

Brussels, 12 September 2024

Ms. Ursula von der Leyen
President
European Commission

Mr. Maroš Šefčovič
Executive Vice-President
European Commission

Ms. Florika Fink-Hooijer
Director-General, DG ENV
European Commission

Subject: Urgent Adjustments Needed for the Successful Implementation of the EU Deforestation Regulation

Dear President von der Leyen,
Dear Commissioner Šefčovič,
Dear Director-General Fink-Hooijer,

The European Union Deforestation Regulation (EUDR) represents a significant and commendable step toward reducing deforestation and promoting biodiversity through resilient and sustainable supply chains. This regulatory framework is poised to position Europe as a leader in the global effort to protect forests, ensuring that our consumption patterns do not contribute to environmental degradation.

We are writing to express our profound concerns regarding the challenges associated with the imminent implementation of the EUDR, scheduled in less than four months.

However, the current context presents numerous issues that necessitate immediate and targeted intervention by European institutions.

We are committed to supporting the Commission's ambitious goal to curb deforestation. We propose an approach that minimizes costs for the most vulnerable stakeholders, such as smallholders and prevents adverse impacts on European consumers.

Through this letter, we advance a series of proposals to ensure the EUDR is a win-win success, safeguarding biodiversity and forests while promoting market competition to the benefit of consumer citizens.



Outstanding Issues

Inadequate Preparation

Many competent national authorities and the majority of companies involved are not yet sufficiently prepared for this transition. There is a lack of information and clear tools by the European Commission, necessary resources, and time to ensure full compliance with the regulation.

Complexity of Supply Chains

The diverse supply chains affected by the EUDR have specific needs that were not fully considered during the regulation's drafting phase, which adopted a generalist "one size fits all" approach. This alienated producing countries from the decision-making process, leading to legitimate calls for delaying implementation and risks of ineffective implementation, increased costs, and general confusion. Commodities arriving at European ports after December 30th have already been purchased and are in transit.

Economic Risks

Price increases resulting from the EUDR could burden not only European consumers, already strained by inflation and geopolitical instability, but also smallholders, further exacerbating their vulnerability.

Exclusion of Smallholders

We perceive a real risk that smallholders in producing countries will be marginalized or excluded from supply chains targeting the European market, potentially further impoverishing the environment. By excluding smallholders, the EU does not reduce but rather promotes deforestation.

Conclusion

We fear that by December 30th, 2024, a large number of operators involved in the supply chains will not be ready or lack sufficient elements to assess their compliance. The lack of clear and precise information from the Commission and the confusion it has created poses a risk of short-circuiting the system, from imports to processing, with severe consequences for the European economy and consumers.

Call to Action

To ensure the EUDR is a success and overcome these tangible difficulties, we propose the following:

Two-Years Transition Phase

We propose a transitional period of at least two years for the gradual implementation of the regulation. This approach will provide authorities and various stakeholders the necessary time to adapt, ensuring that production processes and economic stability are not compromised. This delay will be technical, based on specific factors, whether horizontal or commodity-based.

Establishment of a Standing Committee with Specialized Multicommodity Workgroups

We propose the establishment of a permanent committee under Article 15(5) of the regulation, which will include commodity-based workgroups. This committee would be open to national authorities, producing countries, trade associations, and relevant stakeholders. It would serve to:

- Facilitate technical discussions.
- Exchange information in line with Articles 21 and 27 of the EUDR.
- Provide guidance and clarifications.



- Actively integrate stakeholders, including small producers, for a holistic and inclusive approach.
- Monitor and evaluate the implementation of the EUDR, proposing adjustments where necessary.

Temporary Suspension of Sanctions

During this transition phase, we request a temporary suspension of enforcement measures, while maintaining the controls stipulated by the regulation.

Our request aims for constructive and pragmatic collaboration with the European Commission to ensure an effective, fair, and resilient implementation of the EUDR. We are aware of the complexity of this request, but we firmly believe it represents the most effective path to enact necessary changes at this critical time.

We trust in your consideration and remain available for any further discussion or clarification.

Best regards,

Pietro Paganini
President, Competere.eu

Copy is sent to Executive Vice-President Valdis Dombrovskis, Commissioner Thierry Breton, Commissioner Virginijus Sinkevičius, Commissioner Jutta Urpilainen, Commissioner Janusz Wojciechowski.