

**To the attention of:**

Executive Vice-President Frans Timmermans, European Commission for the European Green Deal and  
Commissioner Virjinijus Sinkevicius, European Commission for the Environment, Oceans and Fisheries

**cc:**

Valdis Dombrovskis, Executive Vice-President and Commissioner for Trade;  
Janusz Wojciechowski, Commissioner for Agriculture; Jutta Urpilainen, Commissioner for International Partnerships;  
Pascal Canfin, Chairman of the European Parliament's Committee on Environment, Public Health and Food Safety

*October 29<sup>th</sup>, 2021*

Dear Executive Vice-President Timmermans, Dear Commissioner Sinkevicius,

We are excited and eager to see the Commission's legislative proposal to minimise the risk of deforestation and forest degradation associated with products imported into the EU in just a few weeks.

The Tropical Forest Alliance (TFA) is a multistakeholder platform established to support the implementation of private-sector commitments to protect the world's forests and encourage the transition to deforestation-free commodity supply chains. We have engaged actively with your officials over the last 18 months and the Alliance applauds the efforts and leadership shown by the Commission in developing these proposals for legislation.

Our collective position paper published in December 2020 was endorsed by more than fifty organisations, including some of the world's largest retailers, brands, traders and producers of forest risk commodities, along with industry associations and international civil society organisations. As we said there, demand-side measures such as market prohibitions and due diligence obligations on businesses have a crucial role to play in the 'smart mix' of measures necessary to tackle the negative impacts on forests associated with the production of forest risk commodities.

As we also stated there, however, no single policy instrument is capable of addressing by itself all the drivers of unsustainable production; a combination of measures – the 'smart mix' – is necessary. We appreciate that the forthcoming deforestation regulation cannot by itself contain all the measures a smart mix should feature, but we wish to express our concern at the possible unintended consequences that some of its elements may have.

For example, we understand that a benchmarking system for source country risk will be included in the regulation. Several members of our community have expressed concern that if this is applied simply at a country level rather than at a sub-national or supplier level, it risks encouraging businesses,

and/or their customers, to abandon high-risk sources entirely, and could penalise suppliers within those high-risk countries that are making efforts to source sustainably.

Similarly, the proposal could fall short in engaging smallholder farmers unless significant efforts are made to assist them to farm sustainably and to prove compliance with the criteria included in the regulation. Credible and robust voluntary sustainability standards and certification systems could play an important role here, and we hope that provisions will be made in the regulation for these standards and for smallholder farmers to meet these standards.

We hope that you will be able to explain how concerns such as these can be met, both within the framework of the regulation and through accompanying measures to be pursued by the EU and its member states. As we stated in our smart mix paper, demand-side measures in isolation will fail to achieve their full impact if they are not accompanied by strong partnerships between the EU and producer countries to put in place the enabling conditions necessary to protect forests and improve the standards of production of agricultural commodities.

We understand that the Commission's proposed Forest Partnerships will aim to address some of these concerns. In our view accelerating and aligning this work will substantially help with the messaging as well as the delivery of the deforestation legislation. We also hope these partnerships will go beyond provision of development assistance, but will also feature commitments to improve standards of production (including for smallholders), governance and law enforcement, and will include incentives provided by the EU, potentially including trade and market preferences.

We look forward to the publication of a robust and ambitious legislative proposal. We remain fully committed to support you and your colleagues advance this critical but complex area of legislation.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Justin Adams', with a long horizontal stroke extending to the right.

Justin Adams  
Executive Director  
The Tropical Forest Alliance