



Bundesministerium für
wirtschaftliche Zusammenarbeit
und Entwicklung



Partners in
Transformation
Helpdesk Wirtschaft
und Menschenrechte

27 February 2025, Online training, Naturland Academy

EU Deforestation Regulation (EUDR) for farmers' cooperatives

Understanding and addressing buyers' obligations

Durchgeführt von:

KFW DEG Impulse

Unterstützt von:

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

Introduction



The Helpdesk on Business and Human Rights

A support service offered by the Federal German Government

The Helpdesk is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ)



Confidential counselling



Customised training courses



Webinars



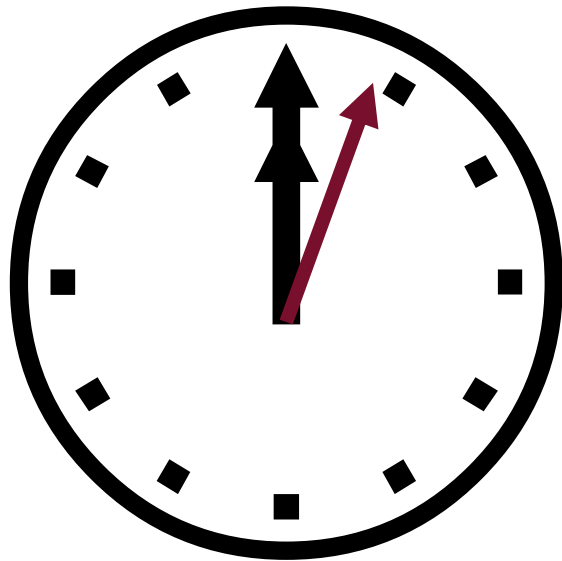
Online Tools

Facts and figures on global deforestation

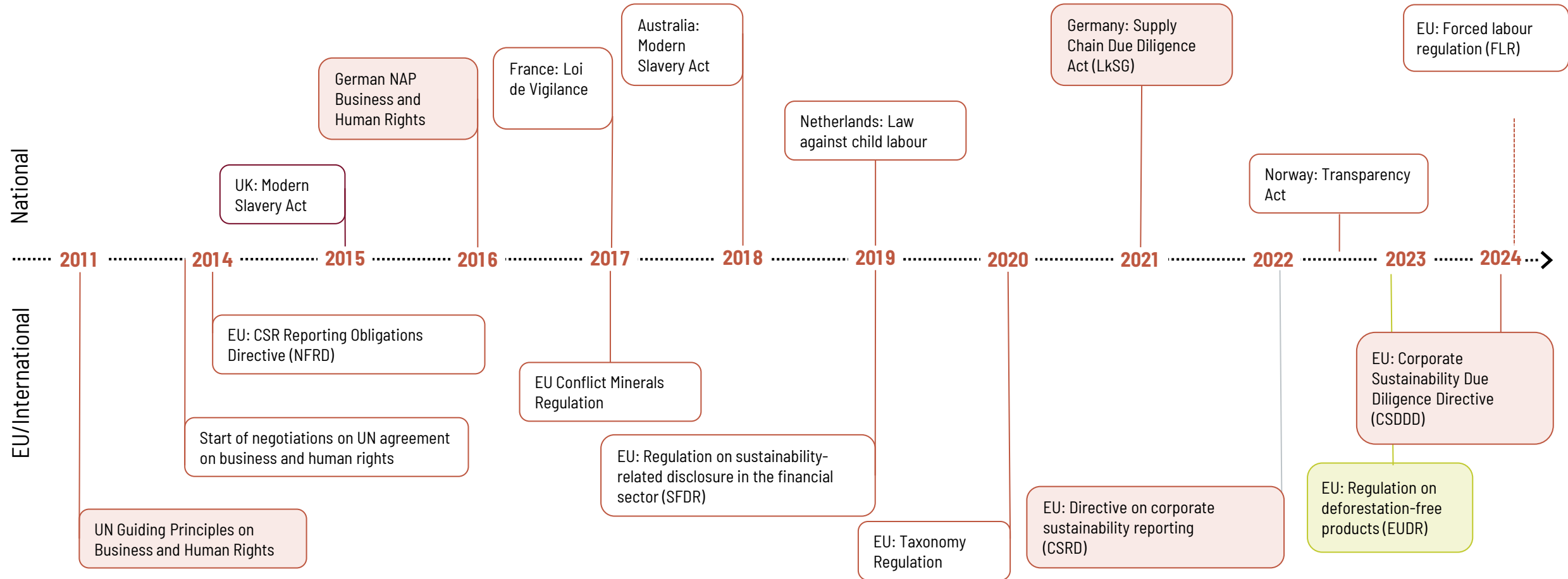
- EU consumption accounts for approximately 10% of global deforestation, with more than two-thirds of that stemming from palm oil and soy production.
- According to the FAO, up to 90% of global deforestation is due to land clearing for agriculture.
- The IPCC reports that global deforestation alone accounts for 11% of greenhouse gas emissions.
- Primary forests = biodiversity hotspots



Deforestation: facts & figures



Corporate Due Diligence: Political & legal Developments worldwide



*selection

EUDR – what is it all about?

Relevant products may only be placed or made available on the EU market or exported from the EU market if...



...they are free from deforestation



...they have been produced in accordance with the relevant legislation of the country of production



...a due diligence statement is available for them



Deforestation-free

a) Commodities were produced on land that was **not deforested** after 31 December 2020



Deforestation

Conversion of forests into agricultural land, regardless of whether it is man-made or not

b) Wood was harvested from forest without **forest degradation** after 31 December 2020



Forest degradation

Conversion from
(a) primary or naturally regenerating forests into plantation forests or other wooded areas
b) primary forests in forests created by planting

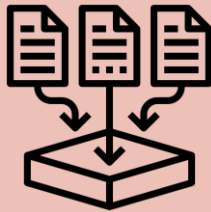


Buyers' obligations under the EUDR

Due diligence obligations for buyers



1. Data and Information Collection



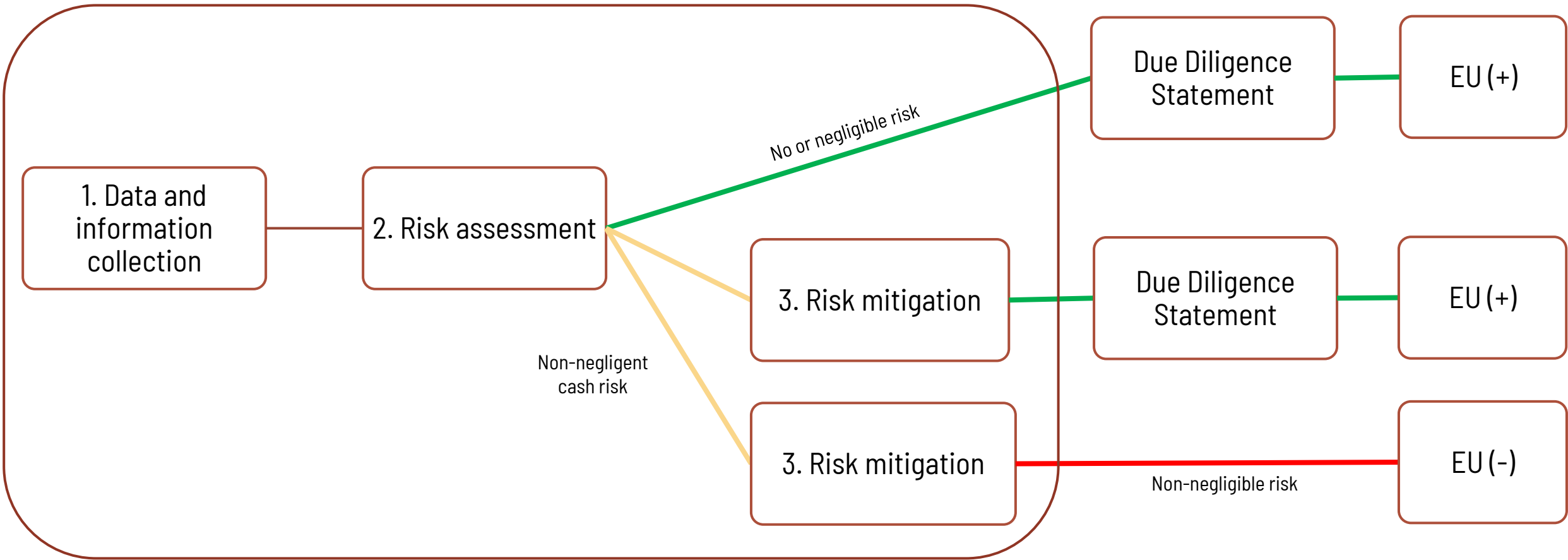
2. Risk Assessment



3. Risk Minimisation



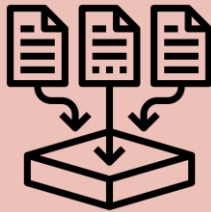
Due diligence obligations for buyers



Due diligence obligations for buyers



1. Data and Information Collection



2. Risk Assessment



3. Risk Minimisation





1. Data and information collection

- a) Description of the product including trade name and the type of relevant product (for wood including full scientific name)
- b) Quantity
- c) Country of production and, if applicable, its regions
- d) Geolocalisation data & time/space of generation
- e) Name, address and e-mail address of all companies or persons who have supplied relevant products
- f) Name, address and e-mail address of all companies, operators or distributors to whom the relevant products have been supplied;
- g) Information on proof of freedom from deforestation (e.g. certificates and licences)
- h) Information on proof of legal production



Information must be kept for five years as of the date on which the product is made available on the market.



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1. Data and information collection

Relevant legal provisions of the country of production

- a) Land use rights
- b) Environmental protection
- c) Forest-related regulations
- d) Third party rights
- e) Employee rights
- f) Human rights protected under international law
- g) The principle of free, prior and informed consent (FPIC), also in accordance with the United Nations Declaration on the Rights of Indigenous Peoples
- h) Tax, anti-corruption, trade and customs regulations



Only those laws that affect the legal status of the area in which the raw materials were produced



Timber products with a **FLEGT licence** are considered legal, but not automatically deforestation-free



1. Data and information collection

Documents to be collected (examples)

- official documents issued by local authorities, e.g. official authorisations,
- Documents that show contractual obligations, including agreements with indigenous peoples or local communities,
- Information from public and private certification systems,
- Court decisions,
- Impact assessments, management plans, environmental audit reports,
- Corporate guidelines and codes of conduct,
- Social responsibility agreements between private actors and third-party owners,
- specific reports on property and legal claims and conflicts.

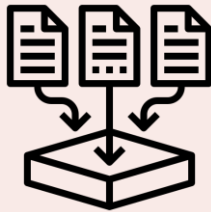


Information can be collected in paper form or electronically.

Due diligence obligations for buyers



1. Data and Information Collection



2. Risk Assessment



3. Risk Mitigation



2. Risk Assessment



Criteria

- Allocation of risk (country benchmarking)
- Presence of forests
- Presence of indigenous peoples
- Consultation and cooperation with indigenous peoples in good faith
- Existence of duly substantiated use and property claims of indigenous peoples based on objective and verifiable information
- Spread of deforestation or forest degradation
- Source, reliability and validity of the information to be collected in step 1
- Concerns in relation to rule of law
- Complexity of the affected supply chain
- Risk of circumvention of the EUDR or mixing with non-compliant goods
- Conclusions of the meetings of the Commission's expert groups
- Information on previous violations of EUDR along the supply chain
- Information on the risk of non-compliance
- Information from certification systems or other systems verified by third parties

2. Risk Assessment

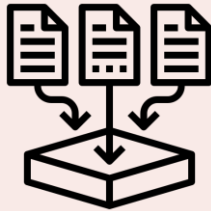
- Reasonable measures are required to ensure the authenticity of the documents
- In particular to be considered: corruption risk
- Further review and higher level of control in the event of high levels of corruption
- Examples
 - Systems verified by third parties
 - Independent or self-conducted audits
 - Use of technologies/forensic methods to trace the relevant products



Due diligence obligations for buyers



1. Data and Information Collection



2. Risk Assessment

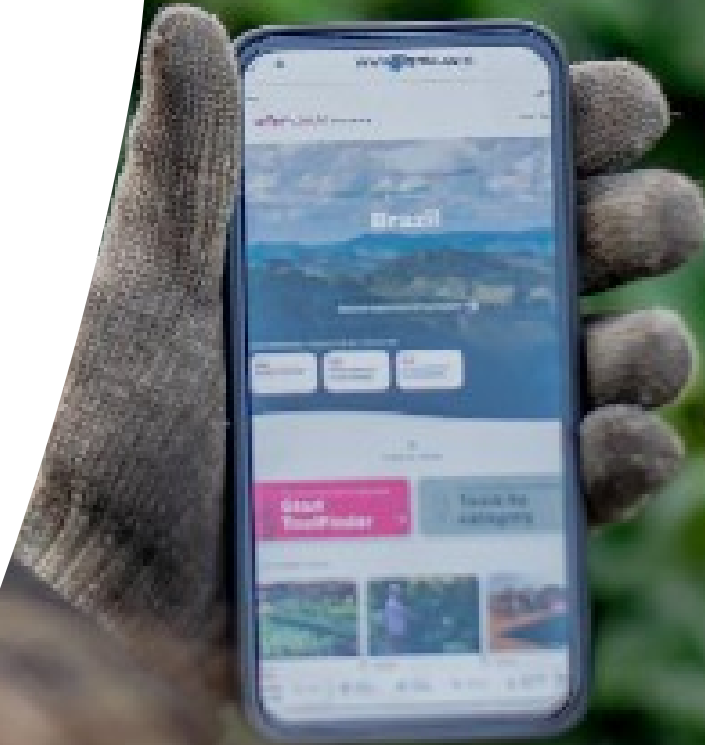


3. Risk Mitigation



3. Risk Mitigation

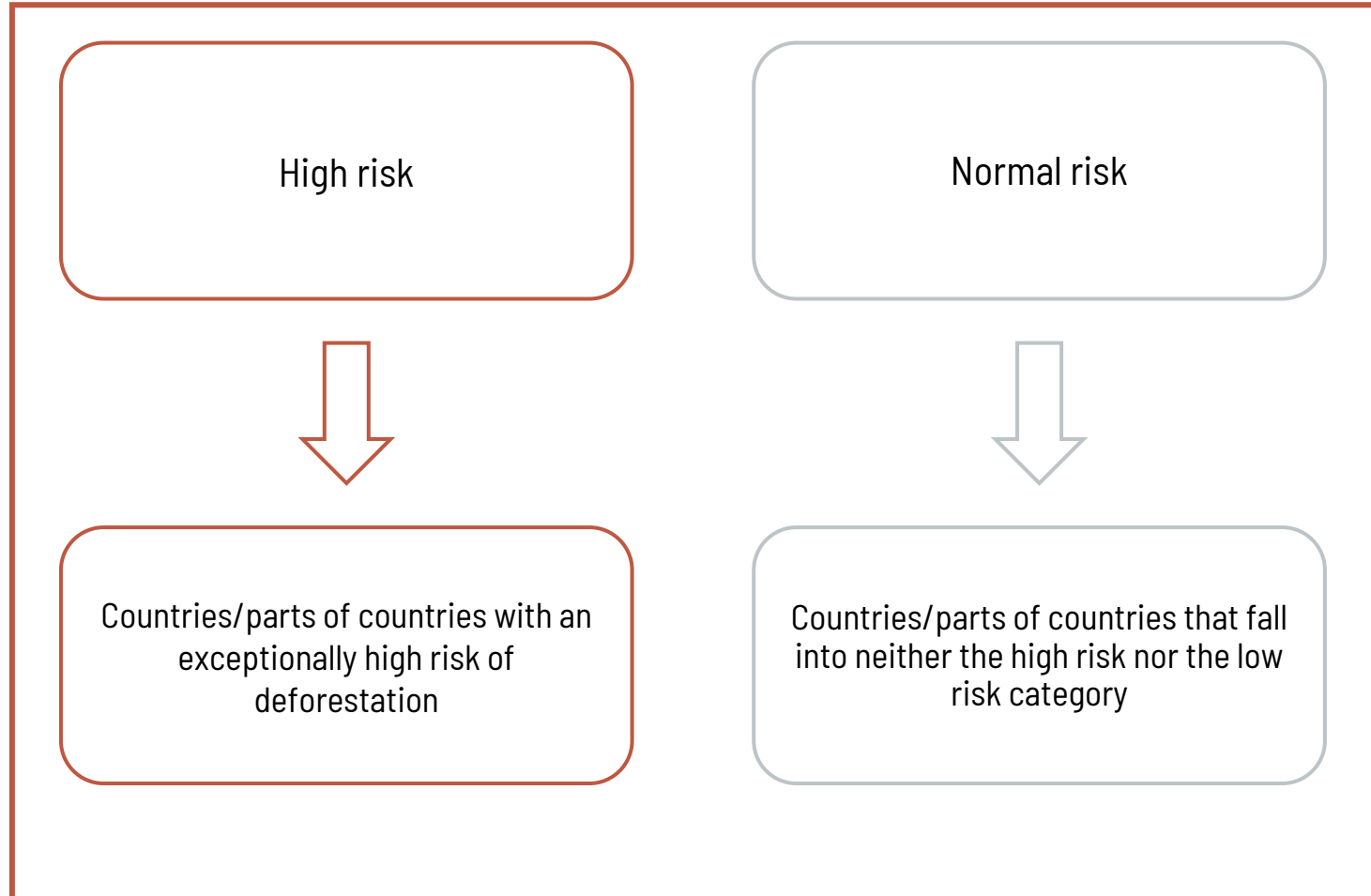
- Request for additional information, data, documents
- Carrying out independent surveys or audits
- Other measures on information requirements in Art. 9
- Support for small farmers in particular through capacity building and investment



Country benchmarking - evaluation of countries



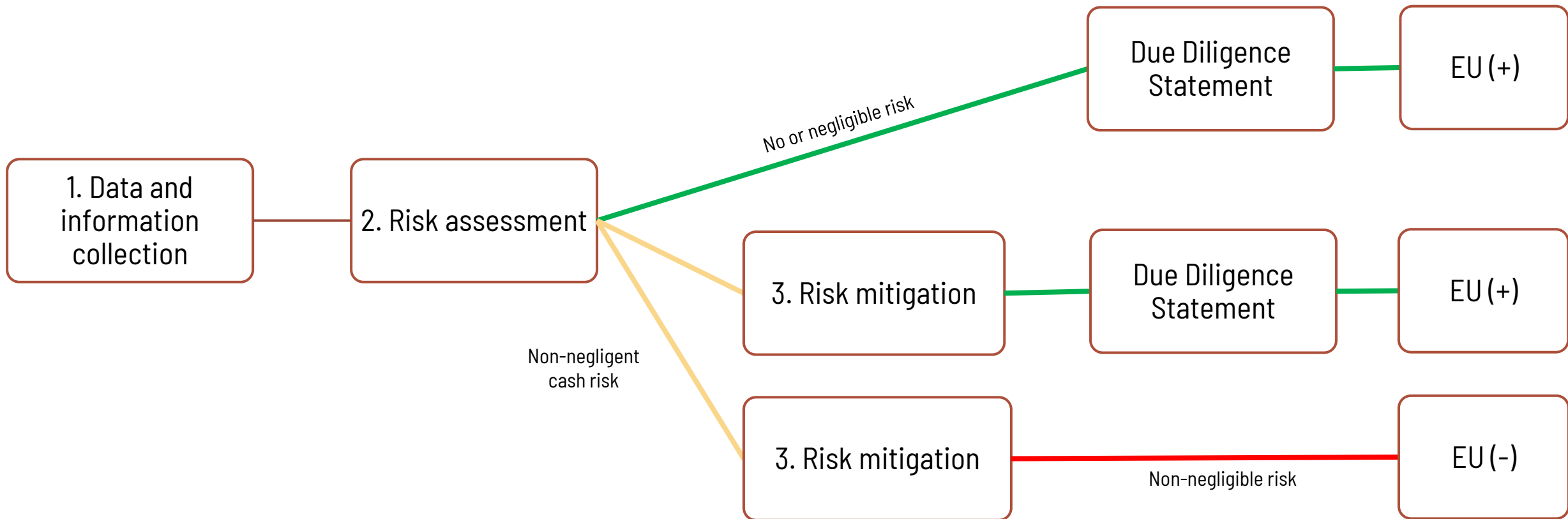
Full Due Diligence for buyers



Simplified Due Diligence for buyers



Due diligence obligations for buyers





Example: cocoa supply chain

1. Cocoa farms are mapped, and their geolocations are assessed to ensure deforestation-free

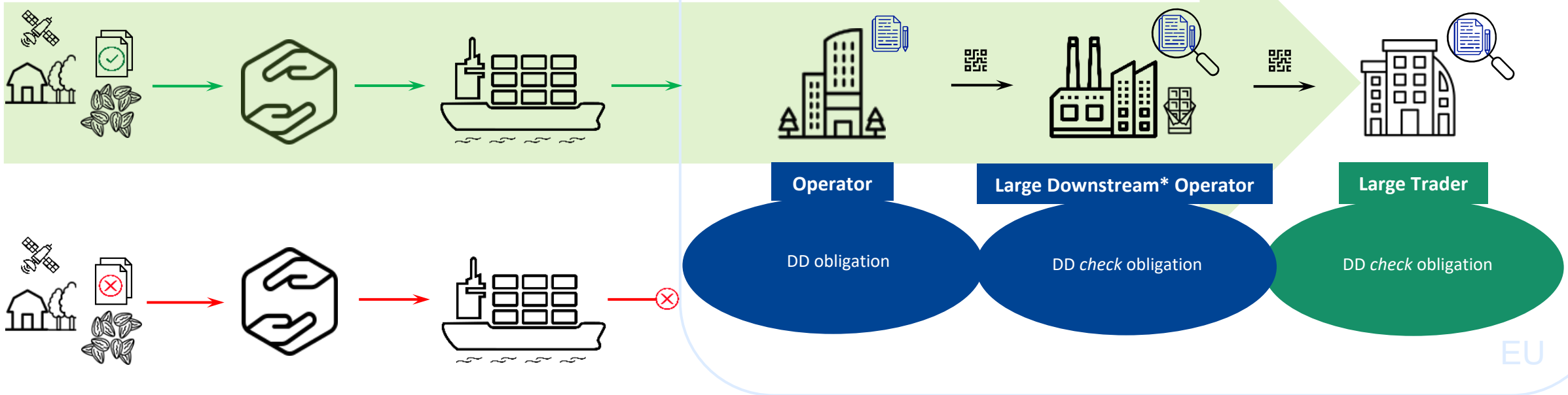
2. Farmers deliver deforestation-free cocoa beans directly to cooperatives, where they are kept segregated

3. Beans from deforestation-free farms kept segregated during export to EU

4. Importer in EU Member State buys deforestation-free beans and places them on the market

5. Chocolate manufacturer in the EU processes cocoa into chocolate bars and places them on the market

6. Large EU retailer sells individual chocolate bars to consumers, making the chocolate bars available on the market



Buyer-Supplier-Collaboration



Dialogue with Suppliers on company expectations regarding deforestation and legal requirements



Plausibility Check of collected data/information, especially for high-risk countries



Written Agreement on cooperation on EUDR information collection, e.g. through a **Code of Conduct**



Development of Measures should be **risk-based** and carried out in **close collaboration** between buyer and supplier.



Supplier Assessment Based on a Risk-Based Approach: Prioritization of suppliers, risk-based self-assessments, independent audits where possible

Further information and guidance on Deforestation-free supply chains



- [Website of the Federal Office for Agriculture and Food \(BLE\)](#)
- [FAQ of the EU Commission on EUDR](#)
- [EU Commission guidance on the application of the EUDR](#)
- [Team Europe Initiative on Deforestation-free Value Chains](#)
- [Sustainable Agricultural Supply Chains Initiative \(SASI\)](#)



Free tools to support the implementation of deforestation-free supply chains




- [INA Trace](#): digital open-source solution. Companies can digitally store data on the supply chain, such as what prices are paid, which processing steps take place and which actors are involved.
- [INATrace App](#) allows for the mapping of field polygons and farmer profiles. With the integration of FAO's [WHISP Tool](#), a first deforestation check can be conducted
- [ForestGuard - Fraunhofer IML](#): Open-source software solution approach for demonstrating deforestation-free (coffee) supply chains considering regulatory and financial requirements



The Helpdesk on LinkedIn

Are you interested in current developments, **support, tools and practical examples** on the topic of "business and human rights" and sustainable supply chains?

Then follow us and stay informed!

 [Helpdesk Business and Human Rights](#)





Thank you for your attention

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