

# Impact Assessment

An initial analysis of approximately 20 options resulted in the following options that are shortlisted for further analysis:

- 1) Mandatory due diligence
- 2) Mandatory due diligence with country benchmarking (the best option)
- 3) Mandatory due diligence with mandatory public certification
- 4) Mandatory due diligence with mandatory labelling
- 5) Public certification combined with country benchmarking (IUU system)

# Objectives

## GENERAL

**Minimise the EU's contribution to deforestation and forest degradation worldwide**  
(thus reducing EU-driven GHG emissions and biodiversity loss)

## Specific

Minimise the risk that products coming from supply chains associated with deforestation or forest degradation are placed on the EU market

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

# Scope

- **Commodities selected**: Palm oil, soy, wood, cattle, cocoa, and coffee and some derived products (e.g. leather, chocolate, furniture)
- 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**: Commodities not allowed to enter the EU market if produced on land subject to deforestation after that date.

# Main elements [1]

- **Mandatory due diligence** rules for all operators that place the commodities and products on the EU market or export them from the EU
  - Only products that are both **deforestation-free and legal** according to the laws of the country of *production* would be allowed on or exported from the EU market, and are covered by a **due diligence statement**
  - Based on **existing definitions** (coming from EU legislation i.e. RED and from international work esp. FAO)
  - **Strict traceability** linking the commodity to the plot of land where it was produced
  - **Information system**: Host due diligence statements and related information to facilitate enforcement by Member States.

## Main elements [2]

- **Benchmarking system** that allows to assign risk to countries according to the level of risk of deforestation [low, standard, high]
- **Specific obligations for operators and Member State authorities** – simplified due diligence for low-risk and enhanced scrutiny for high-risk countries
- **Minimum level of inspections** for Member States authorities to perform
- **Effective, proportionate and dissuasive penalties**

# Chapter 8/9: Review and Final Provisions

- **Article 32: Review**

- *First review within two years after entry into force will look at extension of the scope of this Regulation to other ecosystems, including land with high carbon stocks and land with a high biodiversity value such as grasslands, peatlands and wetlands and further commodities.*
- *First general review within five years after entry into force will in particular look at the need for and feasibility of additional trade facilitation tools to support the achievement of the objectives of the Regulation including through recognition of certification schemes as well as the impact of the Regulation on farmers, in particular smallholders, indigenous peoples and local communities and the possible need for additional support for the transition to sustainable supply chains, while*
- *A first review of the range of goods listed in Annex I will take place within two years after entry into force by way of a delegated act.*

- **Article 35: Repeal of the EUTR**

- **Article 36: Entry into force and date of application**

- *Entry into application of certain provisions one year after entry into force*
- *Two years delay for micro-enterprises established by December 31, 2020, except for products covered by EUTR*

# Annex I

- Contains the list of goods as classified in the Combined Nomenclature set out in Annex I to Council Regulation (EEC) No 2658/87, referred to in Article 1 of this Regulation<sup>1</sup>, which are subject to the requirements of this regulation
- Exemption for recycled products.

# Thank you!

Learn more here:

[https://ec.europa.eu/environment/publications/proposal-regulation-deforestation-free-products\\_en](https://ec.europa.eu/environment/publications/proposal-regulation-deforestation-free-products_en)



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