



EUSTAFOR, CEPF, Copa and Cogeca, UEF, FECOF, and USSE position paper on the Commission proposal for a directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (recast) – COM(2016) 767 final

Sustainably managed forests are a proven source of sustainable biomass for bioenergy

EUSTAFOR, CEPF, Copa and Cogeca, UEF, FECOF, and USSE position paper on the Commission proposal for a directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (recast) – COM(2016) 767 final

Sustainably managed forests are a proven source of sustainable biomass for bioenergy

President Juncker's Commission aims to create better regulation, reduce redtape and focus efforts on ensuring effective implementation. With these principles in mind, the recast of the Renewable Energy Directive (RED) aims to promote the use of energy from renewable resources and decarbonize the EU. European forest owners, managers and professionals are deeply concerned that the proposed introduction of forest biomass sustainability criteria could have a negative impact on achieving these objectives.

Forest owners, managers and professionals invite the EU policy and decision makers to first look at the implementation of existing European and national policies and regulations, which ensure the sustainability of forest biomass sourcing, before taking any action on developing a new regulatory framework with additional, unnecessary burdens. Forest owners, managers and professionals support the view that existing Sustainable Forest Management (SFM) practices are already well covered by Member State legislations and other additional tools. These practices ensure the sustainability of all forest biomass, irrespective of its end use. Therefore, forest biomass for bioenergy does not require additional regulation.

While recognizing that the RED recast acknowledges the existing legislation on forests and forest management at EU and Member State levels, we strongly consider that interference of the new framework on already-existing legislation and tools should be avoided.



Minna Lautala

If for any reason, such as the necessity to ensure the sustainability of imported biomass, the determination towards regulating the sustainability of forest biomass in the EU bioenergy policy post-2020 continues, a modified risk-based approach is an option if already-existing requirements in the EU and national legislations are taken into account and there is no duplication or unnecessary regulatory burden.

In the context of forest biomass in the recast of the Renewable Energy Directive, European forest owners, managers and professionals share the following concerns:

- ◆ The proposal should not undermine subsidiarity;
- ◆ The EU policy should not duplicate existing provisions and safeguards;
- ◆ Implementation of RBA must be feasible and assessments made on national/sub-national levels;
- ◆ Voluntary certification systems must remain voluntary;
- ◆ The risk-based assessment should be carried out against the already robust and effective requirements included in current legislation and tools;
- ◆ Administrative and economic burdens should be avoided;
- ◆ A reasonable timing should be provided to review the effectiveness of the risk-based approach.



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Forest biomass in the context of the recast of the renewable energy directive – issues of concern

Forests and the forest-based sector play a significant role in mitigating climate change through decarbonizing the European economy, enabling the transition to a bioeconomy⁽¹⁾, increasing the renewable energy share of the EU's total energy consumption, fostering energy efficiency and promoting the efficient use of natural resources. While this can create new opportunities for the forest-based sector, care needs to be taken that EU policies do not create counterproductive results, not only for forests and the forest-based sector themselves, but also for their potential contribution to the post-2020 climate and energy targets. In the context of the current discussions about climate and energy⁽²⁾, it is important to highlight how existing legislation ensures the sustainability of biomass for all types of uses, including bioenergy.

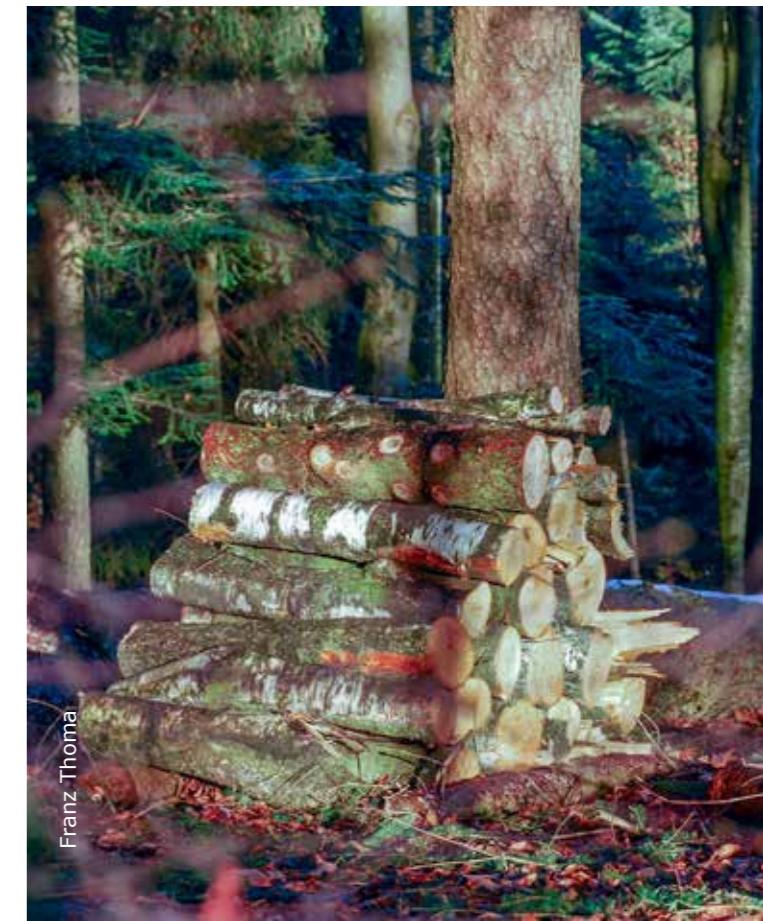
On 30 November 2016, the European Commission communicated the "Clean Energy for All Europeans" package⁽³⁾, which includes a proposal for a Renewable Energy Directive (RED) recast⁽⁴⁾. The RED in place already covers the sustainability of biofuels and bio-liquids and the proposed RED recast introduces sustainability and greenhouse gas emissions savings criteria for forest biomass for bioenergy.

Renewables, including solid biomass, play a significant role in the European energy policy and this role should be strengthened. The proposal recognizes the role of SFM and it suggests using a risk-based two-step approach (RBA) that builds on existing legislation and tools to assess the sustainability of forest biomass, where requirements related to forest management, LULUCF accounting and GHG emission savings are identified. Specifically, in relation to forest management, the following requirements are recognized as minimizing the risk of using forest biomass from unsustainable sources:



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- ◆ Harvesting is carried out in accordance to the conditions of the harvesting permit within legally gazetted boundaries;
- ◆ Forest regeneration of harvested areas takes place;
- ◆ Areas of high conservation value, including wetlands and peatlands, are protected;
- ◆ The impacts of forest harvesting on soil quality and biodiversity are minimized;
- ◆ Harvesting does not exceed the long-term production capacity of the forest.



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¹ Mubareka S et al., Forest bio-based economy in Europe, in: European Atlas of Forest Tree Species (JRC, European Commission, 2016).

² Forestry for a Low-Carbon Future (FAO, 2016).

³ Clean Energy for All Europeans (European Commission, 2016).

⁴ Renewable Energy Directive (RED) recast, COM(2016)767 (European Commission, 2016).

European forest owners, managers and professionals are concerned that the proposed sustainability system for forest biomass risks becoming an impediment to reaching the EU targets to decarbonize the energy sector and might also hinder the possibility of forest owners, managers and professionals delivering biomass to the market. Hence, **the following issues need to be addressed:**

→ **The proposal should not undermine subsidiarity**

With regard to the EU principles of subsidiarity and proportionality, forest owners, managers and professionals notice with concern that the proposal interferes in the areas of competence of existing national legislations on SFM. As the proposal concerns the sustainable management of forests, there is a risk that implementing this new regulatory approach at EU level will affect the existing competence balance between the EU and its Member States.

→ **The EU policy should not duplicate existing provisions and safeguards**

European forest owners, managers and professionals are convinced that all identified risks of unsustainable sourcing are fully covered by existing SFM principles developed by the Member States in the framework of the FOREST EUROPE process⁵ and already incorporated into national forest and environmental regulations. The sustainability of forest management and forest-based products is further confirmed by various voluntary systems, such as certification schemes for forest management and ecolabels for forest-based products. In addition, the implementation of the EU Timber Regulation and of the EU Biodiversity Strategy and Nature Directives in the Member States also contributes to ensure the implementation of SFM. Carbon accounting related to the use of forest biomass for all uses, including bioenergy, is included in the LULUCF framework and provides sufficient proof that greenhouse gas emissions and removals from forest resources are being accounted for.

It is therefore of utmost importance that the RED recast embraces provisions which do not conflict with the SFM regulations already in place, or generate unnecessary duplications and overlaps, which could lead to unintended constraints.

→ **Implementation of a risk-based approach (RBA) must be feasible and assessments made on national/sub-national levels**

The proposed approach raises new questions as to how the risk-based assessment of forest biomass would be effectively carried out in practice without cutting across existing national sustainability requirements. Some aspects of the proposed RBA concerning the implementation and verification of the sustainability criteria are ambiguous and provide a significant risk of causing unnecessary confusion with existing national systems. Forest owners, managers and professionals have concerns in relation to the implementation and the economic sustainability of the verification process.

The Directive should ensure that Member States provide easily accessible information on forest legislation, monitoring and enforcement for the operator and not require them to perform risk assessments at the forest holding level in EU Member States. Forest holding level assessments would inevitably undermine existing systems already in place and create additional administrative and financial burdens for all actors concerned, including forest owners, managers and professionals.

→ **Voluntary certification systems must remain voluntary**

The proposed Directive promotes the role of voluntary tools as an alternative solution to RBA at the forest holding level. Forest owners, managers and professionals are concerned about the intention of the Commission to strengthen the role of certification schemes in this context. We would like to emphasize that certification, as a voluntary market-tool, should remain a voluntary instrument to proof sustainability and it should not become indirectly imposed as a default tool via EU legislation.

→ **The risk-based assessment should be carried out against existing robust and effective requirements included in current legislation and tools**

The system to minimize the risks of unsustainable sourcing of forest biomass should not hamper the overall aim of the Directive. A risk-based approach that refers to the assessment of existing sustainability safeguards at the national and subnational levels is the only solution acceptable for forest owners, managers and professionals.

It is essential to keep the requirements consistent with the concept of SFM as well as clear and limited in number to allow a feasible implementation. It is important that the terminology of the requirements is consistent with existing national and EU legislation, which currently is not the case.

→ **Administrative and economic burdens should be avoided**

Forest owners, managers and professionals emphasize that implementing a risk-based approach should have no negative impact on existing and new forestry businesses in terms of administrative burdens and costs. The RED recast presented by the Commission is unable to ensure this. Moreover, it risks creating additional legal and administrative constraints on the multifold use of forest biomass. This may negatively impact the competitiveness of forestry and its downstream value chains thereby limiting the potential of forests and forestry to contribute towards achieving the objectives of the Energy Union.

In line with this, forest owners, managers and professionals support the extensive scope of feedstocks eligible towards the target for advanced biofuels (RED recast Annex IX). Advanced biofuels is one of the solutions to ensure a more climate-friendly transport sector and will contribute to a sustainable forestry sector as well as growth and jobs in EU rural areas.

Further in line with minimizing administrative burdens and costs, EU forest owners, managers and professionals support that the proposal restricts the application of the risk assessment for forest biomass to energy installations above 20MW. However, it must be noted that whether the Directive applies to large or medium-sized energy installations, forest biomass producers of all sizes will be affected.

→ **A reasonable timing should be provided to review the effectiveness of the risk-based approach**

The date of 31 December 2023 has been set for the Commission to assess whether the criteria effectively minimize the risk of using unsustainable forest biomass and address LULUCF requirements. On the basis of available data, the Commission will, if appropriate, present a proposal to modify the requirements laid down in these two paragraphs.

European forest owners, managers and professionals reject already making an assessment in 2023, given that a two-year time period is not enough for evaluating the effectiveness of the legislation and does not provide for a long-term stable regulatory framework.



⁵ Second Ministerial Conference on the Protection of Forests in Europe, Helsinki resolution H1, 1993.

Putting European forests in context

Forests are part of the solution for climate change mitigation, the development of the bioeconomy and the transition to clean energy

Increasing the share of renewable sources of energy, such as biomass from forests, is consistent with reducing greenhouse gas emissions. Growing forests absorb carbon dioxide from the atmosphere, wood products store carbon over the years of their use, and the substitution effect due to the replacement of non-renewable materials and fossil fuels is significant in terms of GHG savings. In the specific case of bioenergy, the carbon released during biomass combustion is balanced by the forest growth from which the biomass is sourced. Further encouraging the use of biomass for bioenergy would therefore augment the contribution of forests and the forest-based sector to climate change mitigation⁽⁶⁾.

Currently, renewable energy sources (RES) cover approximately 16 % of the EU's energy consumption. Bioenergy represents 63 % of RES consumption and wood covers approximately 70 % of bioenergy consumption⁽⁷⁾. Biomass for energy can be directly supplied from forests (for example harvesting residues) or as a by-product from industry (e.g. saw dust or bark). The majority of biomass used for energy purposes in the EU is sourced domestically, whereas biomass imports from outside the EU represent about 4 % of total European bioenergy consumption⁽⁸⁾.

Even though the imports are projected to increase, it is important to note that there is further potential for increasing the mobilization of domestically sourced biomass from sustainably managed forests by, among others, increasing market demand for lower quality assortments, thereby making more efficient use of low quality wood and forest residues⁽⁹⁾. At the same time, the resilience and vitality of forest ecosystems and the economic performance of forestry and the forest-based sector would be improved and strengthened.

⁶ Berndes G et al., Forest biomass, carbon neutrality and climate change mitigation, in From Science to Policy 3, European Forest Institute, 2016.

⁷ Eurostat, Energy from Biomass, 2013.

⁸ AEBIOM Statistical Report 2016. In comparison, imports are 87 % for petroleum and derived products, about 67 % for natural gas, and about 46 % for solid fossil fuels.

⁹ Verkerk PJ et al., Mapping wood production in European forests, For Ecol Manage, 2015.

Bioenergy from locally-sourced biomass can contribute towards achieving the objectives of the "Energy Union" by improving energy security⁽¹⁰⁾, supporting rural development through green growth and employment⁽¹¹⁾ and developing a sustainable bioeconomy⁽¹²⁾.

EU forests are a source of sustainable biomass for multiple purposes

The total area of EU forests has increased by the size of Portugal over the last 25 years and is currently 182 million hectares, corresponding to 43 % of the land area in the EU⁽¹³⁾. The annual increment of EU forests is about 700 million m³, out of which only around 65 % are used every year⁽¹⁴⁾. The remaining share is accumulated as growing stock and a considerable part of this could be harvested without causing any detriment to the sustainability of forest ecosystems.

European forests are sustainably managed regardless of the functions they fulfill and the end use of the biomass produced. Forest biomass is used for many different purposes by the woodworking industry, the pulp and paper industry, the bioenergy sector as well as biorefineries to produce a wide range of products, from paper, construction and furniture goods to products for use in medicines and textiles, for example⁽¹⁵⁾.

The use of biomass is driven not only by its type or quality but also by dynamic societal and market needs, which are in turn dependent on the development of technology and innovation. The income from wood mobilization is needed to finance all the other environmental, social, cultural, and non-timber ecosystem services provided by forests. For this reason, forest owners, managers and professionals need to continue to regulate and balance the harvesting and regeneration of forests. This is accomplished through Member State legislations and implemented in line with sustainability principles, standards and silvicultural guidelines. In addition to legal instruments, a variety of frameworks, requirements and limits are applied to the day-to-day management of forest ecosystems, such as voluntary certification schemes that provide additional proof of sustainability by an independent third party.

¹⁰ European Commission, EU Reference Scenario, 2016.

¹¹ European Commission, CORK 2.0 A Better Life in Rural Areas, 2016.

¹² European Commission, Communication from the Commission "Innovating for Sustainable Growth: A Bioeconomy for Europe" COM(2012) 60 final, 2012.

¹³ Eurostat, Agriculture, forestry and fishery statistics, 2015.

¹⁴ Eurostat, Forest increment and fellings EU-28, 2010.

¹⁵ EUSTAFOR, European State Forests Boost the Bioeconomy, 2016.

It cannot be emphasized enough that the overall objective of any managerial decision and activity of forest owners, managers and professionals is to ensure the robustness and vitality of their forest ecosystems and their productive capacity in the long term. Sustainable forest management (SFM) takes an integrative approach to the protection and resilience of forest ecosystems by leaving sufficient amounts of decaying dead wood or harvest residues to ensure stable nutrient cycles, enhance biodiversity, and maintain ecologically valuable habitats in managed forests. With these safeguards, any change in the end-use of forest products, such as using more biomass for bioenergy, would have no negative impacts on any of the other multiple ecosystem services and products provided by forests. On the contrary, developing new markets and end uses for all types of biomass from forests could increase the efficient use of currently unused feedstock, such as the raw material derived from thinning.

The value of forest biomass is a function of many factors, including the quality of the assortments and market supply and demand.

The supplier of a raw material such as forest biomass cannot control its end use. Resource efficiency in the form of the re-use and recycling of available renewable materials is an overarching principle that is already to a large extent implemented in the forest-based sector. Artificially regulating the market by imposing restrictions, such as placing a cap on biomass use or imposing a compulsory cascading principle, would not only be unfeasible to implement but also endanger the sustainable use of biomass.

European forest owners, managers and professionals strongly support promoting technological developments, industrial innovation and new environmentally compatible products in order to increase resource efficiency while boosting Europe's bioeconomy.

To conclude, forest owners, managers and professionals encourage EU policymakers to recognize the role of sustainably managed forests and their products in contributing to decarbonizing the EU by promoting the bioeconomy and the use of domestically sourced bioenergy and raw materials.

EUSTAFOR (European State Forest Association) www.eustafor.eu

CEPF (Confederation of European Forest Owners) www.cepf-eu.org

COPA and COGECA (European Farmers and European Agri-Cooperatives) www.copa-cogeca.eu

UEF (Union of European Foresters) www.european-foresters.org

FECOF (European Federation of Forest Municipalities) www.fecof.eu

USSE (Union of Foresters of Southern Europe) www.usse.eu.org



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