



26-27 May 2014, Brussels

High-Level Conference on deforestation and forest degradation.

Joint NGO call to the EU to develop an Action Plan on deforestation and forest degradation

The EU's 2013 Forest Footprint study¹ revealed how the bloc leads the industrialised world in driving global deforestation. The EU **was the largest net importer of embodied deforestation** between 1990 and 2008, significantly ahead of other trading powers like China or North America.

During this period, **an area of tropical forest the size of Portugal** (9 million hectares) was cleared for products like palm oil, soy and beef that were **destined for the EU**. Consumption of timber and derived products in Europe also fuels forest degradation, caused by unsustainable or illegal logging. Amid soaring demand for food and fuel, the EU's forest footprint is set to increase yet further in the coming years. These trends are at stark odds with EU commitments to halt forest loss and mitigate climate change. Urgent action is needed to address this paradox.

Giving teeth to EU commitments on deforestation and forest degradation

The 2013 study, funded by the European Commission, was an important reminder of the necessity of EU pledges to help reduce gross tropical deforestation by at least 50% by 2020 and halt global forest cover loss by 2030.² Yet it also laid bare the pressing need for a comprehensive Action Plan to deliver on these goals, encompassing a range of internal and external EU policies.

The 7th EU Environmental Action Programme³ (which sets priorities for the period to 2020) acknowledges the need for the EU to develop policy proposals to address the environmental impact of EU consumption of food and non-food commodities. It specifically considers the development of an EU Action Plan on deforestation and forest degradation. Developing this Action Plan will require sustained commitment, concerted effort and a long-term vision from a broad partnership of stakeholders, aimed at ensuring that forest ecosystems and their essential functions are protected and wisely managed and rights of indigenous peoples and forest communities are fully respected. The Action Plan will also require a robust and well thought out strategy as well as a comprehensive implementation plan.

Follow-up to the Study E consultation process

We welcome the Commission's action to convene a conference with experts and stakeholders in Brussels on 26th and 27th May to discuss the challenges of deforestation and forest degradation in the context of climate change, development and biodiversity loss. This conference is a good first step, but requires follow-up. After the Conference, we call on the European Commission to pursue and intensify multi-stakeholder consultations at EU level and in countries affected by deforestation, with a view to publishing an ambitious and comprehensive Action Plan on deforestation and forest degradation by 2015.

¹ "The impact of EU consumption on deforestation", accessible at http://ec.europa.eu/environment/forests/impact_deforestation.htm

² Communication from the Commission to the European Parliament, the Council, the EESC and the CoR addressing the challenges of deforestation and forest degradation to tackle climate change and biodiversity loss, COM(2008) 645/3, p.9.

³ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013D1386&from=EN>

Key issues that need to be addressed in the consultation process include:

- **Demand-side drivers:** How to make EU consumption and production patterns sustainable and minimise the overall EU forest footprint, by developing new policy and legislative initiatives, reforming existing policies, and being more resource-efficient.
- **Good governance and the rule of law:** How to ensure EU consumption, investment and production is not linked to illegal activities, corruption, violations of customary land rights and environmental legislation in countries affected by deforestation, and land-grabbing.
- **Supply-side drivers:** How to assist efforts of forested countries to end deforestation and forest degradation, and accelerate the transition towards sustainable land use and management and sustainable commodity production that complies with high environmental standards and respects the rights of local communities and indigenous peoples.

Towards an ambitious and comprehensive EU Action Plan on Deforestation and Forest Degradation:

Retail and manufacturing companies and major agriculture commodity producers are adopting ambitious pledges to cut their impact on deforestation and respect the right of local communities and indigenous peoples. Governments are trailing behind, failing to support this ambition through decisive action.

As a progressive trading bloc, the EU must rise to the challenge and match these private sector efforts through policies and regulatory measures that would raise the standards for all companies and level the playing field. This would boost pledges made and mean the public can hold these companies to account for implementing their commitments.

The EU must do this while supporting developing countries through the provision of financial and technical assistance to tackle deforestation and forest degradation in their own territories by strengthening community control over resources, improving forest governance and supporting the development and implementation of sustainable land use strategies.

It is essential that any Action Plan on deforestation and forest degradation:

- **Establishes mandatory standards for consumption and production to end deforestation and forest degradation:** The EU should regulate commodities and derived products placed on the EU market to ensure that they are not linked to deforestation or forest degradation and comply with international standards that protect communities and indigenous peoples' rights
- **Supports producer countries to tackle the causes of deforestation and forest degradation in their own territories.** The EU should offer support to developing countries in tackling the root causes of deforestation and forest degradation and addressing resulting problems (like conversion timber) through sustainable land use strategies and development models. Voluntary FLEGT Partnership Agreements (VPAs) with developing countries could provide a foundation for such support, and be complemented by other innovative approaches.
- **Increases financial support to protect, maintain and restore forest ecosystems:** Harmful subsidies (e.g. subsidies for biofuels which compete with food for land) should be redirected and new types of taxation and additional sources of public funding introduced to support efforts of developing countries to protect, maintain and restore forest ecosystems.
- **Includes measures to stop waste, overconsumption and reduce pressure on land:** In the context of the EU Resource Efficiency Initiative, the EU should put in place new policy mechanisms to implement sustainable and resource-efficient consumption and production methods, minimize Europe's food waste and losses, and reduce Europe's overconsumption of natural resources and products (such as excessive meat consumption)

to help end deforestation. New measures are also required to ensure that forest biomass in all its forms is produced and used sustainably and efficiently throughout its whole life cycle.

- **Include binding forest-specific provisions in EU trade and investment agreements and in EU investments overall:** The EU should introduce binding forest-specific provisions for tackling deforestation and forest degradation in the EU trade and investment agreements and apply safeguards to investment screening.
- **Controls money flows in economic sectors that contribute to deforestation or forest degradation.** Genuine disincentives have to be established to counter international tax avoidance and evasion resulting from illegal logging and deforestation activities. European policies and laws on money laundering, fiscal transparency, and corporate accounting should be fully and effectively mobilised.
- **Ensure the full, proper and effective enforcement of EU policies and legislation designed to combat the illegal timber trade and illegal wildlife trafficking.** Policies and legislation such as the FLEGT Action Plan, the EU Timber Regulation and EU Wildlife Trade Regulation play an important role in fighting deforestation and forest degradation. EU Member States must enforce these policies and laws robustly and apply sanctions against companies who break the law. States must also coordinate all actors along the national enforcement chain, from customs, inspectors and the police to prosecutors and judges, to ensure thorough investigation and diligent prosecution. Persistent and emerging problems in the global trade in timber products, such as conflict timber and the conversion of forested land to agriculture, need to be given specific attention and adequate policy responses must be formulated, adopted and swiftly implemented.
- **Bring about better EU policy coherence:** Deforestation and forest degradation has a number of drivers linked to different policy areas. A cross-cutting approach needs to be developed that looks at the problem of deforestation and forest degradation from a holistic perspective. Finance institutions such as the EIB and the EBRD need to be included in this approach.

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