

Mrs Ursula von der Leyen
President of the European Commission

Brussels, 17 May 2024
24ENV203

Subject: EUDR information system not yet on track to meet requirements of properly functioning supply chains

Dear President von der Leyen,

We, the undersigned organisations, are supporting our member companies in their commitment and need for a successful implementation of the EU Deforestation Regulation (EUDR), which requires significant adjustments and efforts from suppliers, operators and traders, throughout each supply chain of the commodities and products in scope, to effectively meet EUDR obligations. We support the objectives of the EUDR and, in that spirit, we continue to offer constructive feedback in the development of the EUDR Information System.

The companies that participated in the pilot testing of the initial version of the EUDR Information System (Register) in January this year, provided significant feedback related to numerous gaps that needed to be addressed. They listed the requirements for a fully functional system to DG ENV services, echoed by the undersigned organisations on many occasions.

The importance of the EUDR implementation challenge, the urgency of the matter, given the implementation timeline, and the impact that an inoperable Information System will have for the EUDR, leads us to bring this to your attention.

During the last deforestation platform meeting of 24 April, we have not been reassured that the Information System once revised by the Commission will be meeting business needs. The technical specifications of the Information System and the timeline for making it accessible to all operators and traders still raises serious concerns. Requirements that are critical for the functioning of business supply chains have been disregarded, notably the need for bulk commodities to handle large volumes of data and for taking into account already used standard formats in which data is being collected for traceability purposes.

We, the undersigned organisations, call for:

1. Planning a second round of testing with the business community

The list of inaccuracies and errors reported to DG Environment at the outcome of the pilot testing was considerable. These issues, further to built-in limitations of the system, such as the 72-hour time window for amending

due diligence statements and the lack of automation, raised justified doubts within the business community that all problems will be resolved in one updated version. If these issues have indeed been solved, a second round of pilot testing and/or a continuous testing group should provide companies with much needed assurances. A dedicated stress test allowing companies to upload large amounts of geolocalisation data would also be needed.

2. *Making the API specifications ready as of May for business to prepare*

We welcome the fact that following industry feedback, an Application Programming Interface (API) is now being developed to ensure connectivity between our companies' IT systems and the Information System itself. We would like to stress that our companies will need to significantly revamp their IT systems to connect with the API – a process that takes few months and can only be achieved if the API specifications provide precise information regarding purpose, type, endpoints, HTTP methods, data formats, parameters, authentication and security of the API.

3. *Lifting the 25MB limitation or substantially increasing file size for uploading files as part of the due diligence statement*

For bulk commodities and liquids, but also for derived products, the envisaged 25MB data limit, which represents about 1 million data points, is insufficient as this number is likely to be reached within few weeks of cumulated geolocation data from polygons. Several of our commodities are cumulatively sourced from hundreds of thousands of smallholder farmers. In addition, polygons are the preferred method to indicate the area of production of goods, due to their higher accuracy compared to single geolocation points. Combining the large number of suppliers with the large amount of data points contained within each polygon, it is easy to reach the threshold of one million data points contained in a 25MB file within a couple of cumulated shipments.

4. *Accepting other data formats than the only GeoJson standard*

Pre-existing work on traceability has been built using different data formats. Less than 8 months before application, limiting transferable format standards to one (GeoJson) disregards the extensive work that has been done and rolls over the burden to operators instead of providing workable IT solutions. The ability to use additional data formats, which as industry representatives we were asked to provide in June 2023, should be allowed.

5. *Opening up the information system for all users as soon as possible and, at the very latest, beginning of November*

The current timeline to make the Information System available for general use as of mid-December only, is totally underestimating the reality of supply chains, as most harvests, from Autumn onwards, may only arrive in the European Union after the date of application and would then require an accompanying due diligence statement. A time period of merely two weeks is insufficient for companies to create all these statements. In addition, hands-on time is needed for all handlers, outside of training context to familiarise themselves with this new environment, ensure connection with their own data management system and train appropriately relevant staff.

We have informed the Commission services in charge about the challenges of an Information System that would not be up to business requirements and standards for EU supplies in all key commodities and for all relevant products in scope. We would like to reemphasise this as well as to highlight the negative impact this would have for the European Commission's reputation both within the EU and with third countries, not to mention consequences on the access to key supplies, including food, and on the competitiveness of EU supply chain actors.

At the same time, we have expressed our clear willingness to offer IT expertise and engage in a structured dialogue with a view to improving the System. We urge the European Commission to make the Information System and the API rapidly adapted to business needs. This central element of the regulation is critical for the successful application of the EUDR and we are increasingly concerned that it might become its Achilles heel.

We are available to discuss these points with you in further detail.

Yours faithfully,

The undersigned associations

Bioenergy Europe – the voice of European Bioenergy
CAOBISCO – Chocolate, Biscuit and Confectionery of Europe
CEPI – Confederation of European Paper Industries
COCERAL – European association of trade in cereals, oilseeds, rice, pulses, olive oil, oils and fats, animal feed and agrosupply
COTANCE – European Leather Industry
ECA – European Cocoa Association
ECF – European Coffee Federation
ETRMA – European Tyre & Rubber Manufacturers Association
Eurocommerce – the voice of Retail and Wholesale in Europe
EUSTAFOR – European State Forest Association
FEDIOL – EU Vegetable Oil and Proteinmeal Industry
FEFAC – European Feed Manufacturers' Federation
FoodDrinkEurope – European Food and Drink Industry

Copy is sent to Executive Vice-President Sefcovic, Vice-President Dombrovskis, Commissioner Wojciechowski, Commissioner Breton, Commissioner Sinkevicius

Signatories of the letter to President Von der Leyen – The EUDR information system is not yet on track to meet requirements of properly functioning supply chains



MANAGING STATE FORESTS RESPONSIBLY

