

12th of March 2018

European forested regions call for a visionary update of the EU Bioeconomy Strategy and a strong EU Forest Strategy

European forested regions are regions, where forestry plays a central role for the implementation of bioeconomy. The forest area in Europe is about 157 million ha - 67% of EU's forests are found in Sweden, Finland, Spain, France, Germany and Italy, but many regions in other countries have also a dense forest cover.¹ In many countries the annual increment is higher than the annual harvesting; whereas the Nordic countries are highly forested at a country level, France and Germany have a very high growing stock in parts of the countries.² In this paper we, representatives of forested regions, present some views on current EU policies that concern our regions:

- 1. Regions have a crucial role in implementing bioeconomy**
- 2. Resources - financial and enabling EU policies - are needed to ensure transfer from fossil-based economy to a bio-based economy; regional specifics need to be taken into account**
- 3. Forest-based bioeconomy has a positive impact on the development of not only rural areas, but also the urban centers within those rural areas, boosting growth and jobs in the whole region. Bio-based products can significantly contribute to climate change mitigation.**
- 4. When drafting new and implementing existing legislation, the EU should carefully evaluate and consider global implications as well as Europe's competitiveness and European value chains**
- 5. EU's Forest Strategy's role as a guiding reference for any EU policies on forestry should be strengthened. The EU Forest Strategy with its sustainable forest management approach includes all aspects of sustainability**

¹ <http://www.foresteurope.org/docs/fullsoef2015.pdf>

² See a study on how to monitor bioeconomy in the different Member States <https://www.luke.fi/projektit/montbioeco/>, results will be available in April 2018

- 1. Regions have a crucial role in implementing bioeconomy.** As pointed out in the opinion of the Committee of the Regions, the European Union needs to step up its efforts to support regions and cities as they seek to tap into the huge bioeconomy potential available from using Europe's natural resources sustainably.³ Bioeconomies are local and regional and, at the same time, connected to global markets. Local, decentralized production can provide energy and food for local needs, bringing economic benefits to the region, whilst wood products find their way onto the global markets. In this regard, we welcome the European Commission's Review of the 2012 European Bioeconomy Strategy⁴, and look forward to the up-coming update of the strategy in 2018. As stated in the Review, benefits offered by bioeconomy are increasingly understood in Europe on local, regional and national levels and several Member States as well as regions have drafted bioeconomy strategies since the publication of the EU bioeconomy strategy in 2012.⁵ Despite the positive progress, a lot remains to be done and could be achieved with the right measures on a European level. In the update of the EU Bioeconomy Strategy and its Action Plan, it is important to use bottom-up approach and include the entire value chain from producers to consumers. We acknowledge the European Commission's efforts in providing frameworks for continuous exchange of experiences and learning on a European level, such as the Smart Specialisation initiative and its dedicated platform, resulting in collaborative actions of many European regions on multiple topics. As stated in the Review of the European Bioeconomy Strategy, a recent study revealed that 207 out of the 210 analysed European regions had included bioeconomy-related topics in their R&I strategies for Smart Specialisation⁶. As also noted, many Member States have developed bioeconomy strategies, but mainly the EU15 countries, while EU13 lag behind. We, representatives of forested regions, would like to urge the European Commission to continue its work towards supporting European regions in developing their bioeconomy strategies and moving towards implementation. In this regard initiatives such as the Horizon 2020 Coordination and Support Action "Realising the potential of regional and local bio-based economies"⁷ play a significant role. Further to this type of EU-funded frameworks, we would like to take this

³ <http://cor.europa.eu/en/news/Pages/Towards-a-knowledge-based-bioeconomy.aspx>

⁴ http://ec.europa.eu/research/bioeconomy/pdf/review_of_2012_eu_bes.pdf#view=fit&pagemode=none

⁵ An on-going study will reveal how to monitor bioeconomy in the different Member States <https://www.luke.fi/projektit/montbioeco/>, results are expected in April 2018.

⁶ https://ec.europa.eu/research/bioeconomy/pdf/publications/bioeconomy_development_in_eu_regions.pdf

⁷ <http://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/rur-09-2018.html>

opportunity to express our willingness to advance forest-based bioeconomy on a European level, through active dialogue with all levels of governance, R&I as well as the private sector involvement.

- 2. Resources - financial and enabling EU policies - are needed on a European level to ensure transfer from fossil-economy to circular bio-based economy.** In its opinion on bioeconomy⁸ the Committee of the Regions has called for measures to help small and medium-sized enterprises (SMEs) to bring bio-based products to the market. These could “include market incentives to partially offset the cost disadvantages for consumers, as well as better funding options and guarantees to reduce the economic risk during market roll-out”. The opinion also recommended that Member States and EU cities and regions favour bio-based materials in public procurement.

The European structural and investment funds play an important role facilitating this transfer during the current financial period, enabling place-placed approach and innovation as well as building up European value chains. We recognize the doubling of EU funding dedicated to bioeconomy from FP7 to Horizon 2020, and urge the European Commission, Parliament and the Council to ensure a sufficient level of funding for bioeconomy in the next programming period. A significant amount of research results is available concerning bio-based products, technologies and their positive impact on climate change when replacing fossil raw materials. These research results should reach markets, but this will require demonstration and pilot activities as well as proof of concept information, in order to guarantee investments. Public-Private Partnerships such as the Bio-based industries JU play a key role in bringing together the research needs and companies developing new products and services.

We have been delighted to see the establishment of a Bioeconomy Knowledge Centre in 2017 and believe that when provided with sufficient resources, the center can greatly contribute to the increased understanding of the importance and benefits of bioeconomy for a competitive Europe. We call the European Commission to ensure that in the next programming period different EU project databases (Framework Programme, ESIF etc) will provide easy-to-understand and concise

⁸ <http://cor.europa.eu/en/news/Pages/Towards-a-knowledge-based-bioeconomy.aspx>

overviews of EU funding spent on bioeconomy and transfer of successful bioeconomy approaches across Europe.

- 3. Forest-based bioeconomy has a positive impact on the development of not only rural areas, but also the urban centers within those rural areas, boosting growth and jobs in the whole region.** Bio-based products can significantly contribute to climate change mitigation. Primary production happens often in the rural part of the region, whereas research and innovation as well as companies operate in the urban centers. A good example is wood as a construction material: wood is constantly increasing its share as a construction material in urban centres; a phenomenon that at the same time benefits mechanical forest industries which operate in the rural areas. Mechanical forest industries exploit forest biomass very efficiently and, through the intelligent use of side streams, enable economic growth and development of new companies and products, boosting the economic growth of regions.

Via the replacement of fossil-based raw material products such as replacing concrete in the construction sector by wood and non-degradable plastics and synthetic fabrics by bio-based materials, forest-based bioeconomy can significantly contribute to the fight against climate change and environmental problems caused by fossil-economy. We call the EU institutions to set ambitious targets, such as a target of 25 % of buildings made of wood by 2030. Major climate benefits can also be achieved via the use of other long lasting wood products, such as wooden furniture manufacturing. Other targets for bio-based could include replacing fossil-based textile fibres by bio-based (some suggestions have been made that 20 % of textiles could be replaced by bio-based by 2030) or replacing fossil-based plastics by degradable bio-based plastics (according to some estimates 10% of fossil-based plastics could be replaced by bio-based degradable plastics)⁹. It should be noted that replacing these type of short lived fossil-based products by bio-based products and the impact on climate and biodiversity issues should be carefully assessed. Nevertheless, we would already like to take this opportunity to congratulate the European

⁹ The European Commission's expert group on Bio-based Products published some recommendations on how to accelerate bio-based products' access to the markets

<https://ec.europa.eu/docsroom/documents/26451/attachments/1/translations/en/renditions/native>

Commission for its new EU Plastic Strategy¹⁰ and in particular embrace the following action points as listed in its Annex¹¹, related to compostable and biodegradable plastics:

- start work to develop harmonised rules on defining and labelling compostable and biodegradable plastics;
- conduct a lifecycle assessment to identify conditions where their use is beneficial, and criteria for such application.

4. When drafting new and implementing existing legislation, we call the European Union to carefully evaluate and consider global implications as well as Europe's competitiveness and European value chains. Further incentives to accelerate scaling up of bio-based product's markets might be needed in order to increase the market share of non-fossil products. We call the EU institutions to introduce and implement coherent EU policies and legislation and note that what comes to forest industries, cascading use of wood is not a feasible option. European regions are very diverse and they have different type of market operators; therefore European legislation which imposes rules and regulations on forest-based bioeconomy might be suitable for one forested region but very harmful to another. European forests are multi-functional and have values related to biodiversity, climate, economic growth and ecosystem services. 90 % of Europe's forests are available for recreational services.¹² Multidisciplinary research producing a balanced view taking into account complex and even conflicting interests should be the basis of all European legislation.

5. EU's Forest Strategy's role as a guiding reference for any EU policies on forestry should be strengthened. The EU Forest Strategy with its sustainable forest management approach includes all aspects of sustainability. As the EU does not have a common EU forest policy, the EU Forest Strategy plays a key role in increasing knowledge of the sector. With this in mind, we look forward to the Commission's upcoming plan to review the EU Forest strategy¹³. Amongst many other important actions, the current strategy calls for new and innovative

¹⁰ <http://ec.europa.eu/environment/circular-economy/pdf/plastics-strategy.pdf>

¹¹ <http://ec.europa.eu/environment/circular-economy/pdf/plastics-strategy-annex.pdf>

¹² <http://www.foresteuropa.org/docs/fullsoef2015.pdf>

¹³ http://eur-lex.europa.eu/resource.html?uri=cellar:21b27c38-21fb-11e3-8d1c-01aa75ed71a1.0022.01/DOC_1&format=PDF

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forestry and added-value products and lists strategic orientations helping to reach this target. We, representatives of European forested regions, would like to express our availability to evaluate how innovative forestry and added-value products are being developed on a regional level and what recommendations could be made for future.

In Brussels, 12th of March 2018

1. Abruzzo, Italy
2. Calabria, Italy
3. Castilla y Leon, Spain
4. Catalonia, Spain
5. Central Finland, Finland
6. Central Ostrobothnia, Finland
7. Harghita, Romania
8. Kainuu Region, Finland
9. Lapland, Finland
10. North Karelia, Finland
11. Northern Ostrobothnia, Finland
12. North Sweden European Office for regions of Västerbotten and Norrbotten, Sweden
13. Pohjois-Savo, Finland
14. South Ostrobothnia, Finland
15. South Savo, Finland
16. Tuscany, Italy

Supporting organisations:

1. ERIAFF, European Regions for Innovation in Agriculture, Food and Forestry
2. Latvian Forest Owners' Association
3. RASR, Development Agency of Savinjske region Ltd., Slovenia
4. BioFuel Region, Sweden (Härnösands, Nordmalings, Piteå, Skellefteå, Storumans, Sundsvalls, Umeå, Vännäs, Örnsköldsviks)