



JOINT LETTER

EUROPEAN UNION PROPOSAL FOR A REGULATION ON DEFORESTATION-FREE PRODUCTS

Submission by Indonesia and Brazil

The following submission, dated 28 November 2022, is being circulated at the request of the delegations of Indonesia and Brazil.

This joint letter is being circulated to the Committee on Agriculture for transparency purposes only.

Brussels, 27 July 2022

Honorable Roberta Metsola President of the European Parliament

H.E. Charles Michel
President of the European Council

H.E. Ursula von der Leyen
President of the European Commission

H.E. Edita Hrdá
Permanent Representative of the Czech Republic to the European Union Presidency of the Council of the European Union

Dear Excellencies,

As developing countries responsible for a substantial share of the global output of agricultural products such as cattle, oil palm, soya, wood, cocoa and coffee, and as trade partners of the EU, we would like to express our serious concerns regarding the "Proposal for a regulation on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010", also referred to as "Proposal for a regulation on deforestation-free products".

While we agree that the fight against climate change and the conservation and sustainable management of forests are urgent tasks, we regret that the EU has chosen the option towards unilateral legislation instead of an international engagement to deal with these shared objectives, reflected in the Paris Agreement and the SDGs, to which we have all subscribed.

We encourage the EU to entertain further consultation with third countries, particularly developing producing countries before the final approval of the proposed legislation. Some of the concerns expressed by developing countries in formal public consultations about the proposed legislation have, regrettably, been given scarce consideration.

At present, this proposed regulation is moving quickly through the EU ordinary legislative procedure. It disregards the local conditions and national legislations of developing producing countries, their efforts to fight deforestation, and, recalling the principle of common but differentiated responsibilities, also the EU Member States' own historical role in deforestation activities and climate change.

Although it is not the purpose of this letter to engage in detailed discussion of specific aspects of the proposed regulation, a few points are the object of particular concern. Firstly, the country assessment criteria and benchmarking system are inherently discriminatory and punitive in nature. Its most likely effect will be to generate trade distortion and diplomatic tensions, without benefits to the environment. Furthermore, it imposes additional controls, entails reputational risks for companies and is likely to penalize producers in developing countries, especially smallholder farmers and SMEs.

We are similarly concerned with the EU's approach regarding several elements in the proposed regulation, such as the uncertain and discriminatory nature of the scope of products; definitions that are not multilaterally agreed; retroactive cut-off date; burdensome due diligence mechanism and subjective risk assessment criteria; costly and impractical traceability and geo-localization requirements; and insufficient unilaterally defined transition period, which could increase costs and have negative social and economic consequences for developing countries. In this regard, we are following with attention the ongoing debate on the proposed regulation within the EU's political institutions.

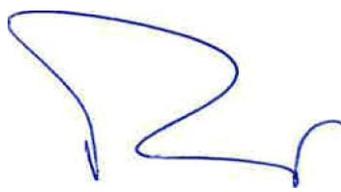
Trade restrictions or the threat thereof cannot be a preferential means to achieve environmental ends. We firmly believe that trade restrictions are inadequate to address environmental concerns and will only lead to a downward spiral of trade distortion, reduced trade opportunities and increased impoverishment, with limited if not negative effects for the conservation of forests.

As developing producing countries deeply engaged in building the environmental international order and the multilateral trading system, we strongly believe that free trade helps rather than hinders the promotion of sustainable development goals. In our view, the proposed regulation poses a significant challenge to fundamental WTO rules and should be brought by the EU into compliance with the multilateral trading system.

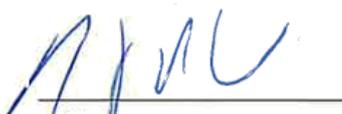
In conclusion, we sign this letter as a public and collective effort, supplementing the bilateral exchanges between our countries and the EU institutions on this matter, aimed at demonstrating that, from the perspective of our countries, the path chosen by the EU for combatting deforestation contains flaws. A better approach can be reached through cooperative means. We call upon EU authorities to acknowledge and take into account our concerns and look forward to a substantial, genuine, and constructive dialogue on the issues previously outlined before the adoption of the proposed regulation.

Please accept, Excellencies, the assurances of our highest consideration.

Sincerely yours,



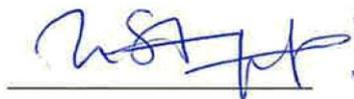
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Head of the Mission of Brazil to the European Union



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Ambassador of Colombia



H.E. Harriet Sena Siaw Boateng
Ambassador of Ghana

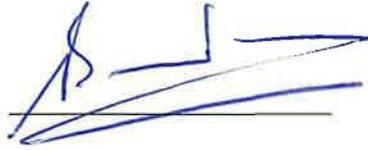


H.E. Jose Lambour Peñalongo
Ambassador of Guatemala

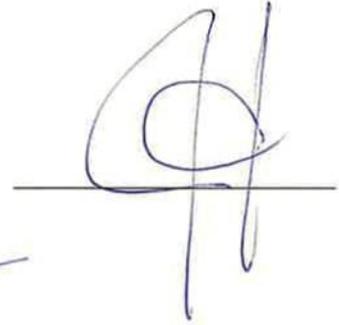


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Ambassador of Indonesia

H.E. Abou Dosso
Ambassador of Ivory Coast



H.E. Obinna Chiedu Onowu
Ambassador of Nigeria



H.E. Rigoberto Gauto
Ambassador of Paraguay



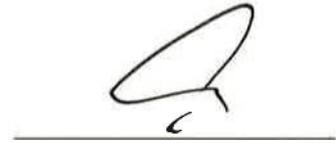
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Ambassador of Malaysia



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H.E. Valeria Denisse Vilaseca Chumacero
Ambassador of Bolivia



CC:

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Vice President of the European Parliament

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Chairman of the European People's Party Group

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Honorable Ska Keller and Philippe Lamberts
Co-Presidents of Greens/European Free Alliance Group

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President of Identity and Democracy Group

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Honorable Christophe Hansen
Rapporteur for the European Parliament Report on the Proposal for Deforestation Regulation
