



From the EU Timber Regulation to the EU Regulation on Deforestation-free Supply Chains

*European Commission
DG Environment*

Short history of the EU Timber Regulation

- Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010, in application since 3 March 2013
- **Scope:** timber and timber products
- **Due Diligence** covers legality of harvest
- **Traceability** of the supply chain with 3 pillars: access to information, risk assessment, risk mitigation
- No due diligence needed if timber covered by a FLEGT license or CITES permit

EUTR / FLEGT Regulation Fitness Check

Fitness Check in 2020-2021

Main findings for the EUTR:

- EUTR has led to significant improvements in raising awareness and transparency of information in the supply chains
- The DD requirement is implementable, including for SMEs

Shortcomings:

- Exports from problematic countries with known high level of illegal activities actually grew
- **EUTR implementation** has varied between MS
- Challenges for operators to **validate information**
- There is **limited understanding of the concept of DD**
- Difficulties with challenging inadequate DD in court

EUTR / FLEGT Regulation Fitness Check

Main findings for the FLEGT and VPAs:

- VPAs led to significant improvement of forest governance in Partner Countries
- The multi-stakeholder dialogues have promoted the inclusion of civil society into decision making processes

Shortcomings:

- Key trading partners have shown no interest
- Only one partner country has an operating licensing system in place
- VPA negotiations are long, complex and resources intensive on both sides
- No clear evidence of their impact in terms of stopping illegal timber from being placed on the EU market, and/or reducing illegal logging globally

Legislative proposal for a Regulation on deforestation-free supply chains

- **Fitness Check** of EUTR and FLEGT Regulation and **Impact Assessment** of the proposed Regulation in 2020-2021
 - **Open Public Consultation**: 2nd most popular in EU history with 1.2 million respondents
 - Feedback collected through Multi Stakeholder Platform on Deforestation
- **COM proposal** adopted on 17 November 2021
- **Council (MS governments) General Approach** adopted on 28 June 2022
- **Report of European Parliament** adopted on 13 September 2022
- Currently under negotiations between Council and Parliament – agreement to be expected over the next months

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
- The Regulation applies both to **domestically produced and imported commodities and derived products**.
- 'Cut-off date': Commodities not allowed to enter the EU market if produced on land subject to deforestation after that date.
- Internationally used **definitions** integrated wherever possible

Main elements

- **Mandatory due diligence** rules for all operators that **place** the commodities and products **on the EU market** or **export** them from the EU
- **Strict traceability** linking the commodity to the plot of land where it was produced, covered by **Due Diligence Statement**
- **Information system**: Host due diligence statements and related information to facilitate enforcement by Member States.
- **Benchmarking system** that allows to assign risk to countries according to the level of risk of deforestation [low, standard, high]
- **Minimum level of inspections** for Member States authorities to perform
- **Cooperation with partner countries**

Improvements in proposed Regulation based on previous experience

1. Internationally agreed and more precise definitions, for example of non-negligible risk
2. More precise description of the obligations of the operators and traders, including submission of Due Diligence Statements to a common information system
3. Clearer defined obligations for Competent Authorities and measures to have some minimum enforcement standards throughout the EU
4. An entire chapter dedicated to the interplay between MS Competent Authorities and customs, with a specific duty of cooperation

Expected results

- At least **71,920 hectares of forest saved** from EU-driven deforestation and forest degradation annually
- At least **31.9 million metric tons of carbon fewer emitted** to the atmosphere due to EU-driven deforestation annually (monetized into economic savings of at least **EUR 3.2 billion**)

Transparency of supply chains provides benefits for consumer market requirements beyond the EU

Thank you!

Learn more here:

https://ec.europa.eu/environment/publications/proposal-regulation-deforestation-free-products_en



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