

# Northern Sparsely Populated Areas' (NSPA) views on the EU's new climate package under the European Green Deal - the importance of a regional dimension that rewards already sustainable regions and industries

*The Northern Sparsely Populated Areas network, NSPA, represents the interests of the four northernmost regions of Sweden (Norrbotten, Västerbotten, Jämtland Härjedalen and Västernorrland), the seven eastern and northernmost of Finland (Central Ostrobothnia, Kainuu, Lapland, North Karelia, Northern Ostrobothnia, Pohjois-Savo and South Savo), as well as the two northernmost regions of Norway (Nordland, Troms & Finnmark).*

## THE NSPA POSITION IN BRIEF

- The NSPA welcomes the EU's new climate package and highlights the importance of considering the large regional variations within the EU when it comes to implementing it, especially in the fields of forestry and biodiversity.
- The NSPA finds bioenergy and biofuels, as well as green hydrogen, vital to reduce emissions from transport and industry.
- The NSPA points out that the balance between environmental, economic and social needs should be acknowledged in the sustainability objectives set by the Commission. So far, these objectives focus only on nature restoration, conservation and afforestation.
- The NSPA emphasizes that regarding the Land use, land use change & forestry (LULUCF) regulation, the role of forests for climate change mitigation cannot be assessed based on narrow considerations of carbon flows within individual forest stands or over a short period of time. When assessing forest management practices impact on biodiversity, a landscape perspective over a longer time period should be applied.
- The NSPA stresses the importance of a continuing consideration and improvement of forest management in a manner that benefits the biodiversity of the forest while utilizing the forest-based resources in correspondence with its net-growth.
- The NSPA points out that while considering Renewable energy rules, the sustainability criteria should be kept as they stand in RED II. The Nordic active forestry, with an increased and sustainable use of forest biomass and forest-industry by-products, is necessary in order to reach the EU climate and energy goals.
- The NSPA stresses that in order to ensure sustainable forest management in the future, the forest policy and decision making must stay on the member states level.
- The NSPA emphasizes that the forest sector in northern sparsely populated areas affects the lives of locals in many ways, being a source of prosperity and business. The forest also has other vital values in terms of human recreation and outdoor life. The biological, economic and social values of the forest are crucial for a thriving countryside in Nordic countries.

## Northern Sparsely Populated Areas and the green transition

With the aim to make Europe the first climate neutral continent by 2050, the European Green Deal sets the agenda of the coming work within the EU, and in particular the climate target plan's 55% net reduction by 2030. These targets are presented under the Fit for 55 package. Northern Sparsely Populated Areas and the boreal forests play a key role in the green transition that is required to achieve the climate and renewable energy goals of the EU.

An active and sustainable forest management delivering increasing quantities of biomass to the society substituting material and energy based on fossil fuels is of key importance. Bioenergy and biofuels are playing a crucial role while considering the green transition of industries transport sectors. Therefore, the NSPA highlights its stance on the Land use, land use change and forestry regulation as well as on the Renewable energy rules under the climate package. To guarantee a swift green transition the sustainability criteria for forest biomass should be kept as they stand in RED II.

In addition to the bioenergy, green hydrogen is vital to reduce emissions from transport and industry. For hydrogen to become an attractive alternative to fossil fuels, we further consider three factors as important: affordable renewable energy that can supply cost efficient hydrogen production; a strong carbon pricing mechanism; and consumer power. Developing a hydrogen market entails increased demand for hydrogen fuels. This requires a concerted effort from businesses and policy makers.

With a land area covered more than 70 % by forests, Northern regions of Sweden, Finland and Norway are some of the most forest dense regions in Europe, being some of the world's largest exporters of forest industry products. These products are already today substituting products and energy based on fossil fuels all over EU. As a result of this industrial activity, large amounts of byproducts are available that can be processed into new biobased products such as green chemicals, bioplastic, smart packaging and transport fuels. These high-processing value products pursued by the modern bioeconomy are not profitable or even possible to produce without high-volume pulp production and considerable investments on basic industry. High production volume is a precondition for creating the required number of special fractions for further processing.

Northern Sparsely Populated Areas' forest industries are supported by world leading forest R&D and climate smart innovations. Over the last 100 years the standing volume in Swedish forests has almost doubled and carbon stocks in forests and forest soil have quadrupled. At the same time, more than 4 billion cubic meters of timber have been felled and delivered to the society. In Finland the total volume of forests has grown by 65 per cent from the level of 1970s and 77 percent of land area is covered by forests in East and North Finland. Sustainable forest management has in other words proven to have a positive impact on climate change mitigation. In addition to the managed forest, Northern Sparsely Populated Areas have protected larger forest areas than other EU countries. Northern bioeconomies are dominated by forestry and forest products and bioenergy produced from forest industry by-products is one of the main

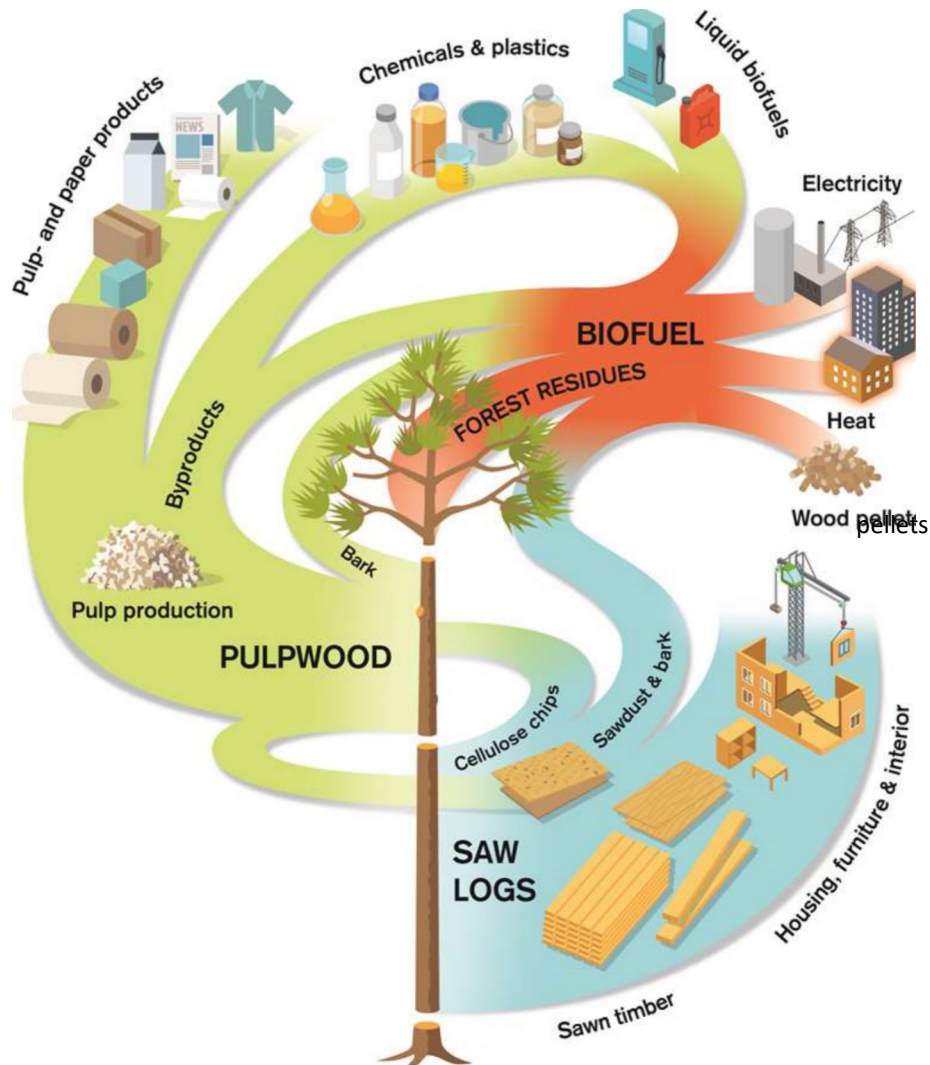
pillars of our energy systems. The environmental concern in today's forestry is a strength for the growing bioeconomy. In Northern Sparsely Populated Areas, conflicting goals in forest bioeconomy and sustainable forestry are mitigated by increased forest growth, voluntary depositions of forest, sustainability certification and the protection of biodiversity.

For rural areas, forests are crucial from an economic, a biological as well as a social aspect. Forest industries in Northern Sparsely Populated Areas employ dozens of thousands of people today. The forest is also a place for outdoor life, tourism, and recreation in line with "allemansträtten/allemannsretten/jokamiehenoikeudet/right to roam" — the right of public access where both landowners and visitors have obligations and rights. With active forestry and a smart use of forest products the forest can also play a crucial role in mitigating climate change. Balance between environmental, economic, and social needs should be acknowledged in the biodiversity objectives set by the Commission. For the moment, these objectives focus only on forest restoration, conservation and afforestation and they leave little space for regional characteristics and local knowledge. National forestry legislations in Nordic countries are based on trans-generational experience on forest management and their target is to promote sustainable forestry. Nordic forest owners are proud of their forests and should be entitled to make decisions about their forest based on the best information available. Creating and disseminating up-to-date data requires adequate resources across the EU. Instead of setting EU level conservation targets, the state of nature can be improved by encouraging forest owners (i.e., economically) to manage their forests in an ecologically sustainable way.

The forest's environment and climate benefits, carbon binding and substitution  
Through carbon sequestration, growing forests absorb increasing amounts of carbon dioxide in the trees and the ground. An active management supports to maximise the capture of CO<sub>2</sub> in boreal forests. When trees are harvested, carbon stock is moved into the society substituting products and energy based on fossil raw materials. Sustainably cultivated forests provide the best climate benefit. In forests left unmanaged, growth will slow down over time and so will carbon assimilation and after some time this forest will become a slow carbon emitter. Therefore, to maximise the climate benefit from the boreal forests the cutting rate should be in close proximity to the growth. If an analysis of the carbon cycle of a forest is limited to a short time period or a single stand, the interaction over time and space might be overlooked, and misleading conclusions are the consequence. Nordic forest can continue to capture increasing amounts of carbon in the forest and at the same time deliver increasing volumes of wood to the society. Methods and tools for sustainable forest management and nature adapted forest managements practices are improving over time with the goal to maintain and improve biodiversity.

In Northern Sparsely Populated Areas, forestry is driven by the demand of timber and pulp wood used for long lasting wood products such as buildings and furniture and for the production of paper and packaging (see figure below). As a result of these

industrial activities large amounts of forest industry byproducts are available, which are used mainly for energy generation today. These byproducts can in the future potentially be upgraded to biochemicals, bioplastics and transport fuels, and therefore, should be acknowledged while considering the Renewable Energy rules.



## Forestry on EU level

Forestry in Northern Sparsely Populated Areas are regulated by comprehensive national forestry legislations which strongly include environmental considerations. At the same time, there is an obligation to take nature, cultural heritage, tourism, reindeer husbandry and other interests into consideration.

Sustainable forestry is crucial to reach climate neutrality by 2050. Well managed growing forests delivering raw materials for useful, biobased products and energy to the society substituting fossil raw materials is the way forward. Therefore, regional variations need to be better recognized while implementing sustainable criteria for the Renewable Energy Directive in order to abate the insecurity around different views of sustainable forestry.

The EU has declared high ambitions for the establishment of a circular and biobased economy. Northern Sparsely Populated Areas' production and upgrading of forest biomass coupled with the capacity for R&D are important resources for the whole union. The EU provides important research funding and should for the coming programming period strengthen forest bioeconomy as a priority to further develop its competitiveness.

The NSPA believes that the climate package under the European Green Deal must consider the various regional conditions within different parts of the EU. Initiatives derived from the EU should be pervaded by a firm regional dimension that reward sustainable regions and industries, promote productive coordination and synergies, and subsequently strengthen the forests multifunctional values and contributions to the joint environment and climate objectives.