

Navigating the EU Deforestation Regulation

Perspectives from small-scale commodity producers
in Indonesia and Thailand



RECOFTC

**Chandra Silori, Deputy Executive
Director
ITTO 59th Council Session, Pattaya,
Thailand**



Scope & Context of EUDR

- Covers 7 commodities - cattle, cocoa, coffee, palm oil, rubber, soya and wood, & derivative products
- These products generate approx. US\$ 2 billion for each country, and provide livelihoods to millions of smallholders
- Mandates companies/entities to ensure products are sourced legally and not from forest clearance after 31 Dec 2020
- Regulation is promising but poses potential risks to smallholders



How EUDR may affect smallholders?

- Smallholders will likely be asked to provide more information than before (geolocation, land tenure, etc.) and there will be more scrutiny on whether they comply with national legislation
- Awareness about regulation's requirement and potential impacts on smallholders is crucial
- Assessment of awareness among coffee and timber smallholders, cooperatives, social enterprises in Indonesia and Thailand



Operational challenges of EUDR

- Level of awareness
- Proper documentation – commodity sourcing and transactions, engagement of intermediaries
- Reasonable operational cost – high operational cost affects the ability of smallholders to meet requirements of EU buyers and traceability
- Tenure security – poor mapping of plots, and lack of legal tenure risks exclusion from EU supply chain
- Aligning EUDR's deforestation definition with national legal definitions
- Value chain governance – trust, transparency, and inclusion



Enabling factors

- Strengthen farmers' organizations and cooperatives to negotiate their position and enhance internal governance
- Strengthen partnership and engagement in certification schemes and meet market requirements
- Alignment of FSC certification with EUDR – but no green lane
- Engaging in/contributing to legal reforms
- Enhancing farmers' capacity to map geolocation of plots with support from processing companies



Conclusion

- Multifaceted challenges and opportunities
- Enhanced communication, robust support system and collaborative interventions
- Access to information, dialogues and partnership among actors within commodity value chain
- Role of NGOs in implementing EUDR is crucial and should be supported by the EU and the producer countries
- Protecting the rights of IPs and LCs
- Enhancing farmers' capacity to geolocation mapping with support from processing company
- Clear mechanisms for monitoring the regulation's implementation



"Guiding, not leading, we journey with our smallholders towards a deforestation-free future. Their potential is immense, and with the right support, they can proudly transform the supply chain. After all, we are all part of this ecosystem, striving together for sustainability."

Maipare Loyen, co-founder of Agriac



Thank you



recoftc.org

f t i in @RECOFTC



<https://www.recoftc.org/stories/navigating-eu-deforestation-regulation-perspectives-small-scale-commodity-producers>

<https://www.recoftc.org/stories/what-eu-regulation-deforestation-free-products-means-communities-and-smallholders-asia>