

Letter on the Regulation on deforestation-free products to

Mr. Virginijus Sinkevičius
Commissioner for the Environment, Oceans and
Fisheries European Commission

Copy: EU Commission Vice-President Maroš Šefčovič
Copy: Member of Cabinet of Executive Vice-President
for the European Green Deal Ms Helena Braun
Copy: European Green Deal adviser, EU Commission President Cabinet Mr Peter Van Kemseke

16th of January 2024

Northern Sparsely Populated Areas' (NSPA) letter to the EU Commission on the implementation of Regulation on deforestation-free products

The Northern Sparsely Populated Areas network, NSPA, represents the interests of the four northernmost regions of Sweden (Norrbotten, Västerbotten, Jämtland Härjedalen and Västernorrland), the seven eastern and northernmost of Finland (Central Ostrobothnia, Kainuu, Lapland, North Karelia, Northern Ostrobothnia, Pohjois-Savo and South Savo), as well as the two northernmost regions of Norway (Nordland, Troms & Finnmark).

Dear Commissioner Sinkevičius,

We are writing to you with the aim to highlight the unresolved parts of the deforestation regulation that will be implemented all over the European Union less than one year from now. We are worried about its effect on our woody biomass sector and its effects on more than one million forest owners and the industry in total. We are reaching out with this letter with a humble request for flexibility in the implementation of this regulation.

The Northern Sparsely Populated Areas, NSPA, are located in the very North of the European Union but at the same time, at the very center of the green transition. We see great opportunities in facilitating the much-needed move from a society based on fossil fuels and fossil materials, like plastics, to a circular biobased society. A society with minimal waste and a high degree of biodegradable materials and fuels within the natural carbon circle of this planet.

One of our main commodities in the Arctic, for this much needed transition towards sustainability, is our forests and our woody biomass sector. Vast forests cover almost all our areas, and we have a long history of living and working with our diverse forests that act as active carbon sinks and storages.

We believe that this regulation was put forward with good intentions, but we fear that it may have been too hastily handled, without stakeholders and policy makers truly understanding the troublesome impacts it may have on the vast Arctic forestry sector, as well as on other developed and well-functioning woody biomass regions in the world.

Before we go into the actual possible impacts we see coming, we want to put forward some of our general aspects concerning the issues of proportionality, definitions, and the request for geo-localization of biomass products.

Proportionality

Forestry is not a global driver of deforestation. To the contrary, countries and regions with a developed and well-functioning forest sector naturally promotes the growth of forests and the well-being of forests. The protection of forested land comes with it as natural ingredient.

Deforestation happens in regions where trees have no value and where long-term ownership may not be granted. In those areas people are incentivized to secure a faster income by changing forested land into farmland which may yield several harvests each year. Also expanding cities with new infrastructure especially in densely populated areas, puts pressure on forests. In that case, such changes in the land use may be the challenge, not the forest industry itself.

The aspects of how global growth of soya, coffee beans and other foods consumed in the European Union may drive global deforestation, is well covered in the current approved deforestation legislation. We understand the objectives behind these parts of the regulation. What we do not understand is why woody biomass is part of the regulation. Even though forestry is not a global driver of deforestation, wood trade and any products stemming from woody biomass within the European Union will be heavily regulated less than one year from now.

Definitions

A concept of forest degradation is described in the legislation. It states that a natural looking forest, defined as a primary forest, cannot be harvested, and re-planted. This may cause a major problem as many commercial forests at the end of their rotation time, which in our areas may be more than one hundred years, may look natural as they include various tree species and are diverse in structure. This is due to the natural generation that is happening all the time in all boreal forests despite the way they are established. The regeneration by planting is only accelerating the first phase of a new forest. A forest that looks natural and attractive and delivers biodiversity is often a forest that have been cared for over generations.

To not be able to re-plant an area for faster re-forestation of new healthy forests and leave it to nature itself to re-forest, means it will take a much longer time for new forest to form. It will also, to a large degree, slow down sequestering of carbon in growing new tree generations.

Therefore, the concept of forest degradation should – now and in the future – be defined in a way that promotes sustainable forest management activities, which include planting new trees, an essential activity for producing sustainable forest biomass and other forest products in the future.

In the regulation, it is also stated that a forest that look un-natural to the eye can be harvested and re-planted. The regulation risks therefore to give incentives to foresters, not only within the EU but all over the world, to not promote biodiversity in their growing forests as the forest then may lose their economic value after many years of care. There should be no economic risk attached to promoting biodiversity.

Besides, it is part of the NSPA-regions' forest strategies that the managed forests should be used and managed in a way that preserve and promote biodiversity, besides producing the essential woody biomass.

It is therefore of utmost importance that the definition of “primary forest” align with the implementation of EU biodiversity strategy – to not cause conflict or incoherency between the different regulations and other guiding instruments on protecting primary and old growth forests.

Geo-localization

Finally, our forest sector sees a challenge with the request for geo-localization of all products coming from woody biomass. It means that the product stemming from woody biomass need to be traceable back to the site and the time when the tree was harvested.

This is an especially complicated process for products that is a combination of commodity that may stem from thousands of sites, or more. The pulp and paper sectors and the bioenergy sector are examples of this.

For the making of wood pellets from sawdust from sawmills, sawdust is gathered in piles that are never totally emptied. Each tiny piece of sawdust may have been in the pile for two hours or two months, or more, before picked up to be pressed into wood pellets. The pellets are then gathered in containers for further shipping. To know exactly where and when every piece of sawdust was harvested in every tiny pellet is not possible, according to the sector.

As round wood much easier may be geo-localized, bioenergy commodity markets may be driven towards an increased use of roundwood rather than residue piles at sawmills. This contradicts the wordings and intentions as described in the newly approved renewable energy directive.

We do not see how this aligns with the goals at the core of intentions of the European Green Deal.

We also want to highlight some other parallel goals which are part of the current agenda of the EU Commission, such as better lawmaking, better regulation, strengthening the circular economy, the respect of subsidiarity and proportionality, and lastly, the goal of reducing unnecessary administrative and reporting obligations by 25 percent.

The liability and bureaucracy that comes with this regulation will attach major extra costs likely affecting all woody biomass stakeholders, and not the least about one million small forest owners in our countries.

Therefore, we see that a better evaluation of the regulation's effects on the woody biomass sector and on the development of a circular biobased society, should be conducted in the implementation of this regulation, and when the deforestation regulation is later evaluated as planned.

The future development of deforestation and forest degradation measures should be designed in a way that enables sustainable forest management in our Arctic areas.

The NSPA Steering Committee:

Finland

Jouni Ponnikas, Kainuu, Chair

Päivi Ekdahl, Lapland

Tiina Rajala, Oulu Region

Eira Varis, North Karelia

Merja Olenius, South Savo

Sweden

Isak Utsj, Norrbotten

Rickard Carstedt, Västerbotten

Jonas Andersson, Jämtland Härjedalen

Jonny Lundin, Västernorrland

Norway

Svein Magnar Øien Eggesvik, Nordland

Kristina Torgergsen, Troms & Finnmark