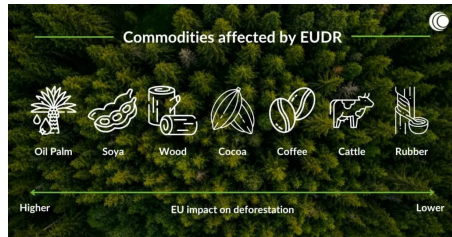


Brief on the European Union Deforestation Regulation and Its Implications for Cocoa Production



The EU Deforestation Regulation (EUDR), introduced in 2023, aims to prevent the import of products linked to deforestation and forest degradation. This regulation requires companies to place specific commodities, including cocoa, on the EU market to ensure these products are "deforestation-free." The regulation applies to legal and illegal deforestation and covers all forms of forest loss occurring after December 31, 2020.

Key Requirements of the EUDR

Due Diligence Obligation: Companies must conduct due diligence to ensure that the cocoa they import or trade in the EU is not linked to deforestation. This involves collecting geolocation data of the farms or plantations where the cocoa was produced.

Traceability: Businesses must provide detailed information on the origin of their products, down to the specific plot of land where the cocoa was grown. This level of transparency aims to trace the production process and ensure compliance with the regulation.

Risk Assessment: Importers must assess the risk of deforestation linked to their supply chains. If a significant risk is identified, additional mitigation measures must be taken to address these concerns.

Reporting and Auditing: Regular reporting and auditing are required to prove compliance with the EUDR. Failure to meet these standards may result in fines, product bans, or other penalties.



Implications for Cocoa Production

Cocoa production, particularly in countries with significant tropical forests, is a major focus under the EUDR due to its historical link to deforestation. Producers and exporters from cocoa-producing countries such as Côte d'Ivoire, Ghana, and Papua New Guinea are required to adopt more sustainable practices and demonstrate compliance with the regulation. This is critical, as the EU is one of the largest consumers of cocoa globally.

Sustainable Practices: Cocoa producers must shift towards more sustainable practices, such as agroforestry, shade-grown cocoa, and reforestation initiatives. These practices not only protect forests but also improve soil health and biodiversity.

Challenges for Smallholder Farmers: The regulation imposes additional costs on smallholder farmers, who dominate the cocoa sector. They must invest in new technologies, geolocation mapping, and certification processes. Support from governments and international partners will be essential to help these farmers meet the EUDR requirements.

Market Access: Non-compliance with the EUDR could result in losing access to the EU market, significantly impacting cocoa exports from non-compliant regions. Cocoa producers must adapt quickly to maintain their competitiveness in the global market.

Opportunities for Certification: Certified sustainable cocoa, such as those under Fairtrade or Rainforest Alliance, will have an advantage in

meeting the EUDR requirements. Certification schemes that already prioritize deforestation-free supply chains will benefit producers aiming to enter or remain in the EU market.

In summary

The EU Deforestation Regulation represents a significant shift in global trade practices by prioritising environmental protection. For cocoa producers, adapting to the regulation will be challenging but necessary. Ensuring deforestation-free cocoa production will require greater transparency, improved farming practices, and increased support for smallholder farmers. Compliance with the EUDR is essential for maintaining access to the EU market and contributing to global sustainability efforts.

What it means for Bougainville

The European Union Deforestation Regulation (EUDR) has significant implications for Bougainville's Blue-Green Economy (BGE) Policy, as it places stricter controls on products linked to deforestation entering the EU market. For Bougainville, this means that industries relying on agriculture, forestry, and other land-use sectors must adopt sustainable, traceable practices to meet these new standards. The BGE Policy, with its emphasis on environmentally conscious and low-carbon industries, aligns with the EUDR's goals by promoting sustainable land management and green growth. Compliance with the EUDR could open new market opportunities for Bougainville's eco-friendly products, but it will also require stringent environmental safeguards and transparent supply chains to ensure continued access to EU markets.

Disclaimer

This Regulation is only for the EU but may be followed by other importing countries, consistent with the Convention on Biological Diversity.

The Ministry of Lands, Physical Planning, Environment, Conservation, and Climate Change

The EU Deforestation Regulation & Cocoa Production

1. Tok go pas

European union em economy wea isave importim bikpla volume long kakao long olgeta hap long world. Now EU em wokim niupla law long stopim import blong kakau na ol narapla cash crops wea i kamaut long ol niupla bush.

Aim: Displa law ol bin kamapim long stoppim import blong ol cash crop i kamapim bikpla bagarap long bus.

Key Date: Displa law i karamapim ol bus wea yu katim bihain long Dec 31, 2020.

Commodities Affected: Cocoa, palm oil, coffee, etc.

2. Key Requirements for Companies

Due Diligence:

Ol kampani bai bihainim ol kakau farm na checkim sapos ol farmer is bagarapim bikpla bus taim ol planim kakau.

Traceability:

Ol buyer long Europe save long wanem hap tru kakau farm is stap na husat tru i papa or mama blong displa kakau.

Risk Assessment:

Wok painim aut sapos yu bagarapim bikpla bush long growim kakau blong yu. Na bai igat wok painim aut tub long kamapim wei blong stretim bek gen bush wea wok kakau bin bagarapim.

Reporting & Auditing:

Bai gat ol report i kamap long soim sapos you bihainim displa law. Sapos yu bagarapim bush yet, bai yu ken baim fine or nogat, bai EU bai stop long baim kakau blong yu.

3. Impact on Cocoa Production

Sustainable Practices:

- Yu mas planim bek sampla diwai ol senisim diwai yu katim long planim kakau

Challenges for Smallholder Farmers:

- Em ken costim moni long wokim mapping, certifaim farms, and kisim ol niupla technology.
- Displa senis bai needim sapot blong gavman na and international partners.

Market Access:

- Sapos yu no bihainim displa law bai yu lusim market access long EU
- Sapos yu bihainim displa law, yu ken increasim value blong yu long ol narapla market long world tu.

Opportunities for Certification:

- Yu ken apply long Certified Sustainable Cocoa olsem Fairtrade na Rainforest Alliance kisim moa value long kakau.
- Certification ken supportim na soim olsem kakau blong yu ino bagarapim bush.

4. Wanem wok ABG i mekim now

Autonomous Bougainville Government (ABG), aninit long Ministry blong Lands, Physical Planning, Environment, Conservation and Climate Change i wok long raitim wanpla policy, Blue-Green Economy (BGE) Policy, long lukluk long wei Bogenvil ken benefit long ol displa niupla law long Europe na tu long narapla hap long world.

Aninit long displa BGE policy, bai lukluk long wei Bougainville ken strongim EU markets access and narapla hap long world tu bikos agenda blong lukautim bush em kamap global issue.

BGE Policy is stap olsem draft policy yet na mipla Ministry bai go pas long wanpla regional consultation long mun October 2024.

5. Regional Consultations blong BGE Policy

Policy consultation bai kamap long mun October 2024, long ol displa locations.

Date	Activity	Location
1-2 Oct	Regional Consultation Workshop	Buin
3-4 Oct	Regional Consultation Workshop	Arawa
8-9 Oct	Regional Consultation Workshop	Buka
16 Oct	BGE Policy Validation	Buka

Anything you want to add???

Authorised by the ABG Directorate for Environment, Conservation, and Climate Change