

Der Vorsitzende - The Chairman - Le Président

Ms Ursula von der Leyen President of the European Commission European Commission Rue de la Loi 200 Brussels

Brussels, 20 September 2024

Implementing the Deforestation Regulation (EUDR)

Dear President,

We are writing to you to express our serious concerns over the implementation of the Regulation on the **EU's impact on global deforestation and forest degradation** (Deforestation Regulation). The EPP strongly supports the overall goal to reduce deforestation both, within the EU and globally, however the expedited adoption and implementation process are currently leading to significant compliance challenges both inside and outside the EU.

The administrative burden on both businesses and public authorities is substantial. The implementation of the Regulation requires companies to adjust their supply chains and compliance frameworks to meet stringent due diligence requirements. The lack of clear guidelines on certain key provisions and the unclear criteria for determining compliance creates uncertainty. Therefore, many businesses, particularly small and medium-sized enterprises (SMEs), are not able to comply and cope with the complex elements of the Regulation.

If stakeholders are not able to set up the relevant documentation ahead of this deadline, they will not be allowed to place products on the European market as of the end of this year. The EU risks to have a shortage and potentially sharp price increases of essential and daily-life consumer products such as coffee. In the context of the already strained economic situation, and still high inflation rates, an application of the regulation as planned would further endanger citizens' trust in the EU institutions.

Furthermore, many stakeholders report that the necessary digital infrastructure and certification systems are not yet in place, which creates more uncertainty with regard to the compliance monitoring. With the IT system not in place in many countries, there is further risk of inconsistent enforcement across the EU and disruption in the internal market.

In light of these concerns, we urge you to **postpone the application of the Regulation by at least twelve months** to allow for necessary guidance and compliance system to be developed and administrative preparedness to be ensured. We believe only an extension of the implementation timeline by at least twelve months will ensure the successful implementation of the Deforestation Regulation by allowing stakeholders to effectively comply, while avoiding unnecessary administrative and economic disruptions.

We remain fully committed to working collaboratively with the European Commission and other stakeholders to achieve this successful implementation.

