

Brussels, 25 March 2024

## **European primary producers are asking for practical solutions and postponement of the EU Deforestation and Forest Degradation Regulation**

Since the publication of the Commission's proposal of the **EU Deforestation and Forest Degradation Regulation (EUDR)** on 17 November 2021, primary producers have supported the objective of the EUDR and presented many times their views to facilitate an implementation that should secure legal certainty to operators. In the meantime, it has become obvious that key parts of the final text that remained unclear are to be interpreted so strictly that their implementation will lead to a high level of administrative burden and costs. It will therefore not be possible to implement the EUDR in practice. Furthermore, it is not foreseeable that adequate framework conditions will be finalised sufficiently in advance of the deadline for implementation.

### **Context for sustainable forest management in Europe**

Well-established national and regional legislations, national and regional forest monitoring practices, as well as certification schemes have for a long time verified the sustainability of forest management and prevented deforestation and forest degradation in Europe. In fact, forest areas expanded in Europe over the past decades<sup>1</sup>. Nevertheless, even if European primary producers are not drivers of deforestation, the EUDR will oblige them to fulfil the same set of costly<sup>2</sup>, complex and comprehensive new due diligence obligations as operators in those countries where deforestation is a risk. Such bureaucratic hurdles are unnecessary.

### **Insufficient preparation of framework conditions**

**Country benchmarking:** European primary producers fully support the concerns shared by the European Woodworking Industries<sup>3</sup> regarding information disclosed about the Commission's intention to delay the provision of the country benchmarking. This situation will in practice only benefit operators and traders in high-risk countries, as they would have to undergo fewer checks and controls. On the other hand, such a decision will harm operators in low-risk countries, as they would be denied simplifications and would have to set up more complicated due diligence systems (DDS) (they would have to fulfil risk assessment and mitigation instead of only information requirements).

**Information system:** The information system pilot phase which ended 31 January 2023 revealed that the system is not ready for use. Key issues relate to the systems capabilities to mass handling data, its compatibility with geolocation data formats, the manual entry of data and its general user-friendliness. Furthermore, the complete lack of representation of private primary producers in the pilot phase is very concerning. Therefore, as requested by many stakeholders in the 25th meeting of the Commission's Multistakeholder Platform, we demand significant improvements of the system,

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<sup>1</sup> [Forest EUROPE](#): The forest area in Europe expanded by 19.3 million ha over the last 30 years

<sup>2</sup> [Commission impact assessment on the EUDR, 17 November 2021](#): Estimated one-off cost for operators to set up due diligence systems between 5,000 to 90,000 €.

<sup>3</sup> [European Woodworking Industries, 12 March 2024, Open Statement - The European Woodworking Industries express great concern about EUDR](#)

including automated data transfer, and a second pilot phase. We urge the Commission to ensure transparency and inclusiveness in future preparation. In addition, the EUDR information system must be able to link with existing national traceability systems to avoid doubling the registration burden for already existing traceability data.

**Data protection:** The large scope of data required to be shared under EUDR (incl. geolocation data) causes concerns among primary producers. If geolocation coordinates are public shared along the whole value chain, it will endanger property rights and business information and might be against competition legislation. While more comprehensive data access might be acceptable for authorities, extensive data transfers should not take place along the entire supply chain. It must be ensured that (public) access to datasets, even if anonymised, does not negatively affect European primary producers' business models.

### **Implementation challenges in detail**

**Traceability:** The 2<sup>nd</sup> version of the Commission FAQs<sup>4</sup> gives the impression that traceability will be heavily based on satellite images and the forest observatory. While satellite monitoring could be suitable for identifying conversion of forest to agricultural areas, it is still prone to serious errors when used to assess forest degradation.<sup>5</sup> The use of satellite monitoring on its own is neither sufficient nor reliable enough to conclusively assess the situation in forests. It is unlikely that in-field checks will be possible, given the extreme amounts of data that will need to be checked under the EUDR.

**Rules on bulk-traded and mixed products:** Strict interpretations on bulk-trading and mixing of products, as presented in the 2<sup>nd</sup> FAQs, pose un-solvable practical problems to primary producers' supply chains. Small-scale landowners are likely to be disproportionately affected, as it becomes more attractive to source from large landowners. Reasons for this are greater legal certainty of sourcing from a few large operators compared to many small ones, and the fact that it is harder to reclaim costs from small-scale suppliers.

### **Conclusion - need for practical solutions and extended deadline for the entry into application**

European primary producers fully support the objectives of the EUDR. However, we strongly oppose some of the measures which are not necessary to achieve these objectives and will only impose disproportionate bureaucratic burdens on primary producers. The practical feasibility of some key measures included in the regulation deem to be very questionable. **In consequence, European primary producers demand the revision of practical requirements raised above.**

Furthermore, it is highly unlikely that the framework conditions will be created with adequate involvement of relevant stakeholders in the anticipated timeframe. **Therefore, the deadline for the entry into application must be extended.**

We hope that our feedback will be considered by the Commission when updating the FAQs and that all stakeholders along the entire value chain will be included in developing or further drafting the implementation guidelines, delivering a suitable system to fulfil the EUDR objectives and the DDS requirements.

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<sup>4</sup> [2<sup>nd</sup> version of Commission FAQs on the EUDR's implementation, December 2023](#)

<sup>5</sup> [Palahí et al., 2021, Concerns about reported harvests in European forests. Nature 592, E15–E17](#)

**Signatories:**

CEPF – Confederation of European Forest Owners

Copa-Cogeca – European Farmers and Agri-Cooperatives

ELO – European Landowners' Organization

EUSTAFOR – European State Forest Association