



EU Regulation on Deforestation-free Products (EUDR)

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Context

- **420 million hectares** of forest worldwide – **an area larger than the EU** – have been lost between 1990 and 2020 (FAO).
- 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.
- A **significant share of that forest loss is legal** (Forest Trends) → Need to move beyond legality.
- The **EU is a major consumer of commodities** associated with deforestation and forest degradation: Imports of the commodities and products covered - **EUR 85 billion / year**.

Objectives of the Regulation

GENERAL

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

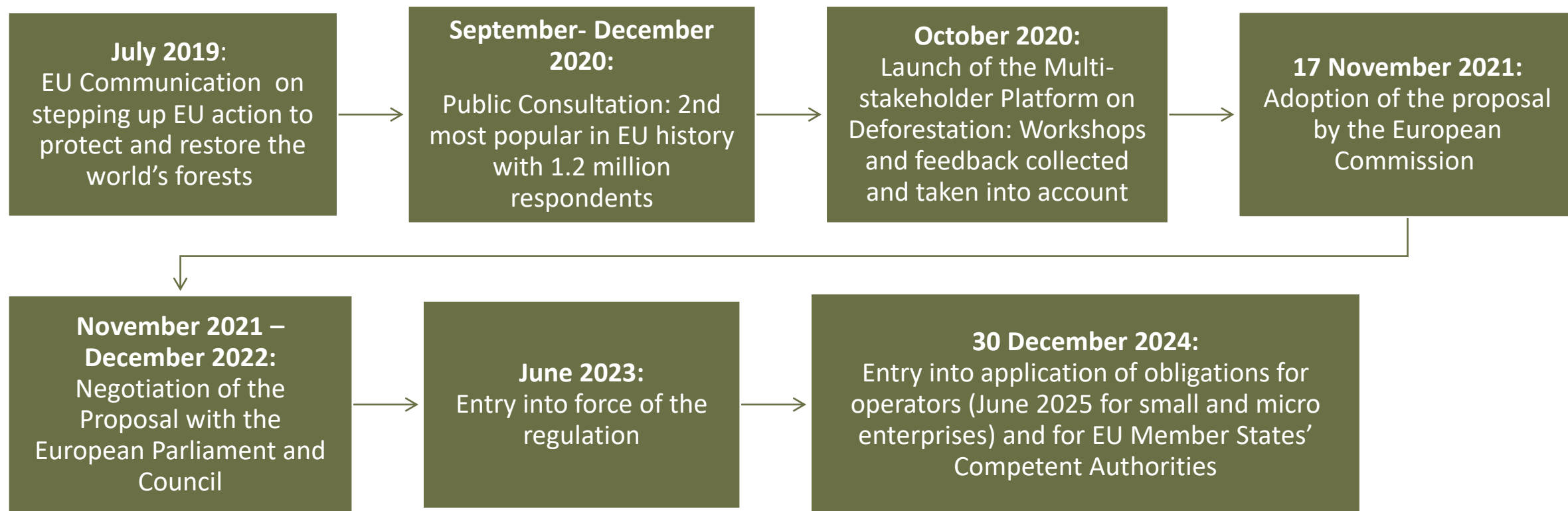
(thus reducing global deforestation and forest degradation as well as greenhouse gas emissions and biodiversity loss)

Specific

Minimise risk that products from supply chains responsible for 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



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



Progressive scope: Initially covering selected commodities and derived products; to be updated regularly



Non-discrimination: The Regulation applies both to domestically produced and imported commodities and derived products



‘Cut-off date’ of 31 December 2020: Aligned with UNSDG 15.2, aims to minimise disruption for smallholders and facilitate satellite monitoring

Main elements: Conditions

Relevant commodities and products placed on the EU market or exported from there must have been produced

deforestation-free

- no conversion of forests into agricultural use after 31 Dec 2020 (palm oil, rubber plantations & agroforestry are considered as agriculture)
- in the case of wood products, no forest degradation after 31 Dec 2020

→ Based on internationally agreed definitions (by FAO) and SDG 15

in accordance with the relevant legislation of the country of production

Amongst others: land use rights, environmental protection, third parties' rights, labour rights, the principle of free, prior and informed consent (FPIC), ...

Main elements: Due diligence

Main obligations applicable to operators* = companies that place relevant products on the EU market for the first time or export them from the EU market



Information requirements (Art. 9) Amongst others, geolocation must be collected → Strict traceability linking the commodity to the plot of land of production. Using geolocation coordinates is simplest and most cost-effective way of obtaining the necessary geographic information.



Risk assessment (Art. 10) Criteria amongst others: prevalence of deforestation, reasoned claims by indigenous peoples, risk of circumvention, certification,...



Risk mitigation (Art. 11) Amongst others, requiring additional information + supporting suppliers, in particular smallholders, through capacity building and investments

*also non-SME companies that trade with relevant commodities and products within the EU market must fulfill due diligence, but this is of lesser relevance for stakeholders in Southeast Asia

Benchmarking (Art. 29)



Objective: Benchmarking is a tool to help competent authorities in the EU Member States to focus scarce enforcement resources



Approach: Benchmarking will assign risk levels to countries or parts thereof >>> low, risk or high; Primarily based on rate of deforestation, expansion of agricultural commodities and their production trends; All countries start at standard risk level;



Implications: low risk >>> Simplified due diligence for operators & reduced checks of operators by EU competent authorities | high risk >>> increased checks of operators by EU competent authorities → **No ban against any country or commodity**



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 (Art. 30)



Cooperation with both producing and consumer countries

- Engagement with other major consumer countries such as China and the USA
- Cooperation with other producer countries through various formats and international cooperation



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-stakeholder 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

Cooperation with third countries

- Team Europe Initiative
 - Sustainable Agriculture for Forest Ecosystems (SAFE): BRA, IDN, ZAM, ECU (ongoing) and VNM, DRC (upcoming) (34+ M€)
 - Technical Facility on deforestation-free value chains (7 M€)
- Sustainable Cocoa Initiative (since 2020, 3 countries, 25M€)
- Sustainable coffee value chains in Central America (5M€)
- FPI Programmes (SEA and LAM, 4.5 M€), e.g. “EUDR Engagement”
- AL Invest Verde (LAM, 33 M€)

Relevant links

Legal text of EU regulation on deforestation-free products

[Regulation - 2023/1115 - EN - EUR-Lex \(europa.eu\)](#)

Cooperation with partners

[Cooperation with partners - European Commission \(europa.eu\)](#)

EUDR implementation tools

[Deforestation Platform and other EUDR implementation tools - European Commission \(europa.eu\)](#)

Thank you!



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