

Environmental and Social Data Sheet

Overview

Project Name: COILLTE SUSTAINABLE FORESTRY
Project Number: 2016-0415
Country: Ireland
Project Description: Financing of the company's forest plantation establishment and management programme for the period 2016-2020

EIA required: no

Project included in Carbon Footprint Exercise¹: yes

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

The present operation proposes to finance Coillte Teoranta's (Ireland's state-owned forestry company) programme of forest planting, forest management and forest road construction and upgrading during the years 2016-2020 inclusive. Approximately 35,500 ha of forest will be established, the majority of which entails replanting existing forest stands in accordance with best practice. Over 370 km of new forest roads will be constructed and approximately 1,300 km of forest roads will be upgraded.

Coillte Teoranta has a range of policy commitments to sustainable and responsible environmental and social practices. As the custodian of almost 7% of country's land area, these commitments are of vital importance to the safeguarding of Ireland's rural environment. The company is held to account in this regard by Ireland's Forestry Service, to which it must apply for licenses and approvals for a range of operations in line with legal and regulatory obligations governing forestry in Ireland. Quality of forest management in line with international environmental and social best practice is also evidenced by the third party accredited certification systems of the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), both of which are held by the company. Coillte is also held to account by the citizen, through its formal consultation processes and community-level accountability. The company reports on its sustainability performance using the Global Reporting Initiative framework (B+ level). Throughout its operations, the company is committed to the sustainable production of timber biomass for construction, bioenergy and other uses.

On about 20% of its 440,000 ha estate (approx. 88,000 ha), management of biodiversity and nature conservation is the primary objective. Included in that are some designated lands, either as Special Areas of Conservation (SAC) or Special Protected Areas for birds (SPA) as designated under the European Habitats and Birds Directives or Natural Heritage Areas as designated under the Irish Wildlife Act. Coillte is working proactively with its Regulators the Forest Service of the Department of Agriculture, Food and the Marine and with the National Parks and Wildlife Service of the of the Heritage Division of the Department of Arts, Heritage,

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

J.P.V.

Regional, Rural and Gaeltacht² Affairs. Biodiversity areas are identified through ecological surveys with freelance contract ecologists and consultation with local forest managers.

The public goods externalities generated by the company – including landscape protection, nature and cultural heritage – have been valued at in excess of EUR 500 m/y. The company is investing in peatland restoration and native woodland restoration and management.

Coillte is Ireland's largest source of outdoor recreation facilities, with 18 million visits annually to 150 recreation sites across the country.

The company undertakes not to commit any EIB funds against schemes that require an EIA according to EU and national law without, prior to commitment, submitting the EIA and the non-technical summary of the EIA to the Bank for review and publication on the Bank's website.

Environmental Management System

Coillte has a set of Environmental Risk Assessment standards for environmental and social risk assessment to ensure that potential impacts of all forest operations or other land base activities are assessed prior to commencement of any operations. This system has been in place since 2014 and was developed to standardise the approach to environmental issues across various operational processes, facilitating their implementation by staff; to integrate environmental assessment with business planning; and to streamline the range of environmental procedures required in response to legislation. A four-level mitigation hierarchy is applied, as follows: Avoidance, Reduction, Remedy and Contingency or emergency planning.

Licenses and Approvals

Under Irish legislation, EIA is mandatory for initial afforestation which would involve an area of 50 hectares or more. The majority of Coillte's operations comprise replanting of existing forest land, and as such are not subject to EIA. Nevertheless, some forestry activities require, by law, a license or approval (consent) from the Department of Agriculture, Food and the Marine, most notably:

- Under the Forestry Act 1946, a **Felling License** is required to cut down trees of greater than 10 years old (subject to certain exemptions)
- Under the European Communities (Aerial Fertilisation) (Forestry) Regulations 2012, an **Aerial Fertilisation Licence** restricts the use of aircraft to apply fertiliser to a forest
- Under the European Communities (Forest Consent and Assessment) Regulations 2010, the approval of the Minister is required for all afforestation projects where the area involved is greater than 0.10 hectares (approximately 0.25 acres), and for the construction of a forest road. Planning permission may also be required for the latter.

Since 1998, following the Third Ministerial Conference on the Protection of Forests in Europe, Ireland is committed to ensuring that all forest development complies with the principles of SFM. These principles are reflected in the Irish National Forest Standard published in 2000. The Standard outlines six internationally agreed criteria for SFM and outlines indicators and measurements that demonstrate trends towards or away from sustainable forest management. Accordingly, all forestry operations including those of Coillte are subject to the Code of Best Forest Practice (2000) and its suite of mandatory environmental guidelines for forestry operations covering water quality, archaeology, the landscape, harvesting, biodiversity, aerial fertilisation, forest protection and forest recreation.

² Gaeltacht: regions where the Irish language predominates.

M.J.

EIB Carbon Footprint Exercise

It is estimated that the management of Coillte's forest estate, supported by the present operation, will be associated with an (absolute) annual carbon sequestration amounting to just under 7000 kt CO₂ eq/y. The EIB project will among other things support the implementation of 'Green Planting', which entails the quicker restocking of newly clearfelled areas in order to reduce the time for which land is left fallow. It is estimated that this practice will increase the level of carbon sequestration by approximately 75 kt CO₂/y.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions or sequestration will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

Other Environmental and Social Aspects

Coillte's policy with regard to planted species diversification is to continue the planting of Sitka spruce as the main species up to a level of 65%. The company's nurseries seek to use seed collected in Ireland wherever possible, with the biosafety and genetic diversity implications of provenance being carefully monitored and controlled.

Pesticide use may be necessary to protect young trees against pine weevil, usually by pre-treatment of the root mass in the nursery prior to planting out. The more widespread application of Green Planting – early entry into restock areas – supported by the EIB project, is expected to reduce the risk of pest outbreaks. Spot application of pesticide in susceptible sites is permitted in line with applicable rules, as is the selective use of herbicide to control competing vegetation on post-establishment sites and to control invasive species such as rhododendron and sycamore on native woodland restoration sites.

Conclusions and Recommendations

With the information available during the period of appraisal, the present project has been judged to meet the EIB's environmental and social requirements. Accordingly, the project is judged to be acceptable for EIB financing in environmental and social terms.

M.T.