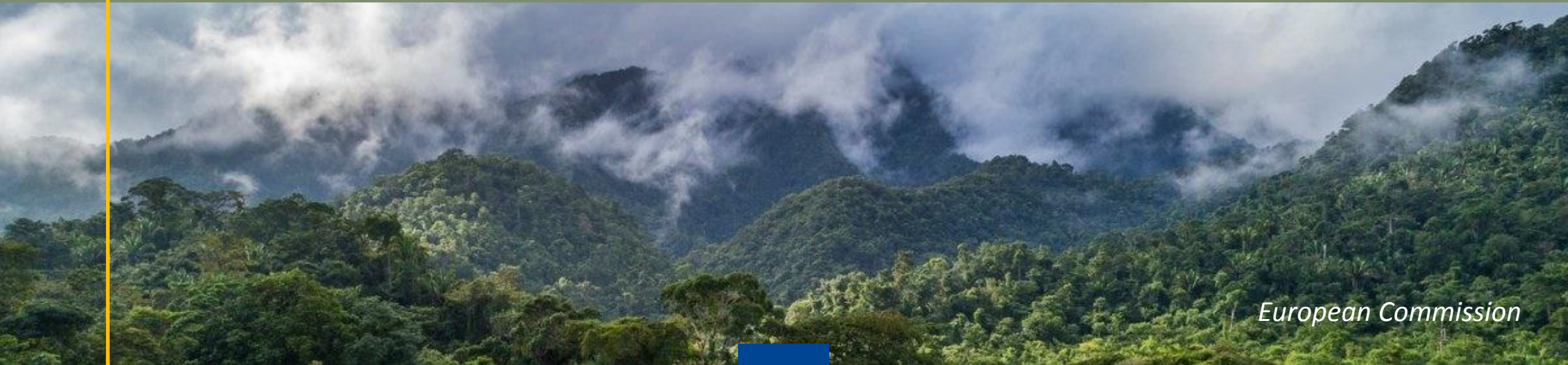




EU Regulation on deforestation- and forest degradation free supply chains



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 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.

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 6 Months – Focus on Implementation

Clarifying operational questions via the Frequently Asked Questions

Working on Guidance Documents on technical legal matters

Setting up 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
- New version with approx. 40 new FAQs
-> in the next weeks, and then
continue regular updates

Guidance Documents

- In the pipeline: aiming to publish in the next months.
- Selected thematic areas, such as:

Definition of
agricultural use

Legality

Composite
products

Certification

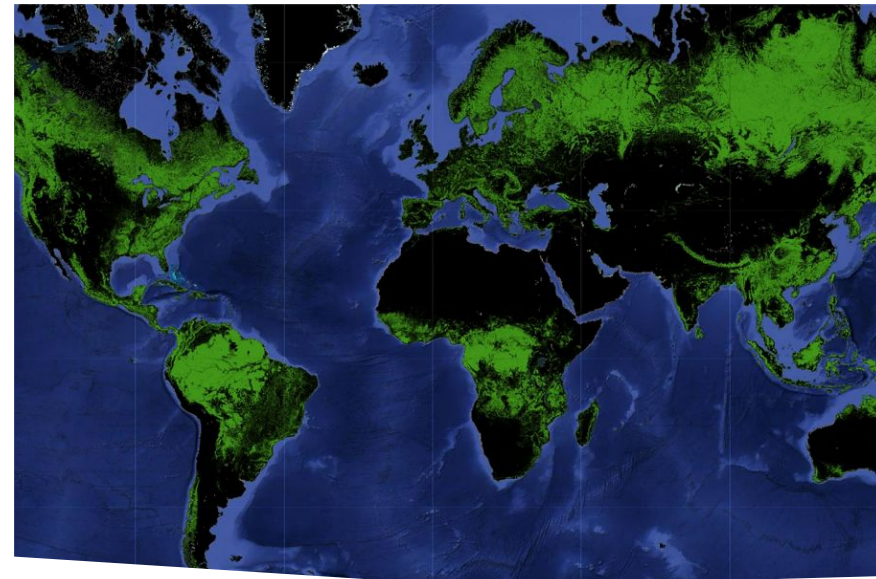
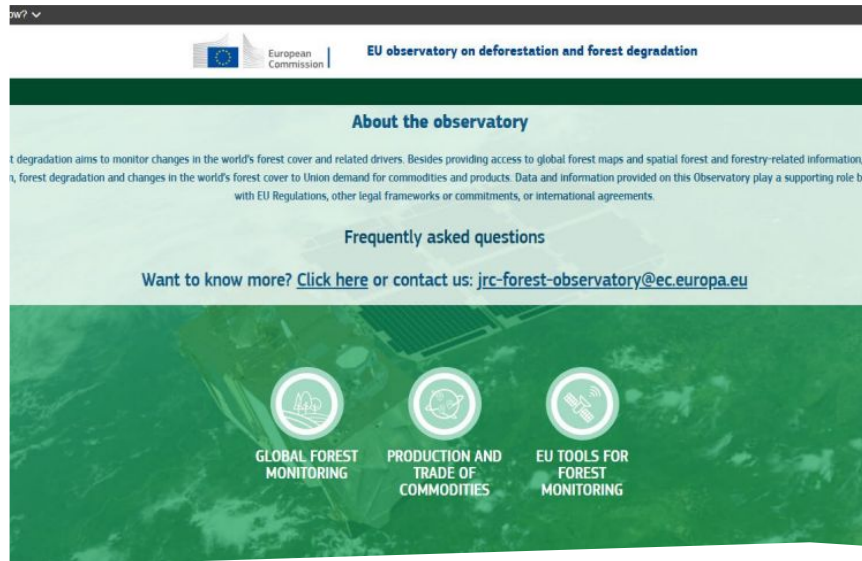
Due diligence

EU Observatory on Deforestation

developed by JRC
and Published online
in Dec 2023

Deforestation:
revised versions of
the global forest
cover map for year
2020, available in Q4

Degradation: work
to start in Q2,
preliminary global
forest type map
available in Q4



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 ongoing. It is essential that the methodology is solid and based on objective factors



Transparent process foreseen

Cooperation with third countries



Cooperation with both producing and consumer countries

- Engagement with other major consumer countries such as China and the USA
- Technical mission to Brazil and Paraguay held in March 2024
- Commissioner mission to Paraguay, Bolivia and Ecuador in March 2024 and to Ghana, Cote d'Ivoire and Uganda in April 2024



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 Southeast Asia and Latin America
- Enhanced cooperation to address potential challenges in producer countries
- Regular briefings in multilateral fora (WTO, FAO etc.)

Deforestation Multi-stakeholders Platform



- Interested producer and consumer countries invited
- Key sectorial associations and civil society organisations represented
- Working on implementation with a specific focus on traceability and smallholders
- Sharing of best practices and cooperation initiatives

Next meetings:

- 24 September: 29th meeting Deforestation Platform

Cooperation with third countries (selected initiatives)

- Global Team Europe Initiative for Deforestation-free Value Chains (80+ M€)
 - Sustainable Agriculture for Forest Ecosystems (SAFE) programme: ongoing in BRA, IND, ZAM, ECU, VIE, DRC + 2-3 further countries upcoming (ca. 60-70 M€)
 - Technical Facility on deforestation-free value chains (7-13 M€)
 - TEI Hub (ca. 3-5 M€)
- Broader project measures: Sustainable cocoa initiative (since 2020, 3 countries, 25M€); AL Invest Verde (LAM, 33 M€); Mark Up II, regional programme on coffee sector in East Africa (40M€), etc.

**Thank you for your
attention!**

Q&A