

## Review of leaked draft EU Forest Strategy, June 17, 2021

A leaked draft EU Forest Strategy document has been circulated outside the EC. The following analysis discusses what is good and what must be changed in this draft in order to produce a forestry strategy that supports, instead of undermines, mitigation of the climate and biodiversity crises.

### What must change in the draft

Context for the draft is provided by a recent briefing<sup>1</sup> from the JRC, which states that while overall, a significant increase in the forest sink will be required to meet EU Green Deal and greenhouse gas reduction goals in the medium term (2050), current trends and harvesting projections show a *declining* sink. The JRC warns that “reversing this trend would require an **extraordinary and urgent increase in the net annual forest increment**, mainly through forest management practices and new forest area.”

Accordingly, the main problem with the draft is the credulity with which it continues to treat the concept of the bioeconomy as a means of climate mitigation, failing to recognize the fundamental incompatibility of achieving an “extraordinary and urgent increase in the net annual forest increment” while increasing forest exploitation.

The draft exhibits a strong acceptance that replacing carbon intensive materials with wood will reduce emissions, for instance stating “the most important role of wood products is to help turning the construction sector from a source of greenhouse gas emissions into a carbon sink, as set out in the Renovation Wave Strategy and the new European Bauhaus Initiative. There is considerable room for improvement, as wood products, with less than 3% of market share, are still only a tiny fraction of building materials in Europe, which largely remain dominated by energy intensive and currently fossil fuel-based materials.” (p. 11)

However, the science is tenuous for HWP as climate mitigation. JRC staff co-authored a modelling paper cited in their recent briefing that found while a 20% increase in harvesting by 2030 compared to 2000 – 2012 levels would increase annual carbon stored in HWP by 8%, it would *decrease* the much larger forest carbon sink by 37%. This is a shockingly large decline in the forest carbon sink for a negligible increase in the HWP sink. The model found that only decreasing harvest by 20% allowed the forest carbon sink to increase.<sup>2</sup> Overall, the JRC brief cites a number of studies that conclude that within a short to medium time horizon (apparently meaning out to 2050), “**the additional mitigation potential provided by the material substitution effect is unlikely to compensate for the reduction of the carbon sink in forest ecosystems affected by the increasing harvest.**” However, as the briefing points out, another way to increase the net carbon stored in HWPs is to “change how the harvested wood, industrial wood residues and secondary wood are used for different commodities. A shift to wood products with a higher service life, e.g. from paper to construction timber, would slow down the outflow and help conserve or enhance the growth of the HWP pool while maintaining a stable harvest over time.”

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1 <https://publications.jrc.ec.europa.eu/repository/handle/JRC124374>

2 Pilli, R., et al. (2017). "The European forest sector: Past and future carbon budget and fluxes under different management scenarios." 14: 2387-2405.

The draft exhibits other deficits in its endorsement of HWP as mitigation, stating “Harvested wood products in the EU represent an active net carbon sink of around -40 MtCO<sub>2</sub>e/year, while also generating climate benefits through a material substitution effect, with values ranging from -18 to -43 MtCO<sub>2</sub>e/year.” But harvested wood products (HWP) do not represent an “active” carbon sink. As the IPCC carbon accounting protocol notes, HWP do not directly sequester carbon from the atmosphere, but instead constitute a pool of carbon that was sequestered originally by the aboveground biomass of forests and other treed land.<sup>3</sup> Importantly, the material substitution effect itself is to a large extent an illusion, because it only truly occurs if the total amount of material in use is capped – otherwise, the use of both the original material and the wood “substitute” are free to continue to rise.<sup>4</sup>

Overall, the draft must be rewritten to acknowledge that given the EC’s goal of not just building the forest carbon sink for climate mitigation, but also restoring ecosystems and reversing the frightening decline in biodiversity now underway, the priority must be protecting, restoring, and re-naturalizing forests – not increasing harvesting, even for long-lived wood products.

## Plans and opportunities for greater accountability

The draft discusses plans for monitoring, governance, and certification of forests and forestry. For these initiatives to be successful, they must be based on rigorous science and have strong representation by scientists and NGOs on oversight bodies. We comment here on those initiatives particular to the Forest Strategy.

1. Common definition for primary and old-growth forests and protection regime, with member states “urgently” to engage in mapping and monitoring; they should ensure no deterioration until they start to apply the protection regime. (p. 4).
  - Yes, but more teeth needed immediately to help stop the alarming increase in illegal harvesting and also legal exploitation of mature forests, including for bioenergy. Also, resources should be immediately allocated to map and protect forests that are the *future* potential old-growth stands.
2. Future legislative proposal on EU forest planning and monitoring that includes additional indicators and thresholds/ranges for “sustainable forest management,” focusing on ecosystem health, biodiversity, climate objectives. (p. 5)
  - One need only see the massive overuse of the word “sustainability” to describe the worst and most degrading forestry practices in the EU to see how meaningless this word has become. If the EU wants to make the word mean something, then this must be backed up with truly rigorous standards and enforcement. Meanwhile, there is no need to wait for future legislation to immediately recognize that the biomass “sustainability” criteria in the RED II do not even remotely resemble the definition of sustainability postulated in the draft (on p. 5). For instance, clearcutting is “sustainable” under the RED as long as trees are still growing elsewhere to ensure cutting doesn’t exceed forest increment at the regional or even national level. Ignoring what is happening on the plot level to focus on landscape level “sustainability” is what drives degradation in the EU’s forests and the forests being logged for biomass fuel outside the EU. The new concept of sustainability must apply at every scale of forest management for it to have an impact, because the forest is made up of those “plots.”

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3 Rüter, S., et al. (2019). Volume 4: Agriculture, Forestry and Other Land Use, Chapter 12: Harvested Wood Products. 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. <https://www.ipcc-nggip.iges.or.jp/public/2019rf/index.html>

4 Leturcq, P. (2020). "GHG displacement factors of harvested wood products: the myth of substitution." Scientific Reports 10(1): 20752. <https://doi.org/10.1038/s41598-020-77527-8>

- Regarding mapping and monitoring on-site data are required for certain site specific indicators and calibration, but just as critical is use of seamless geospatial data. There is increasing capacity to assess carbon density of forests using remote sensing, which can assist in harmonising national datasets and provide a basic level of reality-checking. There should also be greater use of remote sensing and tracking to help end the scourge of illegal logging.
  - The document and the plans issuing from it should acknowledge that EU's hunger for natural resources still drives forest degradation and deforestation, for instance through promoting forest biomass as a renewable energy source, which is driving forest harvesting in the EU, North America, Russia, and elsewhere. There must be a plan to reverse this trend.
3. Voluntary “closer to nature” certification scheme for forestry.
    - Yes, but give this some real teeth and real incentives, including making access to certain markets and benefits possible only with certification. Otherwise, business as usual approach in forestry, which is too often falsely claimed as “sustainable”, will continue,
    - The EC should set minimum auditing requirements for all public and private certification schemes. The deficiencies of such schemes are many, including that they do not appear to be able to ensure legality of wood sourcing in the EU.
  4. Proposal to increase uptake of rural development funds relevant to the Forest Strategy (p.8).
    - We note that the current allocation of €6.7 billion under the CAP for forestry measures could probably be doubled if subsidizing forest biomass burning for energy is stopped. It makes sense to pay people to grow forests, not harvest and burn them for energy.
  5. HWP assessment: It is indeed important to develop a “standard, robust and transparent methodology to quantify the climate benefits of wood construction products and other building materials.” (page 11).
    - However, we would have more confidence this would have integrity if the draft did not already promote HWP even in the absence of such a methodology.
  6. Develop an action plan for carbon farming and certification system for carbon removal
    - Clear guidance is needed to prevent monoculture plantations. The to-be-developed “regulatory framework for certifying carbon removals,” must guarantee that monoculture plantations do not qualify for carbon removal.
  7. The 3 billion tree initiative, and oversight thereof: This action must be based on ecological criteria, and support for additional tree planting should not be used for energy plantations. It is a good idea to involve citizens and communities in monitoring “the trees planted as a contribution to the pledge of at least 3 billion additional trees by 2030.”

## What is good in the draft

(we'll be watching to see if these provisions are weakened)

## Calls for forest protection and restoration

8. Recognizes need for “bigger, healthier and more diverse forests than we have today, notably for carbon storage and sequestration and halting loss of habitats and species. To get there, we will have to reverse negative trends, improve monitoring to better capture the state of our forests, as well as step up our efforts to protect and restore forest biodiversity and with that ensure forest resilience.” (p. 2)
9. “All primary and old growth forests, in particular, will have to be strictly protected.” (p. 3)

10. “To leave space for nature to recover, the EU Biodiversity Strategy for 2030 has proposed a target to protect at least 30% of the EU land area, out of which 10% should be put under strict legal protection and effective management regime. Also forest ecosystems will need to make a contribution to this target.” (p. 3)

### Recognizes current forestry is destroying forest ecosystems and decreasing resilience

11. “Forest management practices that preserve and restore biodiversity lead to more resilient forests. Therefore, all forests should be increasingly managed so that they are sufficiently biodiverse, taking into account the differences in natural conditions, biogeographic regions and forest typology.” (p. 4)
12. “Climate change continues to negatively affect European forests, particularly in areas with mono species and even aged stands.” (p. 1)

### Calls for forestry practices to change – including stopping clearcutting

13. “certain management practices that support biodiversity and resilience, such as the creation or maintenance of functionally diverse, mixed-species forests, especially with more broadleaves and deciduous trees and with species with different biotic and abiotic sensitivities and recovery mechanisms following disturbances, instead of monocultural plantations, are essential in this context.” (page 4)
14. “some other practices should be avoided. One of such forestry practices is clear-cutting, unless it is proven necessary for environmental or ecosystem health reasons. In addition to destroying above ground biodiversity, clear cuts cause the loss of carbon in the roots and part of the carbon in the soil. This practice is already banned or limited in several countries. What should also be avoided is removing stumps and roots, which should be left in the forest, and carrying out intensive logging during nesting period.” (page 4)
15. “Therefore, the soil properties and soil ecosystem services must be protected as the very foundation of healthy and productive forests and for example undue use of heavy machinery that cause soil compaction should be avoided.” (page 4)

### Calls for prioritizing long-lived HWP, minimizing wood use for biomass energy

(These statements are in line with removing forest biomass from the Renewable Energy Directive (RED) and only allowing secondary woody biomass to qualify as “renewable energy.” Though even this represents a poor use of many materials that could instead be used for longer-lasting products).

16. “Given the increasing and sometimes competing demands on forests, we must also ensure that wood is **optimally utilised in line with the cascading principle** so that the majority of it is used for long-lived materials and products that are of highest value for a climate neutral and circular economy, while **minimising its use for short-lived products and energy production.**” (page 2).
17. “**it is crucial that**, when building a sustainable and climate-neutral economy, we ensure an optimal use of wood in line with the cascading principle. This means that the majority of it should be used for making long-lived materials and products. **Wood use for short-lived products and energy production should be minimised and rely namely on secondary woody biomass such as sawmill by-products, residues, recycled materials.**” (p. 10)
18. “Negative externalities of bioenergy use, such as air pollution, also have to be minimised. Prioritising residues and a cascade use of wood should remain **a key overarching principle** for maximising the positive climate impact of bioenergy.” (p. 12)

19. “The focus therefore has to be on a **drastic shift from short-lived to long-lived uses of wood**, such as buildings and furniture, including through better reusing and recycling wood products from construction and demolition sites. This is also in line with the new EU Circular Economy Action Plan, which has committed to reducing packaging and further restricting single-use products. Such short-lived products are made, among others, also of wood-based materials.” (page 10)

#### Acknowledges the need for economic incentives to shift landowner behaviour

20. “(f)orest owners and managers need drivers and financial incentives to be able to provide ecosystem services through forest protection and restoration and to increase the resilience of their forests through the adoption of most climate and biodiversity friendly forest management practices.” (p. 7)
21. “The other benefits, especially the provision of ecosystem services, are rarely or never rewarded. This has to change. Forest owners and managers need drivers and financial incentives to be able to provide ecosystem services through forest protection and restoration and to increase the resilience of their forests through the adoption of most climate and biodiversity friendly forest management practices.” (p. 7)
22. encourages boosting “...forest-based economic activities that do not rely on wood resources extraction to diversify local economies and jobs in rural areas”, (p. 2) including eco-tourism, non-wood forest products, and providing ecosystem services.

#### Defines sustainability more broadly than the RED

23. States, “Sustainable forest management means the stewardship and use of forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national and global levels, and that does not cause damage to other ecosystems.” (p. 5). In addition to this, the EC rightly aims to identify indicators for covering ecosystem health (and resilience), biodiversity and climate. It should be noted that “sustainability” in the RED that qualifies biomass as “renewable energy” falls far short of this definition.