

Cepi position on the upcoming European Commission legislative proposal on minimising the risk of deforestation and forest degradation associated with commodities and products placed on the EU market

Summary

1. Focus on commodities and products that are not under EU legislation addressing deforestation and have the most impact on global deforestation and forest degradation;
2. Use the definitions of the Food and Agriculture Organization (FAO) of the United Nations when it comes to deforestation, forest degradation as well as forests in general and apply cut-off date applicable when the regulatory framework enters into force;
3. For wood-based products, the EU Timber Regulation (EUTR) and market-based, third-party verified certification systems, which are widely used by the wood sector, sufficiently address the risk of deforestation caused by timber entering the EU market. The EUTR product scope should be expanded to e.g. printed products and enforcement and recognition of forest certification in risk assessment harmonised.

Cepi has the following policy recommendations for the upcoming legal framework to halt global deforestation and forest degradation:

- 1. Focus on commodities and products that are not under EU legislation addressing deforestation and have the most impact on global deforestation and forest degradation**

The European paper industry welcomes the European Commission's efforts in seeking effective, proportionate and targeted actions to reduce the impacts of commodities and products that are imported to the EU and that are associated with deforestation and forest degradation. The EU level intervention on consumption of goods can reduce global deforestation and forest degradation. The EU can lead by example as the main market for these commodities and products.

According to the EU Communication (2019) on stepping up EU action to protect and restore the world's forests, approximately 80% of global deforestation is caused by the expansion of land used for agriculture. Urban expansion, infrastructure development and mining are also factors driving deforestation. In order to increase consistency of the policy framework, the upcoming legal framework should point out that these commodities and products are driving deforestation and come from outside the forest sector. Focus should therefore be put on commodities and products that are not under EU legislation addressing deforestation and have the most impact on global deforestation and forest degradation.

Besides the consumption patterns, it would be essential to solve initial root causes behind deforestation and forest degradation resulting from challenges related to e.g. local governance, inadequate law enforcement and poverty. Moreover, livelihoods of local people should be supported in an appropriate manner.

The upcoming policy measures aimed to tackle issues related to commodities and products driving deforestation and forest degradation should take into account the diversity of commodities and products and acknowledge the already existing framework of legislative and market-based systems that has been established to combat deforestation.

As regards commodities and products driving deforestation and forest degradation outside the

forest sector, it would be essential to enhance their forest-related sustainability; these commodities and products should not be derived from areas that used to be any type of forest. An appropriate base year for forest land conversion should be the date from which the legislation enters into force.

Cepi would highly recommend the European Commission and co-legislators to focus on the products containing commodities outside the forest sector in order to tackle the issues related to global deforestation.

Moreover, European paper and board industries are global actors and emphasise the importance of trade agreements in ensuring a fluent functioning of trade flows. At the same time, we strongly support the “sustainable development chapter” of the EU-Mercosur free trade agreement and, in particular, the elements related to the ‘sustainable management and conservation of forests’.

2. Use the definitions of the Food and Agriculture Organization (FAO) of the United Nations

Global deforestation and forest degradation are serious issues with negative consequences for the achievement of both the UN Sustainable Development Goals and the Paris Agreement.

Deforestation accelerates climate change and causes biodiversity loss. The main drivers of the global biodiversity loss, namely the land use change and climate change, should therefore be tackled with meaningful and targeted policies. The objective of the policy that aims at contributing to halting the global deforestation and forest degradation will be achieved if the focus is on those commodities and products that have a major role in driving deforestation and forest degradation.

Prior to setting the EU legal framework to tackle global deforestation and forest degradation, it is of utmost importance to endorse commonly agreed, well-established definitions by FAO as it comes to deforestation and forest degradation as well as forests in general. According to the FAO, deforestation is the conversion of forest to another land use or the long-term reduction of a tree canopy cover below the minimum 10 percent threshold.

According to the explanatory note by the FAO:

- 1) Deforestation implies the long-term or permanent loss of forest cover and implies transformation into another land use. Such a loss can only be caused and maintained by a continued human-induced or natural perturbation.
- 2) It includes areas of forest converted to agriculture, pasture, water reservoirs and urban areas.
- 3) The term specifically excludes areas where the trees have been removed as a result of harvesting or logging, and where the forest is expected to regenerate naturally or with the aid of silvicultural measures. Unless logging is followed by the clearing of the remaining logged-over forest for the introduction of alternative land uses, or the maintenance of the clearings through continued disturbance, forests commonly regenerate, although often to a different, secondary condition. In areas of shifting agriculture, forest, forest fallow and agricultural lands appear in a dynamic pattern where deforestation and the return of forest occur frequently in small patches. To simplify reporting of such areas, the net change over a larger area is typically used.
- 4) Deforestation also includes areas where, for example, the impact of disturbance, over-utilization or changing environmental conditions affects the forest to an extent that it cannot sustain a tree cover above the 10 percent threshold.

With regard to forest degradation, it would also be important to use FAO definitions. According to

the Second Expert Meeting on Harmonised Forest-related Definitions for Use by Various Stakeholders (FAO, 2002b), forest degradation is the reduction of the capacity of a forest to provide goods and services. According to FAO (2001) Global Forest Resources Assessment 2000, forest degradation is changes within the forest which negatively affect the structure of function of the stand or site, thereby lowering the capacity to supply goods and/or services.

Consequently, the concept of forest degradation should not be associated with a short-term reduction capacity of forests delivering goods and services after temporary sustainable forest management activities, i.e. final harvesting. Overall benefits of forest-based value chains go beyond sustainable forestry and removals of biomass as the sector can offer sustainable solutions to global challenges illustrated e.g. in the [2050 vision of the EU forest-based industries](#).

3. For wood-based products, the EU Timber Regulation (EUTR) and market-based, third-party verified certification systems, which are widely used by the wood sector, sufficiently address the risk of deforestation caused by timber entering the EU market. The EUTR product scope should be expanded to e.g. printed products and enforcement and recognition of certification in risk assessment harmonized.

The EUTR was introduced to prevent the placing on the EU market of timber from illegal logging, as illegal logging was seen as an important driver of deforestation and associated greenhouse gas emissions. The EUTR and FLEGT (Forest Law Enforcement, Governance and Trade) Regulation, combined with forest certification, provide an efficient tool for timber and, if extended during the revision, for all forest-related products such as printed products.

Forest-based products are already covered under the EUTR and FLEGT as well as under the renewed Renewable Energy Directive (REDII) to 2030 which includes sustainability provisions for forest biomass produced in and imported to the EU. It is essential not to duplicate the legislative burden of forest-based products whose sustainability is ascertained with several, already existing and well-functioning measures at EU, national and regional levels.

While Cepi believes that the EUTR is a strong tool to prevent the placing on the market of timber from illegal logging and therefore driving deforestation, we would encourage the European Commission to update the product scope to include e.g. printed matter and ensure a more harmonised enforcement. The European Commission should also aim for mutual recognition between the EUTR and future UK legislation on timber legality provided the latter is deemed equivalent.

The two major global forest certification systems have revised their standards to explicitly comply with the EUTR due diligence requirements. It should be kept in mind that their scope is much broader than legality and deforestation, but actually comprises sustainable forest management, which encompasses many more environmental, social and economic criteria. The role of forest certification in risk assessment and mitigation should be recognised in a harmonised way by the Member States' competent authorities.

Annex: (for background) The European paper industry's commitment to sustainable sourcing of wood: Not only addressing illegal logging and legal deforestation, but actively supporting sustainable forest management

The European paper industry is committed to using wood that has been legally harvested and comes from responsibly-managed forests. This is reflected in reality: 92% of wood consumed by the European paper industry is from Europe, the rest is imported mainly from Russia and Belarus. In 2018, 74% of the wood supply to the paper industry was from forests certified either FSC or PEFC. 90% of the external purchased pulp is certified. Consequently, legally sourced, certified primary raw materials from sustainably-managed forests are a prerequisite for the European paper and board industries. Information on deforestation and possible risks of forest degradation are at the core of the purchasing decisions as they have a direct impact on sustainability and the reputation of businesses.

Responsibly-sourced raw materials do not cause forest degradation. The basis of the work developed by FOREST EUROPE is a common understanding of what sustainable forest management encompasses. The term was defined in 1993 in the Helsinki resolution H1 as: "the stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfill, now and in the future, relevant ecological, economic and social functions, at local, national, and global levels, and that does not cause damage to other ecosystems". Different sectorial policies such as REDII are embedding forest management sustainability requirements in EU legislation. The basis for the approach started under the current EU Forest Strategy (2013) to seek for common criteria regardless of the end use of forest biomass. It would be important to continue this work under the new Forest Strategy post-2020 to avoid different EU sustainability requirements for forest-based raw materials being used for multiple purposes in different sectors such as construction, pulp and paper, packaging, textiles or energy.

Promotion of sustainable forest management, to which the European paper industry is firmly committed, should play a key role across the world in enhancing the condition of ecosystems and assuring the delivery of raw materials and non-wood forest products as well as ecosystem services such as habitats, clean air, water purification and erosion prevention.

While European pulp and paper production does not contribute to deforestation or forest degradation, the association between deforestation and the use of paper continues to throw shade on the reputation and image of sustainably acting producers in Europe. It should be reiterated that, based on the latest data (link: Forest Europe "State of Europe's Forests Report, November 2020), forests in Europe have been growing alongside the increased use of wood from them thanks to sustainable forest management and the efficient use of wood by the forest-based industries.