



**EU CAP Network workshop
'Circular bioeconomy – valorisation of
forest by-products'**

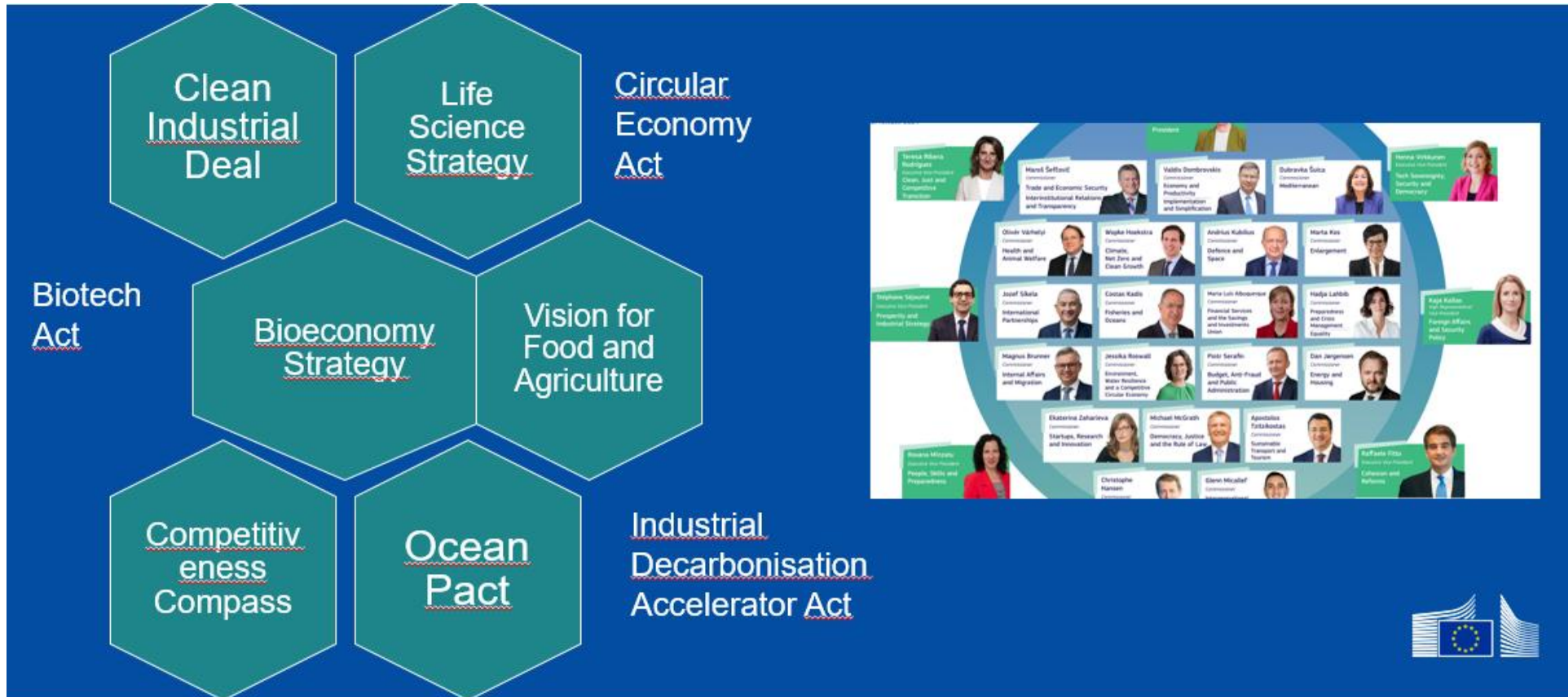
Kouvola, Finland
26-27 March 2025

EU policy framework for forest bioeconomy

Michael Losch
B.2 'Environmental sustainability', DG AGRI, European Commission



Bioeconomy strategy: interplay with other policy areas



Clean Industrial Deal (26.2.2025):

“The Commission will also propose a Bioeconomy Strategy, to improve resource efficiency and to tap the significant growth potential of bio-based materials substituting fossil-based materials, and related industries. This can also further reduce dependencies on imported raw materials. The new bioeconomy sectoral plan will lay down priorities for manufacturing and using biomaterials, and for retaining them as long as possible in the economy.”

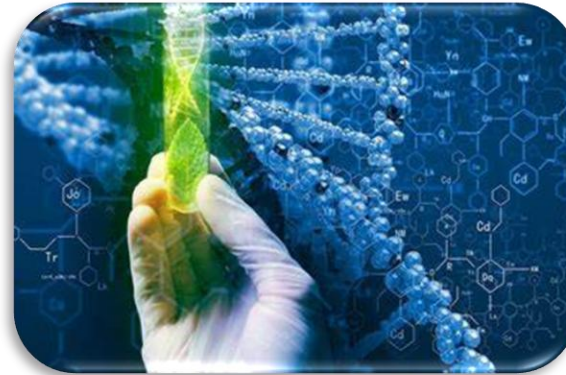
Vision for Agriculture and Food (19.2.2025):

“The new Bioeconomy Strategy, to be presented by the end of 2025, will aim at positioning the European Union as a global leader in the rapidly expanding bioeconomy market. We must accelerate the commercialization of bio-based and circular solutions, scale up breakthrough biotechnologies, capture emerging market opportunities and bridge investment gaps. This will be particularly beneficial for the farming community by enabling diversification of value streams, valorisation of farm residues, strengthening the role of primary producers in the value chain and generating new jobs in the rural areas. The Commission will work with international partners, in particular through the Food and Agriculture Organisation (FAO), to together identify sustainable ways of mobilising the potential of the bioeconomy for farmers not only in Europe but also worldwide.”

“Another important dependency is on imported raw materials and fertilisers which are essential for food production and security. There has been an increasing concentration of imports from a few origins, particularly for urea, with about 88% of EU imports supplied by four countries. Reducing these dependencies is a win-win: (i) for the European clean industrial competitiveness by supporting domestic production of fertilisers; (ii) for the farmers who can count on a reliable supply and stable prices, and (iii) for environment and climate through the support for the uptake of low-carbon fertilisers and recycled nutrients, such as RENURE and digestate after appropriate treatment, and their efficient use.”

EU Bioeconomy strategy 2025: challenges to address

From Lab to Fab –
priorities for scaling
up



Creating efficient
demand for more
value from less
resources



Securing
sustainably-
sourced
bioeconomy within
planetary
boundaries



International
dimension and
green diplomacy



Why EU needs to act: key data on biomass supply and use

- Supply mostly covered by agriculture and forestry but also by secondary feedstock
- Demand is divided e.g.
 - 40% for animal feed and bedding
 - About 30% for material use
 - More than 20% to bioenergy
- Potential to boost **circularity and recycling** by valorising **bio-waste and by-products of industry**
 - How much is this potential and how to boost it by the new Bioeconomy Strategy?



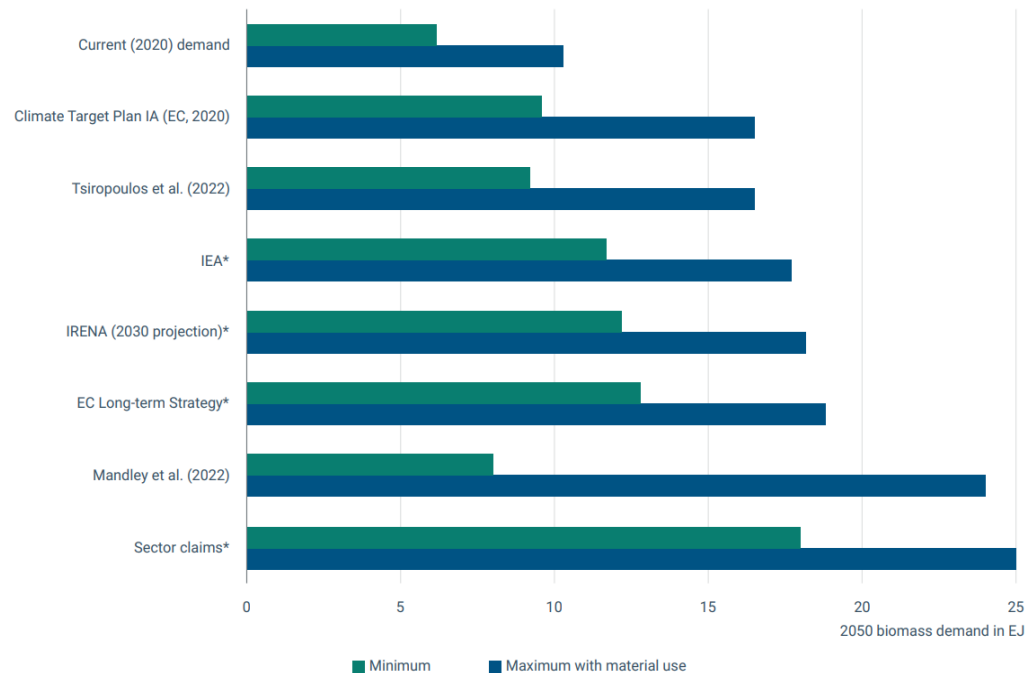
Source: [JRC Biomass Mandate](#)



Biomass in the EU
2017 data (dry matter)

Why EU needs to act: key data on projections of biomass demand by 2050

Figure 3.1 Projections of biomass demand for bioenergy and bio-based material use in 2050

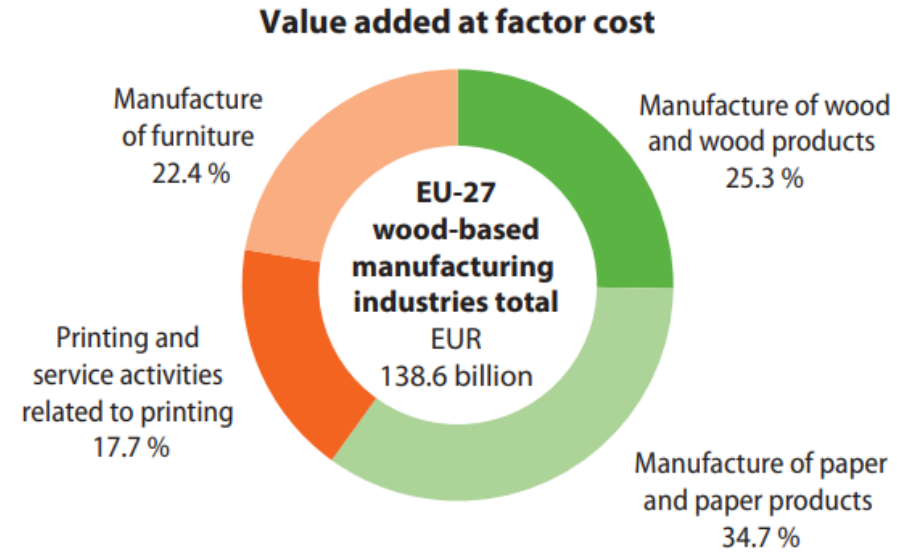
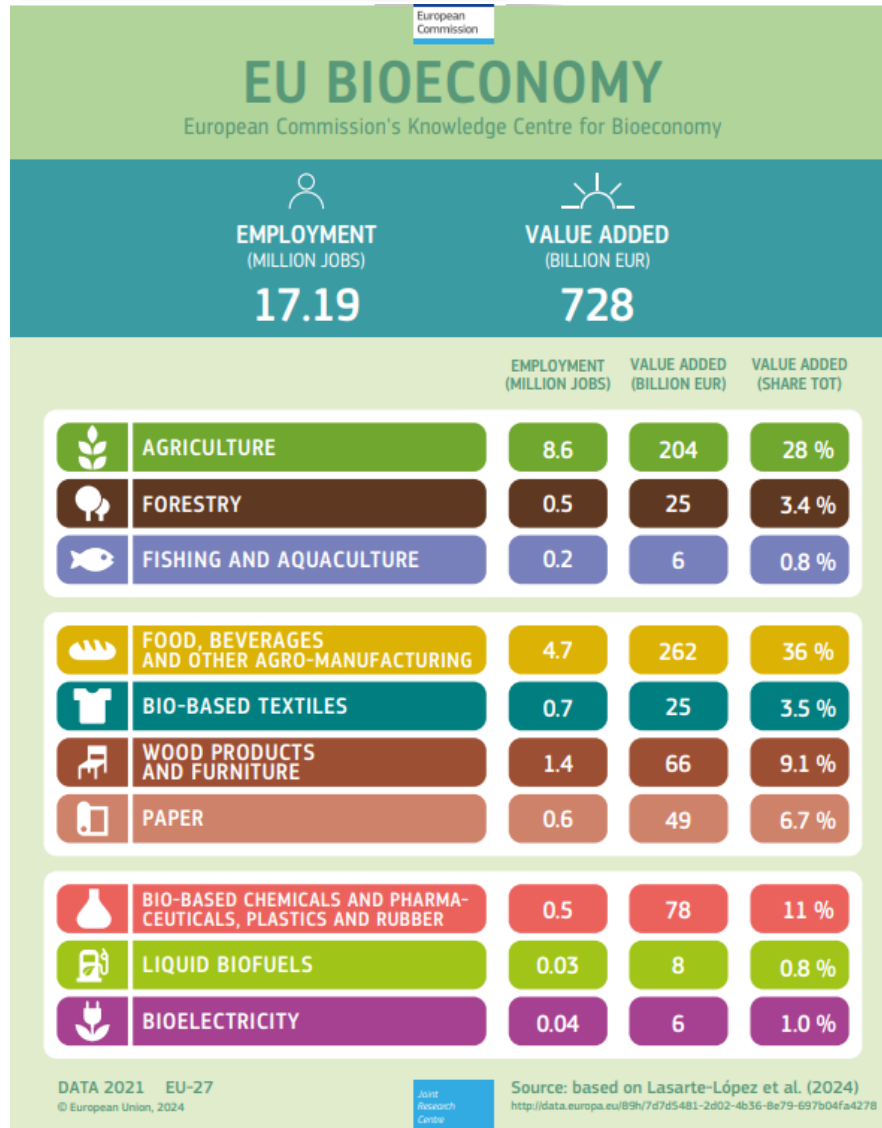


- **Increasing demand** especially for bio-energy but also for bio-based materials and products.
- **Potential biomass gap** between increasing demand and sustainable supply by 2050
- **Need for solutions** that reduce pressure
 - Environmental protection and regenerative practices (ecosystem resilience)
 - Sustainable and circular value chains (cascading principle)
 - Valorising bio-waste and by-products (secondary feedstock)
- If biomass gap is not solved it can lead to a competition of land use between different demands





Forestry has a key role in the EU bioeconomy



Source: Eurostat, Agriculture, Forestry and Fishery Statistics, 2020 Edition

The role of **farmers and foresters** is crucial in developing EU bioeconomy towards more regenerative, circular and competitive patterns to reap the full benefits of the bioeconomy for the EU economy and wellbeing of the people.



Expectations of primary producers

- › Support sustainable prosperity of EU rural areas, competitiveness and cohesion
- › Develop traditional and innovative value chains with market-based business models
- › Increase resilience by substituting fossil-based materials and energy and by increasing circularity
- › Generate income and a fair share for EU farmers and foresters at the basis of the bioeconomy value chains
- › More focus on supporting and enabling, less on new regulation
- › Multilateral cooperation with attention to a level playing field between EU and imported biomass
- › Engage with the sector and support cross-sectoral cooperation



Possible roads ahead from an agricultural perspective

- › Build on outcome of Vision for Agriculture and Food
- › Work on definitions, scope and strategic objectives, develop a common understanding
- › Make use of CAP support and mobilize additional funding opportunities for investments in, e.g.:
 - › Valorisation and upcycling of non-edible residues
 - › Circular use of manure, processed to “Renure”, to substitute fossil-based fertilizer and co-produced biogas
 - › Promoting natural fibres for textile industries: micro-plastic free, recyclable, biodegradable
 - › Co-generation of heat, electricity and BCCU from fibres and forest residues
- › Support cooperation, producer groups for scaling-up and extending value chains
- › Continue supporting research and innovation, e.g. with the Circular Bio-based Europe Joint Undertaking
- › Identify regulatory and market obstacles for innovative value chains and uses of biomass
- › Carbon farming and biodiversity credits + other ecosystem services as possible benefits for farmers?



Call for evidence and public consultation of the new EU Bioeconomy Strategy



- › First questionnaire on bioeconomy in Have Your Say Portal



Common Agricultural Policy – Forestry interventions

- One of the nine specific objectives is to promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including the **circular bio-economy** and **sustainable forestry**
- Supported interventions may comprise forest area development and sustainable management of forests, including:
 - the afforestation of land, fire prevention and the creation and regeneration of agroforestry systems;
 - the protection, restoration and improvement of forest resources, taking into account adaptation needs;
 - investments to guarantee and enhance forest conservation and resilience, and the provision of forest ecosystem and climate services;
 - measures and investments in support of the renewable energy and **bio-economy**.



CAP public expenditure planned 2023-2027 for forestry interventions

Total public expenditure planned (2023-2027)	€ 4,2 Billion	%
Investments <ul style="list-style-type: none">• Productive and non-productive• At forest level and a first processing & marketing levels• Including infrastructures, prevention & restoration	€3,3 Billion	78%
Management commitments	€670 Million	16%
Natura 2000 compensations	€250 Million	6%



CAP public expenditure planned 2023-2027 for circularity / bioeconomy interventions

- › In the current CAP Strategic Plan period 2023-2027 there are 40 bioeconomy-labelled interventions in 18 Member States. 15 of these interventions focus on material use of agricultural biomass, 15 on bioenergy production, and 10 supporting the use of biomass for both, material use and energy production. These 40 interventions represent a total public expenditure of **4,57 billion Euro**.



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26-27 March 2025
Kouvola, Finland

All information on the workshop is available on the event webpage:

<https://eu-cap-network.ec.europa.eu/events/eu-cap-network-workshop-circular-bioeconomy-valorisation-forest-products>

