Contribution from the Energy & Climate Working Group of the CPMR Baltic Sea Commission to the EU public consultation on a new EU Forest Strategy

Introduction

The Energy and Climate Working Group (ECWG) of the CPMR Baltic Sea Commission wants to take an active part in the revision process of the Forest Strategy for the post-2020 period. This Policy Position represents the contribution from the ECWG to the EU Public Consultation on a new EU Forest Strategy, highlighting the key issues for Member Regions.

The forest sector and the forest-based value chain represent important environmental (incl. biodiversity), economic, and social aspects for the CPMR BSC regions of the ECWG. Indeed, they have long-standing traditions and culture related to the forest and forestry. The forest sector is a strong and important part of their regional development. This is reflected in their Smart Specialisation Strategies, which include bioeconomy and forests as key elements for several regions.

Regions of the CPMR BSC ECWG, have been working on the role of forests in tackling climate change and preserving biodiversity for several years. Circular bioeconomy, with sustainable use of wood biomass, is a central element of their regional roadmaps towards carbon neutrality. Furthermore, the use of wood products, including in the construction sector is a central element of their economy and climate transition strategies. Among the key messages of the ECWG, is the need for the EU to strengthen the focus on research and innovation in the forest sector.
1. Key messages from the CPMR BSC Energy & Climate Working Group

Member Regions are committed to ensuring healthy, diverse, smart, resilient, and sustainable forests for the benefit of present and future generations. In light of their long and strong experience regarding forests, they welcome the revision of the EU Forest Strategy to take into account the objectives of the Green Deal Agenda.

However, Members of the CPMR Baltic Sea Commission Energy and Climate Working Group:

- Stress that the future EU Forest Strategy post-2020 should anchor a strong territorial dimension.

- Recall that the EU Forest Strategy should promote further coordination at European level while respecting the principle of subsidiarity and shared responsibility. The new EU Forest Strategy should be place-based and must take into account the large regional variations and conditions within different parts of the EU when it comes to available forests, soils, forestry and biodiversity. It is important to note the different types of forests, from primeval forests and to tree plantation, but also the different forest ecosystems.

- Emphasise the importance to include in the design, governance and implementation, the Regional Authorities with their special expertise and competences. It should rely on a holistic approach, involving public and private sectors, as well as academia. There is a need for statistically sound forest information for evidence-based policy-making. The new EU Forest Strategy should be coherent with other EU-related policies and initiatives and also ensure coordination with different national and regional policies and regulations. It is crucial to break out of silos when approaching the EU Forest Strategy and ensure a broad dialogue on the role of forest. The EU Forest Strategy should take into account long-term perspectives including current and potential new challenges arising.

- Emphasise the importance of taking into account the variety of land owners when it comes to the management of forests, from State owned forests to municipal forest ownership, to private forest owners, to large industries, to small and family forest owners. Regardless of the size of the ownership, it is important to create the conditions for people to become responsible forest owner. Not all Member States have the same ownership, and these differences in ownership must be taken into account. However, it is also important to take into account non land owners. Cooperation with different stakeholders is very important.

- Stress that the new Forest Strategy should strengthen and maximise the multi-functional and cross-cutting role of forests which are interlinked.

- Highlight the major role of forests in mitigating and adapting to climate change, both as carbon sinks and in providing substitutional carbon-binding materials and products (timber, energy, paper, use of wood in construction). Promotion of wood as a material in building sector should be highlighted in the new EU Forest Strategy. Wood as a building material has direct effects in reducing emissions and increasing carbon stocks. The Baltic Sea Region has strong expertise in wood construction and the related industry can both create new jobs and strengthen industry and R&D&I in its field, also supporting the Bauhaus initiative Forest based raw materials have an important role in substituting fossil-based materials and in increasing amount of renewable materials. In general, longer value chains and cascade use of wood should be pursued. Forests and forest ecosystems have a key role to play in the green transition while ensure a competitive and resilient EU economy. Forests are an important source of renewable raw materials. Forest-based
products are part of the circular bioeconomy as both renewable and recyclable products. Circular bioeconomy, including forest-based products, are part of the solution for targeting a climate neutral society. It can provide new solutions for packaging, material combinations, medicines, and well-being, and also for biofuels in transportation. Bio-based energy should be further developed, as biofuels are needed in the short, and medium long term to achieve the green transition. Over the last 100 years, the standing volume of forest in the CPMR BSC regions has almost doubled and carbon stocks in forests and forest soil have quadrupled. The growing stock continuously increases since every harvested tree is replaced by two or three new ones. It is forests that grow and are cultivated that provide the best climate benefit.

- Emphasise that forests also provide a vital value in terms of human recreation, health benefits, outdoor, nature tourism and social life as well as wildlife. It is important to create insight among the new and young generations for the importance of the forest for human well-being. Promoting resilient forests is also a key element of sustainable nature tourism, cultural heritage environments and food production.

- Stress the key contribution of Forests to the attractiveness of territorial areas, both rural and urban. Forests in urban areas provide an important nature-based solutions (e.g. for storm water management). Forests have a tremendous role to play in rural and country side vitality and development and this should be promoted further.

- Emphasise the forest sector represents major economic and job creation potential in the fields of sustainable forest management, tourism and recreation services and food production. It plays also a key role for national and regional economies around the Baltic Sea, with the implantation of several large wood industry clusters, sawmill, biorefinery, biofuel industries, pulp and paper industries and considering that a significant number of people draw their income directly from the forest and the forest-based value chain. Overall, the forest sector brings a large part of jobs and economic, ecological and social benefits to the society.

- Call for encouraging the development of skills and investments in human capital related to the forest sector. It is important to provide new training, skills and jobs reflecting the multiple functions of forests, not least in rural areas. This goes hand in hand with the importance to increase support to forest research and silviculture and climate smart innovations. Stronger investment in R&I is essential to improve our knowledge of forests and to optimise their composition, sustainable management and use. The EU should provide further funding to R&I linked to forests, through project Calls dedicated to this topic. R&I is also very important to show the monetary value of forests other than as in wood price, but also the many ecosystem services forest provide. More evidence is needed of the economic/monetary value of forest related to well-being, tourism, forest as carbon sinks and carbon capture. Digitalisation is also crucial to include in the development of the EU Forest Strategy post2020, with the aim to contribute to creating viable resilient and healthy forests, both in connection with maintenance but also when harvesting.

- Emphasize the role of the Forest sector in energy production. Wood-based energy can replace coal, peat, and the other fossil-based materials. Efficient and sustainable use of biomass, including forest biomass, is required to meet the EU's Climate and Energy Policy objectives. Biogas production should be further developed and used.
- Stress the **key role of forests in safeguarding biodiversity**. More attention should be paid in the future on protecting and managing forests from the biodiversity perspective. The Strategy should contribute to a positive development of biodiversity.

- Highlight the importance of growing investments in **sustainable forest management**. They are crucial to ensure the protection and enhancement of forests, their biodiversity, health and other ecosystem services. Greater emphasis on sustainable forest management, **also in urban forests**, would contribute to the resilience of the forest and plays an important role, through carbon capture (carbon sinks) and substitution, in the fight against climate change. The future Strategy should reflect the invaluable role of the forest, the forest sector and sustainable forestry, anchored in an ambitious Climate Policy and the transition to a circular bioeconomy. More innovations to utilise the full potential of bioeconomy and especially the potential in circular economy (cascading use of biomass), before simply producing energy. Safeguarding sustainable forest growth for the future is very important. Well-managed growing forests delivering raw materials for useful, biobased products and energy to the society substituting fossil raw materials is the way forward.

- Supports the purpose of the European Commission to guide sustainable investments towards the conversion of fossil-based industries, in light of the Green Deal Agenda. However, Member Regions of the **ECWG are deeply concerned about the European Commission’s recently proposed delegated acts for the Sustainable Finance Taxonomy, which risk to negatively classify renewable fossil-free alternatives**. This situation can slow down and hamper sectors with high potential to contribute to a transition towards decarbonisation, such as forestry, biofuels and bioenergy. In view of the climate benefits, they bring and its essential role in the EU’s green transition, the ECWG Member regions call for a **classification of ordinary forest management as sustainable in the delegated act**. Forestry is an important industry for the countries of northern Europe, and many people have their income from an active and responsible forestry. The forest delivers a range of ecosystem services that should not be over-utilized but that should be used wisely, especially in times when we face major climate challenges. The EU should stimulate the reduction in fossil emissions that arise when fossil-based products are replaced with forest products.

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The Conference of Peripheral Maritime Regions (CPMR) represents more than 150 regional authorities from 24 countries across Europe and beyond. Organised in Geographical Commissions, the CPMR works to ensure that a balanced territorial development is at the heart of the European Union and its policies. One of these Commissions is the Baltic Sea Commission made up of 18 Member Regions from Sweden, Finland, Germany and Estonia.