

Brussels, 21<sup>st</sup> March 2022

**Subject: EARSC Position to the EU Regulation on Deforestation-free Products**

The European Commission is demonstrating unprecedented leadership with the Green Deal flagship to tackle climate change and will require an abundance of resources, including viable data and services which will allow decision-makers to identify risks, tailor policy response and resource allocation, monitor progress and identify trends.

Focused on Innovation, the **European Association of Remote Sensing Companies (EARSC)**, a trade organization representing more than 135 company members from all over Europe, represents the Earth Observation (EO) services industry and very much welcomes the efforts of the European Commission in protecting, restoring, and enlarging forests in Europe and worldwide. The EU Forest Strategy is not only timely but necessary to ensure sustainable forest management for healthy, biodiverse and climate change resilient forest ecosystems.

In December 2021, EARSC launched the « **Green Deal Working Group** » gathering the Earth Observation services industry, with the objective to advocate for the use of EO-based solutions to achieve the European Union's ambitious climate objectives.

Thanks to unprecedented technological innovations and continuous monitoring of our planet, Earth observation information, such as data coming from the European flagship programme Copernicus<sup>[1]</sup> complemented with higher spatial, temporal and spectral resolution and a variety of services are required to monitor in detail and across decades to better protect the planet.

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<sup>[1]</sup> Copernicus programme: Copernicus is the European Union's Earth observation programme coordinated and managed by the European Commission in partnership with the European Space Agency, the EU Member States and EU agencies. It aims at achieving a global, continuous, autonomous, high quality, wide range Earth observation capacity ([www.earsc.eu](http://www.earsc.eu))

In the context of the **Deforestation-free products Regulation**, the EU wishes to minimise EU-driven deforestation and forest degradation. In doing so, the Regulation will set mandatory due diligence rules for operators which place specific commodities on the EU market that are associated with deforestation and forest degradation. As deforestation is linked to land-use change, satellite data can be a crucial tool to monitor deforestation and determine if a product is “deforestation-free” and therefore check its compliance with the requirements of the Regulation.

With our contribution to the amendments (in Annex of this letter), EARSC wants to highlight the importance of taking additional steps to leverage the newest innovations in Earth imaging, data analytics and indexing by including Earth Observation publicly and privately data and services within the Regulation.

Marc TONDRIAUX

Chairman of EARSC.

A handwritten signature in black ink, appearing to read 'Marc Tondriaux', written over a horizontal line.



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Annex: Suggested changes in the Regulation’s amendments

Regulation Proposal	Suggested changes
<p>MEMORANDUM</p> <p>Article 9: Information requirement</p> <p>A major innovation compared to the EUTR, is the geographic information obligation contained in Article 9, which requires operators to collect the geographic coordinates (or geolocation via latitude and longitude) of all the plot(s) of land where the relevant commodities and products were produced. As deforestation is linked to land-use change, monitoring deforestation requires a precise link between the commodity or product placed on or exported from the EU market and the plot of land where it was grown or raised. Requiring the plot of land or farm where the commodity has been produced allows for the use of satellite images and positioning – widely available and free-to-use digital tools – to check whether a product or commodity is compliant or not. Geographic information on the plot of land and satellite monitoring is a field-tested combination that has proven in the past to be able to curb deforestation in a given area and is expected to boost the effectiveness of the policy intervention, while also making fraud in supply chains more complicated and easily detected. The Union has developed its own satellite Positioning, Navigation and Timing (PNT) technology (EGNOS/Galileo) and its own Earth observation and monitoring system (Copernicus). Both EGNOS/Galileo and Copernicus offer advanced services, which provide important economic benefits to public and private users. Therefore, satellite images and positioning stemming from the use of EGNOS/Galileo and Copernicus can be part of the information used for compliance checks. Geographic information linking products to the plot of land is already used by industry and certification organizations, as well as on relevant EU legislation. Directive (EU) 2018/2001 requires</p>	<p>MEMORANDUM</p> <p>Article 9: Information requirement</p> <p>A major innovation compared to the EUTR, is the geographic information obligation contained in Article 9, which requires operators to collect the geographic coordinates (or geolocation via latitude and longitude) of all the plot(s) of land where the relevant commodities and products were produced. As deforestation is linked to land-use change, monitoring deforestation requires a precise link between the commodity or product placed on or exported from the EU market and the plot of land where it was grown or raised. Requiring the plot of land or farm where the commodity has been produced allows for the use of satellite images and positioning – widely available and free-to-use digital tools – to check whether a product or commodity is compliant or not. Geographic information on the plot of land and satellite monitoring is a field-tested combination that has proven in the past to be able to curb deforestation in a given area and is expected to boost the effectiveness of the policy intervention, while also making fraud in supply chains more complicated and easily detected. The Union has developed its own satellite Positioning, Navigation and Timing (PNT) technology (EGNOS/Galileo) and its own Earth observation and monitoring system (Copernicus). Both EGNOS/Galileo and Copernicus offer advanced services, which provide important economic benefits to public and private users. Therefore, satellite images and positioning stemming from the use of EGNOS/Galileo and Copernicus can be part of the information used for compliance checks. <b>This data can be complemented as necessary with higher spatial, temporal and spectral resolution and a variety of services leveraged with the newest innovations in Earth</b></p>

<p>information on the “sourcing area” for problematic countries. A series of EU rules ensures the traceability of beef “from birth to death,” including via means such as ear tags, bovine passports and a computerised database.</p>	<p><b>imaging, data analytics and indexing.</b> Geographic information linking products to the plot of land is already used by industry and certification organizations, as well as on relevant EU legislation. Directive (EU) 2018/2001 requires information on the “sourcing area” for problematic countries. A series of EU rules ensures the traceability of beef “from birth to death,” including via means such as ear tags, bovine passports and a computerised database.</p>
<p>33) On the basis of a systemic approach, operators should take the appropriate steps in order to ascertain that the relevant commodities and products that they intend to place on the Union market comply with the deforestation-free and legality requirements of this Regulation. To that end, operators should establish and implement due diligence procedures. The due diligence procedure required by this Regulation should include three elements: information requirements, risk assessment and risk mitigation measures. The due diligence procedures should be designed to provide access to information about the sources and suppliers of the commodities and products being placed on the Union market, including information demonstrating that the absence of deforestation and forest degradation and legality requirements are fulfilled, inter alia by identifying the country and area of production, including geo-location coordinates of relevant plots of land. These geo-location coordinates that rely on timing, positioning and/or Earth observation could make use of <b>space data and services delivered under the Union’s Space programme (EGNOS/Galileo and Copernicus)</b>. On the basis of this information, operators should carry out a risk assessment. Where a risk is identified, operators should mitigate such risk to achieve no or negligible risk. Only after completing the required steps of the due diligence procedure and concluding that no or negligible risk exists that the relevant commodity or product is not compliant with this Regulation, should the operator be allowed to</p>	<p>33) On the basis of a systemic approach, operators should take the appropriate steps in order to ascertain that the relevant commodities and products that they intend to place on the Union market comply with the deforestation-free and legality requirements of this Regulation. To that end, operators should establish and implement due diligence procedures. The due diligence procedure required by this Regulation should include three elements: information requirements, risk assessment and risk mitigation measures. The due diligence procedures should be designed to provide access to information about the sources and suppliers of the commodities and products being placed on the Union market, including information demonstrating that the absence of deforestation and forest degradation and legality requirements are fulfilled, inter alia by identifying the country and area of production, including geo-location coordinates of relevant plots of land. These geo-location coordinates that rely on timing, positioning and/or Earth observation could make use of <b>space data and services delivered under the Union’s Space programme (EGNOS/Galileo and Copernicus) or from other publicly or privately available sources.</b></p> <p>On the basis of this information, operators should carry out a risk assessment. Where a risk is identified, operators should mitigate such risk to achieve no or negligible risk. Only after completing the required steps of the due diligence procedure and concluding that no or negligible risk exists that the relevant commodity</p>

<p>place the relevant commodity or product on the Union market or to export it.</p>	<p>or product is not compliant with this Regulation, should the operator be allowed to place the relevant commodity or product on the Union market or to export it.</p>
<p>Article 15 - checks on operators</p> <p>The checks on operators shall include: (a) examination of the due diligence system, including risk assessment and risk mitigation procedures; (b) examination of documentation and records that demonstrate the proper functioning of the due diligence system; (c) examination of documentation and records that demonstrate the compliance of a specific product or commodity that the operator has placed, intends to place on or export from the Union market with the requirements of this Regulation; (d) examination of due diligence statements;</p> <p>and, where appropriate,</p> <p>(e) on the ground examination of relevant commodities and products with a view to ascertaining their conformity to the documentation used for exercising due diligence; (f) any technical and scientific means adequate to determine the exact place where the relevant commodity or product was produced, including isotope testing; (g) any technical and scientific means adequate to determine whether the relevant commodity or product are deforestation-free, including Earth observation data such as from Copernicus programme and tools, and (h) spot checks, including field audits, including where appropriate in third countries through cooperation with the administrative authorities of third countries.</p>	<p>Article 15 - checks on operators</p> <p>The checks on operators shall include: (a) examination of the due diligence system, including risk assessment and risk mitigation procedures; (b) examination of documentation and records that demonstrate the proper functioning of the due diligence system; (c) examination of documentation and records that demonstrate the compliance of a specific product or commodity that the operator has placed, intends to place on or export from the Union market with the requirements of this Regulation; (d) examination of due diligence statements;</p> <p>and, where appropriate,</p> <p>(e) on the ground examination of relevant commodities and products with a view to ascertaining their conformity to the documentation used for exercising due diligence; (f) any technical and scientific means adequate to determine the exact place where the relevant commodity or product was produced, including isotope testing; (g) any technical and scientific means adequate to determine whether the relevant commodity or product are deforestation-free, including Earth observation data such as from Copernicus programme and tools <b>or from other publicly or privately available sources</b>, and (h) spot checks, including field audits, including where appropriate in third countries through cooperation with the administrative authorities of third countries.</p>