

# Protecting Forests from EU Consumption – Strengths and Shortcomings of the Regulation on Deforestation-Free Products

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**ReGlobe Seminar Series**

**"The European Approach to Trade  
and Sustainable Development:  
Taking Stock in 2024"**



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# Worldwide Deforestation



Source: <https://www.globalforestwatch.org/>

# The EU and Worldwide Deforestation

## The negative impact of the EU

- EU consumption is remarkably harmful to forests worldwide.
- Complicity/Moral obligation to act?<sup>1</sup>

## The EU Response through Trade Law

- EU Free Trade Agreements – Trade and Sustainable Development Chapter
- The EU Regulation on Deforestation-Free Products

# The EU Regulation on Deforestation-Free Products (EUDR) – Goals and Scope

## 3 goals of the EUDR:

1. **Guarantee** to EU citizens that the listed products they **buy, use and consume do not contribute to global deforestation and forest degradation.**
2. **Reduce carbon emissions and biodiversity loss** due to EU consumption and production of the relevant commodities.
3. **Address illegal deforestation and forest degradation**, as well as any deforestation due to **agricultural expansion** caused by the production of the commodities.

## Products covered by anti-deforestation rules, ‘the commodities’:

**Palm oil**



**Cocoa**



**Wood**



**Beef**



**Soy**



**Coffee**



# The EU Regulation on Deforestation-Free Products (EUDR)- How Will it Work?

Companies placing products on the EU market will:

Collect **relevant information** about commodities and products to **ensure they have not been produced on land deforested or degraded** after 31 December 2020.

Exercise **mandatory due diligence** and analyse and **evaluate risks in their supply chain**.

Take adequate and proportionate **mitigation measures** (such as using satellite monitoring tools, field audits...) to check the product's origin.



Companies confirm to **national authorities** that the products they **place on the EU market** follow the EU rules.

Member State authorities will have **access to relevant information on the commodities and products**, such as geographic coordinates and country of production, through a digital system.

Anonymised data of this system will be **available to the wider public** to foster transparency.

A **country benchmarking system** conducted by the Commission will determine the risk of deforestation.

## Focus on traceability

- Need for companies operating in the EU to understand their business and supply chains.
- Increase transparency and consumer choice.

## Choice of commodities

- The EU recognises the negative impacts of agriculture on forests and its involvement in this impact.
- Choice of commodities is based on science (impact assessment) and aims at balancing feasibility and mitigation of the most important drivers of deforestation.

# Taking Stock – The Shortcomings of the EUDR

## Replaces the former EU Timber Regulation

The EU moves away from cooperation and collaboration with stakeholders towards stronger but unilateral rules.

## Potential impact on prices

Fear that facing the complicated EU bureaucracy, many producers will move to export to other markets, such as China, to avoid the EUDR. This is especially true of smallholders, who make up the majority of coffee producers.<sup>2</sup>

# Taking Stock – The Shortcomings of the EUDR

## Technical issues

Access to the information required by the EUDR can be challenging to provide for the producer and to gather for the companies placing the products on the EU market. Especially when products like palm oil are mixed together by several middlemen, during process in mills, and for transport.

## Criticism from the Global South

“We’re not questioning the need to fight deforestation,” said Nik Nazmi Nik Ahmad, Malaysia’s environment minister. “But it’s not fair when countries that have deforested their own land for centuries, **or are responsible for much of our deforestation**, can unilaterally impose conditions on us.”<sup>3</sup>