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MANAGING STATE FORESTS RESPONSIBLY 20 YEARS

EUSTAFOR statement on the proposed European Competitiveness Fund 2028-2034

We would like to thank the Commission for organizing this meeting and inviting us to voice our opinions on the proposal for the European Competitiveness Fund (ECF).

EUSTAFOR represents the European State Forest Organizations. Our 40 members, both within and outside the EU, produce around 1/3 of Europe's wooden biomass, which makes them a major primary producer and driver of the bioeconomy.

The forest sector is expected to deliver on several legislative targets simultaneously, sometimes with conflicting demands. Climate legislation requires it to function as a carbon sink, the bioeconomy strategy demands extraction of biomass, and of course forests need to provide a biodiverse habitat for many species.
In order to meet these targets, active and multifunctional forest management is required. It keeps our forests healthy, resilient, biodiverse and productive. And any type of management results in the harvest of biomass. The revenue from selling this biomass is vital to fund future forest operations.

When developing the bioeconomy, the entire value chain needs to be integrated. The actors are so interlinked, that treating the stakeholders as independent sections will not lead to success. It is also crucial that the roles of primary producers are explicitly recognized. EUSTAFOR is content that “building value chains” is mentioned in the current proposal.
One of the biggest challenges in developing the forest bioeconomy is the low profit margin on roundwood. This severely limits the profitable transport distances of wood products, especially for the lower quality wood categories. Therefore the EU should focus on developing a decentralized, local forest economy, with special attention to valorisation of lower-grade biomass and waste streams.

This is especially relevant with the Commission’s ambition to scale down on the production of bioenergy. While EUSTAFOR does not support the regulation of the cascading-use principle, as it risks severe market distortion, we do support the use of biomass for its highest added value. Therefore the EU should prioritize investments in alternative business models for energy grade wood.

To build the needed infrastructure, large investments are needed which pose a lot of financial risk to the investors. The Commission should therefore create an attractive investment climate, with predictable and coherent legislation, and limit the investment risk as much as possible. The EU should also invest in private-public partnerships and free up private capital.

During the presentation aim, the Commission indicated that they aim to apply flexibility to the legislation. EUSTAFOR asks that they are also flexible in their scope and consider viewing forest resilience as a vital part of the bioeconomy. Keeping the forests healthy and adapted to the effects of climate change should be considered as the protection of the EU’s feedstock and warrants investments. This includes wildfire prevention and water resilience strategies.

Finally, a lot of investments in the development of skills are needed. The forest sector has long been conservative, but is now rapidly digitalizing. Lots of skilled forest workers are needed, that require training to effectively utilize the new technological tools we have at our disposal. But we also need our sector to generate sufficient revenue to be able to offer forest workers competitive wages compared to other sectors.

Thank you for listening to out input, and we are looking forward to further collaboration with the policy makers on this important file.

European State Forest Association AISBL
European Forestry House
Rue du Luxembourg 66
1000 Brussels, Belgium

Phone: +32 (0)2 239 23 00
Email: office@eustafor.eu
VAT no. BE 0877.545. 835
eustafor.eu

EUROPEAN FORESTRY HOUSE