



New EU draft on deforestation-free commodities

Dear Sir or Madam,

The European Timber Trade Federation (ETTF) has been intensively involved in the discussion on the new regulation on deforestation-free supply chains in recent months. We emphasized that we supported the objectives of the new regulation. We would like to point out that since the European Timber Trade Regulation (EUTR) came into force seven years ago, the European timber trade has had excellent experience in providing due diligence services when importing timber into the internal market. In this respect, the European timber trade is looking forward to the new regulation with confidence. At the same time, ETTF points out that the great experience of timber importers in their product range contributes to the fact that the planned regulations are already essentially implemented.

The ETTF would like to submit the following comments on the new legislation:

1. Sustainability certificates such as FSC[®] and PEFC must also play an important role in the new regulation. They can prove that certified products originate only from sustainable forestry. In this context, ETTF has always pointed out that certificates should be given a green lane as part of due diligence. We also underline this concern in the new legislation. Third party certificates must remain an important tool in the due diligence process.
2. The definition of "forest degradation" should be formulated more clearly to enable importers to take this into account in their due diligence. Changes in the composition of tree species, age structure or stocking rate of a forest stand, for example, should not be covered by this term, as far as it is regular forestry according to the laws of the supplier country – indeed, this is explicitly defined in the new regulation.
3. The definition and specification of "high risk or low risk countries" should be made even more concrete and must be based on transparent criteria. Up to now, in the context of EUTR, importers have taken over this definition as part of the risk minimisation process themselves. Indications are provided by the CPI or the current political situation in the supplier countries. Whether a strict and not very flexible classification into "high or low risk countries" on the part of an authority is the better way to support sustainable land use is in our opinion questionable. Finally, local importers must assess in their due diligence how high the actual risk in the region is in the sense of the law.
4. Most member states, national timber trade associations or service providers have established a comprehensive due diligence system over the past years, which has been used to support medium-sized timber imports in their country – whether as a monitoring organisation (according to EUTR) or as an independent service provider. It is essential to strengthen these structures with the new legislation as well, as they are the backbone of due diligence for importers.
5. The ETTF does not consider the inclusion of larger trading companies in due diligence to be sensible, as this would create unnecessary bureaucracy, as otherwise due diligence would have to be carried out twice on the same products. Even if only larger trading companies are affected, we question this necessity.

Dear Sir or Madam, we kindly ask you to consider the above-mentioned concerns and suggestions when further evaluating the proposal for new legislation. We thank you for your support!

Yours sincerely

EUROPEAN TIMBER TRADE FEDERATION

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