



Forest Policies

Update on North American Forest policies with focus on legality and sustainability requirements for wood products

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Presentation Content



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Lacey Act

After being delayed due to the COVID-19 pandemic, **Phase VI of the Lacey Act went into effect in October 2021**

- included enforcement of declarations for wood cases and trunks, oriented strandboard (OSB), boxes, crates, pallets, and other products.

The United States Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) announced **Phase VII in 2022, the final phase of the Lacey Act declarations.**

- declarations will be required for **all remaining plant product Harmonized Tariff Schedule (HTS) codes** that are not 100 percent composite materials
- will impact a range of imported products—such as furniture, additional essential oils and cork—that have not previously required Lacey Act declarations

In 2023, APHIS plans to publish a list of affected HTS codes which will require declarations effective 6 months after publication in the list.

Lacey Act

Last Modified: Jan 5, 2023



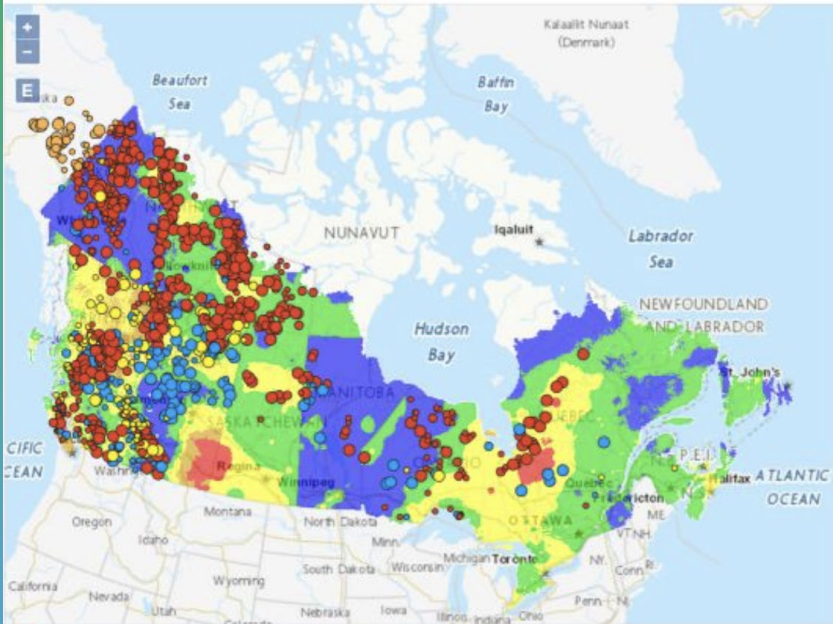
Coming Soon: Phase VII Declaration Implementation

The Future of Lacey and Phase VII

APHIS is planning for the latest declaration requirement stage: Phase VII. In this phase, Lacey Act declarations will be required for **all** remaining plant product Harmonized Tariff Schedule (HTS) codes that **are not** 100 percent composite materials. That means a wide array of imported products—such as furniture, additional essential oils, and cork—that have never before needed Lacey Act declarations will now need them. In 2023, APHIS will publish a list of affected HTS codes in the Federal Register and will require declarations for those product codes 6 months later.

<https://www.aphis.usda.gov/aphis/ourfocus/planthealth/import-information/lacey-act/lacey-act>

Wildfire



Canada's 2023 wildfire season the **most destructive ever recorded**

More than **6,132 fires** had burned **16.5 million hectares** of land (an area larger than Greece and more than double the 1989 record; an average year is 2.5 million hectares).

29 mega-fires, each exceeding 100,000 hectares.

The **National Adaptation Strategy for Canada** includes a recent CAD \$164 million investment to address addresses the effects of climate-related disasters, health and well-being, nature and biodiversity, infrastructure, and the economy and workers. Since 2015, the Government of Canada has invested more than CAD \$6.5 billion in adaptation measures.

Biomass

The **Inflation Reduction Act**, signed by President Biden provides support for biomass energy and bioenergy with carbon capture and storage (BECCS) in the U.S.

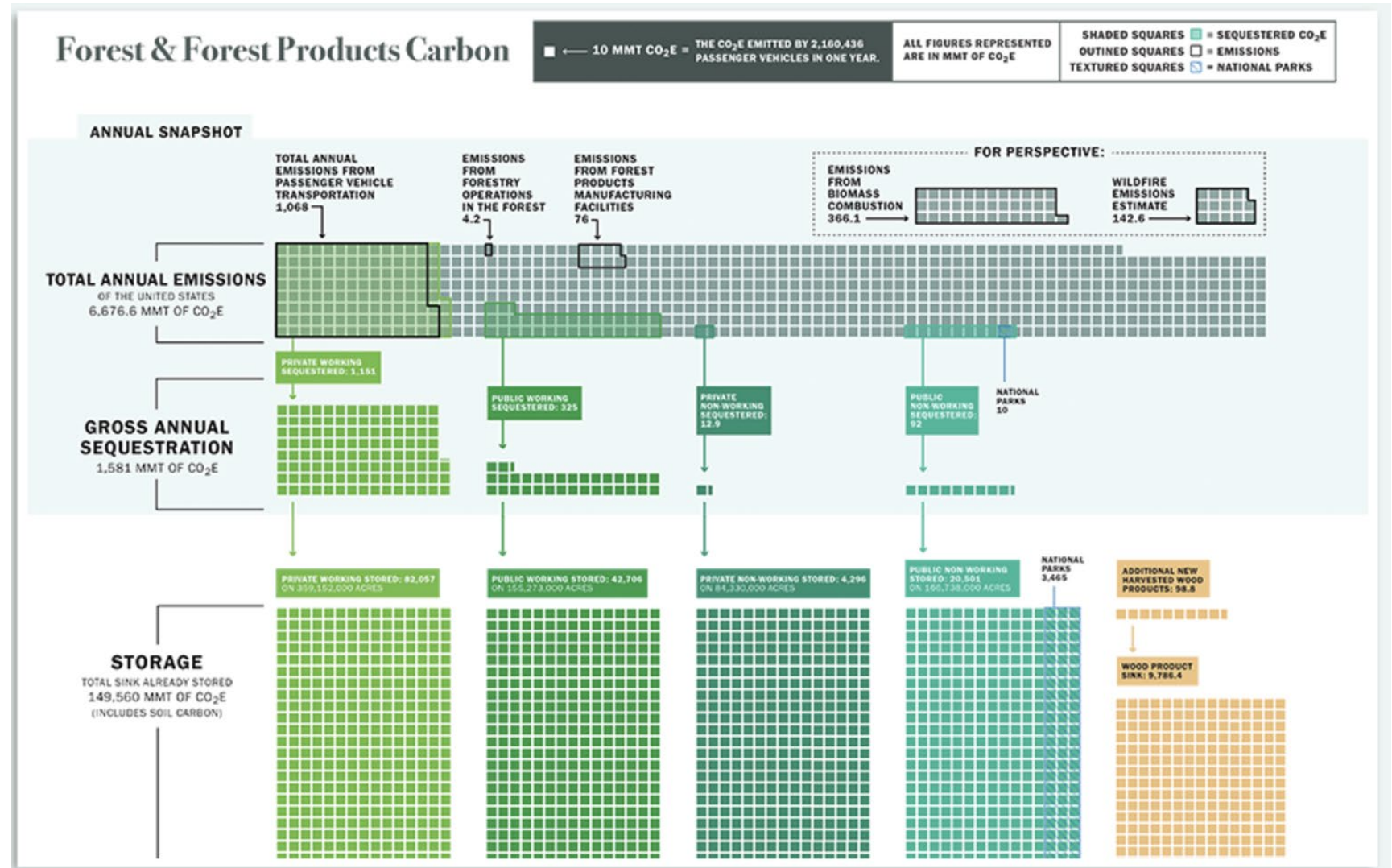
New carbon capture and storage (CCS) facilities built within the next decade that permanently store carbon dioxide will receive **\$85 per U.S. short ton (\$95.50 per metric ton)** for each ton of carbon dioxide sequestered.

6 operational BECCS facilities in the United States as of the end of 2022 capturing a total of about 2 million metric tonnes of CO₂ annually (Mt CO₂/yr)

44 projects in development, a total capacity to capture more than 21 Mt CO₂/yr

May need **2,200 Mt CO₂/yr (2.2 Gt CO₂/yr)** for the United States to achieve modelled net-zero pathways this century

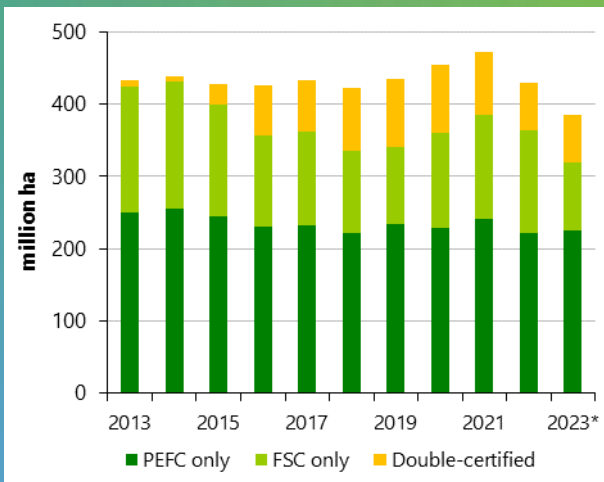
Carbon & Forests



<https://www.forestcarbondaaviz.org/>

Certified Forests

FSC- and PEFC-certified forest area, 2013-2023



The total area of forests managed under third-party certification schemes recorded the lowest area in over a decade.

- FSC peaked in March 2022 with 237 million ha and fell to 158 million ha in May 2023 – the lowest level since July 2012.
 - 77% of FSC certified forests are located in the UNECE region – the lowest level since 1999.
 - Suspension of all certificates in the Russian Federation (59.5 million ha) and Belarus (9.2 million ha); area in Canada contracted by 7% (3.5 million ha), in Poland by 24.5% (1.6 million ha) and in the United States by 1.5% (0.2 million ha).
- PEFC peaked in March 2021 at 331 million ha and fell to 286 million ha in September 2022 - the lowest level since 2016.
 - 82.6% of PEFC certified forests are in the UNECE region
 - Suspension of certifications in the Russian Federation and Belarus reduced PEFC certification by 32 million ha and 7 million ha respectively.
 - In Canada and Sweden the area certified by PEFC decreased by 0.5% (0.7 million ha) and 1.9% (0.3 million ha) while it increased in Estonia by 22% (0.4 million ha).

Trade policies in North America and Europe have a strong focus on companies' due diligence instead of third-party forest certification.

These policies as well as carbon markets are driving technology innovations for real-time monitoring.

It remains to be seen what the balance will be between government regulation, voluntary certifications, and private sector initiatives for meeting environmental goals, including the SDGs.



Thank you

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APPENDIX | ICONS

