

Cepi views on the proposal for a Regulation concerning certain commodities and products associated with deforestation and forest degradation

The European pulp and paper industry fully supports efforts and initiatives contributing to halt deforestation and forest degradation around the globe and recommends the EU to take effective and proportionate actions to counter this serious problem. Global deforestation and forest degradation have utterly adverse impacts on climate change and biodiversity loss, as they reduce carbon sink capacity and the overall provision of a diverse range of essential forest ecosystem services, including the delivery of raw materials.

Healthy, resilient, and growing forests are of strategic importance for the future of pulp and paper industries, and thus the industry is committed to sustainable forest management to ensure that forests fulfil multiple environmental, social and economic functions now and in the future. Since decades the industry applies third-party verified robust forest certification systems to ascertain that the wood-based raw material originates from responsibly managed forests, which now cover 74% of the wood supply. Although pulp and paper production is not a driver of deforestation, undue associations continue to put a shade on industries that work with forests in a sustainable way and contribute to climate change mitigation by providing alternatives to fossil-based and CO₂-intensive materials.

Cepi puts forward the following recommendations in light of the recent adoption of the proposal for a Regulation concerning certain commodities and products associated with deforestation and forest degradation:

1) Focus on commodities and products that have the most impact on global deforestation and forest degradation.

It is of utmost importance that the Regulation focuses on the real drivers of commodity-induced deforestation. While wood and wood-based products are already specifically addressed by the EU Timber Regulation, the focus needs to be set on deforestation driven by agricultural commodities: as widely acknowledged, approximately 80% of global deforestation is caused by the conversion to agricultural land, followed by urban expansion, infrastructure development and mining¹. A 2013 assessment found that the import of embodied deforestation through the import of crop products was the main cause of the strong link between the EU27 and embodied deforestation over the period 1990-2008².

¹ See for example: EU Communication (2019) on stepping up EU action to protect and restore the world's forests; FAO (2020), State of the World Forests 2020. Preliminary results of a 2021 FAO survey show that the rate of agriculture-driven deforestation may be as high as 90%: see FAO Global Forest Resources Assessment 2020 Remote Sensing Survey.

² EC (2013), The impact of EU consumption on deforestation: Comprehensive analysis of the impact of EU consumption on deforestation. Technical Report 2013-063

Experience with the EU Timber Regulation³, introduced to prevent the placing on the EU market of illegally logged timber, has shown that targeted measures combined with a risk-based approach are improving transparency in the supply chains and real change in the countries of origin, as many EU trade partners have taken steps to reduce illegal logging and improve their forest governance systems.

2) Definitions established by the Food and Agriculture Organization of the United Nations should be used. Definitions should ensure legal clarity and be implementable.

When setting requirements on the EU legal framework to tackle global deforestation and forest degradation, it is crucial to endorse internationally agreed, well-established definitions. In particular, key terms such as forest, deforestation and forest plantation should be defined exactly as in [FAO Global Forest Resources Assessment](#) Terms and Definitions. This approach would facilitate uniform enforcement and would ensure consistency within the large set of EU legal and policy framework.

According to the FAO Forest Resources Assessment 2020:

- 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*”. The explanatory note clarifies that it implies the long-term or permanent loss of forest cover and transformation into another land use. The term includes areas of forest converted to agriculture, pasture, water reservoirs and urban areas and 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.
- Forest is defined as “*land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or urban land use*”.
- Plantation forest is “*planted forest that is intensively managed and meet ALL the following criteria at planting and stand maturity: one or two species, even age class, and regular spacing*”.

Deviation from these definitions, however partial or limited, would result in misalignment with international agreements and other areas of EU policy, for example the climate legislative framework, where forest plantation counts as forest land in GHG accounting categories.

Forest degradation is not defined in the FAO Forest Resources Assessment, which refers to national definitions and criteria only. The assessment of forest degradation as the reduction of the capacity of a forest to provide goods and services ultimately depends on the weighting given to different criteria (e.g., species diversity, production capacity, protection capacity), which is context- and country-dependent. Moreover, many indicators of a forest’s capacity to provide goods and services vary over time within a stand without implying forest degradation. As such the concept is open to different interpretations and, if included in the new framework, risks addressing sustainable forest management practices, while the problem is conversion to other land uses. Therefore, the definition of “deforestation-free” should be aligned with the FAO definition of deforestation. The inclusion of forest degradation in the definition of “deforestation-free” puts unproportionate burden on wood commodities, while the main drivers of deforestation are agriculture commodities.

Finally, the definition of “deforestation-free” should make clear that the production of relevant commodities is not causing nor contributing to deforestation. For example, forest clearing may be triggered by

³ Regulation (EU) No 995/2010

infrastructural development. Logging of wood may occur in those areas but would not be the cause itself of deforestation.

3) Due diligence should incorporate third party certification as a valid tool for risk assessment and mitigation

Due diligence requirements imposed on operators should follow a risk-based approach in accordance with WTO rules. Instead of creating a completely new system, the new framework should build as much as possible on existing systems as set by the EU Timber Regulation also to avoid an unnecessarily increase of administrative and financial burden for operators. Existing global forest certification systems, such as FSC and PEFC are key tools in the industry's risk management and risk mitigation procedures under the EU TR. Third-party verified forest management certification ensures that forests are managed in line with environmental, social and economic requirements, and are complemented by Chain of Custody certification to track and trace the wood raw material to its origin. As such, their scope is broader than legality and deforestation. A recent study⁴ confirmed that certification remains a key tool as it safeguards a higher degree of assurance to operators compared to non-certified material or supply chains. This supporting role in deforestation-risk assessment should be maintained under the new framework.

Cepi is the European association representing the paper industry. We offer a wide range of renewable and recyclable wood-based fibre solutions to EU citizens: from packaging to textile, hygiene and tissue products, printing and graphic papers as well as speciality papers, but also bio-chemicals for food and pharmaceuticals, bio-composites and bioenergy. We are a responsible industry: 92% of our raw materials are sourced in Europe and certified as sustainable, 91% of the water we use is returned in good condition to the environment. We are the world champion in recycling at the rate of 72%. At the forefront of the decarbonisation and industrial transformation of our economy, we embrace digitalisation and bring 20 billion value addition to the European economy and €5.5 billion investments annually. Through its 18 national associations, Cepi gathers 500 companies operating 895 mills across Europe and directly employing more than 180,000 people.

⁴ Preferred by Nature (2021), Report: Study on Certification and Verification Schemes in the Forest Sector and for Wood-Based Products.