Stepping up EU action on deforestation and forest degradation

Greenpeace’s contribution to the EU public consultation

In December 2018, the European Commission announced plans to act on deforestation and forest degradation. It published a roadmap towards a Communication, which the Commission is expected to adopt in the second quarter of 2019. A public stakeholder consultation was launched on 14 January ahead of the Communication, which Greenpeace has responded to on the Commission’s website. This policy brief will be submitted as additional material.

INTRODUCTION

Greenpeace welcomes the initiative launched by the Commission and urges the EU to step up action to stop the destruction of the world’s forests. Forests are more than trees. They are essential to sustain life on earth. They build resilience against the worst effects of climate change by absorbing and storing massive amounts of carbon dioxide, and are home to a vast diversity of plants, animals and other organisms. Three hundred million people worldwide live in forests and 1.6 billion depend on them for their livelihoods. And yet global deforestation is rampant.

Despite governments’ promises and corporate pledges to halt deforestation by 2020, the world loses the equivalent of one football pitch of forest every three seconds, according to the UN Food and Agriculture Organisation. Some 80 percent of global deforestation is caused by agricultural expansion, driven in particular by the production and consumption of commodities such as soy, palm oil and beef. In addition, the deforestation and forest degradation caused by industrial logging, mining and other extractive activities, as well as infrastructure development, is significant. Through the impacts of these drivers, other natural ecosystems such as wetlands (especially peatlands), savannahs, shrublands and grasslands are also converted or degraded. This continuous destruction causes massive loss of biodiversity, often violates the rights of Indigenous Peoples and local communities, and massively contributes to climate change, jeopardising our chances to limit global temperature rise to 1.5° Celsius – the goal set in the Paris Agreement and reinforced by the latest IPCC report. Urgent and immediate action is required by the EU and the world as a whole, and it is clear that 2019 must mark a turning point.

1 https://ec.europa.eu/info/law/better-regulation/initiative/2027/publication/343654/attachment/090166e5c01fab71_fr
Key comments to the roadmap and consultation questionnaire

- The only viable option is a comprehensive and ambitious action plan that includes new legislative acts.
- The Commission must take decisive action and meet the 2020 deadline.
- The Communication must go beyond tropical forests to include all forests and other natural ecosystems.

Key recommendations for action:

- Greenpeace calls on the EU to adopt a comprehensive package of measures, including new legislative acts (see page 6), to address the drivers of deforestation, forest degradation, and the conversion or degradation of other natural ecosystems.

- The EU action should aim to eliminate its impact on forests and other natural ecosystems, protecting and restoring them, and reducing the EU’s global ecological footprint, as well as supporting human rights, improving governance, and boosting the transition of farming towards agroecology.

- The action plan should significantly contribute to achieving the EU’s international commitments and obligations, such as the Paris Agreement on Climate Change, the UN Convention on Biological Diversity (CBD), the 2030 UN Agenda for Sustainable Development, and the UN Declaration on the Rights of Indigenous Peoples.

- Furthermore, the EU should strengthen its cooperation with producer countries to ensure protection and restoration of forests, peatlands and other natural ecosystems, as well as strengthening governance and law enforcement, clarifying and strengthening land tenure and respecting human rights, including the rights of Indigenous peoples and local communities, and speeding up the transition towards agroecological farming practices.

- The action plan should include policy proposals aimed at promoting a reduction in the EU’s consumption of meat and dairy and single-use products and packaging such as paper cups and cardboard.

- In order to ensure overall coherence and the achievement of the objectives of the action plan, changes need to be introduced to a number of existing policies such as the Common Agricultural Policy, EU trade policy, and the policies of the EU and its member states on bioenergy.

- In the context of fighting climate change, the EU also has to increase carbon removals by significantly restoring its forests, peatlands and other natural ecosystems and protect them from further destruction.

- More details on these recommendations are set out below.
GENERAL COMMENTS ON THE ROADMAP AND THE CONSULTATION QUESTIONNAIRE

1. A comprehensive and ambitious action plan that includes new legislative acts is the only viable option

In 2018, the Commission published a Feasibility Study on Options to Step up EU Action against Deforestation (“Feasibility Study”)\(^5\), which was produced to inform its deliberations. The study acknowledges that an approach consisting of a package of measures including new legislation (so-called Option C) would have the greatest impact. **We are therefore alarmed that the Commission’s questionnaire ignores this option as well as questions specifically related to legislative action.** Proposals from the Commission must be commensurate with the severity of the situation and the urgency of climate change. Inaction or half-measures would result in considerable environmental and social costs. We also believe that the Commission cannot ignore the political calls to act that it received in recent years, in particular:

- the call from European countries involved in the “Amsterdam Declaration Partnership” (Germany, France, the Netherlands, Italy, Norway, the UK, and Denmark) for an “ambitious Action Plan” on deforestation and forest degradation\(^6\)
- the call from France, in its National Strategy Against Imported Deforestation\(^7\), for the development of an ambitious EU action plan which should include legislative proposals notably the development of a due diligence obligation for forest risk commodities
- the call from the European Parliament\(^8\) for a “[...] meaningful EU Action Plan on Deforestation and Forest Degradation that includes concrete and coherent regulatory measures [...] to ensure that no supply chains or financial transactions linked to the EU cause deforestation, forest degradation, or human rights violations”. In addition, the European Parliament calls for the EU regulatory framework to, inter alia, “establish mandatory criteria for sustainable and deforestation-free products” and “comply with international human rights law, respect customary rights as set out in the VGGT and guarantee the FPIC of all potentially affected communities through the entire lifecycle of the product”.

2. The Commission must take decisive action and meet the 2020 deadline.

2020 is the deadline that has been set for a number of forest-related commitments such as the target 15.2 set out under the 2030 UN Agenda for Sustainable Development\(^9\) which aims, inter alia, to halt deforestation by 2020, or the Aichi Biodiversity targets\(^10\) adopted in 2010, which states that “by 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced”. **We are alarmed that the Commission’s roadmap published in December omits to explicitly spell out these targets and the deadline set for 2020, and refers instead to the objectives of the 2008 Communication on “addressing the challenges of deforestation” to support “the aims of halting global forest cover loss by 2030 at the latest and of reducing gross tropical deforestation by at least 50% by 2020 compared to 2008 levels”. The EU must act on its commitments and keep 2020 as an immediate time horizon for decisive action. Shifting the goalpost to 2030 would be misguided. The unfolding emergency of climate change requires that public authorities take decisive action now for the protection and restoration of forests.**

3. The Communication must go beyond tropical forests to include all forests and other natural ecosystems

The Commission’s Roadmap for this initiative indicates that the overall objective the Commission intends to set is to “step up EU action against tropical deforestation and forest degradation by developing a more

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\(^5\) Ecofys, Milieu, & COWI. (2018). Feasibility study on options to step up EU Action against Deforestation.
\(^6\) https://mfvm.dk/fileadmin/user_upload/MFVM/Miljoe/Letter_to_European_Commissioners_on_Deforestation.pdf
\(^7\) https://www.ecologique-solidaire.gouv.fr/sites/default/files/2018.11.14_SNID_0.pdf
\(^9\) https://www.un.org/sustainabledevelopment/biodiversity/
\(^10\) https://www.cbd.int/sp/targets/
coherent and comprehensive approach to the problem”. We believe that the geographical scope of the initiative should not be limited to the tropics, but should cover all forests worldwide. Deforestation is particularly significant in the tropics, with rising rates in some regions, but the risk and negative effects of forest degradation covers virtually all regions of the world and should not be overlooked. Additionally, forests outside the tropics also offer significant potential for CO₂ sequestration, mitigating climate change, as well as protection and restoration of biodiversity. Beyond forests, we believe the Communication should also include other natural ecosystems that are at risk of conversion or degradation such as wetlands (especially peatlands), savannahs, shrublands and grasslands.

WHY THE EU MUST ACT VIGOROUSLY

THE EU IS PART OF THE PROBLEM AND MUST DEMONSTRATE ITS INTENTION TO BE PART OF THE SOLUTION

The EU’s consumption, trade and investment are responsible for major environmental and social impacts, exacerbating the climate and biodiversity crisis as a result of their contribution to deforestation and forest degradation. According to a study by the Commission itself, between 1990 and 2008, the EU27 imported from other regions 9 Mha of deforestation - an area of forests the size of Portugal - embodied in crop and livestock products. Specific drivers include the EU’s consumption of products and commodities linked to these destructive practices, but also to its overconsumption of meat and dairy products and the associated dependence on imported animal feed. In addition, its policy on biofuels and bioenergy and the inadequacy of controls on finance and investments flows are also drivers. Deforestation and forest degradation are also caused by poor governance and lack of adequate regulation and/or law enforcement in the producer regions, together with other factors such as insecure land tenure and unsustainable farming practices, characterised by land conversion and habitat loss. The Commission Communication must aim at tackling these drivers in a holistic way. The EU needs to demonstrate through its actions that it intends to be part of the solution and no longer part of the problem. This includes showing “a leadership role, mobilising its political and market leverage, and promoting broader international dialogue and cooperation” as the feasibility study published in March 2018 suggests.

PROTECTING AND RESTORING FORESTS IS A SOLUTION TO CLIMATE AND BIODIVERSITY CRISIS

One of the most comprehensive assessments of natural climate mitigation potential suggests that forest protection and restoration, together with other “natural climate solutions”, can provide over one-third of the climate mitigation needed over the next decade to keep global warming to under 2°C, which implies a high potential for forests to help limit global warming to 1.5°C too. Similar results have been published by Dooley et al (2017) Natural climate solutions. VITO, IIASA, HIVA, IUCN NL (2013) The impact of EU consumption on deforestation: Comprehensive analysis of the impact of EU dependence on imported animal feed. In addition, its policy on biofuels and bioenergy and the inadequacy of controls on finance and investments flows are also drivers. Deforestation and forest degradation are also caused by poor governance and lack of adequate regulation and/or law enforcement in the producer regions, together with other factors such as insecure land tenure and unsustainable farming practices, characterised by land conversion and habitat loss. The Commission Communication must aim at tackling these drivers in a holistic way. The EU needs to demonstrate through its actions that it intends to be part of the solution and no longer part of the problem. This includes showing “a leadership role, mobilising its political and market leverage, and promoting broader international dialogue and cooperation” as the feasibility study published in March 2018 suggests.

16 Griscom et. al, Natural climate solutions. Proceedings of the National Academy of Sciences Oct 2017, 114 (44) 11645-11650; DOI: 10.1073/pnas.171046511
Kartha (2018), stating that reforestation and forest restoration alone can provide the volumes of CO\textsubscript{2} removal from the atmosphere, that are necessary in more than a third of the modelled 1.5°C scenarios (480 billion tons CO\textsubscript{2} by 2100). The potential of considerate climate action in the land sector was explored in detail in the ‘Missing Pathways to 1.5’ report by the Climate Land Ambition and Rights Alliance (CLARA) - again outlining the need to support climate action in the land sector that respects people’s rights, supports biodiversity and supports an ecosystem based approach to climate mitigation and adaptation. A vague Communication containing half-measures would be counterproductive and send negative signals that the EU is not ready to take stock of its responsibilities and honor its commitments under the CBD goals, the Sustainable Development Goals (SDGs) and the Paris Agreement on climate action.

**Upholding the Rights of Indigenous Peoples and Local Communities is Key to Forest Protection**

There is a strong correlation between recognition of Indigenous peoples’ and local communities’ rights, and forest and environmental protection. Where the land rights of Indigenous Peoples and local communities have been recognised and legally protected, and their livelihoods addressed – forest protection is more likely. The Commission’s Roadmap acknowledges the problem of deforestation and forest degradation “can also be associated with land grabbing, labour issues and abuses of the rights of local communities and Indigenous Peoples”. The Commission must therefore ensure the policy interventions it proposes address these problems and support a rights-based approach. In particular, the EU must ensure that it supports and upholds international standards and obligations on Indigenous Peoples and local communities such as the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the International Labour Organisation (ILO) Convention 169, including the right to Free, Prior and Informed Consent (FPIC).

**Strong EU Action is Necessary to:**

- **Restore and generate consumer confidence**
  In the absence of EU action to cut deforestation out of supply chains, consumers and NGOs have put pressure directly on companies to act. Consumer’s awareness and demand for sustainable products is on the rise. Last year more than one million people signed a petition to Wilmar, one of the biggest international palm oil traders, and Oreo, owned by Mondelez, asking both companies to become accountable for their supply chain and drop palm oil that does not come from responsible sources. Citizens from around the world are demanding that the food they eat and the products they buy are not destroying forests, driving a sixth mass extinction of species, or changing our climate. It is the responsibility of lawmakers to draw up rules to accelerate this change process towards sustainable production systems.

- **Reinforce corporate commitments and make sure they are implemented**
  Since 2010, many companies have pledged to stop deforestation and to implement responsible production and sourcing practices by 2020, including through the High Carbon Stock Approach. Yet, progress is slow and most supply chains remain contaminated by deforestation and human rights abuses. Private sector commitments alone are simply not sufficient to protect the Earth’s remaining forests and other natural ecosystems from destructive production methods. The EU must take responsibility for ensuring private sector commitments are implemented and adopt regulatory measures to speed up the transformation of the global market. The Action Plan needs to contain regulation establishing clear and binding rules for responsible supply chains which create a common

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20 https://www.greenpeace.org/international/act/take-action-indonesia-forests-companies-dirty-palm-oil/
21 https://www.theconsumergoodsforum.com/initiatives/environmental-sustainability/key-projects/deforestation/
22 http://highcarbonstock.org/the-high-carbon-stock-approach/
baseline for all companies and level the playing field. Standards set by the EU are likely to have positive knock-on effects globally, notably due to the interconnections that exist between international markets, and the signal that EU action would send to companies and investors.

**Show that the EU cares about and responds to the concerns of its citizens**
Climate Change and environment protection count among the biggest topics the Commission is expected to act upon. They rank among European citizens’ top priorities. According to the Special Eurobarometer 45923 and Special Eurobarometer 46824 published respectively in March and November 2017, protecting the environment is important for 94% of Europeans. Around three-quarters of EU citizens (74%) consider climate change to be a very serious problem and more than nine in ten (92%) see it as a serious problem. Almost four in five respondents (79%) say that big companies and industry are not doing enough to protect the environment, and 82% agree that the EU should assist non-EU countries to improve their environmental standards. As we write, tens of thousands of school pupils are demonstrating on the streets of European cities demanding concrete and immediate action to safeguard the climate. A pledge25 in France, supporting a legal case against the state for climate inaction, recently collected more than two million signatures in less than one month, which is a record in the country. Acting strongly against forest destruction and for the climate will demonstrate that the EU brings added value on global issues that EU citizens care about, which Member States cannot address individually.

**RECOMMENDED ACTIONS**

The Commission’s initiative must set out a comprehensive strategic vision and encompass a set of policy interventions, including new legislative acts, which will make a decisive contribution to averting catastrophic climate change, halting global biodiversity loss, upholding human rights and limiting negative environmental and social impacts.

These interventions should include as a minimum:

1. **New legislative acts**

   **Internal market:** New legislation to ensure that all forest/ecosystem risk commodities and derived products placed on the EU internal market (i) comply with strictly defined sustainability criteria to avoid environmental and social impacts like deforestation, forest degradation, the conversion or degradation of other natural ecosystems, or human rights violations and (ii) are not produced by companies that are responsible for such environmental or social impacts. This new legislation should also impose obligations on EU based operators, including for instance due diligence, the traceability of products, supply chain transparency and third-party verification.

   **Finance:** New legislation preventing the use of the financial system to support undertakings or activities linked to deforestation, forest degradation, the conversion or degradation of other natural ecosystems, or human rights violations. This new legislation should require financial operators (including banks, investors, insurers as well as the public sector) to comply with due diligence and transparency requirements.

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25 https://laffairedusiecle.net/
2. International cooperation and dialogue

**Producer countries:** Increase support and cooperation with producer countries to ensure protection and restoration of forests, peatlands and other natural ecosystems, as well as strengthening governance and law enforcement, clarifying and strengthening land tenure and respecting human rights, including the rights of Indigenous peoples and local communities, and speeding up the transition towards agroecological farming practices. Bilateral agreements and partnerships with producing countries could provide a foundation for such support. The EU and its member states must ensure that all public financial support to producer countries is coherent and subject to robust sustainability criteria. In particular, EU and its member states must substantiate in a transparent manner how financial support or development assistance projects are not directly causing, nor contributing to deforestation, forest degradation, conversion or degradation of other natural ecosystems.

**Consumer countries:** In addition, the EU and its member states need to engage in dialogue with other major consumer countries and use their political leverage to encourage them to step up action alongside the EU.

3. New actions needed to ensure coherence of existing EU policies with the achievement of the objectives of the action plan

**Trade:** Ensure that the EU trade and investment policies actively contribute to sustainable development, climate change mitigation and environmental protection, protect human and Indigenous Peoples’ rights and fully uphold international agreements, such as the Universal Declaration of Human Rights and United Nations Declaration on the Rights of Indigenous Peoples, the Paris Climate Agreement, the Convention on Biological Diversity, and the Sustainable Development Goals. Greenpeace’s 10 Principles for Sustainable Trade and Greenpeace’s 10 Principles for Corporate Accountability can serve as a foundation for this. The EU must also see that trade and investment agreements include specific and legally enforceable provisions to address deforestation, forest degradation, as well as the conversion/degradation of other natural ecosystems. These agreements must include formal complaint mechanisms, allowing complaints by affected and interested parties, to report breaches of environmental obligations or violations of social, and human rights, including the rights of Indigenous Peoples. The agreements should also be transparently and democratically mandated, negotiated, agreed upon, and reviewed.

**Consumption:** The Commission must urgently make policy proposals aimed at promoting a reduction in the EU’s overconsumption of meat and dairy products and of single-use products and packaging. Eating less and better meat and dairy as well as doubling the amount of fruits and vegetables intake in EU diets would not only result in substantial health benefits but also reduce the demand for land, and thus the pressure on forests and other natural ecosystems. Further, current business models need to dramatically shift away from producing single-use disposable products to practices that prevent problematic and single use products, support reusable/returnable products, and shift from products to services.

**Common Agricultural Policy (CAP) reform:** Radically reform the CAP, by preventing subsidies from supporting livestock factory farming. Factory farming has a massive land footprint, fuels deforestation and ecosystem destruction; therefore the CAP should encourage farmers to transition away from destructive industrial practices towards ecological farming systems, raising fewer animals and in better conditions. Public money should only be spent to support and reward farmers delivering health and environmental public goods, transitioning towards ecological livestock systems relying mostly on grazing and feed produced on farm.

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28 Single-use products and packaging are here defined as any product or packaging that is intended or designed for one-time use, regardless of the recyclability of any component materials. Reusable products and packaging are those constructed of durable materials and designed to achieve multiple uses in its existing form without any physical or chemical modification. To qualify as reusable, there needs to be a reuse system in place that ensures it is reused where the item is placed on the market, and is able to prove a significant actual reuse rate.
order to meet SDGs, EU agriculture must safeguard the limited and non-renewable resources that represent the basis of food production. In addition, it should put in place measures to promote a shift towards healthier and sustainable diets reducing substantially meat and dairy consumption while doubling that of fruits, vegetables and pulses.

Bio-Energy: Acknowledge the established body of evidence that many types of bioenergy, including crop-based biofuels and large-scale forest biomass, can perversely result in increased carbon emissions and contribute to the degradation of natural ecosystems both within and outside Europe. They also perpetuate existing fossil fuel-based infrastructure and block investments in genuinely sustainable energy solutions. The EU and its member states must recognise that bioenergy can only play a limited role in a 100% renewable energy system and must only support bioenergy from waste and residues if it results in the near-term in net greenhouse gas emission reductions, does not compete with material use or soil-fertility needs, and comes from responsibly and sustainably produced feedstocks, without threatening the conversion or degradation of natural ecosystems and carbon sinks.

EU’s long-term climate strategy: The EU is currently discussing a new long-term climate strategy. The EU must increase its 2030 targets and back a strategy which drastically reduces emissions in all sectors to ensure net-zero greenhouse gas emissions by 2040. To achieve this goal, the EU also has to increase carbon removals by significantly restoring its own forests, peatlands and other natural ecosystems and protect them from further destruction, including from fires, which in a hotter and drier world will increasingly become a risk factor in the erosion of the land’s carbon sink capacity. Therefore, the structure of secondary forests must be supported to become more natural, more healthy and more resilient to climate impacts.

4. Better implementation and enforcement of existing legislation

EU Timber Regulation (EUTR): step up efforts to achieve the objective of the EUTR of preventing sales of illegal timber and timber products in the EU market. In particular, we urge EU member states to implement and enforce the law strictly and consistently, to carry out checks that are effective, and sufficient in numbers, and apply dissuasive sanctions against non-compliant operators. In addition, we ask the European Commission to ensure the complete EU-wide implementation and proper enforcement of the EUTR, and to extend the product scope of the EUTR to all wood-based products.

CONTACT

Greenpeace European Unit

Email: european.unit@greenpeace.org
Phone: +32 (0)2 274 1900
EU transparency register: 9832909575-41