



The European Union's Deforestation Regulation (EUDR - Regl. (EU) 2023/1115)

Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation **and repealing Regulation (EU) No 995/2010 ("Timber Regulation")**.

**Jeremy WALL, Member UNECE Teams of Specialists,
(Formerly Team Leader Forest-based Industries, European Commission)**

San Marino, 20-23 November 2023



EUDR – Objectives:

What?

The EUDR aims to:

- **minimise the EU's contribution to global deforestation & forest degradation**
- **reduce the EU's contribution to greenhouse gas emissions and biodiversity loss**

How?

By subjecting a detailed schedule of **products to scrutiny for their placement onto or being made available in the EU market or for export from it.**

The EUDR is part of a broader EU plan to tackle deforestation and forest degradation, first outlined in the **2019 EC Communication on Stepping up EU Action to Protect and Restore the World's Forests** and later confirmed by the **EU's Green Deal, Biodiversity Strategy for 2030** and **Farm to Fork Strategy**.

EUDR – Objectives:

More specifically, the EUDR sets out to:

- **avoid that the listed products (Annex 1) Europeans buy, use and consume contribute to deforestation and forest degradation, both in the EU and globally**
- **reduce carbon emissions caused by EU consumption and production of those relevant commodities by at least 32 million metric tonnes a year**
- **address all deforestation driven by agricultural expansion to produce the commodities in the scope of the regulation, as well as forest degradation**

Thus, by promoting the consumption of 'deforestation-free' products and reducing the EU's impact on global deforestation and forest degradation, the **EUDR is expected to bring down greenhouse gas emissions and biodiversity loss.**

EUDR – Scope:

The EUDR builds on the experience with the EU Timber Regulation (EUTR – Regl. 995/2010), which it replaces, through **wider product coverage & deeper scrutiny & engagement** by all actors.

Whereas the **EUTR only applies to wood** and most of its derived products, under the **EUDR** the following commodities and their derived products are added:

cattle, cocoa, coffee, palm oil, rubber and soya.

Accordingly, these commodities **and their derivatives (e.g. leather, chocolate, tyres, & furniture)** have to comply with the EUDR's criteria for being placed on the EU market **or for export from it**, wherever they have been produced, i.e. in the EU or outside.

NB neither bamboo nor rattan is included, though a subsequent impact assessment (IA, due 30/06/2025) will consider *inter alia* **other commodities**, e.g. maize; and **products**, e.g. biofuels, also **other biodiverse ecosystems**, e.g. wetlands, grasslands, high carbon-stock areas. Inclusion of **other wooded land** will already be assessed in an IA due 30/06/2024.

EUDR – criteria:

For any of these commodities or products to be cleared for **placing on the EU market or for export from it**, its production has to be:

A) **“deforestation-free”**, i.e. its production has not caused deforestation or forest degradation

B) in **compliance with the relevant laws** of the producer country, and

C) covered by a **due diligence statement (DDS)** from the operator (first placer on the EU market) or trader (who subsequently makes them available on the EU market) concerned. (NB the operators & traders must **actively submit their DDS** to a relevant EU member-state authority **before being able to place goods on the market or export them**.)

These obligations will exist from 30/12/2024 for **non-SME operators and traders**, with a derogation until 30/06/2025 for **small and micro-enterprises (“SMEs”)**, who also get other concessions, e.g. citing existing (upstream) DDSs.

Even if they engage an **Authorised Representative (AR = EUTR Monitoring Organisation)** for their DDS, operators and traders retain responsibility for their DDS and for overall legal compliance. As for the EUTR, penalties for non-compliance will be set at member-state level, not at EU level!

EUDR – criteria:

A) “deforestation-free”, means:

For cattle, coffee, cocoa, palm oil, rubber, soya:

“that the relevant products contain, have been fed with, or have been made using relevant commodities produced on land not subject to deforestation after 31/12/2020; and...”

For wood: “in the case of relevant products that contain or have been made using wood, that the wood has been harvested from the forest without inducing forest degradation after 31/12/2020.”

B) “In compliance with the relevant laws of the producer country” covers:

- Land use rights
- Rules on forest management and biodiversity conservation when related to wood harvesting
- Human rights under international law
- Labour rights
- Third-party rights
- Environmental protection
- Tax, anti-corruption, trade & customs regulations
- Free, prior, and informed consent (FPIC), incl. UN Declaration on Indigenous Peoples' Rights

EUDR – Due Diligence Statement (DDS):

C) **Due Diligence Statement (DDS)**, detailed in Annex II of the EUDR, essentially describes:

- the **commodity/product**, as per the Harmonised System (HS) customs codes in Annex I of the EUDR, plus **name** (scientific name?); **quantity** in kg (+ supplementary units?);
- its **country of origin** and the **geolocation(s)** of all production areas concerned;
- **attests** that the **risk** of deforestation/degradation related to the product is **none or negligible**.

NB Assessment of the **level of risk (low, standard or high) of deforestation/degradation** in a given producer country or a subdivision will be according to an EU implementing act, due 30/12/2024. The EU intends to inform *a priori* third countries of the level of risk to be assigned to them.

The level of risk will also thus determine the intensity with which placements into and exports from the EU market be controlled (**MS CAs checks: low =1%; standard 3%; high 9%**) and how operators' and traders' due diligence statements and annual reports to member states' authorities be assessed.

EU Member States will set penalties for operators & traders not complying with EUDR obligations.

EUDR – Geolocation:

Definition of "Geolocation":

- **'geolocation'** means the **geographical location** of a **plot of land** described by means of latitude and longitude coordinates corresponding to at least one latitude and longitude point and using at least six decimal digits (...).
- for **plots of land of more than 4 hectares**, the geographical location shall be provided using **polygons**, meaning sufficient latitude and longitude points to **describe the perimeter of each plot of land**.

Definition of "plot of land":

- « land within a **single real estate property**, as recognised by the law of the country of production, which enjoys sufficiently homogenous conditions to allow the evaluation of the aggregate level of risk of deforestation and degradation associated with relevant commodities produced on that land. »

NB EUTR: country of harvest + (if applicable) region, concession of harvest.

EUDR – Information Flows

- Operators & traders shall submit their DDSs ***a priori*** to EU Member States' Competent Authorities (MS CAs) and must also make certain information publicly available;
- CAs shall make checks on DDSs based on the producer-country risk (**MS CAs checks: low =1%; standard 3%; high 9%**). There will be an **Information System** for control and reporting within and between EU Member States as well as with the European Commission. Certain information would be made public;
- For trade into and out of the EU, a new **"electronic interface"** is to be set up under the existing **Single Window Environment for Customs**. This would be for uploading and reference to specific DDSs by operators and traders with overall customs information being shared between EU Member States and with the European Commission. The Information System would be linked to this Electronic Interface;
- Information sharing will be dependent on a future legal act;
- 30/04 each year. MS CAs report to the EC; 30/10 each year. EC makes public, EU-wide overview;
- By 30/06/2028 and for each five years thereafter, a review of the EUDR is to be carried out by the European Commission, with a report to the European Parliament and Council.

EUTR v. EUDR :

<u>EUTR (11 pages)</u>	Legal base: Art. 192.1 TFEU	<u>EUDR (41 pages)</u>
Wood & derivatives Placing on EU market	Scope	wood + cattle, coffee, cocoa, palm oil, rubber, soya Placing on EU market + export from it
“Best efforts”, no legal engagement; available for <i>ex post</i> checks by CAs	DDS	Signed commitment <u>actively submitted a priori</u> to CAs; SMEs may use existing DDSs; detailed geolocation of production
Timber rights & payments; forest, environment & biodiversity laws	Relevant legislation	+ Labour, Human & Indigenous peoples’ rights; Free, Prior, & Informed Consent (FPIC)
Must be retained for 5 years	Information	Idem
Monitoring Organisation provide, assess & remedy DDS	Technical Support	Authorised Representative must be mandated but can have a wider role
Based on evolving knowledge	CA checks	Based on <i>a priori</i> producer-country risk %
FLEGT Committee (EC & MS)	Governance	Committee + Multi-stakeholder Platform

EUDR Timeline:

- 19 November 2021: Commission proposal
- December 2022: Preliminary political agreement between EP and Council
- 31/05/2023: Adoption of EUDR legislative act
- 29/06/2023: Entry into force (EIF)
- 31/12/2023: appointment of EU Member States' Competent Authorities
- 30/06/2024: Impact Assessment due on Other Wooded Land; country risk assessments
- 30/12/2024: Entry into application for non-SME operators; Information System; **EUTR repealed**
- 30/06/2025: Impact assessment due on other biodiverse ecosystems, commodities & products
- 30/06/2025: Entry into application of obligations for SMEs
- 31/12/2027: **EUTR ceases to apply** to wood (products) produced by 29/06/23 & placed on EU market by 31/12/27
- 30/06/2028: Electronic Interface; 1st 5-yearly review & report by EC to EU Council & Parliament

The EUDR is ambitious and will require significant resources and cooperation among involved stakeholders and authorities (EC, MS, 3rd countries). It will likely have cost impacts for operators, traders and consumers.



Grazie! Thank you! Diolch!

San Marino, 20-23 November 2023



Useful links:

European Commission Deforestation Home Page:

https://environment.ec.europa.eu/topics/forests/deforestation_en

EU « Timber » Regulation (EUTR):

https://environment.ec.europa.eu/topics/forests/deforestation/illegal-logging/timber-regulation_en

EU Deforestation Regulation (EUDR - Regulation (EU) No 2023/1115):

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115&qid=1687867231461>

FAQ:

https://environment.ec.europa.eu/publications/frequently-asked-questions-deforestation-regulation_en