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## What next for tropical forest products?

If Europe sourced 100% verified sustainable tropical timber products, it would have positively impacted over 16 million hectares of semi and natural tropical forests and reduced CO2 emissions significantly in 2020. These are key findings from the latest study 'Europe's sourcing of verified tropical timber and its impact on forests: What Next?', a third in a series, commissioned by IDH - The Sustainable Trade Initiative. This new <u>study</u> analyses the level of verified sustainable tropical timber imports and extends the recommendations that go beyond increasing demand for verified sustainable timber products.

The research, conducted by forest and timber sustainability advisors Stichting Probos and the Global Timber Forum, concludes that despite growing competition from less challenging markets, the European market remains the global leader in demanding verified sustainable timber products. With the 2020 dip in import levels expected to return to pre-Covid levels, Europe remains a stable market for tropical products. Mark van Benthem, Director of Probos: "Only 31 - 36% of Europe's tropical timber imports came from verified sustainably managed forests and 30% with a declaration of legality issued by a third party or with a FLEGT-license. If 100% verified sustainable was demanded, it could have positively impacted over 16 million hectares of tropical forests and reduce CO2 emissions by at least 88 million metric tons in 2020."

COP26 recently drew attention to the important role forests play in mitigating climate change with US\$12 billion pledged for forest-related climate finance between 2021-2025. Sustainable forest management is not only critical for climate change mitigation, but also for protecting people and livelihoods, preserving critical ecosystems, and halting and reversing biodiversity loss. Van Benthem added, "*Giving value to forests be it via climate finance or verified sustainable timber, incentivizes sustainable forest management. The demand for timber is growing, with some end users returning to buying timber having switched back from more environmentally damaging materials. So, there are market opportunities arising for tropical producers.*"

While the report acknowledges that Europe is not the principal importer for most tropical timber exporting countries, over 75% of the imports originate from countries active in a Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA), suggesting the program remains important to both producing countries and importers.

As deforestation has remained high in recent decades, the recommendations, highlight the need to add value to forests, such as improving competitiveness of tropical producers, and increasing the attractiveness of the European market to encourage producers to improve their forest management.

With environmental groups calling for certification schemes to reform, the European Commission assessing its flagship FLEGT program and recently announcing a regulation aimed at promoting deforestation-free agricultural commodities, IDH believes there is an urgent call to action needed.







Willem Klaassens, Director of Markets & SourceUp at IDH, summarized, "For over two decades there have been measures to address deforestation, certification clearly has benefits and demand-side regulations, and policies are making impact, yet we are still losing forests. With a recent promise of additional climate finance, increasing regulations aimed at deforestation-free commodities and newly emerging landscape approaches we call on governments, industry, environmental groups, and civil society to recognize the advantages and limitations of all measures, share lessons learned and honestly debate what is next for tropical forests?"

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## NOTES TO EDITORS



- 1. <u>https://ukcop26.org/the-global-forest-finance-pledge/</u>
- 2. <u>https://www.fern.org/publications-insight/enforcing-a-due-diligence-based-regulation-for-forest-risk-commodities-2294/</u>
- 3. <u>https://ec.europa.eu/commission/presscorner/detail/en/qanda\_21\_5919</u>

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