Joint Letter

To: The incoming Belgian Presidency of the Amsterdam Declarations Partnership (ADP)

Subject: ADP countries must support a smallholder-inclusive implementation of the EU Deforestation Regulation (EUDR)

The adoption of the EUDR is a major milestone showing the commitment of the European Union to contribute to reducing global deforestation. NGOs have repeatedly indicated the regulation can only be truly effective and achieve its objective, if it is smallholder-inclusive. Now the text is finalized and adopted, effective implementation and enforcement are essential to achieve positive change on the ground and tackle deforestation worldwide.

The annual conference of the Amsterdam Declarations Partnership (ADP), held in London on 10 May 2023, highlighted the urgency to ensure smallholders are included in the fight against deforestation. We commend this interest and focus, however, we still miss the level of action needed to ensure they are effectively supported, in a coordinated way. We believe that the ADP is a key initiative to make it happen. For this reason, we call upon the incoming Belgian Presidency to consider steering urgently the following actions through the partnership:

1. Immediately assess the EUDR impacts on smallholders and their needs for compliance

In June 2022, 50 CSOs and producer networks from Asia, Africa and Latin America sent a <u>letter</u> to the European Commission, asking - even before the new regulation enters into force - to conduct a thorough assessment of the compliance gaps, challenges and needs smallholders and forest communities, especially women, may face in different geographies and sectors when implementing the EUDR. Such an analysis should be the basis for accompanying measures addressing root causes of deforestation and supporting the implementation of the regulation and should include:

- An assessment of the costs and capacities for smallholders to comply with new EU market access requirements.
- The identification of requirements of the EUDR which are likely to be challenging for smallholders to comply with within relevant producer countries and sectors.
- The identification of specific smallholders/communities in relevant countries at risk of not being able to comply with the EU regulation. To that end, specific attention should be given to quantifying the number of smallholders who have legally deforested after the proposed cut-off date (31 December 2020).
- The identification of required support measures to respond to challenges faced by smallholders, and the creation of a clear, time-bound action plan, including the earmarking of specific financial resources to support it.

Regrettably, the Commission so far has not taken the initiative to execute such an analysis. Instead, the regulation foresees as part of an overall assessment an evaluation of impacts on smallholders five years after the entry into force, which is way too late to prevent some smallholders and forest communities from being excluded from the EU market and exposed to poverty. This may also negatively impact forests. In different regions we now see individual, often small-scale and fragmented initiatives, to assess potential impacts of the EUDR, but not in a coordinated manner. We feel it is not too late to fill an evident gap and assess smallholders' needs.

We call on ADP members to work with the Commission to assess as soon as possible, before the start of the implementation, the EUDR impacts on smallholders in key producer countries and identify their related needs. These country-specific assessments should be developed through thorough consultations with stakeholders in key producing countries, in particular Indigenous Peoples and local communities, smallholders associations, and civil society organisations and include relevant indicators for women to ensure their inclusion in the whole process.

2. Urgently and significantly scale up support measures empowering smallholders and forest communities, especially women, enabling them adequate market access based on fairness and equity

The smallholders' impacts and needs assessments (mentioned above) should be used to define effective support measures to be put in place at early stages, prior to the full implementation of the regulation. These measures need to be a joint responsibility of the European Commission and EU Member States. Local stakeholders in producing countries must also be involved in defining relevant assessments and support measures, building on existing initiatives and best practices. Particular attention should be given to creating the right incentives and enabling conditions for smallholders to produce EU-compliant products, such as for gathering the relevant data, which they should retain ownership of.

We urge ADP members to work with the Commission to prepare an action plan to scale up support measures in a coordinated way for smallholders and forest communities to meet the requirements of the EUDR and to address root causes of deforestation, to be presented in early 2024.

3. Start engaging with all relevant producer countries based on a strategic framework

Article 30 of the EUDR on Cooperation with third countries says that the Commission on behalf of the Union <u>and interested Member States</u>, shall engage "in a coordinated approach with producer countries and parts thereof, concerned by this regulation, in particular those identified as high-risk in the context of Article 29, through existing and future partnerships, and other relevant cooperation mechanisms to jointly address the root causes of deforestation and forest degradation. The Commission shall develop a comprehensive Union strategic framework for such engagement and shall consider mobilising relevant Union instruments." This article clearly indicates it is also the responsibility of (interested) Member States to engage with producer countries, to address root causes of deforestation such as weak forest and land governance, insecure tenure rights and poverty.

It is important to engage, without delay, not only with high-risk but with all relevant producing countries, and to make sure that this is done through a participatory process, building on local experiences, best practices, and knowledge.

We ask ADP members to urge the European Commission to finalize the comprehensive strategic framework within half a year (before the end of 2023) and to immediately start coordinated engagement with all relevant countries, through a process of involving smallholders, Indigenous Peoples and local communities, with specific attention to women.

4. Enable producers, in particular smallholders and forest communities, to earn a living income

Recital 50 of the EUDR mentions that "When sourcing products, reasonable efforts should be undertaken to ensure that a fair price is paid to producers, in particular smallholders, so as to enable a living income." This can be done through targeted investments, capacity building on the ground, and pricing mechanisms that enable a living income for producers and covers the costs of sustainable and deforestation-free production.

Unfortunately, this recital was poorly operationalised in the regulation. Article 11 only mentions that risk mitigation procedures and measures that operators need to put in place to reach no or negligible risk *may* also include supporting their suppliers compliance with the regulation, in particular smallholders, through capacity building and investments.

We want to underline that recital 50 is an absolute prerequisite for the success of the EUDR and call on ADP members to fully include living income in dialogues with the private sector and producer countries, as a key issue to tackle deforestation, and to work with the private sector to develop and install relevant economic incentives to enable smallholders and forest communities to earn a living income

Signatories

- 1. Alyansa Tigil Mina (ATM)
- 2. Appui pour la protection de l'environnement et le développement (APED)
- 3. Association CACAO POUR LA PAIX
- 4. Be Slavery Free
- 5. Both ENDS
- 6. Center for Sustainable Rural Development (SRD)
- 7. Centre pour l'Environnement et le Développement (CED)
- 8. Commerce Equitable France
- 9. Conservation International Europe
- 10. COOP-CA COOPANEK
- 11. Coopérative agricole tchagba boule de kako
- 12. Coordinadora Latinoamericana y del Caribe de Pequeños Productores y Trabajadores de Comercio Justo
- 13. ECAKOOG
- 14. Fair Trade Advocacy Office (FTAO)
- 15. Fair Trade Ghana Network
- 16. Fairtrade Africa
- 17. Fairtrade International
- 18. Fairtrade Network of Asia & Pacific Producers
- 19. Fédération Congolaise du Commerce Equitable
- 20. Fern
- 21. Forêts et Développement Rural (FODER)
- 22. Forum Ökologie & Papier
- 23. Germanwatch e.V.
- 24. Global Forest Coalition
- 25. IDEF
- 26. Inades-Formation Côte d'Ivoire
- 27. INKOTA-netzwerk
- 28. Kuapa Kokoo Cooperative Cocoa Farmers and Marketing Union Limited (KKFU)
- 29. Kumasi Wood Cluster Association
- 30. Mighty Earth
- 31. Nature & développement (Nat&dev)
- 32. Nitidæ
- 33. Non-Timber Forest Products Exchange Programme (NTFP-EP)
- 34. Observatoire Ivoirien pour la gestion durable des Ressources Naturelles
- 35. Oil Palm Smallholders Union/SPKS (Serikat Petani Kelapa Sawit)
- 36. Perkumpulan Kaoem Telapak
- 37. Plateforme de la Société civile et des ONG pour les mécanismes FLEGT/REDD+ (PSOFR+)
- 38. Plateforme Ivoirienne pour le Cacao Durable
- 39. Rainforest Alliance
- 40. Rainforest Foundation UK
- 41. Réseau des Organisations de la Société Civile pour le Developpement du Tonkpi (ROSCIDET)
- 42. Réseau Ivoirien du Commerce Equitable
- 43. Rights and Advocacy Initiatives Network
- 44. RISOME
- 45. Root Capital
- 46. Save the Children international
- 47. Sciences de chez nous (SDCN)
- 48. Service d'Appui aux Initiatives Locales de Développement (SAILD)
- 49. Solidaridad
- 50. Sustainable Development Institute
- 51. Synergie Nationale des Paysans et Riverains du Cameroun
- 52. The DayLight Inc. (DayLight)
- 53. The Institute for Ecosoc Rights
- 54. Tropenbos International
- 55. Voice Network
- 56. West African Youth Network-Côte d'Ivoire
- 57. Yayasan FORTASBI Indonesia
- 58. 237 PAROLES

Solidaridad











Save the Children







































MINA







non-timber forest products exchange programme



















































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