Swedish Wood-Fuel Association
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The Swedish Wood-Fuel Association is an organization for Swedish producers of solid wood fuels within the forest and recycling industry. We see that bioenergy is an essential key to leave the fossil dependence. Recent European Commission strategies underline that sustainable bioenergy is "a win-win solution for energy generation" (COM(2020) 380 final, EU Biodiversity Strategy 2030, p.10) and count on an increased mobilization of waste and residues for bioenergy generation to achieve a smart sector integration (COM(2020) 299 final, p.6). The achievement of the 2050 carbon neutrality goal will also depend on bioenergy generation. Sustainable bioenergy will still be the largest renewable in 2030 in the EU, standing at the forecasts included in the Integrated National Energy and Climate Plans.

The key elements for forests and forest-based sector to combat the climate change are Substitution, Sequestration and Storage. Forests are unique in doing all this at the same time. All sectors must carry their responsibility in the path towards climate neutrality by 2050.

We find that there is potential to increase the forests capacity to sequestrate and store carbon for example by afforestation, by improving the growth of the existing forests and by increasing the forest areas under sustainable management. Active and sustainable forest management increases the resilience and adaptation capability of forests as well as produces better quality timber for harvested wood products. We want to remind that in the last decades growing stock in EU forests has increased significantly.

We see that the increased use of harvested wood products to both store carbon and substitute the fossil fuels and materials is a positive trend, including in building materials in construction.

The future EU policies should encompass measures and actions that acknowledge and increase the substitution effect. We noted in the roadmap that this effect is not sufficiently considered although it has a potential to play a very important role.

The LULUCF regulation should be further developed in a direction where the full potential of forests and wood products and forest bioenergy for climate protection can be exploited. Support for measures to manage forests and increase growth as well as the substitution effect using wood are to be given a much higher priority. The overall effect on society must be optimized in order to ensure ecological, economic and social sustainability. Support to forest owners and managers by voluntary measures could be considered to strengthen the LULUCF regulation.

Regarding the possible flexibility between the forest sector greenhouse gas balances and other sectors, we see that this could lead to a one-sided shift of efforts from CO2-emitting sectors to CO2-absorbing sectors. Forests' role should not be to offset the emissions of the other sectors. If forestry would not be its separate accounting sector, the higher storage and sink potential on the part of forestry could lead to relocation effects. This means that more wood raw material and products could possibly be sourced outside EU.

One of the major concerns is how to keep the bioeconomy viable in the EU given the multiple demands on forests. Too complex regulation layers could lead to a lockdown of raw material

supply from EU forests. In that case, the EU industry would have to meet new demands linked to the development of the bioeconomy by increased imports of raw material. Without a clear sales path for increased wood production, forest owners would not be able to increase productivity to meet the demand.
One of the solutions is the promotion of sustainable forest management (SFM) on EU forests, in order to distribute the needs for wood over largest possible area. The principle of SFM already takes into account the multifunctionality of forests and the potential to answer to the multiple needs over a larger number of hectares instead of segregating different areas for different purposes with potentially exhaustive utilization.

As the Commission will look at the ways of monitoring, reporting and verification for LULUCF sector, it is good to keep in mind the broad spectrum of forest data as shown by the previous LULUCF process. The Commission, Member States and other organisations have a diversity of forest data that can be approached in very different ways. The data used as a basis for decision making must be accepted and validated by all parties involved.