



## Europaforum Northern Sweden – views on cascading use

### BACKGROUND

There is an ambition in the EU for obligatory cascading use of biomass, that is, to regulate how biomass resources are used. Cascading use prescribes a predetermined order of priority for forest raw material and means that the timber is primarily to be used as sawnwood. The subsequent stages are in the order reuse, recycling, bio-energy and disposal. Under these priorities, the use of the wood for energy is placed at the bottom of the scale in the chain. This is not simply a question of energy, but to at least an equal extent has to do with the development of new bio-based materials and products. EU regulations can become an obstacle to sustainable bio-energy, and the EU forest strategy mentioning cascading use of biomass can become mandatory final judgements with consequences for bio-energy.

Many countries in the EU lack expertise on forestry and forest bio-energy. This can affect Swedish bio-energy through EU regulations. There is need of a strategy and a network to monitor Swedish interests and knowledge. Research results and technological development on Swedish bio-energy and sustainability must reach decision-makers in the EU. There is a need for joint analysis and design of Swedish messages. This is one such contribution.

### VIEWS

Europaforum Northern Sweden (EFNS) hereby puts forward its views on cascading use of the forest resource biomass:

- EFNS opposes mandatory regulations at EU level on the use of forest biomass/ biomass resources.
- EFNS considers that forestry policy, forest, and forest products including biomass should continue to be the competence of the Member States.
- EFNS considers that the way in which biomass is used is dependent on the industry's assessment of the economic benefit, which in turn is dependent on demand and political decisions. The market solves the allocation of wood raw material, including energy use.
- EFNS opposes the introduction of regulations stating which forest raw material may be used for what – but welcomes policies that create markets that are environmentally and climate smart while generating good revenues and creating jobs.
- EFNS urges EU bodies to support measures that benefit infrastructure, active forestry and research and development within the forest sector linked to bio-economy and the increased bio-based industry.



- EFNS considers that the use of wood energy resources should increase in Europe. This would promote the production of renewable energy and increase the supply of raw materials to maintain the competitiveness of the forest industry. This in turn would benefit the rural economy.
- EFNS considers that significantly increased use of wood energy resources underpins Member States' possibilities to meet their commitments under the Renewables Directive as well as the climate goals according to the COP21 Agreement.
- EFNS recalls that the European Commission does not have the right to control the energy mix of Member States. Under Article 194 of the Treaty on the Functioning of the European Union (TFEU) the choice of energy sources remains a matter of national competence.

Sweden has in the past had legislation regulating forest biomass, with negative experiences. The Building Act stipulated that district heating plants need government permission to use biofuels above a certain volume. The regulation was transferred to the Wood Fibre Act in 1987 to, but was abolished in 1991. Discussions were also held at the time about the introduction of a special tax on sawdust used for energy production. The purpose of all the regulations was to protect the raw material supply for the pulp industry and for the chipboard industry when the use of bio-energy increased. Exactly the same thinking is today spreading within the EU. Several countries in the EU are introducing wood fibre acts. It is a natural part of the Swedish forest cycle to make use of forest raw material for small-scale carbon dioxide-neutral energy production.

Biomass is found in most countries and is the main<sup>1</sup> energy type in Sweden. Biomass is used as industrial raw material for bio-based products, for the production of electricity, heating and cooling, and contributes to security of supply in the area of energy.

In Sweden, resource-effective use of the different parts of the tree has been developed thanks to strong synergies between different end users over a long period of time. Raw material flows vary over time and in different regional markets. It is therefore not possible to define the primary product, co-product, by-product and waste.

On a functioning market the raw material buyers decide the value of different types of biomass, regardless of whether it is primary (cultivated crop or tree from the forest), secondary (by-products from agriculture, forestry or industry) or tertiary (waste products after use). Biomass suppliers including forest owners must continue to have the possibility and freedom to decide to whom they sell their raw material to ensure a steady return over time.

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<sup>1</sup> Waste heat from nuclear power excluded from the comparison (Source: Swedish Energy Agency)



Forestry targets markets with a higher willingness to pay. Stemwood, which constitutes the major part of the harvested forest, goes to the pulp and paper industry, and to the sawmill industry, where residual products are used for process energy and for sale on the energy market. This is managed by the market via pricing mechanisms.

Forest fuels taken direct from the forest (primary forest fuels) comprise above all branches and treetops, weak trees and stemwood rejected by the market due to damage or because there is no other market for the wood type. To a minor extent, healthy stumps have also been harvested. Healthy stemwood trunks are also used for fuel instead of going to the pulp and paper industry when the fuel price is high and/or the demand for pulpwood is lower. To forest owners, the potentially large energy market is important because it is not as sensitive as other markets to changes in the business cycle, in particular when the supply of forest raw material suddenly increases in connection with windthrow, forest fires, insect attack and fungal damage. The energy market then becomes important for the overall forestry economy and thereby the willingness of forest owners to invest in measures that increase forest production.

The use of forest bio-energy is increasing to replace fossil fuels, which have a negative impact on climate. Carbon dioxide from biofuels is absorbed by newly-planted trees and biofuels are therefore carbon dioxide-neutral seen in a relative time perspective – a perspective that often differs from short-term political goals to reduce greenhouse gas emissions. It is important to understand this to fully assess the value of replacing fossil energy alternatives and material with a large carbon footprint with renewable raw materials from forest. Thus, active forestry like that in Sweden affects in a positive way the amount of carbon dioxide in the atmosphere by replacing fossil fuels and products with bio-energy and forest products.

Sweden's area comprises 55% forest<sup>2</sup> and forms the basis for sustainable industrial and energy production. Europaforum Northern Sweden wants to emphasise the importance of the forest industry to Sweden and to Europe. Sweden is the world's second largest exporter of paper, pulp and sawnwood, i.e. climate-neutral products manufactured with the help of renewable energy and renewable forest raw material. In this way, Sweden contributes to European climate work. Forest biomass is an important raw material resource for emerging bio-based industries. The manufacture of new products, e.g. bio-based plastic, textiles and aircraft fuel and energy from the forest, can significantly contribute to achieving the EU's goal of a developed bio-economy based on regional conditions.

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<sup>2</sup> Sweden consists of 41 million ha of land. 23 million ha are covered by forest. Sweden is one of the world's most forested countries if you look at the relationship between the acreage of forest and the size of the population – about 2.5 ha of forest per person. A hectare is 10,000 m<sup>2</sup> or roughly 1.4 football pitches. (Source: Swedish Forest Agency)



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