European Commission - Press release





Commission strengthens support for EU Deforestation Regulation implementation and proposes extra 12 months of phasing-in time, responding to calls by global partners

Brussels, 2 October 2024

The Commission is today publishing **additional guidance documents** and a **stronger international cooperation framework** to support global stakeholders, Member States and third countries in their preparations for the implementation of the EU Deforestation Regulation. Given feedback received from international partners about their state of preparations, the Commission also proposes to give concerned parties additional time to prepare. If approved by the European Parliament and the Council, it would **make the law applicable on 30 December 2025 for large companies and 30 June 2026 for micro- and small enterprises**. Since all the implementation tools are technically ready, the extra 12 months can serve as a **phasing-in period to ensure proper and effective implementation.**

The **guidance** presented today will provide additional clarity to companies and enforcing authorities to facilitate the application of the rules, coming on top of the Commission's continuous support for stakeholders since the law's adoption. At the same time, the Commission recognises that three months ahead of the intended implementation date, several **global partners have repeatedly expressed concerns about their state of preparedness, most recently during the United Nations General Assembly week in New York**. Moreover, the state of preparations amongst stakeholders in Europe is also uneven. While many expect to be ready in time, thanks to intensive preparations, others have expressed concerns.

Given the EUDR's novel character, the swift calendar, and the variety of international stakeholders involved, the Commission considers that a **12-month additional time to phase in the system is a balanced solution to support operators around the world in securing a smooth implementation from the start.** With this step, the Commission aims to provide certainty about the way forward and to ensure the success of the EUDR, which is paramount to address the EU's contribution to the pressing global issue of deforestation. **The extension proposal in no way puts into question the objectives or the substance of the law, as agreed by the EU co-legislators.**

Additional guidance for effective and pragmatic implementation

The **guidance documents** presented today make good on the Commission's commitment to provide a reference of the recent collaborative efforts, involving stakeholders and competent authorities, to help ensure uniform interpretation of the law.

Key areas covered include details on the functionalities of the Information System, updates on penalties, and clarifications on critical definitions such as 'forest degradation', 'operator' in the scope of the law, and 'placing on the market'. There is also further guidance on traceability obligations.

The **guidance** is divided into 11 chapters covering a diverse range of issues such as legality requirements, timeframe of application, agricultural use, and clarifications on the product scope. All of these are supported by tangible scenarios. In addition, the <u>latest FAQ</u>, <u>also published today</u>, features over 40 new additional answers to address questions raised by a diverse range of stakeholders from around the world.

Micro- and small companies benefit from a lighter regime, which is also detailed on a new <u>dedicated</u> <u>webpage</u>.

<u>Information for the general public</u> on the Commission website has also been updated and reorganised for easier understanding by all.

Transparent country benchmarking and stepped up cooperation with international partners

The Commission is publishing today the principles of the methodology it will apply to the EUDR benchmarking exercise, serving to classify countries as low, standard, or high risk, aiming to facilitate operators' due diligence processes and enable competent authorities to effectively monitor and enforce compliance.

Following the methodology applied, a large majority of countries worldwide will be classified as **'low risk'.** This will give the opportunity to focus collective efforts where deforestation challenges are more acute.

To help ensure smooth implementation worldwide, the Commission and the European External Action Service are presenting a **strategic framework for international cooperation engagement** on the EU Deforestation Regulation. It identifies five priority areas of action such as support to smallholders, eight key principles such as a human rights-centred approach, and several implementation tools including dialogue and financing. This comprehensive framework will aim to promote a just and inclusive transition to deforestation-free agricultural supply chains leaving no one behind. While **the EU will step up dialogue and support even further,** the partnership's success will also rest on EU partners' commitment to deliver on global targets to halt deforestation.

Completion of the dedicated IT system

The Information System where businesses will register their due diligence statements is **ready to** start accepting registrations in early November and for full operation in December. Operators and traders will be able to register and submit due diligence statements even before the law's entry into application.

Since the system's pilot testing with 100 companies conducted in January, the Commission put in place several additional measures, including:

- Creating a single point of contact for IT support for stakeholders
- Development of an interface that allows machine-to-machine connections to the system, without the need for manual data input; more than 250 private stakeholders are developing this feature on their side
- Support to test the geolocation files of stakeholders and providing feedback
- Videos and detailed multilingual user instructions about the system
- Training for interested stakeholders: the first session took place in Brussels on 25 September, and online training will take place from second half of October.

Next steps

With the actions announced today, the Commission considers that **the necessary conditions for smooth implementation will be fulfilled**:

- Today's additional guidance documents will complete the wealth of support available to
 producers, trading organisations and partner countries in their preparations to implement the
 regulation, while the Commission remains committed to continue dialogue and engagement as
 necessary.
- Companies and other stakeholders are invited to complete their connections, testing and training for the use of the IT System.
- The Commission is intensifying dialogues with most concerned countries, which will feed into the speedy finalisation of the country benchmarking system through a proposed Implementing Act by 30 June 2025.
- The Commission invites the European Parliament and the Council to adopt the proposal for an extended implementation period by the end of the year.

Background

The EU Deforestation Regulation aims to ensure that a set of key goods placed on the EU market will no longer contribute to deforestation and forest degradation in the EU and elsewhere in the world. Deforestation and forest degradation are important drivers of climate change and biodiversity loss — the two key environmental challenges of our time. The Food and Agriculture Organization of the

United Nations (FAO) <u>estimates</u> that 420 million hectares of forest — an area larger than the European Union — were lost to deforestation between 1990 and 2020. Based on 2015–2020 deforestation rates, every hour the world is losing over nine times the forest surface of Brussels' Bois de la Cambre, or every minute three times the surface of the Parc Léopold bordering the European Parliament in Brussels.

The co-legislators adopted the law in 2023, with overwhelming majorities both <u>in the Parliament</u> and <u>in the Council</u>. As part of the preparation of its 2021 proposal, the Commission conducted a public consultation which attracted the second largest number of responses (almost 1.2 million), with the vast majority of stakeholders supporting an ambitious approach including mandatory due diligence.

For more information

Guidance on EU Deforestation Regulation

Strategic Framework for International Cooperation Engagement

<u>Proposal for a Regulation amending Deforestation Regulation as regards the date of application</u>

<u>Commission website on EU Deforestation Regulation implementation</u>

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Press contacts:

Adalbert JAHNZ (+ 32 2 295 31 56)

General public inquiries: <u>Europe Direct</u> by phone <u>00 800 67 89 10 11</u> or by <u>email</u>

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