

# Post-2020 EU Forest Strategy

## POSITION PAPER

### Executive Summary

The 2013 European Commission Communication “A new EU Forest Strategy: for forests and the forest-based sector<sup>1</sup>” defined a need for “... a policy framework that coordinates and ensures coherence of forest-related policies and allows for synergies with other sectors that influence forest management”.

Since 2013, the importance of forest-based value chains has increased in European Union (EU) policies relating to jobs & growth, climate, energy, circular bioeconomy, rural development, bioeconomy and biodiversity & ecosystem services. This trend is expected to develop further, thereby increasing the need for a holistic, comprehensive and balanced framework to coordinate and create coherence and synergies.

We emphasize that the post-2020 EU Forest Strategy (hereinafter the Strategy) should be a stand-alone policy. Furthermore, it should be built on the following guiding principles:

- It is only by encompassing the entire forest-based value chains that the Strategy can achieve policy impact.
- The Treaty of the Functioning of the EU makes no reference or provisions for an EU forest policy, instead the subsidiarity principle asserts the competence on forest policy to Member States.
- Sustainable forest management and the multifunctional role of forests should be the basis for *all* EU policies of relevance to forests, forestry and forest-based value chains.
- By optimizing the contribution of forests, forestry and forest-based value chains to rural development, growth and job-creation, no one is left behind.
- Forest conditions vary considerably between Member States; thus, a one-size-fits-all thinking cannot be applied.
- Objectives on forest protection, biodiversity, wood production and other ecosystem services are not in contradiction, instead they are possible to combine.
- Sustainably managed forests provide an infinite resource of renewable raw materials and other ecosystem services.

We conclude that the Strategy, should cover the following areas:

- Forest-based value chains’ contribution to reaching the European Green Deal objectives.
- Sustainability as an incorporated part of forest management and forest-based value chains.
- The role in the EU for afforestation, forest restoration and forestry adaptation.
- Research and innovation related to new and innovative forestry and added-value products.
- Awareness raising about the multiple benefits from forests, forestry and forest-based products.
- Applying the concept that “a forest with a value, stays a forest” when fighting deforestation and forest degradation globally.

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<sup>1</sup> COM(2013)659 final dated 20 September 2013.

## **1. Forest-based value chains - a substantial part of the EU economy**

The European forest-based industries include the woodworking industries, the industries manufacturing pulp, paper and other fiber-based products, the furniture industry, the printing industry and the bio-energy industry. Combined they represent around 400,000 enterprises for a total annual turnover of over 400 billion euros and around 3 million workers. Together they add value to the EU economy by around 115 billion euro each year. They are key actors of the European bioeconomy, which accounts for 18 million jobs, 2.3 trillion euros turnover and 621 billion euros in value added<sup>2</sup>. Between 1990 and 2015, the European forest resource grew in volume by almost 40 percent<sup>3</sup>. This constitutes a great potential for further growth of European forest-based industries, which are spread all over the EU. The supply of sawn timber, pulp and paper mainly comes from a few “forest-rich countries”, while products based on recycled fibers are more commonly produced in more densely populated countries.

## **2. The Swedish forest industry**

The Swedish Forest Industries Federation represents the Swedish forest industry. Our members refine wood resources to bio-based products. This includes among others pulp, paper, board, packaging material, sawn timber, refined wood products and advanced biofuels. Some members have large forest holdings.

The Swedish forest industry is highly trade intensive. Almost 90 percent of our members’ pulp and paper production is sold outside of Sweden. The corresponding figure for sawn timber is close to 70 percent. The internal EU market is the biggest receiver of goods. The Swedish forest industry, just as corresponding industry in other Member States, has a major importance for jobs and growth, especially in rural areas. In several Swedish regions, the forest industry accounts for 20 percent or more of industrial employment which makes it a cornerstone for rural development

## **3. Our industry is vital in achieving a climate neutral EU**

During the last decades, Swedish forest industry has decoupled its production from its emissions, despite increased production rates. This has resulted in the internal processes today being approx. 96 percent free from fossil fuels. From side streams, our industry produces large amounts of bio-heat to cover its own needs and to sell to external use in the district heating sector. The forest industry is the largest Swedish producer of renewable electricity outside of the utility sector and a growing producer of advanced biofuels. This results in our products having very low carbon footprint. In other words, when producing and exporting its products, the Swedish forest industry clearly contributes to a low-carbon economy and generate direct climate benefits, not only in the internal market, but world-wide.

The bio-based products our industry already offers to consumers will continue to be the basis for operations for years to come, but much R&I work is ongoing to be able to launch new, complementary products. Such development is generally twofold: existing products are further developed to address changing consumer needs and side streams are further upgraded to achieve products with higher value added and increased resource efficiency. Both types of developments are research and innovation driven and the production generally takes place in the same biorefineries.

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<sup>2</sup> F-BI Vision 2050

<sup>3</sup> Data processed from the FAO’s Forest Resources Assessment 2015, data covers the European Union plus Norway, Switzerland and the UK. <http://www.fao.org/forest-resources-assessment/en/>

Ever since the EU Commission presented its Communication on a 2050 Long-term Strategy<sup>4</sup>, the Swedish forest industry has actively supported the target of achieving a climate neutral EU by 2050. We contribute to this target in three ways: by *sequestration* of carbon dioxide in growing trees; by *storage* of carbon in harvested wood products and by *substitution*, when bio-based products and bioenergy replace other products that are produced from fossil raw materials or in greenhouse gas intensive production processes.

#### 4. Strategy guiding principles

The conclusions from the 2013 EC Communication “A new EU Forest Strategy: for forests and the forest-based sector are even more accurate today. Since a growing number of EU policies are making increasing demands on forests and forest-based products, there is a need to coordinate sectorial policies. While the Treaty of the Functioning of the EU makes no reference or specific provisions for an EU forest policy and since there is no common EU forest policy, the right tool for coordination is a revised Strategy. The Strategy can play an important role in achieving a holistic and multifunctional perspective, while at the same time respect Member State subsidiarity. For the Strategy to be relevant, the perspective applied needs to encompass forests and the entire forest-based value chains.

Climate change mitigation and adaptation as well as sustainability have much larger emphasize in today’s political landscape than it had almost a decade ago. Furthermore, the understanding has increased exponentially of the urgency to transition from a fossil-based to a circular bio-based economy.

We emphasize that the Strategy should be a stand-alone policy. Furthermore, it should be built on the following guiding principles:

- It is only by encompassing the entire forest-based value chains that the Strategy can achieve complete policy impact.
- The Treaty of the Functioning of the EU makes no reference or provisions for an EU forest policy, instead the subsidiarity principle asserts the rights on forest policy to Member States.
- Sustainable forest management and the multifunctional role of forests should be the basis for *all* EU policies of relevance to forests, forestry and forest-based value chains.
- By optimizing the contribution of forests, forestry and forest-based value chains to rural development, growth and job-creation, no one is left behind.
- Forest conditions vary considerably between Member States; thus, a one-size-fits-all thinking cannot be applied.
- Objectives on forest protection, biodiversity, wood production and other ecosystem services are not in contradiction, instead they are possible to combine.
- Sustainably managed forests provide an infinite resource of renewable raw materials and other ecosystem services

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<sup>4</sup> 28/11/2018 - COM (2018) 773 - A Clean Planet for all - A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy

## 5. Strategy specific input

### a) Forest-based value chains' contribution to the European Green Deal (EGD) objectives

The EGD is a truly multi-functional policy initiative and its objectives cannot be reached without a major transformation of society. At the same time, while responding to global challenges, the EDG must also secure jobs, growth and rural development in Europe and assure that no one is left behind. Creating a strong circular bio-based economy will be essential to reach the EGD objectives and forest-based value chains will be decisive in this transformation. These value chains are to a very large extent cross-sectorial interacting with other sectors and parts of the society. To reach climate neutrality by 2050, an emphasis on sustainable production and consumption is necessary, including low or zero-carbon technologies and material substitution in order to reduce or eliminate fossil based or greenhouse gas intensive materials.

We conclude that the post-2020 Strategy should:

- Acknowledge that forest-based value chains are of major importance for the EU economy today and will be even more important in building a green growth strategy and reach climate neutrality by 2050. Therefore, the Strategy should support globally competitive and sustainable EU forest-based value chains.
- Encourage the EU and Member States to incentivize growth in the circular bio-economy and acknowledge that forest-based value chains are key in achieving this growth. In this context, also encourage a widening of the circular bio-economy by further integration between forest-based value chains and other sectors/value chains with a need to decarbonize.
- Acknowledge the importance of material substitution, i.e. when low-carbon and almost zero-fossil emissions materials reduce or eliminate the need for more greenhouse gas intensive alternatives.
- Emphasize that the Union and Member States should recognize that the right way forward is sustainable and active forest management, thereby increasing the availability of woody biomass, instead of setting up limitations on forestry.
- Emphasize that while an increased forest sink might balance emissions, it will not create jobs, growth or economic development. Furthermore, a sink-focused view on the role of forests in climate change mitigation will miss out on the huge potential from material substitution and prevention of fossil emissions. Instead a sink-focused view will support continued use of fossil energy and green-house gas intensive materials.
- Reinforce that with existing EU climate policy, i.e. LULUCF, emissions from forestry are accounted for at the time of harvesting, thus emissions from use of biomass in other sectors are counted as zero. Furthermore, reinforce that harvested wood products store carbon during their entire lifetime.

## b) Sustainable Development

According to the 2019-2024 political guidelines for the Commission, sustainability is to be at the core of policy development. In forest-based value chains, sustainability is already incorporated in businesses and operations, applying a multi-functional perspective including economic, social and environmental aspects. This development has been both market and policy driven and is to a very high degree verified by third party certification.

Pressure on resource availability in general is increasing; globally, in the EU and in Member States. In this context, it is worth reminding that raw material supply to EU forest-based value chains to a very large extent is based on EU sources. This differentiates forest-based value chains from many other industrial value chains. Furthermore, as EU forest resources are managed sustainably, the availability of wood resources in the future can be at the same level or better than today.

We conclude that the post-2020 Strategy should:

- Confirm the strong connection between forest-based value chains and almost all 2030 UN Sustainable Development Goals.
- Emphasize the importance of a multi-functional perspective on forests and forest management covering environmental, economic and social aspects. This includes acknowledging that:
  - Investments in sustainable forest management are the best way of ensuring the protection and enhancement of forests, their biodiversity and other ecosystem services. Strong property rights and long-term economic viability is the best guarantee for these investments.
  - Forest-based value chains are important for jobs, growth, trade and healthy economic development in general in Member States, but more specifically in rural areas.
  - Social values, such as various outdoor activities and local community engagement, generated by forests, are considerable.
- Clarify that forest protection and production can be coupled and support development of measures to improve this coupling.
- Reinforce that sustainably managed forests provide an infinite resource of renewable raw materials and other eco-system services.
- Balance wishes to strictly protect larger forest areas versus the risk this entails regarding availability of wood and concerning calamities that can spread over larger geographies.

### c) Afforestation, forest restoration and forestry adaptation

Forests can make a substantial contribution to climate neutrality by 2050 as carbon sinks. In this context, there is a large potential for afforestation in Europe by planting trees on marginal agricultural land. If planted in near future and sustainably managed during the next 30 years, they will provide a significant carbon sink and a raw-material base. Setting aside older forests with the aim of creating a future sink is on the other hand a risky strategy from a climate mitigation point of view, since older forests saturate and will be more vulnerable for calamities. Such a strategy might even be counterproductive.

Concerning forest restoration, the concept is presently widely debated in the EU, but prior to agreeing on any policy in this area, a science-based and well-anchored definition must be established.

Concerning adaptation, European forests will be strongly impacted by climate change. Sustainable forest management practices therefore continuously need to be developed to make our forests less vulnerable. Evidence-based and tested natural adaptation measures are already incorporated in sustainable forest management but needs to be further and continuously developed.

We conclude that the post-2020 Strategy should:

- Emphasize the importance of afforestation in the EU on marginal agricultural land to create a future, enhanced forest sink.
- Set a science-based, clear and well-anchored definition of the meaning of restoration of EU forests.
- Underline the need for adaptation measures but at the same time emphasize that such measures are already ongoing and must be science-based, adjusted to regional conditions and decided by Member States.

### d) New and innovative forestry and added-value products

To secure global competitiveness, continual improvement and innovation along forest-based value chains are vital. The knowledge base on forestry and forest ecosystems is already solid, but further research and innovation is needed to expand the base further. By improving resource efficiency along the value chain and by developing new or enhanced climate smart solutions, the value-adding can be further enhanced.

We conclude that the 2030 Strategy should:

- Recognize the Forest-based Sector Technology Platform (FTP) and the FTP Vision 2040.
- Foster viable conditions for further research and innovation in relation to forestry and forest-based value chains.
- Support further development of the Forest Information System Europe (FISE).

e) "A forest with a value, stays a forest"

Globally, deforestation and forest degradation are issues of great concern. These issues are mainly driven by the desire to create more agricultural land and by the demand for wood as primary energy source in heating and cooking. Furthermore, some land-use change and/or land degradation is linked to illegal logging or unclear property rights. The work to halt global deforestation and degradation must therefore be closely linked to the fight against poverty and emphasize tenure rights.

We conclude that the Strategy should:

- Acknowledge and support established FAO conclusions that sustainable land-use globally is important in the fight against poverty, as this is the most successful way to halt deforestation and forest degradation.
- Encourage efforts to rise global awareness of the importance of sustainable forest management to drive economic development and as a measure to halt deforestation and forest degradation
- Focus on stopping illegal logging by enhancing the EUTR and FLEGT methodology to agriculture commodities.

f) Awareness raising

As urbanization increases, fewer and fewer citizens live by and from the forest. This means that every-day-contact with forests is much less common than in earlier days when more people lived in non-urban areas. At the same time, many citizens are truly concerned about climate change and are eagerly looking for solutions that allow them on a daily basis to contribute to mitigate climate change.

We conclude that the 2030 Strategy should:

- Support increased communication to the general public about the multiple benefits from forests, forestry and forest-based products.