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AFF – HLG Monthly Monitoring of EU Forest Value Chains

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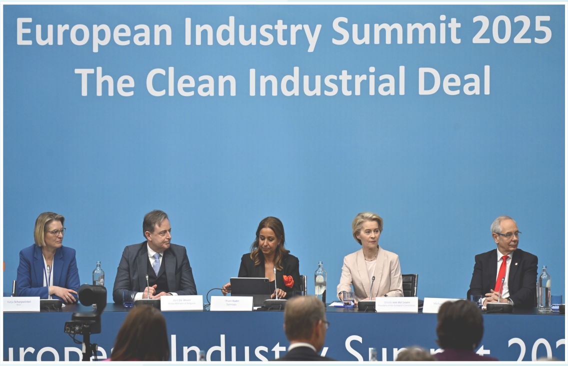
This monthly newsletter, produced by the HLG on Forestry & Biomaterials, with support from SAPPI, for the members of the AFF, aims to stimulate joint thinking on the research and development of a climate-neutral bioeconomy.

The High-Level Group on EU Policy Innovation: Forestry and Biomaterials (HLG-FB) is one of the independent public-private think tanks which operates as 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.



European Commission and business leaders at the launch of the European Clean Industrial Deal in Antwerp. February 2025 /Photo credits: Antwerp declaration.eu

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Additional details regarding our initiatives to the advancement of a sustainable bioeconomy can be accessed through the following websites: https://www.sappi.com & https://www.highlevelgroup.eu/forestry-biomaterials

EUROPEAN UNION REGULATION ON DEFORESTATION-FREE PRODUCTS (EUDR) - LATEST DEVELOPMENTS

The European Commission, in cooperation with UNEP, released a document providing further guidance on EUDR compliance.

Last week, the European Commission, in collaboration with UNEP-WCMC, published a guidance document detailing key compliance obligations under the EU Deforestation Regulation. The document clarifies due diligence requirements based on company type (operator or trader), position in the supply chain (first placer or downstream), and size (SME or non-SME).

The guidance presents 11 industry-specific scenarios—five covering EU-based operations with commodities produced within the EU and five addressing those sourced from outside the EU—demonstrating how the rules apply across different supply chains.

The second part of the document focuses on EU-based operations handling commodities from outside the EU. Annex 1 provides a structured overview of compliance requirements, categorising obligations for upstream operators (SMEs and non-SMEs), downstream operators (SMEs and non-SMEs), and traders. It also cross-references these categories with the commodities covered by the EUDR—cattle, cocoa, coffee, oil palm, rubber, soy and wood (including paper)—to offer a clearer, more illustrative framework for stakeholders.

This guidance complements the third iteration of the EUDR FAQs and the official guidance document, offering additional clarity on compliance. However, it does not replace or alter the legal provisions of the EUDR and serves solely as an informational resource.

European countries, including Norway, struggle with compliance as EU reclassifies Timber Clearance

Over 580,000 cubic metres of timber cleared from Norwegian agricultural land and sold to EU markets may now be classified as deforestation under the EUDR, raising compliance concerns across European countries.

A report by the Norwegian Environment Agency and the Norwegian Agriculture Agency underscores Europe's challenges in adapting to the regulation. In particular, as a major timber supplier to the EU, Norway faces potential compliance costs and administrative hurdles, with timber making up 85% of its trade with the EU and global markets. Meeting EUDR requirements will demand precise geolocation data and stricter verification processes.

Other countries timber importers across the EU are also struggling with the EUDR's five-year lookback rule, which requires proof that wood products placed on the market have been deforestation-free since 31 December 2020. Industry stakeholders warn that these strict measures could disrupt supply chains and add operational complexity.

Resistance to the regulation is growing. Last year, 20 of the EU's 27 agricultural ministers called for adjustments, citing risks to global supply chains and urging a more flexible implementation approach. The upcoming release of countries' risk classifications in May 2025 is expected to heighten these challenges, fuelling further debate within the EU.

Golden Agri-Resources launches SmartTrace Due Diligence Platform for EUDR compliance

Golden Agri-Resources (GAR), an oil company from Singapore, has launched its SmartTrace due diligence platform, as part of its broader efforts to support operators' compliance with the EUDR.

Among the first to pilot the system is the Verborg Group, a Dutch tropical oil refinery. In early 2024, GAR and Verborg Group established a partnership to supply high-quality, traceable, and deforestation-free oils across Europe. The first phase involved a shipment of 9,500 metric tonnes of palm oil products, fully traceable to Indonesian plantations, as part of ongoing compliance testing ahead of EUDR implementation.

SmartTrace has been created to enhance supply chain visibility and security, providing European customers with verified, sustainably produced tropical oils. The web-based platform offers full traceability, tracking palm oil shipments down to plantation level using blockchain technology. Other commodities, such as soy, sugar, coconut, and sunflower oil, are expected to achieve full traceability, expanding the platform's accessibility to additional exporters.

The platform enables companies and traders to generate compliance reports covering due diligence and risk mitigation for deforestation and legality. These reports integrate with the EU's TRACES platform, streamlining the completion of due diligence statements for EUDR compliance.

Profundo report analyses EUDR compliance costs for SMEs and large firms

A new report by the Profundo firm assesses the financial impact of EUDR compliance on businesses and potential effects on consumer prices. In general, companies sourcing from multiple geolocations must verify each site and implement risk mitigation measures, adding to operational costs.

The study estimates compliance expenses using geolocation data providers, European Commission projections, and prior due diligence research from WWF and Chain Reaction Research. It evaluates twelve companies of varying sizes and revenues to quantify the financial burden.

Findings show that, on average, businesses will allocate 0.1% of revenues, 1.45% of operating profit, 1.89% of net profit, 4.33% of employee costs, and 58.77% of top management remuneration to compliance. SMEs face higher proportional costs—0.17% of revenues versus 0.06% for larger firms—while personnel expenses stand at 5.28% for SMEs compared to 3.7% for large companies. However, relative to operating profit (0.92% for SMEs vs. 1.71% for large firms) and net profit (0.91% vs. 2.38%), smaller firms experience a lower impact.

Despite these costs, price increases for consumers are expected to be minimal. Among the commodities, chocolate prices could rise by 0.007%, coffee by 0.018% and palm oil products by 0.006%. Meanwhile beet sugar may increase by 0.066% and soy-fed cow milk could see a 0.001% rise.

Based on this Profundo's analysis, companies should be aware that while consumer price increases are expected to be minimal, companies need to evaluate pricing strategies to balance profitability and competitiveness.

EUDR sparks concerns for West African cocoa exports

The EUDR is causing concern among cocoa farmers in Nigeria and other West African countries. Cocoa is a key export for Nigeria, with Europe as its primary market. From 2019 to 2023, cocoa exports to Europe accounted for over 55% of the annual average export value of $543 million.

Farmers and exporters are now struggling to meet the new EUDR requirements, which demand traceability of the entire supply chain to confirm cocoa is sourced from deforestation-free areas.

The National President of the Cocoa Association of Nigeria (CAN), Mr. Mufutau Abolarinwa, clarified that while stakeholders are working with the EU to map local cocoa farms and implement traceability systems, enhanced infrastructure and value chain systems are needed to help producers comply with EUDR standards while maintaining European market access.

Previously, the Commissioner for Agriculture and Irrigation in Cross River State, Johnson Ebokpo, launched initiatives to establish new cocoa estates in selected local government areas through a public-private partnership model, fostering collaboration between the government, local communities, and private investors. However, further efforts are needed to mitigate the risk of exclusion from the EU market.

Similarly, Nigeria's Minister of Agriculture and Food Security, Sen. Abubakar Kyari, embarked on a National Task Force (NTF) initiative on EUDR to ensure compliance and drive economic growth in the sector, reaffirming once again the industry's significance for the country's economy and exports.

EUDR postponement published in the EU official journal

However, due to the many criticisms and pressures, the European Union has officially postponed the implementation of the EUDR. Published in the EU Official Journal on 23 December 2024, the regulation will now come into effect on 30 December 2025 for medium and large companies, with small and micro businesses granted an additional six months, until 30 June 2026, to comply. Special regulations will apply to timber and timber products.

This delay was granted after the European Parliament's final approval on 16 December, and the Council of the European Union's endorsement, completing the legislative process. The decision follows trilogue negotiations between the European Commission, Parliament, and Council on 3 December, aimed at providing legal certainty and additional time for businesses, Member States, and third countries to adjust to the regulation's stringent requirements.

While some sectors, such as environmental groups, expressed concern about the impact on climate action, the delay was welcomed by industries like automotive manufacturing and aviation, which had argued that the regulation placed excessive burdens on them. Similarly, countries like Brazil, which had previously criticised the regulation as protectionist and harmful to smallholder farmers, also expressed support for the postponement.

In addition, the EU Commission plans to categorize origin countries into low, standard, and high-risk categories for deforestation, with this classification expected by 30 June 2025. This adjustment aims to allow stakeholders more time to prepare for the regulation's full implementation while ensuring its objectives are met with minimal disruption.

More about the regulation and potential issues

The EUDR, which mandates strict due diligence requirements to curb deforestation, will start being applied from December 30, 2025, for large and medium enterprises, and from June 30, 2026, for micro and small enterprises. It specifically targets a list of commodities outlined in Articles 38(2) EUDR, including cattle, cocoa, coffee, oil palm, rubber, soya and wood, and demands comprehensive traceability from the point of origin to processing and distribution. Operators are required, under Article 3, to ensure that commodities exported are:

- deforestation-free;
- produced in accordance with the relevant legislation of the country of production;
- covered by a due diligence statement.

Pursuant to Articles 3, 4, and 8 of the Regulation, due diligence statements must be submitted to the designated authorities via the information system delineated in Article 33 before placing products on the market. This electronically transmitted due diligence statement must include the details specified in Annex II and affirm that the operator has conducted due diligence, identifying no or negligible risk.

CARBON BORDER ADJUSTMENT MECHANISM (CBAM)

Omnibus regulation poised to ease bureaucratic burdens under CSDDD, CSRD and CBAM

In February 2025, the European Commission introduced the *Omnibus*, a legislative package designed to streamline key sustainability regulations, including the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), the EU Taxonomy and the Carbon Border Adjustment Mechanism (CBAM).

The proposal follows recommendations from Mario Draghi's report on European competitiveness and responds to industry calls for greater alignment between EU and international standards, particularly those of the International Sustainability Standards Board (ISSB). Its primary objectives are to reduce regulatory complexity, ease compliance burdens and maintain the EU's sustainability and decarbonisation agenda.

The main changes for the CBAM regulation encompass:

- Exempting small importers: A new annual threshold of 50 tonnes per importer will eliminate CBAM obligations for approximately 182,000 entities—mostly SMEs—while still covering over 99% of emissions in scope.
- Simplifying compliance: Streamlined authorisation processes and revised calculation and reporting rules aim to reduce administrative complexity for companies still subject to CBAM.
- Enhancing long-term effectiveness: Strengthened anti-circumvention measures will ensure the system remains robust against potential abuse.
- Laying the groundwork for expansion: The proposal precedes a future extension of CBAM to additional ETS sectors and downstream goods, with a new legislative proposal on scope expansion expected in early 2026.

However, it is worth noting that the proposal is now under review by the European Parliament and Council, with discussions expected to continue for months. If approved, the Omnibus will reshape the EU's sustainability regulatory framework.

The Omnibus proposal comes in the context of fierce debates about the competitiveness of European industry. On 26 February, the so-called Antwerp Group, launched last year by the Belgian Council Presidency, met again to have direct consultation between industry and Commission. The CEO of SAPPI was one of a small number to be invited.

CBAM's impact on Africa discussed at the Africa's Green Economy Summit (AGES) 2025

At AGES 2025 in Cape Town, industry leaders gathered to examine the impact of the EU's Carbon Border Adjustment Mechanism (CBAM) on Africa's economies, which depend heavily on carbon-intensive exports. The European Commission estimates that CBAM could reduce African exports to the EU from €5.6–6 billion in 2030 to €3.9 billion, with reports warning it may widen the gap between developed and developing nations.

A panel of experts highlighted that CBAM directly affects $25 billion worth of African exports, including 26% of fertilisers, 16% of iron and steel and 12% of cement and aluminium.

Discussions also noted South Africa's significant exposure, with the South African Reserve Bank reporting that in 2019, $1.5 billion (1.6% of total exports) fell under CBAM, places the country among the top 20 most affected nations. Furthermore, the Carnegie Endowment identified Mozambique as the most impacted, with 20% of its exports—mainly aluminium—subject to CBAM.

It was also stressed that despite these challenges, CBAM presents opportunities for Africa to lead in green industrialisation. Green hydrogen, produced with renewable energy, is CBAM-exempt and Africa's abundant solar and wind resources position it as a competitive global supplier.

Key opportunities for Africa also include:

1. Localising value chains – Investing in green-powered processing to increase value-added exports.
2. Expanding green energy– Leveraging Africa's renewable potential to cut CBAM costs and enhance energy security.
3. Trade diversification – Exploring alternative markets, including intra-African trade under AfCFTA.

EU considers CBAM exemption for 80% of European companies

As mentioned above, the European Commission is considering exempting up to 80% of companies currently subject to the Carbon Border Adjustment Mechanism, according to Climate Commissioner Wopke Hoekstra. He noted that 97% of emissions covered by CBAM originate from just 20% of affected businesses, suggesting that limiting the mechanism to major importers could reduce administrative complexity without weakening its environmental impact.

If adopted, the proposal could relieve approximately 180,000 of the 200,000 companies currently under CBAM obligations. The mechanism, designed to shield EU heavy industry from carbon leakage, requires importers to report emissions associated with their products and, from 2026, to pay the difference between EU carbon costs and those in the country of origin. However, compliance challenges remain, with only 10% of German and Swedish firms submitting emissions data during CBAM's initial trial phase.

While trading partners such as the US and India have criticised CBAM as a protectionist measure, EU officials stress that the proposed reforms aim to streamline bureaucracy rather than dilute the policy. Hoekstra confirmed that consultations on the exemptions are underway and could be implemented via the upcoming Omnibus regulation. A broader CBAM review later this year may also expand its scope to include sectors such as glass, ceramics, pulp and bulk chemicals.

GREEN DEAL

Bureau for Food and Agricultural Policy (BFAP) highlighted the risks of EU Pesticide Ban for South African Agriculture

Last week, the Bureau for Food and Agricultural Policy (BFAP) released a report cautioning on the challenges that the European Green Deal could pose for South African agriculture in the coming years. In particular, its Farm to Fork (F2F) strategy, which is at the core of the green deal, arise regulatory and financial concerns.

A key aspect of F2F is a sharp reduction in pesticide use, including stricter bans on hazardous chemicals. While the EU's initial target of a 50% reduction by 2030 has faced internal opposition, significant restrictions are still expected in its trade with third countries. The introduction of a mirror clause could impact South African exports by requiring compliance with EU production standards, including pesticide regulations.

While South Africa is already phasing out certain harmful pesticides, several chemicals on the EU's indicative ban list —such as herbicides (2,4-D, Acetochlor, Atrazine, Bromoxynil), insecticides (Benfuracarb, Indoxacarb, Permethrin, Thiamethoxam), and fungicides (Carbendazim, Epoxiconazole, Picoxystrobin)—remain still in use by local farmers. Although Chlorpyrifos was banned in South Africa in November 2023, other commonly used substances face potential restrictions.

Inter alia, the pome fruit sector is particularly vulnerable. While 8% of South African apple exports go to the EU, pears are more reliant on this market, with 28% of exports destined for Europe. Many pesticides used in this sector have already lost EU approval, forcing farmers to seek costlier alternatives that may require more frequent application and could impact fruit quality.

"The European Green Deal and F2F strategy present both challenges and region-specific opportunities for South African agriculture," BFAP stated. "While the shift towards sustainable farming is commendable, the economic and practical implications must be carefully assessed. Collaboration between farmers, policymakers and industry stakeholders will be essential to ensure the sector's long-term viability."

The full BFAP report is titled European Green Deal and South African Agriculture: The Potential Impact of Reduced Pest Control Options and you can find it available here.

EU published implementing Regulation on CBAM Register: New Rules for Imports from 2026

On 30 December 2024, the European Union published the Implementing Regulation (EU) 2024/3210, providing detailed guidelines for the operation of the Carbon Border Adjustment Mechanism (CBAM) Register. This regulation, which aligns with Article 14 of Regulation (EU) 2023/956, establishes a comprehensive electronic database managed by the European Commission to track CBAM accounts, declarations, authorized declarant applications, and verification reports.

The CBAM Register will facilitate seamless interaction with national customs information systems across EU Member States, ensuring efficient data exchange. It will also allow operators in third countries to register data concerning their facilities, production, emissions, and verification reports.

From 1 January 2026, businesses wishing to import goods covered by the CBAM—outlined in Annex I of Regulation (EU) 2023/956—must obtain the status of an authorized CBAM declarant. Without this qualification, they will be prohibited from proceeding with imports. The regulation aims to strengthen the EU's environmental goals while ensuring that importers comply with stringent new standards to mitigate carbon emissions linked to imported goods. Register here.

African companies gather to discuss Nature Transition at Business for Nature event.

As the European Green Deal drives global environmental policies, African businesses are increasingly recognising the need to adapt to evolving sustainability expectations. On **26 March 2025**, Business for Nature (BfN), in collaboration with ANCA, AWF, Sappi, and Safaricom, will host a webinar to explore how African businesses can navigate the global nature transition.

The event, titled *Preparing for the Nature Transition: Practical Insights from African Businesses*, will highlight the risks associated with nature loss and the opportunities emerging from sustainability initiatives. The discussion will feature insights from leading companies already implementing nature-positive strategies and provide guidance for businesses looking to align with international sustainability frameworks, including those under the Green Deal.

As the EU pushes forward with stricter environmental regulations, such as deforestation-free supply chain requirements and corporate sustainability disclosure obligations, African businesses must adapt to remain competitive in global markets. The webinar will offer practical advice on how companies can integrate nature-focused strategies into their operations, ensuring long-term resilience and compliance with evolving regulatory landscapes.

The event is open to businesses, business associations, NGOs, and other stakeholders working towards corporate environmental sustainability.

CBAM's Second Transitional Phase officially started in July 2024

The second transitional phase of the EU's Carbon Border Adjustment Mechanism (CBAM) commenced on July 1, 2024, and will conclude at the end of 2025. During this period, EU importers are required to collect and disclose actual embedded emissions data for their imports from non-EU manufacturers, moving away from reliance on default values.

The transition to a CBAM-based system began on October 1, 2023, with importers of specific products—including steel, aluminium, cement, fertiliser, hydrogen, and electricity—mandated to report their embedded carbon emissions. The initial quarterly reports were due by January 31, 2024; however, compliance was low, with only a minority of companies meeting the deadline.

To ensure adherence, EU importers must conduct thorough screenings of the emissions data received from non-EU manufacturers. This process involves verifying that the data accurately reflects actual emissions according to CBAM's greenhouse gas accounting principles and requesting necessary documentation, such as calculation templates and supporting evidence.

To enhance the accuracy of carbon accounting, importers are advised to:

- Cross-verify data against multiple sources for consistency.
- Conduct audits to evaluate data quality and identify discrepancies.
- Validate the accuracy of calculations and measurements used.

Until the end of 2024, the Implementing Regulation on reporting requirements allows some flexibility regarding the values used to calculate embedded emissions during the transitional phase. Companies may choose from three reporting options: (a) full reporting according to the new EU methodology, (b) reporting based on an equivalent method, or (c) reporting using default reference values (valid only until July 2024).

Starting January 1, 2025, only the EU methodology will be accepted, and estimates (including default values) may only be applied to complex goods if they represent less than 20% of the total embedded emissions. The Commission published default values on December 22, 2023, based on a report from the EU's Joint Research Centre (JRC).

Default values' deadline: 31 October

From 31 October 2024, the use of default values is no longer permitted, except for 20% of emissions, where default values may still be applied. Instead, actual data—specific measurements of greenhouse gas emissions generated during the production of a given product—must be used.

This data will be sourced directly from production processes and includes both direct emissions from the manufacturing of the product and indirect emissions associated with the energy required for its production. Importers and producers will have to provide this data through systems that monitor actual emissions throughout the supply chain.

This deadline marks the next phase of the EU Carbon Border Adjustment Mechanism (CBAM) transitional period for products imported into the EU from 1 July 2024. Businesses must collect and submit actual embedded emissions data for all imports entering the EU during the quarter from 1 July to 30 September 2024.

The EU has outlined the methodology for calculating embedded emissions, which broadly falls into two categories that must be included in each CBAM declaration:

1. Calculation Approach: This determines the emissions of EU CBAM products based on source streams and activity data through measurement systems at the production site, combined with laboratory analysis or standard values. It encompasses both combustion and process emissions.
2. Measurement-Based Approach: This assesses emissions based on the emission source through continuous measurement of greenhouse gases at the installation, utilising specified disaggregation formulas aligned with international ISO standards on source emissions.

However, certain derogations from the EU's prescribed methodology are still permitted for the declarations due on 31 October 2024 and 31 January 2025, including the use of embedded emissions data captured as part of an existing carbon pricing or emissions monitoring scheme in the product's country of origin. Nonetheless, from 1 January 2025 onwards, only the EU's methodology may be employed.

The obligation to report using actual data will remain in effect until the end of the transitional period.

PACKAGING & PACKAGING WASTE REGULATION (PPWR) DEVELOPMENTS

EU Packaging Rules to Impact South Africa's Plastics Industry

The European Union's Packaging & Packaging Waste Regulation (PPWR) introduces stringent requirements for plastic packaging, posing challenges for South Africa's plastics and paper packaging sectors. As global sustainability standards evolve, local manufacturers will need to adapt to stay competitive, particularly in export markets.

Fortunately, South Africa's plastics industry, especially export-focused businesses, has already made significant progress in meeting these standards. Investments in infrastructure, technology, and expertise have strengthened efforts to incorporate recycled content, enabling local manufacturers to supply compliant plastic packaging to international markets.

However, despite advancements in PET bottle recycling, further investment is needed to scale up food-grade post-consumer recycled (PCR) production and improve recycling capacity. "Ongoing research and development are essential to overcoming these challenges and expanding PCR use across different packaging formats," says Hanekom.

EU Packaging Regulation published on the Official Journal of the EU.

The Packaging and Packaging Waste Regulation (PPWR**)** has been officially published in the *Official Journal of the European Union*. It will harmonise rules across all Member States, aiming to minimise the environmental impact of packaging while promoting reuse, recycling, and efficient resource management.

The regulation will come into force 20 days after its publication in the Official Journal, on 11 February 2025, and will be applicable starting from 12 August 2026.

The adoption of the PPWR marks a significant shift for both consumers and the industrial sector. Citizens will benefit from increased transparency and reduced environmental harm, while businesses will need to adapt to the new requirements, investing in innovation and sustainability. Nevertheless, the regulation also presents substantial opportunities for companies that can leverage these changes into competitive advantages.

EU Packaging Regulation adopted by the Council

The Council has formally adopted the Packaging and Packaging Waste Regulation, concluding a two-year legislative process. The new regulation sets ambitious targets to reduce packaging waste and its environmental impact, with binding goals for reuse, recycling, and the elimination of harmful substances.

Key Provisions:

- Waste Reduction Targets: Packaging waste must decrease by 5% by 2030, 10% by 2035, and 15% by 2040. Additionally, restrictions on single-use plastic packaging, such as pre-packed fruits and vegetables under 1.5 kg and small hotel toiletries, will apply from 2030.
- Recycled Content Requirements: By 2040, single-use plastic bottles must contain at least 65% recycled material. The regulation also mandates clear labelling on packaging to inform consumers about its material composition and sustainability.
- PFAS Ban: Stricter thresholds on per- and polyfluoroalkyl substances (PFAS) in food-contact packaging will be introduced to address health and environmental concerns.
- Reuse Targets: By 2030, businesses like takeaway food providers must allow customers to bring reusable containers at no additional cost.

Some EU Member States, including Italy, have secured concessions, with exemptions for certain high-recycling packaging types like beverages such as milk and wine. Malta and Austria abstained from the vote.

This regulation aims to transition Europe towards a circular economy, reduce waste, and help achieve climate neutrality by 2050. It will come into effect 18 months after its publication in the EU Official Journal.

What will be banned starting January 2030? - Background of the proposed PPWR Regulation

The PPWR, pivotal for the forestry value chain, especially for entities manufacturing paper-based packaging, prescribes substantial reductions in packaging materials by the years 2030, 2035, and 2044. The regulation prohibits the use of detrimental chemicals such as per- and polyfluoroalkyl substances (PFAS) and bisphenol A (BPA) in food packaging and advocates for the utilization of sustainable materials sourced from responsibly managed forests, with a strong emphasis on the recyclability and reusability of packaging.

Commencing in January 2030, prohibitions will include:

- Single-use plastic packaging for unprocessed fresh fruits and vegetables, and for consumables in bars and restaurants.
- Single-use items such as condiments, sauces, sugar, and cream.
- Small-scale hotel products like shampoo and shower gel.
- Plastic wrap for suitcases at airports.

However, exemptions apply to milk cartons, disposable compostable plastic packaging, and packaging for fruits and vegetables weighing less than one and a half kilograms, necessary to prevent food deterioration.

The regulation sets packaging reduction goals of 5% by 2030, 10% by 2035, and 15% by 2040, with MEPs advocating for a 20% reduction in plastic packaging by 2040. It also mandates a maximum empty space ratio of 50% in various packaging types to minimize waste, and stipulates that manufacturers and importers ensure minimized packaging weight and volume, except where protected packaging designs are already established.

Additionally, the MEPs call on EU member states to ensure that 90% of materials used in packaging are collected separately by 2029, reinforcing the regulation’s role in promoting environmental sustainability and a circular economy within the EU packaging sector.

HORIZION EUROPE - Funding opportunities

EIB Launches €3 Billion Initiative for Agriculture, Forestry, and Fisheries

The European Investment Bank (EIB) has announced a €3 billion financing programme to support agriculture, forestry, and fisheries across Europe, marking its largest investment in the sector to date. The initiative aims to foster sustainability, resilience, and inclusivity, with a focus on small and medium-sized enterprises (SMEs), young farmers, and women.

The funding, set to roll out over three years, will promote investments in key areas such as soil health, digital agricultural technologies, water management, and climate resilience. It also seeks to enhance access to land for young farmers and improve training in sustainable farming practices. Women, who currently represent less than one-third of the farming workforce, are a priority group within the programme.

The initiative will be bolstered by additional contributions from financial institutions, potentially unlocking €8.4 billion in long-term investments. To ensure favourable terms, the EIB plans to complement the financing with interest and capital grants from EU and national budgets. Participating institutions will also benefit from advisory services and tools like the Green Eligibility Verification Tool, designed to evaluate the climate impact of proposed projects.

New Horizon Europe funding: calls open on 4 April 2025

The Circular Bio-based 2025 call for project proposals, opening on 4 April 2025 and closing on 17 September 2025, allocates €165 million under Horizon Europe to support innovative bio-based projects.

Applicants can prepare submissions based on the topics outlined in the CBE JU Annual Work Programme 2025, which include flagship innovation actions like urban-industrial bio-waste valorisation (€18 million) and sustainable biomass conversion (€20 million), alongside innovation actions such as scaling alternative proteins (€14 million) and safe bio-based textile solutions (€13.5 million).

Research actions focus also on areas like untapped forest biomass valorisation (€7 million) and biodegradable fertiliser delivery systems (€6 million), while coordination actions will advance bio-based curricula (€1 million). These initiatives aim to foster Europe's sustainable bioeconomy by promoting innovative technologies, resource efficiency, and environmental sustainability, aligned with the Strategic Research and Innovation Agenda (SRIA) 2022–2030.
Guidance is available on the CBE JU website and the EU Funding & Tenders Portal, ensuring applicants access comprehensive resources for successful participation.