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## CEPF statement

### ***Ad-hoc informal meeting with Member States representatives on biomass sustainability DG Energy, 23 January 2012***

#### **Introduction - general statement:**

- About 60% of Europe's forests are owned by approx. 16 Mill. forest owners with an average holding size of < 10 ha
- Forest owners take the responsibility for the sustainable management of their forests since generations
- Forest owner highly welcome the use of woody biomass for energy production
  - There is no other energy carrier with a more positive balance and cost-efficient solution than woody biomass (see environmental trade offs)
  - Wood for energy opens new market perspectives:
    - creates new income and employment opportunities in rural areas
    - promotes the forest sector as a key element in rural development
    - supports the establishment of decentralised energy supply chains based on a sustainable energy mix (e.g. combined heat and power plants owned by forest owner producer groups)
  - Extraction of small-diameter wood biomass supports good forest management and improves the state and resilience of European forests.
- Currently, direct biomass is mainly a by-product from regular forest management
  - Forest owners do not directly produce biomass for energy production, but wood for energy is a by-product of regular sustainable forest management operations.
- Biomass is carbon neutral
  - Woody biomass deriving from sustainably managed forests in the EU is carbon neutral in a long term.
  - Wood biomass substitutes the use of fossil fuels thus adding the climate benefits of biomass.
  - Only an active and sustainable forest management will keep Europe's forests a carbon sink.
- When talking about energy policies, policy in general should:
  - support the mobilisation of wood in the EU
  - support the increase of forest growth
  - support resource efficiency
  - support the use of wood – not only for energy purposes but also as a long term product, e.g. in construction.
- When talking about producing and using more wood for energy, the three major concerns often raised are:
  - over use (exploitation) of Europeans forests - risk of deforestation and degradation
  - destruction of land with high biodiversity values
  - conversion of land with high carbon stocks

However, the need of legally binding sustainability criteria for forest biomass production at EU level need to be discussed from different points of view...



## Pros and Cons of proposed legally binding sustainability criteria

The main arguments **in favour** of new EU legally binding sustainability criteria are:

### Level playing field on bioenergy markets

The increasing demand for biomass for energy production will lead to an increasing trade, within but also from outside into the EU. A European wide sustainability standard for biomass could set a level playing field in the market and help to overcome trade barriers. At this stage a few member states of the EU (e.g. Belgium, Netherlands) have legally binding sustainability criteria in place. This leads to the situation where the same product has to comply with different standards within the EU. This constraint might hinder the future development and expansion of the bioenergy market for solid biomass.

However, a binding EU scheme on biomass production could lead to increasing biomass prices. In particular, as costs for additional administration and verification will increase.

### Unsustainable imports to the EU

Recent studies (e.g. EUWood, NREAPs<sup>1</sup>, EFSOS<sup>2</sup>) show that by 2020 the demand for solid biomass in the EU cannot be covered solely by the domestic production. Wood mobilizations needs to be increased by 50 % to reach the current energy targets (EFSOS II). This development will inevitably lead to an increase of imports of biomass (in particular from the US, Canada and Russia). The conditions under which the imported biomass is produced might not fulfil the existing sustainability standards within the EU.

However, it remains the question whether sustainability criteria can make a difference. REDD+, FLEGT and the EU Timber Regulation, although still not fully operational – are important programmes/ instruments, supporting proper legal structures, instruments and a general good forest governance. They also facilitate sustainable forest management in countries from which we potentially will import woody biomass into the EU. Current main exporting countries, like Canada and US<sup>3</sup>, have forest laws and other regulations at national/state level in force, safeguarding the principles of SFM also outside the EU.

### Nutrient depletion of forest soils

In general, the nutrient depletion of forest stands caused by harvesting of sawlogs and pulpwood is marginal, relative to the amounts extracted by the harvesting of energy wood (Hakkila, 1989). As a consequence of biomass extraction there might be a decrease in the forest growth in the long-term, depending on the particular forest soils (higher risk on sandy poor soils).

However, one of the key principles of every forest owner is to maintain the productivity of their soils. Due to the principles of generation bridging responsibility, short-term thinking and the exploitation of soils are contradictory to long-term commitments of family forest owners in Europe.

### Invasive species and pests

Unregulated imports of biomass bear the risk of being an entry point for alien invasive pests and pathogens, e.g. pine wood nematodes.

However, various well established EC Directives<sup>4</sup> are laying out protective measures against the introduction of harmful organisms to plants or plant products into the EU, and against their spread within the EU. Furthermore,

<sup>1</sup>National Renewable Energy Actions Plans

<sup>2</sup>European Forest Sector Outlook Study

<sup>3</sup>UNECE/FAO, Forest Products Annual Market Review 2010-2011

<sup>4</sup>2000/29/EC, 2004/102/EC and 2005/15/EC



the Commission introduced new requirements for the import of wood packaging material and for dunnage into the EU.

The main arguments **against** new EU legally binding sustainability criteria are:

#### Existing international and national legislation

At sub-national and national level, EU member states have proper instruments and regulations in place, which safeguard the principles of SFM, i.e. forest laws and other complementary regulations as nature or forest protection regulations, public procurement regulations, or land use and related planning acts. The scopes of national forest laws have expanded over the last decades in most countries, covering the multiple social, economic and political aspects of SFM. Forest laws in force are usually less than five years old (Forest Europe, 2011)<sup>5</sup>, taking into account new environmental and economic developments and concerns.

At EU level several well established instruments are in place, supporting and guaranteeing sustainable land use and forest management, and regulating timber markets:

- CAP and Rural Development
- Flora and Fauna Habitats Directive, Natura 2000
- Protective measures against harmful organisms/ invasive species
- FLEGT and EU Timber Regulation

Any new regulation on forest biomass should comply with existing EU programmes and standards and make sure mutual benefits are given.

Over the last two decades, the Forest Europe process defined and developed commonly accepted principles of SFM. These principles are a core element in most national forest regulations and programmes. At the Oslo summit in July 2011, Ministers agreed to start the negotiations on a legal binding agreement (LBA), which will provide the necessary European framework to further support and facilitate national actions in assuring and implementing SFM.

#### Problem of unsustainable land use practices not in Europe

The Problem of unsustainable land use practices in countries, outside the EU, will not necessarily be solved by sustainability criteria on biomass to be implemented at EU level. Unsustainable land use practices most likely occur in countries with none existing or weak governance structures and unclear ownership rights. A proper implementation of EU sustainability criteria can be assured only by countries with a well functioning forest governance and administration. In other unsustainable regions/ countries, other approaches are needed to reduce the potential negative impacts of an increasing EU consumption of woody biomass for energy.

#### Sustainability criteria for a single product

Solid biomass for energy production derives mainly from thinning and final harvesting operations. It is mainly a by-product! Applying specific sustainability criteria for a single product – considering the complexity of SFM – is not operational.

#### Compatibility of biomass in comparison to other energy sources

Energy produced from biomass will compete with other energy sources as e.g. gas and oil. Introducing sustainability criteria for biomass without focusing on the sustainability of other energy sources as well, will weaken the competitiveness of biomass as a renewable energy source and lead to a distortion of the energy market.

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<sup>5</sup>Forest Europe/UN/UNECE/FAO: State of Europe's Forest 2011



### Voluntary certification schemes safeguarding SFM

Almost 50% of the European forests comply with the voluntary certification standards PEFC and FSC. These schemes provide a strong guarantee and independent verification for SFM (including wood energy production) in Europe.

### Additional financial and bureaucratic burden

An EU-wide binding scheme could impose relatively high costs on small and medium sized forest owners. Most of the European forest owners are very small “enterprises” with extremely limited administrative and economic capacity. Therefore any further complicated and expensive bureaucracy needs to be avoided.

### Forest Management Plans as a tool to verify sustainability

Private forest owners say no to individual forest management plans as a tool (optional criteria) to verify sustainability of biomass for energy. They can not and should not be used as legislative regulatory tools at EU level. Verification of sustainable forest management should be done at national level, using well established and cost efficient forest inventory, monitoring and reporting systems. The steering towards sustainable forestry at individual forest holding level should preferably be done through existing sub-national and national forestry, environmental and land use legislation – and not through an EU wide set of criteria on one single product.

## **Conclusion**

European forest owners highly support the utilization of woody biomass for energy production.

Overall, European forest owners guarantee that Europe’s forests are managed sustainably. This principle applies for all products produced, including solid biomass.

Healthy forests on vital soils are the capital of any private forest owner – these conditions will not be put at risk by the production of biomass.

Most of Europe’s forests (77%) are covered by Forest Management Plans or an equivalent.<sup>6</sup> FMPs allow forest owners to maintain and foster the implementation of multiple long term sustainability goals. FMPs follow the principles and rules of existing national and EU legislation and frameworks. Thus, forest owners do not support additional sustainability criteria in the EU.

The EU policy should support an increased production, mobilisation and the sustainable use of domestic biomass. Any limitation to the production of biomass in the EU will inevitably lead to higher less sustainable imports. Again: Domestically produced biomass is sustainable and does not require additional EU wide criteria.

If an additional EU legislation becomes inevitable, it should be closely interlinked with the existing criteria for liquid biofuels as outlined in the RES directive. Moreover, they should comply with a) rules and standards of national forest and environment legislation and procurement policies, b) existing EU regulations, in particular the CAP, Natura 2000 and the new EU Timber Regulation, c) the principles and tools as defined and developed by the pan-European Forest Europe process, and d) the standards of well established and widely implemented forest certification schemes.

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<sup>6</sup>Forest Europe/UN/UNECE/FAO, State of Europe’s Forests 2011