

Accelerating EUDR Readiness:

**Lessons from IDH's work to
build inclusive, deforestation-
free value chains**

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Executive Summary

The European Union Deforestation Regulation (EUDR) represents a transformative step toward eliminating deforestation from global agricultural and forestry supply chains. Yet, for many producing countries, the path to compliance is complex—particularly for smallholder farmers whose livelihoods depend on continued access to EU markets. This publication consolidates **learnings from IDH's EUDR projects across Africa, Asia, and Latin America**, offering practical insights to accelerate inclusive compliance and prevent smallholder exclusion.

Since 2023, IDH has collaborated with governments, private sector partners, and farmer organisations across key commodities—cocoa, coffee, palm oil, and beef/leather—to design and test solutions that combine **traceability, legality verification, forest monitoring, and data sovereignty**.

Across countries, five systemic barriers emerge consistently:

- 1. Low farmer awareness** remains the most immediate risk: many smallholders do not understand EUDR requirements or how they affect market access. Targeted training, strong cooperatives, and farmer-accessible data systems are essential to avoid widespread exclusion.
- 2. Mistrust of EU regulations** often hampers national engagement. IDH's neutral convening role—aligning ministries,

companies, and civil society around shared objectives—has proven critical to building confidence in nationally led solutions.

- 3. Data sovereignty concerns** remain universal. Governments are unwilling to store sensitive farm-level data on external servers, a challenge that can only be addressed by developing nationally owned traceability systems. Vietnam's government-led EUDR database showcases how data sovereignty can be maintained while enabling credible EUDR compliance.
- 4. Fragmented donor and NGO initiatives** risk duplication and confusion. Multi-stakeholder structures, such as Indonesia's Aceh Palm Oil Coalition show how coordination platforms can harmonise tools, reduce costs, and accelerate alignment.
- 5. High compliance costs** - especially for mapping, verification, and monitoring—place a disproportionate burden on smallholders. IDH's pilots show that pre-competitive data sharing, public-private funding, and landscape-level collaboration can reduce costs while strengthening the systems that address underlying drivers of deforestation.

Based on these lessons, we recommend five priorities for transforming EUDR from a compliance obligation into a catalyst for inclusive forest protection:

- 1. Facilitate trust and alignment** through neutral convening to harmonise tools and reduce duplication.
- 2. Empower farmers and cooperatives** with training, access to compliance data, and organisational strengthening.
- 3. Create direct incentives** for deforestation-free, low-carbon, climate-resilient agriculture.
- 4. Build resilient sourcing landscapes** that address root causes of deforestation while supporting rural livelihoods.
- 5. Catalyse public and private investment** through de-risking mechanisms and targeted technical assistance.

Taken together, these lessons and recommendations provide a practical roadmap for accelerating EUDR implementation while safeguarding smallholder inclusion, protecting forests, and strengthening long-term trade partnerships between producer countries and the EU.



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01 Catalysing EUDR readiness through partnership and inclusion

The European Union Deforestation Regulation (EUDR) represents a landmark shift in how global agricultural and forestry commodities are sourced. While the regulation aims to eliminate deforestation-linked products from EU markets, many producing countries and value chain actors—especially smallholder farmers—are not yet fully prepared for implementation. To avoid unintended consequences such as the exclusion of smallholder farmers—which would undermine both livelihoods and forest protection—IDH is developing holistic solutions that address the root causes of deforestation, support EUDR compliance, protect smallholders, and build lasting momentum with the private sector.

IDH has been supporting the inclusive implementation of the EUDR across key commodities and geographies—Cocoa (Cameroon, Côte d’Ivoire, Ghana), Coffee (Vietnam, Colombia, Uganda, India), Palm Oil (Malaysia, Indonesia, Colombia), and Beef/Leather (Brazil).

Our role focuses on facilitating collaboration between governments and companies to develop cost-effective solutions that can be scaled nationally. This includes:

- developing **common public-private farmer databases** (e.g., Vietnam, Uganda)
- designing **national traceability systems** (e.g., Vietnam) and **piloting interoperability between public and private systems** (e.g., Ghana, Côte d’Ivoire, Cameroon)

- adapting **national sustainability standards to meet EUDR requirements** (e.g., Malaysia, Colombia)
- developing **forest-monitoring systems and grievance mechanisms** (e.g., Indonesia)
- conducting studies to inform **EUDR-related due diligence**, with a focus on **legality** (e.g., Colombia)

We have also generated and shared insights to support adoption and scaling of these solutions. This has included facilitating learning exchanges between Côte d’Ivoire, Ghana and Cameroon (cocoa, April 2025), and between Vietnam and Uganda (coffee, June 2025). Beyond the countries where we operate, we aim to influence global public-private partnerships by continuing to showcase practical, scalable solutions at international level.

1.1 Brazil - Strengthening beef and leather traceability through producer hubs and national alignment

In Brazil, IDH is linking its long-standing beef and leather programs to EUDR requirements. In Mato Grosso and Pará, IDH has established Producer Support Centres (CAPs) that help producers prepare their Rural Environmental Registry (CAR), improve commercial practices, and navigate land regularisation. These steps are critical for complying with Brazilian environmental legislation—an essential foundation for meeting EUDR requirements.



IDH has also supported benchmarking studies comparing national sustainability protocols, such as the Calves Protocol, against EUDR requirements, helping the sector identify compliance gaps and align practices. National organisations such as ABIEC and CICB (representing beef and leather exporters) are likewise working to ensure that sector-wide sustainability efforts meet EU import standards. The overarching aim is to ensure that farmer-focused programs reduce deforestation and remain relevant for international market compliance, while safeguarding data sovereignty and national ownership.

1.2 Cameroon – Empowering cocoa farmers through data ownership and traceability innovation

In Cameroon, the EUDR program is piloting innovative approaches that empower farmers to understand, control, and use their compliance data. IDH is supporting 2,000 producers through three cocoa cooperative unions established in Mbangassina, Ntui, and Ngoro (Central Region), strengthening their capacity for data collection and enabling adoption of the INATrace traceability system.

IDH is also fostering stronger public-private collaboration by supporting the national Sustainable Cocoa Committee and coordinating closely with EU-funded initiatives such as the SAFE program and the EU Sustainable Cocoa Initiative. In early 2025, IDH facilitated a cross-country exchange with Ghana and Côte d’Ivoire, enabling Cameroonian stakeholders to learn directly from COCOBOD and the Conseil Café Cacao about designing national traceability systems.

1.3 Colombia – Aligning palm and coffee sectors with EUDR through national standards and due diligence pilots

Palm Oil sector

Through the NISCOPS program, IDH has supported national actors in aligning Colombia’s palm oil sustainability strategy with the EUDR. A Cooperation Agreement with APSColombia Corporation—delegated by Fedepalma—strengthened the Sustainable Origin Model by updating the Colombian Palm Oil Business Standard and creating a Regulated Market Access annex with rigorous requirements for deforestation monitoring and legal compliance.



guidelines to strengthen risk-based due diligence with a strong focus on human rights and environmental issues.

In addition, IDH is piloting landscape-level solutions to demonstrate how cooperatives can meet both EUDR and CS3D requirements. In 2025, IDH supported two cooperatives in Huila to prepare for legality verification and to conduct human rights due diligence assessments. Further support will expand to additional cooperatives in Huila and Cesar.

1.4 Côte d'Ivoire – Testing national traceability and forest monitoring systems for EUDR readiness

In Côte d'Ivoire, IDH's EUDR program aims to align national initiatives with EUDR requirements by strengthening the coherence between public and private tools used for due diligence—such as farmer databases, traceability systems, and forest monitoring platforms. As part of this effort, IDH piloted a field project across sourcing landscapes to test how public and private datasets can be reconciled, assess the national traceability system under real operating conditions, and improve complementarity with national deforestation alert systems.

Three cocoa companies played an active role in this pilot. In 2025, IDH trained 17 cooperatives on the national traceability system, sensitised more than 10,000 farmers on EUDR requirements, and conducted a census of 4,800 farmers. These actions were complemented by traceability dry runs, capacity building for 80 cooperative members, and testing of deforestation alert management procedures with public institutions such

as OIPR, SODEFOR, BNETD, MINEF, and the REDD+ platform, alongside private sector actors.

The results will include concrete recommendations to strengthen the national traceability system and will be presented at a sector-wide workshop in Côte d'Ivoire in late 2025.

1.5 Indonesia – Linking land legality, farmer registration, and fiscal systems to build scalable EUDR solutions

IDH Indonesia supports both national and provincial efforts to prepare for EUDR compliance, building on its landscape programmes in Aceh, West Kalimantan, and Papua. At the national level, IDH works with Bappenas, the Ministries of Agrarian Affairs, Forestry, and Agriculture, as well as research partners such as WRI and the University of Indonesia's LPEM, to design the enabling conditions for smallholder registration and traceability.

A key innovation under review is an integrated traceability system that links land legality, farmer registration (STDB), and sales transactions with national taxation systems. A feasibility study by LPEM–University of Indonesia indicates that this approach could significantly strengthen compliance while potentially doubling palm oil tax revenues within five years. In parallel, IDH has convened ministries to accelerate sharing of land certification data—covering 120 million smallholder plots—between national and local governments, reducing data acquisition costs and improving the foundations for EUDR implementation. Policy briefs are being developed to inform

integration of these approaches into national policy.

At the subnational level, IDH is piloting EUDR implementation in Aceh, a high-risk landscape where 60% of palm oil production is smallholder-based. The pilot tests how certified land data can be converted into farmer registration data to rapidly expand coverage. IDH has also convened a Palm Oil Working Group—including multinationals, national companies, and civil society organisations—to support physical traceability, establish grievance protocols, and pilot deforestation monitoring and NDPE readiness for 59 mills and associated smallholders.

Looking ahead, IDH will focus on optimising and scaling the Aceh model nationally, developing a protocol for land data transfer, and working with the Ministry of Home Affairs and the Ministry of Finance on linking farmer registration with tax invoice reporting to strengthen traceability and government revenue.

1.6 Malaysia – Embedding EUDR compliance in national palm oil systems through public-private collaboration

In Malaysia, IDH is strengthening national systems to ensure that smallholder producers are included in the country's pathway toward EUDR compliance. This work centres on partnerships with the Malaysian Palm Oil Board (MPOB) and the Malaysian Sustainable Palm Oil (MSPO) certification scheme, both of which are adapting national traceability and sustainability frameworks to align with EUDR requirements.

Through its convening role, IDH has brought together government agencies, companies, and landscape actors to ensure that traceability and deforestation monitoring tools are interoperable and nationally owned. IDH has also supported outreach and awareness-raising with smallholders, helping them understand EUDR requirements and positioning MSPO as a credible pathway to compliance.

Key progress includes enhancing the MPOB GeoSAWIT platform to improve visibility across the supply chain, extending the MSPO Dealer certification scheme to cover independent smallholders, and building capacity through targeted public-private initiatives such as the Sawit Kinabalu pilot. These efforts address gaps in actionable data, strengthen the infrastructure for farmer registration and monitoring, and establish robust grievance and response mechanisms.

1.7 Uganda – Building an inclusive national coffee traceability system for EUDR and CS3D compliance

In Uganda, IDH is working with government and private partners to develop the foundations of an inclusive national coffee traceability system, supported by a dedicated EUDR/CS3D Task Force under the Uganda Coffee Platform. A core focus has been the creation of a national farmer database and central data warehouse, drawing on lessons from Vietnam, Indonesia, and West Africa. These efforts aim to ensure that Uganda's predominantly smallholder coffee sector remains export-ready under EUDR.

To date, IDH has supported the design of database management and governance structures, piloted farmer registration and mapping, and tested interoperability with company systems. IDH has also convened private sector actors, farmer organisations, and international buyers to agree on common principles for traceability and deforestation monitoring. In 2025, EUDR awareness activities led by IDH reached 126 cooperatives representing 60,000 farmers.

1.8 India – Piloting EUDR-ready coffee traceability to safeguard smallholder market access

In India, IDH is piloting coffee farmer registration and traceability in partnership with state authorities and leading exporters. The work focuses on Karnataka and Kerala—the country's main coffee-growing regions—where IDH aims to support the mapping of 50,000 smallholder plots and the integration of geolocation data into cooperative and company systems.

Collaboration with government institutions is centred on aligning national databases with EUDR requirements, while private sector partners are testing the interoperability of their sourcing platforms with national traceability tools. Going forward, IDH will continue to facilitate convergence between company-led traceability pilots and national policy frameworks, ensuring that Indian smallholders remain connected to EU markets under the new regulation.

1.9 Vietnam – From a regional coffee compliance pilot to a national EUDR database

In Vietnam, IDH has worked with the Ministry of Agriculture and Rural Development (MARD), provincial authorities, and major exporters to pilot national EUDR solutions. A key achievement is the development, endorsement, and handover of a national EUDR Database, which integrates data from pilot landscapes across the Central Highlands and now serves as the official platform for compliance monitoring.

Pilots in selected landscapes tested geo-mapping, land-use verification, and deforestation-free sourcing models. Through partnerships with companies such as JDE Peet's, Intimex, Simexco, Dakman, Sucden, LDC, ECOM, and Vinh Hiep, the database has been validated as a tool that can operate across value chains. In parallel, IDH has collaborated with

universities and research institutions to strengthen risk assessment and land-use monitoring methodologies.

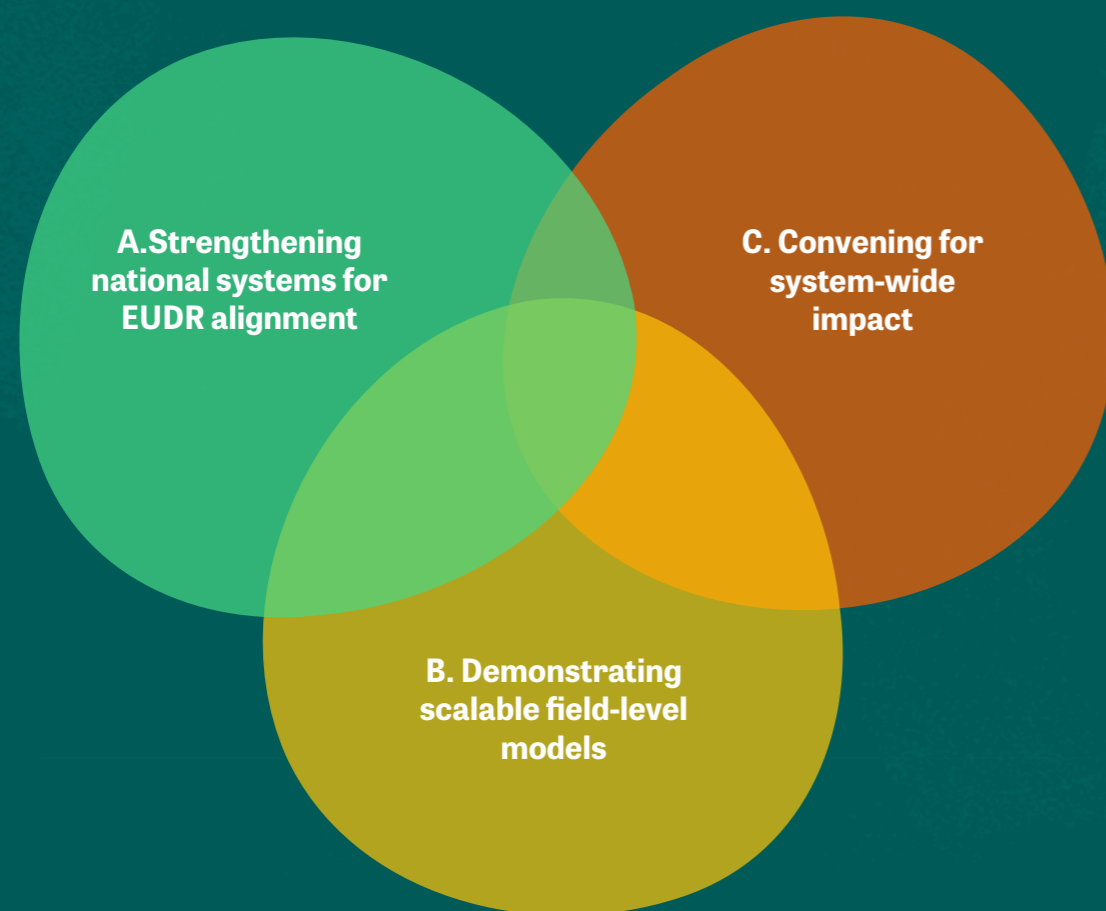
To date, more than 93,000 coffee farmers have participated in awareness and training activities, and EUDR requirements are now integrated into government extension services. Approximately 150,000 hectares of coffee plantations have been mapped, providing a strong basis for national expansion.

Looking ahead, the database will be scaled across the entire Central Highlands region and integrated into Vietnam's national agricultural traceability system. IDH will also work with partners to develop financial incentives supporting smallholder adoption of EUDR-compliant practices and prepare the sector for upcoming EU requirements such as the Corporate Sustainability Due Diligence Directive (CSDDD).



02 Enabling EUDR implementation amongst smallholder farmers

Building on the holistic approach outlined earlier—combining inclusive data systems, government–company collaboration, and smallholder empowerment—we have helped translate the principles of the EUDR into practical, locally owned solutions.



A. Strengthening national systems for EUDR alignment

We have supported national institutions across several countries to align their systems with EUDR requirements:

- **Colombia:** The Sustainable Origin Model and the APSColombia Digital Platform have been upgraded to integrate deforestation monitoring, legal-compliance checks, and interoperable due diligence reporting.

- **Vietnam:** A national EUDR database and traceability system has been developed and is now managed by the Ministry of Agriculture and Rural Development, providing a foundation for transparency, EUDR compliance, land reform, and sustainability performance measurement.
- **Uganda:** IDH has supported the development of governance structures and financing mechanisms to operationalise a national farmer

database and central data warehouse, designed for use by coffee companies in due diligence reporting.

- **Indonesia:** Pilots in Aceh Province are testing how land certification and farmer registration can be linked to fiscal data to create a more efficient and scalable traceability system.
- **Malaysia:** The MSPO certification scheme and MPOB's GeoSAWIT traceability platform are being upgraded to more effectively include independent smallholders.

B. Demonstrating scalable field-level models

Field-level pilots have been essential to showing how farmers can be mapped and commodities traced efficiently:

- **Vietnam:** More than 150,000 hectares of coffee plantations have been mapped and integrated into the national EUDR database endorsed by the Ministry of Agriculture and Rural Development.
- **Cameroon:** Three cocoa cooperative unions have been established and, by early 2026, will support more than 2,000 producers using the INATrace system to demonstrate compliance.
- **Côte d'Ivoire:** Seventeen cocoa cooperatives were trained on national traceability and forest-alert systems; over 10,000 farmers were sensitised on EUDR requirements; and nearly 5,000 farmers were registered in the national database.

C. Convening for system-wide impact

Beyond direct implementation, IDH's convening activities have generated broader national and regional outcomes:

- **Indonesia:** IDH facilitated the creation of the Aceh Palm Oil Coalition, bringing together 59 mills, multinational buyers, and civil society organisations to coordinate on traceability, grievance mechanisms, and deforestation response.
- **Cameroon:** The Sustainable Cocoa Committee now serves as the national platform for public–private coordination on EUDR-aligned traceability.
- **Regional learning:** IDH convened cross-country learning exchanges, including the Côte d'Ivoire–Ghana–Cameroon cocoa dialogue (April 2025) and the Uganda–Vietnam coffee exchange (June 2025), accelerating peer-to-peer learning on building EUDR-compliant systems.

Through this combination of direct investments and strategic convening, IDH has developed and tested models that show how EUDR compliance can be achieved while strengthening livelihoods, national systems, and producer-country leadership. These achievements have been made possible through strong private-sector partnerships and co-investment from companies such as Cargill, OFI, ECOM, Mondelez, Unilever, JDE Peet's, Simexco, and others.

03 Lessons learned - How to make EUDR work in practice

Through our work across multiple countries and commodities, we have identified several systemic barriers to effective EUDR implementation. We have also been able to test practical solutions to address these challenges and demonstrate how the EUDR can work in practice.

1 Low farmer awareness risks large-scale exclusion

A major challenge across countries is the limited awareness and understanding of EUDR requirements at the producer level. In most contexts, smallholder farmers remain unfamiliar with the regulation and unaware of its implications for market access. Early sensitisation in Cameroon and Côte d'Ivoire revealed widespread confusion between national sustainability initiatives and EUDR-specific requirements.

Solution:

Clear communication, farmer training, and strengthened cooperative structures are essential. In Cameroon, the establishment of cocoa cooperative unions has created local hubs for data collection and compliance support. In Vietnam, integrating EUDR requirements into farmer training and extension services ensures continuous and practical support for compliance. These efforts show that farmer-level engagement must be the foundation of any inclusive EUDR system.

2 Mistrust of EU Regulations creates resistance to implementation

In several producing countries, EUDR is perceived as a top-down EU policy that does not reflect local realities. This perception has created reluctance among government authorities, farmer groups, and national institutions, complicating collaboration with EU-funded initiatives.

Solution:

Trust-building, facilitated dialogue, and alignment with national priorities are critical to reducing resistance and fostering buy-in. In Indonesia for example, IDH's ability to convene ministries and the private sector around shared objectives for farmer registration and land certification helped overcome initial resistance and build trust in a nationally led approach.

3 Data sovereignty concerns limit information sharing

Governments across almost all geographies express strong concerns about data sovereignty. Many reject the use of external servers to store farm-level geolocation data, viewing it as a national security issue. This poses significant challenges for EUDR, which relies heavily on transparent, verifiable data flows across the supply chain.

Solution:

National-level data systems can offer a solution to balance data sovereignty challenges with traceability requirements. Vietnam's government-led EUDR database—endorsed by the Ministry of Agriculture and Rural Development—demonstrates how sensitive data can remain under national control while still ensuring transparency for compliance. In Colombia, enhancements to the APSColombia Digital Platform enable national institutions to retain ownership of information while generating credible due diligence reports for EU buyers. These models show that data sovereignty can be respected without compromising compliance.

4 Fragmented support leads to duplication and confusion

The rapid emergence of donor and NGO-led tools, pilots, and guidance documents has led to fragmentation. Without coordination, these overlapping initiatives risk overwhelming national institutions and confusing farmers and companies.

Solution:

Multi-stakeholder platforms established at national level and/or sectoral level can become useful forums for discussion and alignment between actors. The Sustainable Cocoa Committee in Cameroon and the Aceh Palm Oil Coalition in Indonesia are now key platforms for public-private coordination. These bodies reduce duplication, promote shared frameworks, and create clearer pathways for scaling national systems aligned with EUDR.

5

High compliance costs burden smallholders and divert resources

Compliance with the EUDR is expensive. Vietnam's pilots revealed that the costs of mapping, verification, and monitoring far exceed what most farmers or cooperatives can afford. As companies redirect resources toward data collection and verification, fewer investments reach field-level programs that address the root causes of deforestation.

Solution:

Clear communication, farmer training, and strengthened cooperative structures are essential. In Cameroon, the establishment of cocoa cooperative unions has created local hubs for data collection and compliance support. In Vietnam, integrating EUDR requirements into farmer training and extension services ensures continuous and practical support for compliance. These efforts show that farmer-level engagement must be the foundation of any inclusive EUDR system.

From a challenge to an opportunity: positive signs of EUDR impact

Stakeholders consulted across Africa, Asia, and Latin America consistently highlight that full compliance, including all smallholder farmers, will not be achieved by the end of 2025. National systems exist but require further strengthening, financing, and credibility testing. Companies are preparing to comply, but many will initially rely on excluding smallholder supply, risking livelihoods and inequity. At the same time, EUDR is already influencing global markets beyond Europe. Multinational buyers are embedding deforestation-free procurement across their global supply chains, with spillover effects expected in China, the US, and other markets. This creates an opportunity for producing countries to reposition exports towards higher-value, deforestation-free segments.



04

What's next – Recommendations to move from compliance to inclusive forest protection

Based on our experience in designing and implementing EUDR programs in Africa, Asia, and Latin America, we have formulated the following **five recommendations to transform EUDR from a compliance obligation into a driver of inclusive, resilient, and sustainable trade** — securing Europe's supply while protecting forests and farmer livelihoods.

1. Facilitate trust and alignment

Continue convening governments, companies, and civil society to avoid duplication (thereby reducing costs), address sensitive issues like data governance, and enable adaptive systems that evolve with on-the-ground realities.

2. Empower farmers and cooperatives

In countries where smallholder farmers face exclusion risks, continue providing training, access to compliance data, access to finance and organisational strengthening, enabling smallholders to remain in EU supply chains.

3. Create direct incentives to support deforestation-free, low carbon and climate-resilient agriculture

Leverage data and traceability systems developed for EUDR compliance, to design targeted and customised incentive schemes (e.g. Payment for Environmental Services) that support farmers' adoption of sustainable farming practices.

4. Build resilient sourcing landscapes

Embed EUDR compliance into landscape programs that proactively address the root causes of deforestation while supporting farm resilience to climate impacts, enhancing farmers and community livelihoods.

5. Catalyse public and private investments in sustainable agriculture

Develop finance mechanisms that can de-risk and accelerate investments in deforestation-free, low carbon and climate-resilient agriculture – through e.g. provision of technical assistance, seed capital that can increase investment readiness of SMEs and large cooperatives.





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