

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



### Functioning of the Regulation

- Mandatory Due Diligence for all operators that place the relevant products on the EU market or export them from the EU
  - Only products that are both deforestation-free and legal would be allowed on or exported from the EU market – need to be covered by a due diligence statement
  - Based on internationally-backed definitions (FAO)
  - Main obligations applicable to **operators and non-SME traders**
  - Strict traceability linking the commodity to the plot of land where it was produced. Using geolocation coordinates is the simplest and most cost-effective way of obtaining the necessary geographic information.
  - Legality: Products will need to be legal according to the laws of country of production

### **Main elements**



**Commodities selected:** Palm oil, soy, wood, cattle, cocoa, coffee, rubber and some derived products (e.g. chocolate, furniture, tyres, printed products), selected objectively, based on best available scientific data, and the biggest EU impact

**Non-discrimination**: The Regulation applies both to domestically produced and imported commodities and derived products

**Progressive scope**: Initially covering selected commodities and derived products; to be updated regularly



**'Cut-off date' of 31 December 2020**: Aligned with UNSDG 15.2, aims to minimise disruption for smallholders and facilitate satellite monitoring

#### **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



### Guidelines

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

European



### **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

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#### **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







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## **Benchmarking (Article 29)**



**Objective:** benchmarking is a tool to help competent authorities in the EU Member States to focus scarce enforcement resources



**Development of the methodology of the benchmarking is just getting started**. It is essential that the methodology is solid and based on objectives factors



#### **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
- $\rightarrow$  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

