

Joint letter of civil society organisations working in non-EU countries,

December 2023

How a joint effort can make the European Regulation on Deforestation-Free Products (EUDR) work for all actors along the value chain

To the Directorate-General for Environment and the Directorate-General for International Partnerships of the European Commission:

As a group of Civil Society Organisations (Think Tanks, Non-Governmental Organisations, and Academia), dedicated to facilitating the transition to deforestation-free agricultural practices both in EU and non-EU countries, we would like **to express our appreciation for the EUDR as an initiative that helps tackling the global biodiversity and climate crisis, reducing deforestation, creating a sustainable and ethical market, and promoting environmental conservation and social justice**. It has the potential to effectively contribute to reducing global **deforestation** while empowering shareholders along the value chain.

However, as organisations in continuous exchange with stakeholders both at the EU level and in producer countries, we want to stress that the EUDR will only succeed if it is implemented in cooperation and dialogue with producer countries and stakeholders along the value chain. The vast majority of global deforestation can be traced back to agricultural and livestock expansion in Africa, Asia and Latin America. These countries and their representatives of agricultural and livestock farming (such as small farmers, traditional and Indigenous communities, and the private sector) need to be extensively involved in the implementation.

Therefore, with this letter, we aim to **provide three major recommendations to support the joint implementation** of this important regulation.

1. Enhance cooperation between the EU and non-EU partner countries

Several non-EU countries have measures and policies in place to avoid, reduce, and fight deforestation and multiple have expressed their concerns toward the EUDR. To implement the regulation, it is therefore key to jointly find the most effective ways for the EUDR to contribute to existing efforts in non-EU countries. In this context, we highly welcome increased technical dialogues, the extension of the EU Multi-Stakeholder Platform and new development cooperation initiatives in line with Art. 30 of the EUDR to foster inclusion of small farmers, traditional and Indigenous communities. Still, there is a need to further enhance high-level political dialogue on complementarities between the regulatory frameworks.

2. Enable transition finance for deforestation-free supply chains

Many small farmers, traditional and Indigenous communities, particularly in developing countries and emerging economies, do not yet have the resources to generate the data necessary for verifiable and traceable deforestation-free supply chains. Without substantial investments in operations, we risk excluding these stakeholders. This will weaken social structures and thus local capacities to preserve forests. Capital will be needed to finance good local practises and their dissemination as well as new technologies to achieve deforestation-free supply chains. For this transition to happen, Financial Institutions, the EU and non-EU governments need to join forces. We therefore recommend to:

- Include Financial Institutions in the future scope of the EUDR and the upcoming Due Diligence Directive (CSDDD) with clear and ambitious due diligence obligations;

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- Require mandatory disclosure of deforestation impacts within the Sector Standards on Agriculture & Farming and Food & Beverages of the Corporate Sustainability Reporting Directive (CSRD);
- Collaborate with and support non-EU countries in the development of their sustainable finance frameworks, including taxonomies, disclosure, and due diligence regulations.
- Engage in dialogue, mutual learning and regulatory cooperation on Due Diligence obligations for Financial Institutions with non-EU countries;
- Allocate considerable public resources for financing the transition for small farmers, Indigenous and traditional communities and SMEs;
- Support the development of new business opportunities to empower local stakeholders in producing countries and forest regions.

3. Support the development of national traceability policies in non-EU countries

The implementation of traceability schemes is necessary to guarantee deforestation-free supply chains. To avoid market deviation to other consumer regions and countries as well as to address important domestic food markets in non-EU countries, effective traceability schemes on national level are needed. To be able to supply the domestic market and non-EU markets with deforestation-free products as well, traceability systems throughout the country are recommendable.

Closing Statement

As we grapple with the repercussions of environmental degradation and social inequality, the EUDR serves as a beacon of hope, guiding us toward a more sustainable and equitable future. By coming together as responsible consumers, businesses, governments, and organised civil society, we possess the power to effect meaningful change. Therefore, we ask the European Commission, in particular decision-makers in DG ENV and DG INTPA, to acknowledge our recommendations and to put measures in place to address them. We reiterate our support in ensuring the implementation of the EUDR and are available for exchange of views and ideas. The preservation of forests, the protection of biodiversity, and the promotion of social justice depend on the attention that we give to these issues.

Endorsed by:

