

Cop 26 and climate issues: sustainable forest management, a lever for reducing carbon emissions

ATIBT position on the EU draft regulation to fight deforestation and associated carbon emissions contained in European imports of forestry risk products

<u>Preface</u>

In light of the challenge of fighting climate change, the European Union is currently considering legislation to ban the import of raw materials that contribute to deforestation. This includes all commodities that could contribute to deforestation, including palm oil, soy, coffee, cocoa, beef and timber.

Available information indicates that the draft regulation would move towards a combination of mandatory due diligence (in the idea of what is already implemented under the EUTR) and a voluntary mechanism.

This reflection is an opportunity for ATIBT to recall the experience that the Tropical Forest and Timber sector has acquired over several decades to ensure the legality and sustainability of its activities and timber products, while avoiding deforestation. Certified sustainable forest management guarantees the legality of logging operations and allows, in addition to conferring an economic value to the forest, the maintenance of ecosystem goods and services, the rights and needs of local communities and indigenous peoples, as well as conservation values while maintaining forest cover. It also helps to combat deforestation, preventing the conversion of the forest to other uses, such as agricultural land or mining.

ATIBT members' responses to the fight against deforestation

The tropical timber sector that we represent is part of the solution to avoid deforestation and we can demonstrate the actions that we have been able to develop and implement until today to create synergies between actors concerned with virtuous channels.

The members of ATIBT, as guarantors of forest resources, want to develop their markets in Europe towards ever more ethical and sustainable consumption patterns. Legal logging in the Congo Basin is already a guarantee of sustainability. It can also have an additional guarantee through a certification process (legality and/or sustainable management). This is a process in which all forestry members of ATIBT are involved.

This development of the European Union legislation against imported deforestation will allow the sector to

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capitalize on the different past experiences, to highlight them and share them with other stakeholders. It can help us to develop our markets in Europe because we are already prepared to face it with our members, based on our skills and our achievements.

Reflection

The maintenance of the forest by the valorization of its products excludes the conversion of the lands, and excludes the deforestation. This argument reinforces the value of our product, certified timber. In order to guarantee that our products do not contribute to deforestation, we must ensure the conformity of our management systems. Therefore, certificates of legality (OLB, TLV, LegalSourceTM) and sustainable forest management (FSC[®] and PEFCTM) will have to be more explicit and clear about this issue in their standards and communication.

In order to have enough wood available, it is necessary that producing countries define and enforce increasingly strict forestry legislation against deforestation and commit to sustainable forest management.

The FLEGT process can play an important role and should be a tool to encourage countries to become timber producers, based on sustainable forestry laws and with adequate funding to do so. Development in the Congo Basin has proven that this is possible and the current context is very favorable. Through the Forest Partnerships mentioned above, the development of regulatory frameworks that include clear restrictions on deforestation should be promoted.

Forest managers working in the forests of these countries can, in a clear regulatory context, obtain a certification of legality and/or sustainable management. These certifications are already widely implemented in countries with natural tropical forests.

Concerning the EUTR, as we have reminded in our last letter to the European Union, to avoid illegal timber entering Europe and to reduce unfair competition, we require at least that operators be controlled by an independent organization and according to non-deforestation requirements.

Sustainable management certification systems (FSC[®], PEFC[™]) do not allow deforestation by certificate holders (strong restrictions^{*}); legality certificates (OLB, TLV, LegalSourceTM) allow deforestation if it is legal. The two approaches are different. In any case, it is important that these systems further clarify their position and requirements for non-deforestation in their standards and communication.

We demand that timber certified according to these systems gets direct access to the European market without additional control (a "green lane" to be clear). This very important provision should replace the "green lane" of the FLEGT license which will no longer exist under these new EU guidelines. With the certified Chain of Custody (CoC), the EU can rely on these standards (which can be verified through sample checks). This will also reduce the risk of a shift to the less demanding Asian markets.

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And the market?

Without the problem of illegal timber and with the promotion of the advantages of the use of forest resources, the market will develop further. But the past has shown that this does not necessarily lead to the use of sustainable timber. It is now very important that Europe quickly moves towards the use of certified timber. ATIBT proposes that all EU member states require the use of FSC[®] or PEFC[™] certified timber in all public procurement, as is already the case in the Netherlands and France.

Without such an incentive, sustainable timber from natural tropical forests will remain an unprofitable niche and even slowly die out.

"Imported deforestation" group ATIBT Certification Commission September 2021

(*) FSC and PAFC allow deforestation (for conversion to plantations or other land uses) by the certified company under certain conditions and up to 5% of the area. However, these conditions are almost impossible to fulfill because it is necessary to prove the necessity and the long-term benefit of this conversion (need to build a permanent camp for example) but in all other cases it is complicated. References:

- FSC International Generic Indicators FSC-STD-60-004, paragraph 6.9, page 39f and 87,

- FSC advice note FSC-DIR-20-007-04 EN: in case of overlapping use rights (mining).

- PEFC Sustainable Forest Management - Requirements PEFC ST 1003:2018, paragraph 8.1.4, page 16

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