




BioenergyEurope WG Pellet meeting – 20th March 2024

EMMA4EU

Innovation alliance for training programmes for
deforestation-free supply chains in Europe

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Regulation (EU) 2023/1115 on deforestation-free products (EUDR) Implications for the pellet markets

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Outline

- **The problem**
- The EUDR in a nutshell
- Challenges
- Next steps
- Final considerations

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In 30 years, between 1990 and 2020 approximately 420 million hectares of forests were lost.

23 per cent of anthropogenic greenhouse gas emissions stem from agriculture, forestry, and other land uses.

Deforestation and forest degradation are among the main drivers of the biodiversity crisis we are experiencing

FAO IPCC CBD

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DEFORESTATION ASSOCIATED WITH INTERNATIONAL TRADE

CHINA (24%)

USA (7%)

EU (16%)

JAPAN (5%)

INDIA (9%)

European union:

- **2nd largest importer of tropical embodied deforestation** and associated emissions
- In **2005 e il 2013** leading importer of embodied deforestation (China leads since 2014)
- In **2005-2017: 3.5 Million hectares deforested** → 1 807 million tons CO₂

Sources: Cuypers *et al.* (2013); WWF (2021)

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9.6.2023 EN Official Journal of the European Union L 150/206

REGULATION (EU) 2023/1115 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 31 May 2023

on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,
Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,
Having regard to the proposal from the European Commission,
After transmission of the draft legislative act to the national parliaments,
Having regard to the opinion of the European Economic and Social Committee ⁽¹⁾,
After consulting the Committee of the Regions,
Acting in accordance with the ordinary legislative procedure ⁽²⁾,

EU Timber Regulation (EUTR)

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Annex 1 (same wood products and codes as for EUTR)

Wood

4401 Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms

4402 Wood charcoal (including shell or nut charcoal), whether or not agglomerated

4403 Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared

4404 Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking sticks, umbrellas, tool handles or the like; chipwood and the like

4405 Wood wool; wood flour

4406 Railway or tramway sleepers (cross-ties) of wood

4407 Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm

4408 Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for other similar laminated wood and other wood, sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6 mm

4409 Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed

4410 Particle board, oriented strand board (OSB) and similar board (for example, waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances

4411 Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances

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EUDR: 3 key criteria for compliance

Relevant commodities and relevant products **shall not be placed or made available on the market or exported**, unless all the following conditions are fulfilled:

- they are **deforestation-free**;
- they have been produced **in accordance with the relevant legislation of the country of production**; and
- they are **covered by a due diligence statement**

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EUTR vs. EUDR: scope and focus

	EUTR	EUDR
Scope (products)	Timber and timber products (Annex 1)	Cattle, cocoa, coffee, oil palm, soya and wood and relevant product that contain, or have been fed with or have been made using relevant commodities
Focus and main requirements	Legality Produced in compliance with applicable legislation in the country of origin	Legality and deforestation free - not produced on land subject to deforestation or forest degradation after 31st December 2020 - Produced in accordance with the relevant legislation of the country of origin - Covered by a due diligence statement (to be submitted to the EU information system before placing goods on the market)

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EUTR vs. EUDR: relevant and applicable legislation

	EUTR	EUDR
Relevant and applicable legislation at the country of origin	- Harvesting rights within legally gazetted boundaries - Payments for harvest rights and timber - Timber harvesting, including environmental and forest management and biodiversity conservation - Third parties' legal rights (use and tenure) - Trade and customs regulations	- Land use rights - Environmental protection - Forest-related rules, including forest management and biodiversity conservation, were directly related to harvesting - Third parties' rights Labor rights Human rights protected under international law The principle of free, prior, and informed consent (FPIC), including as set out in the UN Declaration on the Rights of Indigenous Peoples Tax, anti-corruption, trade and customs regulations

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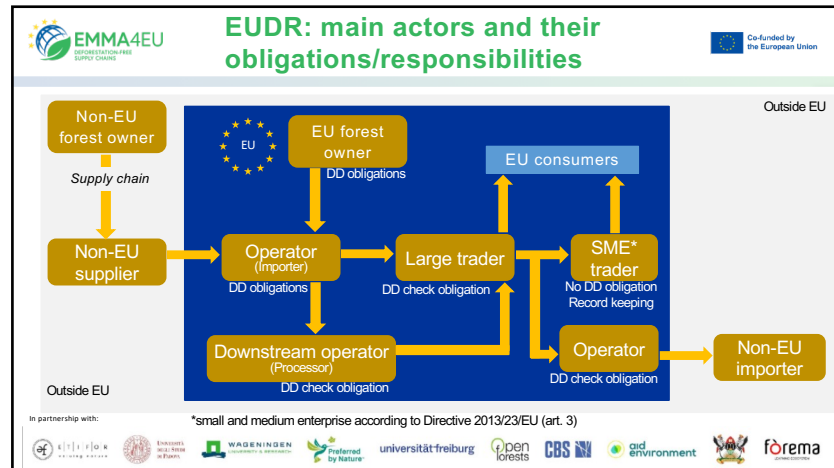

EUTR vs. EUDR: Actors and their obligations

	EUTR	EUDR
Actors and their obligations	Operator = places timber or timber products on the EU market → Due Diligence Trader = sells or buys on the EU market timber or timber products already placed on the EU market → Traceability (record keeping)	Operator = places relevant commodities and products on the EU market or exports them from the EU market → Due Diligence Trader = within the supply chain, other than the operator, that makes available on the EU market relevant commodities and products. 2 cases: Non-SME → Due Diligence SME → Traceability (record keeping)

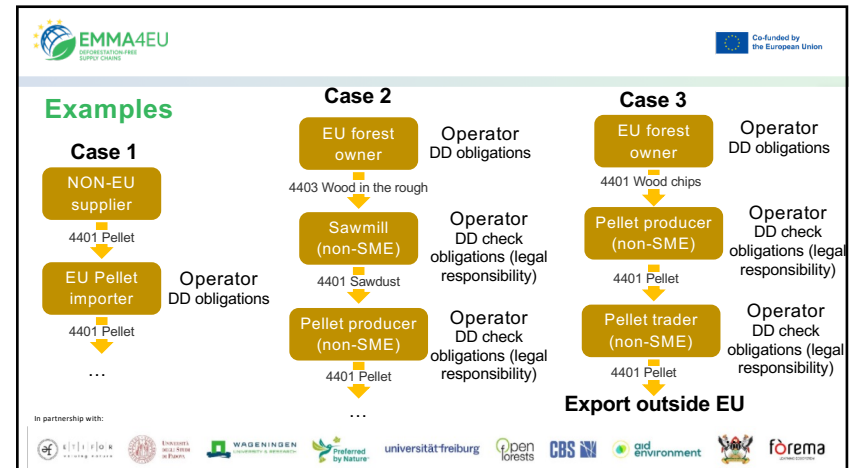
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EUTR vs. EUDR: Due diligence (information gathering)

	EUTR	EUDR
DD – Information requirements	- Name (common, trade and scientific) and type of product - Country of harvest, and where applicable: sub-national region and concession of harvest - Quantity (volume, weight or number of units) - Name and address of the supplier to the operator - Name and address of the trader - Documents or other information indicating compliance of those timber and timber products with the applicable legislation	- Name (common, trade and scientific) and type of product - Country of harvest, and where applicable: sub-national region and concession of harvest - Geolocation coordinates of all plots of land where the relevant commodities and products were produced as well as the date or time range of production - Quantity (volume, weight or number of units) - Name and address of the supplier to the operator - Name and address of the trader - Adequate and verifiable information that the relevant commodities and products are deforestation-free - Adequate and verifiable information that the production has been conducted in accordance with relevant legislation of the country of production

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EUTR vs. EUDR: checks and custom authorities

	EUTR	EUDR
Checks	- By Competent Authorities - In accordance with a periodically reviewed plan following a risk-based approach	- By Competent Authorities - In accordance with a periodically reviewed plan following a risk-based approach - Intensity of checks depending on countries benchmarking (= risk level)
Role of Custom authorities	Limited to checking FLEGT and CITES licenses	- Control the correct declaration of relevant commodities and products entering or leaving the EU market - Verify the status and information of the due diligence statement via "electronic interface"

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EUDR: 4 main challenges (among others)

- Multiple sources and geolocation
- Country benchmarking
- Delayed and uneven implementation
- Beyond Europe: similar initiatives by other countries/governments

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1. Multiple sources and geolocation

Geolocation (6-digits Lat/Long)
Plots <4 ha: 1 point
Plots ≥4 ha: polygon

Date or time range of production
= wood harvesting (single date or harvesting period)

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Possible tools and resources

EU observatory on deforestation and forest degradation

<https://forest-observatory.ec.europa.eu/>

Supporting tools

Do not assure compliance or imply non-compliance with EU Regulations

Not binding (alternative ones may be used)

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Possible tools and resources: many emerging solutions (example 1)

PLENAMATA | [Home](#) | [About](#) | [Contact](#) | [Home](#)

DETER (Real-Time Deforestation Detection System) developed and launched by INPE (National Institute for Space Research of Brazil) in 2004

Sections
Risks, effects, and means of inspection and control
Commitments and initiatives
Concepts
Deforestation and conservation in Brazilian legislation
Monitoring systems
Public policies
Territorial focuses

Back
DETER
The Real-Time Deforestation Detection System is a governmental tool that generates early warnings for evidence of changes in forest cover in the Amazon and Cerrado since 2004.

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Possible tools and resources: many emerging solutions (example 2)

Landler | [Projects](#) | [Investments](#) | [Portfolio](#)

Brazil_1 | [Edit project](#) | [Add entry](#)

53.4 ha | **3,917 t** | **66,809 m³**

PROJECT NAME
Brazil_1

LOCATION
Sao Jose do Ouro

GRASSLAND
1 plot

DEFORSTATION ACTIVITY SINCE 2020
1 of 1 plots

PROJECT STATUS
ANALYSED

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2. Country benchmarking

High	9%	• Checking intensity and type of DD vary depending to country benchmarking (risk level)
Standard	3%	• On 29.06.2023 standard level assigned to all countries (EUDR, art 29, 2)
Low	1%	• Periodic review and updates

Simplified DD (= just info gathering) for products and parts thereof from low-risk countries

Benchmarking criteria

- Rate of deforestation and forest degradation
- Rate of expansion of agriculture land for relevant commodities
- Production trends of relevant commodities and of relevant products

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2. Country benchmarking

The list of the countries or parts thereof, that present a low or high risk shall be published (...) no later than 30 December 2024 (EUDR, art 29, 2)

FINANCIAL TIMES

Deforestation | [Add to report](#)

EU delays stricter rules on imports from deforested areas

Every country to be designated as standard risk to give them more time to adapt to regulation

Financial Times: 08.03.2024

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3. Delayed and uneven implementation

Competent Authorities were to be designated by EU member states by 31.12.2023

AUT	FIN	LTU	SLO
BEL	FRA	LUX	SPA
BUL	GER	MAL	SWE
CRO	GRE	NED	
CYP	HUN	POL	
CZR	IRE	POR	
DEN	ITA	ROM	
EST	LAT	SLK	

Designation status as of 06.03.2024

■ Designated (16)
■ Not yet designated/Info missing (11)

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Similar initiatives beyond the European Union (e.g., US, UK)

CONGRESS.GOV Advanced Searches Browse

LEGISLATION

S.2950 - FOREST Act of 2021
117th Congress (2021-2022) [LEGISLATION](#)

Tracker: ● Introduced → Passed Senate → Passed House → To President → Become Law

www.congress.gov/bills/117/h-congress/senate-bill/2950/text

LEGISLATION.GOV.UK

Environment Act 2021
UK Public General Act • 2021 c. 30 • Table of contents

<https://www.legislation.gov.uk/ukpga/2021/30/contents/enacted/>

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Implementation dates and deadlines

EUDR review

- ▲ 30.06.2024 Impact assessment → Other Wooded Lands?
- ▲ 30.06.2025 Impact assessment → Other natural ecosystems (e.g. grasslands)?
- ▲ 30.06.2028 General review (every 5 yrs)

Timeline:

- 31.12.2020** Deforestation cut-off date
- 29.06.2023** EUDR entered into force
- 30.12.2023** Competent Authorities designated by EU member states
- 31.12.2024** EUDR applicable to large companies (non-SME)
- 30.06.2025** Regulation applicable to SME
- 31.12.2027** EUDR fully replaces EUTR (wood products produced before 29.06.2023 and placed on the market after 30.12.2024)

Duration markers:

- 18 months** Country risk assessment by EU Commission
- 24 months**
- 48 months**

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Possible impacts on the market

- Winners & losers
 - Low risk countries vs High risk countries
 - Large business vs. Smallholders/Small business
 - Short/straight supply chains vs. Long/complex supply chains
 - Commodities with few/rough product codes (e.g., palm oil) vs. Commodities with many and processed/semifinished codes (e.g., wood, meat)
- Possible dual market developments and triangulations (as for EUTR)
- Product substitution

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Final considerations

- Work in progress and some areas still needing clarification
- Secondary legislation
- As for EUTR: learning by doing
- Role of existing tools (e.g., forest certification, like FSC)?
- New supporting tools being developed (e.g., EU observatory on deforestation and forest degradation)
- Needs of dedicated training and acquiring of specific competences

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The EMMA4EU project, an initiative co-funded by the Erasmus+ Programme, aims to **foster EUDR implementation** and to tackle embedded deforestation.

It will do so by connecting higher education institutions, businesses and NGOs and creating new opportunities for **capacity development** and **knowledge sharing**.

www.emma4eu.eu

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HOW?

Through a three steps approach

 **JOIN** → An alliance to collaborate with diverse partners, share knowledge and foster innovation in sustainable forest risk commodities management and supply chains.

 **LEARN** → Insights on the EUDR and improve entrepreneurship skills in Deforestation-free Supply Chains.

 **TRAIN** → Courses and training opportunities to further skills and face deforestation-related challenges.

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WHY?

To train new professionals on deforestation-free supply chain management

The **EMMA4EU alliance** will bridge different disciplines and sectors in forestry, agriculture, business and commerce and connect their key actors.

The main goal is to **enable knowledge exchange** and **create a new professional profile**: the **Deforestation-Free Supply Chains Manager**.



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DFSC E-learning training course

Comprehensive program covering topics such as the origin and dimension of the problem, legislative frameworks, certification standards, technologies for traceability, and more.



Specialisation programme for DFSC managers & internship

Eight-week in-presence Specialisation School. Includes technical learning, project development, finance, market and communication skills.



DFSC course for professionals and workers

Vocational Education and Training. Offers short, certified training sessions to public and private institution operators, focused on supply chain risk and EUDR.

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Join EMMA4EU and get involved in a journey towards a future free of deforestation.

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