DRAFT REPORT

on a New EU Forest Strategy for 2030 – Sustainable Forest Management in Europe
(2022/2016(INI))

Committee on Agriculture and Rural Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on a New EU Forest Strategy for 2030 – Sustainable Forest Management in Europe (2022/2016(INI))

The European Parliament,

– having regard to the Commission communication of 16 July 2021 entitled ‘New EU Forest Strategy for 2030’ (COM(2021)0572),

– having regard to its resolution of 8 October 2020 on the European Forest Strategy – The Way Forward1,

– having regard to its resolution of 28 April 2015 on ‘A new EU Forest Strategy: for forests and the forest-based sector’2,

– having regard to the Treaty on the Functioning of the European Union (TFEU), in particular Article 4 thereof,

– having regard to the UN 2030 Agenda for Sustainable Development and the Sustainable Development Goals,

– having regard to the Agreement adopted at the 21st Conference of the Parties to the UN Framework Convention on Climate Change (COP21) in Paris on 12 December 2015 (the Paris Agreement),

– having regard to the Commission communication of 11 December 2019 on the European Green Deal (COM(2019)0640), and the ensuing political guidelines from Commission President Ursula von der Leyen and the Commission,


having regard to Commission Delegated Regulation (EU) 2021/268 of 28 October 2020 amending Annex IV to Regulation (EU) 2018/841 of the European Parliament and of the Council as regards the forest reference levels to be applied by the Member States for the period 2021-2025\(^7\),

having regard to the Commission communication of 20 May 2020 entitled ‘EU Biodiversity Strategy for 2030 – Bringing nature back into our lives’ (COM(2020)0380),

having regard to the Commission communication of 10 March 2020 entitled ‘A New Industrial Strategy for Europe’ (COM(2020)0102),

having regard to the Commission communication of 11 October 2018 entitled ‘A sustainable Bioeconomy for Europe: Strengthening the connection between economy, society and the environment’ (COM(2018)0673),

having regard to the Council conclusions of 5 November 2021 on the new EU forest strategy for 2030,

having regard to European Court of Auditors report of 2021 entitled ‘Special Report 21/2021 – EU funding for biodiversity and climate change in EU forests: positive but limited results’,

having regard to the Commission publication of 2018 entitled ‘Guidance on cascading use of biomass with selected good practice examples on woody biomass’,

having regard to the 2020 report of the Commission’s Joint Research Centre entitled ‘Mapping and Assessment of Ecosystems and their Services: An EU ecosystem assessment’,

having regard to the European Environmental Agency report of 2020 entitled ‘State of nature in the EU – Results from reporting under the nature directives 2013-2018’,

having regard to the FOREST EUROPE report of 2020 entitled ‘State of Europe’s Forests 2020’,

having regard to Rule 54 of its Rules of Procedure,

having regard to the opinions of the Committee on the Environment, Public Health and Food Safety, the Committee on Development and the Committee on Regional Development,

having regard to the report of the Committee on Agriculture and Rural Development (A9-0000/2022),

\(^7\) OJ L 60, 22.2.2021, p. 21.
A. whereas the EU has set the binding target of reaching climate neutrality by 2050; whereas the EU is committed to the UN Sustainable Development Goals and the Paris Agreement; whereas forests and forest-based industries will play a major role in achieving these SDGs and Paris Agreement targets;

B. whereas the TFEU makes no reference to a common EU forest policy; whereas Article 4 TFEU provides for a shared competence on environmental policy; whereas due to the specific diversity of the EU’s forests with regard to bio-geography, structure, size, biodiversity and ownership patterns, where environmental policy touches upon forests, it is necessary to duly apply the principle of subsidiarity and proportionality in the development and implementation of the new EU forest strategy (the strategy) and relevant EU legislation;

C. whereas the principle of the European Green Deal as a cross-cutting approach to tackle the climate and environmental challenges in a way that creates sustainable growth and jobs in a resource-efficient, circular and competitive economy should guide the implementation of the strategy in managing trade-offs, creating synergies and finding the right balance between the multiple functions of forests including the socioeconomic, environmental and climate functions;

D. whereas about 60 % of the EU’s forests are owned by 16 million private forest owners, of whom a significant share are small-holders; whereas involving and motivating these owners through a comprehensive policy and legislative framework, based on the recognition of their property rights, experience as managers and specific challenges, will be key to achieving the strategy’s targets, including the provision of climate and other ecosystem services;

E. whereas most recent data gathered under Article 17 of the Habitats Directive indicates that only 49 % of forests habitats have a good conservation status; whereas focusing solely on aggregated data might be insufficient to identify and address key information on the most urgent issues and it is therefore necessary to consult more specific indicators on trends in condition and pressures; whereas these indicators do not support an overall negative assessment of the state of the EU’s forests, but show both positive and negative trends that require nuanced responses;

1. Welcomes the new EU forest strategy and its ambition to increase the balanced contribution of multi-functional forests to the targets of the Green Deal and of achieving a circular economy and climate neutrality by 2050;

2. Recognises that the maintenance and protection of healthy and resilient forests is a fundamental goal of all actors in forestry and the forest-based value chain, as well a key priority for people in the EU;

3. Is concerned by the increasing pressure on the EU’s forests and their habitats and stresses the urgent need to increase forest and ecosystem resilience;

4. Emphasises that the EU’s forests are characterised by diverse natural conditions, ownership patterns, forms of governance, challenges and opportunities, and that they have been formed by centuries of human intervention and management;
5. Recognises the complexity of assessing the state of forests, as well as the uneven availability and quality of data and therefore stresses the need for continuous policy and scientific dialogue at all levels to improve data collection and harmonisation;

6. Underlines that the strategy must align with the work undertaken in international forums, such as FOREST EUROPE and the Food and Agriculture Organization, and should avoid duplicating work; further believes that, given the EU’s strong commitment to promoting the sustainable use of resources globally, the strategy should be implemented in such a way as to serve as a model of best practices;

7. Stresses that to deliver on its various objectives, the implementation of the strategy must be fit-for-purpose at the regional and local levels, including by adapting the implementation to local conditions and experiences, and must be based on the full recognition of property rights and an economically viable forestry sector, as key contributors to providing forests’ various services and improving resilience;

**Fostering a balanced multi-functionality**

8. Recognises the key role of forests in protecting the climate and biodiversity; underlines that the multi-functional role of forests comprises multiple socioeconomic functions, such as the provision of raw materials, which leads to jobs and economic growth in rural areas, the provision of clean water and air, protection against natural hazards and recreational value; stresses that the implementation of the strategy must ensure a balanced provision of all services and maintain competitiveness and innovation; underlines that the successful provision of services requires sustainable active management;

9. Stresses that forests contribute to climate change mitigation via carbon sequestration, carbon storage and the substitution of wood and wood products for fossil fuels and derived products; notes that the strategy has a particular focus on storage in the construction sector and believes its implementation should support a broader use of different options for substitution, in line with the goals of the bioeconomy strategy;

10. Highlights that for wood-based products to contribute optimally to climate change mitigation and a circular economy requires that they be used in the most efficient and sustainable way; believes that the cascading principle is a good guideline for efficient use, but must not use a static approach and therefore must be adjusted regularly to reflect innovative uses; stresses that a well-functioning, un-distorted market incentivises the efficient use of wood-based resources;

11. Underlines the importance of a reliable supply of wood, wood-based products and forest-based biomass to achieve the EU’s sustainability goals and notes that the demand is expected to continue to grow; believes that the EU’s forestry sector provide the most sustainably sourced raw materials; calls on the Commission to consider displacement effects and monitor any effects on the availability of wood following the implementation of measures under the strategy;

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8 As outlined in the Commission’s ‘Guidance on cascading use of biomass with selected good practice examples on woody biomass’. 
12. Recalls that 2.1 million people work in the forest-based sector, while the extended forest-based value chain supports 4 million jobs in the green economy; calls on the Commission and the Member States to assess the effects of a shift in the balance of forest functions on the overall employment situation;

**Protection, restoration and sustainable management**

13. Takes note of the Commission’s announcement on developing additional voluntary indicators and threshold values for sustainable forest management; underlines the need to align the Commission’s work with that of FOREST EUROPE and the Food and Agriculture Organization, as well as to engage with the Member States to ensure that indicators and value ranges are fit-for-purpose for their application at the local level under specific bio-geographic conditions;

14. Highlights that pressure on forests from natural disasters and other disturbances is being increasingly intensified by climate change and that strengthening forests’ resilience is a matter of urgency; notes the role that restoration and afforestation can play in strengthening resilience and enhancing biodiversity; notes that sustainable forest management consists of a broad array of actions and adaptive practices, many of which can play a key role in climate mitigation;

15. Takes note of the ongoing work on guidance for ‘closer-to-nature’ forestry by the Working Group on Forests and Nature; believes that to ensure added value, guidance on this concept should incorporate results-oriented, scientifically and locally proven sustainable forest management practices to give managers the tools to yield connections and cooperation on better integrating biodiversity protection with improved management practices;

16. Reiterates its call for the protection of primary and old-growth forests and stresses the need to create a definition for what constitutes old-growth forests; welcomes the ongoing work of the Working Group on Forests and Nature and underlines the need to consider a diverse set of attributes and ensure flexibility to account for specific conditions in bio-geographic regions and forest types;

**Enabling forests and forest managers to deliver on multiple goals**

17. Notes that the European agricultural fund for rural development is the main source of support for forestry measures; further notes that between 2014 and 2020, Member States only spent 49 % of the available funds, and that the Commission has identified administrative burden, insufficient attractiveness of the premiums and a lack of advisory services as reasons for this low usage;

18. Points out that the forestry sector operates primarily as a market-based sector; stresses that putting a stronger emphasis on other ecosystem services should not lead to an increased dependency on subsidies and encourages the Commission and Member States to further pursue the development of market-based payment for ecosystem services schemes, such as carbon farming;

19. Acknowledges the important contribution of existing certification schemes to the further uptake of sustainable forest management; takes note of the Commission’s
announcement on developing a ‘closer-to-nature’ certification scheme; encourages the Commission to cooperate with existing certification schemes and believes that to create added value, the certification must offer foresters a price premium for the provision of ecosystem services;

20. Highlights that to unlock the full potential of forests to contribute to climate and circular economy targets, further research and development in the field of bio-based alternatives to fossil-based products are required and should be incentivised; underlines that a predictable regulatory environment is a precondition to attracting investments;

21. Believes that to improve the coordinated provision of environmental and economic forest services, relevant EU framework programmes must be better aligned;

22. Stresses that the implementation of the strategy must focus on enabling small-holders to deliver on the multiple forest functions and calls on the Commission and the Member States to ensure that support programmes, payment for ecosystem services schemes and research funding are attractive and easily accessible;

23. Underlines the importance of the forestry sector as a provider of jobs in rural communities and notes with concern the steady decline in employment and the high number of accidents in the sector; calls on the Commission and the Member States to monitor the effects of measures taken under the strategy on employment and work safety and highlights the importance of making this type of employment attractive, taking measures to increase the safety of work and adequately training workers;

**Monitoring, reporting and data collection**

24. Stresses the importance of accurate, integrated and up-to-date data on Europe’s forests and takes note of the initiative for a legislative proposal for a framework on forest observation, reporting and data collection; underlines that the broad availability, high quality and transparency of data are preconditions to meeting the goals of the strategy and believes that to deliver added value the framework must build on existing mechanisms and processes through a bottom-up approach to best use the expertise and experience present in the Member States;

25. Believes that in order to ensure the availability of high-quality data, remote sensing technologies must be combined with data acquired by ground-based monitoring and must be interpreted in close cooperation with local experts;

26. Takes note of the idea to introduce strategic plans for forests under the framework on forest observation, reporting and data collection; further notes that several Member States already have national strategies for forests in place;

**Governance and implementation**

27. Believes that due to the multi-functional contribution of forests to high-level EU goals and the different administrative levels and stakeholder groups involved, the cornerstones of the strategy’s implementation must be close cooperation and the exchange of best practices with national and regional experts, stakeholders, forest managers, scientists and civil society; underlines that governance must take EU and
Member State engagement in international processes into account;

28. Highlights the importance of the Standing Forestry Committee as a forum for discussing EU policies that impact the forestry sector; believes that to achieve policy alignment, the Commission should increase dialogue between the Standing Forestry Committee and other expert groups;

29. Notes the extensive overlap among policies and legislation that impact forests and the forestry sector and stresses the importance of aligning them;

30. Expresses its concern about reports of illegal logging and calls on the Commission and the Member States to increase their efforts to effectively implement relevant national and EU legislation;

31. Instructs its President to forward this resolution to the Council and the Commission.
EXPLANATORY STATEMENT

In the provision of a wide variety of environmental, economic and social benefits to the society, the EU’s highly diverse forests always have been subject to complex expectations, policies and legislation. In recent years, the enormous and immediate pressure put on European forests by climate change has become increasingly evident. Furthermore, the importance of biodiversity protection progressively shifts into focus, as well as the central role of forest ecosystems this respect. In rural areas in particular, the forestry sector and forest-based industries remain a pillar of employment and prosperity. In 2019, the Commission presented the European Green Deal, which establishes a paradigm shift in the EU’s economic policy and puts green growth and green jobs at the heart of future decision-making. The EU’s international commitments, particularly the UN SDGs and the Paris Agreement are further beacons of the changing policy environment for forests in the EU.

This increasingly complex policy environment adds new challenges, but also new opportunities. The goals of achieving a circular economy and a climate-neutral society by 2050 require a reliable supply of carbon-neutral and renewable resources. The forestry sector is a key actor in achieving these high-level EU and international goals. In this context, the new EU Forest Strategy has been eagerly awaited by all actors.

With this Strategy, the Commission seeks to strengthen the link to the Green Deal and the Biodiversity Strategy and to meet the current and future challenges facing the sector. This particularly requires close and trustful cooperation and dialogue between the Commission, Member States and regional authorities, forest owners and managers, scientists and civil society.

The concept of multifunctional forests is at the core of European forest management. It describes the capacity of forests to deliver various goods and services for public and private interest simultaneously. These include the provision of biodiversity, clean air and water, climate services through the sequestration and storage of carbon, protection against floods, soil erosion, rock-falls and avalanches, as well as timber and non-wood products, recreational and cultural functions.

This approach depends on healthy and resilient forests and requires an active sustainable forest management (SFM), that ensures a reliable, balanced and long-term provision of all ecosystem services, including the protection of biodiversity and climate. SFM seeks to maximise synergies and minimise trade-offs built on evidence-based information. Maintaining and improving health and resilience, including through re- and afforestation and restoration, requires management. With a view to the protection of biodiversity and the fight against climate change, it is noteworthy that this also includes protection and strict protection where necessary, particularly in old-growth and primary forests.

Restoration and protection efforts need to address the various key pressures on ecosystem health. Indicators clearly demonstrate the large role of pressures related to climate-change on forests. Pressures through human activity within and outside forests need to be taken into account. All pressures can lead to increased vulnerability of forests to pests and diseases that require effective interventions to mitigate threats for the provision of ecosystem services, for
example the sequestration of carbon.

Due to the wide diversity of forests from the Arctic North to the Mediterranean South and the shift of climate zones, there can be no one-size-fits-all solution to management, protection and restoration. In some cases, natural regeneration can be an appropriate management approach. In other cases, planting trees and more active management can achieve more favourable results for ecosystem health and resilience, including biodiversity and climate change mitigation potential. This may include practices such as introducing better adapted species, strengthening forests’ contribution to the water cycle, sanitary fellings to contain pests, forest fire prevention and maintenance of protective functions. This approach reflects a dynamic understanding of SFM that has to be adapted to evolving challenges, reflect developments in research and our understanding of local best practice. This approach to SFM is orientated towards achieving multiple objectives by creating synergies between multifaceted forest functions.

All in all, this European approach delivers one of the most sustainable forestry sectors in the world and ensures a reliable supply of resources that are crucial in achieving the key targets of the EU. It must be acknowledged that this achievement to a large extent depends on the contribution to-date of forest owners and actors across the forest-based value chain and their generational knowledge and expertise in SFM.

In order to achieve the optimal contribution to the circular economy and climate-neutrality, a strong link between the Strategy and the Bioeconomy Action Plan is required. Particularly regarding climate-neutrality, the Strategy cannot rely on the carbon sequestration and storage function of forests alone. The sector requires a competitive environment and strong incentives to innovate in the fields of bio-based materials and fuels that replace fossil-based ones. High investment volumes and long development cycles of sometimes more than 10 years also have to be accounted for. A predictable regulatory environment that nourishes entrepreneurial activity is a key asset.

In order to achieve a synergetic provision of all environmental, economic and social forest functions, further research is required and relevant EU programmes must be better coordinated.

Forest owners and managers are the pillars of achieving both productive and protection goals including restoration and re- and afforestation. With forest management planning in cycles of decades, they have a genuine self-interest in preserving forest resources. However, their work depends on an adequate income, which to-date almost exclusively relies on timber production. A broader approach will be needed if forest owners and managers are to be enabled to deliver on the various expectations. This requires making accessible fair revenue streams for the provision of other ecosystem services. While public funds are available, including on European level via the EAFRD, the sector has been operating primarily as market-based and is deeply rooted in a sense of individual responsibility and entrepreneurial thinking. Therefore, an increase in dependence on subsidies must be avoided. Market-based Payment for Ecosystem Services Schemes (PES) are a promising approach and should be prioritised.

Further, employment in forestry must be attractive. Continuous high-quality (vocational) training plays a central role in this regard. The effects of changing requirements for management practices on the attractiveness, demands and safety of the work environment
require attention. Also, possible effects of shifting the balance of different ecosystem services towards environmental objectives on employment so far have not been assessed sufficiently.

The ownership structure of forests in the EU is diverse. While there is a mix of public and privately owned forests, 60% are owned by about 16 million private owners. In Europe, a majority of owners own less than 10 ha\(^1\). For the EU, data from several Member States confirms a critically large share of small-holders\(^2\). It is therefore imperative to ensure that requirements are achievable and not disproportionally burdensome, that small-holders have access to applicable and locally adapted management tools and advisory services. Further, PES and other programmes must be accessible and useful to them.

SFM in Europe has a long history and builds on a broad basis of experience and expertise. Considering the diversity of forests, a shared EU Forest Strategy must build on this history to unlock the potentials for our future. This requires a bottom-up approach, including all relevant administrative levels and stakeholders, that makes full use of the generational knowledge of forest managers throughout the EU to ensure that shared principles are applicable under specific local conditions.

The new Strategy also builds on international cooperation on SFM. 46 European states including all Member States and the Commission are signatories to the FOREST EUROPE process, which continuously develops the common concept of SFM and also is a central instrument to collect forest-related data. On international level, the EU and Member States are contributing to the development of definitions and data collection by the FAO.

The bottom-up approach as a key principle, as well as existing channels of cooperation need to be taken into account and utilised in order to successfully achieve several targets of the Strategy. It is particularly important with regard to three goals.

- The further development of definitions and the concept of SFM and of indicators, thresholds and ranges, must build on the FOREST EUROPE process and must be coherent with work done on FAO level.

- A common European Monitoring, Reporting and Data Collection Framework must be compatible and seek to create synergies with existing reporting commitments, avoid the duplication of work and the creation of additional administrative burden and costs. To this end, it also should build on existing tools such as the national forest inventories, FISE and the ENFIN network.

- To reflect the specific regional and local conditions, challenges and opportunities, the governance framework must ensure a broad inclusion of all relevant administrative levels and stakeholders, including forest owners and managers, scientists and civil

society. It should focus on facilitating dialogue and the exchange of best practices, relying on forest expertise from the Member States.

Finally, it must be noted that the Strategy seeks to shift the balance between ecosystem services away from timber production and more towards other services such as biodiversity and climate-related functions. This constitutes a systemic change. At the same time, forests are subject to a large number of overlapping EU legislation and policies with sometimes conflicting goals and requirements. These include most notably the Bioeconomy Action Plan and the Green Deal green growth and jobs goals, the Biodiversity Strategy and nature protection legislation such as the Habitats Directive, climate policy including legislation such as LULUCF and RED as well as agricultural policy and its vision for rural areas.

Both the systemic change and the complex political and legislative environment make it necessary to closely monitor and assess the cumulative effects of all initiatives under the Strategy, combined with other relevant EU policies on the provision of all forest services, as well as on the competitiveness of the forestry sector and the forest-based industries, rural development and employment.

In conclusion, European forests play a vital role in contributing to the health of the environment, whilst both offering habitats to many species, supporting diverse biodiversity as well as supporting the human economy, recreation and culture. Their importance cannot be overstated and this new Strategy offers a strong starting point and the building blocks for all actors, at all levels, in the sector to draw upon and cooperate with in order to secure the future of resilient European forests delivering on their manyfold functions and to meet the challenges ahead.