

A world of strong and healthy forests:

How the new EU Forest Strategy can make the European Green Deal vision a reality

“When we lose forests, we don’t ‘just’ lose green space or natural habitat, we lose a key ally in our fight against climate change. When temperatures rise and nature disappears, we suffer more natural disasters and zoonotic diseases... if we don’t urgently act to protect our nature, we may already be at the beginning of an era of pandemics.”

Ursula von der Leyen, One Planet Summit, January 2021, Paris

Ursula von der Leyen is the first European Union (EU) Commission President to publicly recognise how important forests are to life on our planet. But with the climate crisis and biodiversity collapse looming, time is short to turn this recognition of a problem into action.

But what should action look like?

There is no one answer, as deforestation and forest degradation are complex local problems caused by even more complex international mechanisms. That is why the EU needs a strong Forest Strategy that can consider the many issues that need to be addressed to keep forests standing and return destroyed forests to health. Sadly, previous

iterations of the EU Forest Strategy have been so weak that forest NGOs have dismissed it as a distraction. But with new leaders in the European Commission, it could finally become an overarching map to guide EU policies that impact forests globally. It could help deliver von der Leyen’s vision for a European Green Deal. It could offer a New Deal for Forests.

The present Forest Strategy consultation asks the right questions, and below, Fern outlines the answers to the questions posed in the Forest Strategy consultation which, if implemented, will ensure the strategy achieves its potential.

How should the EU nurture the forests that we have?

We are pleased that this is the consultation’s starting point, as it considers the hierarchy of forest activities, starting with forest protection, then restoration, then reforestation. Forests are broadly recognised for their beneficial effect on the climate, wildlife, well-being (local natural areas were an important respite for people locked down because of COVID), and rural livelihoods.

But despite the benefits of forests, they are under threat. Over the last 20 years, European forests have been absorbing less carbon dioxide, supporting less wildlife and are less able to survive the increase in pests, diseases, fires and droughts.

It is crucial that the Forest Strategy recognises that the management of existing protected areas is improved

to bring biodiversity back to forests across the EU. The implementation and enforcement of existing obligations, such as the Birds and Habitats Directives, must be stepped up significantly, including by allocating more capacity and resources to protect key habitats and species as well as the rule of law. It is important that ecological factors are at the core of the work to define, map and monitor existing primary and old-growth forests for their strict protection. The criteria for strict protection should be aligned with the International Union for Conservation of Nature (IUCN) categories I and II and should focus primarily on non-intervention management and the protection of large-scale natural processes, excluding all extractive and habitat-altering activities, including logging.

To counter the big pressures on forests, the Forest Strategy needs to propose amendments to the **pieces of legislation that are putting the biggest direct or indirect pressure on forests**. The following pieces of legislation are being revised this year, so there is an opportunity for the Forest Strategy to guide these revisions to ensure they stop putting unsustainable pressure on forests:

Restrict biomass use in the Renewable Energy Directive.

Since bioenergy was incentivised as a form of renewable energy, industrial scale wood burning is putting pressure on forests and the climate and worsens air pollution. The Forest Strategy should recognise that wood based biobased products are not necessarily sustainable or climate friendly and prioritise the enhancement of sinks over substitution of fossil fuels with biomass resources. For the REDII revision, the Forest Strategy should build on the Biodiversity Strategy commitments regarding minimising use of whole trees for energy, but it needs to go further and remove incentives for the use of forest biomass for energy and ban the use of any wood in power-only installations. As the EU's Joint Research Centre (JRC) states that most biomass feedstocks have a negative impact on the climate, or biodiversity, or both, the Forest Strategy must guide the revision in this regard.

Revise State Aid Rules. Wood burning is an atypical form of renewable energy, as it relies on the combustion of organic material (and hence increases carbon dioxide emissions) and it is dependent on a limited natural resource. Because of this, the use of wood is associated with relatively high external costs, such as air pollution, greenhouse gas emissions and biodiversity loss. Ignoring these gives a wrong perception of its cost-effectiveness as a renewable energy technology. The Forest Strategy should recognise this and indicate that the external costs of forest biomass must be examined in the upcoming revision of the EU's State Aid rules. For more information [see this report](#).

Revise the EU Energy Taxation Directive. Despite bioenergy being associated with high external costs, notably from greenhouse gas emissions, air pollution and health, the Energy Taxation Directive allows Member States to provide tax exemptions for biomass use and biomass boilers. Today, most Member States do not tax solid biomass, which has facilitated a rapid growth of wood burning, especially in the heating sector. The Forest Strategy should ensure that the revision of the Directive discontinues all non-carbon dioxide tax exemptions for biomass energy or boilers. Instead, following the polluter pays principle, it should ensure that external costs from biomass burning are fully priced in.

How should the EU plan for the forests of the future?

Introducing binding nature restoration targets should be the EU's primary tool for planning for the forests of the future. Such targets should go beyond measuring 'non-intervention zones' or large-scale afforestation and instead consider natural regeneration. Restoration targets could be supported by **an EU wide carbon removals target (within the Land Use, Land Use Change and Forestry (LULUCF) Regulation)**. Setting a carbon removals target would provide Member States with clarity about what is expected and encourage them to set new incentives to transform forestry practices in Europe. For more information see ['Five ways the EU can ensure forests support EU climate and biodiversity goals.'](#)

To help meet binding nature restoration targets for forests, the Forest Strategy should **propose an Ecosystem Restoration Fund** to finance restoration activities (with a focus on climate adaptation and ecosystem resilience rather than carbon). Funds could come from an EU levy on polluting companies regulated under the Emission Trading System (ETS) or the Common Agricultural Policy (CAP) and should be distributed with a priority for smaller foresters and farmers.

It is also important that the Forest Strategy ensures that the Forests of the Future don't undermine ambition to cut carbon dioxide emissions. While improving forest health will remove more carbon dioxide, these efforts would be undermined if they are used as an excuse to delay action towards cutting fossil fuel emissions. Forests simply will not survive the higher range of temperatures that could come about due to global heating and when a forest dies or burns, it releases vast amounts of carbon dioxide into the atmosphere. Climate action has been [delayed](#) for decades and [there is no time left for offsetting](#). Forest offsetting also completely ignores the scientific principle that the forest carbon cycle and the fossil carbon pool are separate and that [increasing removals in the land sector can never cancel out emissions from fossil fuels](#).

The Forest Strategy needs to encourage the EU to continue to exclude forest offset credits. The science hasn't changed since then, the fossil carbon pool and the atmospheric carbon cycle are still separate, there are still huge [uncertainties in data](#) around forest sinks, and forest stocks continue to be [impermanent](#). The Forest Strategy should promote this understanding and enshrine a principle of no offsetting.

How should the EU manage existing and new forests?

While wholesale change is needed to existing forest management practices, there have already been some positive steps. Guidelines on **biodiversity-friendly reforestation and close-to-nature management**, both promised by the Biodiversity Strategy, could move us beyond current management practices. This is important because forest management is getting more and more intense, with the [average size of clear-cuts in Europe increasing by 44 per cent](#) in the last fifteen years. These **should be made mandatory for any large-scale European forest initiatives**, such as the **three billion trees roadmap and new restoration targets**.

Information about forests at the EU level is scant and often contradictory, with different data sets on crucial information such as harvest levels, and information gaps on where wood is coming from in Europe. The JRC has pointed out the [rising gap](#) between the biomass being reported as used and the sources of wood being reported. The Forest Strategy must strengthen the Forest Information System for Europe with pan-European data sets using satellites to fill in data gaps and respond to inaccuracies in reporting.



How can the EU ensure that forests continue to provide rural communities with livelihoods?

To ensure forests provide rural communities with livelihoods, the EU should only support projects that include community representatives in the design, development, and implementation. All policies should factor in consideration of individual countries specific problems and solutions. The **Forest Strategy should therefore encourage Multi-Stakeholder Forest Dialogues** in Member States. In many

Member States, European civil society organisations feel there is a huge imbalance between the access that the forest industry has over national forest policies, that they are not properly consulted and that their views are overlooked. Since many EU policies impact forests, the EU could open a neutral space for governments, industry and civil society to discuss forest policy issues.

How can the EU ensure consistency with international commitments and support the EU's international leadership?

The EU could also help show international leadership by boosting and expanding the proposed EU's Forest Partnerships with partner countries. As a major importer of timber, minerals, and agricultural commodities associated with deforestation, the EU must address environmental destruction and help protect human rights and livelihoods in tropical forested countries. This can only be achieved through political dialogue, smart incentives, and strong partnerships. The EU's [Communication on Stepping up EU action to protect and restore the world's forests](#) recognises that tackling global deforestation must be done with producer countries by incentivising governments to address deforestation and human rights violations as well as giving them the tools to do this. The European Commission is developing Forest Partnerships. They have a strong focus on reducing poverty and supporting local livelihoods, which is crucial, but they could also create an enabling environment for trade in

sustainable commodities (such as just laws and enforcement). Real governance improvements will only happen if there are [strong incentives](#) attached to the partnership, with trade incentives being by far the most impactful.

The EU should also continue the good work it has already started such as by [stepping up support for Forest Law Enforcement, Governance and Trade \(FLEGT\)](#) and the EU Timber Regulation (EUTR). The EU has been at the forefront of efforts to end illegal logging and the trade in illegal timber. FLEGT is a participatory process which requires time and strong political support. Although progress has been uneven, and patchy implementation of the EUTR has created some loopholes that should be closed, it has already reduced imports of illegally sourced timber and Voluntary Partnership Agreements (VPAs) have improved forest governance in several countries. We hope that the FLEGT Fitness check will identify solutions to address existing gaps and consolidate progress.

The Commission should also continue its current working on a **Due Diligence Regulation for Forest Risk Commodities** to reduce the risk that EU consumption is associated with deforestation. This Regulation must define how businesses can guarantee that products they place on the EU market and their investments have not led to deforestation or ecosystem degradation or caused human rights abuses (particularly those related to community land tenure). Land-grabbing and deforestation for agricultural production are linked and companies must tackle both hand-in-hand.

Trade is another area that the Forest Strategy must consider such as **promoting binding forest protection criteria in forthcoming Trade agreements**. The EU is negotiating and concluding Free Trade Agreements with two highly forested regions: Indonesia and Mercosur. The Mercosur trade deal has been particularly contentious because of the poor human rights record and the high rates of deforestation in Mercosur countries including Brazil. Similar concerns will be raised about the deal with Indonesia once negotiations are more advanced. The Forest Strategy should propose the development of a blueprint for trade agreements that contains legally enforceable provisions to

protect land rights, avoid deforestation, implement the Paris Agreement and require companies to meet international obligations. Enforceable provisions should be agreed in a partnership, through a multi-stakeholder process including civil society organisations. In addition, existing Free Trade Agreement civil society monitoring mechanisms should be clarified, strengthened and properly resourced.

Internationally, planning would benefit from the creation of **a deforestation and land rights observatory (as part of any Forest Risk Commodities Regulation)**. The European Commission has announced plans to create a forest observatory, using satellites to track deforestation, inter alia to help EU authorities and companies implement the expected regulation on supply chains for forest risk commodities. This observatory should also track respect for customary land rights, supported by on-ground monitoring by NGOs and communities in high-risk regions.

Finally, as with forest protection, any efforts to support forests for the future should start by considering how to ensure restoration is rights-based and benefits local communities as well as the climate and biodiversity.

