



# Jaarbijeenkomst van PEFC Nederland

## Updates on EUDR

PEFC International

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# **EU DEFORESTATION REGULATION OVERVIEW**



# Introduction

## Aim:

- Minimise consumption in the EU of products coming from supply chains associated with deforestation or forest degradation.

## Scope:

- The Regulation will have an impact on suppliers whether in the EU or abroad.
- Included: **wood, rubber** and some derived products, in addition to palm oil, soya, cocoa, coffee, cattle (and derived products).
- Building on and expanding the scope of the EUTR (EU Timber Regulation).

REGULATION (EU) 2023/1115 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL  
of 31 May 2023  
on the making available on the Union market and the export from the Union of certain  
commodities and products associated with deforestation and forest degradation and repealing  
Regulation (EU) No 995/2010  
(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL, OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee <sup>(1)</sup>,

After consulting the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure <sup>(2)</sup>,

Whereas:

- (1) forests provide a broad variety of environmental, economic and social benefits, including timber and non-wood forest products and environmental services essential for humankind, as they harbour most of the Earth's terrestrial biodiversity. They maintain ecosystem functions, help protect the climate system, provide clean air and play a vital role for the purification of waters and soils as well as for water retention and recharge. Large forest areas act as a moisture source and help prevent desertification of continental regions. In addition, forests provide subsistence and income to approximately one third of the world's population and the destruction of forests has serious consequences for the livelihoods of the most vulnerable people, including indigenous peoples and local communities who depend heavily on forest ecosystems. Furthermore, deforestation and forest degradation reduce essential carbon sinks. Deforestation and forest degradation also increase the likelihood of contact between wild animals, farmed animals and humans, thereby increasing the risk of spreading new diseases and the risks of new epidemics and pandemics.
- (2) Deforestation and forest degradation are taking place at an alarming rate. The Food and Agriculture Organization of the United Nations (FAO) estimates that 420 million hectares of forest – about 10 % of the world's remaining forests, equalling an area larger than the European Union – have been lost worldwide between 1990 and 2020. Deforestation and forest degradation are, in turn, important drivers of global warming and biodiversity loss – the two most important environmental challenges of our time. Yet, 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.
- (3) Deforestation and forest degradation contribute to the global climate crisis in multiple ways. Most importantly, they increase greenhouse gas emissions through associated forest fires, permanently removing carbon sink capacities, decreasing the climate change resilience of the affected area and substantially reducing its biodiversity and resilience to diseases and pests. Deforestation alone accounts for 11 % of greenhouse gas emissions as stated in the Intergovernmental Panel on Climate Change (IPCC) special report on climate change and land of 2019.
- (4) Climate breakdown induces the loss of biodiversity globally and biodiversity loss aggravates climate change, they are thus inextricably linked, as recent studies have confirmed. Biodiversity and healthy ecosystems are fundamental to climate-resilient development. Insects, birds and mammals act as pollinators and seed dispersers and can help store carbon more efficiently, directly or indirectly. Forests also ensure the continuous replenishment of water resources and the prevention of droughts and their deleterious effects on local communities, including indigenous peoples. Dramatically reducing deforestation and forest degradation and systematically restoring forests and other ecosystems is the single largest nature-based opportunity for climate mitigation.

<sup>(1)</sup> OJ C 375, 18.7.2022, p. 88.

<sup>(2)</sup> Position of the European Parliament of 19 April 2023 (not yet published in the Official Journal) and decision of the Council of 16 May 2023.

# Main elements

## PROHIBITION

No placement or export from the EU market, unless products are:

- **DEFORESTATION-FREE:** produced on land that has not been subject to deforestation and forest degradation after December 31, 2020
- **LEGAL:** have been produced in accordance with the relevant legislation of the country of production
- **ACCOMPANIED BY A DUE DILIGENCE STATEMENT**

## MANDATORY & STRICT DUE DILIGENCE for businesses

Businesses need to submit a due diligence statement in the EU system to confirm that due diligence was carried out and no or only negligible risk was found.

They assume responsibility for the compliance of the relevant products with the EUDR.

### STAGES:

**INFORMATION REQUIREMENTS:** strict traceability linking the commodity to the plot of land where it was produced and requiring geolocation requirement (Article 9)

**RISK ASSESSMENT:** complementary information supplied by certification or other third-party-verified schemes

### RISK MITIGATION

## BENCHMARKING SYSTEM

Assigned risk of deforestation and forest degradation to countries & regions

LEVEL OF RISK	DUE DILIGENCE
Standard & high risk	Full (enhanced scrutiny)
Low risk	Simplified (information gathering)

# Timeline

**November 2021:** Commission proposal  
**December 2022:** Provisional agreement  
**April/May 2023:** Formal approval by the European Parliament and the Council (EU Member States)

Regulation (EU) No 995/2010 (EU Timber Regulation) is repealed

**30 December 2024:** entry into application of **obligations for operators**

+ 3 years

**Additional application time** for wood products where:

- trees were harvested before the EUDR came into force
- the wood-product is placed on EU market on or after the EUDR becomes applicable to businesses

9 June 2023

**Publication** in the Official Journal of the European Union

+ 20 days

**Entry into force on 29 June**

+ 18 months

**Implementation tools** by the EC – official guideline, IT system, etc.

+ 24 months

**30 June 2025:** entry into application of **obligations for microenterprises and small enterprises** established by December 31, 2020



# PEFC STANDARDS WELL POSITIONED TO MEET EUDR'S KEY ELEMENTS

- deforestation-free
- legal
- due diligence statement



# PEFC Sustainable Forest Management standard

## Deforestation and forest degradation already considered through:

- Management plans that specify ways and means to **minimise the risk of degradation** and damage to forest ecosystems
- The **annually allowable use** of non-wood forest products shall be included in the management plan where forest management covers commercial use of non-wood forest products at a level which can have an impact on their **long-term sustainability**

## Six Principles

1. Maintenance and appropriate enhancement of **forest resources** and their contribution to the global carbon cycle
2. Maintenance of forest **ecosystem health and vitality**
3. Maintenance and encouragement of **productive functions** of forests (wood and non-wood)
4. Maintenance, conservation and appropriate enhancement of **biological diversity** in forest ecosystems
5. Maintenance and appropriate enhancement of **protective functions** in forest management (notably soil and water)
6. Maintenance or appropriate enhancement of **socio-economic functions and conditions**





# PEFC Chain of Custody Standard

Provides:

- **Assurance of origin** from sustainably managed forests
- **Legal compliance**
- **Independently audited traceability** from forests to consumers
- **Accurate information** obtained through certification and audits
- Covering requirements on **health, safety and labour issues**



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PEFC ST 2002:2020

## Chain of Custody of Forest and Tree Based Products – Requirements







# VOLUNTARY CERTIFICATION and PEFC IN THE EUDR

# The role of voluntary forest certification

- Not a green lane, but with maintained support function in the due diligence process
- Evaluation of the EUDR (no later than five years) to assess the need for and feasibility of additional facilitation tools

## Where can PEFC certification provide support?

- **Information gathering** (Art 9) and **Information** in the **risk assessment**
- Support as part of **risk mitigation**
- **Assurance** with relevant deforestation-free and legality requirements
- **Benchmarking: valid tool** to support the assessment of the risk of non-compliance with the regulation's deforestation-free requirement

# Areas under deliberation

1. **Definitions**
2. **Material specific information**
3. **Compliance with legislation** of the country of harvest (including international legislation)
4. **Location-specific information**, specifically geolocation
5. **Deforestation-free** evidence
6. Mindfulness about **data privacy concerns**
7. **Additional adaptations** that will be beneficial in standard and high-risk countries
8. Understanding the **EUDR implementation tools** and their functionalities (e.g. IT system)



# PEFC: your partner in the EUDR

- **PEFC robust standards** that address sustainability and legality
- **PEFC's global reach**, including the work in and with VPA/FLEGT countries
- 10+ years of experience and alignment with the **EU Timber Regulation**, but also engagement with the EU on other relevant legislation
- PEFC **new documentation** that covers a range of issues that already contribute to the **alignment of PEFC** with the EUDR
- PEFC keen to provide **solutions that will be implementable** and **optimal** for PEFC certificate holders to benefit from not leaving anyone behind, especially the smallholders

## PEFC'S ONGOING WORK

- Assessment of the EUDR requirements
- Discussion in relevant PEFC working groups to form consensus on the solutions
- Understanding stakeholders' situation and needs
- Gradual involvement of relevant public through consultations
- Participation in the European Commission's platform on EUDR



PEFC will be positioned to respond to the EUDR

*by putting in place a modular approach that will ensure alignment with the EUDR requirements*

to benefit certificate holders and to facilitate your EUDR compliance





**Thank you for  
your attention.**

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