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For the attention of Mr. Robert Habeck

Vice-Chancellor of Germany

Federal Minister for Economic Affairs and Climate Action

Open Letter: We must end EU incentives for woody biomass in energy production – Meeting Request

Dear Minister,

We are writing to congratulate you on your new position as Germany's Federal Minister for Economic Affairs and Climate Action, and to ask you to help us in a vital battle for all of our futures.

As NGOs that have worked on forest protection and climate change for many years, we wanted to make you aware of our grave concerns about the **ongoing negotiations on the EU Fit for 55** climate package, and in particular the treatment of biomass in the Renewable Energy Directive (RED) and European Trading System (ETS).

Like the sad precedent of allowing palm oil for biofuels, the RED has enabled EU Member States to incentivise companies to burn woody biomass for energy production, either through direct public financial support or via indirect financial support (rating biomass greenhouse gas emissions in the ETS as zero). The burning of woody biomass currently counts towards the EU's renewable energy targets, despite emissions producing more carbon dioxide (CO2) per unit of energy than any other fuel. The additional logging it causes destroys forests and their role as a carbon sink. This clearly is not a climate 'solution' and these incentives have to be ended as soon as possible.

^{1.} About €16 billion were given to the biomass industry in the EU as public financial support in 2020, and the recent surge in fossil fuels and carbon prices have, to our great concern, enabled in places like Estonia to make the burning of biomass profitable without even subsidies, which was unheard of so far. This is caused by the undue competitive advantage enjoyed by the biomass industry through the non-payment of carbon credits for its considerable greenhouse gas emissions.

This policy stemmed from the sensible desire to replace fossil fuels. But the replacement, in the case of woody biomass, has turned out to be even worse, given the limited timescale that we have to avoid the worst impacts of the climate crisis. RED and ETS incentives have enabled the artificial and monumental growth of a biomass industry whose activities are now <u>destroying forests</u> – and harming the communities that depend on them – <u>in Europe</u> and <u>all over the world</u>.

The current EU approach to qualifying biomass as "climate neutral" is based on two assumptions: first that forests will regrow and recapture all the emissions caused by their logging and burning, and second that they recapture the emissions instantly.

The first is partly wrong (individual trees can be replanted, but not forests – 30% of cumulative global CO2 emissions <u>come</u> from past land use changes), and requires a leap of faith in view of the impacts climate change is already having on forests – not to mention the replacement of diverse forests with monoculture tree plantations which are considerably <u>inferior</u> at capturing and storing carbon. It is also a disaster for biodiversity.²

The second is entirely wrong: it will take decades to centuries for forests to re-capture additional emissions from forest burning, time we do not have if the EU is to achieve its 2030 and 2050 climate goals.

The concerns we are raising are based on scientific facts, not assumptions. Even the European Commission's Joint Research Centre found, <u>in its latest report</u>, that nearly all forest biomass burnt in the EU is harmful to the climate, to biodiversity, or both.

Rapidly increasing the role of renewable energy in our energy mix by 2030 is paramount to holding global average temperature rises to below 1.5 degrees. But if the EU's renewable energy policy continues to <u>destroy the world's forests</u>, it will achieve the opposite of its aim. <u>As five hundred scientists recently put it</u> in a letter to world leaders, "we urge you not to undermine both climate goals and the world's biodiversity by shifting from burning fossil fuels to burning trees to generate energy".

It is also worth mentioning that biomass is a <u>major and disproportionate source of air pollution</u>, causing a large number of avoidable deaths despite its modest contribution to energy production.

The ongoing reviews of the RED and of the ETS must fundamentally alter the way bioenergy is treated: forest biomass must be excluded from the RED's list of eligible fuels, and the biomass industry must start paying for its real greenhouse gas emissions.

There is currently a danger that the discussion in the EU Council will be dominated by Sweden and Finland who are lobbying on behalf of their industrial forestry interests for a further increase in wood burning for energy. It is crucial that the German government works with others to form a progressive alliance to protect forests and the climate.

We would be very eager to discuss these matters in a meeting with you, at your earliest convenience.

^{2.} European forests are already **absorbing 15 % less carbon than they were in 2005.** This is set to continue unless policy changes. The current sustainability criteria for forest biomass in the RED <u>do nothing to stop</u> even the worst cases of biomass burning in Europe. They allow <u>natural forests to be clear cut in France and ground down into pellets</u>, only to be replanted with monoculture pine trees. They allow old growth forests on Indigenous Saami land to be cleared on a very large scale (<u>just take a look at the scars on the earth</u> left by clear cutting). They allow <u>precious forests in Estonia</u>, <u>natural pine forests in Portugal</u>, and <u>many other forests in Europe</u> to be turned into bioenergy, just to name a few of the cases. All of this destruction is happening in the name of renewable energy production, and is considered legal.

For now, we wish you the very best in these early days in your new role.

Kind regards,

The signatory NGOs:

- Biofuelwatch
- Birdlife Europe
- Corporate Europe Observatory
- Fern
- Wild Europe
- Europe Beyond Burning
- Arbeitsgemeinschaft Regenwald und Artenschutz (ARA) (Germany)
- Comite Schone Lucht (Netherlands)
- Earth Thrive (Serbia)
- Environment East Gippsland (Australia)
- Estonian Fund for Nature (ELF) (Estonia)
- Euronatur (Germany)
- Forum Ökologie & Papier (Germany)
- Fridays for Future Sweden
- Green Impact (Italy)
- Green Transition Denmark (Denmark)
- Leefmilieu (Netherlands)
- Partnership for Policy Integrity (PFPI) (USA)
- Pro Regenwald (Germany)
- Protect the Forests Sweden
- Quercus (ANCN) (Portugal)
- Rainforest Rescue (Rettet den Regenwald e.V.) (Germany)
- Robin Wood (Germany)
- Salva la Selva (Spain)
- Save Estonia's Forests (Päästame Eesti Metsad) (Estonia)
- SOS Forêt France (France)
- ZERO (Portugal)