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Subject: COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

A new EU Forest Strategy: for forests and the forest-based sector

- *Draft Council conclusions*

1. On 20 September 2013 the Commission submitted a Communication entitled "A new EU Forest Strategy: for forests and forest-based sector" (doc. 13834/13) to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.
2. At its subsequent meetings the Working Party on Forestry examined the above mentioned Communication and discussed draft Council conclusions.
3. At its meeting on 29 April 2014, the Working Party on Forestry reached agreement on draft Council conclusions on "A new EU Forestry Strategy for forests and the forest-based sector".

4. The Working Party on Forestry invites the Permanent Representatives Committee to suggest to the Council that it adopts the draft Council conclusions as set out in the Annex to this note as an "A" item at a forthcoming session.
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DRAFT COUNCIL CONCLUSIONS

"A new EU Forest Strategy: for forests and forest-based sector"

THE COUNCIL OF THE EUROPEAN UNION,

1. ACKNOWLEDGING the benefits of a new EU Forest Strategy for forests and the forest-based sector in the European Union as set out in these conclusions, based primarily on the general analysis and priority areas of the Communication of the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of Regions; and ACKNOWLEDGING that the new EU Forest Strategy should enhance coordination and facilitate the coherence of forest-related policies and should allow for synergies with other sectors that influence forest management and offer the key reference in EU forest-related policy development;

2. CONSIDERING the activities and commitments made by the EU and its Member States in all relevant international processes relating to forests, and RECALLING the commitment of the European Union and its Member States to implement sustainable forest management in line with the principles and objectives adopted in the Declarations and Resolutions of the Forest Europe process, and in particular with the shared vision on European forests set out in the Oslo Ministerial Decision on European Forests 2020 as one of the key elements of the current policy framework for forests in Europe: *“To shape a future where all European forests are vital, productive and multifunctional. Where forests contribute effectively to sustainable development, through ensuring human well-being, a healthy environment and economic development in Europe and across the globe. Where the forests’ unique potential to support a green economy, livelihoods, climate change mitigation, biodiversity conservation, enhancing water quality and combating desertification is realised to the benefit of society.”*;

3. **UNDERSCORING** the importance of healthy forest ecosystems, offering habitats for animals and plants, playing a major role in mitigating and adapting to climate change, in biodiversity conservation and in preventing and combating desertification, providing also water and soil protection and protection from natural hazards, and delivering other environmental services.

Also **UNDERSCORING** the importance of the forest-based sector for the EU, contributing to rural development, providing a large range of employment opportunities and other benefits to society, including societal benefits for human health, recreation and tourism, as well as providing sustainably produced wood and other raw materials, thus fostering the green economy and in that context the crucial role of forests in making possible the structural transformation of society towards bio-based economies and promoting resource efficiency according to national conditions;

4. **RECALLING** the **European Council** conclusions of 7 and 8 February 2013 underlining that Pillar II of the CAP will deliver specific environmental public goods, improve the competitiveness of the agriculture and forestry sectors, promote the diversification of economic activity and quality of life in rural areas, including regions with specific problems; and the Council conclusions of 19 December 2011 on the EU Biodiversity Strategy to 2020, which welcomed the work towards the EU Forest Strategy, underlining that ensuring the achievement of its targets would contribute to achieving the global commitment on biodiversity contained in the Strategic Plan for biodiversity 2011-2020 and its Aichi Biodiversity Targets; **RECALLING** also the 7th Environmental Action Programme and its links to forests;

5. WELCOMING the expansion of the forest area in the EU in recent decades, while ACKNOWLEDGING the need to address some of the consequences, e.g. forest fire risks, of that increase, and EMPHASISING that the forest conditions in the EU have significantly improved due to the important steps taken in implementing sustainable forest management, including the protection of forest ecosystems, even though continued efforts to that end are still needed, while EXPRESSING concern about the alarmingly high global rate of deforestation, especially the loss of old growth and high conservation-value forests, and trends of forest degradation globally and its consequences;

6. EMPHASISING the growing demands on forest resources, representing both opportunities and challenges to forests and the forest value chain, and UNDERLINING the importance of sustainable forest management to ensure the delivery of goods and services in a balanced way, which includes protection of forests from growing threats;

7. ACKNOWLEDGING that rural development measures and good general framework conditions for forestry are important to support the implementation of sustainable forest management and to expand forests in Member States, where appropriate, in particular in Member States with low forest cover, optimising the forest sector's contribution to the green economy and to meeting the Europe 2020 targets;

8. UNDERLINING that while the EU has a variety of forest-related policies, the Treaty on the Functioning of the European Union makes no reference to a common EU forest policy and responsibility for forests lies with the Member States, and EMPHASISING that all forest-related decisions and policies in the EU, including the new EU Forest Strategy, must respect the principle of subsidiarity and Member States' competence in this field, taking into account national forest policies, laws and instruments and existing national and sub-national forest administration structures, as well as the different national conditions and needs;

9. WELCOMES the Communication from the Commission "A new EU Forest Strategy for forests and the forest-based sector" and its holistic and balanced approach, addressing both forests and their value chains;

10. ENDORSES in general the EU Forest Strategy, in particular its guiding principles to enhance sustainable forest management and multifunctionality, to improve resource efficiency and to contribute to global forest responsibility, as well as its 2020 Forest Objectives "to ensure and demonstrate that all EU forests are managed according to sustainable forest management and that the EU's contribution to promoting sustainable forest management and reducing deforestation at global level is strengthened", and the eight linked priority areas, while emphasising the need to further discuss and clarify the strategic orientations, UNDERSCORES the relevance of cost-effective mechanisms for demonstrating sustainable forest management (SFM) without imposing undue administrative burdens at the operational level of forest management, with special regard for the challenges for small forest owners and enterprises;

11. STRESSES that better coordination and communication at all levels are essential for achieving coherent and consistent forest-related policies, EMPHASISES the work to be done by the Commission in ensuring the coherence of various forest-related policies, in particular through early and enhanced participation of Council and Commission experts, working and advisory groups in policy formulation with regard to forests, notably the Working Party on Forestry, the Standing Forestry Committee, the Advisory Committee on Forestry and Cork and the Advisory Committee on Community Policy regarding Forestry and Forest-based Industries, and INVITES the Commission to further develop and promote the Standing Forestry Committee's role as the central coordinating body providing advice for and improving communication on forest-related policies;

12. SUPPORTS the strengthening of the forest knowledge base for well-informed policy and decision-making through the development of a Forest Information System for Europe, as well as by sharing of best practices and seeking to integrate relevant national forest information activities at EU, regional and global levels, and CALLS on the Commission and the Member States to continue to contribute where relevant and in a cost-effective manner to the development of a Forest Information System for Europe, and to improve data availability where necessary on key ecological, economic and social parameters of forests, as well as on forest-based industries, based on concrete data needs and clarified sources of financing;

13. UNDERLINES that while forest management plans or equivalent instruments are useful tools for forest managers in their implementation of sustainable forest management, such plans in themselves are not the only instrument for monitoring implementation of policies as forest inventories and new technology, such as GIS and data systems, provide for effective and less burdensome systems.

14. **HIGHLIGHTS** the importance of protecting forests, which cover almost 50% of the Natura 2000 Network, while enhancing forest ecosystem services, and **CALLS** on the Member States, in line with the Council conclusions on the EU Biodiversity Strategy to 2020, to encourage the adoption and implementation of forest management plans or equivalent instruments through - inter alia - effective application of rural development measures;

15. **AGREES** that further emphasis should be put on preventing negative impacts on forests from biotic and abiotic threats, on mitigation and restoration of damage, on extending the forest area in countries or regions with low forest cover and on areas affected by extreme weather, forest fires and desertification, that are further exacerbated by climate change, also emphasising the role and importance of monitoring, and **STRESSES** that efforts through sustainable forest management aimed at maintaining and enhancing forest ecosystem services should include all relevant elements in order to help achieve, jointly with other sectors, a significant improvement in the conservation status of forest species and habitats listed in the EU Nature Directives, as well as the implementation of the forest target of the EU Biodiversity Strategy in line with the Council conclusions on the EU Biodiversity Strategy to 2020;

16. **UNDERLINES** the strategic importance of assessing and valuing forest ecosystem services and of their importance for integrating the values of forest ecosystem services in all public and private sector decision-making affecting the forest sector, for balancing different forest functions through sustainable forest management, and for providing a tool for demonstrating the value of forest ecosystem services to society;

17. SUPPORTS the aims and strategic orientations linked to forest research and innovation, and INVITES the Commission and Member States to take advantage of appropriate research and innovation instruments, in particular Horizon 2020 and the European Innovation Partnership on Agricultural Productivity and Sustainability and the European Innovation Partnership on Raw Materials, in order to refine resource assessments to support sustainable forest management and to enhance the capabilities of the forest-based sector to innovate, both at the production and processing level; CALLS for further action on forest issues, including the possible establishment of focus groups within the European Innovation Partnership on Agricultural Productivity;

18. SUPPORTS the aim of fostering the competitiveness and sustainability of EU's forestry and the forest-based sector in the context of a wider green economy, including efforts to position the forest-based value chains in a globalised economy and enhance the sector's innovative capacity, market growth and internationalisation through access to third markets; also SUPPORTS the development of capacity for sufficient and well-trained personnel in the forest-based sector;

19. CALLS on the Commission to proceed with an in-depth cumulative cost assessment of the EU policies affecting forest-based industry value chains;

20. **HIGHLIGHTS** that the sustainable use of wood can substitute fossil fuels and other green house gas intensive materials, **SUPPORTS** the strategic orientation on exploring and promoting the sustainable use of wood from sustainably managed forests as a renewable, climate and environment-friendly raw material, with appropriate attention to resource efficiency principles, and the functioning of the markets in keeping with the principles of SFM; **CONSIDERS** that there should be particular emphasis on the sustainable use of bio-based products, including innovative wood construction;

21. **TAKES NOTE** of the Commission's suggestions for a strategic orientation concerning the use of forest biomass - produced from sustainably managed forests - in a wider green economy, and **INVITES** the Commission, with the Standing Forestry Committee, in consultation with other relevant bodies, in particular the Advisory Group on Forestry and Cork and the Advisory Committee on Community Policy regarding Forestry and Forest-based Industries, to analyse the climate benefits of material and energy substitution by forest biomass and the market developments for forest biomass, while assessing any possible market distortions resulting from incentives for the use of forest biomass in the context of the EU policy framework 2030, closely following and cooperating with climate and energy policies as well as other relevant environmental policies affecting the forest-based sector;

22. **RECALLS** existing SFM criteria and indicators developed by Forest Europe, and **STRESSES** that full advantage should be taken of these in applying them to different policy contexts. These criteria and indicators, the relevant policies, regulations and tools in place at EU, Member State or regional levels, and also the ecological, social and economic differences between Member States, the market-based tools for promoting sustainably produced forest products, such as certification schemes, as well as the situation of small forest holders should be taken into account when further analysing, applying and, only if needed, adapting criteria and indicators for SFM.

Any process in this regard should be open and transparent, with broad participation of Member States and relevant stakeholders.

23. **ACKNOWLEDGES** that rural development measures can be, inter alia, essential tools in implementing sustainable forest management and optimising the forest-based sector's contribution to the green economy, with a view to ensuring the sustainable management of natural resources and to achieving a balanced territorial development of rural and urban communities, including creating and maintaining employment; **INVITES** Member States and the Commission to continue to support and improve the effect of forestry measures under rural development, to seek synergies with other EU funds such as the European Regional Development Fund (ERDF), the European Social Fund (ESF), LIFE+, the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) and Horizon 2020; and **OUTLINES** the importance of proper enabling conditions for the sustainable management of forests and the forest-based sector and, where relevant, funding from the rural development funds as well as from the national and sub-national budgets in accordance with national priorities and EU legislation;

24. **UNDERLINES** the need to enhance forests' adaptive capacities and resilience to climate change, to reduce the risks and effects of forest fires, pests and diseases and invasive alien species and other disturbances with preventive measures, and to increase the climate change mitigation and adaptation potential of forests without compromising other forest benefits, in line with international commitments of the EU and its Member States under the United Nations Framework Convention on Climate Change (UNFCCC); **RECALLS** that the Intergovernmental Panel on Climate Change (IPCC) fourth assessment report of 2007 states that in the long term, a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fibre or energy from forests, will generate the largest sustained mitigation benefit;

25. WELCOMES the inclusion of considerations on forests from a global perspective as part of the EU Forest Strategy, STRESSES that the EU positions relating to forests in regional and global fora should be coherent with the EU Forest Strategy, WELCOMES progress made in the implementation of the 2003 FLEGT Action Plan, and INVITES the Commission to review the international dimension of the FLEGT Action Plan in order to assess its progress and effectiveness, to explore measures to reduce the impact of EU consumption of products and raw materials likely to contribute to deforestation and forest degradation outside the EU and to continue to make efforts to address regional and global challenges through existing multilateral fora, and to promote synergies between the Union and Member States' international cooperation instruments in the forest sector;

26. INVITES the Commission, in close cooperation with the Member States and stakeholders, to explore various options for better coordination of EU policies relating to Member States' implementation of SFM, adaptation to climate change and harmonised forest information, and cooperation between and with Member States, including the identification of areas in which some Member States may wish to advance further, such as forest fire prevention, natural hazards, loss of biodiversity, cross-border measures against pests, invasive alien species and diseases or promoting the use of sustainable wood and other forest products; and INVITES the Commission to report back to the Council on the findings of this review and present its recommendations together with the review in assessing the progress in implementing the EU Forest Strategy by 2018;

27. ACKNOWLEDGES the simplification objective of the state aid modernisation package and INVITES the Commission, while paying particular attention to the avoidance of market distortions, to consider including large companies in the block exemption system, revise the conditions for block exemptions in the forestry sector and prepare guidelines for state aid in forestry that reflects rural development forestry measures and at the same time allows enough flexibility for implementing Member States' forest policies;

28. EMPHASISES the importance of the implementation of the EU Forest Strategy, in conjunction with the relevant existing strategies, such as the EU Biodiversity Strategy to 2020, the Europe 2020 strategy for growth and jobs and the Bioeconomy Strategy, and REQUESTS the Commission, with the Standing Forestry Committee, in close cooperation with stakeholders, to prepare by the beginning of 2015 at the latest a concrete proposal for a multi-annual Implementation Plan focusing on priorities and providing milestones, and to prepare assessments of progress making best use of existing reporting methods and exchange of lessons learnt at EU level;

29. INVITES the Commission and Member States to implement the EU Forest Strategy and the forthcoming Implementation Plan within their respective competences, consistent with relevant EU and Member State policies and strategies and paying particular attention to stakeholder involvement.