

FINAL MINUTES

Meeting of the Civil Dialogue Group “Forestry & Cork”

Thursday 9 July 2020 (Videoconference)

Chair: Mr António Paula Soares

Organisations present: All Organisations were present.

1. Approval of the agenda

The Chair welcomed the members and asked them to approve the minutes of the previous meeting and the agenda. The minutes were approved. The agenda was approved.

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

Welcome and information on COVID-19 crisis impact on the EU forest sector and CDG opinion on EU Green Deal

The Chair shared information collected by EU forest stakeholders on the impact of the Covid-19 crisis on the EU Forest Sector. Forest activities kept being carried in most Member States despite strong limitations due to social distance and extra precaution measures. Important economic impacts are expected to be felt for several years as the economic crisis and upcoming recession are unfolding.

The Chair informed the CDG about a draft resolution from the CDG on the forest sector in the EU Green Deal, that was prepared by CDG chairs and vice-chairs. The draft document was sent for comments to all CDG members and comments were received from Copa, CEI-Bois and Euraf. Amendment were made accordingly. When the final draft was shared, on last day of the procedure, Via Campesina informed the Commission that they would abstain. Due to CDG rules, the draft opinion can only be adopted if supported by all members. Thus, the existing draft can not be presented the European Commission. The Chair gave the floor to Via Campesina to explain their position.

Via Campesina informed the CDG that they will send an explanatory letter and underline that they don't see the need of such an opinion coming from the CDG as forestry is a sovereign topic in the hand of the Members States.

COPA stressed that the recent years the CDG Forestry&Cork was one of the most active. They agree that the subsidiarity concerns should be taken into account and suggested to give a try to amend the draft opinion in order to include Via Campesina concerns and still send a message to the European Commission from all CDG members.

ELO and **USSE** expressed support to Copa position.

Cepi supported Copa statement on the draft CDG resolution. On Covid-19, they shared some insight of the positive and negative impact of the pandemic on their sector.

WWF underlined that it should be reflected how much time was invested in the drafting of the CDG resolution and warned against possible watering down of the messages.

The Chair concluded that since it is important for the CDG to be strong and active, the CDG chairmanship will investigate what could be the possible next steps for this CDG resolution.

EU Biodiversity Strategy to 2030

EC presentation

ENV made a presentation that is available on CIRCABC.

Questions

ELO asked how “strict protection”, “old-growth forest” and “closer-to-nature forestry practices” will be defined and how management supporting protection would be addressed. It stressed that setting aims without proper definition is dangerous and asked for involvement of the CDG members in the development of the definitions. On old-growth forests it underlined the highly different understandings across EU. It noted that management restrictions should be in line with actual compensation and asked which financial resources are foreseen for this. In addition, it stressed that a robust and ambitious Biodiversity Strategy is important but that the climate change’s aspects are not well enough reflected. The impact on climate change on biodiversity should be better addressed.

Copa questioned the link made between zoonosis and biodiversity loss. It stresses that the current pandemic is linked to the habit of eating wild animal in Asia, not to biodiversity loss in Europe. The real driver of biodiversity loss in the EU is the use of fossil-based energy and products and impacts of climate change. It also asked how “strictly protected forest” will be defined, as this uncertainty could severely impact property rights; Strictly protected forests without financial compensation is not possible. It raised some concerns about foreseen guidelines on close to nature or afforestation that could be a threat to the subsidiarity principles. It also asked what is meant by the wordings “whole tree harvesting” and stressed that bashing of forest biomass should be stop as we need it to cut off fossil-fuel emission.

CEI-Bois raised questions about the 3 billion trees objects and asked who will finance the foreseen actions, which tree species will be planted, according to which principles

this planting will take place and who is foreseen to manage this plantation. In addition, it stressed that only climate change resilient species should be planted.

Eustafor supported previous points and reminded that available data, including those reported by Member States is key. It called the Commission to base its target on official definitions available. In the context of degradation, Eustafor underlined that the abiotic and biotic drivers should be addressed. On the target on strict protection, Eustafor asked how it can be assured that the target will be implemented and distributed based on relevant areas and not based on ownership types.

EEB Fern stated that it is very supportive of the strategy. It said that participatory process is essential to ensure effective implementable actions and that there is a need to ensure coherence among the different initiatives on forest under the Green Deal. In response to Copa's remark on 'bashing biomass', it stated that to reach carbon neutrality we need to cut greenhouse emissions - not only from fossil fuel use -, and increase CO₂ removals from forests. It reminded that the European Commission's assessment is clear that in order to do this, there is only a limited role for forest biomass in the energy sector.

Cepi underlined the importance of the connections of the biodiversity strategy with other strategies, including the bioeconomy strategy in 2018. It reminded that science suggests that changing climate goes faster than the possibility of nature to adapt to the new climatic conditions. Therefore, the speed of climate change calls for more active forest management. It asked how the connection is between the fact that the EU Forest Strategy should build on the Biodiversity Strategy for 2030 and the fact that the EU Forest Strategy is a contribution of the COP UNFCCC.

CEPF expressed its support for most previous points. It asked about the evaluation of the Biodiversity Strategy to 2020 and stressed that prior to define new actions, it is essential to know if the current strategy achieved its goal. CEPF asked how this evaluation will feed the already published Biodiversity Strategy for 2030. It also asked why the announced guidelines on afforestation and close to nature, that are going beyond biodiversity concerns, are under the Biodiversity Strategy and how they will relate to the EU Forest Strategy for these guidelines. It stressed that both CDG Forestry&Cork and the SFC should have a strong say on these guidelines. In addition, CEPF reminded that the question of the competences on forestry deserves further discussion and should be clarified. Finally, CEPF reminded that forest owners don't manage their forest for energy as it's not a high value product; energy wood comes from small diameter or damaged trees and it is important to acknowledge that bioenergy supports SFM.

Copa stated that climate change will modify tree species' site suitability, comparable to a 500-1000 m altitude change. It added that unmanaged forests should be monitored not to become heaven for IAS or pest outbreak, which would be worse for biodiversity conservation. The reality check of biodiversity strategy must be carried in the field with foresters and forest owners.

BirdLife noted that there are examples of unmanaged forests that are beneficial for biodiversity while being resilient to bark beetle and climate change. It reminded that there are many data sources indicating that forest biodiversity is decreasing despite claims of SFM. To reverse this trend is important, added BirdLife. It added that it disagrees that bioenergy supports SFM as sustainable biodiversity requires deadwood to build up carbon and habitats.

Answers from the European Commission

Regarding the definitions, the Commission stated there will be a participatory process. The CGBN and NADEG will be much involved. In their framework the WG Forests&Nature will support the forest-related definitions in an inclusive process. The Commission welcomes any inputs from SFC.

The Commission explained that “strict protection” means non-intervention management where natural processes are left undisturbed. There could still be regulated activities such as recreation or activities linked to specific situation such as swine fever management or removal of biomass for forest fire prevention. Similarly, for “old-growth forest”, the lack of definitions and the uncertainty it creates is understood by the Commission and will be worked upon.

The need of appropriate support of assessment is an important point. The Commission is working on improving its monitoring framework for ecosystem services. It is looking at data gap, inconstancy and integrated assessment (soon to be published). This is part of the new governance framework. In addition, the need of good information on forests is why the Commission is calling for further development of FISE.

The Commission stated that climate change is an important driver of biodiversity loss but not the only one. Therefore, to reach good ecosystem’s conditions, all pressures should be addressed. For more resilient ecosystems, the Commission stated that an integrated approach, not limited to climate change concerns was important. It should include management and species composition, and best adapted native species. The work on the new Adaptation Strategy will further address this issue said the Commission.

The Commission reminded that it wants to favour use whole tree for other purpose than burning and doesn’t intend to bash biomass. However, burning of whole trees is not the most suitable use of trees. The Commission raised some concerns on the intensification of use. These are supported by the Ceccherini *et al.*’s paper in Nature 583, 72–77 (2020)

To address the possible impact on ownership and owners, the Commission will work with stakeholders and Member States. It noted that this concerns will be addressed in the WG Forests&Nature while discussing payments for ecosystem services and acknowledged the work of forest owners for healthy forests.

The Commission stated that the details for the tree planting still remain to be decided with Member States and stakeholders.

The Commission did not agree that the planned guidelines represents a breach of subsidiarity. On the specific question on competence, the Commission is preparing a written reply.

The Commission explained that the evaluation of the Biodiversity Strategy to 2020 has continued in the background despite that there was a shift of the workforce. The review of evidence is still ongoing, and the stakeholder’s consultation was put on hold to avoid a time overlap with the publication of the Biodiversity Strategy for 2030. The stakeholder’s consultation is currently being revised to tailor it to the need of the new strategy, e.g. on to address the governance aspects or the requirements for proper mainstreaming. The study is expected to be published by the end of the year and the Commission’s report will follow in early 2021. In addition, the Commission reminded about the upcoming publication of the MAES EU-wide assessment and the State of Nature report.

The Commission agreed that the Covid-19 pandemic is not linked to biodiversity loss in Europe but as the EU has a role and a responsibility to play at the global level it should not be downplayed. The Commission said the Recovery plan will need to be used to change our own ways and patterns of consumptions.

The Commission reminded that the Biodiversity Strategy has been approved by the College and is a Commission document, not a DG Environment's one. Thus, the statement that the EU Forest Strategy will be built on the EU Biodiversity Strategy should be taken as a Commission's statement.

State of play of Commission work on Sustainable Finance

EC Presentation

ENV made a presentation that is available on CIRCABC.

Questions

Copa asked if there will be direct consequences for forest management, and for example on how the taxonomy would impact investments in forests and forest management. It also asked why the existing certification schemes such as PEFC were not considered sufficient to demonstrate sustainable forest management.

CEPF supported the request of Copa of a practical example, with clarification focus on the investment and the scope. It stated that the word "sustainable" is over- and mis-used more and more often. Sustainability can only be reached if you aim at an optimum of all functions. It welcomed the consideration of social aspects in the upcoming review. On the platform described, it asked how the balanced representation is going to be ensured as in the technical expert group (TEG) there is a majority of people from a single sector. It reminded that all affected sectors should be appropriately represented within the platform. It asked about an indication on much will the Commission will rely on the TEG inputs as forest owners' have expressed strong concerns on the final TEG report.

Cepi asked if there is any relevant point that the CDG should be aware of in the upcoming strategy. It reminded that there are already sustainability criteria in REDII and, as the TEG report includes different definitions, there is a risk of having two definitions at EU level if the Taxonomy adopt the TEG approach, which should be avoided. Cepi stressed that this is an important regulation and that they are willing to be involved and engaged on the platform for the forest-based value chain.

Eustafor wondered how the prospect of including the whole forest-product value chain is foreseen in the process of the taxonomy. Regarding to the platform, Eustafor asked how the balance will be made between general expertise and the need of sector specific expertise.

Answers from the European Commission

On the platform, the Commission explained that the situation is now different that when TEG application took place as the interests and awareness about the taxonomy is greater today. In addition, the call was then geared toward financial sector expertise, which has been changed. With the higher number of applications expected and the removal of the criteria to have both sectorial and financial expertise, the Commission will be able to have a better-balanced representation.

With regard to practical example, the Commission explained that if investments funds are directed towards, for example, buying forest, the impact would be that the management would need be in line with the taxonomy criteria. Bank lending could use the taxonomy requirements, but this is not a compulsory requirement of the taxonomy. The taxonomy would be only mandatory for financial participants that are putting financial products on the European market.

TEG report is an important input said the Commission. It added that this is not the only one for the delegated act and that there will be impact assessment will be also very important. The Commission is assessing and reflecting on how to use the TEG reports criteria, and that its decision to deviate or not from the TEG specification for article 19 will be made sector by sector. It stressed that the Commission is taking into account existing legislations.

The commission agreed that achieving sustainability means achieving optimum on different front. In this sense it agreed that it acknowledged to some extent the design of the Regulation is not ideal but reminded that this risk can be mitigated with the criteria setting. The enhancement of minimum social safeguard might be considered in the review said the Commission.

On value chain, the Commission said that the taxonomy will define criteria at the economic level, so one step in the value chain as well. For this LCA will be taken into account, so the positive and negative impact in the value chain. This being said, the Commission reminded that as such the taxonomy is not a value chain tool.

New EU Forest Strategy: state of play

EC Presentation

AGRI made an oral presentation.

It stated that the discussions on the EU Forest Strategy today are timely, as the Commission is starting the internal procedures, in order to adopt the new EU Forest Strategy by first quarter of 2021, as announced in the revised Commission 2020 Work Programme, as part of the EU's contribution to UNFCCC COP 26 in Glasgow.

The Commission reminded that internal discussions are just starting and outlined few points: (1) the EU Forest Strategy will be in line with the Commission's wider biodiversity and climate neutrality ambitions; (2) the strategy will follow up on the announcement in the European Green Deal that *'building on the 2030 biodiversity strategy, the Commission will prepare a new EU forest strategy covering the whole forest cycle and promoting the many services that forests provide.'*; (3) as such, the new EU forest strategy will have as its key objectives effective afforestation, and forest

preservation and restoration in Europe, in order to help the EU reach climate neutrality and a healthy environment, improve the resilience of forests, and promote the circular bio-economy, in full respect for principles favourable to biodiversity.

In the process of preparation of the EU Forest Strategy, the Commission will build on the already existing body of evidence on EU forests, forest status and needs, among others: (1) 2018's report on the progress in implementation of the 2013 Forest Strategy; (2) interim evaluation of the Biodiversity Strategy to 2020 and additional evidence for the EU Biodiversity Strategy for 2030; (3) Member States' reporting under the Nature MS Directives; (4) EEA's reports on forests and on the state of forest ecosystems.

The Commission will also carry out an open public consultation and will have dedicated discussions in meetings of the Standing Forestry Committee, Civil Dialogue Group on Forestry and Cork, Coordination Group on Biodiversity and Nature, and their relevant subgroups, Rural Development network, and WG on Forest-based industries.

Questions

CEPF thanked the Commission for the overview and asked if, in addition to the Green Deal and Biodiversity Strategy consideration, the multifunctional management of forest will stay at the core of the new EU Forest Strategy.

Cepi stated that the entire value chain and the multifunctional aspects of forest should be covered by the Forest Strategy and that it should include clear reference to climate change mitigation potential of forest with their three S potential (sequestration, storage and substitution). A recent study of the FBI showed that the three S account for 20% of EU total emissions and provide jobs in rural areas and globally. This is why the forest-based sector should be included in the EU Recovery plan. It added that it supports the work of MEP Sarvamaa's report.

ELO asked about the interconnection with the Biodiversity Strategy and how the level playing field between the two strategies was going to be ensured.

Copa asked about the link between the Forest Strategy and the work on the Biodiversity Strategy as the WG Forests&Nature already started its work. It reminded that there is still a lack of clarity and that the EU Forest Strategy should not be just a tool for the implementation of the Biodiversity Strategy. It said that the EU Forest Strategy should be a tool to implement all multifunctional aspects and all ecosystem services as stated in the Green Deal .

Chair announced that the CDG was invited by DG AGRI to discuss on the EU Forest Strategy during a joint meeting with the SFC to take place in September. This will be a good opportunity to discuss that the future EU Forest Strategy. The day before this joint meeting, a seminar will take place to discuss the implementation of the current EU Forest Strategy, where CDG participation could be of added value.

Answers from the European Commission

The Commission took good note of all points raised and assured that the multiple services of forest will be well looked into. With regards to the inclusion of the whole value chain, it will be considered by the Commission during the process.

New Climate Adaptation Strategy – state of play

EC Presentation

CLIMA made a presentation that is available on CIRCABC.

Questions

Eustafor stated that, in addition to its inputs to the roadmap, all three components of sustainable forest management must be included in work related to climate change mitigation and adaptation. It reminded that forests need to adapt to climate change, and that it must be accepted that they henceforth change. Eustafor said that the Climate Law is not enough focused on phasing out fossil fuels which might push expectation for forest compensation and potentially increase demands for set aside. It reminded that this is really risky approach knowing on how vulnerable forest are.

Copa said that to reach the goal of adaptation, investment and a better phasing out of CO₂ intensive materials is needed.

CEPF agreed with Copa comments and underlined that there is a clear need for increased forest resilience and forest adaptation to climate change, if we want to keep their mitigation potential. CEPF asked about the link between the EU Forest Strategy and the Adaptation Strategy and expressed its hopes that the EU Forest Strategy will complement and well support the EU adaptation strategy. CEPF supported Eustafor comment on the link on the Biodiversity Strategy as some announced actions (strict protection and non-management) may not be in line on how to adapt forest to climate change and would implies increased risks. CEPF concluded with stressing that a main question is how to adapt on the field, and reminded that there is need for research, advise, and financial support.

Cepi supported Eustafor and CEPF comments. It said that adaptation must tackle both adaptation of management and adaptation of society, thus reduce our product consumption and use new products. Cepi supported the coordination with other policies and asked if the CDG could contribute to achieve a balanced approach.

BirdLife said that adaptation to climate change should not be limited to phasing out fossil fuel. It stated that the replacement of fossil products by wood-based products, is not the best adaptation strategy. It asked for an adaptation of the consumption patterns and to increase the sequestration of carbon, and to address how forests and landscape work for prevention of desertification or forest fire. BirdLife insisted that restoration and regeneration should be achieved through natural processes.

CEPF agreed that the current strategy, as many other new strategies, was to EU centred and overlooked global perspective, including the achievement of the UN SDG, and the

EU responsibility to lead a global coalition. CEPF stated that our luxury continent cannot be developed at the expense of degradation of tiers countries economic, social and environmental conditions

Chair asked what would the European Commission need from the from CDG members to support its work?

Answers from the European Commission

The Commission stated that there might be some misunderstanding since the Climate Law is not discussing pathways to carbon neutrality and phasing out fossil fuel, but setting a direction of travel for EU climate policy, putting into legislation the objective for the EU to become climate-neutral by 2050.

From stakeholders, the Commission said it needs ideas of concrete actions and suggestions to support adaptation to climate change. It needs especially information on what are the critical needs and the right level of actions to support the future climate-proofing of forests. The Commission asked the CDG members to contribute to the ongoing open public consultation to convey how they see EU action on the forest sector to help it build up resilience of forests.

Communication on EU actions to protect and restore the world's forests: state of play

EC Presentation

ENV made a presentation that is available on CIRCABC.

Questions

Copa asked if the deforestation discussion is clearly not related to land use change in EU, as the forest area is increasing in Europe. It asked how the Commission assessed the current work in the European Parliament and how the future measures will be appropriately and thoroughly discussed.

CEI-Bois asked about the upcoming legislative proposal and how will timber products be included in the impact assessment as agriculture expansion is the driver of 80% of deforestation, ? About due diligence, CEI-Bois reminded that it is already mandatory under EUTR and asked if this was to be changed with mandatory criteria. On placing product on the EU market, it asked if it would relate only on imported products from outside the EU or if it would also apply to products coming from the EI. Lastly, on voluntary labelling, it asked how the legislative proposal does will relate with certification and if it would complement it.

CEPF asked how the on ongoing work in European Parliament will feed the Commission work.

Cepi thanked the Commission for its clear statement that deforestation is mostly driven by agricultural expansion and poverty as their member companies are still accused of driving deforestation despite certification and EUTR in place for many years. On actions, Cepi asked how poverty driven is going to be addressed, as it is a strong driver especially for forest degradation. It also asked if the concept of forest degradation will be the same as the one in the climate convention.

ELO stated that European Commission initiative to address tiers countries issue should not imply to European forest under full protection as it will create leakage. It asked the European to address forest in a comprehensive manner and to clearly support development of sustainable forest management in the EU.

Via Campesina asked to clarify where the 10% of deforestation due to EU responsibility is coming from.

BirdLife insisted that expansion of forest in EU is only happening on abandoned land. It reminded that that poverty driven deforestation is linked to European consumption pattern that put pressure on land use in tiers countries and induce poverty.

Copa asked if it is discussed why wood products are so much challenged and the only one to have to prove their sustainability if the agricultural sector is the main drivers for deforestation. It stated that only when forestland will have a higher value, the change of land use issue will be tackled.

Answers from the European Commission

The Commission explained that wood products are already addressed under the EUTR and FLEGT. As the President of the commission insisted on the “one in, one out” principle, it will have to be taken into account that any new legislation should not create additional burden, without relieving another. Therefore, the Commission said that it is possible to think about a single future legislation that will address forest and agricultural products (such as soy or meat). The Commission stressed that the scope of the new regulation and the use of forest certification will still be subject to discussion in the impact assessment, and that it is only at the early stage of the discussion.

The scope of a future legislative proposal is the subject of the impact assessment said the Commission. It mentioned it is aware of drivers of deforestation and aim to measure the relative importance of the factors driving deforestation. It said it is too early to announce which ones and how they will be tackled, and decision will have to be made to address all drivers or to focus on the main one. For this a cost-benefits analysis will be key said the Commission.

The European Parliament report is a recommendation to the European Commission to prepare a legislative initiative, it explained, and it will be seriously taken into account and into consideration when preparing its own legislative proposal. The proposal of the Parliament is based on due diligence considering also human right criteria, ecosystem and a broad range of products.

Any future legislation will need to be compliant with WTO rules on non-discrimination criteria said the Commission, so it will address products both imported and produced in EU.

The Commission agreed that cooperation with third countries is essential. It said that, as in the EUTR, there could be inclusion of trade deal and voluntary partnership agreement. The Commission shared information about on-going work on “new forest partnership”, for new forest focus cooperation agreement with relevant production tiers countries.

Regarding to the 10% deforestation that the EU is responsible for, it mostly related to imported deforestation. But as the data is quite old, the Commission said it will work on updating this figure.

The Commission stressed that the aim of last year communication was to shift the focus of forest products toward all other products so to best address driver of deforestation.

AOB and closure of the meeting

ELO asked if, in light of the discussed issue on the adoption of a CDG opinion, the adoption rules should be modified. ELO stated that the current system is probably not the most democratic and efficient way of adopting a CDG opinion.

Chair said this will be discussed with the vice chairs and brought forward to Commission.

4. Conclusions/recommendations/opinions

The Chair will further discuss with Via Campesina and the vice-chairs to investigate the opportunity to possibly adapt the CDG opinion on the forest sector and the Green Deal.

5. Next steps

The points for discussion that were on the agenda will continue to be debated in the next meetings.

6. Next meeting

The next meeting of the CDG Forestry and Cork will be a joint meeting with the Standing forestry Committee and will take place on 18 September 2020. On 17th September afternoon, a seminar on the implementation of the current EU Forest Strategy will be organised and CDG members will be invited to contribute.

7. List of participants – Annex

Disclaimer

"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."

List of registered participants– Minutes

Civil Dialogue Group « Forestry & Cork » - Thursday 9 July 2020

MEMBER ORGANISATION	NUMBER OF DELEGATES
Confédération Européenne des Entrepreneurs de Travaux Techniques Agricoles, Ruraux et Forestiers/ European Organisation of Agricultural, Rural and Forestry Contractors (CEETTAR)	1
Confédération Européenne des Propriétaires Forestiers (CEPF)	8 (including Chair)
Confederation of European Paper Industries (Cepi)	2
European Agri-Cooperatives (COGECA)	5
European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT)	2
European Agroforestry Federation (EURAF)	2
European Confederation of Woodworking Industries (CEI-Bois)	2
European Coordination Via Campesina (ECVC)	3
European Council of Young farmers (CEJA)	2
European Environmental Bureau (EEB)	2
European farmers (COPA)	6
European Landowners' Organization asbl (ELO asbl)	5
European State Forest Association (EUSTAFOR)	2
Fédération Européenne des Communes Forestières (FECOF)	1
International Federation of Organic Agriculture Movements EU Regional Group (IFOAM EU Group)	1
Stichting BirdLife Europe (BirdLife Europe)	2
Union de selvicultores del sur de Europa, AEIE (USSE)	2
Union of European Foresters (UEF)	1
WWF European Policy Programme (WWF EPO)	2
TOTAL:	51