

AN OUTLOOK ON REG. (EU) 2023/1115 ON AVAILABILITY IN THE EU AND EXPORT FROM THE EU OF 7 COMMODITIES AND DERIVED PRODUCTS LINKED WITH DEFORESTATION AND FOREST DEGRADATION





The problem

Ongoing destruction, degradation and conversion of the world's forests and natural ecosystems are **linked largely to the expansion of Agricultural production.**

It derives from an acceleration of converting forests to agricultural land dedicated to producing a number of high-demand commodities and products. *FAO: 420 million hectares of forest – about 10 % of the world's remaining forests, equaling an area larger than the European Union – have been lost worldwide between 1990 and 2020.*

*Forests and biodiversity loss are the biggest challenges of our time and are interconnected. Forests absorb CO₂ and mitigate climate change but Deforestation and forest degradation are, in turn, important drivers of global warming and biodiversity loss. **Every year the world continues to lose 10 million hectares of forest.** Forests are also heavily impacted by climate change and many challenges will need to be addressed to ensure the adaptability and resilience of forests in the coming decades.*





The climate impact



Deforestation and forest degradation contribute to the global climate crisis in multiple ways. **Most importantly, they increase greenhouse gas emissions through associated forest fires.** Deforestation alone accounts for 11 % of greenhouse gas emissions as stated in the Intergovernmental Panel on Climate Change (IPCC).

Climate breakdown induces the loss of biodiversity globally and biodiversity loss aggravates climate change, they are thus inextricably linked.





UNEP: Why transition to a deforestation-free agriculture?





Regulation EU 2023/115. EUDR: Scope

Deforestation means the conversion of forest to agricultural use, whether human-induced or not.

Forest degradation means 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.

The Regulation sets a common requirement for products and commodities, regardless of their country of production.

This is aimed at **preventing loopholes associated with legal deforestation** according to local laws and facilitating the implementation of the legislation via remote monitoring. Available reports confirm that **a sizeable part of ongoing deforestation is legal** in accordance with the laws of the country of production. A report by the Forest Policy Trade and Finance Initiative published in May 2021 estimates that between 2013 and 2019, around 30 % of deforestation destined to commercial agriculture in tropical countries was legal.





7 commodities (and products derived-from) represent the largest share of Union-driven deforestation:

Oil palm (34,0 %), Soya (32,8 %), Wood (8,6 %), Cocoa (7,5 %), Coffee (7,0 %), Cattle (5,0 %) and Rubber (3,4 %)

Timetable:

- Regulation, entry into force: 29 June 2023
- Implementation in EU States: 31 December 2024
- Large companies compliance: as of 1st January 2025
- SMEs compliance: as of 1st June 2025

Legal Framework: Green Deal, Climate neutrality by 2050, 2030 EU Biodiversity Strategy, Farm to Fork Strategy, 2019 Communication on restoring world forests, UN SDGs, UN Paris Agreement (Climate).

Driver: The main driver of deforestation and forest degradation is the expansion of agricultural land that is linked to the production of the 7 key commodities.





Objectives

General objective: to minimize the impact of the EU on the global deforestation associated to selected commodities + products made with them (EU forest footprint)

Specific EU objective: to secure the placing on the EU market and the export to non- EU countries of selected products only if 'deforestation- free'.

Target: commodities (and products derived from) the EU + imported from third countries.

In details:

- avoid that Europeans buy, use and consume products from the listed commodities which may contribute to deforestation and forest degradation in the EU and globally.
- reduce Co2 caused by EU consumption and production of the relevant commodities by at least 32 million metric tons a year;
- address all deforestation activities + forest degradation driven by agricultural expansion to produce the commodities in the scope of the regulation.



The cut-off date for compliance: 31 December 2020. Existing international commitments set out in the SDGs and the New York Declaration on Forests, which pursue the ambitions of halting deforestation, restoring degraded forests and substantially increasing afforestation and reforestation globally by 2020.

Desired outcome: to secure the placing on the EU market and the export to non- EU countries of products classified as ‘ deforestation-free’.

Players of the Regulation: producers, trading operators, distributors, retailers.

Actions Required: enhanced due diligence (no longer voluntary), improved traceability, compliance with country of production laws, sustainability - therefore a transparent supply chain. Due diligence: data, impact assessment, risk assessment, risk mitigation.

Benchmarking: the Commission should assess the deforestation and forest degradation risk at the level of a country or parts thereof based on a range of criteria that reflect quantitative, objective and internationally recognised data (geolocalisation). The benchmarking system is based on classification: low, standard or high risk. In order to ensure appropriate transparency and clarity, the Commission should in particular make publicly available the data being used for benchmarking.



ANNEX I

Relevant commodities and relevant products as referred to in Article 1

Relevant commodity	Relevant products
Cattle	0102 21, 0102 29 Live cattle ex 0201 Meat of cattle, fresh or chilled ex 0202 Meat of cattle, frozen ex 0206 10 Edible offal of cattle, fresh or chilled ex 0206 22 Edible cattle livers, frozen ex 0206 29 Edible cattle offal (excluding tongues and livers), frozen ex 1602 50 Other prepared or preserved meat, meat offal, blood, of cattle ex 4101 Raw hides and skins of cattle (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split ex 4104 Tanned or crust hides and skins of cattle, without hair on, whether or not split, but not further prepared ex 4107 Leather of cattle, further prepared after tanning or crusting, including parchmentdressed leather, without hair on, whether or not split, other than leather of heading 4114





Relevant commodity	Relevant products
Cocoa	1801 Cocoa beans, whole or broken, raw or roasted 1802 Cocoa shells, husks, skins and other cocoa waste 1803 Cocoa paste, whether or not defatted 1804 Cocoa butter, fat and oil 1805 Cocoa powder, not containing added sugar or other sweetening matter 1806 Chocolate and other food preparations containing cocoa
Coffee	0901 Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion
Soya	1201 Soya beans, whether or not broken 1208 10 Soya bean flour and meal 1507 Soya-bean oil and its fractions, whether or not refined, but not chemically modified 2304 Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil



Relevant commodity

Relevant products

Oil palm

1207 10 Palm nuts and kernels

1511 Palm oil and its fractions, whether or not refined, but not chemically modified

1513 21 Crude palm kernel and babassu oil and fractions thereof, whether or not refined, but not chemically modified

1513 29 Palm kernel and babassu oil and their fractions, whether or not refined, but not chemically modified (excluding crude oil)

2306 60 Oilcake and other solid residues of palm nuts or kernels, whether or not ground or in the form of pellets, resulting from the extraction of palm nut or kernel fats or oils

ex 2905 45 Glycerol, with a purity of 95 % or more (calculated on the weight of the dry product)

2915 70 Palmitic acid, stearic acid, their salts and esters

2915 90 Saturated acyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (excluding formic acid, acetic acid, mono-, di- or trichloroacetic acids, propionic acid, butanoic acids, pentanoic acids, palmitic acid, stearic acid, their salts and esters, and acetic anhydride)

3823 11 Stearic acid, industrial

3823 12 Oleic acid, industrial

3823 19 Industrial monocarboxylic fatty acids; acid oils from refining (excluding stearic acid, oleic acid and tall oil fatty acids)

3823 70 Industrial fatty alcohols



Relevant commodity	Relevant products
Rubber	<p>4001 Natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strip</p> <p>ex 4005 Compounded rubber, unvulcanised, in primary forms or in plates, sheets or strip</p> <p>ex 4006 Unvulcanised rubber in other forms (e.g. rods, tubes and profile shapes) and articles (e.g. discs and rings)</p> <p>ex 4007 Vulcanised rubber thread and cord</p> <p>ex 4008 Plates, sheets, strips, rods and profile shapes, of vulcanised rubber other than hard rubber</p> <p>ex 4010 Conveyer or transmission belts or belting, of vulcanised rubber</p> <p>ex 4011 New pneumatic tyres, of rubber</p> <p>ex 4012 Retreaded or used pneumatic tyres of rubber; solid or cushion tyres, tyre treads and tyre flaps, of rubber</p> <p>ex 4013 Inner tubes, of rubber</p> <p>ex 4015 Articles of apparel and clothing accessories (including gloves, mittens and mitts), for all purposes, of vulcanised rubber other than hard rubber</p> <p>ex 4016 Other articles of vulcanised rubber other than hard rubber, not elsewhere specified in chapter 40</p> <p>ex 4017 Hard rubber (e.g. ebonite) in all forms including waste and scrap; articles of hard rubber</p>



Relevant commodity	Relevant products
Wood	<p>4401 Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms</p> <p>4402 Wood charcoal (including shell or nut charcoal), whether or not agglomerated</p> <p>4403 Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared</p> <p>4404 Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking sticks, umbrellas, tool handles or the like; chipwood and the like</p> <p>4405 Wood wool; wood flour</p> <p>4406 Railway or tramway sleepers (cross-ties) of wood</p> <p>4407 Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm</p> <p>4408 Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for other similar laminated wood and other wood, sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6 mm</p> <p>4409 Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed</p> <p>4410 Particle board, oriented strand board (OSB) and similar board (for example, waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances</p> <p>4411 Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances</p>





Where we are today. Update

Member States obligations:

- Adopt national rules that establish “**effective, proportionate and dissuasive**” **penalties for non-compliance** that include: confiscation of non-compliant products and revenues from transactions concerning non-compliant products; fines up to at least 4% of total EU-wide turnover; temporary exclusion from public procurement processes and access to public funding; prohibition from exercising the ‘simplified due diligence’ procedure; and temporary prohibition from importing, trading or exporting relevant products.
- Have **national administrative and judicial procedures in place** that ensure prosecution of non-compliance,
- Develop an **annual plan** to ensure that checks are carried out from 30 December 2024 that meet the relevant requirements in both quantitative and qualitative terms and continuously monitor patterns of trade to **identify any potential circumvention of the Regulation** and exchange this information with other Member States and the Commission;





- **Authorize customs authorities to control declarations concerning relevant products,** exchange information and cooperate with competent authorities regarding shipments of relevant products, and to suspend the release of such shipments until appropriate checks are completed;
- **Ensure law enforcement procedures** allow your competent authorities to **independently carry out checks on operators and traders** and take immediate action where products present a high risk of non-compliance-.
- **Establish procedural arrangements to allow information exchange, cooperation and coordination** between your competent authorities and customs authorities within your territory and in other Member States and with the Commission.





Thank you for your attention!

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