity from Forest,
Partnership for Policy Integrity,
Profundo,
Rivers without Boundaries International Coalition,
BankTrack,
Biofuelwatch,
Stichting de Woudreus (Drenthe),
Landelijk Netwerk Bossen- en Bomenbescherming,
Estonian Fund for Nature,
Friends of the Siberian Forests,
Pracownia na Rzecz Wszystkich Istot,
Mighty Earth,
EcoCare Ghana,
Protect the Forest, Sweden,
ZERO - Association for the Sustainability of the Earth System,
Association 2Celsius,
Economy, Land and Climate Insight,
Pivot Point, A Nonprofit Corporation,
Ecology Action Centre,
ForestCom,
Suomen luonnonsuojeluliitto,
ROBIN WOOD

Forum Ökologie & Papier,
ARA,
WOLF Forest Protection Movement,
EuroNatur Foundation,
SOMO,
Lithuanian Consumers Alliance,
Reclaim Finance,
Groen Pensioen,
Both Ends,
Save Estonia`s Forests,
Corporate Europe Observatory,
Forests, Climate & Biomass Energy Working Group, Environmental Paper Network,
The Irish Peatland Conservation Council,
The Hedge Laying Association of Ireland,
FEASTA, The Foundation for the Economics of Sustainability,
The Organic Centre, Ireland,
CELT, The Centre for Environmental Living and Training, Ireland,
Green Economy Foundation, Ireland,
Coastwatch Ireland,
Irish Seed Savers,
Sonairte,
Environmental Pillar Ireland,
ECOS,
Agent Green,