

Report to the Standing Forestry Committee
by the Standing Forestry Committee ad hoc Working Group VII

**contributing to the development of
a new EU Forest Strategy**



Final report – June 2012
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Executive summary

Forests and other wooded land cover over 40% of the EU land area. Forests can contribute to rural development through healthy jobs with competitive incomes, while also offering wider society real benefits in terms of human health, recreation, tourism or other non-wood forest products and services as well as providing habitats for plants and animals, and protecting water and soil. Moreover, forests and the forest sector in general provide a great opportunity for moving the EU towards a green bio-based economy.

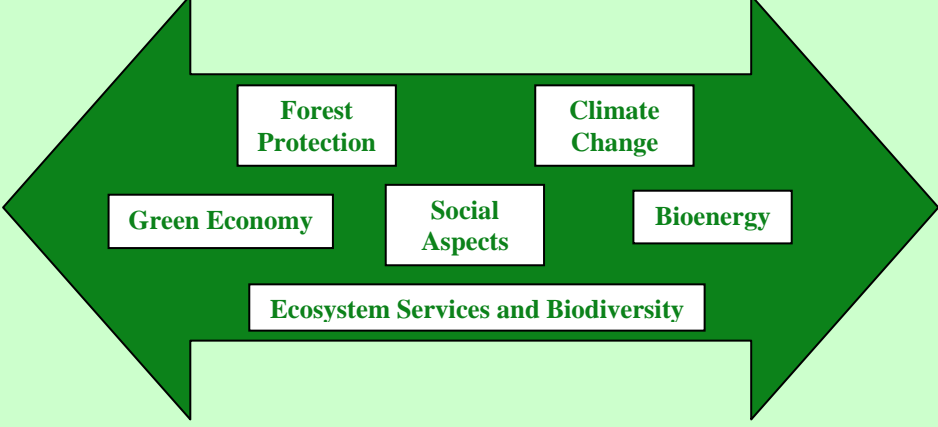
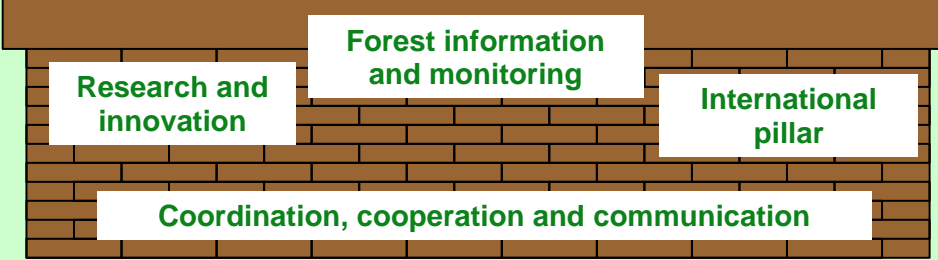
Taking into account the large societal and political changes over the last 15 years, the 1998 EU Forestry Strategy risks losing its relevance as a key reference for policy development related to forests in the European Union, unless significant emerging issues, and new challenges as well as a stronger implementation component are considered and addressed.

There is no provision for a common EU forest policy in the Treaty, and forestry remains a Member State competence. Nevertheless, forestry is a significant, and an essential element of several existing and developing EU policies, for example relating to rural development, climate, energy, water and soil etc. Building on subsidiarity, the new Forest Strategy must provide a strong framework that improves the coordination, cooperation and communication among the Member States, between the Member States and the Commission, within the Commission and with stakeholders, providing the contribution from the sector to Europe 2020 strategy and other 2020 targets. It should enshrine and promote the principles of sustainable forest management contributing to respond in a coherent and responsible way to the multiple opportunities and demands on forests.

In this regard, it is around a "Forest Package" that the EU is called to articulate its policy on the matter. Three documents will contribute to this effort of coherence and coordination:

- The "Forest Strategy" itself, as a holistic view of all related policies;
- An initiative on Forest Information and Monitoring.
- A communication on the wood-processing industry and related value chains which aims to address the challenges and opportunities of different value chains that have wood, wholly or partially, as a raw material, including construction;

As for the Forest Strategy, it should look ahead, but it should focus on key priorities over the next decade:

<p>The Long-Term Vision</p>	<p>Long-term multifunctional and sustainable forestry and innovative forest sector that:</p> <ul style="list-style-type: none"> - fully contribute to Europe 2020 Strategy and other 2020 targets, - fulfil present and future social, economic and environmental needs, - support forest-related livelihoods 		
<p>Forest 2020 Headline Target</p>	<p>By 2020 forests in the EU are demonstrably managed according to sustainable forest management principles, and thus;</p> <ul style="list-style-type: none"> - contribute to balancing the different forest functions and meeting demands; - provide a basis for forestry and the whole forest-based value chain to be competitive and viable contributors to the green economy. 		
<p>Principles</p>	<ul style="list-style-type: none"> ⇒ <u>Sustainable forest management (SFM) and multifunctional role of forests.</u> ⇒ <u>Continued provision of forest goods and services within the limits of what forests can sustainably supply.</u> ⇒ <u>Enhanced coordination</u> when preparing forest and forest sector related EU policies. 		
<p>Outcomes</p>	<p>Smart and sustainable Growth Competitive, sustainable and innovative sector contributing to the growth of the EU economy.</p>	<p>Improving and protecting the environment A resource efficient EU, with high quality, robust and adaptable environment, ensuring biodiversity protection.</p>	<p>Rural development and the quality of life Enhanced rural livelihoods, improved health and well-being of people and their communities, and job opportunities throughout the forest value chain.</p>
<p>Key Themes</p>			
<p>Foundation Themes <i>Improving the knowledge base</i> <i>Fostering coordination & communication</i></p>			

Recommendations

The New EU Forest Strategy:

A. Should aim to achieve the **VISION** "long-term multifunctional and sustainable forestry and innovative forest sector that:

- fully contributes to Europe 2020 Strategy and other 2020 targets,
- fulfils present and future social, economic and environmental needs,
- supports forest-related livelihoods"

B. The **MISSION** of the EU Forest Strategy should be "to underpin well-coordinated and coherent forest-related policies at EU, international and national levels, and the conditions necessary for safeguarding and enhancing the sustainable management and use of forests and their multiple goods and services."

C. Should have as a **HEADLINE TARGET** that **by 2020 forests in the EU are demonstrably managed according to sustainable forest management principles**, and thus:

- contribute to balancing the different forest functions and meeting demands,
- provide a basis for forestry and the whole forest-based value chain to be competitive and viable contributors to the green economy.

1. Should affirm the **EU commitment to the principles of sustainable forest management (SFM) as defined by Forest Europe**, and enshrine and promote these principles in the management of all forests in the EU.

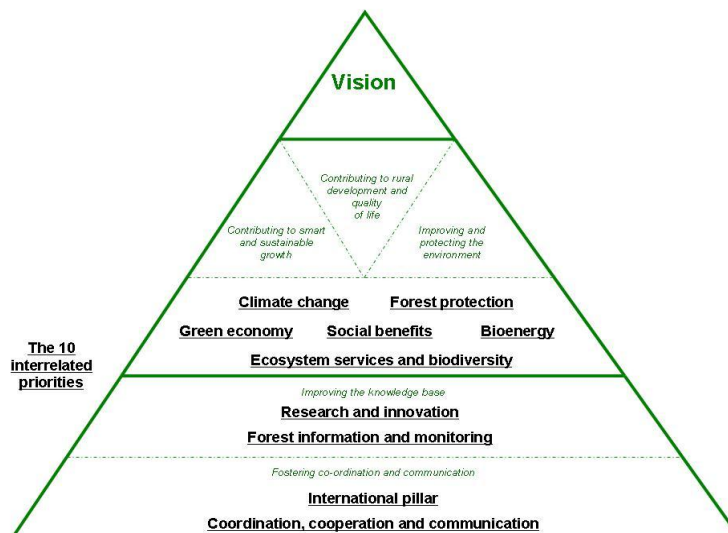
2. Must provide a **strong and coherent strategic framework** with modalities or mechanisms that improve the **coordination, cooperation and communication** among the Member States, between the Member States and the Commission, within the Commission as well as with stakeholders and other interested parties and facilitating further involvement of stakeholders in the decision process.

3. Should enable EU forests, and assist the EU forest sector, to provide **sustainable solutions to emerging challenges and to sustainably manage the multiple demands** on and expectations of forests taking into account differing local and national circumstances.

4. Should be a **voluntary instrument, building on subsidiarity**, including agreed lines of added value at the EU level with Member States (policy guidance on certain specified topics and for actions) and **identifying other areas where some Member States would like to advance further**, such as: regional /cross-regional cooperation; climate change adaptation and mitigation; forest health; valuation of ecosystem services; forest biodiversity, forest information and monitoring; forest fire, production and mobilisation of wood material from sustainable managed forests, promotion of wood based products and constructing with wood¹ as part of the green economy, afforestation.

5. Should address **ten interrelated priorities** identified in the following **framework/diagram**:

¹ These products and related industries will be developed in the document on Forest-based industries



6. Should recommend that within one year a **Forest Action Plan/Framework** that sets out specific actions for implementing the strategy, monitoring and reporting mechanisms is developed. This may include consideration of some targets to be further specified. The strategy should also facilitate immediate action on the following topics:

- Improving forest information and monitoring
- Encouraging the efficient use of sustainably produced wood
- Ensuring coherence between different sustainability requirements in order to have a level playing field for different materials and uses
- Assessing the demand for wood, and what forests can sustainably supply, up to 2020 and beyond and the possible contribution from EU resources.

7. Should ensure coherence between EU's internal and external policies related or affecting forests and support the negotiation of a **Legally Binding Agreement on forests** in Europe, facilitating its entry into force and implementation in the EU, if successful.

8. Should enable **improved and more coordinated use of existing resources** (such as Rural Development regulation, Life+, research and innovation Horizon 2020, development cooperation, etc) and stimulate new and innovative financing of tools for forest sector at national and EU levels to support the implementation of the strategy.

9. The members of the Working Group consider that, in order to achieve the goals, the Strategy should be **adopted at the highest political level** (recommendation addressed also to Council and Parliament).

10. The Working Group recommends that the strategy is called "**the EU Forest Strategy**" and the following **immediate steps** for the Commission to follow:

- forward the Working Group report to the Standing Forestry Committee for its consideration;
- prepare the new EU Forest Strategy as part of a "Forest Package" for the consideration of the Council and the Parliament by the first half of 2013, in a coherent way including an initiative on forest information and monitoring, the evaluation of the Forest Action Plan and a communication on the wood-processing industry and related value chains;
- continue wide-range communication, public consultations and inputs to the new EU Forest Strategy under preparation, including the Advisory Group on Forestry&Cork and where appropriate the Advisory Committee on Forestry and Forest-based Industries.

1. Introduction

Taking into account the large societal and political changes over the last 15 years, a new, holistic Forest Strategy is required, which will consider and address the significant emerging issues, new challenges and opportunities, and a stronger implementation component.

The need to review the 1998 Strategy has been stated in a number of contexts, such as the White paper on adaptation to climate change which recommended to update it on climate-related aspects, the Green Paper on forest protection and information and the Resolution from the European Parliament about it that calls for strengthening the Strategy with a view to improving sustainable management and conservation, and the recommendations of the mid-term evaluation of the implementation of the EU Forest Action Plan. The review process was welcome in the Council Conclusions on the EU Biodiversity Strategy to 2020.

A list of new, rising and/or emerging issues includes the Europe 2020 strategy (and its implementing strategies, e.g. bioeconomy, innovation), climate change, the 'green economy', biodiversity, sustainability criteria for biomass, pests and diseases, EU Member State public procurement policies, international trade developments and other global forest issues.

A first discussion on the future of the EU Forestry Strategy took place at the 115th Standing Forestry Committee (SFC) meeting in July 2010 and continued at subsequent meetings in December 2010 and February 2011. In its meeting on the 18th of February 2011 the SFC decided that an ad hoc working group (WG) should be established to support and contribute to the review process.

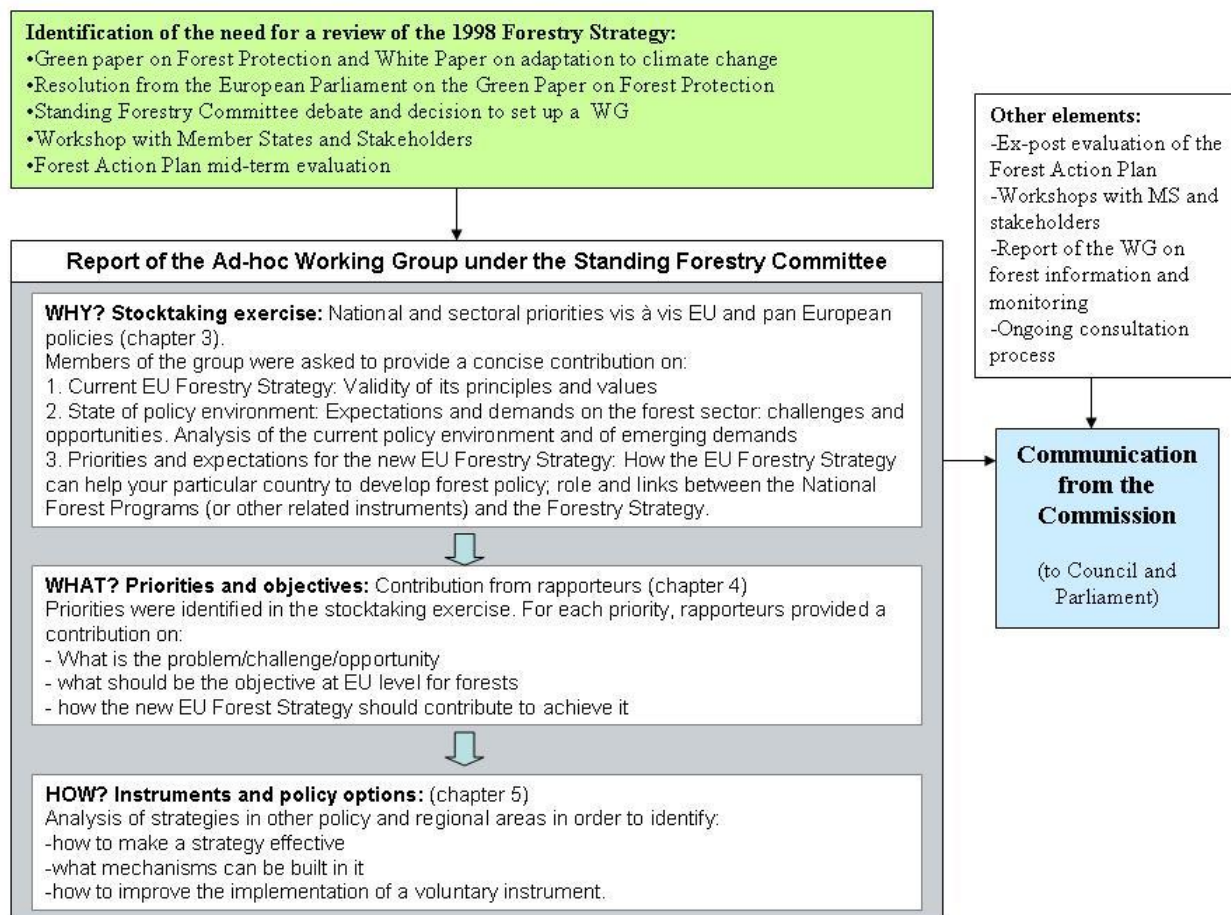
The ad hoc Working Group (WG) was set up in June 2011. It consists of experts nominated by the Member States and by relevant stakeholder groups, as well as experts from 10 different Directorate Generals of the Commission. The members list and dates of meetings can be found in annex 1.

The terms of reference for the WG (see annex 2) specify that the overall objective of the WG is to make recommendations for a new EU Forest Strategy. The recommendations should include proposals on how the Strategy can be embedded across the EU to ensure coherence between other policies and other instruments that affect forests, forestry and the forest sector, and add value at EU level. In addition, they should suggest what a future EU Forest Strategy should include and which mechanisms could be put in place to achieve an effective and efficient instrument to support and underpin the implementation of forest related policies at EU, national and regional levels.

The report is divided in 6 chapters: Introduction, scope of work, why there should be a new Forest Strategy, what should be its content (priorities and objectives), how should it be done (possible options and instruments) and overall recommendations.

2. Scope of work

The Working Group met five times (15 June, 15 September, 18 November 2011, 9 February, 8 June 2012) and collected information through the stocktaking exercise, the contributions from rapporteurs and the analysis of strategies in other policy and regional areas. The process and scope of work for the Working Group in the framework of the overall preparation of the strategy is the following:



3. WHY: Background and justification for the new EU Forest Strategy

3.1. Current EU Forestry Strategy: validity of its principles and values

The 1998 EU Forestry Strategy highlighted the challenges facing the EU forests, the policy and legal framework affecting forests and forestry in the EU as well as common objectives and guiding principles for the roles of the EU and the Member States in forest policy. While underpinned by the principle of subsidiarity, the Forestry Strategy was a useful reference document for the forestry measures in Rural Development and as a basis for the EU Forest Action Plan.

Substantial changes to EU forests after the enlargement: Since the adoption of the 1998 strategy, the first relevant element to be underlined is the accession of 12 European countries in 2004 and 2007 that has led to a substantial expansion of the EU forest sector, both in forest area and in terms of economic importance to the EU, contributing to increase the production of timber as well as the ecological potential. The total area covered by forests and other wooded land has grown by almost 30%. After the enlargement of the EU, the share of publicly owned forest was considerably increased and in 2010 40% of EU forests were publicly owned. However, the forest sector in some of the new Member States is still undergoing significant changes, such as the restitution of forest ownership and the privatisation of forest enterprises, so the picture is not stable. The diversity of socio-economic conditions, influencing forests and the forest sector, has also increased in the EU after enlargement. These changes have introduced new approaches, opportunities and challenges to the EU forest sector.

Increasing demands and emerging needs that call for improved coordination and knowledge: Under the current strategy there has been progress and the implementation of certain key elements, for example biodiversity conservation, forest protection, forest information, climate change and bioenergy. The full assessment of the implementation of the Forest Action Plan will be included in its ex-post evaluation, currently ongoing. Also the main principles "*sustainable forest management (SFM)*", "*the multifunctional role of forests*" and "*subsidiarity and co-ordination of forest-related policies*" are held to be still valid. However, there is view that the EU Forestry Strategy has not delivered its full potential, and further work needs to be done to get these

overall aims more widely accepted. It is also important to improve the coordination between different EU bodies and promoting policy approaches towards forests, and the forest sector, that have increased considerably since 1998, multiplying the demands on forests and on the resources they provide. The increasing demands from the different policies, and the competing demands for natural resources, land use etc., require a Strategy which addresses policies in a coherent and coordinated way, with a clear approach to implementing its recommendations. Globalisation has increased, and hence there is an increasing need to coordinate internal and international EU policy making.

These changes have also brought a range of new opportunities, but if a new strategy is to succeed, it must first address and ensure substantial improvement in both coordination and implementation.

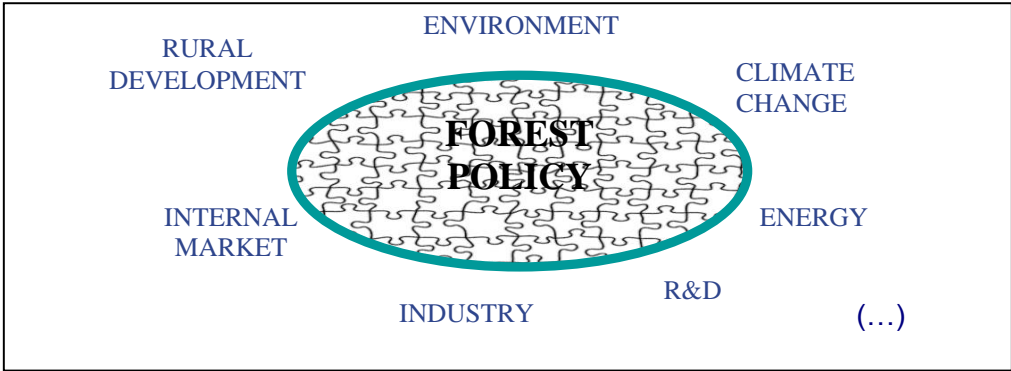
It is also recognised that some aspects of the current strategy are outdated; for example references to other EU legislation/initiatives, and references to geographic scope. Emerging issues, and issues of ever increasing importance, including bioenergy, the role of urban forests, delivery of social benefits, contribution to the green economy, timber trade related issues, FLEGT², EUTR³, LULUCF⁴ accounting, international pillar, the CBD⁵ targets as well as the provision of ecosystem services each warrant specific focus. Because of growing demands on forests functions and goods, there is a potential for growing conflicts requiring new and more effective instruments to bridge them and ensuring a balance between different forest functions and goods. Availability of land and the question of how to 'balance' progress both remain open issues.

How these issues, individually and collectively, will impact on an overall strategy for EU forests and forest sector must be examined and how the opportunities arising from developments in these areas can be maximised, for the benefit of our forests, our forest industries and the people and regions who are dependant on forests in the EU for their livelihoods, must be central to any new policy statement. Furthermore, knowledge lies at the heart of the European Union's Lisbon Strategy to become the "most dynamic competitive sustainable knowledge-based economy in the world". In this context, a solid and dynamic European forest-based research area should be a core pillar of an innovative EU Forests strategy.

The importance of these issues alone is sufficient to justify a comprehensive review of EU policies and working procedures as a basis for a new, relevant and innovative Strategy for the future. This should also address the EU's global impact, for example through increasing the use of domestically sustainable produced timber.

3.2. State of policy environment

The forest policy puzzle: There is no provision for a common EU forest policy in the Treaty, and forestry remains a Member State competence. Nevertheless, forestry is a significant, and an essential element of several existing and developing EU policies, for example relating to agriculture, climate, energy, water and soil etc. These policies in turn are major contributory factors to what is seen as the complex, fragmented and sometimes contradictory forest policy environment that exists today.



² Forest Law Enforcement, Governance and Trade
³ Regulation (EU) N° 995/2010 of the European Parliament and of the Council laying down the obligations of operators who place timber and timber products on the market
⁴ Proposal for a Decision of the European Parliament and of the Council on accounting rules and action plans on greenhouse gas emissions and removals resulting from activities related to land use, land use change and forestry COM(2012)93 final
⁵ Convention on Biological Diversity

It can be difficult to align national forest policy and programs with the overall suite of EU policies in areas such as agriculture and rural development, environment, industry, trade, energy, climate change, water and transport, all of which affect the development of our forests. Consequently, forest owners, managers and other stakeholders are facing complex and sometimes apparently contradictory requirements for aspects of forest management and operations. In addition, the current policy environment is affected by globalisation and interconnections between EU's internal and external factors, complicating even further the overall picture.

Forest related measures (policy) and their development are usually led by other policy areas, by sector driven single issues. In this environment, the "forest voice" through e.g. the Standing Forestry Committee, Council Working Party on Forestry and the Advisory Group on Forestry and Cork and Advisory Committee on Community Policy Regarding Forestry and Forest-Based Industries can be more often reactive than proactive.

Research, information and communication needs: There is an ongoing need for good quality research and evidence provision. There is also a lack of an up-to-date information base, and comparable and timely forest information. This was clearly demonstrated during the public consultation and the reactions to the Green Paper on Forest protection and Information of March 2010 where a high interest for forest information across the whole stakeholder spectrum was highlighted. In this context, the availability and provision of information and communication to the public must be considerably improved. There is also a need for new knowledge based on trans-disciplinary research and innovation as well as adequate capacities to address emerging cross-sectoral and transnational forest issues at the right scale and communication to policy and decision makers, and to the public must be improved.

Forest sector, key contributor to 2020 objectives: The implementation of Europe 2020, the EU's strategy for growth and jobs for the coming decade, and other 2020 targets will depend to some extent on a smart, sustainable and inclusive forest sector, respecting the limits of what forests can sustainably supply while working actively towards a more efficient and sustainable use of forest products. This will inherently mean making choices. The new Forest Strategy should contribute to this discussion by actively promoting new instruments that can deal with making choices for the future. Delivery of the EU targets on renewable energy for example will involve an increased use of wood in bioenergy production. These targets and the Horizon 2020 research framework are aiming at putting the EU on a track towards a sustainable green economy. Without the contribution from the forest sector, the EU would not be able to fulfil Europe 2020 targets.

Increasing globalisation: The emergence of new economies, the globalisation of markets and the increasing commitments and contributions of the EU at an international level, e.g. REDD+ and FLEGT, mean that there needs to be increasing coordination between domestic and international forest related policy development.

3.3. State of EU Forests

Forests and other wooded land cover over 40% of the EU land area. In a global perspective this accounts for 4% of world forest cover. Over the last decade the area of forest in the EU has grown by around 2%, in contrast to the overall global situation where the forest area continues to decline. At the same time only 60-70% of the annual increment is being cut, so the growing stock of wood is also rising significantly. As EU consumption of wood is already equivalent to around 25% of worldwide wood production, this means we must utilise the potential productive capacity of the EU forests in efficient and sustainable way, following sustainable forest management principles.

Progress so far in implementing forest related policies made over the past 10 to 15 years needs to be maintained and enhanced in terms of the environmental perspective (e.g. protecting forests and their biodiversity, halting the fragmentation of forests, halting biodiversity loss, increasing the resilience of forest ecosystems against climate change, forest pests and diseases, disasters), the social perspective (e.g. increasing the potential of forests and forestry for rural livelihoods, creating job opportunities, improving the attractiveness of forest works, prevention and tackling of forest fires, storms) and the economic perspective (e.g. improving economic viability, profitability and competitiveness, developments in wood utilisation).

Forest related institutions are facing a number of challenges: e.g. restructuring, declining resources, changing policy priorities and societal environments as well as communication needs. Important information, such as that on fragmentation of forests should be improved. Further effort will be required to improve essential data sets. However, existing data should also be analysed at a more local level as national-level data may be misleading in some cases.

3.4. Expectations for the new EU Forest Strategy

In overall terms there is a need for an **holistic, balanced, forward-looking and co-ordinated EU forest policy framework that facilitates coherent and comprehensive responses to the multiple expectations on forests**. Consequently any new EU Forest Strategy must provide a comprehensive co-ordinating framework that creates a platform for further development of consistent stronger instruments. It must also have adequate provisions that enshrine and promote the principles of **sustainable forest management and sustainable rural development**.

The strategy should provide the **forest and forest sector contribution to Europe 2020 strategy**, delivering for the people of Europe smart, sustainable and inclusive growth as well as to other 2020 targets.

The strategy should aim to be an instrument for facilitating the coordination of all forest related policies. Thus, in order to ensure coherence, the Working Group considered that the strategy should reflect and cover the value chain from forests to products, and address those other overlapping policy areas which most affect forests and the forest sector. To this end, it was considered that the term **Forest Strategy** was more appropriate than Forestry Strategy. In this context the adjective 'forest' (rather than the narrow FAO definition for 'forest') has been understood to mean 'forests and the forest sector' as an area of interest that overlaps with other issues/areas, such as renewable energy, climate change, biodiversity, forest industry, etc.

National and local conditions, forests, forestry and the whole forest sector are very diverse throughout the Union, while not necessarily confined to administrative borders. It is logical that decisions and actions are taken at the appropriate levels, underlining the principle of subsidiarity which is fundamental to the EU Forest Strategy. While respecting this principle, joint action at the EU level is justified when it brings added value compared to action taken only at the Member State or local level, or when the issue is transboundary by its nature. **Linkages between national and EU level forest related and other policy making and implementation needs to be reinforced.**

It is also important to clarify and **strengthen both the roles and functioning of respective bodies and fora addressing and coordinating forest and forest sector related issues at the EU level**, such as the Standing Forestry Committee (SFC), the FLEGT Committee, the Advisory Group on Forestry and Cork (AGFC), the Advisory Committee on Community Policy Regarding Forestry and Forest-Based Industries, and European forest research institutes and frameworks. These key forums for forest related issues may be allocated specific actions in the EU Forest Strategy (or subsequent action plan) and be linked to specific decision-making and implementation processes in a proactive way. The objective would be to make them more relevant in the consideration of forest related policy development as well as greater influence in terms of coordinating and coherence. Council Working Party on Forestry has also a key role to play in this regard.

The **EU's forest related policies (e.g. climate, environment, water and energy) should be better linked to international forest processes** such as Forest Europe, any Legally Binding Agreement on forests arising from current negotiations, the UN Forum on Forests, the FAO Committee on Forestry, the FAO European Forestry Commission/ UNECE Timber Committee, and all the Forest Law Enforcement, Governance and Trade (FLEGT) initiatives.

The Strategy must also concentrate on **areas which can 'add value' at EU level** as well as contribute to Member States forest policy development and implementation such as:

- Increasing the recognition of the **importance of forests in other EU policies** and strategies.
- Encouraging the implementation of **sustainable forest management** at national level, thus ensuring the balancing of the forest functions.
- Enhancing exchange of experiences/best practices about **climate change impacts** on forests and the development of national adaptation plans for forests
- Encompassing clear support for **Natura 2000** network in national planning
- Communication of the multiple benefits of forests and forest-based goods and services, inter alia through implementing the **EU Forest Communication Strategy**.
- **Improving stakeholder engagement and participation in forest issues** – connecting with society.
- Facilitating and improving the **prevention and combating of pests and diseases at the transboundary, international level**.
- Improving the **competitiveness** of the European forest sector and its contribution to **economic development, particularly in rural areas**.
- Strengthening **rural development by supporting socially and environmentally friendly activities** such as ecotourism through Rural development

- Encouraging the **consistency of sustainability standards**.
- Contribute to the implementation of sustainable timber consumption at the EU level, and facilitate increasing **wood mobilisation and use** to the full sustainable potential.
- Enabling conditions for **new and innovative markets for wood and other bio-based products** within the agreed approach to sustainable forest management.
- Increasing **afforestation and restoration of forests**, particularly in Member States with low forest cover and where there is potential to increase forest cover.
- Contributing to the **implementation of the forest target under the EU Biodiversity Strategy**.
- Assessing the feasibility of recognition, valuation and payment systems for **ecosystem services and functions**.
- Improved, accurate, comparable and timely **forest information and monitoring**, including LULUCF accounting, taking into consideration the findings and recommendations of the SFC WG on Forest Information.
- Contribute to the **protection/conservation of genetic resources**
- Support to the **prevention and combating of forest fires**
- Supporting **research and innovation** into priority areas, and improving the links between research, users, public and policy makers.

Thus, the aim would be that EU's forests contribute to human well-being, a healthy environment and economic development across the European Union. Their unique potential to support a green economy, livelihoods, climate change mitigation, biodiversity conservation, enhance water quality and combat desertification is realised to the benefit of society. Priority areas are listed and described in chapter 4.

The strategy should address the HOW in terms of improving coordination and to explore the HOW in terms of dealing with the trade-offs, which are an intrinsic part of multifunctional forestry. Furthermore the question of HOW to raise the status and profile of an EU forest strategy so that it will play a proactive, and coordinating role in EU and international processes must be addressed.

4. WHAT: Content of the strategy: priorities and objectives

The Working Group considered that the new Forest Strategy should remain an 'umbrella' for forests, forest sector and wood utilisation related issues and include a vision, mission, goals and objectives, what would help to improve the focus and the coordination at the EU level as well as the implementation of sustainable forest management at the national level, and the competitiveness of the whole forest sector.

4.1. Vision, mission and headline target

Vision: The EU Forest Strategy should aim to achieve the vision "**long-term multifunctional and sustainable forestry and innovative forest sector that:**

- fully contributes to Europe 2020 Strategy and other 2020 targets,
- fulfils present and future social, economic and environmental needs,
- supports forest-related livelihoods"

The Strategy should contribute to developing at the EU level the vision of European Forests 2020 of the pan-European Forest Europe process: *"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."*

The **mission** of the EU Forest Strategy should be "to underpin well-coordinated and coherent forest-related policies at EU, international and national levels, and the conditions necessary for safeguarding and enhancing the sustainable management and use of forests and their multiple goods and services".

It is suggested that the Strategy has as a **HEADLINE TARGET** that **by 2020 forests in the EU are demonstrably managed according to sustainable forest management principles**, and thus:

- contribute to balancing the different forest functions and meeting demands,
- provide a basis for forestry and the whole forest-based value chain to be competitive and viable contributors to the green economy.

4.2. Overall principles

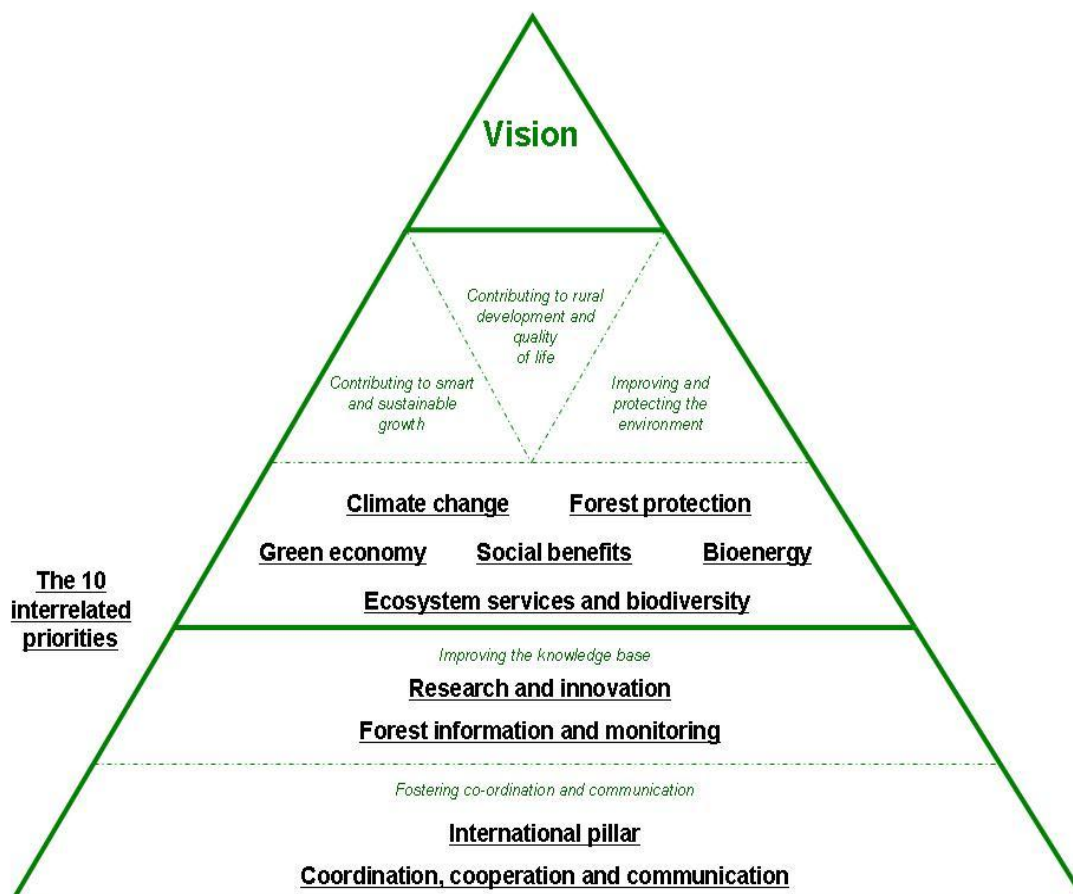
The overall principles of the new EU Forest Strategy should be

- sustainable forest management (SFM) and multifunctional role of forests,
- continued provision of forest goods and services within the limits of what forests can sustainably supply,
- strengthening the whole forest sector value chain,
- enhanced coordination when preparing and implementing forest sector related EU policies.

It is important, however, to underline that SFM is a dynamic concept where some aspects need to be periodically updated. There are also some new emerging/growing issues that need to be accommodated. These principles should be understood in the context of the forest sector facing risks and challenges but also opportunities due to pressures from the different demands and sometimes competing land uses. There is a need for an overall strategy that can assist to address the different and sometimes conflicting demands in a holistic, sustainable way.

4.3. Goals and Priorities

The Working Group identified 10 closely interrelated priority areas where the Forest Strategy could add value at EU level: the diagram below illustrates how 4 of these areas form the foundation of the strategy, while the other six in the body contribute to the vision of the new EU Forest Strategy. The 10 priority areas are all considered to be important, and no ranking is implied by the diagram.



The Strategy should aim to build a general commitment for the EU forests and forest sector development. To this end, quantitative and qualitative targets and indicators could be considered in a new to be developed EU Forest Action Plan that may address e.g. the expansion of forest area, annual wood harvest, employment, innovation, conservation status of forest habitats and species of Community interest, share of indigenously produced wood used for energy, contribution from the sector to the green economy, forest protection and socio-ecological improvements, monitoring and research, and forestry standards and certification.

4.3.1. Contributing to rural development and the quality of life

Social benefits (including human health, jobs, ecosystem services and other benefits to society)

a) What is the issue/problem/opportunity:

Growing societal demands: there are growing and changing demands for wood products, with biomass for energy for example, plus an increasing need to protect threatened environmental values. At the same time society as a whole is also increasingly demanding many social benefits from its forests. The challenge will be to recognise the value of these social benefits, and find the right balance in the delivery of the forest products, values and benefits.

Multifunctional forests can deliver a wide range of social benefits: forest can contribute to rural development through healthy jobs with competitive incomes, while also offering wider society real benefits in terms of human health, recreation, tourism and other non-wood forest products and services as well as providing habitats for plants and animals, and protecting water and soil. Recognising the value of these benefits and getting the balance right at all levels gives an opportunity to deliver better without detriment to economic and environmental aspects.

A functioning worklife makes for a more competitive forest sector: covering large parts of rural areas, the forests provide for a range of goods and services, which are of vital importance to the rural population, creating economic welfare and employment. Well managed forests with qualified forest owners, foresters, forest and forest industry workers and entrepreneurs make for a profitable forest sector with an important role in the rural development and in the whole society.

Participation: participation of stakeholders in the process legitimises them and improves the successful implementation. FLEGT Voluntary Partnership Agreements (VPA) processes are a good example of an inclusive multi-stakeholder process to develop a vision and strategy on how to sustainably manage the forest resource.

b) What should the objective at EU level be for forests:

- To recognise and improve planning/prioritising of the full range of social and socio-economic benefits from forests:

- Sustainable rural jobs and infrastructure.
- Human health and wellbeing
- Cultural and landscape values.
- Recreation, tourism, urban forests and access issues.

- To coordinate EU policies, both directly and indirectly affecting the social aspects of forests, including gender issues.

- To make the forest sector more attractive by offering competitive incomes, stable employment and career opportunities, safe and healthy working conditions. An attractive forest sector has functioning systems for the social aspects of society and work life.

c) How the EU Forest Strategy should contribute to achieve these objectives:

- Emphasise the social aspect of sustainable forest management.
- Take steps to fully recognise and value the full range of ecosystem services.
- Promote education, training and capacity building in the appropriate skills.
- Promote good governance of forests and a relevant public/community/stakeholder participation in policy formulation and decision-making.
- Promote the attractiveness of jobs in the forest and related industrial sectors, in particular among youngsters.
- Support sound operating environment which encourages all types of forest owners to practice SFM and make long term investments in forestry.

- Encourage co-operation between forest owners and other managers to broaden their competence and to enhance professional forest management.

4.3.2. Improving and protecting the environment

Forest protection (against biotic and abiotic threats).

a) What is the issue/problem/opportunity:

Increasing threat with an important trans-boundary component: European forests are threatened by biotic and abiotic agents: biotic agents for example include insects, diseases, grazing and invasive alien species and abiotic include for example windstorms, forest fires, droughts, floods and avalanches. Both the nature and the effects of certain threats are trans-boundary and therefore actions at EU level increase the added value of the measures. Forest fires, storms, droughts, floods and avalanches may also cause human casualties and damage to property. The disturbances caused by these agents do have significant socioeconomic and environmental impacts and climate change impact will further exacerbate them, particularly through the increased frequency of extreme events (storms, drought, floods and temperature extremes).

Opportunities from prevention measures: relevant policy instruments already provide support for prevention and/or restoration, such as for example, Rural Development measures within CAP, the Civil Protection Mechanism, the Solidarity Fund, and the Plant Health Directive. Forests would be better protected if the EU and Member States put further emphasis on prevention, rather than on damage mitigation and restoration.

Important link with forest information and monitoring: Baseline information and trends are important tools for reacting to threats, as they increase preparedness and early warning.

b) What should the objective at EU level be for forests:

- To ensure that under changing climatic conditions forests have enough resilience to, and are adequately protected against natural and human-induced threats so that forest cover is maintained, forests are healthy and provisioning of all forest functions is continued.

c) How the EU Forest Strategy should contribute to achieve these objectives:

- Give guidance to policy and legislative instruments and tools at EU and national level to address risk and cope with these threats, considering the range from prevention to restoration.
- Recognise the importance of, improve, make comparable and share forest information and monitoring, assessment and reporting on all the major biotic and abiotic threats building on successful experiences, such as the EU Forest Fire Information System (EFFIS), and the links made in this and other frameworks to neighboring countries.
- Practitioners, MS and Commission work together to share knowledge, experience and information on restoration as well as on prevention.
- Coordinate analysis of funding currently available for forest protection.
- Reinforce response capacity in the spirit of solidarity to cope with large scale disasters.
- Enhance coordination of actions in case of large scale trans-boundary disasters.
- Enhance cooperation with neighboring countries, including for the prevention of transfer of diseases, and through enhanced coordination of disease-related research.
- Increase the area of forests under active and multifunctional SFM

Ecosystem services and biodiversity

a) What is the issue/problem/opportunity:

Forests provide multiple benefits for biodiversity and people. Within the EU forests play an important role for biodiversity and have to contribute to the achievement of the EU Natura 2000 directive goals as well as to the goals and targets of the EU 2020 Biodiversity Strategy. Furthermore, there are benefits people obtain from ecosystems are often referred to as one element of ecosystem services. Some ecosystem functions, goods and services are well known, such as those which are essential for life (e.g. water), those which improve our quality of life (e.g. recreation) or those which have clear economic value attached to them (e.g. timber).

In the context of ‘payment for ecosystem services’ (PES), while some goods and services could have a monetary value, there are others which will have to be ‘valued’ in other ways (e.g. cultural heritage or landscape

maintenance) – not all ecosystem goods and services or functions are suitable to be commoditised or put into a market forum, in particular those that have traditionally been considered as "common goods".

According to a EEA report⁶ in the EU, only 17 per cent of habitats and species and 11 per cent of key ecosystems protected under EU legislation are in a favourable status. Altogether more than 50 per cent of species and nearly two thirds of habitats in forest ecosystems have an unfavourable conservation status. At the same time the State of Europe's Forests 2011⁷ indicates positive development in EU's forests. According to this report, EU's forest area and the area of protected forests are expanding and forest management practices increasingly promote conservation and sustainable use of biodiversity.

Maintaining and enhancing ecosystem goods and services could play an important role in enhancing forest biodiversity in the EU and could provide an effective mechanism for balancing different forest uses. Even though wood would still be the most important forest product in many parts of the EU it still needs to be evaluated if and how the valuing and marketing of ecosystem goods and services could contribute to more diversified income sources resulting from diversified forest management practices and the objectives attached to it.

b) What should the objective at EU level be for forests:

- There is a need for additional knowledge and concrete steps to recognise ecosystem values and the potential of ecosystem services, e.g. to enable forest biodiversity measures in rural development to be compensated according to the actual benefits delivered and not only as for income foregone.
- Policy coherence: as regards payment for ecosystem services, taking care where new markets are created, existing markets are not distorted, or that adverse effects occur in other policy areas.
- To ensure that a balance between different forest uses is maintained when formulating and implementing sectoral EU policies.

c) How the EU Forest Strategy should contribute to achieve these objectives:

- Give guidance on the implementation of the forest target under the EU Biodiversity Strategy and other EU nature legislation, and contribute to the implementation of forestry measures in rural development policy.
- Analyse the potential risks and benefits of different instruments and models for forest ecosystem service valuation and compensation, and marketing as well as assess the need for, and contribute to the provision of incentives for financial and social recognition of these services and ecosystem functions.
- Develop and enhance co-operation models for forest owners in ecosystem services provision.
- Encourage the involvement of forest owners in biodiversity related decisions on EU and MS level.
- Set up shared concepts and exploring where finance of ecosystem services of forests is required, and proposing a framework for an increased use of valuation and payment for ecosystem services.
- Encourage balanced implementation of SFM, hence including safeguarding biodiversity.

Climate change mitigation and adaptation

a) What is the issue/problem/opportunity:

Forests, key role to achieve the 2020 climate change targets for 2020 and beyond: Forests can make a significant contribution to mitigating climate change by both absorbing carbon dioxide and storing carbon. The EU land use, land use change and forestry (LULUCF) sector removes approximately 9% of greenhouse gases emitted in other parts of the economy⁸ and it provides non-fossil energy sources and materials which can act as carbon sinks and "carbon substitutes", replacing carbon intensive materials and fuels.

Forests, vulnerable to climate change effects: climate change will affect forests' functions, including the ability to store/sequester carbon and produce timber. It will also affect their health and condition, including through

⁶EEA Technical report n° 12/2010; EU 2010 biodiversity baseline

⁷ UNECE/FAO/Forest Europe report State of Europe's Forests 2011- Status and trends in Sustainable Forest Management in Europe

⁸ Communication on Accounting for land use, land use change and forestry (LULUCF) in the Union's climate change commitments COM(2012)94

increasing incidences of drought, forest fires and flash floods, more prevalent pests and diseases outbreaks, and rising pollution levels. It is of great importance to keep genetic potential in EU forests to be able to access seeds capable of adapting to new climate conditions.

Dynamic tension between the increasing demand for wood, in terms of biomass energy and other markets, and the benefits that could arise from increased storage of carbon: (NB other markets such as wood-based products can enhance carbon sequestration). There is a need to balance the needs of a green economy, which forestry can make a significant contribution to, with the importance of respecting the maintenance, or establishment of ecosystem resilience. This balance should take different conditions and timeframes into account (short-term actions and long-term effects). Action which the EU takes internally can have consequential effects internationally and may require a reconsideration or adjustment of EU international policies.

Sustainable forest management, a tool for climate change mitigation and adaptation: The sustainable management of forests can contribute to mitigating CO₂ emissions, by maintaining or enhancing their role as carbon stores, as well as ensure that forests are climate resilient and contribute to the development of a low carbon economy.

EU as a global forest player: EU imports of food and non food can contribute to drive deforestation and forest degradation (hence GHG emissions) in third countries. In this framework, REDD+ could be an important instrument to fight deforestation and forest degradation and to foster conservation, sustainable forest management, and enhancement of forest carbon stocks, with big potential to deliver benefits beyond mitigation, including adaptation, biodiversity, governance and poverty reduction.

b) What should the objective at EU level be for forests:

- Optimising the contribution of forests and the forest sector to climate change mitigation, achieving a balance for the different mitigation roles in different conditions.
- Improving the capacity of EU forests to adapt to climate change.
- Improving the capacity of EU forests to provide adaptation benefits (ecosystem based adaptation/green infrastructures).

c) How the EU Forest Strategy should contribute to achieve these objectives:

- Encourage policy coherence between forestry, climate change adaptation and other policy areas including water quality, flood prevention, soil, biodiversity, plant health, food security and renewable energy.
- Suggest policy guidance to optimise forests contribution to mitigation, while taking into account local and national circumstances.
- Encourage the exchange of information on optimisation of forests contribution to mitigation and adaptation of forests to climate change and proposing the identification of best practices.
- Encourage the development of national action plans and goals for sustainable reforestation, afforestation and forest management.
- Promote policies that within the public procurement of timber, timber products and biomass for energy support the overall goals of encouraging the use of legally harvested and sustainable wood.
- Strengthen negotiations / implementation of sound REDD+ mechanisms.
- Put forward policies/measures to promote the use of harvested wood products as a sustainable and climate friendly material, in particular considering its substitution effect.

4.3.3. Contributing to smart and sustainable growth

Forests and Green economy⁹

a) What is the issue/problem/opportunity:

Forest sector, well placed to contribute to green economy: The forest sector has all the attributes to take a major role in the European green economy, through exemplary sustainable management, including the development

⁹ Green Economy is a new and evolving concept. In the EU framework, the following definition has been used: "Green Economy is an economy that generates growth, creates jobs and eradicates poverty by investing in and preserving the natural capital offers upon which the long-term survival of our planet depends". (COM(2011)363 "Rio+20: towards the green economy and better governance")

and application of ecosystem services principles, renewable energy use linked to an innovative forest industry developing intelligent bio-based products, more efficient and environmentally sound processing technologies. The natural, renewable and recyclable characteristic of wood makes its sustainable use environment and climate-friendly, positive for the society and for the low carbon economy, provided that limits to what forests can sustainably supply are respected, that the use of wood effectively contributes to climate change mitigation and that products are only sourced from sustainable forest management. Moreover non wood forest products are gaining higher interests in the markets.

Opportunity for rural development: the projected high demand for forest products and services gives opportunities for growth in the forest sector, as well as multiplier effects for related businesses, offering green jobs, especially in rural areas.

Increasing pressure on forest resources: The impact of EU wood consumption on imports as well as EU footprint should be carefully considered. It is important to establish effective mechanisms to ensure that supply is sustainable. The sustainable potential of home-grown resources should be increased/optimised in accord with the principles of SFM.

b) What should the objective at EU level be for forests:

- To establish the forest sector as the lead force driving the development of Europe's green economy, to increase the potential and to maximise the contribution of forests and the forest sector, to Europe's green economy including the provision of both wood material, cork and other non-wood products and services and to be at the forefront of rural development, and the creation of sustainable employment and well paid jobs in rural areas.

- To enhance the economic vitality and competitiveness of existing production, ensuring a well functioning internal market with level playing field, and to stimulate and make enabling conditions for new bio-based products and services, creating synergies with the EU Bioeconomy Strategy.

- To pursue EU policies and international cooperation to:

- reduce and eliminate illegal logging (FLEGT and Timber Regulation);
- improve/increase public procurement of sustainable products (building upon the Report to the SFC on public procurement of wood and wood based products);
- recognise and support of the role of harvested wood products in carbon sink and to substitute other less climate or less environmental friendly (high energy cost) materials.

c) How the EU Forest Strategy should contribute to achieve these objectives:

- Should affirm the EU commitment to the principles of sustainable forest management (SFM) as defined by Forest Europe and its tools to proof and document it, building on existing monitoring and verification systems.
- Encourage an increase in the area of sustainably managed forests in the EU, including incentivising the development and use of forest management plans or equivalent instruments as a tool to address the different demands on, and multifunctional role of forests.
- Ensure that the tools used to enhance and demonstrate the sustainability of forest management and environmentally sound production processes are guaranteeing fair competition and a level playing field with other resource-based sectors.
- Promote sustainable production and consumption of forest based products and services.
- Facilitate increasing mobilisation of sustainably produced wood to the full sustainable potential.
- Promote wood based products and constructing with wood.
- Contribute to improving the competitiveness of the forest sector.
- Assist the development of producer groups.
- Consider possible targets to be further specified to translate these objectives in reality regarding the sustainability of forest management within the EU, sustainable production and consumption and resource efficiency

Forest bioenergy

a) What is the issue/problem/opportunity:

Important role of wood in energy supply: Wood and woody biomass are already a recognised and reliable source of bioenergy. They can become a substantially more important element of renewable energy generation. The proportion of wood based energy represent currently is about 5 % of total EU energy supply. According to National Renewable Energy Action Plans it is expected that biomass will represent more than 10 % of the EU gross final energy consumption by 2020. In this context forestry biomass is set to play a significant role. Some Member States have already started an essential change of energy systems. More mobilisation of potential woody biomass resources for energy purposes will be required as demand grows, but it is extremely important that the biomass for energy purposes comes from forests that are sustainably managed. Renewable energy from forest sources is in itself an important contribution to the wider ‘green economy’.

Wood energy contributing to rural development: forest biomass is for rural communities an opportunity to create sustainable new jobs, to diversify income and to contribute to rural development.

Complexity and cross-sectoral impacts: Production of environmentally sound and cost competitive bioenergy is the outcome of a mix of policy considerations (area of forests and crops, amount of available biomass, climate change, biodiversity, greenhouse gas savings) as well as qualitative abilities (energy conversion, wood use, market issues, commitments, achievement, socio-economic environment, climate change mitigation). This contribution of EU forests is to go hand in hand with other functions to be delivered, as the result of other commitments (halt the loss of biodiversity by 2020, for example). Cross-linkages with agricultural and waste biomass must be also considered. Thus, bioenergy should be assessed with broader perspective taking into account complex benefits, impacts and constraints.

b) What should the objective at EU level be for forests:

- Address in a coordinated and coherent way the different policies that affect forests and woodlands, in particular energy policy (energy efficiency and biomass sustainability), timber markets and products, rural development, LULUCF accounting rules and biodiversity.

- Enhance the contribution of wood both as raw material and energy source to growth and jobs, paying due attention to other forest functions and available forest resources, while minimising the impacts which EU renewable energy targets may have on other sectors competing for the same material.

- Enhance the development of wood-based energy products and environmentally sound technologies

- Ensure that use of forest biomass and derived products is guided by consistent requirements of sustainability and efficiency, and that those sustainability principles are being properly enforced globally.

- Ensure that of increased EU consumption of biomass does not add to global deforestation levels by ensuring global forest protection safeguards are robust enough to cope with the added level of demand on timber markets.

c) How the EU Forest Strategy should contribute to achieve these objectives:

- Assessing the demand for wood, and what forests can sustainably supply, up to 2020 and beyond and the possible contribution from EU resources.
- Firming up some basic principles with respect to the use of forest resources, notably efficient and sustainable resource use and optimal contribution to growth and jobs as well as climate friendly natural resource policy.
- Increase R&D in the field of wood-based energy and its efficiency.
- Address how the market instruments that promote renewable energy can offer fair and equal support for energy generated from wood biomass compared to energy derived from other sources.
- Encouraging mobilisation of sustainably produced wood, and other forest products as well as harvest residues.
- Promote short rotation wood energy plantations and outline their feasibility on EU and MS level.

4.3.4. Improving the knowledge base

Periodic information and monitoring as well as research and innovation are key elements for achieving the implementation of the previously described priorities. Therefore the EU Forest Strategy should enable and support their improvement.

Forest information and monitoring

a) What is the issue/problem/opportunity:

Forest information at the EU level is characterised by the considerable variability among MS of concepts, definitions, data collection approaches, and data availability/dissemination. MS and international entities have established a long-lasting cooperation, approaches and mechanisms for forest information and monitoring. The EU as a whole through Commission services, however, does not yet make full use of these international and regional approaches.

At the EU level a common forest information system exists, the European Forest Fire Information System managed by the European Commission Joint Research Centre (JRC); however the data flow from MS to this system is limited to forest fire data, which are provided by MS on a non-mandatory basis. The European Forest Data Centre (EFDAC) managed by the JRC integrates EFFIS and other forest information. Forest data collection relies mainly on national forest inventories (or similar) and on other forest monitoring activities (e.g. International Cooperative Programme on Forests, Member States' early warning systems for biotic agents, EU register for forest reproductive material, soil surveys, vegetation mapping, biodiversity surveys). As these systems are not fully compatible with other existing approaches, there are limitations on data use EU-level compatibility issues among them.

As for the use of forest data in other policy sectors, there appears to be a growing interest in forest resources because of their importance for developments that rely on forest biomass as a raw material, such as bio-energy policy and the plans for a bio-based economy. Nevertheless, no comprehensive picture of resource availability for all present and potential uses of forest resources exists today.

There is global data from FAO Forest Resource Assessment and EU MS National databases – from forest inventories as well as information delivered for the State of Europe's Forest report. This gives a clear opportunity to enhance the processing of data already being collected by MS through a well planned, strategic EU level approach to determining information requirements, and providing a plan for solving interoperability issues such as those listed above.

b) What should the objective at EU level be for forests:

- A number of EU policy developments would benefit from more specific forest related information based on datasets at the EU level for reporting (also at international level), scientific research, modelling, impact/scenario assessment and management decisions. As a consequence and while ensuring at the national level the continuity of existing time series, there is a need for more coherent and harmonised forest information, in terms of definitions, data collection methods, data processing and aggregation, resource assessment models and approaches, dissemination, and comparable forest reporting by MS to generate consistent output at EU level.
- A new Forest Strategy could lay out an approach to improve the current status of EU forest information and enhance compatibility between national, EU and international forest information and monitoring systems and achieve cross-sectoral support.

c) How the EU Forest Strategy should contribute to achieve these objectives:

The Ad-Hoc Working Group on Forest Information and Monitoring working in parallel with the WG on the new EU Forest Strategy has considered EU forest information needs deriving from existing EU and international policies, and has identified a set of relevant parameters for harmonization at the EU level as well as possibilities for co-operation between existing international, regional and national data acquisition systems. When exploring the resources required for such future work on forest information, the WG has not been able to go beyond a very general estimation.

The report from this WG proposes a detailed analysis of the challenges and the possible objectives at EU level; which can serve as a basis for relevant elements of the new Forest Strategy.

In this context, the new EU Forest Strategy should include the following:

- A declaration of principle that the future development of EU forest information will be based on data collected by MS¹⁰, complies with EU data architecture requirements such as INSPIRE, GMES, and SEIS and follows international and regional processes.
- A Member States' commitment for active co-operation between national bodies in charge of forest information, between sectors with an interest in forest resources, and at the EU level;

¹⁰ Council Conclusions on Green Paper on Forest Protection and Information

- An EU framework to improve forest information, that is compatible and harmonised among MS and is able to feed into other international and regional forest information systems.
- The ambition to mobilize the resources needed to build the EU forest information system when designing EU financing programmes.
- Complementarity of EU forest information systems with agreed modalities for GHG monitoring and reporting from LULUCF.
- A clear indication that future development of EU forest information will build on EFFIS and EFDAC and will be co-ordinated by the EC and its specialized internal services.

Research and innovation

a) What is the issue/problem/opportunity:

Increasing demands on land and natural resources: We live in a changing environment with increasingly complex interlinked relationships between climate, biodiversity, society and the economy. These relationships are multiscalar at global, regional and local levels. On the other hand, there are more and more multifunctional demands on and expectations of forest resources which pose a significant challenge for their sustainable management. The contribution from research and innovation is key to overcome these challenges.

Research fragmentation: While European forest research is internationally recognised in certain scientific areas (genetics, forest risks, etc) it is also fragmented, often mono-disciplinary and unevenly distributed, and duplication may also occur. Sometimes, research lacks a clear focus on the forest sector's needs and, in some cases it is driven by the needs of other policy areas.

Opportunity to contribute to green growth: increase in innovation in the sector can contribute to assist countries to recover from the economic crisis and boost their economies in terms of growth and jobs, in particular in rural areas. Research in business/economic development and financial aspects to achieve the optimum path towards developing a successful competitive forest sector is also essential.

b) What should the objective at EU level be for forests:

- Increasing support from the EU programmes to address research and innovation needs of the EU forests and forest sector, according to the priorities in the Forest Strategy, and support forest related priorities in Horizon 2020¹¹ and the Bioeconomy Strategy¹².
- Avoiding duplication of efforts.
- Improving collaboration and coordination of transdisciplinary research as well as product innovation and production methodology through well-coordinated national research and innovation programmes and priorities, excellent and coordinated research institutions and new joint facilities and Pan-European networks of large-scale infrastructures with long-term funding.
- Increasing innovation and enterprise development in the sector to support growth and jobs.

c) How the EU Forest Strategy should contribute to achieve these objectives:

- Recognise that a European forest-based research and innovation area is a core pillar for the future EU Forest Strategy and that its contribution is vital to overcome a number of wider societal challenges.
- Identify the priorities for research and innovation efforts in the forest sector, in line with key thematic priorities herewith identified: social aspects, forest protection (particularly to improve the understanding of the drivers of different hazards), ecosystem services and functions and biodiversity, climate change adaptation and mitigation, sustainable bioenergy, green and bio-based economy, sustainable production and consumption, resource efficiency, social aspects, forest monitoring, and addressing also the external dimension.
- Strengthen the coordination between EU-MS forest research and innovation. Different instruments could be considered such as ERA-Nets, a Joint Programming Initiative, or even an Article 185 Initiative¹³ for European Forests and the forest-based sector.
- Strengthen both the science-policy- and the business/enterprise/policy practice interaction.

¹¹ Proposal for a Regulation establishing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020). COM(2011)809

¹² Communication from the Commission Innovating for Sustainable Growth: A Bioeconomy for Europe. COM(2012)60.

¹³ Art. 185 of the Treaty of Lisbon enables the Community to participate in new joint research programmes undertaken by several Member states, as well as to participate in the dedicated implementation structures

- Increase the visibility of the forest sector and the bio-based economy in the EU research priorities and policies

4.3.5. Fostering coordination and communication

Coordination, cooperation and communication

a) What is the issue/problem/opportunity:

Coordination and cooperation key to overcome policy fragmentation: Forests address a wide range of cross-cutting policy objectives across which there is fragmentation, thus coordination, cooperation and communication are key factors for achieving coherence and consistency in forest related policies.

Right organisational set-up but lack of effective mechanisms: The organisational set-up with the Standing Forestry Committee, the FLEGT Committee, the Advisory Group on Forestry and Cork, the Advisory Committee on Community Policy Regarding Forestry and Forest-Based Industries and the Interservices Group on Forestry has proved to be a good platform for exchange of information and proposals. However, as regards coordination and cooperation effective mechanisms are still lacking. At present there are no further means that would stimulate *de-facto* proactive coordination and cooperation, such as legal obligations, strong political commitment and/or certain incentives. The EU/ Member states legal frameworks and the need to respect the well known "subsidiarity principle" makes a strategic approach much needed and challenging.

Contradictory messages and wrong public perception: There is a significant discrepancy between facts and public perception on forests, forestry and the forest sector. The general public is still not aware of the significance and importance of the contribution of "sustainable forest management" and "forest multifunctionality" and "forest sector as a part of the green economy" to society. The public and decision makers also receive scattered, inconsistent and contradictory messages from the different sectors dealing with forests by various points of view. It is necessary to further raise public awareness on the importance of forests. . On the other hand, the representatives of forest sector have not been sufficient sensitive to expectations of the society at large.

b) What should the objective at EU level be for forests:

- To improve the coordination and cooperation between Member States, Commission and stakeholders with the aim to improve coherence and consistency in forest related policies. For that clear institutional arrangements are needed, and a further involvement of stakeholders in the decision process is desirable.
- Improve communication between society and the sector and increase awareness on the forests and forest sector in a surrounding society. This is closely related to reliable data on forest resources and their benefits and requires communication between all actors.

c) How the EU Forest Strategy should contribute to achieve these objectives:

- Include overall objectives and specific aims for EU forests, thereby underpinning MS' SFM policies which address holistically and coherently all dimensions of sustainable forest management, and to ensure the different functions are balanced.
- Invite Member States to set up and implement their national or regional action plans/ national forest programmes which take into account the new EU Forest Strategy and its objectives and targets.
- Further improve coordination inside the Commission in forest related policies.
- Consider launching "performance indicators" which, in a simplified but accurate way, show policy makers in particular and the society in general the different aspects, contexts and results of forests and forest management.
- Improve the knowledge and understanding of the society on multiple forest benefits through better information and education.
- Joining forces to promote the main messages of the EU Forest Strategy, including through the EU Forest Communication Strategy.
- Adopting the Strategy at the highest political level.

International Pillar (including Pan-European and global)

a) What is the issue/problem/opportunity:

The EU lacks a coherent, holistic approach in relation to global forest related issues; The EU and its Member States coordinate their position on the ongoing negotiations on the LBA. There is a need for improved

coordination on other global issues related to forests. The current EU Forestry Strategy does not sufficiently address international issues, yet the EU and its Member States are key players in international and regional forest policies and in implementation through international cooperation.

The EU's approach to international issues is usually single-issue driven; there is a need for a more co-ordinated approach in linking the international and regional agenda with other EU forest-related initiatives (e.g. UNFF, REDD+ and FLEGT, Forest Europe/LBA).

Global/regional and Paneuropean EU forestry issues are tightly interlinked: forest issues, including climate change for example, are high on the international agenda, and many EU policies have their focus on international challenges. These policies affect the EU forest sector.

b) What should the objective at EU level be for forests:

- Maintain and enhance EU's role and contribution in forest related international cooperation and the EU's influence on international forest policy regime.
- Co-ordinate and align the goals and objectives of EU and international forest-affecting policies, and ensure these policies' positive contribution to the EU, its forests and the forest sector.
- Strengthen Member State and stakeholder involvement in international forest policy development.

c) How the EU Forest Strategy should contribute to achieve these objectives:

- To set out clear, coherent and succinct goals and objectives (strategic approach) in relation to international forest policy agenda.
- To enhance EU's international cooperation's contribution to achievement of EU's international and internal forest policy objectives.
- To improve the governance and coordination inside of the Commission and the Member States as well as in the interinstitutional arena in order to ensure coherence in different forest-related international processes.
- To explore means of facilitating the exchange of information of MS prepared positions on international forestry issues.
- To improve the capacity of EU and its MS to analyse and synthesise changes in the global markets for forest products and services and global effects of EU forest related policies.

5. HOW: Possible options and instruments

5.1. Policy options

In order to address the problems from chapter three, the following options were identified:

0. No strategy

1. 1998 strategy / just technical update

2. New strategy including agreed actions with Member States (policy guidelines on certain topics and guide for actions).

3. Option 2 + identification of some areas where some MS would like to advance further

4. Framework Directive on Sustainable Forest Management

The group recognises the limitations of a voluntary instrument in a framework where other policies in the EU Treaty impose obligations to forests and forestry, but considering different national circumstances and the positive developments that have arisen from both the 1998 Forestry Strategy and the 2006 Forest Action Plan, the voluntary option is considered the best step forward, although identifying some areas for further development. Thus, the Working Group considered that **the best option would be n°3** with the following **suggestions for possible enhanced collaboration: regional /cross-regional cooperation; climate change adaptation & mitigation; valuation of ecosystem services; forest fires; forest health; forest biodiversity, forest information and monitoring, production and mobilisation of wood material from sustainable**

managed forests, promotion of wood based products and constructing with wood¹⁴ as part of the green economy, afforestation.

Although a legislative proposal such as a Directive would be an efficient instrument to achieve the coordination and implementation goals, considering that Forest policy is not in the Treaty, a wide consensus among Member States would be needed to pursue this option, which currently is not the case. Though, one member stated that option 4 could be a possible follow up of the strategy, particularly in the context of those areas of the Strategy where a higher level of EU intervention is justifiable, e.g. forest protection and information.

It is important to underline that a voluntary option would be only effective if there is a strong commitment from both the Commission and the Member States to follow and implement it.

5.2. Need for a new Forest Action Plan/Framework

The differences between a strategy and an action plan are underlined in the table below:

Strategy	Action Plan / Framework
Longer time frame	Shorter time frame (i.e. 3-5 years)
General principles and objectives	More targeted, including concrete actions
More stable	More dynamic and flexible
To be considered by other policies when addressing sustainable forest management and multifunctionality	Contributes to the good implementation of the strategy
May provide guidance for immediate action	Possibility to further involve MS and stakeholders on a regular basis.
	Monitoring, reporting and correction/improvement mechanisms are provided for.

An action plan/framework complements and is considered an important element for implementing the strategy. It is recommended that the strategy includes a provision for the rapid development of a future forest action plan(s)/framework, and possibly some immediate actions. The Working Group suggests that the different Commission services identify a limited number of priority actions for forests and forest sector in different policy areas, to be included in a future common action plan(s)/framework. The Standing Forestry Committee and the Advisory Groups on Forestry and Cork and on Forest-based Industries should be consulted and contribute to identify the possible actions by Member States and by stakeholders respectively.

5.3. Links between National Forest Policies (and programmes) and EU Forest Strategy

Although information exchanges between EC-Member States as well as among MS are positive and strengthen the links between national forest policies (NFPs or equivalents) and the EU Forest Strategy, it is not considered sufficient and could be further developed and improved. The consideration and implementation of the EU Forest Strategy in national policies as well as in the design of EU policies affecting forests and forestry and their implementation by Member States is also a relevant element.

In order to make these links stronger, the following suggestions and possibilities are proposed:

- Member States to follow and/or refer to the EU Forest Strategy and Action Plan or Program for their national/regional plans and programmes.
- Further exchange of information on the National or regional forest action plans/programmes in the framework of the Standing Forestry Committee with the aim to identify best practices.
- Use of the EU Forest Strategy and its Action Plan to assist COM in the development and implementation of other EU initiatives related to forests.
- Use of the EU Forest Strategy and its Action Plan to assist MS in the implementation of other EU initiatives related to forests.

¹⁴ These products and related industries will be developed in the document on Forest-based industries

- Use of the EU Forest Strategy development process to support the negotiation of a Legally Binding Agreement on forests in the Pan-European Region, and the EU Forest Strategy itself to facilitate its implementation in the EU, if successful.
- Use of EU Forest Strategy to guide and strengthen forestry measures arising from the EU Rural Development Regulation.

5.4. Resources for implementation

Already now the forest sector receives important resources from the EU, in particular from Rural Development Policy (rough estimates indicate that around 90% of total forestry funds come from RDP) as well as from research and innovation policy, structural funds, climate change policy, LIFE+, development cooperation and others. However, the group considers that the efficiency in the use of resources currently available could be improved and the new Forest Strategy should contribute to improving that efficiency.

The implementation of the Forest Strategy should also facilitate a better coordination of resources in different policies affecting forests and the forest sector as well as of resources from Commission, Member States and stakeholders towards the same goals. For that, a deep assessment of resources currently available should be undertaken as well as an analysis of possible guidelines for resource coordination.

EU financial instruments are necessary to help deliver a new dynamic strategy, although the group recognised that under the current difficult economic situation new financial instruments may not be the most appropriate option to consider at this time.

In this situation, forestry measures under Rural Development Regulation can provide the core basis for the implementation of the strategy. To effectively do so, both an improvement and strengthening of those forest measures is considered necessary, given their current low implementation ratio.

5.5 Organisational and institutional aspects

An effective coordination between different policies that have an impact on forests and forestry and between the EU, its Member States and stakeholders is a key element for an effective response to EU commitments in the framework of pan-European and other international processes and for a successful implementation of the strategy.

The inter-services group on forestry ensures the co-ordination of forests and forestry related policies inside the Commission, while the Standing Forestry Committee, the FLEGT Committee and the Advisory Group on Forestry and Cork links with Member States and stakeholders respectively. In parallel the Advisory Committee on Forest-based Industries provides co-ordination under EU Industrial Policy between sectoral stakeholders. The right cooperation setup seems to exist but the interactions between these different bodies and the usefulness of their contributions could be enhanced by giving these groups a clear role in EU's forest-related policy formulation and development. The possible role of the Forest Directors meeting supporting the implementation of the strategy could be also considered.

The Commission is encouraged to present a clear "coordination scheme" which enlightens the way Commission's forest expert groups are involved early on in the policy formulation phase. Furthermore, the Commission is invited to provide timely information on developments of intra-EU and external-EU group.

5.6. Monitoring and follow up

The Standing Forestry Committee and the Advisory Group on Forestry and Cork should ensure the monitoring and follow up of the strategy. It would be also important to address how the monitoring and follow up would be ensured in Member States. The Forest Action Plan that should be adopted soon after the Strategy should spell out a selected limited number of key actions to be implemented at national/EU level. This may include consideration of some targets to be further specified and should include monitoring mechanisms (possibly with quantitative indicators identified and agreed in the Council), reporting procedures and provisions for implementing corrective actions or improve the implementation of the actions.

The new Forest Strategy should include a review clause for mid-term evaluation (e.g. 2020) in order to allow the strategy to adapt to new relevant policy developments, if any.