

WOOD PELLET ASSOCIATION OF CANADA POSITION PAPER IMPLEMENTATION OF THE EUROPEAN UNION DEFORESTATION REGULATION



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The Wood Pellet Association (WPAC) recognises the importance of sustainably sourced biomass and welcomes the European Union’s effort to tackle deforestation and forest degradation. We support the goals of the recently adopted Regulation (EU) 2023/1115 of the European Union Parliament and the Council, known informally as the EU Deforestation Regulation or EUDR. Bioenergy can only make a meaningful contribution to tackling climate change if the biomass is sustainably sourced. Preventing deforestation and forest degradation are essential elements of sustainability.

WPAC represents more than 50 producer and affiliate members, with facilities across Canada that employ more than 1,500 Canadians. Over the past decade, our sector has become one of the largest pellet producers in the world, exporting 3.6 million tonnes of sustainable wood pellets, primarily to Europe and Asia; and increasingly becoming a viable bioenergy solution in Canada. Wood pellets have been fundamental to the global transition from coal to biomass. Our sector is working toward commercialising bioenergy with carbon capture and storage, putting us on track to achieving negative greenhouse gas emissions.

Our members are committed to keeping forests healthy, resilient, and growing, and are committed to sustainable forest management to ensure that forests fulfil multiple environmental, social and economic functions now and in the future. Global deforestation has detrimental impacts on climate change and biodiversity loss, as it reduces carbon sink capacity and the overall provision of forest ecosystem services, including the delivery of raw materials.

We continue to work with governments, key policy makers and stakeholders to ensure that regulatory developments in other jurisdictions recognize the sovereignty of Canadian laws and regulations as they relate to Canadian forests and that such international regulations do not unfairly impede trade of Canadian forest products.

Key WPAC Positions

Primary Forests

The term *Primary Forests* is not particularly helpful in a Canadian context. We encourage the GOC to persuade the EU's regulatory authorities to respect Canada's science-based approach to classifying forests where decisions are made at national, provincial/territorial and regional levels. For old forests, Canadian authorities use an integrated approach that provides for environmental, economic and Indigenous reconciliation benefits, including:

- Inclusive and collaborative governance mechanisms, especially with Indigenous groups;
- Setting clear and measurable forest-related targets and objectives;
- Managing for healthy multi-valued old forests;
- Effective inclusive planning that provides clear direction; and
- Increased understanding and awareness through transparent and fulsome information.

Canada's science-based approach to forest classification is supported by national and provincial/territorial laws and regulations and, as such, should be deemed to comply with the EUDR's objectives regarding protection of primary forests and should not fall under the EUDR definition of forest degradation. This position supports the EU goals around degradation and primary forests while recognising the sovereignty of Canadian national and sub-national governments, which also include First Nations governments and their rights as enshrined in legislation through the *Declaration on the Rights of Indigenous Peoples Act*.

Geolocation of Feedstock from Industry Residues (i.e., sawdust)

With almost 362 million hectares, Canada has the third-largest forest area in the world; more than 95 per cent of the forestland is publicly owned. Currently, the fibre that goes into wood pellets comes from many sources (i.e. sawmill residues, post-harvest slash and wildfire and insect salvage) and from vast areas within a given region. We are committed to complying with the geolocation requirements set out in Article 9 of the EUDR. However, individual wood pellets are made from hundreds of wood particles. A single batch of wood pellets placed on the EU market will include wood particles sourced from hundreds or even thousands of plots of land as defined by the EUDR. Tracing each wood particle back to its source plot of land will be complex and require substantial computing power.

We encourage the EU's regulatory authorities to recognize the complexity of the EUDR's geolocation requirements with respect to Canadian wood pellets, and other Canadian composite wood products, such as oriented strand board and medium density fibre board that will experience the same challenge.

Country Benchmarking

Chapter 5 of the EUDR establishes a three-tier system for the assessment of countries or parts thereof, including the opportunity to be classified as a low-risk country. The primary assessment criteria include:

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

The assessment may also take into account other factors listed in Article 29 of the EUDR.

Countries classified as low-risk are subject to simplified EUDR due diligence requirements, and EU operators who import from low-risk countries are subject to a reduced frequency of checks by EU authorities.

Given Canada's well-deserved reputation for sustainable forest management, our strict forest laws and extensive third-party certification, our country is well-positioned to achieve classification as a low-risk country.

Conclusion

We recognize that the fight against climate change requires immediate and urgent action. The advancement of new renewable-energy alternatives to replace fossil fuel-generated power is key in our fight against climate change. Wood pellets sourced from responsible producers in well-regulated countries like Canada are unquestionably sustainable and a part of the solution. You can read our members commitment to sustainability [here](#).

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