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Op-Ed: "Administrative Simplification of the Deforestation-Free Products Regulation: The Road to Hell is Paved with Good Intentions"

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While forest cover has increased in Europe, the overall situation remains worrying. According to the Food and Agriculture Organisation, no less than 4.2 million km² of forest was cleared between 1990 and 2020. From 2021 to 2022, deforestation increased from 5,4 to 5,8 million hectares, the size of Croatia. At this rate, several countries, such as Ivory Coast, Nigeria, and Ethiopia will be devoid of their old-growth forests within a few years. Although tropical forests are vital resources for indigenous communities, store around 340 billion tonnes of CO² and are home to two-thirds of the world's biodiversity, they are subject to a much higher deforestation rate than temperate forests.

As Europeans are fond of tropical wood products as well as food products linked to the conversion of forests into farmland throughout the world (cocoa, coffee, soybean, etc.), their consumption contributes directly and indirectly to this worrying phenomenon. In absolute terms, the European Union (EU) is the world's largest per capita importer of commodities whose exploitation contributes to global deforestation (248,000 hectares razed every year as a result of our consumption, including cocoa, coffee and soybean).

The European Union's Action Against Deforestation

The EU has not been idle. As early as 2005, it concluded Voluntary Partnership Agreements with ten tropical countries to restrict access to its market solely to legally harvested forest products, an obligation that has been generalised since 2010 (<u>Regulation 995/2010</u>). While this

regulatory approach has helped to strengthen the rule of law in several countries in the South, insofar as it has favoured authorised and more sustainable forest concessions, it has nevertheless had its limits. On the one hand, legal logging is not necessarily a guarantee of sustainability and, on the other, it has not succeeded in putting an end to deforestation of illegal origin. This state of affairs has been denounced by many professionals and associations. Against this background, in 2020, the Together4Forests campaign brought together over a million citizens, who called on the European Commission to tackle this issue head-on. Convinced of the merits of this citizens' initiative, the EU executive drew up a proposal for a regulation, which was adopted by the EU legislature on 31 May 2023 (Regulation (EU) 2023/1115), known under the acronym of EU Deforestation Regulation (EUDR).

No sooner had the ink dried than the EUDR was contested by numerous non-EU countries and interest groups. They branded it as a neo-colonial diktat, marking a resurgence of green imperialism and causing blatant social injustice, which will swamp the poorest farmers in developing countries in red tape.

In the wake of the European elections at the end of 2024, the priorities of the new Von der Leyen II European Commission have changed radically. With a so-called 'competitiveness' programme, the new EU executive initiated far-reaching reforms with a view to simplifying reporting and due diligence requirements. At the end of 2024, on its proposal, the EU legislator decided to delay the EUDR's entry into force by a year (Regulation 2024/3234), even though many national authorities were ready to implement it. The reason for postponing its entry into force was to allow time for both the authorities and operators, thereby ensuring more effective application.

How Does the EUDR Work?

In short, the EUDR regulation applies to seven categories of agricultural products – cattle, cocoa, coffee, palm oil, rubber, soybean and timber – as well as their commodities. As a result, the regulation extends to cakes made from palm oil and chocolate, tyres made from rubber, the wood used in our flooring and beef (both produced in the EU and imported – for example, under the forthcoming Mercosur agreement). Given the binding force of the EUDR, such products can

only be placed on the market if importing companies can prove that they are 'zero deforestation'. This means proving that they comply with the laws of the country of production, and producing documents showing that there is no link whatsoever with deforestation and forest degradation. In short, importers must be able to guarantee the full traceability of their products, going back up the value chain, which implies a duty of care towards their suppliers and the farmers who supply them. For example, a major Belgian cocoa wholesaler must ensure that the thousands of farmers in Ghana or Ivory Coast who supply it do not encroach the surrounding forests. For some products, this control is not necessarily easy. For example, rubber collected by an Indonesian farmer may pass through the hands of 29 intermediaries before being processed into rubber.

To What Extent Does the Commission Intend to 'Simplify' the Implementation of the EUDR?

In line with the Commission's new mantra of administrative simplification (epitomised by its <u>Competitiveness Compass</u>), a number of European ministers and politicians are now clamouring for a reduction in the EUDR's due diligence obligations. The simplification drive is starting to produce its first results.

First of all, the Commission is required to classify countries that present a 'low', 'standard' or 'high' risk of deforestation and fraud. Given the principle of good administration, it was to be expected that the Commission would adopt this list on the basis of the rigorous scientific criteria set out in the EUDR, classifying countries according, among other things, to their rate of deforestation and forest degradation (Art. 29(3)). However, the Commission has classified on 22 May 2025 as 'high risk' only its toughest geopolitical adversaries (with whom the EU does not trade): Russia, Belarus, Iran, North Korea and Myanmar (see the Commission Implementing Regulation of 22 May 2025). The main contributors to deforestation, meanwhile, fall into the catch-all category of 'standard risk countries' with simplified control regimes. Accordingly, countries with particularly high rates of deforestation (Democratic Republic of Congo, Bolivia, Brazil, Indonesia) sit alongside countries with a truly standard risk (Argentina).

What's more, by means of <u>interpretative guidelines</u>, the Commission is moving the goalposts by providing for significant exemptions (over and above what the regulation already provides for SMEs), relaxation of risk limitation obligations for large companies, and annual declarations rather than by import/export batch, not to mention the relaxation of traceability requirements. As a result, the administrative simplification exercise is now part of a methodical greenwashing operation.

We are now between Charybdis and Scylla. Whereas the EUDR was adopted in 2023 by the ministers of environment under Art. 192 (1) TFUE, the Agriculture and Fisheries Council of the EU (AGRIFISH) is even considering amending the EUDR to include a new category of 'zero deforestation' risk countries, which will be exempt from all controls. Introducing a no-risk exemption could incentivise unscrupulous economic operators to take advantage of loopholes in laundering their commodities from other, riskier areas through socalled 'no-risk' countries. By way of illustration, rubber from Cambodia, where deforestation is rife, could be exported to Vietnam, which could be designated as a no risk country as its secondary forest cover has been increasing. Furthermore, the agriculture ministers also asked the Commission to introduce the possibility of scrapping the minimum required enforcement checks on goods in the existing low, standard and high-risk categories.

Conclusion

Whereas national authorities and many companies had prepared themselves for having to control imported products in accordance with duty of care obligations, they are now confronted with the Commission's U-turns. Essentially, companies that did not adapt to the EUDR requirements will now be rewarded for having done nothing.

Given the massive support from civil society for the adoption of a crucial regulation to combat deforestation and promote sustainable trade in 2023, can the Commission afford to compromise one of the flagship legislative instruments of the Green Deal for Europe? Surely this runs the risk of disappointing many European citizens by reinforcing the image of a bureaucracy out of touch with ecological issues. Needless to say, the EUDR, adopted in 2023 by the European Parliament and 27 environment ministers, is an essential piece of legislation to curb deforestation and thereby delay climate disaster. Unravelling the EUDR via a rushed process for the sake of administrative simplification could open Pandora's box.

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