



The EU Regulation on deforestation- and forest degradation free supply chains



*European Commission
DG Environment*

Context

- **420 million hectares** of forest worldwide – **an area larger than the EU** – have been lost between 1990 and 2020 (FAO).
- Deforestation and forest degradation are important drivers of **climate change** (IPCC: 11% of GHG emissions) **and biodiversity loss**.
- A **significant share of that forest loss is legal** (Forest Trends). Need to move beyond legality
- 90% of deforestation is provoked by the **expansion of agricultural land** (FAO), which is linked in particular to a series of commodities.
- The **EU is a major consumer of commodities** associated with deforestation and forest degradation: Imports of the commodities and products covered - **EUR 85 billion / year**.
- **7 commodities and derived products** as per Annex I (Palm oil, Soy, Wood, Cattle, Cocoa, Coffee, Rubber)

Mandatory Due Diligence

Carried out **by operators who place the products on the EU market/export from the EU**

Only products that are both **deforestation-free and legal** will be allowed on or exported from the EU market

The EU operator need to issue **a due diligence statement** confirming

1. **Legality:** Products need to be legal according to the laws of country of production, including applicable human and labor rights etc.
 2. **Deforestation-free:** products not produced on land deforested after the cut-off date – FAO definitions.
 3. **Strict traceability** linking the commodity to the plot of land where it was produced using **geolocation** coordinates (Mandatory use of polygons above four hectares)
- Information supplied by **certification or other third-party verification systems (ISPO, MSPO and others) can support, but not replace, due diligence obligations of operators**

Focus on Implementation

Clarifying operational questions via the Frequently asked Questions

Work on Guidance Documents on technical legal matters

Setting up of the IT System

Strengthening support tools to Producer Countries

Other strands: deforestation observatory, risk benchmarking etc.

Frequently Asked Questions

Key aspects of implementation for operators/traders and for competent authorities

- First published in June 2023
- Latest update in Dec 2023
- Over 80 Q/A

https://green-business.ec.europa.eu/deforestation-regulation-implementation_en#frequently-asked-questions

Guidelines

Guideline documents in the pipeline covering selected thematic areas, such as:

Definition of
agricultural use

Due diligence

Certification

Legality

Information System



IT development, secondary legislation, up and running by the entry into application



First pilot testing completed end January



Dedicated training environment available later in 2024

The screenshot displays the IMSOC (Importation Management System for OTC) web application. The interface includes a navigation bar with 'IMSOC - Home', 'TRACES', 'ADIS', 'EUROPIVET', and 'RASFF'. A user profile dropdown shows 'EU User' and 'Endorsing Authority USER 51X'. A central green alert box states: 'You are on environment: Acceptance alpha. Acceptance alpha environment tests the seed release of TBT, to ensure everything works as expected before going to production. All data (predicates, operators, trade orders, classification, etc...) introduced here might be lost regularly, as the database is regularly refreshed from production. Expect relatively small downtimes.' Below this, a 'Latest News' section reports system downtime on March 12 and 13. On the right, a 'My pending certificates' table lists certificates with columns for Reference number, Action, Countries of origin, and Connections.

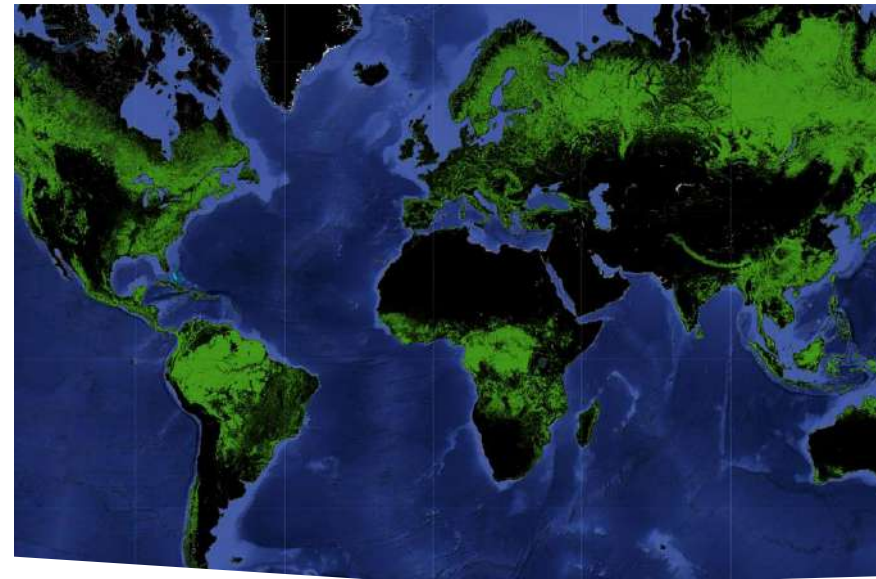
Reference number	Action	Countries of origin	Connections
RJ2010000101	Available	Netherlands	
RJ2010000102	Available	Netherlands	
RJ2010000103	Available	Netherlands	
RJ2010000104	Available	Netherlands	
RJ2010000105	Available	Netherlands	
RJ2010000106	Available	Netherlands	
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RJ2010000197	Available	Netherlands	
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RJ2010000199	Available	Netherlands	
RJ2010000200	Available	Netherlands	

EU Observatory on Deforestation

developed by JRC,
to provide a.o.
reference maps on
global forest cover

presented in Dec
2023, and
currently publicly
accessible online

Third countries to
provide comments
and feedback



Cooperation with third countries



Cooperation with both producing and consumer countries

→ Engagement with other major consumer countries such as China and the USA



Political dialogue, public diplomacy and technical assistance

→ Active outreach to stakeholders through Commission, EU Delegations, EU Member States; dedicated outreach project starting to enhance understanding in South East Asia and Latin America of the EU Regulation

→ Enhanced cooperation to address potential challenges in producer countries

→ Regular briefings in multilateral fora (WTO, FAO etc.)



The role of the Deforestation Multi-stakeholders Platform

→ All interested producer and consumer countries invited, all key sectorial associations and civil society organisations represented

→ Work on implementation; specific focus: traceability and smallholders; sharing of best practices, cooperation initiatives

EUDR Joint Task Force with Indonesia and Malaysia

- **Ad Hoc Joint Task Force on the EUDR between the Indonesia, Malaysia and the EU** was established and **kicked off** in August
- **Aim: to support coordination and promotion of mutual understanding, address concerns raised by Indonesia and Malaysia** and identify **solutions and best practices** for EUDR implementation.
- **Agreed workstreams:**
 1. The inclusion of **smallholders** in supply chains,
 2. Relevant **national certification schemes** (land legality and deforestation cut-off date),
 3. Traceability from **producer to end-consumer** (through direct and indirect trade),
 4. Scientific data on **deforestation and forest degradation**
 5. **Protection of privacy** data by the end of 2024, with the possibility to be extended upon agreement

Ongoing programmes



KAMI Sustainability of Malaysian and Indonesian Palm Oil

To reinforce EU-Indonesia and EU-Malaysia partnerships by supporting national processes and international dialogue on sustainable natural resource use, with a focus on palm oil.

Logos: SURVEYOR INDONESIA, JAVLEC, UNIVERSITAS INDONESIA



Sustainable Agriculture for Forest Ecosystems (SAFE)
In Indonesia

Logos: Global Gateway, European Union, GIZ, Ministry of Agriculture, Republic of Indonesia



EUDR Engagement
Engagement with Indonesia, Malaysia, Laos, Thailand and Vietnam to raise awareness on and to promote better understanding of the EU approach to reducing EU-driven deforestation and forest degradation

Logos: kerja sama jerman, European Union, GIZ



EU FLEGT ASIA Supporting forest governance and sustainable timber trade in ASEAN

EU FLEGT Asia Programme: Supporting Forest Governance and Sustainable Timber Trade in ASEAN

Logos: EFI, European Union



Thank you for listening!