



The EU Regulation on certain commodities and products associated with deforestation- and forest degradation



*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)
- A **significant share of that forest loss is legal** (Forest Trends)
- Deforestation and forest degradation are important drivers of **climate change** (IPCC: 11% of GHG emissions) **and biodiversity loss**
- 90% of deforestation provoked by the **expansion of agricultural land** (FAO)
- The **EU – and Japan – are major consumers of commodities** associated with deforestation and forest degradation

Context

- **UN Sustainable Development Goals (15.2):** Halt deforestation and restore degraded forests by 2020
- **Glasgow Declaration on Forests and Land Use:** Halt and reverse forest loss and land degradation by 2030
- Yet deforestation rates remain **alarmingly high:**

| Climatic domain | Deforestation (million ha/yr) | | | |
|-----------------|-------------------------------|-------------|-------------|-------------|
| | 1990–2000 | 2000–2010 | 2010–2015 | 2015–2020 |
| Boreal | 0.10 | 0.09 | 0.13 | 0.06 |
| Temperate | 0.49 | 0.54 | 0.53 | 0.31 |
| Subtropical | 1.44 | 1.35 | 0.88 | 0.50 |
| Tropical | 13.8 | 13.2 | 10.3 | 9.3 |
| TOTAL | 15.8 | 15.1 | 11.8 | 10.2 |

Objectives of the Regulation

GENERAL

Minimise the EU's contribution to deforestation and forest degradation worldwide

(thus reducing global deforestation and forest degradation as well as greenhouse gas emissions and biodiversity loss)

SPECIFIC

Minimise risk from products/supply chains associated with deforestation / forest degradation are placed on the EU market or exported from it

Increase EU demand for and trade in legal and 'deforestation free' commodities and products

Timeline



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 in scope that are both **deforestation-free and legal** will be allowed on or exported from the EU market – need to be covered by a **due diligence statement**
 - **7 commodities and products as per Annex I**
 - 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

Next months – 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
- Key aspects, such as “declaration in excess”

Guidelines

More than 11 guideline documents in the pipeline for selected thematic areas, such as:

Definition of
agricultural use
(recital 37)

Due diligence

Certification

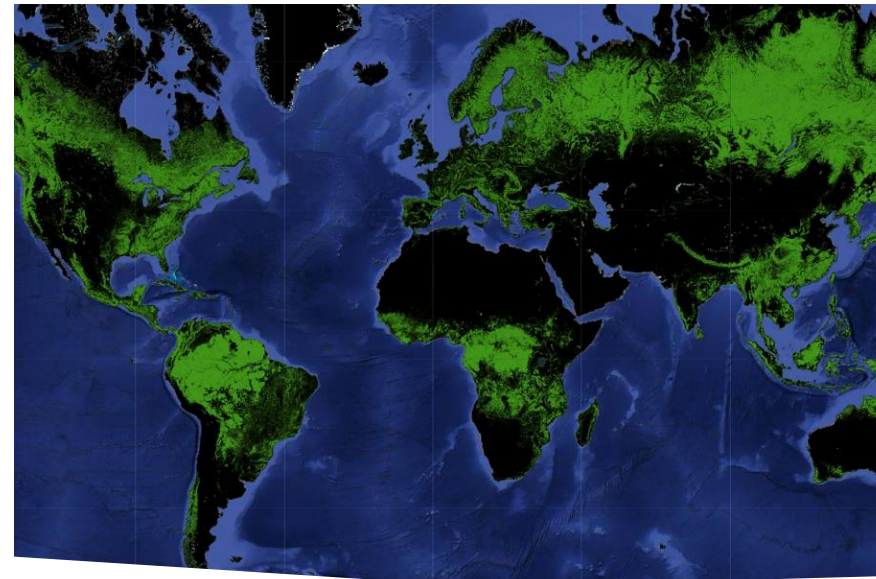
Legality

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



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 objective 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

→ 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

Focus on Japan-EU trade

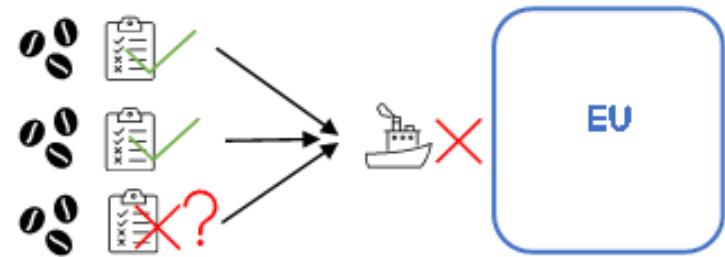
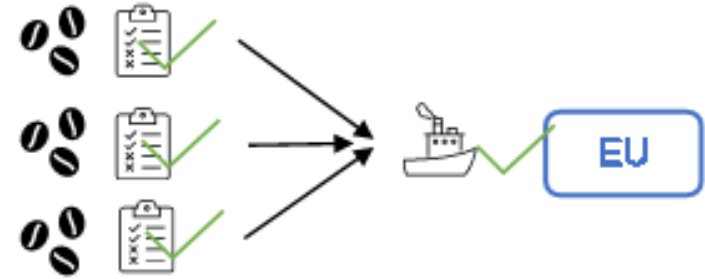
- For products coming from outside the EU, the main subject of obligations in EUDR (the operator) is the importer, the company filing the customs declaration
- Only HS codes included in Annex I are subject to the requirements of the EUDR
- Companies based outside the EU that are not directly importing into the EU are not formally subject to any obligation under EUDR, yet EU importers may need the cooperation of these companies to comply with their obligations
- Operators are required to:
 - Collect geographic coordinates of all plots of land contributing to the products
 - Exercise due diligence and ensure that products are deforestation-free and legal
 - File a due diligence statement with key information ahead of the placing on the market

Japanese exports to EU in 2023 covered by EUDR

| Reporter | Partner | Product | Label | Import Value (1000 EUR) |
|----------|---------|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| EU27 | Japan | 4011 | new pneumatic tyres, of rubber | 525,274 |
| EU27 | Japan | 4016 | articles of vulcanised rubber (excl. hard rubber), n.e.s. | 155,773 |
| EU27 | Japan | 48 | paper and paperboard; articles of paper pulp, of paper or of paperboard | 121,336 |
| EU27 | Japan | 4010 | conveyor or transmission belts or belting, of vulcanised rubber | 40,612 |
| EU27 | Japan | 49 | printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans | 37,117 |
| EU27 | Japan | 9401 | seats, whether or not convertible into beds, and parts thereof, n.e.s. (excl. medical, surgical, dental or veterinary of heading 9402) | 33,365 |
| EU27 | Japan | 0201 | meat of bovine animals, fresh or chilled | 32,614 |
| EU27 | Japan | 4005 | compounded rubber, unvulcanised, in primary forms or in plates, sheets or strip (excl. mixtures of natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums containing synthetic rubber or factice derived from oils) | 22,528 |
| EU27 | Japan | 4008 | plates, sheets, strip, rods and profile shapes, of vulcanised rubber (excl. hard rubber) | 22,017 |
| EU27 | Japan | 4012 | retreaded or used pneumatic tyres of rubber; solid or cushion tyres, tyre treads and tyre flaps, of rubber | 9,058 |
| EU27 | Japan | 291590 | saturated acyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (excl. formic acid and acetic acid, mono-, di- or trichloroacetic acids, propionic acid, butanoic and pentanoic acids, palmitic and stearic acids, their salts and esters, and acetic anhydride) | 5,656 |

Traceability of bulk products

- If all plots of land involved in a shipment are identified and fulfil the EUDR requirements, the shipment can be placed on the EU market
- Mixed commodities in the logistical (silo, shipment) or manufacturing process (mill, factory), compliant and non-compliant with EUDR requirements, cannot be placed on the EU



Thank you!

Learn more here:

https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products_en

https://green-business.ec.europa.eu/deforestation-regulation-implementation_en



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