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DRAFT REPORT

Palm oil and deforestation of rainforests
(2016/2222(INI))

Committee on the Environment, Public Health and Food Safety

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

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The European Parliament,

- having regard to the 2015-2030 United Nations Sustainable Development Goals (SDGs),
 - having regard to the COP 21 global climate agreement,
 - having regard to the ‘Globiom: the basis for biofuel policy post-2020’ report,
 - having regard to Commission report 2013-063 ‘The impact of EU consumption on deforestation’,
 - having regard to the Amsterdam Declaration in support of a fully sustainable palm oil supply chain by 2020,
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinion of the Committee on Agriculture and Rural Development (A8-0000/2016),
- A. whereas the European Union plans to ratify the Paris Agreement and will play a crucial role in achieving the objectives laid down in the area of environmental protection and sustainable development;
- B. whereas the EU was instrumental in setting the Sustainable Development Goals that are closely linked to the issue of palm oil (SDGs 2, 3, 6, 14, 16, 17 and, in particular, 12, 13 and 15);
- C. whereas companies trading in palm oil are generally unable to prove with certainty that the palm oil in their supply chain is not linked to deforestation;
- D. whereas cultivation of palm oil over the last 20 years has been the cause of 20% of all deforestation;
- E. whereas precious tropical ecosystems, which cover a mere 7% of the Earth’s surface, are under increasing pressure from deforestation and the establishment of palm oil plantations, which are resulting in, for example, massive forest fires, the drying up of rivers, soil erosion, loss of groundwater, pollution of waterways and destruction of rare natural habitats, and even causing ecosystems to stop providing basic ecosystem services, which is having a major impact on the global climate;
- F. whereas 30-50% of fires in Indonesia in 2015 occurred in coal-rich peatlands, turning Indonesia into one of the greatest contributors to global warming on Earth;
- G. whereas in 2014, 45% of all palm oil imported into Europe was used as fuel for

transport (an increase of 34% since 2010);

- H. whereas demand for palm oil will, according to estimates, double by 2050; whereas new plantations are constantly being established and existing ones expanded in Indonesia, Malaysia and other Asian countries, as well as in Africa and Latin America;
- I. whereas the loss of natural habitats in the form of rainforests is endangering the survival of a large number of species (e.g. the Sumatran rhinoceros, the Sumatran tiger and the Bornean orangutan);

General considerations

1. Is fully aware of how complex the issue of palm oil is and notes the need to operate on the basis of the collective responsibility of many actors, be they the EU and international organisations, Member States, countries in which palm oil is cultivated and indigenous people, private businesses, or NGOs; all of these actors must play a part in resolving this problem;
2. Notes that palm oil can be cultivated responsibly and can make a real contribution to the economic development of a country, provided that no deforestation occurs, that no plantations are established on peatlands, and that the rights of indigenous communities are respected;
3. Notes the existence of various types of voluntary certification schemes, including RSPO, ISPO and MPOCC, and welcomes their development towards the sustainable cultivation of palm oil;

Recommendations

4. Calls for companies that cultivate palm oil to use the High Carbon Stock (HCS) approach when developing their plantations; draws attention to the need to create a comprehensive land-use plan that will take into account the land used by local communities for the cultivation of food, peatlands and high conservation value (HCV) land, and will respect the right of communities to use the land on the basis of 'free prior and informed consent' (FPIC);
5. Calls for the EU to continue to initiate voluntary partnership agreements, such as FLEGT; notes that a similar approach could also be taken with regard to palm oil, and that it could lead to improved controls on the palm industry in countries of destination;
6. Calls for the EU to create, as a supplementary element of voluntary partnership agreements, follow-up legislation on such agreements with regard to palm oil along the lines of the EU Timber Regulation;
7. Calls on the Commission, in cooperation with the non-profit sector, to launch information campaigns and to provide consumers with comprehensive information on the consequences of the reckless cultivation of palm oil; calls on the Commission to ensure that information confirming that a product is not linked to deforestation is provided to consumers by means of a special indication on the product;

8. Observes with regret that RSPO, ISPO, MPOCC and all other recognised certification schemes do not currently prohibit their members from converting rainforests or peatlands into palm plantations, and that they fail to limit greenhouse gas emissions during the establishment and operation of the plantations, and as a consequence of this they have been unable to prevent massive forest and peat fires; calls on the Commission to urge the RSPO to modify its certification criteria and to implement these criteria strictly; calls on the Commission to support the development of multilateral certification schemes that will guarantee that the palm oil certified by them:
 - has not led to deforestation or the destruction of peatlands or other ecologically valuable habitats,
 - has not given rise to social problems or conflicts,
 - enables small-scale palm oil cultivators to be included in the certification system and ensures that they receive their fair share of profits;
9. Calls on the Commission to strengthen environmental measures in its trade agreements with a view to preventing palm oil-related deforestation;
10. Calls on the Commission to increase import duties on palm oil that is directly linked to deforestation and that does not reflect the real costs associated with the environmental burden; notes that this instrument will require the involvement of certification schemes;
11. Calls on the Commission and EU Member States to focus on the development of tools that will facilitate the better integration of conservation issues into development cooperation; notes that such an approach will help to ensure that development activities do not lead to unintended environmental problems, but rather work in synergy with conservation activities;
12. Calls on the Commission to continue to develop research to gather information on the impact of European consumption on the process of deforestation;
13. Calls on the Commission to develop technologies and strategies to reduce the impact of European consumption on deforestation in third countries;
14. Calls on the Commission to support activities aimed at creating a synergy between the CAP and policies whose objective is to reduce deforestation (REDD+, Biodiversity Strategy); calls on the Commission to assess the potential consequences of reforming the CAP for countries outside the EU27, as this has the potential to lead to further massive deforestation;
15. Notes that Member States have an opportunity to support steps aimed at establishing the sustainable cultivation of palm oil by ratifying the Amsterdam Declaration;
16. Calls on the Commission to push for the use of palm oil as a component of biodiesel to be phased out by 2020 at the latest;
17. Calls on the Commission to provide support to organisations focusing mainly on the *in-situ* – but also *ex-situ* – conservation of all animal species affected by habitat loss due to palm oil-related deforestation;

18. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States.

EXPLANATORY STATEMENT

On the subject of sustainable development, the Commission has this to say: ‘Sustainable Development stands for meeting the needs of present generations without jeopardising the ability of future generations to meet their own needs.’ The vision of the progressive and long-term development of human society is one of the cornerstones of the EU, and it must therefore also be an aspect of our decision-making process in cases such as the palm oil issue.

20 years have not yet passed since palm oil became the world’s most widely used oil, and in this time it has also become one of the causes of the widespread devastation of diverse ecosystems in the tropics. Thanks to this commodity, the cases of the islands of Sumatra and Borneo in Indonesia have gone down in history as examples of the most rapid deforestation in human history. Unfortunately, owing to the unprecedented speed at which this industry has expanded, not all of the dangers associated with the massive implementation of monoculture plantations were fully understood. Time has shown that the risks were underestimated, and negative connotations relating to the excessive and almost unregulated cultivation of this crop are now evident.

Tropical ecosystems, and in particular rain forests – which account for just 7% of the world’s vegetation – are facing their greatest challenge since the dawn of man. Not only is hugely valuable vegetation being lost, but so too are many animal species, including some that had not even been discovered. The impact of palm oil cultivation is, however, not limited to rainforests. Adjacent marine ecosystems are also under growing pressure. Irreplaceable groundwater is being lost, and rivers are drying out. Massive peat and forest fires are occurring, and the climate is changing in the affected regions, contributing to global climate change. These changes do not only affect tropical flora and fauna; they also affect local inhabitants, whose livelihoods are closely linked to those ecosystems. Palm oil is thus becoming the root of numerous social and economic conflicts. The speed with which these changes are happening is alarming, and it therefore calls for an immediate response.

The EU is the third largest market for palm oil, and it thus plays a significant role in what is happening in the tropical countries in which palm oil is being cultivated. Moreover, European financial institutions are among the largest investors in this sector. They are therefore responsible for the way in which their money is handled. It must be pointed out that many actors play a part in creating these problems, so the responsibility that they bear is shared. The EU and its Member States, as actors in this situation, should face up to their responsibility and take steps to improve the current, desperate situation.

The UN has established the 2030 Agenda for Sustainable Development, which sets out 17 main goals that should be achieved within this timeframe. The palm oil issue relates to all 17 of these goals, but is most closely linked to goals 2, 3, 6, 14, 16 and 17, and in particular to goals 12, 13 and 15. This serves to illustrate just how serious the palm oil issue is and why it is vital that we immediately investigate this issue and search for a satisfactory long-term solution.