

Regulation on deforestation- and forest degradation free supply chains



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 is provoked by the **expansion of agricultural land** (FAO), which is linked in particular to a series of commodities.
- The **EU** is a major consumer of commodities associated with deforestation and forest degradation.

Legislative and implementation track

- June 29th, 2023: Entry into force
- December 30th, 2024: Entry into application of obligations for operators (June 2025 for small enterprises) - <u>12-month extension of the phase in - if approved by European</u>
 Parliament and Council

Main elements [1]

Mandatory due diligence rules 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 (DDS) by operators.
- 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.
- **Legality:** Products will need to be legal according to the laws of country of production, including applicable human and labour rights and free, prior and informed consent.

Main elements [2]

- Commodities selected: Palm oil, soy, wood, cattle, cocoa, coffee, rubber, and some derived products (e.g. chocolate, furniture, tyres, printed products).
- Non-discrimination: The Regulation applies both to domestically produced and imported commodities, and derived products.
- **Progressive scope**: to be updated regularly. Other wooded land (one year); other ecosystems, commodities, products and financial institutions (two years); others (five years) *extension of the definition of forest degradation*;
- 'Cut-off date' of 31 December 2020: Aligned with UNSDG 15.2, aims to minimise disruption for smallholders and facilitate satellite monitoring.



Deforestation free

Deforestation: Conversion of forests for agricultural use, whether human-induced or not

Forest degradation : structural changes to forest cover, taking the form of the conversion of:

- a) primary forests or naturally regenerating forests into plantation forests or into other wooded land; or
- b) primary forests into planted forests;

Forest: means land spanning more than 0,5 hectares with trees higher than 5 metres and a canopy cover of more than 10 %, or trees able to reach those thresholds in situ, excluding land that is predominantly under agricultural or urban land use;



This year – Focus on Implementation

Clarifying operational questions via the Frequently Asked Questions

Working on Guidance
Document on
technical legal
matters

Final steps to set up the IT System

Strengthening support tools to Producer Countries

Other strands:
Deforestation
Observatory, Risk
Benchmarking etc.



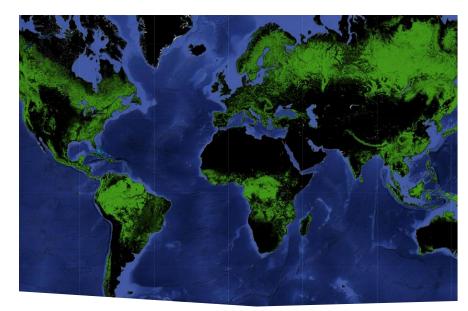
EU Observatory on Deforestation

developed by JRC, to provide a.o. reference maps on global forest cover

publicly accessible online and revision end of 2024

Third countries to provide comments and feedback







Cooperation with third countries



Cooperation with both producing and consumer countries

- → Engagement with major consumer and producing countries
- → Global Team Europe initiative (+80M EUR)
- → Other dedicated cooperation programmes such as sustainable cocoa initiative (25M EUR)



Political dialogue, public diplomacy and technical assistance

- → Active outreach to stakeholders through Commission, EU Delegations, EU Member States
- → Dedicated outreach projects to enhance understanding eg in Southeast Asia and Latin America
- → Regular briefings in multilateral fora (WTO, FAO etc.)



Deforestation Multi-stakeholder Platform

Interested producers, consumer countries, key sectorial associations and civil society organisations invited

- → Working on implementation with a specific focus
- → Sharing of best practices and cooperation initiatives

Thank you!

Learn more here:

Visit our website here: https://green-business.ec.europa.eu/deforestation-regulation-implementation en

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