

## EU forest strategy post 2020 – feedback from Småland’s regional forest and wood strategies

Småland is a forest dominated region in southern Sweden. 74% of the regions land area is covered by forest. Forest growth is high and we have areas with unique nature values. Småland is Sweden’s foremost forest region in terms of turnover, added value and employment. In addition to production values, nature values, cultural environment values and opportunities for recreation, the forest also has an important role to play in the transition to a bio-based economy and in reducing climate impact. The forest and services delivered by the forest are very important for Småland and they are part of the solution of many of today’s societal challenges. Thus, Småland is an essential part for delivering the Green deal and the initiatives it encompasses.

The actors behind Småland’s regional forest and wood strategies<sup>1</sup> see the value of an update of EU’s forest strategy. We are ready to contribute with knowledge, ideas and perspectives from our region, in order to help you in the work forward.

### General expectations post-2020 EU forest strategy

First, some general comments regarding the EU forest strategy post 2020. Our expectation is to have an EU forest strategy that:

- recognizes the principle of subsidiarity, as national competence is best suited to create and put forest policy in place.
- considers the whole forest lifecycle and its multiple purposes, and that at the landscape level many values can be accommodated.
- respects forests, forestry and the entire forest-based value-chain.
- recognizes the existence of micro-, small and medium-sized enterprises or individual forest owners. Especially regarding their administrative capacity (e.g. when it comes to classification of sustainable forestry and forest-plans in the TEG report on EU taxonomy).
- is a stand-alone strategy, but that is coordinated with other strategies, such as EU bioeconomy strategy, EU industry strategy, EU biodiversity strategy, EU circular economy action plan, EU taxonomy regulation. This in order to create synergy instead of overlaps. It could also fill a function to create a more transparent overview of the many strategies and initiatives in this field. For local and regional actors, it is sometimes challenging to get an overview.
- creates coherence between EU-policy and across DGs. For instance, regarding the view on sustainable forest management (SFM). We see that there are many policies coming within the next years, both new and reviewed from Green Deal and the initiatives within it. Higher climate ambitions are something we fully support and encourage, but based on previous experience (e.g. taxonomy, LULUCF, revision Renewable energy directive), we have seen proposals that might have consequences that counteract the aims.

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- sets reliable cornerstones for long term development of EU forestry by paving the way for future investment in innovations related to forests, forestry and forest-based value chains.
- supports and facilitates collaboration, learning and development between European regions (quadruple helix approach, science and place-based) but at the same time recognises the variation between European regions, and that there is no one size fits all solution.

## **Suggestions for how a post-2020 EU forest strategy could provide added value for regions – Småland's perspective**

Since 2018, we have a regional forest strategy with a three-year action plan. Based on the goals of our strategy, we provide suggestions for how we see that a post-2020 EU forest strategy and initiatives at European level would be of value. To facilitate reading, we now go through each of the six goals in the strategy.

### ***1. Increase the attractiveness of the Småland forest and strengthen the availability of competence and human resources within forestry and forest industry***

In Småland, as in many parts of Europe, there is a lack of qualified competence resources in the forest-based industry. The current development to a biobased and sustainable economy, make the lack of resources even more urgent. There is a need for more skilled workers as well as new skills among the workforce. This is true for many professions throughout the whole forest value chain, as well as a low interest for practical forest education, research and innovation. We have several initiatives to address this challenge, e.g. the newly started ERDF-project KVIST aiming at bridging academic competences to small and medium sized enterprises. Another recent example is that Södra and Ikea of Sweden are partnering with Linnaeus University in a 30 million EUR long-term [strategic investment](#) to develop research and education within the field of forestry and forest industry. This to safeguard the availability of highly qualified employees for the forest and wood industries, as well as stimulate innovation within these companies.

At the European level, we see a need for reinforced initiatives targeted to skills important for the realisation of the bioeconomy, from practical forest education to research and innovation. A post-2020 EU forest strategy could ensure the coherence between programmes and policy regarding this matter. The current EU bioeconomy strategy action 2.4. points out concrete initiatives such as a revised skills agenda that could also be relevant to build further upon. Smart Specialisation can also be a way to support skills in areas where this is relevant.

### ***2. Increase the degree of processing and innovation***

Wood and tree-based materials are used in a wide range of products. Looking into the future there is a great potential to develop innovative products in order to replace current fossil-based products. This requires that we stimulate innovation and the commercialisation of innovations. Increased cooperation between different actors is an essential part of this. In Småland there are many initiatives to foster such cooperation among them the triple helix forest and wood centre South ("Skogs- och träcentrum Syd") that was established in 2018 and that is working with education, research and innovation in the wood processing sector, and the innovation cluster Smart Housing Småland that is working with innovative ideas that create smart housing and sustainable built environment based on glass and wood. However, in order

to invest in innovative solutions and scaling up processes for actors, public as private, there is a need for stable predictable framework conditions.

At a European level, we see that many things can be done to foster innovation in European regions. One is of course providing funding for innovation within the forest-based sector through programmes such as Horizon Europe. Another is to create coherence between different policy areas, in order to secure stable and coherent framework conditions. We have for instance experienced that the view on sustainable forest management differs between policies, for instance in the case of REDII and taxonomy for sustainable finances. There is a need to make efforts in finding a common approach within the EU regarding sustainable forest management, respecting regional variations, different sizes of businesses (micro-, small and medium sized and large companies and forest-owners) and national competence regarding forest policy.

### **3. *Increase production and variation to exploit a greater part of the Småland forest's potential***

In Småland, we see that the great variation of our forests has benefits for many values; ecological, economic and social. Through active management, there is a potential to increase the benefits of all these values. We get more biobased raw material to substitute fossil-based products with better managed forests. At the same time, this management also creates jobs. A well-managed forest also provides room for outdoor activities. Furthermore, as the forest in our regions grows fast, they are better equipped to counteract climate change through carbon sink, substitution, and storage of CO<sub>2</sub>. Better infrastructure is also needed in order to make it profitable to use for instance logging (and industry) residues to higher value products such as green chemicals.

Learning between regions is in many cases beneficial. However, regarding active forest management this has to be put in perspective of the large variations between regions. The variation in forests, forestry and forest value-chains is a strength, as it makes European as well as Småland forests more resilient. What is of more value is cooperation on European level regarding climate adaption. On one hand, there is a need for direct financial support to foresters when the damage has occurred (bark beetles, forest fires etc). On the other hand, there is also a value of European initiatives to increase resilience in the long term. This could for instance be through developing common European risk classification system, which would help estimating and comparing damages. The data could be available through Forest Information System for Europe – FISE.

Something else that would be of direct value is financial support to infrastructure not only in core transport network corridors, but also in core-bioeconomy transport infrastructure. The latter does not always correspond to main transport network corridors but are nonetheless essential for enabling the transition to a biobased economy. A post-2020 EU forest strategy could strive to include this perspective in relevant EU-programmes.

### **4. *Strengthen profitable enterprise in the forest farm***

Profitability is a prerequisite for the 40 000 Småland-forest owners to manage forest in a way that the forests can deliver the targeted values and goals. Profitability depends on production and management but can also be affected by opportunities for living and working in rural areas. Forestry is the basic industry, but entrepreneurship in timber processing, and tourism

industry are also important. There is potential to further develop both forestry and other business activities.

The EU is in general good at recognising the value of SME's and micro-enterprises, as well as recognising their specific challenges and need for support. However, regarding forestry and forest-based sector this recognition is often not made. Therefore, we see that the post-2020 EU forest strategy should recognise the challenges and limitations in resources for SMEs and micro enterprises.

#### **5. Preserve and strengthen our nature values, our cultural heritage and outdoor activities**

As mentioned earlier, the variation of the forest in Småland is one of its strengths. The region can therefore provide environments with varying values. A key for all these values to reach their full potential is of course cooperation between all relevant stakeholders.

In the discussions on the EU strategy for biodiversity 2030 focus has been put on afforestation and conservation. We consider that this is not embracing the whole range of possible and necessary actions. It would be of considerable benefit if the EU post-2020 forest strategy takes an approach to forest management that recognises that the multiple values (ecological, economic and social) do coexist at the landscape level. Apart from that the Swedish model recognizes the importance and presence of different values in the forest, it often also combines different values in practice, e.g. within production forests important ecological structures are preserved and improved. The balance of the ecological, economic and social values does and should vary depending on the forest's preconditions. The forest strategy should recognise that there is no sharp line between different values, they often are achieved best by a combined approach.

The presence of high nature values and rich biodiversity are often dependent on active forest management in Småland. Without active management important values would get lost. Well managed forests are also often highly appreciated for outdoor activities. As such there is a large set of possibilities and tools between strict conservation and production. To embrace this pallet of opportunities will gain the forest region of Småland as well as the EU, obtaining the goal of the Green Deal.

Development of sustainable, multi-goal forest management involves many stakeholders and requires substantial efforts. In addition to other financial sources, EU rural development fund could be used to enhance this work.

#### **6. Achieve balance between forest and ungulates**

There is a need to achieve a balance between forests and ungulates. The ungulates brows heavily on especially young forests and as such hinder establishment and damage future forests. The high browsing intensity also forms a threat for valuable trees for increased biodiversity in the landscape. The achievement of a sustainable long-term balance between forest and ungulates is something that Småland as many other European regions struggle with. In the region we now have good examples of how stakeholders can work together to achieve this balance (Mera Tall projektet). To facilitate spread and implementation of this approach financial support through e.g. the Swedish Forest Agency is highly necessary. And as mentioned above, financial support via EU-programmes could be one way to help European regions to enhance this work.