

Speech by Commissioner Phil Hogan at Breakfast Meeting "Europe's Forests in the Sustainability Spotlight"

25th November 2015, European Parliament,
Strasbourg

- Check Against Delivery –

- Elected representatives, honoured guests, ladies and gentlemen,
- I am glad to be addressing forestry related issues again here in Strasbourg. It is becoming increasingly clear to a growing number of EU policymakers that forests and the forestry sector hold many of the answers to our shared societal and environmental challenges.
- I have had a number of very useful engagements with forestry stakeholders in recent weeks. Just last week I visited Sweden and had a very focused and productive meeting with stakeholders from the **Forestry, Bioeconomy and Bioenergy sectors**.
- We are all aware of the value that European society attributes to forests. Wooded areas represent one of our most important land uses, covering about 40% of the EU total area – and have been expanding steadily.
- **And this has been an important year for forests.** The Seventh Ministerial Conference on the Protection of Forests in Europe recently took place in Madrid, and the COP21 in Paris will be a huge global opportunity to highlight the importance of forests.

- Crucially, **we have also delivered the EU Forest Strategy**, providing guidance, direction and a blueprint for truly joined-up thinking in relation to this important sector.
- There is a pressing need to ensure the long term sustainable management and development of forests, balancing the economic, social and environmental benefits they deliver.
- The new EU Forest Strategy aims to establish the right framework to achieve this. It seeks to promote the sector's ability to create innovation, growth and jobs while ensuring sustainable forest management. It also addresses many of the issues that will be discussed here today.

(Jobs & Growth)

- Forestry is one of the main sectors that keep our rural areas vibrant and sustainable. Forest-based industries provide nearly three and a half million jobs in the EU and produce a total added value of 135 billion euros a year.
- The new EU Forest Strategy underlines that a sustainable, trained and safe workforce is one of the pillars of a more competitive forest sector. Well-managed forests with qualified forest managers, workers and entrepreneurs will be vital for a sustainable and competitive forest sector.

(Forestry and Rural Development)

- From the CAP point of view, the Rural Development policy offers significant opportunities for supporting the sustainable and active use of forests.
- In the Rural Development Programmes for 2014-2020, Member States have the option to include measures on afforestation, the establishment of agroforestry systems, as well as investments in forestry technologies. They have the possibility to invest in

processing and marketing, organisational support for producer groups, and co-operation in innovation and knowledge transfer.

- Within the 118 Rural Development Programmes for 2014-2020, around 7.2 billion euro of public expenditure is programmed for forestry measures. This includes measures for enhancing the environmental benefits of forests, such as biodiversity, soil protection, or measures to prevent flooding and erosion.

(Circular Economy & Bioeconomy)

- Forestry represents a key sector in the transition towards a low-carbon and climate friendly economy.
- Thus, forestry in the EU today faces several challenges and opportunities. The demand for forest biomass is likely to continue to increase, in line with the worldwide demand from traditional industries, as well as from the growth of the bioeconomy.
- The increased usage of wood as a sustainable and renewable raw material can contribute to decarbonise our economy, by substituting for energy intensive materials. Accordingly, by reducing our dependence on from external sources, we contribute to the resilience of the Energy Union.
- These new opportunities provide job and income opportunities for forest owners and related sectors.
- Indeed, beyond traditional uses of biomass, for example pulp and paper, forestry also contributes to produce new bio-based products such as biolubricants and biosolvents, as well as biomaterials such as bioplastics or biopolymers. It also provides ecosystem services such as soil carbon sequestration.
- In order to attract investment in new value-chains in the forest sector, we need to support research and innovation, maximise human and social capital, and provide a stable and coherent policy framework.

- In forestry, we support the bioeconomy in three main ways:
- As already mentioned, through the EU Forest Strategy, which puts forests and the forest sector at the heart of the journey towards a successful bioeconomy;
- Through research and innovation funding;
- And through the European Agricultural Fund for Rural Development and networking activities. As mentioned earlier, around 7.2 billion euro of public expenditure is programmed for period 2014-2020 for forestry measures.
- But we need more investments to make the bioeconomy a reality, and smart Financial Instruments will be a key tool. I am working closely with the European Investment Bank to develop schemes that reflect the present and future needs of our foresters and related rural businesses.
- This is also closely related to the circular economy. Next week, the Commission plans to adopt a new Circular Economy Package, which will include a Communication on future actions and initiatives to promote and support the circular economy.

(Bioenergy, Biomass sustainability)

- As mentioned in the Communication on the Energy Union, the Commission will propose a new Renewable Energy Package in 2016-2017. This will include a new bioenergy sustainability policy as well as legislation to ensure that the 2030 EU renewable energy target is met in a cost-effective manner.
- The new bioenergy sustainability policy should encompass the sustainable management of forests, in line with the EU's Forest Strategy.
- Bioenergy based on forest biomass will continue to remain the largest source of renewable energy in the EU. Accordingly, the

use of biomass is promoted through the EU renewable energy policy and its implementation by Member States.

(Land Use & Climate change)

- In the framework of the 2030 Energy and Climate Union, there is a growing relevance of the integration of the land-use, land-use change and forestry (LULUCF) sector into the 2030 EU Climate and Energy Framework.
- Currently, in the EU, the amount of carbon stored annually by the LULUCF sector represents 9 – 10 % of EU annual GHG emissions.
- Work on LULUCF is also addressed in the EU Forest Strategy, and in the recently adopted Forest Multi-annual Implementation Plan, which has climate change as one of its priorities.
- The Commission is currently working on the question of how to deal with Agriculture and Land Use, Land Use Change and Forestry (LULUCF) in the future climate policy framework up to 2030. A policy proposal will be presented in 2016, based on a solid impact assessment of the different options and COP21 outcomes.
- The Impact Assessment will include a quantification of the cost effective GHG mitigation potential in agriculture and LULUCF. It will analyse the pros and cons of the possible options for the integration of LULUCF in the 2030 Climate Framework. It will also explore combinations of various elements of these options that would allow the achievement of the target in the most cost-effective way, ensuring coherence between the EU's food security and climate change objectives.
- Ladies and gentlemen,
- In conclusion, it is my hope that the 2030 Climate and Energy framework will act as a catalyst for the future development of the bioeconomy, which is a major priority for the Juncker Commission.