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COVER NOTE

From:	General Secretariat of the Council
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To:	Delegations
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on a monitoring framework for resilient European forests - European Economic and Social Committee's Opinion

Delegations will find attached the Opinion¹ of the European Economic and Social Committee concerning the proposal for a Regulation of the European Parliament and of the Council on a monitoring framework for resilient European forests.

LIFE.3

¹ This opinion is also available in other language versions on EESC's website: <u>https://dmsearch.eesc.europa.eu/search/opinion</u>



and Social Committee

OPINION

European Economic and Social Committee

EU forests – new EU Framework for Forest Monitoring and Strategic Plans

Proposal for a Regulation of the European Parliament and of the Council on a monitoring framework for resilient European forests [COM(2023) 728 final - 2023/0413 (COD)]

Proposal for a decision of the European Parliament and of the Council amending Council Decision 89/367/EEC setting up a Standing Forestry Committee [COM(2023) 727 final – 2023/0410 (COD)]

NAT/898

Rapporteur: Florian MARIN



Referral

Legal basis

Section responsible Adopted in section Adopted at plenary Plenary session No Outcome of vote (for/against/abstentions) European Parliament, 26/2/2024 for COM(2023) 727 and for COM(2023) 728 Council, 5/12/2023 for COM(2023) 727 and 22/12/2023 for COM(2023) 728 Articles 43, 192(1) and 304 of the Treaty on the Functioning of the European Union Agriculture, Rural Development and the Environment 26/2/2024 20/3/2024 586

1. Conclusions and recommendations

The European Economic and Social Committee (EESC):

- 1.1 cautiously welcomes the Commission proposals and suggests that the forest monitoring framework should be sustainable, gender sensitive, safe and secure, cost-effective, operationally feasible, timely, dynamic, inclusive and participatory, allowing cooperation between science and practice alongside better planning. The proposed forest monitoring framework should be treated as a statistical and not an oversight tool, given that forest management is mostly a national responsibility². The EESC recalls, that according to the EC Impact Assessment³ not all stakeholders agree with the idea of a regulation and show a preference for clear guidelines and continuing current monitoring systems. This should be adequately taken into account in the next steps of the co-decision process. Any data collected should be used in a manner that respects the rights and interests of forest owners and forest managers;
- 1.2 calls for further review of relevance, technical limitations and judicial issues relating to the proposed variables, including spatial resolution and frequency of reporting, before agreeing to launch the initiative. More clarity is needed in the regulation concerning destination, usage and validation of data, which should be taken into account for future secondary legislation;
- 1.3 considers that the proposed EU forest monitoring framework is a crucial tool and recommends the following:
 - the system should harmonise existing forest monitoring systems and ensure interoperability with data already covered by other legislation (climate, air, biodiversity) and the common agriculture policy;
 - a common, harmonised set of indicators should be drawn up, which are based on existing legislation and monitoring systems and are designed to optimise the contribution of these systems to an adequate assessment of the impact on biodiversity, the contribution to the SDGs and the management of forests;
 - data collected should not be used for commercial purposes without delivering benefits for the owners;
 - any data collected should be used in a manner that respects the rights and interests of forest owners and forest managers and be published only in aggregated form;
 - a clear definition of a forest unit should be established;
 - an equivalent level of granularity, technology and frequency should be ensured, especially when supplementary data are being collected in all EU Member States;
 - additional efforts in data collection require adequate financial resources for Member States to ensure harmonised implementation;

² OJ C 81, 2.3.2018, p. 22; OJ C 14, 15.1.2020, p. 95 and OJ C 140, 21.4.2023, p. 46.

^{3 &}lt;u>https://environment.ec.europa.eu/publications/proposal-regulation-forest-monitoring-framework_en.</u>

- 1.4 welcomes the approach to the long-term forest plans and recommends the following:
 - EU Member States which benefit from forests are urged to have a long-term forest plan;
 - social and economic aspects should be included in the structure of the forest plans, taking into account the multilateral values of forests and the social impact of forest communities;
 - in accordance with the partnership principle, civil society should be integrated in the development and depending on the situation of Member States implementation of the plans;
 - designing, implementing and monitoring the long-term forest plans should be financed using existing and new EU funds;
 - the plan should complement other forest and wood strategies;
 - there should be a clear match and synergy with the SDGs and the plan should contribute to them;
- 1.5 suggests that the role of the Standing Forestry Committee should be strengthened, including with regard to future work on forest monitoring; relevant civil society stakeholders should be part of it, taking into account the prominent role of forests for society;
- 1.6 proposes that the right balance between the subsidiarity principle, on the one hand, and respect for national and EU competencies, private property rights, ownership of data, on the other, should be taken into account, with the same level of importance given to economic, social and environmental forest data;
- 1.7 proposes that civil society should be involved in developing the EU forest monitoring framework and sufficient transparency should be ensured;
- 1.8 calls for dedicated training resources for forest managers, owners and workers to ensure a comprehensive and successful approach to implementing the EU forest monitoring framework.

2. Background

- 2.1 The Commission is proposing a forest monitoring framework based on timeliness, accuracy, consistency, transparency, comparability and completeness of forest data, the availability of such data and governance of the system shared by the Commission and the Member States. The proposed forest monitoring system includes a high-resolution, geographically explicit identification system of all forest holdings in the Union, and a forest data collection and sharing framework. This framework is aimed at establishing a knowledge base on European forests, thereby enriching our understanding of these ecosystems' conditions.
- 2.2 A two-level split data system is being proposed for data collection between the Commission and the Member States, with common definitions and specific frequencies provided to ensure comparability and consistency of the data collected. Each Member State will set up a national correspondent responsible for the exchange of information between the Commission and the Member State.

2.3 The Commission is proposing that the Member States develop an integrated long-term forest plan voluntarily, based on a given structure, with a national correspondent being responsible for coordinating the process. The Commission suggests extending the responsibilities of the existing Standing Forestry Committee and renaming it the Standing Forest and Forestry Expert Group, taking into account the multidisciplinary variables of forest data exchanges between the Commission and the Member States and the multiple values of forest.

3. **General comments**

- 3.1 The EESC cautiously welcomes the Commission proposals, given that until now there have been no harmonised EU forest reporting requirements, and that the proposals provide common definitions and better tools for recording forest data and measuring the progress towards the sustainability of forests. However, a strong dependence on satellite remote sensing data may not lead to the expected data quality, integrity or policy relevance. The regulation is building on the existing forestry data infrastructure.
- 3.2 Forest data systems should be sustainable, cost-effective, operationally feasible, timely, safe and secure, dynamic, gender-sensitive, inclusive and participatory in order to permit close cooperation between science and practice alongside better planning. The proposed forest monitoring framework should be treated as a statistical tool and not an oversight tool, given that forest management is mostly a national competence. The information should be published at a sufficiently aggregated level, in such a form that the data of an individual forest owner cannot be identified and that forest owners' data protection is not compromised. Some of the proposed variables may, due to the high resolution, frequency with which they are used and their full-cover nature, be problematic for millions of smallholders across the Union.
- 3.3 The proposal directly contributes to consolidating the data economy and digital sovereignty. Digitalised data, common definitions and a common approach to forest data may facilitate different research, climate stress tests and biodiversity analyses alongside ensuring participatory forest management, evidence-based public policies and planning. Forests and sustainable forest management are providing new business opportunities, with carbon farming being one of them, and data is necessary to attract investments and monitor the effectiveness of forests' contribution to mitigating climate change. A specific approach is needed concerning the benefits to Member States of carbon storage in trees, which have been planted by private entities in the public interest (NGOs).
- 3.4 Recognising the potential benefits of a consolidated data economy and digital sovereignty in forest management, it is crucial to respect the national sovereignty of Member States in shaping their forest policies. The EESC believes it is important to avoid unnecessary centralisation and increased bureaucracy, and the unique ecological, social, and economic contexts of each Member State should be considered. Concerns about data use and the cost-benefit balance of new regulations must be adequately addressed to ensure that they support, rather than hinder, the effective management of forests in each Member State.
- 3.5 The involvement and support of Member States, forest managers and owners, be they private or public, are important for ensuring the success of data collection. The data collection and

administration process should take into account the right balance between the subsidiarity principle, and respect for national and EU competencies in areas such as the environment, climate or energy when satellite surveillance at the supra-state level is being used. National legislation, especially for interoperability with other actors from different supply chains and wood industries, should be taken into account. Further evaluation is needed as to the relevance and risks for forest managers and owners.

- 3.6 Reliable and adapted data are critical for decision-making, improving sustainable forest management and contributing to risk prevention. The same level of granularity, technologies and frequency should be taken into account when the Member States are using their own systems and when they collect other supplementary data voluntarily.
- 3.7 Continuously increasing the use of artificial intelligence (AI) and the Internet of Things (IOT) is important for transparent forestry supply chains without creating any dependencies with AI providers. Increasing access to new technologies should be a constant concern. Data integrity and credibility should represent a cross-cutting preoccupation. More clarity is needed in the regulation concerning data validation, which should be taken into account for future secondary legislation.
- 3.8 Consolidated synergy with the judicial system is important when it comes to using the data that is collected by any stakeholder. The data collected should be used in different due diligence schemes, with this being a continuous possibility. Having the possibility to download data for a long period, in various common formats, in order to use it for various other analyses should be taken into account. Ensuring transparency and oversight of the use of collected data is crucial. Any data collected should be used in a manner that respects the rights and interests of forest owners or forest managers. The data should only be used for specific, well-defined purposes that are agreed upon collaboratively, with a strong emphasis on data security and privacy. Additionally, the availability of user-friendly tools for data access and analysis should be considered in order to empower forest owners, forest managers and countries in managing their forest data effectively.
- 3.9 The EESC suggests avoiding the duplication of data since some forest data are also collected under the common agricultural policy in almost all the Member States and in some cases, there are existing national forest inventories which can be used in the process. The forest data should be complemented with data covered by other legislation on climate, water, air and biodiversity, as well as the common agricultural policy, and be fully compatible with FAO methodology. A clear distinction should be made between forests for harvesting and other types of forests. Where relevant, a common set of broad indicators should be automatically provided and monitored when it comes to forest management at geographically aggregated levels. Indicators concerning the potential impact on biodiversity of management practices or other factors, such as climate change, their contribution to SDGs, as well as indicators measuring the effectiveness of policy interventions, should be taken into account.
- 3.10 Dedicated funds or the possibility of using existing funds to develop and implement long-term forest plans or to update the existing plans should be assured. Member States must explicitly ensure that civil society has a role in the design, implementation and monitoring of the plans.

Given that the regulation proposes new reporting obligations, the EESC suggests that specific subsidies should be made available for gathering, generating, managing and monitoring the data up to a certain level of data.

- 3.11 Voluntary interoperability with other national forest data registers and commercial data must be guaranteed since, when it comes to climate change, there is a need for long-term data alongside data concerning wood industries and supply chains. The EESC suggests that full traceability of the wood-based data should be mandatory in the EU, no matter how the wood is used.
- 3.12 The EESC suggests that clear sanctions applicable to the Member States are needed given the huge importance of forest data for the climate transition and biodiversity. The restrictions on benefiting from EU funds if the forest data are incomplete or inaccurate should be taken into account. Sustainable tools, practices and green energy should be used across the entire forest monitoring framework.
- 3.13 The EESC suggests that more clarity is needed on the role of the Commission in coordinating the forest data collection process and collaboration between Member States should be possible when forests span several Member States or extend to third countries. The cooperation between different contact points and the involvement of the Member States as well as local stakeholders is important for the success of the present regulation.
- 3.14 Forest data should be collected alongside data on interlinked areas such as rural development, circular economy, science or digitalisation. The multiple values of forest indicators, such as contribution to the local and national economy, should also be taken into account. Social data which are already collected by the Member States should be interlinked with forest data given forests' social impact, especially on forest communities with special attention paid to youth and gender. Ensuring the dynamic nature of the forest data collection system by adding new sets of data should be constantly evaluated.
- 3.15 The same level of importance should be attached to economic, social and environmental forest data. All kinds of owners should be taken into account given the diversity of forest ownership in the EU. The data collected should help consolidate forest governance and be an ongoing concern, as should making the process of providing data on the complex forestry supply chain more democratic.
- 3.16 The forest owners, private or public, should benefit from sharing their data. Data collected should be used for dedicated advice services for forest owners and should not be used for commercial purposes without delivering benefits for the owners. The public interest should remain a cross-cutting variable, no matter who owns the forest with the respect of private property.
- 3.17 The EESC suggests that a dedicated helpdesk should be set up to assist, or specific support materials should be provided. The consent of the data providers should be obtained when their data is to be shared, whatever the destination and use of the data and the data providers should be aware if their data will be used for other purposes. GDPR requirements should be carefully

respected when publishing data, especially when it comes to private data and using remote data sources.

3.18 The EESC also proposes that the role of forests be considered internationally, and calls on the EU to actively promote the same approach to forest data in third countries and to establish international agreements in this respect, especially when it comes to placing wood products on the EU market that comply with due diligence procedures and the existing deforestation regulation. The possibility to work with third parties such as software or data companies should be allowed if the Member States choose to do so.

4. **Specific comments**

- 4.1 The EESC asks for more clarity to be provided concerning the destination and use of the data collected, the institution that will have access to said data, and the benefits provided.
- 4.2 The EESC suggests exploring whether biodiversity data included in the regulation should cover relevant variables other than birds, taking into account the complexity of the forest ecosystem and the distribution of species. This is important given the need to understand the entire ecosystem of forests and specific legislation should be developed in this regard taking into account the link between data on biodiversity and the operational capacity needed.
- 4.3 The EESC calls for EU Member States which benefit from forests to have a long-term forest plan, while respecting existing national long-term forest plans, and Article 13 should be modified in this regard. The complementarity between various forest plans of the different Member States and other forest strategies or wood industries should be taken into account since a common data space for wood industries is currently lacking in the EU.
- 4.4 The EESC is concerned about the fact that the secondary legislation could generate potential risks for the effective implementation of the regulation and that no concrete IT tools are included in the regulation. Sufficient time and guidance should be provided to the Member States to implement the forest monitoring framework, given that a deadline of 30 months following the entry into force of this regulation is ambitious.
- 4.5 The EESC suggests that Article 11 should be amended to ensure a focus on the interests of local stakeholders, with a role for civil society in coordination and cooperation to improve the usefulness of the forest monitoring framework, since appropriate context-specific analysis is needed to complement open access to information.
- 4.6 The EESC proposes that forests not available to supply wood mentioned in Annex 2, point a), should include also primary forests owing to their contribution to the protection of biodiversity. Trees outside forests should be included in the data collection system.
- 4.7 The EESC suggests that the interest of the private forest owners should be carefully taken into account when publishing the forest data mentioned in Article 7, as this interest could be affected. A clear definition of a forest unit should be established and private property should be always respected. The relation of private forests with the national contact points should be

further clarified alongside the usage of the private data in the public interest since data ownership is private.

- 4.8 The structure of the long-term forest plans mentioned in Annex IV should also include social aspects of forests and specify how they directly contribute to the SDGs associated with forests. Plans should include the partnership principle and a special chapter is needed on cooperation with the civil society in designing, implementing and monitoring the plans.
- 4.9 The EESC calls for more investments in capacity-building for collecting, sharing, using and managing forest data and for enough resources to be allocated in this regard, especially for the national correspondents, using the CAP or other funds and instruments. Dedicated training resources should be provided for forest managers, owners and forest workers. Data on forest workers and working conditions should be taken into account by the Member States on an ongoing basis, given the multifunctional role of forests.
- 4.10 Cybersecurity and data protection campaigns should be an ongoing preoccupation. Digital inclusiveness and literacy alongside facilitating access to data, hardware and software technologies should be considered.
- 4.11 Reducing the administrative burden and avoiding excessive red tape such as multiple data collection and reporting⁴ should be an ongoing concern. Enough resources should be provided since, according to Annex 1, some data has to be collected at least once per week (fire data) or at least once every 2 weeks (defoliation). It is difficult to ensure the validity of data collected by remote equipment since on-site verifications and resources are needed. The same speed should be ensured for both data collection and data processing, especially concerning data collected on site.
- 4.12 The EESC cautiously welcomes the Commission's proposal to establish a Standing Forest and Forestry Expert Group and suggests that the role of the Standing Forestry Committee should be strengthened, including with regard to future work on forest monitoring. Relevant civil society stakeholders should be part of it, taking into account the prominent role of forests for society.
- 4.13 The EESC proposes that, in exceptional cases such as crises involving specific natural disasters, responses should be provided and dedicated resources should be deployed for immediate on-site data collection, and remote instruments should be used to identify the impact on forests in real-time.
- 4.14 The inclusion of a landscape-specific approach that takes fragmentation and the broader ecosystem integrity into account, should be added to the data collection system after proper evaluation. The EESC proposes setting up a new public and common EU-wide platform to support forest monitoring and to share information, knowledge and best practices with the involvement of the EESC and civil society. Clear synergy should be ensured with European Single Access Points for private forests, the European Civil Protection Mechanism and with the European Open Science Cloud in order to facilitate forest research.

⁴ OJ C 152, 6.4.2022, p. 169.

Brussels, 20 March 2024.

Oliver Röpke The president of the European Economic and Social Committee