

European Economic and Social Committee

# **OPINION**

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# New EU Forest strategy for 2030

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions New EU Forest Strategy for 2030 [COM(2021) 572 final]

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(for/against/abstentions)	227/1/6

#### 1. **Conclusions and recommendations**

- 1.1 In its 'New EU forest strategy for 2030', the European Commission quite correctly states that forests play a multifaceted role and have significant economic, social and environmental potential. The vitality and health of forests are of fundamental importance, for both environmental and climate reasons, and in terms of enhancing forest-based economic development and people's welfare. While the Committee acknowledges that the forest strategy addresses economic and social opportunities, this should be done in a more comprehensive way. The EESC also notes that there is no answer regarding how to remunerate the non-commercial ecosystem services provided by forests, and thus by forest owners. The strategy describes a few positive examples, and the Committee calls for a truly convincing and sustainable solution for the future.
- 1.2 The forest strategy should bridge the various policy fields and strategies relating to forests and the forest-based bioeconomy. The EESC also stresses the importance of making decisions at the right level, in accordance with competences and the principle of subsidiarity. As forests differ a lot across the EU, there are no one-size-fits-all solutions, and forest management and forest management planning are best addressed at national level to contribute to common goals. An EU-level framework in turn is necessary with respect to issues relating to the single market and to environmental and climate issues that cannot be solved through national measures only and which often call for international action as well
- 1.3 Advanced cooperation is needed at all levels of policymaking, and the EESC highlights the need for civil society representatives, including businesses, trade unions and environmental organisations, to be closely involved in the further development and monitoring of the strategy, pointing to the central role of forest-owners, industries and workers in sustainable forest management and the forest-based bioeconomy.
- 1.4 The EESC calls for coherence, certainty, stability, clarity and consistency in the policy and regulatory framework. It is crucial not to introduce initiatives that overlap or contradict with existing widely adopted sustainability definitions, principles, criteria, indicators, guidelines and schemes. Protection of property and free enterprise are also principles that need to be upheld.
- 1.5 Due to a wide range of issues with unclear implications, the EESC calls for a comprehensive impact assessment of the strategy to identify the implications for market conditions, rural areas and the various funding needs, including for research and innovation, skills development, infrastructure, climate change mitigation and adaptation, and biodiversity enhancement.
- 1.6 The EESC welcomes the fact that the strategy pays due attention to adaptation to climate change, given that global warming transforms the conditions of trees and all organisms and is associated with forest disasters, with deadly consequences for both the environment and the economy. The EESC also stresses the need for a holistic view of the role played by forests and the forest-based bioeconomy in climate change mitigation, so as to ensure the best combination of sequestration, storage and substitution to achieve a post-fossil-fuel economy. Moreover, the Committee like the European Commission's forest strategy highlights the significance of an integrated approach to forest management and biodiversity protection.

- 1.7 The EESC encourages research into the linkages between climate change, forest ecosystems and forest management and calls for the systematic collection and sharing of reliable data on the state of forests. The EESC also highlights the importance of innovation in the fields of sustainable and climate-resilient biomass production, new forest-based products, and circular economy practices, making full use of digital technologies
- 1.8 The digital and green transitions of forest-based activities require new skills, which must be considered particularly in vocational training, and in organising upskilling and reskilling. The EESC points out the importance of creating quality jobs and providing workers with opportunities and adequate working conditions in the wood-based bioeconomy. It highlights the role of social dialogue in the development of skills and health and safety at work. Cooperation is also needed to enhance public awareness of modern, forest-based activities, especially among young people.
- 1.9 A favourable environment is needed for productive investment throughout value chains, to realise the innovation and employment potential of the forest-based bioeconomy. The EESC also emphasises the need for investment in infrastructure, to facilitate logistics and enable digitalisation in forest-based activities.
- 1.10 To contribute to global development, the EESC calls on the EU to actively promote a level playing field for EU enterprises competing in international bioeconomy markets and to enhance the global implementation of international agreements that contribute to the protection and sustainable use of forests.

## 2. General comments: policy framework

- 2.1 The 'New EU forest strategy for 2030' updates the existing 2013 EU forest strategy to take account of recent developments and to respond to the objectives of the European Green Deal, with the aim of achieving a modern, carbon-neutral, resource-efficient, competitive and socially fair EU. The EESC already submitted its views on the progress report for the previous strategy<sup>1</sup>.
- 2.2 Forests play an important role in the implementation of the Green Deal, as they are intrinsically linked to the various building blocks of the deal, i.e. promoting sustainable industries, energy, transport, building and food systems, as well as tackling climate change, biodiversity loss and environmental pollution.
- 2.3 Forests are also a major global issue and relevant to many of the United Nations Sustainable Development Goals (SDGs), including those related to life on land, climate action, poverty reduction, health and well-being, industry and innovation, decent work, and economic growth.
- 2.4 Considering the multifaceted role and potential of forests in terms of economic, social and environmental benefits, the Committee believes it is important to develop all the functions of forests so as to generate the best possible overall benefit.

<sup>&</sup>lt;sup>1</sup> The EESC opinion on the European Commission Progress Report on the EU Forest Strategy, OJ C 47, 11.2.2020, p. 87.

- 2.5 It is of fundamental importance to sustain the vitality and health of forests, for both environmental and climate reasons, and in terms of enhancing forest-based economic development and people's welfare. While the Committee acknowledges that the forest strategy addresses economic and social opportunities, this should be done in a more comprehensive way. The EESC also notes that there is no answer regarding how to remunerate the non-commercial ecosystem services provided by forests, and thus by forest owners. The strategy describes a few positive examples, and the Committee calls for a truly convincing and sustainable solution for the future.
- 2.6 The EESC believes that the forest strategy should bridge the various policy fields and strategies relating to forests and the forest-based bioeconomy. This will require cross-sectoral cooperation, covering research, innovation, industrial, employment and fiscal policies, in addition to climate and environmental policies and the rural development dimension of agricultural policy.
- 2.7 The EESC also stresses the importance of making decisions at the right level, in accordance with competences and the principle of subsidiarity. As a general rule, issues relating to the single market require solid EU-level measures. An EU-level framework is also necessary with respect to environmental and climate issues that cannot be solved through national measures only and which often call for international action, too.
- 2.8 In contrast, forest management and forest management planning are best addressed at national level to contribute to common goals. The EESC thus finds the involvement of and support by Member States to be crucial for implementing the strategy. The national strategic plans for forests have an essential role to play here, including by incorporating climate and biodiversity aspects into the plans and by identifying ways of providing forest-owners with economic compensation for non-commercial forest ecosystem services. There are no one-size-fits-all solutions, given that the features of forests vary considerably across the EU. The significance of forests in the national economies of the Member States also vary, as does forest ownership, which ranges from public-sector owners and big private companies and investors to small family owners.
- 2.9 The EESC believes it is important to share good practices between Member States and develop cooperation between the Commission and the Member States, based on revised working practices rather than new formal bodies. The EESC also highlights the need for civil society representatives, including businesses, trade unions and environmental organisations, to be closely involved in the further development and monitoring of the strategy, and points to the central role of forest-owners, industries and workers in sustainable forest management and the forest-based bioeconomy. Investment in the capacity building of stakeholders and competent authorities is necessary for the implementation of the strategy.
- 2.10 Given the key role of private forest-owners and enterprises, full account must be taken of the protection of property and free enterprise. Broadly speaking, it is not feasible to control product ranges, raw material choices, or operational practices; what is feasible is to set science-based and technology-neutral framework conditions, under which bioeconomy actors can innovate, invest and operate. This applies, for example, to implementation of the cascade principle, which needs to be market-based.

- 2.11 The EESC calls for coherence, certainty, stability, clarity and consistency in the policy and regulatory framework, considering the long investment cycles of many bioeconomy activities. It is crucial not to introduce initiatives that overlap or contradict with existing widely adopted sustainability definitions, principles, criteria, indicators, guidelines and schemes. Moreover, any initiatives must avoid excessive red tape such as multiple data collection and reporting.
- 2.12 In the EESC's view it is vital that the above principles related to decision-making level, ownership, stability, coherence and avoidance of overlaps be carefully considered and fully adhered to in further work. This applies in particular to the initiatives on the monitoring system, indicators and thresholds for sustainable forest management, a closer-to-nature certification scheme and forest-related criteria for sustainable finance.
- 2.13 All in all, the implications of the strategy are unclear and some of its initiatives may weaken forest-based value chains and jeopardise jobs, especially in rural areas, by limiting sustainable wood harvesting. The EESC therefore urges that a comprehensive impact assessment be carried out of the strategy to evaluate its cumulative economic, social and environmental implications. This is also needed in order to identify the various funding needs, including research and innovation, skills development, infrastructure, climate change mitigation and adaptation, and the protection and enhancement of biodiversity.

### 3. Specific comments: the role of forests in climate change and biodiversity

- 3.1 Forests play a considerable role in natural processes: in controlling the cycles of carbon, water and nutrients, in soil formation, and in maintaining biodiversity. On the other hand, forests themselves are remarkably vulnerable to the impacts of climate change.
- 3.2 In the EU, total forest area and the area of protected forests have increased in the last decades, wood increment exceeds felling, and forests are a major carbon sink<sup>2</sup>. By contrast, deforestation is continuing at the global level especially in tropical areas turning these forests into a source of emissions and contributing significantly to ongoing loss of biodiversity<sup>3</sup>. The EESC thus emphasises the need also to consider the role of forests on a global scale and calls on the EU to actively promote the global implementation of international agreements that contribute to the protection and sustainable use of forests.
- 3.3 Forests and the forest-based bioeconomy play a multiple role in climate change mitigation: through the sequestration and storage of carbon and through the substitution of fossil-based raw-materials, energy and products. It follows that there are synergies and trade-offs between various measures<sup>4</sup>. The EESC therefore highlights the need to consider all these mechanisms in a holistic way when seeking the most sustainable solutions for achieving a post-fossil-fuel economy.
- 3.4 Carbon sequestration is not just a matter of forest land area but is primarily one of forest growth and vigorous photosynthesis. In addition to afforestation and reforestation, the active

<sup>2</sup> https://forest.eea.europa.eu/news/summary-for-policy-makers-state-of-europe2019s-forests-2020

<sup>3 &</sup>lt;u>http://www.fao.org/state-of-forests/en/</u>

<sup>4</sup> https://ec.europa.eu/jrc/en/science-update/forest-based-bioeconomy-and-climate-change-mitigation-trade-offs-and-synergies

management, use and renewal of forests are therefore essential to harnessing the potential of forests as a carbon sink.

- 3.5 The role of forests in carbon storage is also manifold, as carbon is stored not only in trees and soil, but also in wood-based products. Long-lasting wood products such as buildings and high-quality furniture are the most effective in this sense. Shorter-living forest-based products also retain their carbon content, as long as they are recycled. Moreover, when forest-based renewable feedstocks are used to substitute fossil ones, the release of carbon from fossil storage is avoided.
- 3.6 The EESC also calls for the vulnerability of forests to climate change and need for adaptation to be thoroughly addressed, as warming transforms the conditions of trees and all organisms and is accompanied by forest disasters caused by increased drought, fires, storms and pests. On the other hand, forests contribute to climate change adaptation by providing protection against erosion, landslides and floods.
- 3.7 Forests, including managed forests, are also crucial to biodiversity, as they provide the habitats of most terrestrial biodiversity. Biodiversity can be sustained in various ways: through protecting endangered species, through creating protected areas with limited or no human activities allowed in them, or through implementing forest management practices that enable biodiversity to be maintained alongside the socio-economic use of forests.
- 3.8 Considering that the majority of forests are managed, the EESC highlights the significance of an integrated approach to forest management and biodiversity protection, which enables the multiple functions of forests to be combined. The Committee recognises the market-based and voluntary biodiversity protection and carbon sequestration measures by forest owners and endorses the exploration and development of crediting schemes for such measures.
- 3.9 Both the carbon sequestration capacity and biodiversity of forests vary considerably across the Member States. The differences are partly related to different natural conditions and partly stem from the mode of forest management and use over time. The need to protect and restore forests thus also varies across the EU, which must be recognised when determining the forests to be restored or protected.
- 3.10 The EESC encourages continuing research into the physical, chemical and biological processes of forests and the linkages between climate change, forest ecosystems and human activities, so as to ensure that forest management practices are based on sound science. It is also important to systematically monitor and share data on the state of forests, making full use of digital tools and systems, while ensuring adequate data protection and reliability.
- 3.11 The EESC endorses the initiative of planting 3 billion trees as a practical demonstration project, including proper planning of sites and species, allocation of human and financial resources, planting, management, and close monitoring of developments and results. This afforestation must not result in competition with land use for food production or ignore the need to maintain an open landscape in some places.

#### 4. Specific comments: the economic and social role of forests

- 4.1 Forests respond to a wide variety of everyday needs, providing raw material for industrial and consumer products, space for recreation, and healthy food for direct household use. Forests thus play an essential role in both the wood- and non-wood-based bioeconomy, as well as contributing to health and mental well-being.
- 4.2 The forest-based bioeconomy rests on diverse value chains, covering forest-owners and many kinds of industries and services, from forest machine and transport entrepreneurs to wood-processing companies, and from local micro-enterprises, cooperatives and SMEs to big international companies. Consequently, the forest-based bioeconomy provides jobs in many fields and in various locations, with high importance for rural areas.
- 4.3 Most roundwood in the EU is used as industrial raw material (logs and pulpwood), while the use of wood for fuel varies considerably between the Members States<sup>5</sup>. Except in the case of printing paper, global demand is predicted to grow for both traditional and new wood-based products. The EESC recommends ensuring that norms and standards do not hamper, but rather encourage, the use of wood-based products and construction, while also ensuring that consumers are correctly informed about the possible presence of non-wood materials in those products through appropriate labelling.
- 4.4 Current good practices suggest that different kinds of trees and different parts of a tree are used for the purpose and products to which they are best suited and, in this way, generate the greatest added value without wasting natural resources. Much forest-based energy is produced from thinnings, logging residues or side-streams of woodworking. Pulp mills are a good example of plants that produce electricity and heat as a by-product. Moreover, side-streams and residues are used as raw materials in existing industrial processes and, increasingly, for new bioproducts.
- 4.5 The EESC highlights the importance of intensively developing technologies and solutions for sustainable and climate-resilient biomass production, energy and material efficiency, and circular economy practices across forest-based value chains. Digital technologies, including AI, have considerable potential to support the development and optimisation of forest management, industrial processes, logistics and interaction between supply-chain partners.
- 4.6 The most far-reaching innovations generate new materials and products, including biochemicals, advanced biofuels and textile fibres, some of which are low-volume products with high added value. As the development of new products is often carried out in the context of current production, traditional production units give rise to new business ecosystems that involve a wide variety of enterprises, particularly SMEs.
- 4.7 Development of skills is one prerequisite of the digital and green transition for forest-based activities. It is also a necessary means to ensure that no one is left behind. The new demand for skills must be considered in vocational training and university studies, as well as in organising upskilling and reskilling. Moreover, practical advisory services are needed, to help businesses, especially small enterprises, meet the new requirements.

<sup>5 &</sup>lt;u>https://ec.europa.eu/eurostat/documents/3217494/12069644/KS-FK-20-001-EN-N.pdf/a7439b01-671b-80ce-85e4-4d803c44340a?t=1608139005821</u>

- 4.8 The EESC highlights the role of social dialogue in developing skills and health and safety at work. Allocating ESF+ funds to enhancing quality jobs and adequate working conditions in the wood-based bioeconomy may help to combat poverty and reduce migration from rural areas. Poverty reduction also contributes to reducing illegal wood felling, especially for heating purposes.
- 4.9 As forest-related jobs are dominated by men and as the average age of people in these jobs is relatively high, it is important to attract more female workers and entrepreneurs, as well as young people, into the sector. This will require cooperation to develop the image of forestry and forest-based industries, and to increase public awareness of the opportunities provided by the modern bioeconomy. Solid societal communication is also needed on the ways of and prerequisites for enhancing the vitality and resilience of forests.
- 4.10 To realise the innovation and employment potential of the forest-based bioeconomy, a favourable environment is needed for productive investment throughout value chains. The EESC also emphasises the need for proper infrastructure, including in rural areas. The forest-based bioeconomy requires transport infrastructure that meets the logistical needs of forestry and of the production and distribution of forest-based bioproducts. Proper digital infrastructure is another essential prerequisite of the modern bioeconomy.
- 4.11 The EESC encourages the Member States to use EU funds and national funding, including rural development funds, to enhance the forest-based bioeconomy. Support schemes that hinder or distort bioeconomy markets must be avoided, paying specific attention to existing subsidies and other incentives for the burning of wood.
- 4.12 EU enterprises also need a competitive trading environment that enables them to export sustainable forest-related products and solutions to other countries and to compete successfully with imports from outside the EU. The EESC calls on the EU to promote same rules in international bioeconomy markets and to make use of pan-European and international partnerships and foreign trade agreements to promote the EU's climate ambition and the sustainability of forest use outside the EU.

Brussels, 8 December 2021

Christa SCHWENG The president of the European Economic and Social Committee