

Background document on potential EU regulatory and non-regulatory measures to combat tropical deforestation

Deforestation and forest degradation are the causes to some of the major global sustainability challenges such as biodiversity protection, climate change, human rights, peace and security, good governance and the rule of law. Contributing to tackling these global challenges is one of the main priorities of the European Union. Therefore, substantial action to combat deforestation and forest degradation is needed to ensure that the EU meets its related international commitments and makes a significant contribution to mitigating these problems. The European Commission has for a long time already been active in this arena via trade and environmental initiatives, economic and development cooperation and industry corporate responsibility etc.

In 2018, a [feasibility study](#) on EU options to step up action against deforestation was published. In July 2019, the European Commission adopted the [EU Communication on Stepping up EU Action to Protect and Restore the World's Forests](#). Five priority areas for action were set out: EU demand side measures, partnership with producer countries worldwide, international multilateral cooperation and redirecting finance and advancing information. The proposals for action were developed as an integral part of the overall EU initiative of an [European Green Deal](#), which was launched in December 2019, linking this set of actions to other relevant initiatives, such as the [European Biodiversity Strategy](#) and the [Farm to Fork Strategy](#). As part of the overall process, DG Justice is also working on a corporate level due diligence process for human rights (legislative proposal expected first quarter of 2022).

The preparation for additional measures mainly relates to the first priority of the Communication (EU demand side measures), particularly looking into measures to minimize and reduce the EU consumption footprint on global forests. The Commission has initiated an impact assessment of possible regulatory and non-regulatory measures. The assessment will explore a range of options and approaches, including mandatory labelling, certifications schemes, legality standards, carding systems, etcetera. Based on the experiences with the EU Timber Regulation it will also be looking into a more comprehensive understanding of the due diligence approach. A legislative proposal is expected in the first quarter of 2021.

This development of a possible legislative proposal is currently being supported by two processes:

- [Impact Assessment](#) of options for additional demand side measures and to develop a definition of deforestation-free supply chains.
- **Fitness Check of EU timber regulation and FLEGT regulation** to examine how these regulations have worked, how effective and efficient they are, whether they usefully supplement national efforts, and highlight possible difficulties in implementation at national level.

Public consultations will be launched soon for both the [impact assessment](#) and EUTR/FLEGT process, with the final results expected in the first quarter of 2021. Input from all stakeholders is highly recommended.