

The European Forum of Northern Sweden's views on the European Commission's proposal for a regulation on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010

The European Forum of Northern Sweden (EFNS) is a network for politicians at the local and regional levels in Norrbotten, Västerbotten, Jämtland Härjedalen, and Västernorrland. The EFNS is a meeting place and knowledge arena where EU policies are analysed and discussed in areas which affect northern Sweden. The EFNS monitors European issues to influence EU legislation, EU strategies, action programmes, and the EU budget. The purpose of the EFNS is to safeguard the interests of northern Sweden, both in the European field and in relation to national level issues with a clear European perspective.

Forests are important for biodiversity and play a central role in climate efforts. The world needs more trees and viable forests. The EFNS therefore welcomes initiatives that prevent goods consumed within the EU, or transiting through the EU, from containing commodities or products that have contributed to deforestation in third countries. Deforestation mainly occurs when forest land is converted into arable land for the production of food commodities. From previously regulating imports and trade in illegally harvested timber products under the EU Timber Regulation, the European Commission now aims to adopt a new regulation that, in addition to the product group 'wood', would regulate trade in commodities such as beef, cocoa, coffee, palm oil and soy.

The EFNS hereby wishes to present its perspectives on the EU's efforts to prevent deforestation in third countries. The EFNS' viewpoints in short:

- Proposals in EU's Green Deal growth strategy and Fit for 55 should not risk leading to food shortages or increased poverty in third countries.
- Trade in timber products should not be made more difficult at a time when we all need to replace fossil materials with renewable ones.
- The EU should promote reforestation through forestry in markets prone to high deforestation risk.
- Detailed regulation of how sustainable forest management is conducted should be avoided and terminology needs to be clearly defined.



In the context of a changing security order and looming global food shortages, it
would be wrong to impose extra administration and costs on food imports entering
the internal market.

<u>Proposals in EU's Green Deal growth strategy and Fit for 55 should not risk leading to food shortages or increased poverty in third countries</u>

According to the European Commission's proposal, deforestation or degradation must not take place after 31 December 2020 on land on which a commodity or product was produced. In the context of a changing world order, with looming food shortages that would particularly hit the poorest in several parts around the world, said formulation may in fact be unnecessarily harsh. In order to avoid starvation it may become a necessity in some places to put new arable land into use. Farmers who grow food for survival should not be hindered by bilateral agreements that prohibit deforestation and that penalize the industry with EU trade sanctions. Moreover, the legislation should not result in restricted access to the EU internal market for poorer countries. This would indeed counteract several other objectives, such as combatting poverty and increasing the availability of renewable materials.

<u>Trade in timber products should not be made more difficult at a time when we all need to replace fossil materials with renewable ones.</u>

The commodities included in the proposal for the new regulation on deforestation also include the product group 'wood'. The EFNS finds it unfortunate that such different commodity groups should be regulated under the same regulation. Wood should not be included in agricultural commodities like beef, cocoa, coffee, palm oil and soy. Comprehensive regulatory frameworks for the marketing of wood products in the internal market could in fact counteract the EU's climate ambitions of making the switch to more renewable materials.

Wood can replace plastic and other environmentally harmful materials in products. In addition, deforestation cannot be clearly linked to trade in wood but is rather linked to the cultivation and export of food commodities. Imports of timber products and trade in timber products within the EU are already regulated by the EU Timber Regulation, which prohibits the sale of wood from illegally harvested forests. The EUTR should therefore continue to regulate the sale of illegally harvested timber and timber products originating from illegal deforestation.

The EU should promote reforestation through forestry in markets prone to high deforestation risk

The European Commission's proposal mainly focuses on control and reporting systems to ensure that no deforestation has occurred after 2020. The proposal can play a key role in the fight against deforestation. However, the EFNS considers that the regulation should clarify and clearly mark the difference between deforestation and harvesting,



where harvesting is part of an active forest management, which includes the replanting of trees.

By bringing farmers' forest management in third countries into focus, an important effort would be made both towards increasing the carbon uptake and towards combatting poverty. If farmers see a financial payoff from planting trees, watching them grow, managing them, and harvesting and planting new trees, preconditions are set not only for the protection of existing forests but also for reforestation. It is often possible to reconcile agriculture with revenue from trees. For example, growing rows of trees in between fields can also create microclimates and prevent soil erosion. In order for this to become a reality there needs to be increased focus on legal systems, such as land rights and title deeds that protect farmers' ownership, as well as functioning wood product markets.

<u>Detailed regulation of how sustainable forest management is conducted should be avoided and terminology needs to be clearly defined</u>

The European Commission's proposal contains several concepts that have an unclear meaning, such as "plantation forest", "planted forest", "forest degradation" and requirements for "sustainable harvesting operations". Apart from the fact that these concepts are not clearly defined and may give rise to misunderstandings and arbitrariness, they risk compromising the purpose of the regulation itself. Several formulations indicate that it would be wrong to plant trees, a stance which could severely counteract the main purpose of the regulation, i.e. growing more trees worldwide to capture and store carbon while at the same time providing habitats to animals and plants. The difference between the concepts of harvesting and deforestation needs to be clearly outlined. Harvesting is part of active forest management, with the replanting of trees. Deforestation implies land use changes where a previously forested area is permanently converted into e.g. arable land, pasture land or building space. All in all, the regulation must be clear, easy to understand, and easy to comply with and control, especially given its global scope.

In the context of a changing security order and looming global food shortages, it would be wrong to impose extra administration and costs on food imports entering the internal market

The proposal for a regulation to prevent deforestation entails comprehensive multistage control and reporting systems including the individual trade through which the commodity is marketed. The proposal was drafted in a context of a well-functioning global food trade without blatant shortcomings. Today, however, it is a known fact that seed, fertilizer, and energy shortages are going to affect the global food availability. No one knows how long it will take before these fundamental problems are resolved. Detailed reporting requirements and increased administration in third countries at the food commodity trade level pose the risk of a price hike on these commodities and of possibly hampering the ability of EU countries to import food commodities in case of a



global shortage of a particular commodity. Other risks include the redirection of global trade flows and decreased competitiveness of European companies.

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