

Speech by Commissioner Phil Hogan at the European Parliament Intergroup on Climate Change, Biodiversity and Sustainable Development

- *“Sustainable Forest Management”*

26th May 2016, Brussels

- Check Against Delivery –

- MEP Köstinger, MEP Kumpula-Natri, Honourable Members, ladies and gentlemen,
- I'm very glad to be here with you this morning, my thanks to the members of the Intergroup for inviting me. Particular thanks to MEP Köstinger for her continuing hard work and dedication chairing the working group on Sustainable Forest Management.

- As EP rapporteur for the EU Forest Strategy, and as former "MEP of the Year" in my own area of Agriculture and Rural Development, yours are a safe and experienced pair of hands.
- I'm also very pleased that there are a variety of stakeholders in attendance today, including forest owners, forest industry representatives, and experts from the environmental and nature conservation sector. Your active participation is vital if we are to succeed in our shared goals.
- I was pleased to discuss these topics with you as recently as last November, when I noted that “forestry represents a key sector in the transition towards a low-carbon and climate friendly economy, and is one of the main sectors that keep our rural areas vibrant and sustainable.”
- **This message remains just as true today, and even more people are hearing it.** I would put it to you that this principle has been strongly reinforced by subsequent international developments, most notably the ground-breaking climate agreement reach in Paris at the COP21 summit.

- The fierce urgency of this global challenge is now firmly back in the limelight, in both public and policy domains. This is as it should be, and we as policymakers must use this momentum to make progress at international, regional and local level.
- Before outlining the steps we must take, let me paint the backdrop by reminding you of a few critical facts and figures.
- Forests are one of the most important land uses in the EU, covering about 40% of our total area. It is also important to recall that this percentage has been expanding steadily over the last 50 years.
- From an economic perspective, forestry is one of the main sectors keeping our rural areas vibrant and sustainable, providing over three million jobs in the EU.
- From a biodiversity perspective, forests are an essential element of Europe's nature and wildlife. As the most diverse terrestrial ecosystems, forests play a major role in the protection of EU biodiversity and in the provision of many ecosystem services.

- Finally, as I mentioned earlier, more people than ever now understand that forestry represents a key sector in the transition towards a low-carbon and climate friendly economy.
- The Paris Agreement reached last December has confirmed the importance of forests. The nations of the world have set the goal of achieving a balance in emissions and removals in the second half of this century. It is clear that the forest sector will be absolutely central to this low-emissions pathway.
- The increasing demand for forest biomass is likely to continue, in line with worldwide demand from traditional industries and from the promising development of the bioeconomy.
- At the same time, forest ecosystems are exposed to a number of threats aggravated by climate change, with more frequent storms, fires, droughts and new pests and diseases.
- To balance the opportunities with the challenges, there is a pressing need to ensure the long-term sustainable management and development of forests, which balance their economic, social and environmental benefits while enhancing their resilience to a more demanding spectrum of threats.

- **The EU Forest Strategy aims exactly to that.** The specific objectives of the Strategy are to strengthen sustainable forest management, including the reduction of deforestation at global level, and to ensure that all forests in the EU are managed according to sustainable principles.
- At international level, I was encouraged by a recent independent evaluation which concluded that Europe's action plan to clamp down on the trade of illegally sourced wood products is working.
- Within the EU, meanwhile, the Multi-Annual implementation Plan of the Forest Strategy – **or as we prefer to call it, the "Forest MAP"** - will guide us and the sector towards the achievement of the 2020 objectives of the EU Forest Strategy.
- The Strategy aims to strengthen coherence and to coordinate the various policies and initiatives relating to the forest sector, with an emphasis on increased involvement of the stakeholders.
- The Forest MAP supports and promotes the use of wood as a sustainable and renewable raw material.

- **This is the basis for developing the EU bioeconomy**, which we expect will greatly contribute to the decarbonisation of our economy and provide a more resilient energy union.
- I would also remind you that the EU already supports the sector in a number of ways:
- Through the European Agricultural Fund for Rural Development around **8.2 billion EUR** of public expenditure is programmed for forestry measures in the 2014-2020 period;
- Some 2.2 billion EUR will be dedicated to afforestation and creation of woodlands. More than half a million hectares will be afforested, contributing to climate change adaptation and mitigation;
- More than 200.000 beneficiaries from the forest sector will benefit from training, demonstration actions and advisory services;
- More than 1.5 billion EUR will be dedicated to investments improving the resilience and the environmental value of forest ecosystems, with around 90.000 beneficiaries;

- Another 1.5 billion EUR will be used to prevent forest damage;
- And more than 800.000 EUR will contribute to investments in technologies and in the processing, mobilising and marketing of forest products.
- The sector will also be the focus of multiple research and innovation policies, with Horizon 2020 and the European Innovation Partnership providing vital support and investment.
- This year we will have a number of activities relevant to forests under the European Innovation Partnership, or EIP-AGRI as we call it. There will be a Focus Group on the sustainable mobilisation of forest biomass and a workshop on new value chains from multifunctional forests. These activities might be followed up by further actions at regional and local level.
- I must also make reference to one of my favourite acronyms – LULUCF.
- Within the 2030 Energy and Climate Union, there is a strong emphasis on the land-use, land-use change and forestry sector, or LULUCF. This will in my view be absolutely critical to the success of the sustainable forestry agenda.

- Currently in the EU, the amount of carbon stored annually by the LULUCF sector represents 9 – 10 % of annual carbon emissions. There is a broad understanding that this must be maintained, and increased.
- Work on LULUCF is also addressed in the EU Forest Strategy, and in last year's Forest Multi-annual Implementation Plan, which has climate change as one of its priorities.
- **Now, I know you are wondering when there will be legislative action on LULUCF.** For now, I can simply tell you that the Commission intends to present a legislative proposal for a follow-up of the Effort Sharing Decision, and for the inclusion of LULUCF in the future climate framework in the coming months.
- **The Impact Assessment is being prepared and the legislative proposals are expected to be adopted before the summer break.**
- I believe that these measures, working in unison, provide an important push towards the sustainable forest management we aspire towards. They also correctly promote the multifunctionality of our forests.

- **I would also like to dedicate a few words to the importance of process.**
- As you know, the EU Treaty does not foresee provisions for a Common Forest Policy. Nevertheless, forests are a vital part of several community policies, including as I have mentioned rural development, climate change, environment and energy.
- The EU Commission under President Jean-Claude Juncker pays particular attention to the issue of coordination. In the new structure, the Vice-Presidents ensure coordination and coherence of key files.
- **And I want to emphasise that forestry is very much part of this coordination and coherence drive.** The Inter-Service Group on Forestry ensures that all sections dealing with forest-related issues achieve coherence at a technical level. I believe this is to be warmly welcomed.
- **Coordination and coherence is also enshrined in the EU Forest Strategy, notably through the Forest MAP where coordination is a key priority action.**

- In conclusion, ladies and gentlemen, all of you understand that forests are very different across the EU; so it is vital that the principles of subsidiarity, proportionality and better regulation are at the core of our decisions.
- The multifunctional role of our forests and their sustainable management are increasingly influenced by broader cross-sectoral policies and global commitments, such as the recently adopted 2030 Sustainable Development Goals. Furthermore, the general public now firmly associates forests with major climate, environmental and social benefits.
- We should, however, always remember that the economic viability of the European forest sector remains a key pillar of sustainable forest management. Economic viability is of crucial importance for maintaining the multiple benefits that forests provide to society, and especially for providing a living for rural populations.
- The support and positive collaboration from the European Parliament in implementing the new Forest Strategy is very much appreciated.

- MEP Köstinger, MEP Kumpula-Natri, colleagues, thank you very much for once again bringing forests again to the heart of the European Parliament. Like you, I am convinced that progress in this sector represents a win-win situation for our climate and for our economy.
- Thank you for inviting me here today and I look forward to working with you in the coming months.