

From Neil Burgess at [GCRF TRADE Hub Policy Dialogue on 22 March 2022](#)

- This is some information about the UK legislation
<https://www.gov.uk/government/news/world-leading-new-law-to-protect-rainforests-and-clean-up-supply-chains>
- This is some information on the proposed EU regulation <https://caneurope.org/position-statement-on-the-proposed-eu-regulation-on-deforestation-free-products/>
And this document as well
https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_5919
- Timeline for the EU regulation:
 - Needs now to be discussed and agreed by both EU Member States Ministers and the Parliament (i.e. co-legislative procedure) ...
 - ...could take couple of years to agree, but when enters into force the deforestation cut off date for year 2020 applies.
 - FR takes on EU Presidency in Jan – June 2022 and has indicated this is a key dossier under the Presidency.
- More info on EU legislation on palm oil:
https://eeas.europa.eu/sites/default/files/20190321_press_release_palm_oil_en.pdf
- Purpose of EU regulation:
 - Only deforestation-free and legal products (according to the laws of the country of origin) are allowed on the EU market
 - Estimated reduction of at least 31.9 million metric tons of carbon emissions to the atmosphere every year due to EU consumption and production of the relevant commodities, which could be translated into economic savings of at least € 3.2 billion annually.
 - Under the latter, EU companies "will be required to identify and, where necessary, prevent, end or mitigate adverse impacts of their activities on human rights, such as child labour and exploitation of workers, and on the environment, for example pollution and biodiversity loss." "This proposal applies to the company's own operations, their subsidiaries and their value chains (direct and indirect established business relationships)."
https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1145
 - Product scope is limited to key commodities causing deforestation: soy, beef, palm oil, wood, cocoa and coffee and related products (e.g. leather, chocolate and furniture).
 - But: proposal includes a progressive scope of the commodities to be regulated, reviewing and updating the list regularly, taking into account new data. This will allow adapting it to changing deforestation patterns.
 - Cut out date: commodities and products have not been produced on land deforested or degraded after 31 December 2020.
- Although not relevant to Indonesia perhaps - there is dialogue started with cocoa production countries https://ec.europa.eu/international-partnerships/events/eu-multi-stakeholder-dialogue-sustainable-cocoa_en
- Mechanism of EU regulation:
 - Based on standards, not bans. Domestic and imported commodities are measured by the same standards.
 - Work through mandatory due diligence rules on operators importing to the EU

- Strict traceability, i.e. operators will be required to collect the geographic coordinates of the land where the commodities they place on the market were produced.
 - In other words, certification schemes are not enough to prove deforestation-free status!
 - Benchmarking (or traffic light) system operated by the Commission will identify countries as presenting a low, standard or high risk of producing commodities or products that are not deforestation-free or in accordance with the legislation of the producer country.
 - Obligations for operators and authorities will vary according to the level of risk of the country or region of production, with simplified due diligence duties for products coming from low-risk and enhanced scrutiny for high-risk areas.
 - Geographic scope is global, applying to imports from all EU trade partner countries
 - Applies to all operators (EU or non-EU) importing to the EU irrespective of their legal form and size, with long adaptation periods for enterprises, and specifically micro-enterprises, to be able to adapt.
 - For developing countries, the Commission is proposing Forest Partnerships to help partner countries improve forest governance and create socio-economic opportunities for the populations through sustainable value chains.
 - Proposal does not name specific countries on the “benchmarking” list but a list would become publicly available if the measure is adopted.
- Some more general guidance on these kinds of trade deals are here <https://ieep.eu/news/global-challenges-and-sdgs/methodology-for-assessing-the-impacts-of-trade-agreements-on-biodiversity-and-ecosystems>
 - And here <https://ieep.eu/publications/global-challenges-and-sdgs/environmental-credentials-of-eu-trade-policy>
 - Challenges of defining a forest <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4980317/>
 - For the UK Business there is this forum set up that is relevant to understand <https://www.gov.uk/government/news/global-resource-initiative-taskforce-greening-the-uks-environmental-footprint>
 - On EU and biodiesel see this fact sheet [https://www.europarl.europa.eu/RegData/etudes/ATAG/2020/659335/EPRS_ATA\(2020\)659335_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2020/659335/EPRS_ATA(2020)659335_EN.pdf)
 - The internet also says about biodiesel and the EU - Does EU ban palm oil? In January 2018, for example, the European Parliament - citing environmental concerns - banned palm oil for biofuels. The European Commission approved this, ignoring the devastating impact the ban would have on millions of smallholder farmers. <https://theaseanpost.com/article/why-eu-should-lift-its-ban-asean-palm-oil>