



## Empowering the circular bioeconomy through the EU Green Deal



17 March 2021, 14:00 – 16:00 CET

Online Event

### Hosted by MEP Franc Bogovič

Chair of the “Bioeconomy” Working Group of the European Parliament Intergroup on  
“Climate Change, Biodiversity and Sustainable Development”

#### Speakers:

- **MEP Franc Bogovič**,
- **John Bell**, Director on Healthy Planet (DG RTD), European Commission
- **Claire Skentelbery**, Director-General, EuropaBio
- **Lauri Hetemäki**, Assistant Director, European Forest Institute
- **Luc Bas**, Director, IUCN European Regional Office
- **MEP Simone Schmiedtbauer**
- **MEP Asger Christensen**
- **MEP Ulrike Müller**
- **MEP Eero Heinäluoma**

## Introductory Remarks

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*MEP Franc Bogovič*

***“We must consider the social, economic and environmental aspects of sustainability. This means caring for the environment, ensuring new jobs, and spreading the benefits of the transition.”***

During his opening remarks, Mr. Bogovič asserted that the **European Union is determined to meet its climate commitments under the Paris Agreement and the EU Green Deal**. The plethora of EU initiatives launched to this purpose, such as the Farm to Fork Strategy, the Biodiversity Strategy for 2030 and the Long-term Vision for Rural Areas (expected in June 2021) are based upon the realization that **delivering sustainable policy outcomes requires a careful balance of environmental, social and economic implications**. In Mr. Bogovič’ words, if supported by the forestry and wood industries, the **bioeconomy** can play a crucial role in this regard, contributing to the **creation of 400.000 jobs across the EU by 2040**.

## Keynote address

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*John Bell, Director on Healthy Planet (DG RTD), European Commission*

***“Circular bioeconomy has the potential to bring work, prosperity, regeneration and recovery to parts of the economy that are not reached by the current economic model.”***

Representing the European Commission, Mr. Bell placed the EU Green Deal and the challenges arising from its mobilization at the core of his address. As stressed, **pursuing the EU Green Deal** to achieve a **post-waste renewable society** will entail a **dramatic shift in the political economy**. Prospectively, there is a need of shaping a within-boundaries, localized, ruralized, innovative and fair **circular model of bioeconomy**. Nevertheless, Mr. Bell quoted that the adaptation process lying ahead will not take place unless some compelling conditions will be met. Amongst the **challenges** Mr. Bell referred to the **need to work with the limited resources** and **ecological boundaries** that bioeconomic-based models imply, and the necessity to craft a

**system of appealing incentives, in order to achieve a post-waste society.** Thereafter, Mr. Bell presented the European Commission's flagship initiatives aimed at fostering circular bioeconomy models, including the EU Circular Economy Action Plan and the Bioeconomy Strategy. Concerning the latter, the speaker expressed his **satisfaction for the state of play of the EU-induced biobased transformation**, which is opening new avenues for a more sustainable and cascaded use of resources as technology advances. In his eyes, the enactment of concrete and forthcoming mechanisms, as for instance the Circular Bio-based Europe public-private partnership and the EU-Circular Bioeconomy Fund, will increasingly mobilize biobased investment opportunities across Europe.

## Presentation of the European Bioeconomy Alliance (EUBA) position paper on the Circular Economy Action Plan

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*Dr. Claire Skentelbery, Director-General, EuropaBio*

***“Societal change is crucial if we really want to deliver the circular and bio-economy revolution we are all working towards.”***

Speaking on behalf of the European Bioeconomy Alliance (EUBA), Dr. Skentelbery opened her address by revealing the remarkable employment share of the bioeconomy sector in the European Union, and that the EUBA sectors represent approximately 29 million people employed. What policymakers should take into account, according to Dr. Skentelbery, is that **circular economy and bioeconomy can be promoted as twin-track agendas**, provided their **policy link in vital sectors** such as food-waste, biomasses and biobased products. Approaching the focal point of her address, Dr. Skentelbery shared the key findings of the [EUBA position paper on the EU Circular Economy Action Plan](#) which includes a series of **concrete policy recommendations** to produce a long-lasting impact in the bioeconomy sector. As a starting point, the European Commission's Renovation Wave Strategy should foster the **construction of buildings through biobased insulation and building materials**, since they provide long-term **climate smart solutions** and ensure **energy efficiency**. Furthermore, efforts in the sector of **biobased and biodegradable plastics should be maximized**, as well as the **search for**

**alternative feedstocks**, given their potential contribution in terms of **climate change adaptation and mitigation**. From another angle, EUBA considers that the European Commission's ability to **engage industry and empower consumers**, through for example the Sustainable Products Initiative, will support the development of the bioeconomy sector. On this note, while **certification and labelling schemes for biobased products** help in clearly communicating the properties of bio-based products, the European Commission should also put in place an **incentives to steer industrial investments towards biobased products**.

## Interventions

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*Lauri Hetemäki, Assistant Director, European Forest Institute*

***“Reaching the Green Deal ambitions of climate neutrality and resource efficiency will ultimately depend on the capacity to implement circular biobased economic solutions.”***

Representing the Europe Forest Institute (EFI), Mr. Hetemäki started by presenting the Circular Bioeconomy Alliance. Founded in 2020, it hosts members from very diverse sectors and aims at expediting the EU-wide transition towards a bioeconomy model, while connecting investors to new investable and sustainable solutions. Subsequently, Mr. Hetemäki propelled the panellist's attention on the realities of the EU forest sector, providing **crucial insights on the interplay between the EU Green Deal and the forest bioeconomy sector**. While at first glance **forests** hold a prominent place within the EU Green Deal, Mr. Hetemäki argued that their **potential for climate mitigation transcends CO2 absorption capacity and preservation of biodiversity**. In this regard, efforts to adapt EU forests to the changing climate should also stem from other sectoral interventions, for instance by **promoting the substitution of slow-cleaning fossil-based energy and material products with forest-based raw materials**. All in all, from Mr. Hetemäki's viewpoint, EU forest-based sector can do much more in creating synergies to address holistically climate, biodiversity, economic and social objectives than the EU Green Deal in its current form indicates.

*Luc Bas, Director, IUCN European Regional Office*

***“A sustainable, circular bioeconomy is an important contribution to a new socio-economic and ecological paradigm. We need to measure things differently to create space for it, while being clear that there are limits if we want to secure our natural environment.”***

On behalf of the International Union for the Conservation of Nature (IUCN), Mr. Luc Bas stressed the need to bear in mind that, **while the bioeconomy is an essential component of the green transition, it must remain within planetary boundaries.** Nature-based solutions must be based on a set of clear criteria; 2 central ones are: they must have a net positive effect on biodiversity and tackle a social challenge. As regards to the three pillars of Sustainable Development mentioned by previous speakers, Mr. Bas highlighted the dependence of economic aspects on their social context, and of both society and the economy on their environmental milieu. Therefore, despite concerns about its effect on the scaling-up of the bioeconomy, **the cascading principle remains important in ensuring sustainability,** Mr. Bas argued. Likewise, the development of **natural capital accounting will help create a business case for investing in nature.** Mr. Bas expressed his belief that recent principles adopted by the United Nations Statistical Commission and their upcoming introduction at EU level will be instrumental in this. Mr. Bas concluded his intervention by stating that a sustainable bioeconomy is an industry that can help the transition and called on all stakeholders **to work together in the full implementation of European environmental strategies.**

## Reactions by Members of the European Parliament

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*MEP Simone Schmiedtbauer*

***“A truly sustainable Europe starts at the source. Boosting the circular economy and fostering a sustainable use of goods starts with the sustainability of materials.”***

Ms. Simone Schmiedtbauer, Member of the European People’s Party group (EPP) in the European Parliament, stated that a **truly sustainable Europe starts at the source**; this requires boosting the sustainability of materials and **using biomaterials as often and as far as possible**. There is an **interdependence between the bioeconomy and sustainability**, as the use of biobased materials allows for the replacing of fossil-based ones. Ms. Schmiedtbauer commended the positive effect that **sustainable forest management** practices are already having in several European countries. Given their great potential for **tackling social challenges while ensuring sustainability** at the source, they must be further reinforced. The transition to a green, circular economic model is both expected and deserved by European publics. As the voice of citizens, it is the responsibility of the EP to ensure the fulfilment of the missions set in the European Green Deal, Ms. Schmiedtbauer concluded.

### *MEP Asger Christensen*

*“The circular bioeconomy is important for farmers and society. It will be a new green business case for farmers and rural areas.”*

Mr. Asger Christensen, member of the Renew Europe Group in the European Parliament, opened his intervention by underlining the recent policy developments that set an **ambitious vision combining emissions reduction and the strengthening of biodiversity, while preserving the quality of the food supply**. Reaching the European climate and biodiversity goals will **require the use of all available tools, including the bioeconomy**, mentioned Mr. Christensen, who also pointed to important **synergies with the bioeconomy** across several policies. The Farm to Fork Strategy, one of the key priorities of which is the bioeconomy, will influence the priorities of the agricultural sector. Similarly, the Methane Strategy contains important incentives to the **use of biowaste for energy production**, which will be necessary to attain climate neutrality by 2050. If appropriately developed, the circular bioeconomy could become an important **source of value for societies**, constituting a new green business case for farmers and the countryside. To ensure that the bioeconomy will play a central role in the green transition, **regulation must be flexible and contribute to the development of new green technologies**, Mr. Asger concluded.

## MEP Ulrike Müller

*“Making sure that the bioeconomy can unleash its full potential for protecting climate, becoming more sustainable, and creating economic value will be one of my priorities.”*

Ms. Ulrike Müller, from the Renew Group at the European Parliament, highlighted that in the light of the very **ambitious climate framework** that is being developed at the European level, it is essential to ensure that **two key principles govern action** towards the goals that have been set out. First, as a rapid and clear transformation in all sectors will be required, **policies must be technology-neutral**. Second, the demonstration effects of the EU’s pioneering transition require that its **economic viability and opportunities are clear and ensured**. The bioeconomy successfully tackles many of these needs; it allows replacing fossil fuels with renewable sources that offer long-term carbon storage – contributing to emission reduction and sequestration – and creates value from residues and byproducts of the economic cycle. In addition, Ms. Müller underlined the increasing environmental requirements placed on farmers, which raise production costs but do not automatically result in higher commodity prices. More sustainable practices must become an **opportunity for farmers to expand into higher value-added products** such as textiles or construction, bringing **high-quality business and employment** opportunities to rural areas.

## MEP Eero Heinäluoma

*“The European industrial strategy is the cornerstone for delivering the Green Deal and a just climate transition. The Green Deal goals on climate neutrality and resource efficiency cannot be achieved without including biobased solutions.”*

Mr. Eero Heinäluoma, member of the Group of the Progressive Alliance of Socialists and Democrats (S&D) at the European Parliament, celebrated the broad acceptance of the European Green Deal framework. However, Mr. Heinäluoma, pointed out some characteristics that might hamper the successful development of the bioeconomy. While renewable energies are strongly promoted, this is not the case for renewable products.

Likewise, **a narrow focus on the carbon sink and biodiversity aspects of forests prevents the consideration of their economic and social importance.** The forthcoming update of the European industrial strategy will be critical in ensuring that the Green Deal implementation will fully capitalize on these strengths. Moreover, as highlighted by the MEP, a sustainable bioeconomy can also play **a role in creating new, high-quality jobs in the regions most impacted by the decrease of activity in sectors dependent on fossil fuels.** To ensure this, the **regulatory framework will need to be adapted** to support a sustainable and circular bioeconomy. Finally, Mr. Heinäluoma mentioned that promoting the bioeconomy bears the potential to increase Europe's strategic autonomy by replacing non-renewable and unsustainable materials with local and sustainable alternatives that spread value in society.

## Panel Discussion

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Moderating the panel discussion of the event, Ms. Papagrigoraki, Sustainability Director at Cepi, asked hosting MEP Mr. Bogovič about the role of the bioeconomy in boosting growth and high-quality jobs in rural areas. In Mr. Bogovič' view, **bioeconomy considerations are a good fit with ongoing debates on the need for a long-term vision for rural areas.** In this framework, the COVID-19 pandemic has shown that **connectivity and infrastructure** (technological, social, cultural, etc) are needed to ensure jobs beyond forestry and agriculture. Furthermore, representing the European Commission, Mr. Pavel Misiga, Head of the Circular Economy & Biobased Systems Unit in the Directorate-General for Research and Innovation of the European Commission (DG RTD), highlighted the **importance of coherence between policy initiatives when defining sustainable development.** However, **different benchmarks might correspond to different logics behind specific initiatives** (for instance performance criteria, as opposed to minimum regulatory requirements). Mr. Misiga also stated that, with a view to incentivizing the use of renewable materials, **green claims might have positive demand-side effects** by raising awareness among consumers about the environmental impact of products. This will require **case-by-case assessment of specific biobased products**, as their environmental performance relative to fossil-based materials diverges. On the demand side, the EU taxonomy for sustainable activities will help drive financing towards sustainable investments. Furthermore, Mr. Misiga expressed his hope that the performance benchmarks

for materials considered as contributing significantly to climate mitigation or adaptation under the taxonomy will be of use in formulating other policies or – if communicated appropriately – as a source of information to the general public. In addition, Mr. Bas elaborated on the **importance of natural capital accounting** for providing a stable framework where ecosystem services are factored in when **assessing land management**. Prior to wrapping-up the panel discussion, moderator of the event Ms. Papagrigoraki asked Dr. Skentelbery to summarize the relation between the bioeconomy and the circular economy. As a result, Dr. Skentelbery **rejected the idea that the bioeconomy is merely the single use of biobased materials**; rather, it implies **bringing the latter into all industries** while fostering circularity throughout the economy.

## Closing remarks

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### *MEP Franc Bogovič*

Within his closing remarks, hosting MEP Mr. Franc Bogovič welcomed the event's broad agreement on **the potential for biobased materials to help transition out from fossil-based materials**, while respecting the planetary boundaries and sustaining economic performance. Mr. Bogovič also highlighted the consensus on the need for **multi-stakeholder approaches**, involving consumers, industry, research, and the agricultural sector to deliver concrete benefits that spread along the value chain. Finally, Mr. Bogovič stated the need for recovery funding and planning to align with European priorities for green, digital and resilient Europe.