

Position Paper

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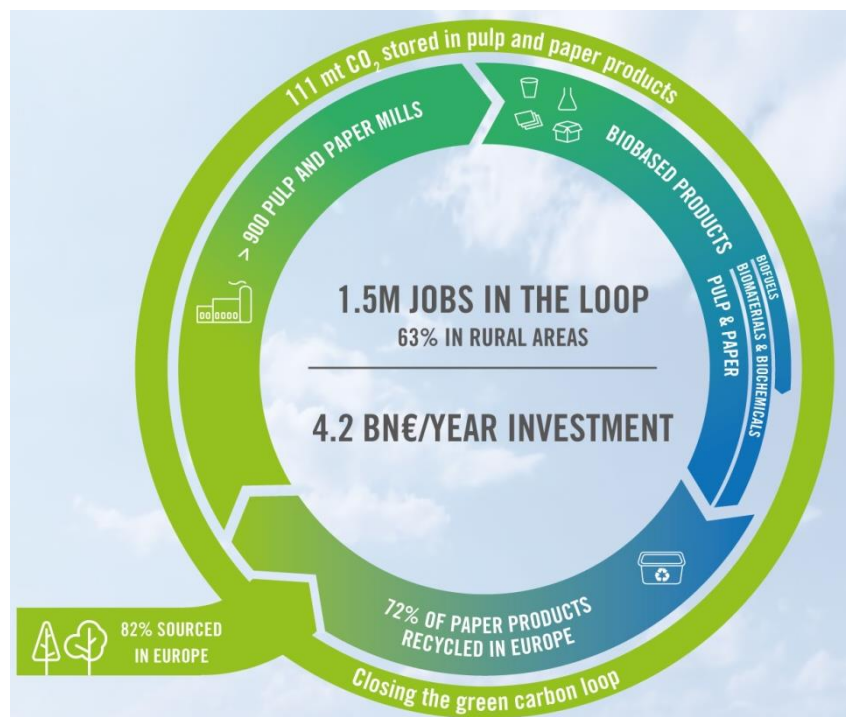
CEPI position on the update of a Circular Bioeconomy Strategy

The European pulp and paper sector has a long expertise in bioeconomy and has a significant role in providing solutions to many global challenges such as climate change, urbanization and ageing with using sustainable renewable materials. The European pulp and paper sector also offers easily recyclable solutions and answers to EU Circular Economy, Strategy on plastics in the circular economy and the UN Paris Agreement. Our sector operates in a circular way and resource efficiency is at the core of our operations. The growth volume of forests in Europe exceeds their use. Ensuring the growth of forests and their sustainable use is an important part of sustainable bioeconomy.

In its “2050 Roadmap to a low-carbon bioeconomy”, CEPI foresees that a growing part of the value added generated by the pulp and paper industry in Europe will come from breakthrough technologies and from the provision of a wider range of bio-based products, beyond pulp and paper. These products will contribute simultaneously to:

- a massive reduction of greenhouse gas emissions,
- substituting fossil-based materials
- a transformation from a fossil-dependant economy to a renewable economy,
- fulfilling a number of sustainability challenges (as identified by the United Nations with the Sustainable Development Goals (SDG)).

To achieve a competitive circular bioeconomy, stable and enabling policy conditions in various fields (including environment, infrastructure, transport, energy, agriculture, etc.) must be in place. The review of the 2012 European Bioeconomy Strategy provides the opportunity to set up such conditions. CEPI welcomes it and wants to be an active partner in preparing a new Circular bioeconomy strategy for Europe.



The assets of our industry in the circular bioeconomy



1. What did the existing strategy deliver that the paper industry welcomes?

As confirmed in the review of the 2012 Strategy that has been publicised in November 2017¹, the strategy has delivered several positive results that the European paper industry welcomes. Its mere existence has raised awareness on the likely benefits that the bioeconomy can bring to Europe's economy and environment and therefore placed it on the policy radar screens. It has enabled the setup of an Institutional Public-Private Partnership, **the Bio-based Industries Joint Undertaking (BBI-JU)**, endowed with a EUR 3.7 billion budget over 7 years to support research, innovation, demonstration and flagship installations, and which **has proved to be a success**. It has also triggered the development of several **national and regional bioeconomy strategies** that further amplify and tailor the benefits of the bioeconomy to the local circumstances.

2. The bioeconomy potential to address grand societal challenges

The smart development of a circular bioeconomy in Europe will contribute to remedy a number of critical environmental, economic and social challenges. Renewable and recyclable bio-based products:

- must be part of the climate change mitigation policies, thanks to their ability to store carbon, but also to avoid emissions of greenhouse gases from fossil-based or GHG intensive products that they are replacing
- help take environmental responsibility and achieve economic benefits through self-sufficiency (use of mainly locally sourced renewable resources and recycled resources).
- help limit the extraction and depletion of non-renewable resources.
- can reduce the amount of waste landfilled or spread in the environment (land and sea) thanks to their recyclability, but also their biodegradability and compostability.
- contribute to rural development and livelihood, as they depend on natural renewable resources growing on land and in the marine environment.

3. Towards a successful circular bioeconomy strategy

What makes the paper industry unique is both the renewable biomass and recyclable feedstocks, grown, renewed and recycled in Europe. This contributes to a genuinely circular bioeconomy. In order to enhance the contribution and benefits of the circular bioeconomy to Europe's economy and environment, CEPI calls on the EU to put further emphasis in the updated strategy on:

- Increasing the availability and mobilisation of biomass (including its transport): this requires notably the promotion of active forest management, the redress of policies that distort biomass supply chains and the adjustment of waste legislation to promote the recycling and recovery of waste and notably of the biomass in the waste.
- Boosting investors' confidence, notably by de-risking investments made in Europe, and directing EU money (ESIF, EFSI, Research and Innovation) to sustainable sectors in a predictable and stable manner.
- Easing access to markets for a wide range of bio-based products by lifting obstacles to their circulation within the single market and by indicating clear preference for sustainable, circular and bio-based products.

4. Implementing concrete, measurable and time-bound actions

Next to updating the strategy, the related Action Plan must focus on a limited number of actionable and realistic actions that should be implemented in the short term.

- Capitalising on its current success (investments triggered, SME participation, leapfrogging innovations, ...), the Bio-based Industries Joint Undertaking must be reconducted with at least the same budget.
- Research and innovation must remain a priority of the EU. The next Framework Programme for Research must factor in a "mission" that targets the climate challenge thanks to sustainable renewable resources.
- The development of a sustainable and circular bioeconomy must be a shared ambition across the European Institutions. Synergies and leverages within complementary policy initiatives must be sought and enhanced, especially when it comes to the Circular Economy Package and the Climate and Energy policies.

¹ Review of the 2012 European Bioeconomy Strategy, European Commission, Directorate General For Research and Innovation, November 2017, <https://publications.europa.eu/en/publication-detail/-/publication/a81308e3-cf37-11e7-a7df-01aa75ed71a1/language-en>



- There must be mechanisms established – e.g. under rural development policy of the CAP –to boost the sustainable production of biomass, allowing for sharing the benefits of the bioeconomy between biomass producers and bio-based industries, while taking care of land, soil, water and biodiversity.
- Separate collection and sorting of biodegradable waste streams (incl. paper and board products) must become the standard and waste landfilling must be effectively drastically restricted or banned in order to increase both the quality and quantity of waste feedstocks that can be recycled into high value bio-based products.
- Specific funding programmes (including venture capital) should be established to support technology transfer and entrepreneurial initiatives.
- While there exist already provisions for greening public procurement, such policy must also prescribe a preference for bio-based products (inspired by the US Bio-preferred programme). As public buyers, the EU Institutions themselves can already play an exemplary role.
- It is also of utmost importance to overcome misconceptions and misunderstandings concerning the bioeconomy. Ensuring the rapid availability of undisputable data and facts on the expected environmental, climate, social and economic benefits of the bioeconomy and bio-based products, is a must in order to raise awareness and promote the bioeconomy across Europe's society at large.