



STRATEGIC PAPER

European Union Deforestation Regulation (EUDR)

Challenges, Impacts and Practical Solutions



Credits & Acknowledgements

EUDR (European Union Deforestation Regulation):

Challenges, Impacts and Practical Solutions has been shaped by the thoughtful input of many people. We would like to acknowledge all the SAN members that participated in the EUDR working group sessions, and in the EUDR Strategic Paper presentation at the SAN General Assembly in Oxford, June 2024.

We are especially grateful for the contributions of Reza Azmi of Wild Asia, Carlos Cortés of SAN, Hardeep Desai of Cotton Connect, Julián Gómez of SAN, Silvia Irawan of Yayasan Lembaga Penelitian Kaleka, Dr. Aqueel Khan of ASK, Suzanne Neave of CABI, Eduardo Trevisan of Imaflores, Ariel Zorrilla of Preferred by Nature and Nurbaya Zuhlakim of Yayasan Setara Jambi. The examples they shared with us of practical solutions to EUDR challenges implemented by their organizations are the core of this paper.

We also appreciate the participation of EUDR working group members Oliver Bach of SAN, José Joaquín Campos of SAN, Son Ho of ADC, Vitoon Panyakul of Earth Net Foundation, Andrés Rueda of Fundación Natura, and Rolando Zamora of SAN.

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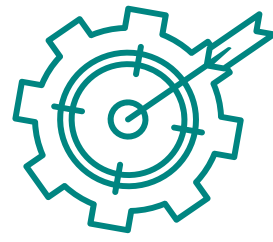
Authors: Rocío Lalanda and Jordi Domingo of Fundación Global Nature.



SAN is a global impact network, uniting 34 nonprofit and for-profit organizations across six continents and focused on helping farmers, farm laborers, and rural communities prosper. It is passionately committed to transforming agriculture towards a sustainable and equitable future, striving to ensure profitable production while restoring ecosystem balance, benefiting communities and nature alike.

The aim of this strategic paper is to help operators across supply chains—from smallholders to large players in the industry—overcome the challenges arising from the implementation of the EUDR, a regulation that came into force in 2023 and is already starting to be a big game changer.

Key facts of the European Union Deforestation Regulation (EUDR)



OBJECTIVE: The EUDR was designed to minimize the EU's contribution to deforestation and forest degradation, and therefore includes measures to significantly reduce the presence of deforestation-linked agri-food products on the EU market, as well as mechanisms to promote responsible production.

PRODUCTS AFFECTED
(Annex 1 of the regulation):

7 commodities: cocoa, timber, rubber, oil palm, coffee, cattle, and soy.



Derived products: chocolate, furniture, tires...

WHO IS ELIGIBLE

Businesses importing, exporting, transforming or trading any of these products in the EU will have to implement a due diligence system whereby they will:

- **provide full traceability of the products,**
- **demonstrate the products have not come from land deforested after 2020,**
- **and guarantee that the goods have been legally produced according to the law in the country of origin.**

The EU Deforestation Regulation (EUDR), in effect since 29

June 2023, requires operators to ensure that products are deforestation-free, legally produced, and backed by due diligence. Originally set for implementation by the end of 2024 for large and medium companies, and mid-2025 for small and micro businesses, the deadlines have been extended by 12 months. Large and medium operators must now comply by 30 December 2025, and small and micro enterprises by 30 June 2026. Non-compliance may lead to substantial fines and product confiscation.

Implementing the EUDR has many challenges yet to be addressed. This is normally the case with any new policy, especially when such relevant changes are pursued. There are multiple aspects of the regulation, at structural and operational levels, that arouse questions among operators, NGOs and Member States—even negative impacts are predicted despite the regulation having already been passed. For these reasons, besides thinking about future changes to the rule, SAN wants to anticipate problems and offer specific, on-the-ground solutions to mitigate the impact, as well as to safeguard the spirit of the regulation, and make sustainable business around these products possible.

EUDR challenges, impacts and solutions at a glance

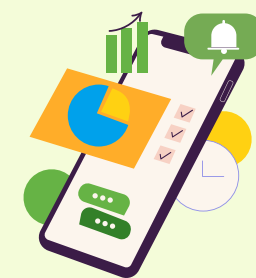
The EUDR represents an unprecedented milestone in the prevention of deforestation and its related social impacts, as well as in the promotion of responsible consumption. The approved regulatory text will require adjustments in the coming years to prevent unintended effects. However, we are in a position to mitigate foreseeable impacts until these changes take place.

The EUDR will affect actors within supply chains with very different capacities, but smallholders will be the most affected. Vast areas of high natural value in our planet will be affected as well. Excluding smallholders from access to the EUDR market would be a social failure and a missed opportunity to halt deforestation.

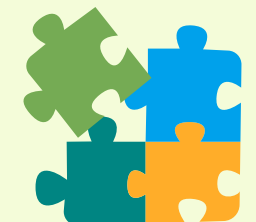
The expected limitations are:



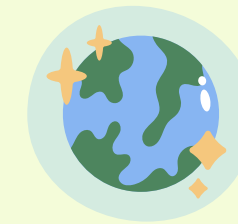
1. **Informational:** Difficulties in the access to **INFORMATION AND BASIC TRAINING** hinders compliance with the EUDR due diligence requirements.



2. **Technological:** While access to essential technology remains an obstacle in some contexts, the development of **GUIDELINES AND OPEN-ACCESS DIGITAL TOOLS** can help compile existing information and make it accessible to operators.



3. **Organizational:** Beyond training and tools, **COORDINATION AMONG SUPPLY CHAIN ACTORS** to implement the new regulation requirements is paramount but most frequently not yet achieved.



4. **Environmental:** Regulatory pressure is expected to **SHIFT ENVIRONMENTAL IMPACTS TO OTHER HIGH-VALUE NATURAL BIOMES**. Similarly, many **RAW MATERIALS** that significantly contribute to deforestation are **NOT WITHIN THE SCOPE OF THIS REGULATION**.



5. **Social:** Ambitions must be raised, and standards aligned **USING INTERNATIONAL BENCHMARKS AS A REFERENCE**.

There are already successful and inspiring solutions in progress, many of them implemented by SAN members, who work closely with local communities and, therefore, can understand current limitations and implement innovative solutions.

Collaborative intelligence, which emerges from cooperation between local communities, the organizations that support them on the ground, and other supply chain actors, is the key to ensuring that the EUDR becomes an effective policy to combat both global deforestation and the social injustices associated with it.

1.

EUDR AWARENESS RAISING AND BASIC TRAINING

CHALLENGE

Operators across supply chains affected by the EUDR, including **millions of smallholders, lack the knowledge and basic training to comply with the new regulation.** Many do not know if and how the new requirements affect their business and are not even aware of the regulation enforcement timeline and potential non-compliance admonitions and penalties.

SOLUTION

SAN members provide **free-access EUDR information and training sessions** to supply chain operators to help them become aware of the breadth of the new regulation and begin to understand how it may affect them. These information sources and trainings serve as a first step for operators in their process of adaptation to the new regulation requirements. **EUDR tailored compliance resources and services** additionally assist operators in understanding the new requirements they need to meet and how far they are from meeting those requirements through free-access self-assessment tools and the incorporation of EUDR verification indicators in certification systems.



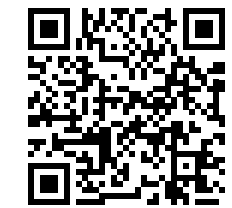
INSPIRING INITIATIVE: EUDR TRAINING, SELF-ASSESSMENT, AND TAILORED COMPLIANCE RESOURCES

Preferred by Nature (PbN) is working with several global brands, companies and organizations of different sizes and roles within the supply chains to assist them in navigating and aligning their practices with the EUDR requirements. It has hosted dozens of training sessions worldwide to raise awareness about the EUDR and its requirements. In the Ecuadorian and Colombian Amazon, for example, these trainings were specifically directed to cocoa producers in Ecuador and to rubber producers in Colombia. Their webinars and seminars, which so far have taken place in China, India, Thailand, Ivory Coast, Colombia, Ecuador and many European countries, also offer the opportunity for participants to raise their questions to experts. The PbN website includes an EUDR quick-reference guide with basic information about the regulation, including who it affects, products covered, and compliance deadlines, as well as a free-access self-assessment tool to help businesses determine if they have obligations under the regulation, understand what those obligations are, and figure out next steps. Their recently launched Due Diligence Toolkit equips organizations of all sizes with resources to assess, manage and mitigate sustainability risks throughout supply chains including those derived from EUDR requirements. In addition, the PbN Sustainability Framework Certification service system now includes a set of EUDR Verification Indicators.

Project lead:

Preferred by Nature (PbN)

Resources:



PbN EUDR quick reference guide <http://www.preferredbynature.org/EUDR-info>

PbN upcoming events and training (select the "EUDR" option under "search by event topic", at the bottom of the list of topics) <http://www.preferredbynature.org/events-training>

EUDR scoping tool https://survey.alchemer.com/s3/7864734/EUDR-Scoping-Tool-V2?snc=1724925570_66d0468202a454.83250971&sg_navigate=start&sglocale=en

PbN Due Diligence Toolkit <https://www.preferredbynature.org/news/launched-preferred-nature-due-diligence-toolkit-support-responsible-sourcing>

PbN EUDR webpage <https://www.preferredbynature.org/EUDR>



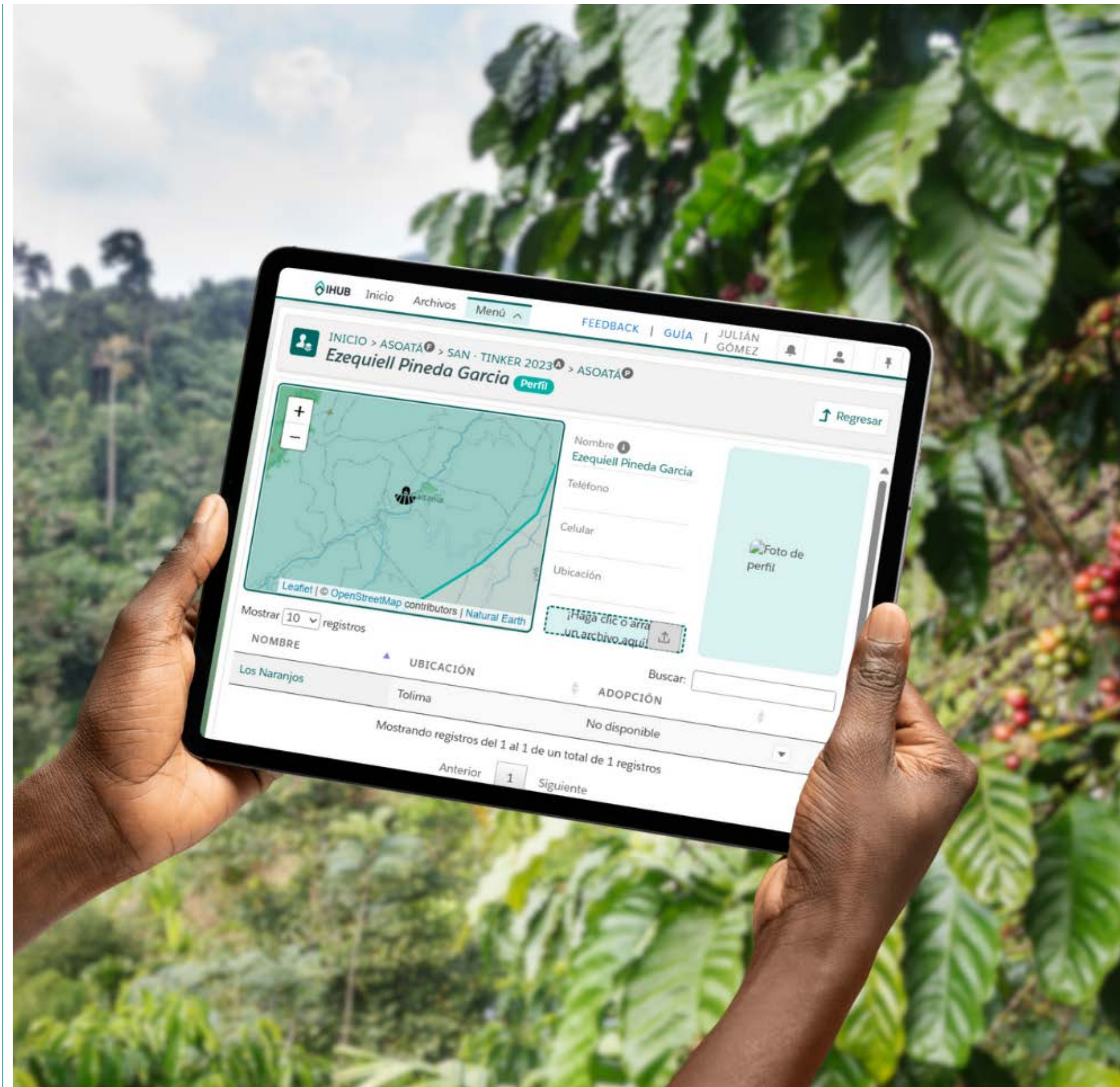
PROVIDE EUDR COMPLIANCE TOOLS AND GUIDANCE

CHALLENGE

Oftentimes, **operators lack technologically advanced data management schemes** necessary to help integrate the new due diligence requirements into their business. Due diligence compliance involves having reliable product traceability systems in place, including product origin geolocation tools that allow data collection in areas without wireless Internet access. Although common in certain parts of the world, they are far from being implemented in other areas, where smallholders will be the most negatively affected.

SOLUTION

EUDR compliance **resources help operators overcome the new management challenges and technological constraints.** Effective geolocation and data management software can help safeguard essential information required by the regulation and generate transparency by making it available to the various actors across the supply chain.



INSPIRING INITIATIVE: THE iHUB

The SAN intelligence Hub (iHub) is a powerful information management system that helps producers and other actors in regenerative agriculture food supply chains simplify decision making processes. Its web-app includes customizable baseline forms and compliance checklists, performance dashboards, and farm geographical location and maps, as well as tracking, analysis and reporting features that facilitate the overview and real-time monitoring of farms and supply chains. Most notably, the iHub serves as an effective platform for certification and EUDR compliance by enabling the efficient management of all due diligence activities. It leverages blockchain technology to ensure end-to-end product traceability and facilitates geolocation data collection without the need for Wi-Fi or Internet connectivity.

Project lead:
Sustainable Agriculture Network (SAN)

Links:

Video of the iHub evaluation tool, one of the six main features of the system
<https://www.youtube.com/watch?v=-B-3urC12ml>



Project webpage
<https://www.sustainableagriculture.eco/intelligence-hub>



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SUPPORT OPERATOR CAPACITY BUILDING AND COORDINATION

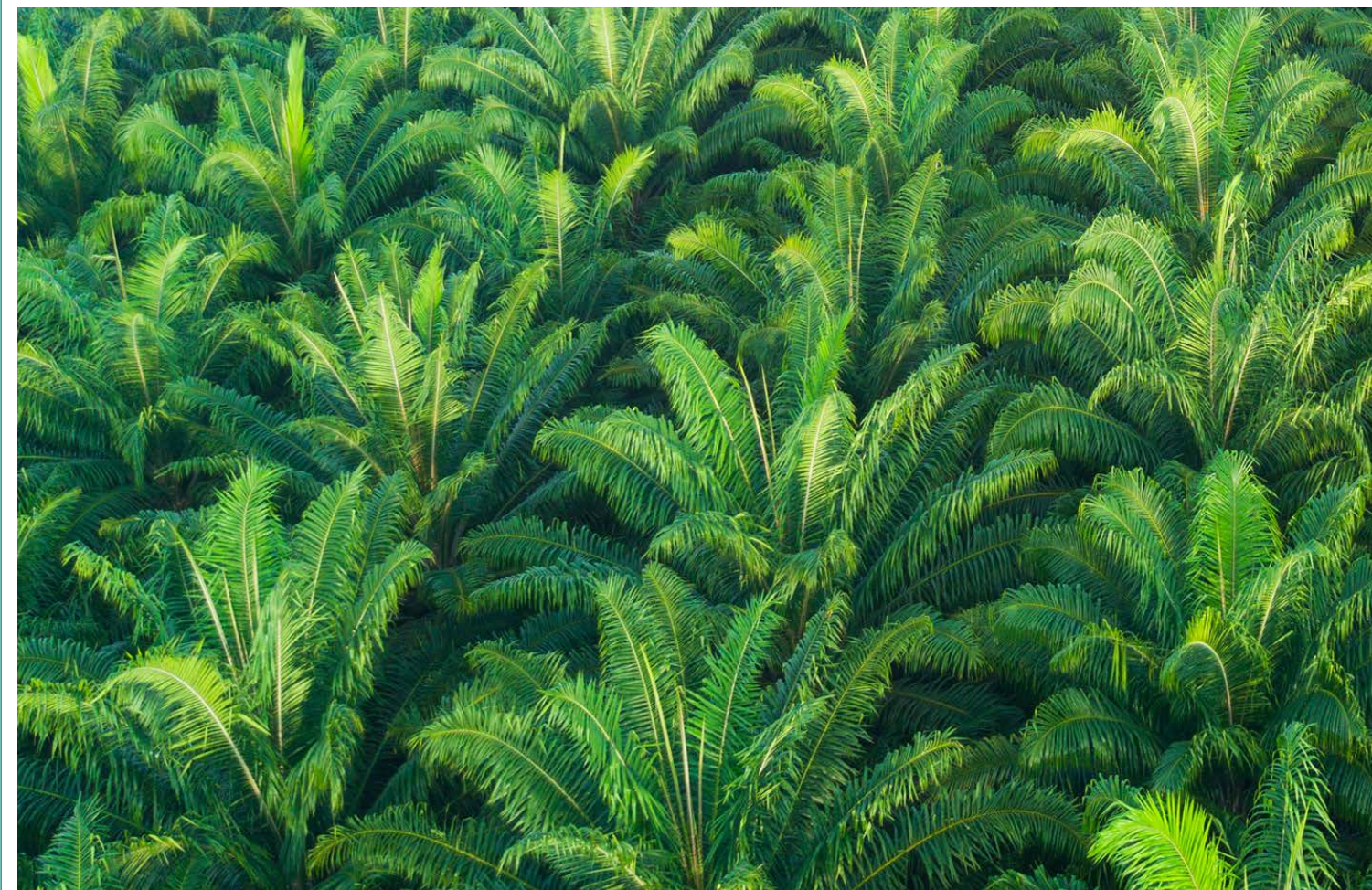
CHALLENGE

Beyond technological limitations, the Due Diligence process requires a substantial amount of information, which is often difficult to obtain for a variety of reasons. For instance, property rights are not recognized uniformly across countries—they may be verbal, based on unwritten historical claims, or communal in nature, and therefore poorly documented. Additionally, basic agronomic and land management data is also required. Accurately documenting or compiling fragmented and scattered data from multiple operators enables small producers to meet regulatory requirements. However, **transferring this complex set of information across all actors in the supply chain remains one of the greatest challenges.**

In many cases, the solution lies in the presence of local organizations with the capacity to understand the production context and to collect, document, and organize all necessary information. Achieving this requires deep knowledge of the local socioeconomic realities.

SOLUTION

Some organizations, including several SAN members, support local communities, businesses and public authorities to achieve EUDR compliance. Beyond providing training and tools, these organizations **focus on knowing where to find the information required, identifying potential barriers to the flow of information along the supply chains, coordinating stakeholders to adapt to the new regulation, and laying the foundations for solid, on the ground verification systems.**



INSPIRING INITIATIVE: WAGS

The Wild Asia Group Scheme for Small Producers (WAGS) program provides independent small farmers low-cost or free technical assistance, training, and capacity building to help them address traceability challenges in the palm oil supply chain, improve their productivity, and support them towards reaching international standards such as RSPO and EUDR. For example, through the WAGS app, Wild Asia collects GPS coordinates of oil palm plantations and uses satellite images to help producers prove non-deforestation compliance. Their aim is to make the data available to the entire Malaysian supply chain. WAGS Traceability Reporting initiative, in addition, allows palm oil mills and dealers down the supply chain to register and manage their supplier information in a systemic way. In a pilot project in Sabah, WAGS will work with the mill to ensure the reporting data package will meet EUDR and other customer requirements.

Project lead: Wild Asia

Links:

Video by France24 about the struggle of Malaysia's palm oil industry to comply with EUDR https://www.youtube.com/watch?si=ZHJpd0JuCWRW-piRI&v=wp6z_7y9QjQ&feature=youtu.be



WAGS app https://play.google.com/store/apps/details?id=vn.teko.carbon_mrv.wild_asia&hl=es_419



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SUPPORT OPERATOR CAPACITY BUILDING AND COORDINATION



INSPIRING INITIATIVE: DEFORESTATION-FREE COFFEE

Through a pilot initiative led by UNDP, Costa Rican Coffee Institute (ICAFFE) and CoopeTarrazú, the largest coffee cooperative in Costa Rica, 69 producers and 117 farms successfully completed the due diligence process for deforestation-free coffee in March 2024. This initiative involves creating a comprehensive plan for traceability, implementing national no-deforestation policies, developing trade agreements, ensuring fair prices for farmers, and promoting sustainable practices.

To date, during the 2024/2025 harvest, 202,763 sacks of 46 kilograms each have been exported under the deforestation-free coffee category, and 38,164.00 hectares have been designated as deforestation-free according to EU Regulation 1115/2023.

Project lead: United Nations Development Program (UNDP)

Resources:

Project news article <https://climatepromise.undp.org/news-and-stories/costa-rica-exports-first-batch-deforestation-free-coffee>

Deforestation-free Coffee from Costa Rica: Implementation Guide: https://pnud-conocimiento.cr/repositorio/deforestation_free_coffee/



INSPIRING INITIATIVE: PARTICIPATORY DATA COLLECTION & MAPPING TRAINING

Yayasan Setara Jambi helps rubber and oil palm smallholder farmers obtain the land titles that prove their ownership, as well as relevant crop information such as location coordinates, number of trees, and the year of planting, through participatory data collection and mapping training sessions. Besides conducting these and other sustainable agriculture management trainings, the association works with policymakers and assists oil palm farmers achieve government-approved cultivation certificates (STDB) connected to a commodity-tracking dashboard to help with EUDR compliance.

Project lead: Yayasan Setara Jambi



INSPIRING INITIATIVE: THE JURISDICTIONAL APPROACH, MAPPING APP

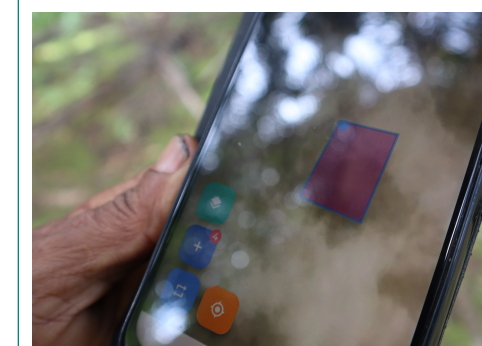
Kaleka is working to tackle EUDR challenges by applying the jurisdictional approach (JA) to commodity certification in the Seruyan District of the Central Kalimantan Province, Indonesia. The JA approach involves working at a district or municipality scale to ensure that the commodities produced in the entire jurisdiction are 100% sustainable—including deforestation-free. The first commodity they are certifying in the pilot jurisdiction of Seruyan is oil palm, making its production completely traceable to farmers. Kaleka has so far mapped over 10,000 farmers and supported over 5,500 oil palm farmers through the RSPO certification process. For EUDR compliance purposes, they have also developed an in-house mobile app that farmers can use to map their plots easily.

Project lead: Kaleka

Resources:



Responsible Sourcing Palm Oil (RSPO) Jurisdictional Approach (JA) certification system <https://rspo.org/resources/?category=piloting-framework>



4

PREVENT ADVERSE IMPACTS ON OTHER BIOMES AND FROM OTHER RAW MATERIALS

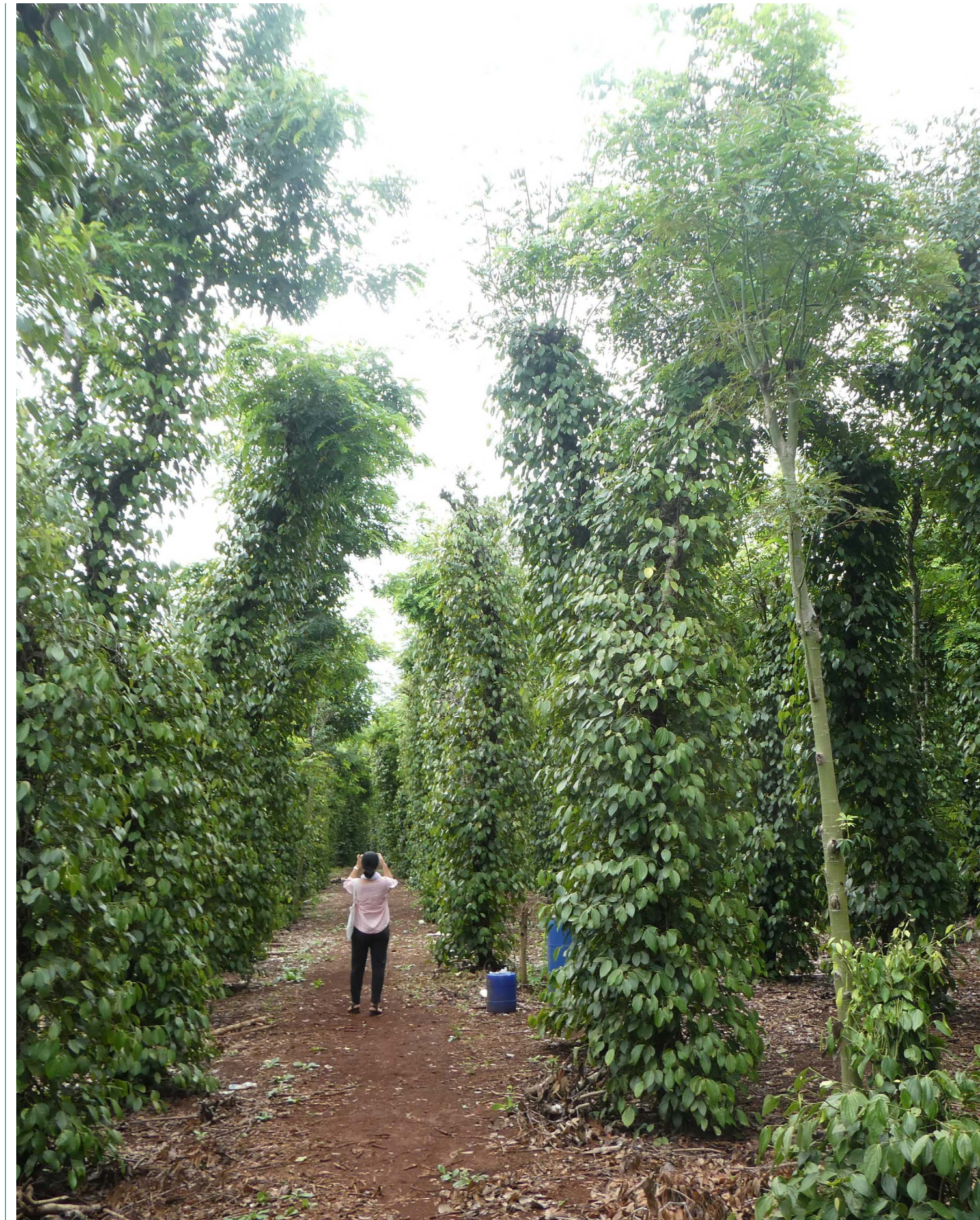
CHALLENGE

As the regulation and its requirements evolve, and supply chains face increasing pressure to meet compliance, **production impacts will likely shift to biomes that are as valuable as forests.** From small areas near woodlands to vast territories, the impact can take place at multiple scales, affecting biodiversity rich ecosystems that are not considered in the EUDR due to less tree coverage, including prairies, peats and wetlands. For example, soybean expansion has shifted to El Cerrado and Chaco regions in South America which fall out of the regulation scope but have a high nature value.

A similar source of concern is that **many raw materials that significantly contribute to deforestation, such as corn and meats from animals other than beef cattle, are not within the scope of this regulation.** This is the case of peppercorn. In Cambodia, the common practice in the production of this fruit involves the use of wooden poles for support, and according to WWF-Cambodia, "1 hectare of black pepper vines needs 1.700 wooden stakes," which requires "cutting down the equivalent of 7 hectares of forest".

SOLUTION

SAN members like CABI develop **projects that include deforestation-prevention measures for products that are outside of the scope of the regulation.** Similarly, other SAN members like Imaflora **work with producers that comply with EUDR requirements in biomes that are outside of the scope** of the EUDR, where forest degradation pressure may increase due to the regulation. Implementing these types of projects can offer a competitive advantage to supply chain operators.



INSPIRING INITIATIVE: SAFER SPICES

Safer Spices is a project funded by the Standards and Trade Development Facility (STDF) that focuses on sustainable peppercorn production in Southeast Asia. Drawing on advancements made in Vietnam, where the promotion of living poles has been successful in mitigating deforestation, the project aimed to improve international market compliance through the adoption of best practices. The Code of Practice developed for the project included restricting the use of wooden poles for support and promoting the use of live poles instead.

Project lead: Centre for Agricultural Bioscience International (CABI)

Links:



News article about the "Safer Spices" project <https://www.cabi.org/news-article/new-safer-spices-base-to-help-secure-market-access-through-improved-food-safety-within-the-peppercorn-value-chain/>

4

PREVENT ADVERSE IMPACTS ON OTHER BIOMES AND FROM OTHER RAW MATERIALS



INSPIRING INITIATIVE: SOY-ON-TRACK

The Soy-On-Track Platform works as a data hub to connect producers, the public, investors and companies involved in the soybean trade and offers tracking throughout the production chain. The project supports responsible socioenvironmental policies like the Soybean Moratorium from sectors and corporations and improves the monitoring and auditing processes of companies with socioenvironmental commitments—including those with supply chains affecting biomes outside of the scope of the EUDR.

Project lead: Institute for Forest and Agriculture Management and Certification (Imaflora)

Links:

Video about the origins of the Soy On Track Platform and its goal to become a supply chain Transparency Portal https://www.youtube.com/watch?v=_RR1OaXp-cQ

Soy On Track Platform <https://www.soyontrack.org/>

Imaflora website <https://www.imaflora.org/>



INSPIRING INITIATIVE: BEEF-ON-TRACK

The Beef-on-Track project recognises the complexity of Brazilian cattle ranching and seeks to accelerate the implementation of the commitments made in the Amazon and encourage a chain free of socio-environmental irregularities. With its initiatives, Beef-on-Track seeks to put cattle producers, slaughterhouses, supermarkets, investors, public actors and civil society organizations on the same page. The hub's objective is to promote good practices through monitoring, auditing and reporting processes and tools, increasing transparency in search of a beef chain free of deforestation across all biomes, slave labour or invasion of public lands.

Project lead: Institute for Forest and Agriculture Management and Certification (Imaflora)

Links:

Beef On Track website <https://www.beefontrack.org>



Video "Regulation of the Beef Supply Chain: demand-side, Brazilian and international measures" <https://www.youtube.com/watch?v=nBPd5om7fUQ&t=29s>

5.

LEVEL THE GROUND FOR LIVELIHOODS ACROSS DIFFERENT PRODUCTION AREAS

CHALLENGE

The EUDR requires compliance only with national human rights standards, which are often less stringent than international norms. While this may lead to some positive outcomes, it is arguably insufficient, as human and labor rights standards vary significantly among countries.

Critical issues like child labor, forced labor, and unsafe working conditions remain prevalent in certain production areas, where local regulations are either lax or ineffective in addressing these problems. Harmonizing ethical standards would promote fair competition, foster stable and equitable supply chains, improve livelihood conditions, and help prevent a shift in production to countries with weaker enforcement of labor protections.

SOLUTION

SAN members work to establish international human rights standards across both EUDR-affected and not-EUDR-affected supply chains. They support local communities by providing training, developing plans to address gaps, and engaging with public authorities and companies to promote fair working and living conditions.



INSPIRING INITIATIVE: STRENGTHENING HUMAN RIGHTS

Association for Stimulating Know-how (ASK) works to protect and promote human rights across business supply chains within and beyond national standards, in South Asia, the Middle East, Europe and Africa. They mitigate and minimize the risk of human rights violations such as child and adolescent labor, forced labor, worker harassment, abuse and discrimination, and failure to ensure healthy and safe work environments, by conducting labor-rights-violation risk assessments, comprehensive supply chain traceability, participatory remediation processes, and trainings, among other activities. In ASK's words, "A pro-active, self-driven, solution-oriented approach, integrated throughout the remediation process, for effective internalization and future decision making helps in mitigating adverse human rights impacts and improve adherence to the globally accepted human rights standards."

Project lead: ASK

Resources:

ASK fair labor webpage
<https://askindia.org/atl/fair-labour-page/>



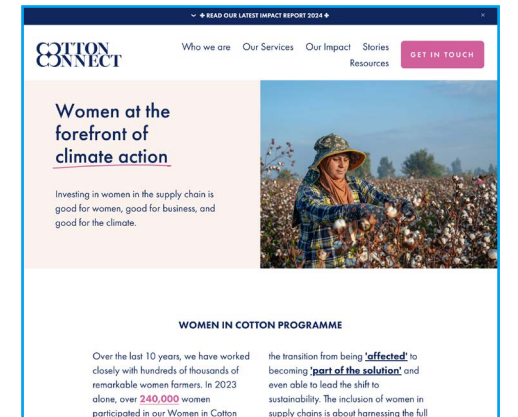
5.

LEVEL THE GROUND FOR LIVELIHOODS ACROSS DIFFERENT PRODUCTION AREAS



INSPIRING INITIATIVE: EMPOWERING WOMEN

CottonConnect's main goal is to make cotton supply chains more traceable, transparent and sustainable, while improving lives in the communities they serve. Complying with international standards regarding child labor, gender discrimination, decent living wages, health and safety, climate change, water and sanitation and forced labor, and encouraging their suppliers and partners to make the same commitment is at the heart of what they do. One of their strongest initiatives, the Women in Cotton Program, empowers hundreds of thousands of women farmers each year through comprehensive training and education. Their Gender Advisory Panel, comprising eminent gender experts from research and academia, guides their gender pilot programs, such as the Farmer Business Schools, Women Climate Change Ambassadors and Women Entrepreneurship Development.



Project lead:
CottonConnect

<https://www.cottonconnect.org/womenincotton>

Sources:

Farmer Business Schools: <https://www.cottonconnect.org/social-impact>

Women Climate Change Ambassadors: <https://www.cottonconnect.org/stories/n8aa76cfesdx6gw-jbz9m-j82h8-4snnc-j6xj5-y73lg-k3amy>

Women Entrepreneurship Development: <https://www.cottonconnect.org/stories/n8aa76cfesdx6gw-jbz9m-j82h8-4snnc-j6xj5-y73lg-k3amy-5jj7d>

EUDR key resources

TRACES Acceptance Cloud (a replica training platform to help become familiar with the Registry of DDS Information System that does not hold legal value): <https://acceptance.eudr.webcloud.ec.europa.eu/tracesnt/login>

EUDR Information System (general information about the Registry of DDS Information System)

https://green-business.ec.europa.eu/deforestation-regulation-implementation/deforestation-due-diligence-registry_en

EUDR Information System User Guide

<https://circabc.europa.eu/ui/group/34861680-e799-4d7c-bbad-da83c45da458/library/aa55d53f-a605-4d8d-8fce-1594abab3a40/details>

EUDR Implementation FAQ

<https://circabc.europa.eu/ui/group/34861680-e799-4d7c-bbad-da83c45da458/library/e126f816-844b-41a9-89ef-cb2a33b6aa56/details?download=true>

EUDR Guidance Document

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52024XC06789&qid=1731687748447>



