



Ministerie van Landbouw,  
Natuur en Voedselkwaliteit

# EU Deforestation regulation

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# The regulation [1] requirements

- › **Mandatory due diligence** requirements for all economic operators and non-SME traders exporting products to or from the EU Internal Market
- › Products must be **deforestation-free and legally produced**, with a due diligence statement indicating that the risk of deforestation is negligible
- › Products must be **traceable** to production location (plot or country) through geolocation requirements (polygon from 4 ha.)



## The regulation [2] scope

- > Raw materials (and products derived from them): palm, soy, wood, beef, cocoa, coffee and rubber (**HS codes** are leading for import and export)
- > Non-discrimination: regulation applies to all raw materials and products from **all countries** (including NL and EU!)
- > Cut-off date on **31 December, 2020**, products deforestation-free from this date. Equivalent to SDG 15.2.



# The regulation [3] benchmarking

- > **Classification of countries and areas** as low, standard (baseline) and high risk of deforestation. This happens continuously and is not fixed
  - Rate of deforestation and forest degradation
  - Speed of expansion of agricultural land for raw materials Annex I
  - Production trends raw materials and products
- > Specific obligations for operators: simplified due diligence in low-risk areas, no risk identification and mitigation (of deforestation) but geolocation and traceability still required
- > EU Competency



## The regulation [4] progressive scope

- > Update on raw materials, products and ecosystems on a regular basis
- > **'other wooded land'** (one year after entry into force);
- > Other ecosystems (e.g. mangroves), commodities and products, financial institutions (two years after entry into force)
- > Continuous monitoring of impact, after two years of impact assessment of entire regulation



# The regulation [5] checks pt. 1

- > Minimum level of controls: Member States charged with 1, 3 and 9% minimum controls per risk category
- > If non-compliance is found, **corrective measures** may come into effect
- > **Minimum penalties** in the event of a violation: confiscation of products and profits, fines, exclusion from public procurement, possible exclusion from trade
- > Well-founded concerns/complaint mechanism

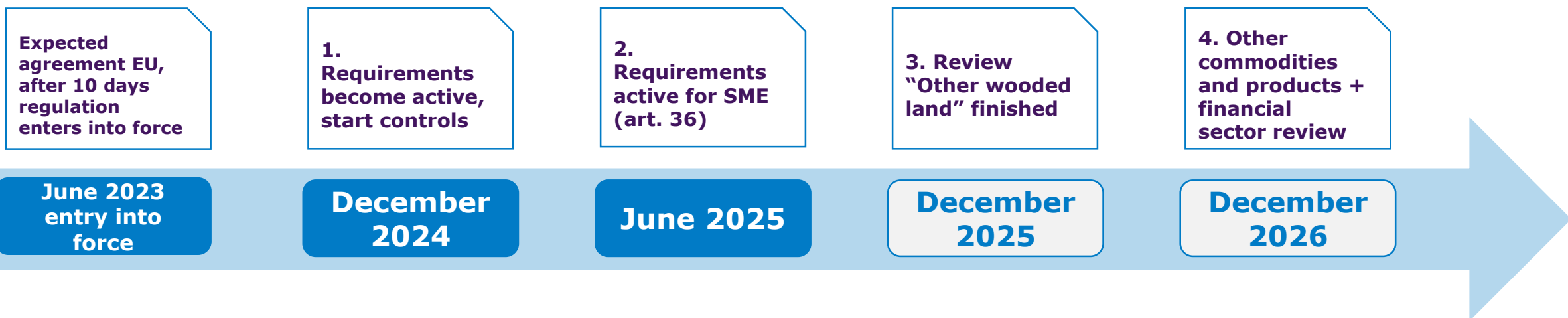


# The regulation [6] cooperation

- › Cooperation with producing countries, “focus on high-risk areas”
- › Commission together with Member States in the lead for development strategic framework for cooperation
- › Very important element, still to be determined and operationalised



# Expected timeline







# Enforcement work in practise – lessons from EUTR and FLEGT

- › Due diligence is a framework of procedures and measures
- › Due diligence statement is outcome of a due diligence process
- › Focus on the quality of your due diligence, not on statement
- › Negligible risk? Risk mitigation required in standard- and high-risk areas
- › What systems can be used (certification, audits, other scientific means)?



# Enforcement in practice - inspection

- › Digitally as much as possible
- › Checking the statement and the quality of the due diligence system
- › CA's have competence to look at/copy all admin, have access to all places (in EU) and can demand cooperation
- › Retribution is a possibility in case of non-compliance



## Many questions remain ...

- > Sector or commodity specific guidance ... ?
- > How to ensuring harmonisation of 'best practices'?
- > IT infrastructure?
- > Etc
- > Etc
  
- > Call on sector and member states to cooperate in the operationalisation of the regulation