



Stakeholders agree with von der Leyen that EUDR partnerships are crucial – that’s why EU-Indonesia-Malaysia Joint Task Force must step up its game

Last week, the European Commission proposed to postpone application of the EU Deforestation Regulation (EUDR) by a year, and signalled that it will use this time to “step up dialogue” with partner countries while stressing that “the partnership’s success will also rest on EU partners’ commitment to deliver on global targets to halt deforestation.”

The EU has already started partnership discussions with Indonesia and Malaysia. The third meeting of the Joint EU-Indonesia-Malaysia Task Force on EUDR implementation took place mid-September 2024. The Task Force is a crucial, and possibly replicable forum in which to discuss the critical and urgent issues of forest protection and the interconnection with economic opportunities.

However, the undersigned stakeholders (who were observers to the process) have strong reservations about the direction of these discussions and constructive proposals for how to move forward.

Lack of inclusive representation: A central problem is that NGOs, Indigenous Peoples organisations and smallholder organisations were not allowed to be physically present, despite the fact that palm oil companies, some smallholders associations and the Indonesian Palm Oil Association (GAPKI) were allowed to join in person.

Lack of political will: Another issue is the lack of political will from all Parties to agree shared forest protection goals. We call on the future College of the Commission to bring more joined up thinking from within the Commission and make a more compelling offer of partnership to Indonesia and Malaysia. This is an opportunity to achieve the aim of the EU's 2019 Communication on stepping up EU action to protect and restore the world's forests by identifying real incentives to protect forests and forest peoples' rights.¹

Strong siloes within the European Union hamper meaningful partnership: We are also concerned that EU representatives came mainly from the Directorate-General (DG) for Environment who has been leading the EUDR file. The absence of the DGs for International Partnerships, Trade, EEAS and Climate was strongly felt as this siloed way of working hinders robust implementation of EUDR Article 30 (on cooperation with third countries).

Honour and build on existing partnerships: The EU has existing partnerships to address illegal logging. In Indonesia, the process improved forest governance and led to a commonly agreed national traceability system for timber. It is crucial that the new EUDR partnerships draw on previous fundamental principles: be inclusive, participatory and transparent, and include producer country incentives to develop traceability systems. We are concerned that the EU is backing away from the EU-Indonesia Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA) when it should be leaning in. As the VPA is a trade agreement, the EU can offer help to the wider sector while retaining the VPA. FLEGT and the EUDR are and should be complementary.

Failure to enter a real dialogue: As observers, we felt the gathering missed an opportunity for representatives to openly and honestly discuss their issues and how to address them.

¹ https://commission.europa.eu/publications/eu-communication-2019-stepping-eu-action-protect-and-restore-worlds-forests_en

For example, the EU's outlook was overly optimistic, claiming that the guidelines and information system would soon be ready, while ignoring the fact that exporting companies need them to be functional now. The lack of transparency about progress towards guidelines development raised a serious concern about implementation. In addition, there are issues regarding inclusive access to information systems, which hinders public participation in effectively enforcing the EUDR. The Indonesian government was also ambitious in stating that the National Dashboard would provide all the data the EUDR would need, despite the facts that the National Dashboard is at an initial stage and that there are serious concerns regarding its transparency and lack of inclusivity.

The Malaysian government requested that the EU accept their own – weaker – forest definition and presented its national certification schemes as if they were ready to meet EUDR requirements. These schemes are under fire for failing to meet their own standards and for ignoring serious problems related to Indigenous communities. While the Malaysian Sustainable Palm Oil (MSPO) certificate theoretically requires a 2019 cutoff date for conversion from forest to oil palm plantations, actual implementation is far from clear and might still allow conversion beyond that date.

Failure to treat central issues of importance to smallholders: Both governments relied heavily on the pretence of concern for smallholders despite not knowing how many independent smallholders are in the EU supply chain or what the impact of the EUDR would be. In reality, very few independent smallholders are Roundtable on Sustainable Palm Oil (RSPO) certified, which is a requirement for EU market access.

There was no serious discussion of important issues such as how to increase and support smallholder participation in EU supply chains, how to create a transparent and workable traceability system, and how to agree on deforestation data and privacy.

In conclusion, while we recognise that improving national certification schemes, transparency, legality of smallholders and the creation of a national dashboard are all positive developments, for there to be a meaningful implementation plan, all stakeholders, especially civil society and affected communities, need to be part of the discussion and accepted as equal partners. The EUDR could be an important tool, but only if it is implemented collaboratively and with sufficient and well targeted technical and financial support from the EU. If the EUDR increases transparency, supports smallholders and improves forest governance, it will be a gamechanger in

efforts to protect forests, mitigate climate change and respect Indigenous Peoples and local communities' rights.

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Keruan, Malaysia

RimbaWatch, Malaysia

Satya Bumi, Indonesia

SAVE Rivers Network, Malaysia

Serikat Petani Kelapa Sawit (SPKS), Indonesia

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