



## **AFF – HLG Monthly Monitoring of EU Forest Value Chains**

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This monthly newsletter produced by the HLG on Forestry & Biomaterials, with support from SAPPI, for the members of the AFF, aims to stimulate joint thinking on the research and development of a climate-neutral bioeconomy.

The High-Level Group on EU Policy Innovation: Forestry and Biomaterials (HLG-FB) is one of the independent public-private think tanks which operate as an advisory body for the European Union institutions. A partnership involving the HLG-FB and the African Forest Forum (AFF) is evolving.

The AFF is an association of individuals who share the quest for, and commitment to the sustainable management, use and conservation of the forest and tree resources of Africa for socio-economic wellbeing of its peoples and for the stability and improvement of its environment.

SAPPI, a leading company in woodfibre-based renewable materials in Africa, is dedicated to advancing the bioeconomy and promoting sustainable forest management. With a focus on innovation and sustainability, SAPPI is committed to foster a thriving, biobased circular economy by prioritising responsible processes.

This partnership aims to provide a framework of cooperation and understanding and to facilitate collaboration between the Parties to further their shared goals and objectives regarding African forestry and its support to socio-economic wellbeing of Africa's peoples and for the stability and improvement of the environment.



AU-EU Summit, Angola, November 2025.  
Photo credit : European Union

**WITH THE SUPPORT FROM SAPPI**

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*EUROPEAN DEFORESTATION FREE REGULATION (EUDR)*

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**Expected revision of the EUDR’s list of products, IT system, Guidance and FAQs**

Following the last two EUDR Expert Group meetings, held in December 2025 and February 2026, new amendments are anticipated to be introduced to the regulation. The new Commission proposal, which is expected to be submitted to the European Parliament by the end of April 2026, is likely to introduce several targeted changes and simplification measures. According to the Recital 14 of Regulation (EU) 2025/2650, the Commission’s review should evaluate the regulation’s administrative burden and identify possible measures to address implementation challenges, including through technical guidance as well as implementing and delegated acts.

While a reopening of the EUDR remains highly unlikely – as further confirmed by Commissioner Roswall in January 2026 - the implementation phase appears now open to adjustments and adaptations through secondary legislation. Some of the changes are already expected to be endorsed in the “April 2026 Simplification Package”, including:

- The update of the EUDR information system
- The adoption of a delegated act to revisit Annex I (list of products)
- Technical assistance through updated FAQs file and guidance

The potential revision of the product list remains particularly concerning. While initially inclined to remove products with a near-zero deforestation risk, such as printed materials, from the scope of the EUDR, the list appears now to be subject to further extension by the EC, including derived commodities like soap produced from palm oil or instant coffee.

Furthermore, notwithstanding these initial changes, the legal requirements for obtaining EUDR compliance certification from national authorities are not currently subject to revision. Member states’ competent authorities may in fact still release products and commodities EUDR compliance certification only upon sufficiently conclusive and verifiable proof demonstrating the absence of deforestation along the entire supply chain. The latter remains one of the main obstacles for many suppliers, who are now considering diversification of products chains and redirection of trade flows from the EU. In addition, the so called “additional administrative documents” may still be requested in accordance with Commission guidance, such as permits issued by local public authorities, agreements with local communities or indigenous peoples, certification scheme documents, environmental assessment and other supporting material.

**Second Postponement of the European Deforestation Free Regulation (EUDR)**

The decision by the Council in December 2025 to formally delay the implementation of a targeted revision of the European Deforestation Free Regulation (EUDR) on deforestation-free products was taken inter alia to help enable the simplification of its obligations and implementation, thereby ensuring that operators, traders and competent authorities are adequately prepared for its application, and provide an additional period for compliance.

The implementation deadline was extended to **30<sup>th</sup> December 2026** for all operators. This decision and intended implementation replaces previous options for introducing a differentiated “grace period” for large and medium-sized companies with the new single date for the regulation’s application.

The European Commission has been tasked by the Council and the European Parliament (EP) with carrying out a broader simplification review of the EUDR by **30<sup>th</sup> April 2026**. At the same time, the Commission is expected to present a report highlighting the impacts and challenges faced by companies and authorities in implementing the regulation, as well as potential solutions to address identified bottlenecks. The report will evaluate the impact and administrative burden of the EUDR, particularly for smaller operators, and should, where appropriate, be accompanied by a legislative proposal. The report will give particular attention to the impact and administrative burden of the EUDR for smaller operators, and should, where appropriate, be accompanied by a legislative proposal.

The EUDR is of much relevance to Africa and companies operating in it especially as regards their ties with the EU. Among the consequences of the EUDR are the considerable obligations imposed on stakeholders in Africa including those involved in the forestry sector, as such the decision in mid-December 2025 for its implementation to be yet again delayed tends to favour relevant African stakeholders.

The extended timeframe allows them additional time during which further amendments favouring African interests can be made. Nevertheless the on-going uncertainties about implementation have also resulted in frustrations for some companies especially those which have already started preparations for compliance in the context of what has thus far been proposed. While small and micro- companies will especially benefit from the extended timeframe it is these which could also especially suffer negative consequences from the lingering uncertainties and possibly unnecessary preparations already undertaken.

The revision aims to respond to several stakeholders’ concerns raised inter alia regarding the functionality of the IT system necessary to upload EUDR requested data, the volume of information initially requested from downstream operators, and the particular compliance challenges faced by SMEs to effectively comply with the regulation.

Similarly, to further simplify the EUDR's implementation, the revision has narrowed down the scope of products covered by the regulation, removing certain goods such as printed products, e.g. books, newspapers, printed pictures, from the list following a reassessment of their negligible risk of contributing to deforestation.

As were previously introduced in the earlier provisional agreement significant changes to the originally agreed EUDR obligations include:

- Responsibility for submitting due diligence statements will lie solely with the operator that first places a product on the EU market, reducing duplication along the supply chain. As a result, downstream operators will no longer be required to submit documentation further along the chain, but only to maintain the reference number of the original due diligence statement.
- For micro and small primary operators, compliance will be further eased through a one-off simplified declaration, designed to meet traceability requirements without recurring administrative checks.
- To maintain open and continuous dialogue with experts and stakeholders during the implementation phase, the Commission will rely on the existing multi-stakeholder platform and expert group on protecting and restoring the world's forests.
- In addition, competent authorities will be required to report major IT system failures to the Commission, while flexibility has been introduced to limit additional reporting burdens.
- To further streamline the regulation, certain printed products—in particular books, newspapers, and printed images—will be removed from its scope, reflecting their low risk of contributing to deforestation.

EP and Council amendments have been welcomed by industry especially given that the additional time will improve EUDR preparedness, nevertheless businesses and civil society continue to warn that further changes to the regulation may create instability, with delays risking deeper market uncertainty. As noted previously, industry representatives have expressed concern that companies preparing for the original implementation date will face significant additional costs as they adapt to evolving requirements.

The immediate future period while details regarding the final format of the EUDR to be implemented are still in a state of fluidity would seem to continue to offer African stakeholders opportunities to engage relevant EU decision makers in discussions to promote optimal possible outcomes for the African side. Suitable results for Africa could relate to the broader context of the EU-African interface with a variety of tangential gains being obtained for African forestry in particular.

As has been previously noted this situation has considerable relevance for African producers most of which should benefit from the longer time in which to prepare, and especially for smaller stakeholders. In this period many stakeholders may expect the larger producers which are present in Africa to play a constructive role, when and where possible, to help towards increasing the capacities of the smaller players to upscale their abilities for compliance, especially as their size in most African countries gives them a greater strength to influence their respective sectors in situ.

Despite possible negative results the continuing delays generally would seem to favour African stakeholders and extend the time during further amendments favouring African interests can be made.

### **Background Regarding European Commission Actions Leading to the Delayed Implementation of the EUDR**

On 21<sup>st</sup> October 2025, the European Commission amended its earlier plan to postpone the EUDR but confirmed that due diligence obligations for medium and large enterprises would still apply from 30<sup>th</sup> December 2025 as originally foreseen. Instead of a general delay, the Commission unveiled a series of “targeted measures” designed to simplify compliance by enterprises, particularly for small and micro enterprises, which were then given **an additional 12 months**, until **30<sup>th</sup> December 2026**, to meet their obligations. While these adjustments and phased implementation were understood as being complicating factors for compliance strategies by stakeholders the core implementation timeline remained unchanged for most operators.

In addition to the postponement, it was at this time that the proposal refined and clarified several elements of the regulation, including:

- Streamlining of operations for: **Downstream operators and traders** marketing products already placed on the EU market (e.g. retailers or manufacturers), with due diligence remaining the responsibility of upstream operators and Micro and Small primary producers in low-risk countries who sell directly to the EU, a group encompassing almost all EU farmers and foresters. Most producers in African countries would also fall into this category.
- Introducing a formal sub-category of “**Micro and Small Primary Operators**” which would include natural persons or small undertakings established in low-risk countries that produce and market their own goods.
- Defining also “**Downstream Operators**” being those entities marketing products that have already been covered by a due diligence statement or simplified declaration earlier in the supply chain.

As regards the simplified Due Diligence procedures the proposal proposed that:

- Micro and small primary operators may submit a **one-time simplified declaration** through the EUDR IT system, replacing geo-location data with postal addresses of production plots.
- Downstream operators and traders will be **exempt from filing separate due diligence statements but a single statement at the point of market placement will now cover the entire supply chain**. Non-SME operators must still register in the IT system and transmit identifiers to maintain traceability but will no longer issue statements per transaction.
- Moreover, the proposal provides greater clarity on supply-chain responsibilities, by clarifying the definitions of different actors, such as:
  - (i) **Operators:** entities placing products on the market (excluding downstream operators);
  - (ii) **Traders:** entities other than operators or downstream operators;
  - (iii) **Commercial activity:** now explicitly includes processing, distribution, or internal use;
  - (iv) **Authorised representatives:** designated entities acting on behalf of operators within the EU.

The European Union’s initial official postponement of the implementation of the EU Deforestation Regulation (EUDR) was confirmed by its publication in the EU Official Journal on 23<sup>rd</sup> December 2024. This marked the formal announcement of the initial one-year delay in the regulation’s application which was thereby extended into December 2025. Under the new timeline, medium and large companies needed to comply by 30<sup>th</sup> December 2025, while small and micro businesses would have until 30<sup>th</sup> June 2026 to meet the requirements. Special provisions were to apply to timber and timber products. Subsequently the EU Commissioner for Environment announced on 23<sup>rd</sup> September 2025 that the European Commission would seek a further postponement of the EU’s deforestation-free products regulation (EUDR), pushing its application deadline to 31<sup>st</sup> December 2026. As noted above this new deadline date has now been confirmed and is applicable for companies of all sizes.

### **Developments in the European Parliament regarding the Postponement of the Implementation of the EUDR**

The European Commission’s initial moves to postpone the EUDR deepened existing political divisions in the European Parliament and this is expected to continue as regards discussions on the EUDR despite the delayed implementation of the EUDR now being a fait accompli. The expected on-going discussions about many aspects of the EUDR are expected to continue to be a context in which these Parliamentary divisions will be displayed. Occasions which will be particularly prone for such heated exchanges should include those relating to the broader simplification review of the EUDR which the Council and EP have tasked the Commission to undertake by **30<sup>th</sup> April 2026**.

Also expected to be the subject of heated debate should be the accompanying report highlighting the impacts and challenges faced by companies and authorities in implementing the regulation, as well as potential solutions to address identified bottlenecks.

This situation continues to help create important opportunities for African stakeholders, perhaps especially those with relationships to the smaller producers in Africa, to exploit in lobbying their interests and positions along with suggested preferred options that could obtain support from all sides, vis-à-vis EU decision makers and especially European Parliamentarians.

The European People's Party (EPP) and a variety of right-wing parties generally favour the delays as well as possible new opportunities to simplify, or “water down” as many of their opponents claim, EUDR obligations for stakeholders and particularly the private sector. The EPP has maintained that the law requires fundamental revision and the need to add a *zero-risk category* to exempt low-risk regions and products from unnecessary documentation. Representatives from Austria and France had previously particularly expressed support for a negligible risk classification to recognise countries or regions where deforestation pressures are minimal. The initial motion had also suggested introducing “compensation mechanisms,” allowing countries to achieve a lower risk status if they implement reforestation efforts elsewhere. The EPP has maintained that while stopping deforestation remains vital, creating a bureaucratic monster only weakens the acceptance of European environmental policy.

In contrast to the EPP group, the Greens and centre left Socialists & Democrats (S&D) group have condemned delays as *unacceptable*, saying they undermine the EU's climate and environmental commitments, fracturing support among parties in the EP, and undermining EU credibility as a global leader in the fight against deforestation. At the end of December 2025 the Green party's vice-president in the EP, Marie Toussaint, stated that delays, loopholes and exemptions such as for printed products amounted to the “political dismantling” of the EUDR.

The new attention being given to the possible introduction of a zero-risk category, which could exempt low-risk operators from unnecessary compliance requirements in day-to-day activities and operations, continues to be of particular relevance for Africa where producers are already struggling in many cases to try to comply with intended EUDR requirements. If they could be placed in such a category, or another category specifically catering for African stakeholders with its own requirements and obligations, it would greatly benefit African forestry and the African bio-economy by facilitating and supporting its operations. Any possibilities for African stakeholders to be rewarded by achieving such a designation would probably largely rely on focussed lobbying by African stakeholders with companies having an especially important role, to convince the EU to accommodate their positions.

Categorisation of relevant producer countries has special importance for Africa and on 9<sup>th</sup> July 2025, the European Parliament adopted a nonbinding resolution objecting to the European Commission's country benchmarking system under the EUDR, asking for a revision of the Act. According to MEPs, under the current classification only Belarus, Myanmar, North Korea and Russia are designated as

“high risk”, while major commodity-producing countries such as Brazil, Indonesia and the Democratic Republic of Congo fall under the “standard risk” category. The EPP particularly has continued to question many aspects of the EUDR, taking the position that while it is important to stop deforestation effectively, the Commission’s current approach imposed a blanket burden on responsible forest managers rather than targeting real risk. It supported others in saying that the current system may impose disproportionate administrative burdens on operators sourcing from countries with negligible risk, potentially diverting resources from areas of higher concern.

Parliamentary concerns have included: The use of outdated data and insufficiently robust, science-based assessments; Lack of transparency regarding the weighting of risk indicators; Failure to account for regional variations in deforestation risk within countries; and an absence of a “negligible risk” category to recognize countries or regions with strong forest governance and low deforestation pressure.

These developments have all contain many aspects which continue to favour African producers, especially the vast majority of smaller entities, and continue to play out in the latest developments

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*Special issue – EUDR REFORM PROPOSAL BY HLG*

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Following discussions on the EUDR and the need for reform raised by stakeholders, particularly in light of potential issues and bottlenecks affecting a fair implementation of the regulation, in August 2025 the HLGs shared a set of recommendations with EU institutions. These recommendations were developed through joint work between the HLG Forest and Biomaterials and the HLG African Partnerships, with the support of external experts from four African regions, namely East Africa, Southern Africa, Central Africa and West Africa, as well as inputs from civil society.

The feedback across the aforementioned regions was largely consistent in identifying key challenges, implications and possible solutions, and it has as such provided a sufficiently solid basis to stimulate constructive thinking and action on how to avoid the risk of unintended collateral damage, such as loss of market access or shifts towards markets with lower sustainability standards, and on how the EU can better support African countries’ economic, social and environmental sustainability pathways.

Experts have in particular highlighted that climate policy transition failures and collateral damage can be avoided through stable, coherent and predictable transition targets, combined with investments in research, technology and market shifts. However, this will require structured public–private consultations and better alignment between supply and demand to create effective incentives for transition in production processes and markets. Accordingly, a broad range of expertise—beyond environment and climate policy—should be involved, including research, finance, industry, and trade, to ensure economically sound implementation.

The consultations have also acknowledged that pressing economic needs, including livelihoods and access to food and energy, are often met through environmentally harmful practices, contributing to desertification, biodiversity loss, soil degradation and long-term climate vulnerability. In this regard, there was broad agreement that the EUDR correctly identifies these challenges and addresses an urgent need for action.

There is also a shared understanding that the regulation has the potential to raise sustainability standards, improve production techniques and support a shift from extensive to more efficient and less resource-intensive methods. Moreover, through its traceability and compliance requirements, the EUDR could also facilitate access to information, the development of IT and information services, greater market transparency, coordination, sharing of good practices and technology transfer. Overall, it can contribute to improve land use, environmentally sound production methods, higher standards and ultimately better social and environmental outcomes.

Nevertheless, significant concerns were raised regarding unequal access to these potential benefits. Based on past experiences and current realities, many experts cautioned that the regulation could widen existing social and economic gaps within countries. Rather than acting as an incentive for all, it risks increasing the number of actors left behind. For these groups, not only may the anticipated benefits remain out of reach, but there is also a tangible risk of negative outcomes stemming from loss of market access and, consequently, loss of income.

Below is a summary of the HLG recommendations and contextual analysis provided to EU policymakers as inspiration for adapting the EUDR regulation and its implementation across different contexts.

“Recommendations:

I.

Shifting geopolitical and economic dynamics bring new vulnerabilities for Europe’s regulatory approach of the transition to climate neutrality and its extra-territorial reach, but at the same time they offer opportunities for an *innovative, fair and equitable, partnership-style collaboration* with willing countries. Such a constructive approach requires a more solid examination of the overall impact of the EUDR. This will bring a more holistic view of the legal market and of illegal deforestation, not only in developing countries but also in its own neighbourhood (for example between Belarus and Russia and some member states). Therefore, a successful and equitable transition to deforestation free trade flows requires to also *involve trade and market expertise* combined with local forest expertise which is amply available in nearly all countries concerned.

II.

The EUDR implementation must be *tailored to local contextual conditions*, it should respect and use

*local expertise*; if this is done in combination with European forest expertise it would stimulate the emergence of joint scientific ecosystems.

III.

Taking into account existing programmes, a flexible approach would avoid inefficiencies and ensure that regulatory objectives are *aligned with local governance capacities and local economic and social conditions*. This will help identify remedying actions which may be required in cases where forest protection needs to take priority over sustainable use because of specific biodiversity interests.

IV.

A *gradual implementation based on country-specific roadmaps* of the EUDR should be preferred, starting with sectors where credible certification systems are already operational. There should include a simplified compliance for smallholders, with tiered reporting requirements and the possibility for joint submissions (eg. by cooperatives), with a grace period for penalties. Clear targets and realistic timelines are needed to support producer adaptation, including buyer co-responsibility to avoid that all compliance costs are pushed on them. Implementation should avoid also supply chain disruption or benefiting less conscientious companies, and reduce the risk of non-compliance, particularly in regions with weaker infrastructure and legal frameworks.

V.

These *country specific roadmaps* offer an opportunity for cooperation between the EU and willing countries to strengthen research cooperation and upscale research capacities and operational know-how for sustainable forest management and for sustainable exploitation of ecological resources., The approach should be respectful of indigenous traditions which can be a source of inspiration for and also incentivise development of bioeconomy based products. Space and IT technologies are key for the implementation but they should benefit all countries and all producers, including small holders. Peer reviews will help everyone. In this way, the EUDR can become a building block for the bioeconomy.

VI.

Clearer *guidance and transparency in the classification process* are essential to reduce uncertainty for producers and buyers and to support fairer EUDR implementation. The EUDR's country risk classification system should be improved by the EU, in order to recognise individual efforts made by countries to meet high environmental standards, while ensuring that compliance costs reflect actual progress and while reflecting the fundamental difference between the possibilities to adapt by small and large actors. This implies that a one size fits all approach must be avoided because it could risk to bring every country down to the level of the least advanced.

VII.

The EUDR could be restructured with *dedicated chapters tailored for different product categories*, providing clear certification and verification guidance. A specific chapter on forest products and

another on gradual implementation would allow for customised, practical application and improve stakeholder acceptance during the consultation process.

#### VIII

Implementation of the EUDR should be *done as a step in the development of a circular bioeconomy strategy*, which must support the transition from fossil fuel intensive, non-renewable products towards renewable sources. However, Africa’s pathway towards a bioeconomy will be different from Europe’s one, and this must be recognised. Wood is a prime source for a whole range of biobased products which can replace fossil fuel based products.

#### IX

Therefore the widespread need in Africa of burning wood for heating and cooking should be phased out as soon as possible and the EU cooperate with African countries to speed up renewable energy sources. It requires also to incentivise consumers to shift toward products resulting from the circular bioeconomy.

#### X

The current vision behind the EUDR, while laudable, is too narrowly focused on a few agri-food products. It must be made more inclusive of other industry sectors including mining; in particular mining for rare earth minerals is a growing source of deforestation. Where mining is unavoidable, mining companies should be obliged to invest in reforestation which could either restore natural forests or become a new source of wood supply through plantation development on previously mined areas.”

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*CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD) and CORPORATE  
SUSTAINABILITY DUE DILIGENCE DIRECTIVE (CSDDD)*

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### **Council approves CSRD and CSDDD simplification proposal by the European Parliament**

On 24 February, the Council of the European Union officially endorsed the set of measures aimed at simplifying the EU’s CSRD as well as CSDDD frameworks, previously discussed and agreed by both co-legislators in December 2025. The deal reshapes both the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD/CS3D), significantly narrowing their scope and limiting the “trickle-down” effect of information requests on small firms.

According to the proposed text, amendments to the CSRD include:

- Application of the CSRD only to companies meeting **both thresholds** of at least 1,000 employees and net turnover above €450 million. Listed SMEs are removed from the scope, and financial holding undertakings are exempt.

- Introduction of a **transition exemption** for “wave one” companies that started reporting for FY2024 but fall out of scope for 2025–2026.
- Addition of a **review clause** to reassess the scope of both the CSRD and the CSDDD.

As regards the CSDDD, the revised text introduces:

- New thresholds raising the scope to companies with at least 5,000 employees and €1.5 billion in net turnover, reflecting the view that the largest firms have the greatest leverage in value chains and are best placed to absorb compliance costs.
- Retention of a risk-based approach: instead of comprehensive mapping, companies will conduct a scoping exercise and focus on parts of their value chains where adverse impacts are most likely to occur.
- A requirement that due diligence efforts be based on reasonably available information, with the aim of reducing burdens on smaller business partners.
- Removal of the obligation to adopt a mandatory climate transition plan for mitigation.
- Removal of the proposed EU-harmonised civil liability regime, while introducing a review clause on the potential need for such harmonisation in the future. Penalties are capped at 3% of net worldwide turnover, with Commission guidance expected.  
Postponement of the transposition deadline for the CSDDD to 26 July 2028, with companies expected to comply by July 2029.

Trilogue negotiations on the EU Omnibus Package also concluded on 16<sup>th</sup> December 2025 inter alia resulted in agreement on the revised text thereby significantly modifying both the CSRD and CSDDD. Overall, the package significantly reduces the number of companies in scope, with estimates indicating roughly 85% fewer companies under the CSRD and around 70% fewer under the CSDDD compared to earlier expectations.

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*CARBON BORDER ADJUSTMENT MECHANISM (CBAM)*

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**European Commission amend CBAM regulation, adding a temporary suspension clause for goods under certain circumstances**

On 8<sup>th</sup> January 2026, the European Commission, DG TAXUD, informed and clarified CBAM compliers through a written note of the introduction of a new safeguard clause under the mechanism, as amended in December 2025, seeking to prevent significant price distortions in the EU internal market. The new clause has been added under article 27, namely 27a, to allow for the temporary suspension of certain goods from CBAM in case of “serious and unforeseen circumstances” related

to price impacts. However, the clause has not been yet adopted by the co-legislators, as it will only be applied if needed for specific cases.

Against this backdrop, Article 27 a represents a cornerstone in CBAM application, as to date no goods have been removed from Annex I, while it enhances the EU Commission's ability to respond to the growing concerns over the impact of CBAM on specific sectors, notably fertilizers. In particular, calls from Italy and France have influenced EU's decision to allow for the removal of fertilizers from CBAM-covered goods should unforeseen circumstances arise, highlighting the risk of significant costs increases for farmers and downstream industries. For instance, France has estimated that fertilizers prices could rise by up to 25% whether the levy should be applied, which combined with high prices of energy and tariffs would place significant pressure on farmers.

The commission has also recognised that the introduction of this additional article may further increase uncertainty around CBAM, following the extension of the list of covered goods in December 2025.

#### **European Commission set to release files complementing CBAM official guidelines.**

The CBAM regulation will enter its compliance phase at the end of January 2026 with a transitional reporting period having begun on 1<sup>st</sup> January 2026, and new additional complementary documents are in the process of being released by the Commission. The first set concerns draft benchmarks for assessing the carbon footprint of imported goods covered by the CBAM, while the second outlines proposed default CO<sub>2</sub> emissions values for production in non-EU countries. Both documents remain provisional and subject to revision.

Following companies' concerns over these documents, it appears clear that the proposed default emissions values in the drafts are significantly underestimated for several major trading partners, threatening the effectiveness of CBAM. In some cases, the assumed CO<sub>2</sub> intensity of steel products from China, Brazil and the United States is lower than that of equivalent EU-made products.

In particular, inconsistencies in the default values and benchmarks "would dilute the incentive for cleaner production processes and allow high-emission imports to enter the EU market with insufficient carbon costs," said one CBAM industry representative. "This could result in a CBAM that is not only significantly less effective but most likely counterproductive."

Default emissions values serve as a compliance backstop: they are intentionally set high to encourage importers to disclose verified emissions data and avoid paying elevated CBAM charges. But Leon de Graaf, acting president of the Business for CBAM Coalition, has warned that if these defaults are set too low, importers will have little incentive to report actual emissions — allowing carbon-intensive goods to appear cleaner than they are and weakening CBAM's environmental impact.

Critics have argued that without improvements, CBAM could end up encouraging clever accounting rather than real emissions cuts, allowing high-carbon imports to compete unfairly with cleaner EU steel. The Commission’s upcoming release is therefore seen as an important chance to strengthen CBAM and ensure it supports both climate goals and industrial competitiveness.

The CBAM remains of significant relevance for Africa and it seems imperative for African stakeholders to monitor closely and lobby for their interests. Major trade partners of the EU including India, China and South Africa have continued to contest the current CBAM framework. While CBAM impacts various sectors one of those most affected is forestry with small and micro producers being especially vulnerable.

### **Background and Context Regarding the EU Commission adoption of CBAM Implementing Regulation laying down amended rules for CBAM declarants**

By the end of October 2025 the EP and the Council had formally adopted Regulation (EU) 2025/2083, amending the original Carbon Border Adjustment Mechanism (CBAM) Regulation (EU) 2023/956. The amendment, adopted ahead of CBAM’s full entry into force on 1<sup>st</sup> January 2026, represented a significant amendment designed to simplify, clarify, and strengthen the mechanism by incorporating lessons learned from its transitional phase (October 2023–December 2025). In addition, it introduces procedural and technical refinements to improve administrative efficiency, particularly for small importers and customs authorities.

At the core of the revision is a new “de minimis” exemption allowing importers with annual imports of 50 tonnes or less of covered goods, including iron and steel, aluminium, fertilizers, and cement, to be exempt from reporting, declaration, and certificate purchase obligations. This measure aims to ease the compliance burden on small traders while still maintaining coverage of roughly 99% of embedded emissions under CBAM. Imports of electricity and hydrogen remain excluded due to their distinct emissions and trade characteristics.

Importers expecting to exceed the 50-tonne threshold must apply for authorized CBAM declarant status before crossing the limit. Applications submitted by 31<sup>st</sup> March 2026 will permit continued imports until approval. Authorized declarants will file their first annual CBAM declaration by 30 September 2027, reporting verified data on import volumes, embedded emissions, and any carbon price paid in the country of origin. The amendment also clarifies that indirect customs representatives acting on behalf of importers must themselves be registered as declarants.

The new law further aligns CBAM with the EU Emissions Trading System (ETS) by harmonizing emission boundaries and excluding downstream finishing processes not covered by the ETS. When third-country data are unavailable, default values will represent the average emission intensity of the ten most carbon-intensive exporting countries, reducing the risk of carbon leakage. Declarants can offset their CBAM liability if they demonstrate payment of an equivalent carbon price abroad, verified by independent certification. From 2027, the Commission may publish default carbon prices for third countries, expressed in €/tonne of CO<sub>2</sub>, using verified and publicly available data.

It should be remembered that on 17<sup>th</sup> March 2025, the European Commission had initially adopted Implementing Regulation (EU) 2025/486, which set out new detailed provisions for the application of Regulation (EU) 2023/956 on the CBAM. This established the conditions and procedures for obtaining CBAM Authorised Declarant status, a mandatory requirement for importers handling goods covered by the mechanism. The then new implementation guidelines introduced procedural flexibilities, such as the possibility for CBAM importers to amend submissions during pending importer status, which may open room for company-level adjustments. Monitoring on the implementation tools will follow.

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*PACKAGING AND PACKAGING WASTE REGULATION (PPWR)*

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### **PPWR Product list amended by the European Commission**

On 25 February, the European Commission formally adopted the first delegated act amending the product list of the PPWR regulation. The amendment, concerning wrapping plastic and straps used to secure goods on pallets during transports, has now officially excluded the items from the EU's 100% reuse requirement.

The decision follows a scientific study, carried out in response to stakeholder feedback, assessing the possibility of such an exemption. The same concluded that requiring the exclusive use of reusable pallet wrappings and straps for transport operations, especially when used within the same company or among linked companies, could de facto increase adaptation costs for businesses. Therefore, the option to completely exclude these commodities from the PPWR product list has been preferred.

According to the Commission's declarations, the decision does not conflict with the 2030 targets requiring that the overall 40% of transport and sales packaging to be reusable, but it rather aims at ensuring competitiveness and operational feasibility of EU industries while advancing a circular economy.

### **The EC's Joint Research Center launches unified EU labels' proposal**

The European Commission's Joint Research Centre has recently published a technical proposal for a harmonised waste-sorting label under the EC regulation PPWR, which will enter into force in August 2026. The aim of the proposal is to simplify the current national, fragmented approach and to create a unified waste sorting system across member states.

According to the JRC proposal, a material-based approach, rather than product destination label characteristics, would improve coordination and support EU recycling targets. In particular, a label

structure that encompasses pictograms, colour blocs and minimal text could easier accessibility across different language and user groups. At the same time, these new instructions would provide consumers and operators with clear, consistent and actionable sorting guidance, preventing shortcomings arising from discrepancies among national labelling labels.

Furthermore, the proposal suggests extending the aforementioned rules also to industrial, transport and logistic packaging, including products such as pallets, crates, trays, films and protective wraps, and for packaging consisting of several components, adding separate labels explaining how the materials can be separated and properly recycled. Meanwhile, the use of digital tools has been suggested but is not fully reflected in the proposal, remaining an optional complement, in particular for location-specific information.

To this end, stakeholder engagement, education initiatives and awareness campaigns will be fundamental for achieving an effective implementation of the PPWR, which is also expected in the long term to remove internal market barriers and improve EU recycling capacity.

### **Eurochambres call for simplification of Packaging and Packaging Waste Regulation**

On 22<sup>nd</sup> September 2025 Eurochambres published a report with concrete proposals, urging EU institutions to simplify the Packaging and Packaging Waste Regulation (PPWR) which entered into force 20 days after its publication, on 11<sup>th</sup> February 2025, before its core obligations enter into force on 12<sup>th</sup> August 2026. As understood so far, the PPWR will be part of the Commission's simplification initiative, and in particular under the Environment Omnibus proposal, which seeks to streamline some of its key requirements.

The Packaging and Packaging Waste Regulation (PPWR) sets forth harmonised rules for all Member States. The regulation seeks to mitigate the environmental impact of packaging while fostering reuse, recycling, and efficient resource utilisation.

In its report Eurochambres warned that the regulation in its current form risks creating disproportionate burdens, particularly for SMEs, and called for a two-year "stop-the-clock" postponement to allow time for revision, adoption of implementing acts, and practical adjustment by companies and authorities.

According to Eurochambres, the regulation should be streamlined to ensure clarity, proportionality, and harmonisation across the single market. The association also stressed that these adjustments would reduce unnecessary bureaucracy, cut costs, and give businesses the clarity needed to comply while maintaining environmental objectives, while still achieving environmental objectives and enabling companies to contribute effectively to EU climate goals.

The ongoing developments in the EU relating to the PPWR are of significance for African forestry and the bioeconomy both as regards Africa's economic relations with the EU and also the knock-on effects on stimulating bio-processing generally inside Africa. In a similar manner the support which

has been given by the European Commission (DG ENVI) for the role of public procurement in accelerating the implementation of the PPWR is of relevance for African forestry.

In February 2025 the European Commission (DG ENVI) had initially emphasised the role of public procurement in accelerating the implementation of the PPWR which took effect the same month. This aimed to reduce reliance on primary raw materials, ensure the economic viability of packaging recycling by 2030, integrate recycled plastics safely, and set the sector on track for climate neutrality by 2050. Covering the entire packaging lifecycle, the regulation harmonises national rules on manufacturing, recycling, and reuse, with the EU expecting significant reductions in greenhouse gas emissions, water consumption, and environmental harm. Green Public Procurement (GPP) will play a key role in achieving these objectives.

To stimulate demand for sustainable packaging, the Commission will introduce legally binding minimum requirements for public contracts involving packaging by 2030. These rules, outlined in Article 63 of the PPWR, will set technical specifications, selection criteria, and contract performance conditions based on sustainability factors, market conditions, economic feasibility, and competition impacts.

This legislative development represents a transformative step for both consumers and industries. It enhances transparency and reduces environmental harm for citizens, while businesses will face new obligations requiring investment in sustainable practices and innovation. Importantly, the regulation offers significant opportunities for enterprises that strategically align with its sustainability objectives, potentially creating competitive advantages in the evolving market landscape.

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*FOREST MONITORING LAW*

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**European Parliament rejection of Forest Monitoring Law among political polarization-Ongoing Situation**

The European Parliament in September 2025 voted down the proposed EU Forest Monitoring Law largely due to EPP concerns about it containing too many new regulations requiring additional bureaucratic procedures which would hamper facilitated results. The rejection reflected a sharp political split within Parliament, with the European People’s Party (EPP) siding with far-right groups to oppose the legislation. Environmental advocates and Green lawmakers have condemned the move as a setback for evidence-based forest protection and a blow to the EU’s climate and biodiversity goals. The EP has yet to finalise its position on the file. A plenary vote on its report rejected the proposed text, largely due to EPP concerns about it containing too many new regulations requiring additional bureaucratic procedures which would hamper facilitated results.

Proponents had argued that the law was an essential instrument to standardise forest data collection and improve transparency, forming the basis for more coherent EU forest policy. With its

rejection, however, the EU’s efforts to create a unified, science-based forest information system remain stalled — leaving forest management largely dependent on national systems and voluntary reporting.

Critics of the report presented to the EP also held that it undermined data accuracy by replacing “geographically explicit” location data with broader “geo-referenced” information, obscuring precise forest locations, weakening satellite monitoring and hampering efforts to identify and address illegal activities. Key indicators, including the mapping of primary and old-growth forests, have been either deleted or reduced to aggregated figures, limiting their usefulness in conservation efforts. Another critical setback, according to FERN, is the shift toward voluntary data-sharing among Member States.

The delays regarding agreement on the proposal reflects ongoing efforts to build consensus among political groups and address the legislative deadlock that has emerged over the regulation’s scope and ambition. The European Parliament’s draft report is seen by some as risking a reversal of progress in forest monitoring, reducing accountability, and delaying action on climate and biodiversity goals, while hindering companies’ relevant steps towards sustainable forest management and monitoring.

### **European Commission to withdraw EU Forest Monitoring proposal**

The European Commission in late 2025 warned it may withdraw its proposal for a new EU Forest Monitoring Regulation if Member States fail to support its core objectives. This marked the second time the Commission has threatened to retract a green legislative file, following similar signals regarding the Green Claims Directive. For the Forest Monitoring Regulation, the issue lies in what the Commission perceives as a lack of ambition in the Council’s draft position, which risks undermining the regulation’s ability to deliver meaningful environmental outcomes. The rejection of the proposed EU Forest Monitoring Law by the EP seemingly further weakened the Commission’s enthusiasm for pursuing the regulation and the Commission when subsequently announcing its 2026 work programme noted that it would withdraw the proposal.

While the simplification of any regulations relating to forestry should be welcomed by African stakeholders, weakened EU support for sustainable forestry may have future negative consequences for EU support for Africa regarding such issues. The intended proposal aimed at providing policymakers and forest managers with comprehensive insights to address deforestation, biodiversity loss, and climate-related forest degradation. Much of this could have been inspirational for duplication in Africa.

### European Commission published the updated EU Bioeconomy Strategy

On 27<sup>th</sup> November 2025, the European Commission adopted a new “*Strategic Framework for a Competitive and Sustainable EU Bioeconomy*”, positioning the bioeconomy as a central driver of a cleaner, more resilient and competitive European economy. By scaling up the use of renewable biological resources from land and sea, the strategy aims to accelerate the EU’s shift toward a circular, low-carbon model and reduce dependency on fossil-based imports.

The Commission highlights the bioeconomy’s significant economic footprint, valued at up to €2.7 trillion in 2023 and employing more than 17 million people, around 8% of EU jobs, it already plays a pivotal role in European growth. Examples range from algae-based chemicals used in pharmaceuticals and personal care, to bio-based plastics for packaging and automotive parts, as well as construction materials, textile fibers and fertilisers. Yet, despite this scale, the Commission stresses that much of the sector’s potential remains untapped.

The new strategy outlines three main pillars: scaling up innovation and investment, creating lead markets for bio-based materials and technologies, and ensuring a sustainable supply of biomass. To translate bio-based innovations into commercial reality, the Commission pledges to simplify regulatory procedures, accelerate approvals for new technologies, and direct existing EU funding toward bio-based solutions. A proposed Bioeconomy Investment Deployment Group would help develop a pipeline of bankable projects and mobilise private capital.

To stimulate demand, the strategy identifies promising markets such as bio-based plastics, fibres, chemicals, construction materials, biorefineries, advanced fermentation and permanent biogenic carbon storage. It also proposes a *Bio-based Europe Alliance*, through which EU companies would collectively commit to purchasing €10 billion worth of bio-based solutions by 2030.

Sustainability safeguards remain a central theme. The Commission emphasises the need to ensure responsible sourcing of biomass, maintain Europe’s self-sufficiency, and reinforce environmental protections for forests, soils, water and ecosystems. Circularity—including greater use of agricultural residues, organic waste and by-products—will be prioritised. New initiatives will reward farmers and foresters who protect soils, preserve carbon sinks and manage biomass sustainably.

Internationally the strategy positions Europe to become a global leader in bio-based technologies and materials by strengthening partnerships and reducing exposure to geopolitical risks linked to concentrated resource markets.

NGOs however have warned that despite offering a strong industrial signal, the strategy still falls short of delivering the environmental and social safeguards needed for a truly sustainable transition. It currently lacks the ambitious targets and safeguards needed to deliver real environmental and social impact. According to several actors, the strategy must go further to ensure that increased biomass use does not exacerbate biodiversity loss, pollution or overconsumption.

The framework builds on other recent moves to promote the bio-economy including the adoption on 29<sup>th</sup> September by the Council of the Soil Monitoring Directive, which is the first EU-wide framework for assessing and monitoring soils, with an overarching aim of achieving healthy soils by 2050. The directive seeks to strengthen resilience, improve management of contaminated sites and reduce land degradation, with benefits for food security, water quality and biodiversity. Once adopted by the European Parliament member states will have three years to transpose the directive into national law.

The adoption of the new EU Soil Monitoring Directive will add a new element of regulatory compliance for forest-based companies with much relevance for African stakeholders, but it also represents a more limited window for all stakeholders to help shape its final outcome. African stakeholders must monitor anticipated developments regarding the EU Biostrategy and how it can be utilised in the context of African-EU relations.

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*AFRICA and the EUROPEAN UNION- Follow-up on 2025*

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The EU-African Partnership benefitted in 2025 from a variety of key events and many activities in 2026 are expected to leverage the initiatives and build on them. In many cases these should have particular relevance for African forestry. In January for example the Commission led event on Horizon Europe Africa Initiative IV Information Session inter alia focussed on opportunities for research and innovation collaboration on the bio-economy and innovative related activities. Also in January the CIDRA Project (Creating a Joint Infrastructure for Dialogue, Research and Advocacy between Europe and Africa) funded by the EU Erasmus+ Program held a conference in Spain on Deepening the EU-Africa Partnership at which the importance of opportunities provided by the bioeconomy were discussed.

African forestry and the bioeconomy should feature prominently in 2026 and utilising opportunities from the EU-Africa partnership should be many

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*MIOMBO RESTORATION ALLIANCE GATHERS STRENGTH*

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In Africa the miombo savannah-land forests are one of the most importance forest regions but unfortunately are often overlooked in receiving which they deserve. The launch in January new projects by the Miombo Restoration Alliance, a Public-private partnership initiative initiated in 2025 and largely supported by Trfigura, itself a consortium of NGOS, along with eleven African countries, hopes to help rectify this situation. In January it announced the launch of its first carbon removal projects across four countries (Mozambique, Zambia, Tanzania and Malawi) in forestry and the bioeconomy should feature prominently in 2026 and utilising opportunities. Future projects could

include South Africa, Botswana, Zimbabwe, Angola and the DRC. The Alliance intends to look at ways to synergise its activities with EU initiatives in Africa as well as coordinating with sustainable commercial activities generally.

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*AFRICA and the EUROPEAN UNION- A BUSY MONTH*

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An especially important meeting between South Africa and European Union leaders on 20<sup>th</sup> November, held in the context of their Strategic Partnership, resulted in the signing of the first-ever Clean Trade and Investment Partnership (CTIP) agreement. A bilateral MoU was also signed establishing a partnership relating to Minerals and Metals, focussed on building sustainable value chains involving minerals and metals. The CTIP is intended to drive mutually beneficial trade, investment and job creation, supporting decarbonisation and clean supply chains. In South Africa it should especially support sustainable industrial growth, employment creation and broader decarbonisation efforts. The CTIP will focus on building clean supply chains linked to renewable energy, electricity grids, clean fuels, raw materials, and clean technologies. Its goals can nevertheless also be seen as tangentially linked to promoting all aspects of the bio-economy with expanded value-add supply chains where forestry can be a key beneficiary. Taken together with the abovementioned MoU, the EU- South African partnership is strengthened with the EU being a key partner of choice in clean economic growth in South Africa. They open the way towards similar agreements between the EU and South Africa focussed more specifically on promoting the bio-economy and its key sectors.

In addition these new agreements have a broader knock-on effect to strengthen the growth of decarbonised economies in Africa where the strengthening of African bio-economies will benefit especially if, as noted above, this leads to yet further agreements more specifically on promoting the bio-economy and its key sectors. While benefits will be mutual they should be especially valuable for Africa given the particularly great opportunities the subjects of the strengthened cooperation offer Africa. The fact that the EU is a world-leader in the bio-economy as well as clean energy techniques that can strengthen African economic growth, trade and investment opportunities in cutting-edge new contexts, is enabling Africa to access improved benefits from its strategic mineral resources that are of increasing global relevance, is of considerable importance.

The benefits which Africa can gain from the EU-South African agreements is underlined by the important role South Africa continues to have in Africa and the relevance of it being the only African country having a Strategic Partnership agreement with the EU. The current fluid geo-political context very much underlines the relevance for all involved stakeholders of a strong EU partnership with Africa, and South Africa. This is especially relating to strengthening an African bio-economy as well as benefits for it from its strategic minerals, with the improved utilisation of the subjects in these sectors accompanied by expanded value-add supply chains all of which helps deliver expanded more diversified and sophisticated African economies.

The relevance of the EU-South African agreements being immediately followed by the concluding sessions of the G20 under South Africa’s Presidency is considerable as is both of these events being immediately followed by the African Union (AU)-European Union Summit in Luanda, Angola on 24<sup>th</sup>-25<sup>th</sup> November. This was the 20<sup>th</sup> anniversary of the EU-African partnership and resulted in key outcomes beneficial to Africa which largely focussed on boosting economic investments generally, strengthening of African manufacturing, accelerating Africa’s digital and green transformation, and increasing mutually beneficial trade. Also especially noted were Improving peace and security, as well as investing in skills and research. The importance of strengthening the African bioeconomy although not specifically noted was an important feature in many of the discussions and conclusions.

The work being done to align the goals of the AU’s Comprehensive Africa Agriculture Development Programme (CAADP) Kampala Declaration with the EU Vision for Agriculture and Food was endorsed. It was agreed that agriculture, fisheries, aquaculture as well as food security, are fundamental common interests, representing key assets for prosperity and sustainability by contributing to growth and jobs in the two continents. Forestry was not mentioned as an important illustrative item of what great results can be achieved in a strengthened African bio-economy.

The substantive issues which were raised in the draft presented by the AU member states relating to CBAM including its potential for increasing costs, limiting competitiveness and undermining efforts to sustainably manage natural resources were reportedly removed by the EU for the final summit declaration. But following negotiations the final version commits only to ‘maintaining open, transparent, and inclusive channels of dialogue, including on trade-related environmental measures, such as CBAM and EUDR.’ The declaration made no reference to the need for extending timelines, flexibility in application, or capacity building support. The final declaration stated ‘the EU and AU will tackle together challenges posed to African exporters in sustainably managing natural resources, including biodiversity-based exports.’

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*AFRICA AND EU FOREST LAW ENFORCEMENT, GOVERNANCE and TRADE  
(FLEGT) LICENSES – CONTINUING UNCERTAINTY*

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### **Africa and EU Partnerships for FLEGT compliance**

The FLEGT initiative was launched by the EU to help combat illegal logging. It requires demands user/demand-side measures to prove that their forestry products do not come from deforested areas, promoting better governance of the forestry sector and in particular the forestry trade between the EU and supplier countries. It is intended to combat illegal logging practices and in particular support supplier countries that sign Voluntary Partnership Agreements (VPAs) with the EU to improve their forestry governance and timber legality assurance systems

Many aspects of the FLEGT will continue to be relevant after much of it will be replaced by the new EUDR regulations which will have a broader scope of products and require improved proof of them having deforestation-free origins. As regards the EU the FLEGT will also have in the future to synergise with CBAM, EUDR, Forest Monitoring Law, the CSDDD and CSRD. The current fluidity in the EU regarding forestry with the probability that current and future requirements may be more simplified and less onerous than current and previously anticipated criteria, has led the EU Commission to say it wants to replace VPAs with a new regulatory regime. Given current events this will probably be looser, less onerous, and maybe non-binding trade arrangements.

The FLEGT obviously is of particular relevance for African forestry and as the new EU regulations, as noted above, come into effect their implementation could inherit many positive features for African stakeholders.

The European Commission has unfortunately cancelled its VPA with Cameroon in mid-2025 and cancellation of its VPA with Liberia is pending. These moves by the EU to abandon its partnership agreements with Africa and other supplier countries negatively impacts the image of the EU, and compliance with any partnerships with it, by African countries especially those supporting good governance and growth of sustainable forestry and an accompanying bioeconomy. Ghana, along with Indonesia, are currently the only two producer/supplier countries achieving full FLEGT compliance status in their forestry trade with the EU. As regards Africa the new EU moves to cancel VPAs places Ghana in particular in an unenviable position. It remains an urgent matter that this question be urgently addressed along with future benefits for African countries striving to meet EU criteria for forestry products.

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*SOUTH AFRICA and the AFRICAN BIOECONOMY in the G20 CONTEXT-  
LATEST*

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The fact that South Africa in 2025 is the first African country to hold the G20 Presidency, a year when the African Union (AU) also assumed G20 membership, has given Africa an unprecedented opportunity to be utilised to leverage international cooperation to promote the African bioeconomy. The importance of expanding the bioeconomy for global sustainable development with particular importance for the developing countries including Africa, has been given particular emphasis with forestry being continually noted as having considerable potential. As such results from the 2025 South African Chairmanship of the G20 offer good opportunities to be utilized by African stakeholders especially regarding international partnerships and cooperation.

Generalized key priorities of the SA Presidency were (i) Inclusive economic growth, (ii) Global Financial System Reform, (iii) Beneficiation of Critical Minerals, (iv) Climate Action and Relief, (vi) Global South Advocacy, and (vii) The Digital Economy. The relevance of the bioeconomy was often integrated into discussions on these issues but it was given particular attention in the following G20

working groups: (i) G20 Environment and Climate Sustainability Working Group (ECSWG), the (ii) Agriculture Working Group (AWG) and (iii) The Research and Innovation Working Group (RIWG).

Closely related to the work of the ECSWG was the meeting in late September on the G20 Initiative for Bioeconomy (GIB), attended by G20 members as well as representatives of many international organizations including the FAO, continued the work initiated by the 2024 Brazilian G20 Presidency on the GIB and set-out the agenda for 2026 which will include the global summit in Austria on “Advancing Sustainable Forest-based Bioeconomy Approaches”

While the SA Department of Technology, Science and Innovation (DTSI) hosted the meetings on the GIB the ECSWG meetings were hosted by the SA Department of Forestry, Fisheries and the Environment (DFFE). The final meeting anchored by these Departments on the GIB was on “Strategic Partnerships for Africa’s Bioeconomy”: A G20 Legacy Initiative” with forestry being one of the items especially noted. A key result from the ECSWG, and indeed from SA’s G20 Presidency, was the proposal to establish an independent African Bioeconomy Finance Hub” to help catalyse finance for a thriving Pan-African bioeconomy.

At conclusion the G20 proceedings had focussed on four primary themes: (i) Strengthening disaster resilience and response; (ii) Debt sustainability with a particular emphasis on African countries; (iii) Mobilising finance for a just energy transition, especially in developing economies; (iv) Improved utilisation of critical minerals. Other sub-priorities were inclusive economic growth, industrialisation, inequality, employment, food security and artificial intelligence. The importance of strengthening the African bioeconomy although not specifically noted was an important feature throughout much of the G20’s general proceedings in addition to the more specific events noted above. In the final G20 Declaration’s call for expanded global trade there was no specific reference to CBAM or related EU measures but it did state that ‘measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.’

It is noteworthy that in the proceedings and final Communique of B20 (Business 20), the business based event that took place in parallel with G20 the importance of the bioeconomy for Africa was frequently noted. This was especially the case regarding the importance of food security which was one of the key themes. In addition the bioeconomy featured as one of the final key priority issues noted as a priority, especially for Africa, to be addressed and taken forward. It was noted that a priority is to be to “Position the bio-economy as an engine for growth, turning Africa’s natural assets into a competitive advantage Across agriculture, forestry, water and energy, better application of mechanisation, improved seed technology, reliable irrigation and electrification can transform livelihoods, especially for women, smallholders and rural enterprises. Across agriculture, forestry, water and energy, mechanisation, improved seeds, reliable irrigation and electrification can transform livelihoods, especially for women, smallholders and rural enterprises. Without coordinated policy, affordable power and open, reliable transmission grids, the continent cannot compete at scale. The path forward requires collaboration between governments, business and

communities and co-investment in climate-resilient infrastructure, renewable energy and bio-based industries”.

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*AFF role in strengthening sustainable agriculture for halting deforestation in Africa*

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Strengthening *sustainable agriculture for halting deforestation in Africa* was at the centre of the three-day virtual exchange event held by the AFF, FAO and UNEP between 27-29 October 2025. The conference convened more than 330 participants from across 25 African countries – 42 percent women - for a Community of Practice (CoP) on how to feed a growing population, sustain rural livelihoods, and preserve the forests that anchor its ecological and economic balance.

The three-day virtual exchange served as living laboratory of ideas, experiences, and solutions to advance a deforestation-free agricultural future – reinforcing peer learning and joint priority-setting around four shared priority areas: (1) Strengthening sustainable, forest positive value chains for market-based regulations including through enhanced due diligence and digital traceability systems; (2) Enhancing sustainable finance and private sector engagement; (3) Strengthening cross-sectoral policy coordination and integrated landscape approach; and (4) Developing and enhancing regional principles and approach for localized, context-specific solutions.

Participants emphasized the need to scale up such actions in a participatory manner, blending regional knowledge and principles with practical tools to ensure that agriculture-and-forest initiatives generate tangible, cross-sectoral and mutually beneficial socio-economic outcomes for local communities, while keeping smallholders and governments firmly in the driving seat.

### **Community action matters – and it's already underway**

Africa loses about 4.4 million hectares of forest every year with 97 percent of agriculture-linked deforestation associated in the context of small-scale farming. This reflects the predominance of small-scale producers in the region’s agricultural landscape and means that effective solutions lie in supporting smallholders, addressing structural constraints and strengthening their capacity to transition to sustainable land-use practices. Faced with changing global market requirements—such as the EU Deforestation Regulation—and the growing need for climate-resilient food systems, countries require more than technical tools. They need a trusted space to collaborate, learn, and co-create solutions.

As Prof. Labode Popoola, Executive Secretary of AFF, noted: *“Feeding people and protecting forests are not opposing goals—balancing ecology and economics is the only path to sustainable development.”*

The CoP brought together policymakers, researchers, producer organizations, NGOs, and private-sector actors, sharing how to transform knowledge into action. Over 38 percent of reported

impacts involved on-the-ground restoration and tree planting, including over 40,000 indigenous trees planted in Uganda. Trials in Cameroon tested optimal tree densities in cocoa landscapes, while Côte d'Ivoire expanded agroforestry models through PROMIRE project. Almost half of participants (45 percent) reported that they are already integrating some of these lessons into ongoing work. As one participant affirmed: *"We are already planning to incorporate agroforestry and due-diligence systems into our community projects."*

### **Finance as an engine of inclusion and empowerment**

Forest and Farm Producer Organizations (FFPOs) demonstrated their powerful role as change agents. *"Through the FFF, over 380 FFPOs and 762,000 people have strengthened sustainable livelihoods and restored over half a million hectares by linking inclusive governance, climate-smart enterprises, and access to finance,"* highlighted Jhony Zapata, Senior Forestry Officer at FAO.

Forty-three percent of participant reflections emphasized that community engagement and ownership are key for success. As one farmer leader shared, *"Community ownership and participation are the backbone of restoration."*

Innovative finance models – particularly strategically mixing both public and private finance - can make forest protection economically viable. Public-private investment and blended finance are beginning to unlock capital for forest-positive production as can be observed in the Cocoa and Forest Initiative implemented by IDH in Côte d'Ivoire. The Cocoa and Forests Initiative in Côte d'Ivoire demonstrates how public-private partnership accelerates sustainable cocoa systems. REDD+ are also continuing to be a catalyst as well - *"REDD+ offers us a chance to grow essential commodities like cocoa without sacrificing the forests we rely on,"* emphasized Thomas Yaw Gyambrah, Manager of the Climate Change Directorate, Ghana Forestry Commission. The financial community increasingly sees deforestation as a risk to address for long-term sustainability. Pei Chi Wong, Senior Research Associate at Global Canopy stressed that though *"Deforestation poses financial and reputational risks to financial institutions... yet it is a solvable crisis"*.

### **Data and digital traceability systems deliver opportunities**

As demand for transparency rises, digital tools are becoming essential infrastructure for transparency, accountability, and market access, helping smallholders access premium markets. Open Foris Ground and WHISP allow producers to map plot-level data and feed into national systems. *"A digital public infrastructure is the only way to provide a global solution to a global issue and allow the most vulnerable to access premium markets sustainably,"* stressed Rémi d'Annunzio, FAO Forestry Officer. Kenya's success with coffee traceability demonstrates how such tools can boost competitiveness for smallholders.

### **Integrated governance and regional principles**

*"No single actor can achieve a deforestation-free future alone,"* stated Abraham Baffoe, Executive Director, Proforest Africa. Through the Africa Sustainable Commodities Initiative (ASCI), African

countries are coordinating regional principles and leading their own localized solutions across the continent. Country experiences reaffirmed that local ownership is the heartbeat of sustainability. The CoP reinforced the importance of peer learning, expanding South–South learning, and co-developing tools for traceable supply chains. The CoP called for scaling such participatory approaches, blending traditional knowledge with modern tools to ensure that forest conservation efforts translate into tangible socio-economic benefits for local people.

### Looking ahead

The CoP aims to evolve beyond a single event into a regional knowledge ecosystem. Upcoming efforts focused on: 1) Scale digital transparency; 2) Strengthen local and regional networks; and 3) Align finance with forest-positive action

As Serena Fortuna, FAO Senior Forestry Officer, noted: ***“Africa’s future depends on producing food without depleting its forests. This Community of Practice is helping turn that vision into collective action.”***

This article was authored by: Félicien Kengoum Djiegni, Facilitator of the Community of Practice; Naoko Takahashi, Forestry Officer, Halting Deforestation, Degradation, and Emissions Team, FAO Forestry Division ; and Dennis Genesse, Halting deforestation and agroecology specialist, Halting Deforestation, Degradation, and Emissions Team, FAO Forestry Division