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REPORT

with recommendations to the Commission on an EU legal framework to halt and reverse EU-driven global deforestation
(2020/2006(INL))

Committee on the Environment, Public Health and Food Safety

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(Initiative – Rule 47 of the Rules of Procedure)

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with recommendations to the Commission on an EU legal framework to halt and reverse EU-driven global deforestation (2020/2006(INL))

The European Parliament,

- having regard to Article 225 of the Treaty on the Functioning of the European Union,
- having regard to Article 114(3) and Article 192(1) of the Treaty on the Functioning of the European Union,
- having regard to the Commission Communication on Forest Law Enforcement, Governance and Trade (FLEGT) — Proposal for an EU Action Plan of 21 May 2003 (COM(2003)0251),
- having regard to Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market ('the EU Timber Regulation')¹,
- having regard to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment²,
- having regard to Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation³,
- having regard to the 2030 United Nations Sustainable Development Goals (SDGs), in particular SDG 12 concerning responsible consumption and production and SDG 15, to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss,
- having regard to the Paris Agreement reached at the 21st Conference of Parties of the United Nations Framework Convention on Climate Change (COP21),
- having regard to the study on due diligence requirements through the supply chain commissioned by the Commission's Directorate General for Justice and Consumers (2020),
- having regard to the European Parliamentary Research Service (EPRS) study "An EU legal framework to halt and reverse EU-driven global deforestation - European added

¹ OJ L 295, 12.11.2010, p. 23.

² OJ L 198, 22.6.2020, p. 13.

³ OJ L 378 27.12.2006, p. 41.

value assessment" of September 2020⁴,

- having regard to the conclusions of the Council and of the Governments of the Member States sitting in the Council on the Communication on Stepping Up EU Action to Protect and Restore the World's Forests of 16 December 2019,
- having regard to the Amsterdam Declaration "Towards Eliminating Deforestation from Agricultural Commodity Chains with European Countries" of 7 December 2015,
- having regard to the UN's Programme on Reducing Emissions from Deforestation and Forest Degradation (REDD+) mechanism,
- having regard to the UN Strategic Plan for Forests 2017-2030 (UNSPF), which defines six Global Forest Goals and 26 associated targets to be achieved by 2030,
- having regard to the UN Convention to Combat Desertification, adopted on 17 June 1994,
- having regard to the National Sustainable Commodity Platforms developed by the United Nations Development Programme (UNDP),
- having regard to the International Covenant on Civil and Political Rights of 1966,
- having regard to the International Covenant on Economic, Social and Cultural Rights of 1966,
- having regard to the Charter of Fundamental Rights of the European Union⁵;
- having regard to the American Convention on Human Rights of 1969,
- having regard to the African Charter on Human and Peoples' Rights of 1987,
- having regard to the International Labour Organisation (ILO) Convention No 169 on Indigenous and Tribal Peoples of 1989,
- having regard to the UN Declaration on the Rights of Indigenous Peoples of 2007,
- having regard to OECD/FAO guidelines for responsible agricultural supply chains,
- having regard to the FAO report – The State of the World's Forests 2020,
- having regard to the FAO's publication The State of the World's Forests 2018 – Forest Pathways to Sustainable Development, FAO (2018),
- having regard to the FAO's Global Forest Resources Assessment 2015 – FRA 2015

⁴ EPRS, "An EU legal framework to halt and reverse EU-driven global deforestation - European added value assessment", PE 654.174, September 2020

⁵ OJ C 364, 18.12.2000, p. 1.

Desk Reference,

- having regard to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) of 1973,
- having regard to the Convention on Biological Diversity of 1992 and the associated Cartagena Protocol on Biosafety of 2000 and Nagoya Protocol and Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilisation of 2010,
- having regard to the United Nations’ Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services 2019 Global Assessment Report on Biodiversity and Ecosystem Services of 6 May 2019,
- having regard to the UN Principles for Responsible Investment of 2006,
- having regard to the Guiding Principles on Business and Human Rights, endorsed by the UN Human Rights Council in 2011, as well as to the OECD’s Guidelines on Multinational Enterprises, updated in 2011,
- having regard to the United Nations’ International Panel on Climate Change Special Report on Climate Change and Land of 8 August 2019,
- having regard to the Global Programme for Combating Wildlife and Forest Crime of the United Nations Office on Drugs and Crime (UNODC),
- having regard to the Convention of Access to Information, Public Participation in Decision Making and Access to Justice in Environmental Matters, adopted on 25 June 1998 in Aarhus by the United Nation Economic Commission for Europe,
- having regard to its resolution of 17 June 2010 on EU policies in favour of human rights defenders⁶,
- having regard to its resolution of 25 October 2016 on corporate liability for serious human rights abuses in third countries⁷,
- having regard to its resolution of 4 April 2017 on palm oil and deforestation of rainforests⁸,
- having regard to its resolution of 12 September 2017 on the impact of international trade and the EU’s trade policies on global value chains⁹,
- having regard to its resolution of 3 July 2018 on violation of the rights of indigenous peoples in the world, including land-grabbing¹⁰,

⁶ Texts adopted, P7_TA(2010)0226

⁷ Texts adopted. P8_TA(2016)0405

⁸ Texts adopted, P8_TA(2017)0098

⁹ Texts adopted, P8_TA(2017)0330

¹⁰ Texts adopted, P8_TA(2018)0279

- having regard to its resolution of 11 September 2018 on transparent and accountable management of natural resources in developing countries: the case of forests¹¹,
- having regard to its resolution of 15 January 2020 on the European Green Deal¹²,
- having regards to its resolution of 16 January 2020 on the 15th meeting of the Conference of Parties (COP15) to the Convention on Biological Diversity¹³,
- having regard to its resolution of 16 September 2020 on the EU’s role in protecting and restoring the world’s forests¹⁴,
- having regard to the "Forest pledge" of 21 March 2019 by which many serving Members of the European Parliament pledged to promote policies to protect and restore forests worldwide and recognise and secure forest peoples’ territories and their rights,
- having regard to the Council conclusions of 28 June 2018 on forest law enforcement, governance and trade,
- having regard to the Commission Communication entitled “Stepping up EU action to Protect and Restore the World’s Forests” of 23 July 2019 (COM(2019)0352),
- having regard to the Commission's "Feasibility study on options to step up EU actions against deforestation" of January 2018,
- having regard to the Commission’s Communication on the European Green Deal of 11 December 2019 (COM(2019)0640),
- having regard to the Commission’s Communication on an EU Biodiversity Strategy for 2030 - Bringing nature back into our lives of 20 May 2020 (COM(2020)0380),
- having regard to the Commission’s Communication on a Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system of 20 May 2020 (COM(2020)0381),
- having regard to the statement from civil society representatives on the EU’s Role in Protecting Forests and Rights of April 2018,
- having regard to Rules 47 and 54 of its Rules of Procedure,
- having regard to the opinions of the Committee on International Trade, the Committee on Development, the Committee on Industry, Research and Energy, and the Committee on Agriculture and Rural Development,
- having regard to the report of the Committee on the Environment, Public Health and Food Safety (A9-0179/2020),

¹¹ Texts adopted, P8_TA(2018)0333

¹² Texts adopted, P9_TA(2020)0005

¹³ Texts adopted, P9_TA(2020)0015

¹⁴ Texts adopted, P9_TA(2020)0212

- A. whereas biologically diverse forests, being natural carbon sinks, are indispensable in the fight against climate change in line with the Paris Agreement's goals to hold the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursue efforts to limit the temperature increase to 1,5 °C above pre-industrial levels, and that the most up to date science indicates that limiting the increase to 1,5 degrees would substantially reduce harm to people and natural ecosystems as compared to the 2 degrees scenario¹⁵, as well as for climate change adaptation and biodiversity conservation; whereas not only deforested areas, but also forests degraded by human intervention can turn into a source of carbon dioxide;
- B. whereas forests host 80 % of the Earth's biodiversity and cover 30 % of its land area¹⁶; whereas forests provide vital organic infrastructure for some of the planet's densest, most fragile and most diverse ecosystems; whereas deforestation is the most serious threat for 85 % of threatened or endangered species and 58 % of vertebrate animals have already disappeared from the surface of the globe between 1970 and 2012 due to deforestation¹⁷;
- C. whereas forests are a source of livelihood and income for about 25% of the world's population¹⁸ and their destruction has serious consequences for the livelihoods of the most vulnerable people, including indigenous peoples heavily dependent on forest ecosystems;
- D. whereas emissions from land-use change, mostly due to deforestation, account for approximately 12 % of global greenhouse gas (GHG) emissions and are the second biggest cause of climate change after burning coal, oil and gas¹⁹;
- E. whereas primary forests are particularly affected by deforestation; whereas primary forests have high carbon stocks, and are characterised by unique ecological features and biodiversity levels and therefore cannot be replaced by newly planted forests; whereas afforestation, performed in a way that is compatible with the protection and enhancement of local ecosystems, can play a role in the fight against climate change;
- F. whereas in order to help tackle the biodiversity loss and climate crises, it is essential that forests are protected and restored in such a way as to maximise their capacity for carbon storage and biodiversity protection; whereas this brings multiple benefits since it favours the growth of existing forests to their maximum carbon storage potential whilst restoring previously degraded ecosystems and allowing organic material to decompose

¹⁵ Report "Global Warming of 1.5°C, an IPCC special report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty".

¹⁶ Communication on Stepping up EU Action to Protect and Restore the World's Forests, European Commission, 2019.

¹⁷ "Living planet 2016", WWF, Zoological society of London, Stockholm Resilience Centre

¹⁸ Communication on Stepping up EU Action to Protect and Restore the World's Forests, European Commission, 2019.

¹⁹ Smith P et al. (2014) Agriculture, Forestry and Other Land Use (AFOLU). In: Climate Change 2014: Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Edenhofer O et al (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA.

and also protects biodiversity, as well as soil, air, land, and water;

- G. whereas public pressure for the fulfilment of non-productive forest functions is increasing worldwide, which is often in stark disagreement with the deteriorating condition of forests;
- H. whereas forests provide important ecosystem services to society, such as clean air, water flow regulation, carbon reduction, protection against water and wind erosion, habitats for animals and plants, restoration of degraded land, resilience to climate change; natural regulation of water flows in forests alone have been evaluated to be between 1360 and 5235 USD (value at 2007)²⁰ per hectare per year, and this "natural service" is heavily impacted by deforestation; while forests and biodiversity also have an intrinsic value beyond their use value to humans, including as carbon stocks, which cannot be monetised or quantified;
- I. whereas forests have cultural, social and spiritual value for many people and peoples;
- J. whereas, while forest cover in the Union has increased over recent decades (though its quality has declined), global tree cover loss has been rising steadily over the past 18 years and in 2019 alone 3,8 million hectares of primary rainforests were destroyed²¹;
- K. whereas deforestation, degradation and conversion of world forests exacerbates the threat posed to indigenous peoples and local communities, who are met with human rights violations, attacks and killings in response to their efforts to protect their forests, land and environments and on average more than three land and environmental defenders were murdered each week in 2018, with more than 300 people killed in resource and land-use conflicts in the Amazon region alone in the last decade²²;
- L. whereas climate change, the worldwide loss of biodiversity, as well as the destruction and modification of natural ecosystems, including forests, have severe impacts on wildlife habitats and lead to increased contact between wild animals, humans and domesticated animals, which increases the risk of new outbreaks of epidemics and pandemics originated in wildlife; whereas the Food and Agricultural Organization (FAO) confirms that the increase in emerging infectious diseases coincides with the accelerated growth of tropical deforestation, linked in particular to the planting of oil palm or soybean²³; whereas more than two-thirds of emerging infectious diseases originate in animals, of which the overwhelming majority come from wildlife; whereas protecting and restoring biodiversity and well-functioning ecosystems is therefore key to boost our resilience and prevent the emergence and spread of future diseases;
- M. whereas water is a precious resource; whereas the absence or inadequate implementation of a legal framework on protection of water resources makes it impossible to control the use of this resource and allows for over-abstraction, pollution

²⁰ Cook, NASA Goddard Institute for Space Studies, 2005

²¹ We Lost a Football Pitch of Primary Rainforest Every 6 Seconds in 2019, World Resources Institute, online, 2 June 2020.

²² Rainforest Mafias: How Violence and Impunity Fuel Deforestation in Brazil's Amazon, Human Rights Watch, online, 17 September 2019.

²³ Bruce A. Wilcox and Brett Ellis, Center for Infectious Disease Ecology, Asia-Pacific Institute for Tropical Medicine and Infectious Diseases, University of Hawaii, Manoa, USA; 2006

and water-grabbing; whereas this is detrimental to ecosystems downstream and to local communities; whereas there are cases of water-grabbing due to production of forest and ecosystem-risk commodities²⁴;

- N. whereas the sustainable management of forest resources and renewable raw materials as well as the use of forest lands in a way and at a rate that maintains their biodiversity, regeneration capacity, vitality and their potential to fulfil now and in the future relevant ecological, economic and social functions at local, national and global levels and that does not cause damage to other ecosystems, is an important element of the overall policy approach to stop deforestation, both at Union and global level;
- O. whereas Union consumption is estimated to contribute to at least 10 % of global deforestation;
- P. whereas it is important to promote sustainable diets, by raising consumer awareness of the impacts of consumption patterns and providing information on diets that are better for human health and have a lower environmental footprint;

General remarks

1. Underlines that approximately 80 % of global deforestation is caused by the expansion of land used for agriculture¹; stresses in this context that the Commission Communication on Stepping up EU Action to Protect and Restore the World's Forests of July 2019 recognises that Union demand for products such as palm oil, meat, soy, cocoa, maize, timber, rubber, including in the form of processed products or services, is a large driver of deforestation, forest degradation, ecosystem destruction and associated human rights violations across the globe and represents around 10 % of the global share of deforestation embodied in total final consumption²⁵; in addition notes that EU consumption of other commodities, such as cotton, coffee, sugar cane, rapeseed and mangrove-farmed shrimps also contributes to global deforestation.
2. Points out that global preservation of forests and preventing their degradation are some of the biggest sustainability challenges of our times, without which the objectives of the 2030 Agenda for Sustainable Development, the Paris Agreement and the Green Deal cannot be achieved; stresses that the sustainable use of forests and ecosystems in many parts of the world cannot be ensured with current policies;
3. Notes with the highest concern that in the period from 2014 to 2018, the rate of tree cover loss has increased by 43 % to an average loss of 26,1 million hectares per year, as compared to 18,3 million hectares per year in the period from 2002 to 2013; is particularly worried about the loss of primary forests as the three most recent years with available data (2016, 2017 and 2018) have registered the highest loss rates this century with deforestation rates in the Brazilian Amazon alone having increased 88 % in June 2019 compared to June 2018; points out that destruction and degradation of natural forests is not only happening in tropical areas, but all over the world, including inside

²⁴ as reported for example by the Environmental Justice Atlas <https://ejatlas.org/conflict/water-grabbing-and-agribusiness-in-the-south-coast-of-guatemala> - for the case of Guatemala (sugarcane, palm oil and banana)

²⁵ FAO. 2016. State of the World's Forests 2016. Forests and agriculture: land-use challenges and opportunities. Rome. <http://www.fao.org/3/a-i5588e.pdf>

the Union and in its direct neighbourhood;

4. Regrets that the global forest area is currently only 68 % of estimated pre-industrial levels, that forest cover was reduced by 290 million hectares because of land clearance and timber production between 1990 and 2015, and undisturbed forests (land areas of more than 500 km² in which satellites do not detect any human pressure) were reduced by 7 % between 2000 and 2013²⁶;
5. Notes also that habitat modification and destruction, encroaching upon natural forest areas, have severe consequences for human and animal health globally, as well as biodiversity impacts, notably the increased incidence of zoonoses (causing 50 pandemics in last 30 years), most recently the COVID-19 pandemic;
6. Notes with concern that following the tragic COVID-19 pandemic outbreak, research continues to affirm a worrying link between zoonotic diseases and deforestation, climate change and biodiversity loss;
7. Emphasises that primary forests are irreplaceable and the loss of primary forests cannot be compensated by a new forest-based approach; notes that halting deforestation and forest degradation, combined with protection of existing forests, sustainable restoration, afforestation and reforestation activities in such a way as to maximise their capacity for carbon storage and biodiversity protection, can provide livelihoods, increase income for local communities and offer economic development opportunities; stresses to this end the importance of promoting agroecology and sustainable agriculture production at global, national, regional and local levels, preventing unsustainable land use and management practices, coping with natural disturbances and mitigating climate change;
8. Stresses that the existence of large areas of forests help prevent desertification of continental regions; proposes that the protection of forests also as a moisture source receive strong consideration in development and trade policies; highlights for example that as much as 40 % of the total rainfall in the Ethiopian highlands - the main source of the Nile - is provided by moisture recycled from the forests of the Congo Basin and that halting deforestation in the region is relevant also for the issue of the climate-refugee crisis;
9. Underlines the fact that the drivers of deforestation go beyond the forest sector per se and relate to a wide range of issues, such as land tenure, weak government and law enforcement, protection of the rights of indigenous people, climate change, democracy, human rights and political freedom, consumption levels of commodities, high dependence on feed imports, agricultural policies as well as lack of public policies promoting and incentivising sustainably and legally sourced and produced commodities; recalls that indigenous women and women farmers play a central role in protecting forest ecosystems; calls on the Commission to step up its efforts to address deforestation holistically through a coherent and legally binding policy framework, while ensuring the conservation of ecosystems; believes that gender equality in forestry education is a key point in the sustainable management of forests which should be reflected in Union policies.

²⁶ IPBES report 2019

10. Notes that, in many countries, deforestation is due to the lack of appropriate policies (such as land-use planning), unclear ownership relationships and other land rights, poor governance and law enforcement, illegal activities and insufficient investment in sustainable forest management;
11. Notes that the European Parliament has adopted, since December 2015, 40 objections to the import of genetically modified (GM) food and feed, of which 11 were to GM soy imports; recalls that one of the reasons for objecting to these imports was the deforestation associated with their cultivation in countries such as Brazil and Argentina, where the soy is almost exclusively genetically modified to be used with pesticides; notes that a recent peer-reviewed scientific study by researchers across the Union found that the Union has the largest carbon footprint in the world due to its soy imports from Brazil, 13,8% larger than such imports to China, the largest soy importer worldwide; notes that this large Union carbon footprint is due to its share of emissions from embodied deforestation²⁷; notes further that, according to the Commission, soy has historically been the Union's number one contributor to global deforestation and related emissions, accounting for nearly half of the deforestation embodied in all Union imports²⁸;
12. Draws attention to how the production of GMOs is a key driver of deforestation, particularly in Brazil and Argentina, and believes that the importation of GMOs into the Union should be ended; recalls that meat consumption, even within the Union, contributes to deforestation outside the Union by way of increasing demand for cheap GMO animal feed, particularly imports of GM soybean;
13. Notes that the conversion of pastures and agricultural land originally used for food and feed production to land for the production of biomass fuels (indirect change in land use) can also have a negative impact on forests;

Voluntary third-party certification and labels

14. Welcomes business' growing awareness of the problem of global deforestation, forest degradation and ecosystem destruction, the need for corporate action and corresponding commitments as well as increasing calls for transparent, consistent, uniform, sound and enforceable requirements for sustainable supply chains, including a reduced demand for forest-risk commodities; notes that some operators have embraced the 2014 New York Declaration on Forests and have taken action to address deforestation, but regrettably these often lack ambition, only cover parts of the supply chain and are not designed to deal with multiple interconnected deforestation drivers²⁹, therefore do not deliver on

²⁷ Escobar, N., Tizado, E. J., zu Ermgassen, E. K., Löfgren, P., Börner, J., & Godar, J. (2020). Spatially-explicit footprints of agricultural commodities: Mapping carbon emissions embodied in Brazil's soy exports. *Global Environmental Change*, 62, 102067 <https://www.sciencedirect.com/science/article/pii/S0959378019308623>

²⁸ Technical Report - 2013 - 063 of the Commission, 'The impact of EU consumption on deforestation: Comprehensive analysis of the impact of EU consumption on deforestation', study funded by the European Commission, DG ENV, and undertaken by VITO, IIASA, HIVA and IUCN NL, <http://ec.europa.eu/environment/forests/pdf/1.%20Report%20analysis%20of%20impact.pdf>, pp. 23-24

²⁹ Five year Assessment Report on the New York Declaration "Protecting and restoring forests. A Story of Large Commitments yet Limited Progress", September 2019 <https://forestdeclaration.org/images/uploads/resource/2019NYDFReport.pdf>

their sustainability claims and the announced commitments; emphasises, in this regard, that companies' voluntary anti-deforestation commitments have not yet been sufficient to halt global deforestation;

15. Points out that third-party certification schemes have played an important role in bringing together business and civil society to develop a common understanding of the problem of deforestation; observes, however, that while voluntary third-party certification schemes have contributed to developing good practices, these schemes alone cannot halt and reverse global deforestation and ecosystem degradation and should only be complementary to binding measures; notes that voluntary third-party certification can be an auxiliary tool to assess and mitigate deforestation risks when designed and fully implemented with regard to well-defined, measurable and ambitious sustainability criteria it is based on, the robustness of the certification and accreditation process, independent monitoring and compliance mechanisms, possibilities to monitor the supply chain and sound requirements to protect primary forests and other natural forests and promote sustainable forest management;
16. Notes that third-party certification and labels alone are not effective in preventing forest and ecosystem-risk commodities and products from entering the Union internal market; therefore emphasises that third-party certification can only be complementary to, but cannot replace, operators' thorough mandatory due diligence processes which also ensure their social and environmental liability in accordance with the 'polluter pays' principle enshrined in Article 191 TFEU;
17. Is concerned that the multitude of existing certification schemes and labels leads to consumers' confusion and impairs their chances to make an informed choice; underlines in this regard the harmonisation of the obligation to provide information should be considered;
18. Underlines that a policy measure that is dependent solely on consumer choice unduly shifts the responsibility to purchase deforestation-free products to consumers, which is insufficient in its effectiveness to mainstream more sustainable production; believes that consumer information on deforestation-free products may be a powerful tool to complement a legal framework on due diligence and to address the demand side of this topic; urges the Commission to further integrate deforestation considerations within the EU Ecolabel, Green Public Procurement (GPP) and other initiatives in the context of the circular economy as part of a comprehensive set of actions and initiatives to ensure deforestation-free supply chains; moreover calls on the Commission to include risk of deforestation and ecosystem degradation among the criteria of the green claims in the Directive 2005/29/EC of the European Parliament and of the Council³⁰ and to set up an EU pre-approval scheme to authorise the use of green claims;
19. Notes that so far there are no rules in place that prohibit placing on the Union market products that contributed to the destruction of forests; remarks that even timber logged

³⁰ Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive') (OJ L 149, 11.6.2005, p. 22).

that has been legally in accordance with the law of the country of origin can contribute to deforestation and can still enjoy free access to the Union market; notes that, therefore, consumers of many forest and ecosystem-risk commodities in the Union have no guarantee that these products did not contribute to deforestation and that consequently consumers blamelessly, unwillingly and unknowingly drive deforestation;

20. Notes that the criteria for what constitutes a “deforestation-free” commodity or products underpinning certification schemes have not always been comprehensive enough, as they sometimes only cover some of a product's relevant ingredients, only parts of a product’s life-cycle, or use an insufficient definition of “deforestation-free”, which can lead to label-shopping by companies and water down the ambition of certification in general;

Mandatory rules based on due diligence

21. Welcomes, in this regard, the calls from a number of companies to introduce Union rules for mandatory due diligence in the supply chains of forest risk commodities;
22. Recalls its resolution of 15 January 2020 on the European Green Deal, and its demand to the Commission to present, without delay, a proposal for an EU legal framework based on due diligence to ensure sustainable and deforestation-free supply chains for products placed on the Union market, with a particular focus on tackling the main drivers of imported deforestation and instead encouraging imports that do not create deforestation abroad, taking into account the economic importance of commodity export for developing countries, especially for smallholders, and taking into consideration feedback from all stakeholders, especially SMEs;
23. Recalls that in its Communication on Deforestation of 2008, the Commission set the objective of halting global forest cover loss by 2030 at the latest and reducing gross tropical deforestation by at least 50 % by 2020, warns that the second objective will almost certainly not be achieved;
24. Welcomes the intention of the Commission to tackle global deforestation and forest degradation but asks for a more ambitious policy approach; calls on the Commission to present a proposal, accompanied by an impact assessment, for an EU legal framework based on mandatory due diligence, reporting, disclosure and third party participation requirements, as well as liability and penalties in case of breaches of obligations for all companies placing for the first time on the Union market commodities entailing forest and ecosystem risks and products derived from these commodities, and access to justice and remedy for victims of breaches of these obligations; that traceability obligations should be placed on traders on the Union market, in particular regarding the identification of the origin of the commodities and products derived thereof at the moment they are placed on the Union internal market, to ensure sustainable and deforestation-free value chains, as laid down in the Annex to this resolution; emphasises that the same legal framework should also apply to all financial institutions authorised to operate in the Union that are providing money to companies that harvest, extract, produce, process or trade forest and ecosystem-risk commodities and derived products;
25. Believes that the Union needs to ensure that it only promotes global supply chains and financial flows which are sustainable and deforestation-free and which do not result in

human rights violations; is convinced that mandatory sustainability rules enacted in a large market, such as the Union market, have the potential of steering global production practices towards more sustainable ones;

26. Points out that forest and ecosystem-risk commodities covered by this EU legal framework should be determined on the basis of objective, transparent and science-based considerations that such commodities are associated with the destruction and degradation of forests and high-carbon stock and biodiversity-rich ecosystems, as well as for the rights of indigenous people and human rights in general;
27. Emphasises that such an EU legal framework should not only guarantee the legality of harvesting, production, extraction and processing of forest and ecosystem-risk commodities and derived products in the country of origin, but also the sustainability of their harvesting, production, extraction and processing;
28. Emphasises that, according to several studies³¹ a legal framework to prevent the entry into the Union internal market of products linked to deforestation, will have no impact on volume and price of the commodities sold in the Union and covered in the Annex of this resolution and that extra costs incurred by operators to implement these legal obligations are minimal.
29. Underlines the contribution of non-governmental organisations, environmental activists, industry associations, as well as whistle-blowers, in the fight against illegal timber harvesting that results in deforestation, loss of biodiversity and increased emissions of greenhouse gases;
30. Notes that such an EU legal framework should also be extended to high-carbon stock and biodiversity-rich ecosystems other than forests, such as marine and coastal ecosystems, wetlands, peatlands or savannahs, so as to avoid pressure being shifted to these landscapes;
31. Believes that these obligations should apply to all operators placing forest and ecosystem-risk commodities (FERC) on the Union market, irrespective of their size or place of registration, once a careful evaluation has concluded that it is functional and applicable to all actors on the market, including SMEs; while recognising that actions following the operator's risk assessment must be proportionate to the level of risks associated with the given commodity, believes that in a fragmented end-market, the inclusion of smaller and larger companies is key to ensure both large-scale impact and consumer trust; emphasises that the regulatory framework must not give rise to undue burdens on small and medium-sized producers, including smallholders, or prevent their access to markets and international trade due to a lack of capacity; underlines, therefore, the need for a coordinated support mechanism for SMEs at EU level to ensure their understanding, preparedness and capacity to produce in compliance with environmental and human rights requirements;
32. Believes that Union-wide mandatory due diligence requirements would provide benefits to business through levelling the playing field by holding competitors to the same standards and would provide legal certainty as opposed to a mosaic of different

³¹ <https://www.sciencedirect.com/science/article/pii/S0959378014001046>

measures at national level;

33. Recalls the findings of the study on due diligence requirements through the supply chain, commissioned by the Commission's Directorate-General for Justice and Consumers, that finds that a majority of business respondents agree that mandatory due diligence would have a positive impact on human rights and the environment;
34. Stresses that digitalisation and new technology tools hold the potential to provide unprecedented solutions for companies to identify, prevent, mitigate and account for human rights and environmental impacts;
35. Believes that future legal framework regarding forest-risk commodities should build upon lessons learned from the FLEGT Action Plan, the EU Timber Regulation, Regulation (EU) 2017/821 of the European Parliament and of the Council³² ('the Conflict Mineral Regulation'), Directive 2014/95/EU of the European Parliament and of the Council³³ ('the Non-Financial Reporting Directive'), legislation on illegal, unreported and unregulated (IUU) fishing and other Union initiatives to regulate supply chains;
36. Welcomes the ongoing revision of the Non-Financial Reporting Directive and invites the Commission to step up the quality and scope of non-financial disclosure, in particular on financial institutions' reporting on environmental aspects, and to promote the integration of forest-relevant considerations into corporate social responsibility;

EU Timber Regulation and FLEGT Voluntary Partnership Agreements (VPAs)

37. Is convinced that the EU Timber Regulation, especially its due diligence requirements, represents a good model to build upon for a future EU legal framework to halt and reverse EU-driven global deforestation, but that a lack of implementation, limited scope of timber products covered and enforcement of the EU Timber Regulation means that it does not live up to its spirit and intent; is of the opinion, therefore, that lessons can be learnt from the EU Timber Regulation for improved implementation and enforcement rules for a future EU legal framework to halt and reverse EU-driven global deforestation; recalls that the legality of harvesting and trading forest products is currently covered by the EU Timber Regulation, and therefore stresses that double regulation in the future EU legal framework should be avoided and measures regulating the legal and illegal harvest of and trade in forest products should be harmonised;
38. Calls on the Commission to assess the possible inclusion of commodities covered by the EU Timber Regulation into the scope of the proposal for an EU legal framework to halt and reverse EU-driven global deforestation, taking into account the upcoming fitness check of the EU Timber Regulation, and ensuring the pursuit of the objectives of the FLEGT Action Plan. When doing so, the Commission should also assess the potential implications on current Voluntary Partnership Agreements (VPAs) The partner timber-

³² Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas (OJ L 130, 19.5.2017, p. 1)

³³ Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups (OJ L 330, 15.11.2014, p. 1).

producing countries of the Union should be closely associated in this undertaking.

39. Welcomes the good results the cooperation with third countries under the EU FLEGT Action Plan and VPAs have shown in addressing the supply-side challenge of illegal logging and stresses that this work should be stepped up, especially in terms of monitoring, checks and controls and also in terms of offering capacity building; stresses that the VPAs constitute a very effective framework to establish good partnerships with those countries and new VPAs with additional partners should be promoted; calls on the EU to increase funding for FLEGT;
40. Urges the Commission to ensure full implementation of the EU FLEGT Work Plan 2018-2022;
41. Welcomes the Commission's upcoming fitness check of the FLEGT Regulation and the EU Timber Regulation as an opportunity to strengthen their enforcement and to further improve their implementation and to widen their scope to cover e.g. printed products and wooden products, conflict timber and to strengthen the role of civil society;
42. Repeats its demand that imports of timber and timber products should be more thoroughly checked at Union borders in order to ensure that the imported products do indeed comply with the criteria for entry into the Union; calls on the timely and effective implementation of the Union Customs Code (UCC) and reinforced capacities of national customs authorities to ensure better harmonisation and implementation of the UCC; stresses that the Commission needs to ensure that customs controls throughout the Union follow the same standards, by means of a direct unified customs control mechanism, in coordination with Member States and in full compliance with the principle of subsidiarity;
43. Is of the opinion that trade-based partnership agreements with major producer countries of FERCs could be useful to tackle supply-side drivers of deforestation, notes that the FLEGT VPA model is one option;
44. The proposal should ensure that there is legal certainty for all relevant stakeholders on any new Union-wide measure and framework relating to the current use of FLEGT VPAs and licensing, in order to secure the interest in investing in deforestation-free export to the Union; and encourages the Commission to establish trade-based partnership agreements with major producer countries of agricultural commodities, in order to tackle supply-side drivers of deforestation.

Trade and international cooperation

45. Stresses that trade and investment policy need to be reviewed in order to address the global deforestation challenge in a more effective manner, and by creating globally a level playing field, and take into account the link between trade agreements and global biodiversity as well as forest ecosystem;
46. Reiterates that Union trade and investment policy, including the free trade agreement with Mercosur, should include binding and enforceable sustainable development chapters that fully respect international commitments, in particular the Paris Agreement and the 2030 Agenda for Sustainable Development, are compliant with World Trade

Organization (WTO) rules and respect human rights; calls on the Commission to ensure that all future trade and investment agreements contain legally binding and enforceable provisions, including illegal logging-related and anti-corruption provisions, to prevent deforestation and forest degradation and ecosystem destruction and degradation;

47. Recommends, in the context of the ‘do no harm’ principle as highlighted in the communication on the European Green Deal, that the Commission better and regularly assess the impact of existing trade and investment agreements on deforestation, forest and ecosystem degradation, land grabbing and human rights and ensure that more ambitious binding and enforceable provisions on forest and ecosystem protection, biodiversity, on ending land grabbing and sustainable forestry are included in the trade and sustainable development chapters of all free trade and investment agreements;
48. Points out that, in order to avoid price dumping and ensure sustainable use of wood, to prevent the proliferation of bilateral agreements based on dumping timber prices, and to avoid driving additional logging, remedies should be considered including establishing a common timber auction system, to allow tracking of where material comes from and factoring in climate, biodiversity and human rights concerns into the price;
49. Considers that trade and international cooperation are important tools for consolidating higher standards of sustainability, especially with regard to sectors that are linked to forests and their derived value chains; calls on the Commission and Member States to strengthen cooperation with third countries through technical assistance, exchange of information and good practices in the preservation, conservation and sustainable use of forests, with a special focus on the linkage between organised crime and commodities associated with deforestation and to promote and facilitate scientific and academic cooperation with third countries, as well as research programmes to promote knowledge and innovation on biodiversity, “green business” and the circular economy; stresses the importance of taking into account the effects of the measures on employment and growth of least developed countries (LDCs) that are reliant on the production of FERCs; calls on the Union to support and cooperate with third country governments and civil society in their work against deforestation, particularly via the GSP+ scheme; calls on the Commission to evaluate whether a new specific aid for trade instrument should be developed to facilitate trade in the context of mitigating the risks related to the production of FERCs;
50. Asks the Commission that the measures to be adopted have a comprehensive and differentiated approach to deforestation, considering its multiple dimensions and its linkages both with the generation of sustainable ventures and the fight against criminal economies. To that end, calls on a dialogue with third countries in order to analyse, on a case by case basis, the main causes of forest cover loss and the relevance of the measures to be implemented;
51. Stresses that public procurement provisions in FTAs should take into account social, environmental and responsible business conduct criteria in awarding contracts;
52. Insists that mandatory requirements at Union level need to be complemented by increased and reinforced global cooperation, strengthened global environmental governance and cooperation with third countries through technical assistance, the

exchange of information and good practices in preservation, conservation and sustainable use of forests, giving special recognition to sustainability initiatives carried out by the private sector; by increasing efforts in key international fora, including within the WTO and the Organisation for Economic Co-operation and Development (OECD) actions to halt deforestation, forest degradation and to restore forests and to avoid the inverse effect of diverting unwanted deforestation marked supply chains to other regions in the world;

53. Calls on the Commission and Member States to encourage, through trade and international cooperation, the necessary investment to consolidate higher standards of sustainability in the forestry sectors and their value chains, promoting the circular bioeconomy, green tourism, renewable energy, smart agriculture and other relevant areas, also in third countries;
54. The proposal should ensure that there is legal certainty for all relevant stakeholders on any new Union-wide measure and framework relating to the current use of FLEGT VPAs and licensing, in order to secure the interest in investing in deforestation-free export to the Union; and encourages the Commission to establish trade-based partnership agreements with major producer countries of agricultural commodities, in order to tackle supply-side drivers of deforestation.
55. Notes the importance of ensuring that deforestation is included in country-level political dialogues, and of helping partner countries to develop and implement national frameworks for forestry and sustainable forestry; emphasises that those national frameworks have to reflect domestic needs as well as global commitments; stresses the need for the implementation of mechanisms incentivising small holder farmers to maintain and improve the ecosystem and products provided by sustainable forestry and agriculture;
56. Is of the opinion that a strong action within the Union internal market should go hand in hand with a strong action at the international level; National Indicative Programmes under EU's external action should therefore integrate provisions to help third countries' companies and smallholders working with operators placing FERC commodities on the Union internal market to carry out activities without harming forest and ecosystems;
57. Believes that the regulation proposed in the Annex of this resolution should be, and can be, designed in a way so as to be compliant with WTO rules and should be accompanied by trade-based partnership agreements with major producer countries of agricultural commodities, in order to tackle supply-side drivers of deforestation;
58. Proposes that when negotiating National Indicative Programmes (NIP) with third countries, the Commission should prioritise provisions to help third countries' companies and smallholders working with operators placing FERC commodities on the Union internal market to carry out activities that do not harm forests, ecosystems and human rights;
59. Points out that a strengthening of the EU legal framework on deforestation may have a significant impact on land prices in third countries and, in order to prevent any speculation, the cut-off date should not be set after the publication by the Commission of the proposal described in Annex of this resolution;

Deforestation and human rights

60. Highlights that changing the regulatory framework in order to legalise the use of certain areas and modifying tenure rights does not take away the negative impact on human rights and the environment caused by the implementation of this change; therefore stresses that due diligence criteria must include other elements going beyond the legality of action;
61. Notes that the production of forest and ecosystem-risk commodities does not negatively impact on local communities only through direct deforestation, ecosystem degradation and land grabbing, but also through water-grabbing that can affect forest and other ecosystems; therefore points out that a legal framework to halt deforestation and degradation of natural ecosystems should cover the issue of the legality of water supply for the production of forest- and ecosystem-risk commodities;
62. Stresses that local communities, indigenous peoples, land and environmental defenders often are on the frontline of the fights to preserve ecosystems; notes that in some regions conflicts over the use of lands and resources are the main cause of violence against indigenous peoples³⁴, is concerned that the degradation and destruction of forests and other valuable ecosystems frequently goes along with human rights violations or follows from it; condemns any form of penalisation, harassment and persecution for involvement in activities aimed at protecting the environment; urges, therefore, to include the protection of human rights, in particular land tenure, land and labour rights, with a special view to the rights of indigenous peoples and local communities, within the future EU legal framework; calls on the Commission to encourage that legal reform processes in producer countries are done with the effective and meaningful participation of all stakeholders, including civil society, indigenous peoples and local communities; calls on the Union and Member States to support, at the next UN General Assembly, the global recognition of the right to a healthy environment;
63. Calls on the Commission and Member States to set up a rapid response mechanism at Union level to support environmental and forest defenders in the Union and worldwide;
64. Emphasises that granting effective access to justice and remedies for victims of corporate human rights and environmental harms must be part of such a legal framework;
65. Stresses that, as well as establishing an EU legal framework on commodities driving deforestation, the Union needs to address more decisively the implementation of human rights, environmental responsibility and the rule of law as horizontal issues with the countries concerned and with other main importing countries.
66. Stresses that such a legal framework must be designed in compliance with the Union's international commitments to African, Caribbean and Pacific states and taken into

³⁴ Report by the Brazilian Attorney General's office: <http://www.mpf.mp.br/pgr/noticiaspgr/conflitos-associados-a-terra-saoprincipal-causa-de-violencia-contraindigenas-e-comunidades-tradicionalisno-brasil-segundo-mpf>

account in the ambitions of the future Post-Cotonou Agreement;

67. Recalls the importance of respecting the UN's Guiding Principles on Business and Human Rights; supports the ongoing negotiations to create a binding UN instrument on transnational corporations and other business enterprises with respect to human rights and stresses the importance of the Union being proactively involved in this process;

EU measures and policy coherence

68. Underlines that the impact of the Union's consumption of forest and ecosystem-risk commodities needs to be adequately addressed in any follow-up, regulatory or non-regulatory, actions and measures to the EU Biodiversity Strategy for 2030, Farm to Fork Strategy and the CAP Strategic Plans Regulation, including Member States' national strategic plans;
69. Believes that an immediate and radical change in production methods and food consumption patterns is of the utmost importance; believes that it is therefore necessary to introduce effective measures aimed at increasing support for agro-ecological practices and reducing food waste throughout the supply chain; notes the importance of planning targeted awareness-raising actions for consumers in order to increase their understanding of the impact of consumption patterns on forests, biodiversity and the climate, providing support and encouraging food choices centred around plant-based products;
70. Considers that in order to minimise the carbon footprint created by transport of imports from third countries and to stimulate sustainable local production and jobs, the Union should encourage the use of sustainable locally-sourced timber, harvested wood products or forest biomass;
71. Stresses the need to cut dependency on imports of forest and ecosystem-risk commodities by promoting locally sourced plant protein, pasture-based grazing, legal and sustainably sourced feed, namely by implementing the Union Protein Strategy;
72. Supports the promotion of nitrogen fixing/leguminous/protein crops under the new CAP strategic plans inter alia through crop rotations, in conditionality, eco-schemes and agro-environmental measures, new sectorial interventions and coupled support in order to increase the protein crop self-sufficiency of the Union, and, at the same time, contribute to reach the objectives of the biodiversity and the Farm to Fork strategies; notes further that livestock farm income and profitability should be made compatible with production levels that can be sustained by pasture-based grazing or home-grown fodder crops; calls for further research and promotion of innovative production systems and methods that can reduce external inputs and costs, for example forage based grazing systems such as rotational grazing, even if production volumes may be lower;
73. Highlights the importance of the development of a sustainable bio-economy which gives a high economic value to sustainably produced products;
74. Stresses that the Union's bioenergy policy should respond to strict social and environmental criteria;

75. Stresses that the methods used to achieve the objectives set out in the Clean Energy for all Europeans package must not lead to deforestation and forest degradation in other parts of the world; calls, therefore, on the Commission to review by 2021 the relevant aspects of the report annexed to Commission Delegated Regulation (EU) 2019/807³⁵ and, if necessary, to revise this Regulation without undue delay, and in any case before 2023, on the basis of scientific knowledge and in accordance with the precautionary principle; asks the Commission to reassess soy-data and phase out high ILUC risk biofuels as soon as possible and by 2030 at the latest;
76. Considers that the large scale use of biofuels in the Union must be accompanied by sufficient sustainability criteria in order to avoid direct and indirect, land-use change (ILUC) including deforestation; notes further that the current criteria do not take sufficient account of fossil raw materials used in biofuel production; calls therefore for monitoring and evaluation of the impact of the revised Renewable Energy Directive during its ongoing implementation including the effectiveness of the sustainability criteria for bioenergy; notes the importance of local supply chains of raw material to achieve long-term sustainability;

Communication and awareness raising

77. Emphasises the importance of ensuring the consumption of products from deforestation-free supply chains in the Union and to continuously assess the impacts of Union consumption of such products; calls on the Commission and Member States to develop information and awareness-raising campaigns about the imported commodities and products and their impact on the world's forests and biodiversity-rich ecosystems, as well as socio-economic consequences of deforestation and ecosystem destruction and forest-related crimes in the Union and in third countries;
78. Points out the Commission shall consider the possibility of proposing primary forests as UNESCO heritage sites in order to help protect them from deforestation and to increase the chance of drawing public attention to their protection; if this is not feasible, other legal options to reach these objectives should be evaluated;

Definitions, Forest Data and monitoring

79. Notes that the current definition of the term 'forest', its categorisation, and a range of other terms and principles associated with deforestation by sustainable forest management adopted by relevant bodies, for example, the FAO, are purely technical and do not adequately differentiate between natural forest and forest plantations in which the economic function of the forest strongly outweighs its other functions, and emphasises that this could ultimately result in the distortion of data about the area and state of the world's forests; calls on relevant stakeholders to unify the use of terminology in accordance with the wording given in the annex to the draft resolution, and emphasises the significance of this clarification for the effective use of related

³⁵ Commission Delegated Regulation (EU) 2019/807 of 13 March 2019 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council as regards the determination of high indirect land-use change-risk feedstock for which a significant expansion of the production area into land with high carbon stock is observed and the certification of low indirect land-use change-risk biofuels, bioliquids and biomass fuels (OJ L 133, 21.5.2019, p. 1).

instruments;

80. Stresses the need in particular for independent monitoring of production and trading of commodities associated with deforestation; calls on the Commission to enhance its efforts on those issues through Horizon Europe, and to support independent monitoring in producer countries, as well as the exchange of best practices and lessons-learned among them, in order to enhance methodologies used and granularity of information;
81. Stresses the essential need to improve mechanisms which would help identify the source or origin of wood material placed on the internal market;
82. Notes that greater access to customs data on imports entering the Union would increase global value chain transparency and accountability; calls on the Commission to set up a customs partnership within the Union while extending customs data requirements, notably by including the exporter and the manufacturer as mandatory customs data elements, thereby enhancing the transparency and traceability of global value chains;^{83.}
Notes that the availability and accuracy of the data used to assess at what date the land has been deforested/converted to another use needs to be reliable for effective implementation;
84. Calls on the Union to further develop research and monitoring programmes such as Copernicus, European Earth Observation and other monitoring programmes to supervise the commodity supply chain in order to be able to identify and give early warnings on products which caused deforestation or environmental degradation during their production phase;
85. Asks the Commission to explore the strengthened use of the Copernicus satellite system for forest monitoring and for forest fire and forest damage prevention, including monitoring and identification of the causes of fires and forest damage, deforestation and ecosystem conversion, facilitating access for the relevant authorities in each Member State, and ensuring direct source of open data for SMEs or start-ups;
86. Welcomes the creation of a forest observatory to collect data and information on deforestation in Europe as well as globally, and calls for this observatory to establish a mechanism to protect forest defenders;
87. Calls for creating early warning alert mechanisms to notify public authorities, companies, including third party schemes, and consumers of commodities originating in areas of ecosystem conversion risk concerning loss and deterioration of forest and savannah and areas where human rights have been violated, and to assist in tackling these issues by intensifying dialogue and data sharing with respective third countries;
88. Calls upon the Commission to set up a European database collecting ongoing and past projects between the Union and third countries as well as bilateral projects between Member States and third countries in order to assess their impact on the world's forests; underlines the involvement of local and regional authorities in the implementation of these projects;

Forest management, research and innovation

89. Emphasises the need to take into consideration the links between the forest-based sector and other sectors, and the importance of digitalisation and investment in research and innovation in order to monitor deforestation;
90. Notes that the forestry sector employs at least 500 000 people directly³⁶ in the Union, and 13 million people worldwide³⁷, and that these jobs are found especially in rural areas;
91. Notes that at Union level, some Member State policies reflect a framework on forests and forest management that can be fragmented and disjointed, therefore they need better and more co-ordination in order to encourage sustainability;
92. Calls for closer cooperation between governments, undertakings, producers and civil society to adopt policies and establish framework conditions to support private sector projects;
93. Underlines the essential role of research and innovation in fostering the contribution of sustainable forest management and the forest-based sector in meeting deforestation challenges and tackling climate change;
94. Calls for mutual support in the event of adverse events through research and exchanges in order to find measures adapted to the geographical conditions that can protect against large-scale fires or prevent pest infestations;
95. Welcomes measures to adapt plantations to climate change; welcomes the fact that in many countries an increase in the number of resilient native tree species in healthy and biologically diverse forests is already recommended and practiced;
96. Emphasises the importance of training within the Union and in third countries in sustainable management of forests, plantations and agroforestry, including continuous vegetation cover; considers that these are an essential factor in ensuring biodiversity as well as income of forest communities and farmers practicing agroforestry;
97. Stresses the importance of education and of a skilled and well-trained workforce for the successful implementation of sustainable forest management in practice; calls therefore on the Commission and Member States to implement measures, and use existing partnerships, to facilitate the exchange of best practices in that field;
98. Calls for strengthening worldwide co-operation to better share knowledge and experiences in improving sustainability in managing multifunctional forests;
99. Calls therefore, on the Union to develop international alliances with third countries to protect forests, pursuing sound policies aiming at zero deforestation, integrated land planning, land tenure transparency, and preventing conversion of forest into agricultural land; calls to this end, for securing international financing in the framework of global forest protection agreements, in close cooperation with European governments and

³⁶ Eurostat database on forestry <https://ec.europa.eu/eurostat/web/forestry/data/database>

³⁷ <http://www.fao.org/rural-employment/agricultural-sub-sectors/forestry/en>

international actors;

100. Calls for the development of concepts for a sustainable future for forests worldwide that reconcile both economic and environmental interests, given that forests are an important resource for many countries and that the latter are not willing to forego this resource voluntarily;
101. Calls for a more holistic approach, within the Union, in which the Union provides direct support to local authorities for afforestation and sustainable management practices; calls particularly for a stronger Union role in helping local and regional authorities in enforcement of forest protection regulations in force;
102. Calls for robust financial support and incentive programmes for measures to afforest deteriorated land and land unsuitable for farming.

Financing

103. Calls on the Commission to adopt a climate and environment proof Multiannual Financial Framework; paying particular attention to the impact of external action funds that may contribute to deforestation and ecosystem degradation, as well as certain research and development funds; calls for a Green Deal Check of the MFF and all European budgets;
104. Believes that EU Green Public Procurement criteria should include deforestation and compliance with the due diligence proposal among its provisions; a revision of Directive 2014/24/EU on public procurement³⁸ should integrate compliance with due diligence in the award criteria;
105. Urges all Union institutions and agencies to lead by example by modifying their behaviour, procurements and framework contracts towards the use of "deforestation-free only" products;
106. In particular, calls on the Commission to take initiatives to forbid the public purchase of imported products resulting in deforestation within the framework of the WTO Plurilateral Agreement on Government Procurement (GPA) and Directive 2014/24;
107. Calls on the Union to provide appropriate support to the protection of existing and the creation of new and appropriately selected protected areas, especially in countries that are major timber producers;
108. Calls on the Union to make the provision of financial aid to partner countries conditional on the introduction of a functional system of binding conceptual instruments contributing to sustainable forest management (for example, forest management plans); emphasises that these are functional only if they are prepared with sufficient expertise and calls on the Union to set out and enforce clear rules for compliance with them;

³⁸ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

109. Calls for the forestry sector to feature strongly in the upcoming Neighbourhood, Development and International Cooperation Instrument (NDICI) and for the full potential of the External Investment Plan and regional blending facilities to be exploited in leveraging private funding for sustainable forest management; calls for the strengthening of standards and certification schemes that already exist instead of introducing new ones and stresses that those standards and certification schemes need to comply with WTO rules;
110. Stresses the need to ensure effective recognition and respect of customary land tenure rights of forest-dependent communities and of indigenous peoples as a question of social justice in line with the FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT), the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and in ILO Convention No. 169; invites the Commission to support the dissemination, use and implementation of the VGGT at global, regional and country level, also through the External Investment Plan;
111. Calls for the EU-ACP cooperation to be strengthened in order to tackle the increasing problem of deforestation and desertification in ACP countries through the development of action plans aimed at improving the management and conservation of forests and the setting-up of monitoring systems; calls on the Union to ensure that deforestation is included in political dialogues at country level, and to help partner countries to develop and implement national frameworks on forests and on sustainable supply chains, while supporting the effective implementation of partner countries' Nationally Determined Contributions (NDC) pursuant to the Paris Agreement;

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112. Requests that the Commission submit, on the basis of Article 114(3) and Article 191 of the Treaty on the Functioning of the European Union, a proposal for an EU legal framework to halt and reverse EU-driven global deforestation, following the recommendations set out in the Annex hereto;
113. Instructs its President to forward this resolution and the accompanying recommendations to the Commission and the Council.

ANNEX TO THE MOTION FOR A RESOLUTION:

RECOMMENDATIONS AS TO THE CONTENT OF THE PROPOSAL REQUESTED

1. Objective

The proposal for a Regulation ('the proposal') should provide the basis for the assurance of a high level of protection for natural resources, such as natural forests, biodiversity and natural ecosystems, as well as contribute to a strengthened framework for their sustainable management to avoid their degradation and conversion, by ensuring that Union market and consumption patterns do not detrimentally affect them. The protection of human rights and both formal and customary rights of indigenous peoples and local communities to lands, territories and resources affected by harvesting, extraction and production of products should also be covered by the proposal.

It should provide transparency and certainty with regard to:

- (a) commodities covered by the proposal and their derived products which are marketed on the Union internal market,
- (b) the supply practices and financing of all operators active on the Union internal market,
- (c) production practices, including the water abstraction aspect, of operators harvesting, extracting, supplying, and processing forest and ecosystem-risk commodities (FERCs) covered by this proposal or producing FERC-derived products in the Union internal market, as well as the practices of their financiers;

It should contribute to the fulfilment of international environmental and human rights commitments taken by the Union and its Member States, such as the Paris Agreement, the Sustainable Development Goals, and human rights obligations, set out in international human rights treaties and establish legally binding sustainability criteria for human rights, and the protection of natural forests and natural ecosystems against their conversion and degradation, as set out in the proposal. The proposal should be risk-based, proportionate and enforceable.

2. Scope

The proposal should apply to all operators, irrespective of their legal form, size or complexity of their value chains, i.e. any natural or legal person (excluding non-commercial consumers) that places commodities that are covered by the proposal and their derived products on the Union internal market for the first time, or that provides financing to the operators undertaking these activities. This should apply to both Union and non-Union-based operators. Operators that are not based in the Union should mandate an authorised representative to perform the tasks (in accordance with Regulation (EU) 2019/1020 of the European Parliament and of the Council¹).

All operators should be entitled to lawfully place FERCs and FERC-derived products on the

¹ Regulation (EU) 2019/1020 of the European Parliament and of the Council of 20 June 2019 on market surveillance and compliance of products and amending Directive 2004/42/EC and Regulations (EC) No 765/2008 and (EU) No 305/2011 (OJ L 169, 25.6.2019, p. 1).

Union market only when, in accordance with provisions referred to in -Section 4 of this Annex, they are able to demonstrate that within their own activities and all types of business relationships that they have with business partners and entities along their entire value chain (i.e. transport companies, suppliers, traders, franchisees, licensees, joint ventures, investors, clients, contractors, commercial customers, consultants, financial, legal and other advisers) that, at the very most, there is a negligible risk level, that the goods placed on the Union market:

- originate from land obtained via the conversion of natural forests or other natural ecosystems;
- originate from natural forests and natural ecosystems undergoing degradation, and
- are produced in, or are linked to, violation of human rights.

Financial institutions providing finance, investment, insurance or other services to operators engaged in the supply chain of commodities also have a responsibility to undertake due diligence to ensure that supply chain companies are respecting the obligations laid down in this proposal.

The proposal should cover all commodities that are most frequently associated with deforestation, degradation of natural forests and conversion and degradation of natural ecosystems due to human activity. A list of these commodities should be prepared on the basis of an independent expert evaluation, taking into account the precautionary principle, and should be provided in an annex to this proposal and comprise at least palm oil, soy, meat, leather, cocoa, coffee, rubber, and maize and all intermediate or final products that are derived from these commodities, and products that contain these commodities. In the event that the derived products contain input from more than one commodity covered by the proposal, due diligence should be performed with respect to each of these commodities. Commodities covered by Regulation (EU) No 995/2010² of the European Parliament and of the Council ('the EU Timber Regulation') should be integrated into the scope of the proposal, following the Commission's assessment on the basis of an independent, expert evaluation, taking into account the precautionary principle, within three years from the date of entry into force of the proposal.

The Commission should adopt delegated acts in a timely fashion on the basis of an independent, expert evaluation, taking into account the precautionary principle, to revise and amend the list with any additional commodities, and their derived products to be covered by the proposal if evidence or significant indications emerge concerning the detrimental impact of their harvesting, extraction or production on natural forests, natural ecosystems or human rights formal and customary rights of indigenous peoples and local communities to lands, territories and resources . The Commission should have a vigilant, proactive role in identifying emerging risks, and actively consult a diversity of stakeholders with relevant experience to maintain a list of commodities that reflects the state of knowledge about human rights and environment risks in relevant sectors.

The proposal should equally apply to all financial institutions authorised to operate in the Union which provide finance, investment, insurance or other services to operators that harvest, extract, produce, process, trade or sell forest and ecosystem-risk commodities and their derived

² Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market Text with EEA relevance (OJ L 295, 12.11.2010, p. 23).

products to ensure that these financial institutions themselves and their supply chain companies respect the responsibilities on the environment and human rights as set out in the proposal.

The proposal should apply to a trader, i.e. any natural or legal person that in the course of a commercial activity, sells to or buys from operators on the Union internal market any commodity covered by the proposal or a derived product that has been already placed on the Union internal market. Operators on the Union internal market should not be able to engage with traders, unless traders are able to:

- identify the operators or traders that supplied the commodities covered by the Regulation and their derived products; and
- where applicable, identify the traders to which they supplied the commodities covered by the proposal and their derived products; and
- ensure the traceability of their products, in order to be able to identify their origin, when they are placed on the Union Internal Market.

3. General obligations

3.1. Deforestation and conversion of natural ecosystems

Commodities covered by the proposal and their derived products that are placed on the Union market should not result in, or derive from, deforestation or the conversion of natural ecosystems.

For that purpose, FERCs placed on the Union market, in raw form or as products derived from or containing such commodities, should not be harvested, extracted or produced from land that at a cut-off date that lays in the past, but no later than 2015, that is science-based, justifiable, implementable in practice and in line with EU international commitments, had the status of natural forest or natural ecosystem, in accordance with the definition laid down in Section 3.3 “Definitions”, but had since lost that status as a result of deforestation or conversion.

3.2. Degradation of natural forests and natural ecosystems

Commodities covered by the proposal and their derived products placed on the Union market should not result in, or derive from, the degradation of natural forests or natural ecosystems due to human activity.

For that purpose, FERCs placed on the Union market, in raw form or as products derived from or containing such commodities, should not be harvested, extracted or produced from land that, at a defined cut-off date, had the status of natural forest or natural ecosystem in accordance with the definition laid down in Section 3.3. The cut-off date must be set in the past, but no later than 2015, and must also be science-based, justifiable, implementable in practice and in line with Union international commitments. It should only be legally possible to place on the Union market a commodity that has been harvested, extracted or produced in compliance with conservation objectives and it did not lead to the loss or degradation of ecosystem functions on or adjacent to the land from which it was harvested, extracted or produced.

3.3. Definitions

The Commission's legislative proposal should contain definitions as to what constitutes a “forest”, a “natural forest” that possesses many or most of the characteristics of a forest native to the given site, even in the presence of human activities, “deforestation”, “forest degradation”, a “natural ecosystem”, “ecosystem degradation” and “ecosystem conversion”, as well as “sustainable management”. Those definitions should be based on objective and scientific considerations and take into account relevant sources of international law and international organisations, as well as other initiatives providing for suitable definitions, such as the Food and Agriculture Organisation of the United Nations, the European Environmental Agency, the Accountability Framework Initiative or the High Carbon Stock Approach.

The definitions should be based on the following principles

- they should allow the achievement of the highest level of environmental protection, notably for forests and other natural ecosystems, and be consistent with the Union's international and domestic commitment on forest, biodiversity and climate protection,
- they should support the Union's goal of preserving natural forests and ecosystems, including in particular primary and regenerated forests, and prevent their replacement with forests and ecosystems derived from human activities, such as tree plantations,
- they should be sufficiently comprehensive to grant protection to other natural ecosystems that, as forests, are important for the preservation of biodiversity or for the achievement of the climate objectives set out in the Paris Agreements,
- they should aim at ensuring that the adoption of Union measures to protect the world's forests might result in the problem of conversion and degradation being shifted onto other natural ecosystems that are as important as natural forests for biodiversity, climate and human rights protection.

3.4. Human rights violations

FERCs placed on the Union market, in raw form or as products derived from or containing such commodities, should not be harvested, extracted or produced from land obtained or used in violation of human rights embedded into national laws, nor those rights expressed, as a minimum, in the EU Charter of Fundamental Rights or in international agreements, such as the rights of indigenous peoples and local communities, including tenure rights and the procedural right to give or withhold their free prior and informed consent as set out for example by the UN Permanent Forum on Indigenous Issues and UN and regional treaty bodies, the right to water, the right to environmental protection and sustainable development, the right to defend human rights and the environment, free from any form of persecution and harassment, labour rights as enshrined in ILO fundamental conventions and other internationally recognised human rights related to land use, access or ownership, as well as the human right to a healthy environment, as defined in the Framework Principles on Human Rights and the Environment and the standards and good practices identified by the UN Special Rapporteur on human rights and the environment.

Special attention should be paid to child labour with the aim to eliminate it.

At all stages, harvesting, extracting or producing covered commodities should respect local

communities' and indigenous peoples' community and land tenure rights in all forms, whether they are public, private, communal, collective, indigenous, women's or customary rights. Indigenous peoples' and local communities' formal and customary rights to lands, territories and resources should be identified and respected, as should their ability to defend their rights without reprisals. Those rights include the rights to own, occupy, use and administer these lands, territories and resources.

Commodities covered by the proposal should not be obtained from land whose acquisition and use affects community and land tenure rights. In particular, commodities placed on the Union market should not be harvested, extracted or produced from the lands of indigenous peoples and local communities, both those lands formally titled and those under customary ownership, without their free, prior and informed consent.

4. Duty to identify, prevent and mitigate harm in value chains

4.1. Duty of due diligence

Operators should take all necessary measures to respect and ensure the protection of human rights, natural forests and natural ecosystems, as set out in the proposal, throughout their entire value chain. This should include all types of business relationships of the undertaking with business partners and entities along its entire value chain (such as suppliers, traders, franchisees, licensees, joint ventures, investors, clients, contractors, commercial customers, transport companies, consultants, financial, and legal and other advisers), and any other state or non-state entity directly linked to its business operations, products or services.

In doing so, operators should take a risk-based approach to due diligence, where the nature and extent of due diligence corresponds to the type and level of risk of adverse impacts. Higher risk areas should be subject to enhanced due diligence.

The following measures should be adequately and effectively included:

(a) Mapping the entire value chain

Operators should determine whether the commodities and products in their entire value chains comply with the sustainability and human rights criteria of the proposal, by accessing and evaluating information on the precise land area(s) from where these goods originate. In addition to the environmental criteria, access to information must allow the operator to conclude that those using the land to produce FERCs are entitled to do so and have obtained Free, Prior and Informed Consent (FPIC) from those holding rights on those land areas and that they are not violating, or have violated, any human rights referred to in this proposal.

In particular, operators are required to have, and make available, information on:

- (i) the precise area or areas of harvest or extraction or production of the commodities; in relation to cattle, beef and leather, operators must be able to obtain information about the various areas of pasture where cattle has been fed or, where cattle is raised using feed, about the origin of feed used;
- (ii) the present ecological status of the area of harvest, extraction or production;
- (iii) the ecological status of the area at the indicated cut-off date of this proposal.

(iv) the legal status of land (ownership/title including both formal and customary rights of indigenous peoples and local communities to lands, territories and resources) and evidence of Free, Prior and Informed Consent (FPIC).

(v) the elements of the supply chain of the commodity in question, with the aim of having information about the likelihood of contamination risks with products of unknown origin or originating from deforested areas, or from areas in which natural forest, forest and ecosystem conversion and degradation occurred, and information about where, by whom and under which conditions the commodities have been harvested, transformed or processed, with a view to determine compliance with the human rights obligations of this proposal.

Operators should have access to all the information related to the origin of the products entering the Union internal market through the systematic declaration of GPS coordinates for these commodities, after the entry into force of the proposal as laid down in Section 4.1 of this Annex.

(b) Identify and assess real and potential forest and ecosystem risks in the value chains, on the basis of the criteria laid down in the proposal

Where an operator sets up new operations or engages new business partners, it should identify the actors involved in the new supply and investment chains, and assess their policies and practices, as well as their harvesting, production, extraction and processing sites. For existing operations, ongoing adverse impacts and harms as well as potential risks should be identified and assessed. Risk analysis should be done with regard to the risks occurring from the operator's activities to, or impact on, natural forests and natural ecosystems, indigenous peoples, local communities and individuals affected, rather than material risk to corporate shareholders. When operators have large numbers of suppliers, they should identify general areas where the risk of adverse impacts is most significant and, based on this risk assessment, prioritise suppliers for due diligence.

(c) Preventing risks and mitigating risks to a negligible level

Except where the risk identified in the course of the risk identification and assessment procedures referred to in point (b) is negligible, and therefore the operator has no residual reason to be concerned that the commodities and products may not meet the criteria set out in this framework, the operators should adopt risk mitigation procedures. Those procedures should consist of a set of adequate and proportional measures that effectively and demonstrably reduce to a negligible level all identified risks e.g. amending contracts with suppliers, providing support to suppliers to change their practices, changing its purchasing and investment practices, for the purpose and in view of the lawful placing of the covered commodities and products on the internal market.

(d) Ceasing environmental and human rights abuses

Where, after thoroughly following the requirements referred to in points (a), (b) and (c), operators come to the conclusion that operations, or parts of operations, contribute to or potentially cause or contribute to adverse impacts on human rights, natural forests, or natural ecosystems, as set out in the proposal, that cannot be prevented or mitigated, they should cease all of these operations, or parts of operations.

(e) Monitoring and continuously improving the effectiveness of their due diligence system and its implementation

Operators should periodically check to see if their due diligence system is fit for preventing harm and ensure the compliance of commodities and products with the framework and if not, adjust it or develop other actions. The evaluation of the due diligence system should be based on qualitative and quantitative indicators, internal and external feedback and clear accountability processes.

(f) Integrating third-party certification schemes

Third-party certification schemes can complement and ensure the identification of origin of products, risk assessment and mitigation components of due diligence systems, provided that these schemes are adequate in terms of scope and strength of sustainability criteria for the protection of natural forests and natural ecosystems against their conversion and degradation, as set out in the proposal and in terms of their ability to monitor the supply chain, and provided that they meet adequate levels of transparency, impartiality and reliability. By means of delegated act, the Commission should establish minimum criteria and guidance for operators to assess the credibility and solidity of third-party certification schemes. Those minimum criteria should in particular ensure independence from the industry, inclusion of social and environmental interests in standard-setting, independent third-party auditing, public disclosure of auditing reports, transparency at all stages, and openness. Certification schemes should only award certification to products with 100 % certified content. Only certification schemes meeting those criteria can be used by operators for their due diligence systems. Third-party certification should not impair the principle of the operator's liability.

(g) Role of Voluntary Partnership Agreements

The Union may negotiate Voluntary FERC Partnership Agreements with FERC-producing countries (partner countries), which create a legally binding obligation for the parties to implement a licensing scheme and to regulate trade in FERCs in accordance with the national law of the FERC-producing country and the environmental and human rights criteria laid out in the proposal. FERCs under the scope of the proposal which originate in partner countries with Voluntary FERC Partnership Agreements should be considered to be of negligible risk, as far as the partnership agreement is implemented, for the purpose of the proposal. Such agreements should be based around national multi-stakeholder dialogues with effective and meaningful participation of all stakeholders, including civil society, indigenous peoples and local communities.

4.2. Duty of consultation

Operators should:

- (a) adequately, timely and directly consult impacted and potentially impacted stakeholders;
- (b) properly take into account stakeholders' perspectives in the definition and implementation of the due diligence measures;
- (c) ensure that representative trade unions and workers' representatives are involved in the definition and implementation of the due diligence measures;
- (d) establish an early-warning mechanism that give an opportunity to workers and interested parties with substantiated concerns to inform the operator about any risk of harm to natural forests, natural ecosystems and human rights throughout the entire value chain; the

operator should take this information into account in its due diligence processes;

(e) properly take into account indigenous and local knowledge and risks and concerns expressed by local communities, indigenous peoples, land and environmental defenders.

4.3. *Duty of transparency and reporting*

Operators should annually report on their due diligence and consultation processes, the risks identified, their procedures for risk analysis, risk mitigation and remediation, and their implementation and outcomes to the competent authority and in a public, accessible and appropriate manner, which will not disproportionately in particular burden small and medium-sized enterprises.

The Commission should adopt delegated acts to set out the format, and the elements of the reports. In particular, operators should, inter alia, report on the system they use and how they apply it to the commodities in question, identified risks and impacts; the actions taken to cease and remedy existing abuses and to prevent and mitigate risks of abuse, as well as their outcomes; the measures and results of monitoring the implementation and effectiveness of such actions, warnings received through the early-warning mechanism and how the operator took them into account in their due diligence processes, and a list of all subsidiaries, subcontractors and suppliers, products and their quantity and origin. A failure to publish complete and timely reports should be penalised and ultimately lead to the suspension of authorisation to place products on the Union internal market.

4.4. *Duty of documentation*

Operators should maintain a written record of all due diligence actions and their results and make it available to the competent authorities upon request.

4.5. *Commission guidelines*

The Commission should develop guidelines and guidance to facilitate compliance with the legal obligations contained in the proposal, in particular to clarify the due diligence expectations for specific contexts, sectors, or in relation to certain types of operators. When doing so, the Commission should build on and extend good practices present in existing environmental management systems.

To support economic operators in conducting their due diligence obligations, the Commission should publish regional hotspot analyses with regard to FERCs.

5. *Control, monitoring, enforcement, sanctions and access to justice*

5.1. *Public enforcement*

Member States should ensure, in accordance with their national law and practice, the enforcement of the duties referred to in Section 4 by:

(a) providing for proportionate, effective and dissuasive penalties and sanctions for non-compliance with any of the obligations set out therein or where non-compliance with any of those obligations causes, contributes to, is linked to, or aggravates damage to natural forests or natural ecosystems or human rights abuses or the risks thereof; these should include:

- i. monetary penalties proportionate to the damage to natural forests, natural ecosystems or human rights, as set out in the proposal, the cost of natural forest and natural ecosystem and human rights restoration and the economic prejudice resulting from the infringement to the affected communities;
 - ii. permanent seizure of covered commodities and derived products concerned;
 - iii. immediate suspension of authorisation to place products on the Union internal market;
 - iv. exclusion from public procurement processes;
 - v. criminal penalties to individuals and, where allowed, for legal entities in the case of the most serious offenses;
- (b) designating competent national investigating and enforcement authorities ('competent authorities'); the competent authorities should monitor that operators effectively fulfil the obligations laid down in the proposal; for that purpose, the competent authorities should carry out official checks, in accordance with a plan as appropriate, which may include checks on the premises of operators and field audits, and should be able to adopt provisional orders and, in addition and without prejudice to the application of sanctions, should have the power to require operators to take remedial actions; the competent authorities should also carry out timely and thorough checks when in possession of relevant information, including substantiated concerns from third parties, and should treat information related to their activity in accordance with Directive 2003/4 on public access to environmental information;
- (c) ensuring that members of the public have the right to challenge non-compliance before the judicial or administrative authorities, which should include any individuals or groups whose rights and obligations or interests are affected, directly or indirectly, by the undertaking's total or partial failure to perform its duties, including employees, customers, consumers and end-users, trade unions, transnational trade union federations, local communities, national or local governments or institutions, journalists, NGOs and local civil society organisations.

The Commission should adopt delegated acts to lay down legally binding standards and guidelines applicable to national competent authorities to ensure effective and uniform implementation and enforcement of the proposal across the Union, in particular with regard to:

- listing and making public operators falling under the remit of the proposal in a public register;
- setting standards for the quality and quantity of compliance checks conducted by national competent authorities;
- further guidance on how to conduct compliance checks, such as guidance for national competent authorities that specifies criteria for checks to better analyse and evaluate the risk level of products and sufficient documentation of due diligence systems in use;
- guidance on third-party concerns to establish Union-wide criteria to assess whether a concern is substantial and reliable enough to be processed, and develop clear procedural standards for the timely, impartial, effective and transparent responses by the national competent authorities towards third-party concerns;

- Union-level criteria to help specify when an operator should be given a notice of remedial action, a penalty or when other penalties should apply; and
- obligations on competent authorities to report publicly about control and enforcement activities, infringements detected and responses to substantial concerns.

5.2. Civil liability and access to remedies

(a) Civil liability

Operators should be:

- i) jointly and severally liable for harm arising out of human rights abuses or damage to natural forests and natural ecosystems, as set out in the proposal, that has been caused, aggravated, contributed by or linked to controlled or economically dependent entities;
- ii) liable for harm arising out of human rights abuses or damage to natural forests and natural ecosystems, as set out in the proposal, directly linked to their products, services or operations through a business relationship, unless they can prove they acted with due care and took all reasonable measures given the circumstances that could have prevented the harm; operators may therefore discharge their liability if they can prove that they took all due care to identify and avoid the damage.

(b) Disclosure of evidence

Where a plaintiff has presented reasonably available facts and evidence sufficient to support their action, the defendant should bear the burden of proving:

- i) the nature of its relationship with the entities involved in the harm;
- ii) whether it acted with due care and took all reasonable measures to prevent the harm from occurring.

(c) Access to remedies

Damaged parties should have the right to accessible and effective judicial remedies to seek redress against operators that cause, aggravate, or are linked to or contribute to an adverse impact on their rights. Non-State grievance mechanisms should complement judicial remediation mechanisms to improve accountability and access to remedy.

6. Final provisions

6.1. Non-regression

The implementation of the proposal should in no way constitute grounds for justifying a reduction in the general level of protection of human rights, both formal and customary rights of indigenous peoples and local communities to lands, territories and resources, or the environment. In particular, it should not affect other existing subcontracting or supply chain liability frameworks.

6.2. More favourable provisions

Member States may introduce or maintain provisions that go beyond the provisions set out in the proposal as regards the protection of human rights and the environmental standards along the FERCs supply chain.

EXPLANATORY STATEMENT

Background and context

A total of 13 million hectares are deforested¹ each year and almost all of it is happening in tropical forests (96 %). The main driver (80 %) of deforestation is expansion of agricultural land². Three commodities: soy, beef and palm oil are responsible for nearly 80 % of global deforestation³. Other commodities, such as cocoa, or coffee, have relatively small forest footprints globally. However, as their production is highly concentrated in few countries, their footprint and negative impacts are very high in those areas.⁴ The Union imports and consumes between 7 to 10 % of the global consumption of crops and livestock products associated with deforestation in the countries of origin⁵. The Union is also among the major global importers of a number of ‘forest risk commodities’, i.e. palm oil (17%), soy (15%), rubber (25%), beef (41%), maize (30%), cocoa (80%), and coffee (60%)⁶.

To mention climate change impacts, global deforestation is responsible for about 12 % of global greenhouse gases (GHG) emissions⁷. Deforestation also means lost biodiversity, which cannot be reconstructed by planting a new forest. When it comes to economic and social consequences of deforestation, it needs to be noted that 1,6 billion people depend on forest resources⁸. In countries where the rule of law is weak, land tenure rights are often not respected and indigenous population lose access to forest resources, which are key for the local economy.

Through the Sustainable Development Goals, the Paris Agreement and the 7th Environmental Action Plan, the Union has committed at different levels to protect both European and global forests and to contribute to sustainable land use, land use change and forestry.

The Union has already introduced some regulatory measures to tackle the problem of imported deforestation. This concerns inter alia the 2003 Forest Law Enforcement Governance and Trade (FLEGT) Action Plan, the 2005 Council Regulation (EC) No 2173/2005⁹, Regulation (EU) No

¹ European Commission, [EU Science Hub, Forestry](#), website.

² [FAO 2016](#).

³ Idem.

⁴ <https://resourcetrade.earth/stories/cocoa-trade-climate-change-and-deforestation#section-183>

⁵ European Commission, [Environment, Studies on EU action to combat deforestation and palm oil](#), website.

⁶ Idem.

⁷ Smith, P. et al. (2014): Agriculture, Forestry and Other Land Use (AFOLU). In: Climate Change 2014: Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Edenhofer, O. et al. (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA.

⁸ [FAO](#)

⁹ Council Regulation (EC) No 2173/2005 of 20 December 2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community (*OJ L 347, 30.12.2005, p. 1*).

995/2010¹⁰ ('the EU Timber Regulation') Directive (EU) 2018/2001¹¹, together with Directive (EU) 2015/1513¹² and Directive (EU) 2015/1513. However, different evaluations assessed their efficiency and scope and concluded that they are not sufficient to halt and reverse global deforestation^{13 14}.

However, there is no coherent EU legal framework directly addressing 'forest risk commodities' food or feed products - that impact global deforestation. The Union did not achieve the 7th EAP goal of reducing gross tropical deforestation by 2020. Against that background, considering recent results of studies and consultations launched by the Commission, and in view of academic findings on the issue, a Union regulatory intervention is needed.

On 23 July 2019, the Commission adopted an EU Communication on Stepping up EU Action to Protect and Restore the World's Forests¹⁵. The new Commission has clearly confirmed that it is planning to take legislative action at Union level against global deforestation. It was confirmed in the Commissioners'-designates hearings in the European Parliament¹⁶.

The European Parliament has been regularly calling on the Commission to step up Union action against global deforestation.^{17 18} More specifically, in its resolution of 16 January 2020 on the COP15 to the Convention on Biological Diversity, the European Parliament called on the Commission to propose due diligence-based legislation for deforestation free products on the EU market.¹⁹

The rapporteur is recommending that the Commission presents, for the first time, a legislative proposal for mandatory due diligence for forest and ecosystem-risk commodities being placed on the Union market.

The rapporteur believes that the EU Timber Regulation can be a good model to build upon, while improving some of its aspects. Those improvements should concern requirements for

¹⁰ Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market Text with EEA relevance (*OJL 295, 12.11.2010, p. 23*).

¹¹ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (*OJL 328, 21.12.2018, p. 82*).

¹² Directive (EU) 2015/1513 of the European Parliament and of the Council of 9 September 2015 amending Directive 98/70/EC relating to the quality of petrol and diesel fuels and amending Directive 2009/28/EC on the promotion of the use of energy from renewable sources (*OJL 239, 15.9.2015, p. 1*).

¹³ European Commission, [Feasibility study on options to step up EU actions against deforestation](#), COWI A/S, 2018, Part I.

¹⁴ European Commission, EU Communication on Stepping up EU Action to Protect and Restore the World's Forests, [COM/2019/352 final](#).

¹⁵ Idem.

¹⁶ European Parliament, Policy Departments Economic Governance Support Unit, [Commitments made at the hearings of the Commissioners-designate Von der Leyen Commission 2019 - 2024](#), PE 629.837 - November 2019.

¹⁷ European Parliament resolution of 11 September 2018 on transparent and accountable management of natural resources in developing countries: the case of forests ([2018/2003\(INI\)](#)).

¹⁸ European Parliament resolution of 4 April 2017 on palm oil and deforestation of rainforests ([2016/2222\(INI\)](#)).

¹⁹ European Parliament resolution of 16 January 2020 on the COP15 to the Convention on Biological Diversity ([2019/2824\(INI\)](#))

commodities being put on the Union market that go beyond the legality of the sourcing of the commodities in the country of origin to include sustainability criteria and human rights protection. Furthermore, lessons should be learnt from the flawed implementation and enforcement of the EU Timber Regulation. The rapporteur therefore proposes the inclusion of an improved implementation and enforcement mechanism in the legislative proposal for a future forest-risk commodity regulation.

The rapporteur believes that due diligence obligations for economic operators putting forest and ecosystem-risk commodities and derived products on the Union market is necessary, as efforts and voluntary commitments by economic actors aimed at curbing the impact of forest and ecosystem-risk commodities on deforestation and enacting voluntary supply-chain measures have been so far rather limited and overall unsatisfactory²⁰. Studies have indicated an urgent need for stepping up public intervention²¹.

Companies and business associations shared this view in numerous meetings with the rapporteur. They expressed their preference for a Union due diligence Regulation for forest-risk commodities also for business reasons.

These calls are echoed by a study commissioned by the Commission's DG Just on due diligence requirements through the supply chain²², according to which a majority of business and other stakeholders (68%) responded that the current regimes of voluntary measures have failed to significantly change the way companies manage their social, environmental and governance impacts, or to provide remedies to victims.

The study envisages that mandatory due diligence would allow “for significant preventative benefits”, “opportunities for protection” as well as “enhanced access to justice in case of adverse environmental impacts” for rights-holders²³ that reporting requirements would not cover.

According to the study, mandatory due diligence would have the most positive social, human rights and environmental impacts, while voluntary guidelines and reporting requirements are considered not likely to produce significant positive impact on people or the planet.

Objective

Thus, based on those reasons, the rapporteur aims with the proposal to ensure a high level of protection for natural forests and natural ecosystems and the protection of human rights potentially affected by the harvesting, extraction and production of commodities that most often are related to deforestation, ecosystem destruction, forest and ecosystem degradation and

²⁰ <https://climatefocus.com/sites/default/files/20171106%20ISU%20Background%20Paper.pdf>

²¹ Lambin, E.F., et al. (2018): The role of supply-chain initiatives in reducing deforestation. *Nature Climate Change* 8, 109-116.

²² British Institute of International and Comparative Law et al. (2020): Study on due diligence requirements through the supply chain. Final report.

²³ Under the Universal Declaration of Human Rights, rights-holders are all human beings or social groups with specific entitlements towards duty-bearers (States and other private actors) which have the responsibility to protect and/or respect their rights and can be held accountable for violating them (<https://www.ohchr.org/Documents/Publications/FAQen.pdf>).

human rights violations.

The rapporteur believes it is necessary to also cover natural ecosystems by the proposal, as otherwise pressure would shift to these areas to be turned into agricultural land, with equally devastating effects for the climate and biodiversity. In addition, human rights need to be covered by the proposal, as human rights violations are a driver and a consequence of forest and ecosystem destruction. Securing the tenure rights of forest-dependent peoples directly benefits forests and ecosystems.

Scope

The rapporteur is of the opinion that the proposal should cover economic operators of all sizes, as otherwise the creation of regulatory loopholes would jeopardize the objectives of the regulation. The same reasoning applies to covering economic operators' complete value chains. Making the regulation applicable to all economic operators would be in line with the United Nations Guiding Principles on Business and Human Rights, which highlights that all businesses have responsibility to respect human rights. The rapporteur wants to underline that this responsibility is equally applicable as regards the protection of the environment.

Additionally, the regulation should cover all financial institutions. A recent study by Global Witness shows that, between 2013 and 2019, Union-based financial institutions were one of the main sources of funds and had backed six agribusiness companies linked to forest destruction in the climate critical forests of the Amazon, Congo Basin and Papua New Guinea to the tune of 7 billion Euro.²⁴

The rapporteur agrees with the findings of the study commissioned by DG Just that a broad scope of businesses should be included in an Union-wide due diligence framework, including SMEs and financial institutions..²⁵

It also seems logical that traceability obligations for commodities and products covered by the proposal should also apply to traders. Traceability allows at any given moment, for the identification of the relevant economic operator(s) placing goods covered by the regulation on the market and therefore responsible for performing due diligence.

In its communication “Stepping up EU action to protect and restore the world’s forests” of 2019, the Commission concluded that when looking at deforestation embodied in total final consumption, Union consumption represents around 10% of the global share. This is mostly due to Union imports of products such as palm oil, meat, soy, cocoa, maize, timber, rubber, including in the form of processed products or services. Therefore, these commodities should be covered by the regulation. The proposed measures should also apply to any product containing raw or processed commodities, either as a sole input or in combination with other inputs, to avoid the effect of incentivising the demand for such products and the risk of bypassing the due diligence obligation. The rapporteur notes that scientific knowledge about the exact impact of the import of certain commodities on the situation of forests, ecosystems

²⁴ Global Witness (2020): Why EU action to tackle deforestation should not let finance off the hook.

²⁵ British Institute of International and Comparative Law et al. (2020): Study on due diligence requirements through the supply chain. Final report.

and human rights is still evolving. The rapporteur therefore suggests that further commodities could be added to the regulation's scope by way of a delegated act.

General obligations

The rapporteur proposes that the commodities covered by the proposal should not have originated from areas that can be classified as natural forests or natural ecosystems before 1 January 2008 but have lost that status after this cut-off date or have suffered degradation since then.

Taking 1 January 2008 as the cut-off date would align the proposal with the sustainability provisions laid down in Directive (EU) 2018/2001.

To define natural forests, natural ecosystems, deforestation and forest and ecosystem degradation, the rapporteur suggests to use the definitions of the Accountability Framework and the approach of Directive (EU) 2018/2001 to land with high biodiversity value ecosystems and high carbon stock. The rapporteur believes that these are recognised concepts with already existing guidance making them easily operational. Moreover, the Accountability Framework definition clearly distinguishes natural forests from tree plantations, and it addresses explicitly both conversion to plantation and severe, ongoing degradation.

In view of facilitating implementation, the Commission should regularly adopt, by way of delegated act, a non-exhaustive list of areas that are covered by the proposal.

As regards human rights, economic operators should guarantee that their products are not linked to human rights violations most frequently associated with deforestation, ecosystem destruction and forest and ecosystem degradation. Those are tenure rights, rights of indigenous people, free prior and informed consent as set out by the UN Permanent Forum on Indigenous Issues, the right to water, labour rights as enshrined in ILO fundamental conventions and other internationally recognised human rights related to land use, access or ownership.

Duty of due diligence

Building on the OECD guidelines for multinational enterprises and the OECD-FAO guidance for responsible agricultural supply chains, the rapporteur suggests to place a duty of due diligence, a duty of consultation, a duty of transparency and reporting and a duty of documentation upon economic operators.

The due diligence should follow a risk-based approach. The rapporteur emphasises that taking a risk-based approach should not prohibit economic operators from engaging in certain contexts or with certain business partners, but should assist them in effectively managing the risks of adverse impacts in high-risk contexts.

Employing due diligence does not rely on states of origin in order to ensure compliance, but casts the responsibility on economic actors which want to market commodities or derived products in the Union. The rapporteur stresses that, importantly, as opposed to tools such as labels and certifications, due diligence does not rely on consumer preferences and thereby offers

potentially high levels of effectiveness in achieving regulatory objectives.

Under the proposed measures, lawfully placing on the Union market would be possible only when economic operators are able to demonstrate, as a result of their due diligence process, that any identified risk has been mitigated so that it becomes negligible at most. In addition, and in view of facilitating enforcement, operators would be obliged to ensure the traceability and transparency of their supply chain and to report about their compliance with due diligence, in particular concerning risk assessment and risk mitigation.

The rapporteur suggests that the Commission develops guidelines to support economic operators in implementing these duties. To ensure Union-wide high quality and comparable standards of transparency and reporting, the Commission should adopt delegated acts on these matters.

Duty of due diligence: an obligation requiring economic operators to conduct due diligence throughout their entire supply chain in order to identify, prevent, and mitigate environmental, social and human rights risks and impacts in order to ensure compliance of goods placed on the Union market with a set of sustainability and legal criteria, should be put in place.

Similar to Regulation (EC) No 2173/2005, Voluntary Partnership Agreements could be negotiated between the Union and FERC-producing countries. The rapporteur wants to underline, though, that while the negotiation of Voluntary Partnership Agreements might take many years, a mandatory due diligence regulation for forest-risk commodities can enter into force more quickly and can also stand alone.

Economic operators should be able to use third-party certification schemes to inform the conduct of these duties. The rapporteur emphasises, though, that third party certification schemes cannot replace the economic operators' duty for due diligence and the economic operator's liability. In light of the considerable variety of third-party schemes and certification that is potentially relevant, operators should carry out a rigorous assessment against the forest and ecosystem risk criteria identified in the proposal before concluding that a scheme can in fact contribute to the objectives of the proposal. The rapporteur points out that there are large differences in quality between certification schemes, whose effectiveness depends on a range of factors, including its scope, its level of transparency and the strength of its criteria²⁶, as well as the required frequency of audits, as well as their quality and independence. This variation limits the extent to which they can be used consistently as a tool for preventing deforestation²⁷. In addition to forest and ecosystem risk criteria, the above assessment should also cover specific governance criteria, comprising independence from industry, inclusion of social and environmental interests in standard-setting, independent third-party auditing, public disclosure of auditing reports, transparency at all stages, and openness. Only after performing such an assessment may operators decide to take into account third-party schemes where necessary and relevant.

Duty of consultation: economic operators should consult affected stakeholders as regards the definition and implementation of their due diligence measures and should install an early-

²⁶ Voigt, M. (Ed.) (2019): Sustainability Certification Schemes in the Agricultural and Natural Resource Sectors, Outcomes for Society and the Environment, London and New York: Routledge.

²⁷ Smit, H., et al (2015): [Implementing Deforestation-Free Supply Chains - Certification and Beyond](#).

warning mechanism that allows third-parties to inform the economic operator about any risk of harm throughout the entire value chain. Third parties often have extensive expertise on the ground and can help economic operators to fulfil their duty to prevent harm.

Duty of transparency and reporting: economic operators should regularly and publicly report about their due diligence processes, activities and results. Format and elements of the reports should be defined by a delegated act so as to ensure uniformity and avoid cherry-picking in economic operators' reporting practices. Public reporting should enable third parties to scrutinise economic operators' activities.

Duty of documentation: economic operators should keep written records of all their due diligence actions to investigate potential infringements of the regulation when accusation come up at a later stage.

Control, monitoring, enforcement and access to justice

The due diligence exercise will constitute the basis on which an operator decides to place the goods covered by the regulation on the Union market. The consequence for placing such goods on the Union market, notwithstanding the failure to establish compliance with the sustainability and human rights criteria and duties described above, should be considered a legal liability of the economic operators concerned, in the form of exposure to both public and private enforcement, by the competent administrative and judiciary authorities and damaged private parties respectively.

Therefore, Member States should ensure that competent authorities monitor the fulfilment by economic operators of the obligations provided for in the regulation (due diligence, consultation, reporting, documentation).

Economic operators should be criminally liable for breaches of their duties. Member States should provide for proportionate, effective and dissuasive penalties for non-compliance with the duties for due diligence, consultation, reporting and documentation, and where non-compliance with the regulation's obligations caused environmental damage or human rights abuses.

Standards and guidelines should be developed at Union level for national competent authorities to ensure effective and uniform implementation and enforcement of the proposal across the Union. The rapporteur is of the opinion that for this, one can draw from the experience of the EU Timber Regulation.^{28 29}

Third parties should be able to challenge non-compliance of economic operators with the regulation's obligations before judicial or administrative authorities. Economic operators should bear the burden of proof where a plaintiff has presented reasonably available facts and evidence sufficient to support their action.

²⁸ Germanwatch (2019): Lessons learnt aus der EU-Holzhandelsverordnung für die Umsetzung der EU-Konfliktmineralienverordnung.

²⁹ WWF (2019): WWF Enforcement Review of the EU Timber Regulation (ETUR).

Economic operators should be jointly and severally liable for harm arising out of human rights and environmental abuses and should provide for remedy where harm was caused to individuals or organisations.

That mandatory due diligence rules must include some form of liability is also supported by the DG Just study on due diligence requirement, according to which 73% of stakeholder respondents prefer mandatory due diligence requirements coupled with civil or criminal liability and/or fines to voluntary guidelines. The preferences of industry organisations are, however, in reverse order.

Financial implications

The measures contained in the proposal are mostly without immediate impact on EU operational expenditure. Additional costs for Member States to monitor and enforce the implementation of such a regulation will depend on national choices of implementation, but can be minimised insofar as these costs could fall within the structures of existing budgets, for example those of environmental or customs agencies, courts and judicial systems. Moreover, the rapporteur stresses that implications for public budgets should be weighed against the positive environmental and human rights impacts of the proposal.

For economic operators, preliminary findings of the study on due diligence requirements through the supply chain commissioned by the Commission's DG Just indicate that "the cost of mandatory due diligence compared to the revenue of companies appears to be relatively low. As concerns the additional recurrent company-level costs as percentages of companies' revenues, these costs on average amount to less than 0.14% for SMEs and 0.009% for large companies."³⁰

The findings of DG Just's study furthermore give a preliminary indication that the costs of due diligence obligations would be offset by a Union-wide regulation, thanks to planning-security, a level playing field for economic operators across the Union and increased leverage through a non-negotiable standard.³¹

While the findings of the DG Just study refer to the costs and benefits of a cross-sectorial human rights and environmental due diligence regulation, the rapporteur is of the opinion that similar costs and benefits can be assumed for a mandatory due diligence regulation for forest- and ecosystem-risk commodities.

The forthcoming European Added-Value assessment study will provide for further insight on this matter.

Final provisions

The rapporteur believes that the proposal should serve as a *de minimis* measure and Member States may implement stricter supply chain regulations.

³⁰ British Institute of International and Comparative Law et al. (2020), Study on due diligence requirements through the supply chain, PART I: SYNTHESIS REPORT, p. 66.

³¹ Ibid.

9.9.2020

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on the Environment, Public Health and Food Safety

with recommendations to the Commission on an EU legal framework to halt and reverse EU-driven global deforestation

(2020/2006(INL))

Rapporteur for opinion: Karin Karlsbro

(Initiative – Rule 47 of the Rules of Procedure)

(*) Associated committee – Rule 57 of the Rules of Procedure

SUGGESTIONS

The Committee on International Trade calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible:

- to incorporate the following suggestions into its motion for a resolution:
 1. notes that global preservation of forests and preventing their degradation are some of the biggest sustainability challenges of our times, without which the objectives of the 2030 Agenda for Sustainable Development, the Paris Agreement and the Green Deal cannot be achieved; stresses that the sustainable use of forests and ecosystems in many parts of the world cannot be ensured with current policies; stresses in this regard that trade and investment policy need to be reviewed in order to address this global challenge in a more effective manner, and by creating globally a level playing field, and take into account the link between trade agreements and global biodiversity as well as forest ecosystems; believes that the EU needs to ensure that it only promotes global supply chains and financial flows which are sustainable and deforestation-free and which do not result in human rights violations;
 2. notes with concern that following the tragic COVID-19 pandemic outbreak, research continues to affirm a worrying link between zoonotic diseases and deforestation, climate change and biodiversity loss;
 3. welcomes the good results the cooperation with third countries under the EU FLEGT Action Plan and Voluntary Partnership Agreements (VPAs) have shown in addressing the supply-side challenge of illegal logging and stresses that this work should be stepped up, especially in terms of monitoring, checks and controls and also in terms of offering capacity building; stresses that the VPAs constitute a very effective framework to

establish good partnerships with those countries and new VPAs with additional partners should be promoted; calls on the EU to increase funding for FLEGT;

4. urges the Commission to ensure full implementation of the EU FLEGT Work Plan 2018-2022;
5. welcomes the EU communication of 23 July 2019 on stepping up EU action to protect and restore the world's forests; underlines the importance of measures which ensure that demand is in line with the stated goals, as the EU is a significant importer of forest and ecosystem-risk commodities (FERCs), and that the EU has a responsibility to reduce any negative impacts of these imports;
6. acknowledges the importance of the EU Timber Regulation in preventing the entry of illegally harvested timber to the EU markets; welcomes the Commission's upcoming fitness check of the FLEGT Regulation and the EU Timber Regulation as an opportunity to strengthen their enforcement and to further improve their implementation and to widen their scope to cover e.g. printed products and wooden products, conflict timber and to strengthen the role of civil society;
7. repeats its demand that imports of timber and timber products should be more thoroughly checked at EU borders in order to ensure that the imported products do indeed comply with the criteria for entry into the EU; calls on the timely and effective implementation of the Union Customs Code (UCC) and reinforced capacities of national customs authorities to ensure better harmonisation and implementation of the UCC; stresses that the Commission needs to ensure that customs controls throughout the EU follow the same standards, by means of a direct unified customs control mechanism, in coordination with Member States and in full compliance with the principle of subsidiarity;
8. notes that agricultural expansion accounts for an estimated 80 % of global deforestation and has its roots in the demand for FERCs such as palm oil, soy, meat, leather, cocoa, coffee, rubber, and maize; notes that, with the exception of the products covered by the EU Timber Regulation, there is currently no EU legislation in force that requires economic operators placing FERCs into the EU market to follow due diligence procedures to mitigate the risk of deforestation; is of the opinion that trade-based partnership agreements with major producer countries of FERCs could be useful to tackle supply-side drivers of deforestation, notes that the FLEGT VPA model is one option;
9. considers that trade and international cooperation are important tools for consolidating higher standards of sustainability, especially with regard to sectors that are linked to forests and their derived value chains; calls on the Commission and Member States to strengthen cooperation with third countries through technical assistance, exchange of information and good practices in the preservation, conservation and sustainable use of forests, with a special focus on the linkage between organised crime and commodities associated with deforestation and to promote and facilitate scientific and academic cooperation with third countries, as well as research programmes to promote knowledge and innovation on biodiversity, "green business" and the circular economy; stresses the importance of taking into account the effects of the measures on employment and

growth of least developed countries (LDCs) that are reliant on the production of FERCs; calls on the EU to support and cooperate with third country governments and civil society in their work against deforestation, particularly via the GSP+ scheme; calls on the Commission to evaluate whether a new specific aid for trade instrument should be developed to facilitate trade in the context of mitigating the risks related to the production of FERCs;

10. recommends that all new and updates of existing trade and investment agreements include more ambitious climate and environmental provisions regarding the conservation and sustainable management of forests, and strengthen the enforcement of these rules, leading to better conditions for the forests and ecosystems, including the protection of indigenous peoples and local communities rights, as well as illegal logging related anti-corruption provisions, and the obligation to ensure multilateral environmental agreements, such as the Paris Agreement and the Convention on Biological Diversity, are implemented effectively; calls on the Commission to look at different tools to monitor the carbon footprint of imports;
11. notes that despite the genuine attempts by companies to self-regulate through voluntary due diligence obligations, it is evident that they remain insufficient, since complex, dynamic and non-transparent global value chains are often linked to deforestation; and consequently recommends that more efficient bolder EU binding regulatory framework be developed, addressing the Union-wide demand side;
12. considers that a legislative proposal to introduce a due diligence obligation on operators placing forest and ecosystem-risk commodities and products on the internal market needs to ensure that such commodities and products do not cause deforestation, forest degradation, and the conversion or degradation of natural ecosystems or related human rights violations; a similar due diligence obligation should apply to the financial sector; the due diligence obligations should apply to the whole supply chain and cover OECD guidelines on social responsibility and human rights in trade; stresses that in order to be more effective, such legal framework should also include adequate access to justice, legal remedies and effective protection for whistleblowers in natural resources exporting countries;
13. believes that future proposals regarding forest-risk commodities should build upon lessons learned from the FLEGT Action Plan, the EU Timber Regulation, Regulation (EU) 2017/821 of the European Parliament and of the Council¹ ('the Conflict Mineral Regulation'), Directive 2014/95/EU of the European Parliament and of the Council² ('the Non-Financial Reporting Directive'), legislation on illegal, unreported and unregulated (IUU) fishing and other EU initiatives to regulate supply chains; and asks the EU to encourage voluntary sustainable forest management certification, which can verify sustainability and be compatible with any due diligence system in place;
14. asks the Commission that the measures to be adopted have a comprehensive and differentiated approach to deforestation, considering its multiple dimensions and its linkages both with the generation of sustainable ventures and the fight against criminal

¹ OJ L 130 19.05.2017, p. 1

² OJ L 330 15.11.2014, p. 1

economies. To that end, calls on a dialogue with third countries in order to analyse, on a case by case basis, the main causes of forest cover loss and the relevance of the measures to be implemented;

15. stresses the importance to carry out an impact assessment and to take account of its results in order to design rules that do not forego but rather enhance competitiveness and are functional and applicable to all actors on the market, including SMEs; to ensure that such a framework is WTO compliant i.e. proportionate, non-discriminatory and that it would not constitute arbitrary or unjustifiable discrimination or a disguised restriction on international trade; recommends that SMEs are provided adequate support and transition time in order to adapt their business operations to the new rules;
 16. underlines the fact that the drivers of deforestation go beyond the forest sector per se and relate to a wide range of issues, such as land tenure, protection of the rights of indigenous people, agricultural policies, climate change, democracy, human rights and political freedom; recalls that indigenous women and women farmers play a central role in protecting forest ecosystems; calls on the Commission to step up its efforts to address deforestation holistically through a coherent policy framework, while ensuring the conservation of ecosystems; believes that gender equality in forestry education is a key point in the sustainable management of forests which should be reflected in the EU Action Plan;
 17. recalls the importance of respecting the UN's Guiding Principles on Business and Human Rights; supports the ongoing negotiations to create a binding UN instrument on transnational corporations and other business enterprises with respect to human rights and stresses the importance of the EU being proactively involved in this process;
 18. stresses that public procurement provisions in FTAs should take into account social, environmental and responsible business conduct criteria in awarding contracts;
 19. insists that mandatory requirements at Union level need to be complemented by increased and reinforced global cooperation, strengthened global environmental governance and cooperation with third countries through technical assistance, the exchange of information and good practices in preservation, conservation and sustainable use of forests, giving special recognition to sustainability initiatives carried out by the private sector; by increasing efforts in key international fora, including the World Trade Organization (WTO) and the Organisation for Economic Co-operation and Development (OECD) actions to halt deforestation, forest degradation and to restore forests and to avoid the inverse effect of diverting unwanted deforestation marked supply chains to other regions in the world;
 20. calls on the Commission and Member States to encourage, through trade and international cooperation, the necessary investment to consolidate higher standards of sustainability in the forestry sectors and their value chains, promoting the circular bioeconomy, green tourism, renewable energy, smart agriculture and other relevant areas, also in third countries;
- to incorporate the following recommendations into the annex to its motion for a resolution:

Voluntary Partnership Agreements (VPAs)

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	3.9.2020
Result of final vote	+: 38 -: 0 0: 4
Members present for the final vote	Barry Andrews, Anna-Michelle Asimakopoulou, Tiziana Beghin, Geert Bourgeois, Saskia Bricmont, Udo Bullmann, Jordi Cañas, Daniel Caspary, Anna Cavazzini, Miroslav Číž, Arnaud Danjean, Paolo De Castro, Emmanouil Fragkos, Raphaël Glucksmann, Markéta Gregorová, Enikő Győri, Roman Haider, Heidi Hautala, Danuta Maria Hübner, Herve Juvin, Karin Karlsbro, Maximilian Krah, Danilo Oscar Lancini, Bernd Lange, Margarida Marques, Gabriel Mato, Emmanuel Maurel, Maxette Pirbakas, Carles Puigdemont i Casamajó, Samira Rafaela, Inma Rodríguez-Piñero, Massimiliano Salini, Helmut Scholz, Liesje Schreinemacher, Sven Simon, Dominik Tarczyński, Mihai Tudose, Kathleen Van Brempt, Marie-Pierre Vedrenne, Jörgen Warborn, Iuliu Winkler, Jan Zahradil

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

38	+
GUE/NGL	Emmanuel Maurel, Helmut Scholz
ID	Roman Haider, Herve Juvin, Maximilian Krah, Danilo Oscar Lancini, Maxette Pirbakas
NI	Tiziana Beghin, Carles Puigdemont i Casamajó
PPE	Anna-Michelle Asimakopoulou, Daniel Caspary, Arnaud Danjean, Enikő Győri, Danuta Maria Hübner, Gabriel Mato, Massimiliano Salini, Sven Simon, Jörgen Warborn, Iuliu Winkler
RENEW	Barry Andrews, Jordi Cañas, Karin Karlsbro, Samira Rafaela, Liesje Schreinemacher, Marie-Pierre Vedrenne
S&D	Udo Bullmann, Miroslav Číž, Paolo De Castro, Raphaël Glucksmann, Bernd Lange, Margarida Marques, Inma Rodríguez-Piñero, Mihai Tudose, Kathleen Van Brempt
VERTS/ALE	Saskia Bricmont, Anna Cavazzini, Markéta Gregorová, Heidi Hautala
0	-
4	0
ECR	Geert Bourgeois, Emmanouil Fragkos, Dominik Tarczyński, Jan Zahradil

Key to symbols:

+ : in favour

- : against

0 : abstention

20.7.2020

OPINION OF THE COMMITTEE ON DEVELOPMENT

for the Committee on the Environment, Public Health and Food Safety

with recommendations to the Commission on an EU legal framework to halt and reverse EU-driven global deforestation
(2020/2006(INL))

Rapporteur for opinion: Michèle Rivasi

(Initiative – Rule 47 of the Rules of Procedure)

SUGGESTIONS

The Committee on Development calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible to incorporate the following suggestions into its motion for a resolution:

1. Stresses that forestry policy is primarily a national competence, however recognizes that many Union policies have an impact on forests; calls on the Union to adopt without delay a legislative act requiring companies to conduct mandatory due diligence throughout their entire supply chains to ensure that forest risk commodities placed on the Union market are sustainable, deforestation-free, do not degrade forests or biodiversity-rich ecosystems and comply with human rights obligations, in line with international labour and environmental standards and other international obligations, including the rights of indigenous peoples and local communities, and the OECD Due Diligence Guidance for Responsible Business Conduct; stresses that such legislation should follow a cross-commodity approach, apply to all economic actors in the supply chain, including financial actors, both upstream and downstream, provide access to justice for victims, be accompanied by a robust reporting, disclosure and enforcement mechanism, including effective, proportionate and dissuasive penalties for non-compliance and should be based on the lessons of existing legislation such as that concerning conflict minerals, timber regulation, unregulated and unreported fishing, which all include mandatory due diligence requirements;
2. Invites the Commission to promote such a regulatory framework at international level; to this end, stresses the importance of cross-sectoral coordination and of designing partnerships, in close collaboration with producer and consumer countries, to tackle deforestation and forest degradation holistically, notably in key international fora, which implies for example the promotion of a common understanding of sustainable and deforestation-free supply chains and transparent value chains on the basis of a robust methodology which is shared by partner countries;

3. Stresses equally that the new regulatory framework should not lead to unfair competition or an excessive administrative burden for SMEs and calls for support to be given to developing countries in adapting to the proposed new regulatory framework, notably regarding the diversification of income; stresses the importance of adopting accompanying measures to compensate for possible income loss by SMEs and to support developing countries to adjust to the new legal framework;
4. Urges the Union to show leadership and to take decisive action as the global rates of deforestation have continued to worsen in recent years despite the multiplication of international initiatives; underlines that the proliferation of deforestation-free initiatives by the private sector is creating a momentum for policy synergies; however, insists that introduction of labelling and certification schemes for deforestation-free products is not sufficient, particularly in the context of the climate and biodiversity crisis and that further guidance is needed to inform the design, implementation and monitoring of such supply-chain initiatives to reduce deforestation from private initiatives;
5. Calls on the private sector to fulfil without delay its zero deforestation commitments, while ensuring full transparency on compliance with those commitments; to this end, stresses the need to strengthen the requirements concerning voluntary certifications on social and environmental criteria, notably by promoting the access of small producers to certification, facilitating the use of independent auditing, strengthening appeal procedures, their transparency and the settlement of disputes, adopting high conservation value and high carbon stock criteria, securing ecosystem conversion and the absence of planting on peatlands and ensuring that customary land tenure rights are respected and calls on the Commission to cooperate closely with the private sector in the exchange of best practices, as well as for data harmonization;
6. More broadly, calls on the Commission to encourage the strengthening of standards and certification schemes that help to identify and promote deforestation-free commodities in third countries; insists on the importance of strengthening cooperation with producer countries through technical assistance, exchange of information and good practices, as well identifying joint activities to inform policy developments based on an advanced understanding of the impact of deforestation and forest degradation, transparent supply chains, and effective monitoring mechanisms;
7. Calls for the forestry sector to feature strongly in the upcoming Neighbourhood, Development and International Cooperation Instrument (NDICI) and for the full potential of the External Investment Plan and regional blending facilities to be exploited in leveraging private funding for sustainable forest management; calls for the strengthening of standards and certification schemes that already exist instead of introducing new ones and stresses that those standards and certification schemes need to comply with WTO rules;
8. Calls for the Union to strengthen its standards in terms of mandatory disclosure of information by undertakings related to the production or processing of forest risk commodities, calls for the implementation of the bioeconomy strategy; recognises the positive economic, societal and environmental contribution of the forest industry and calls for further investment in research, innovation and technological advancement;

9. Welcomes the Commission's proposal to further integrate deforestation provisions within the EU Ecolabel, green public procurement and other initiatives in the context of the circular economy; calls on the Commission to present initiatives in this regard;
10. In particular, calls on the Commission to take initiatives to forbid the public purchase of imported products resulting in deforestation within the framework of the plurilateral Agreement on Government Procurement (GPA) of the World Trade Organization and Directive 2014/24 of the European Parliament and of the Council¹;
11. Notes that greater access to customs data on imports entering the Union would increase global value chain transparency and accountability; calls on the Commission to set up a customs partnership within the Union while extending customs data requirements, notably by including the exporter and the manufacturer as mandatory customs data elements, thereby enhancing the transparency and traceability of global value chains;
12. Recalls that the increasing Union demand of wood for materials, energy and the bioeconomy increases the risks of import-embodied deforestation, land grabbing, forced displacement and violation of indigenous people's rights; calls for a halt to illegal logging and for the traceability of timber and timber products throughout the supply chain;
13. Stresses the need to ensure effective recognition and respect of customary land tenure rights of forest-dependent communities and of indigenous peoples as a question of social justice in line with the FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT), the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and in ILO Convention No. 169; invites the Commission to support the dissemination, use and implementation of the VGGT at global, regional and country level, also through the External Investment Plan;
14. Notes that mature forests should be given the attention they deserve, as they make a contribution to knowledge and health that should not be denied to future generations; expresses its concern on the biodiversity loss occurring in several parts of the world due to climate change, especially in developing countries, and recalls that prevention of the loss of biodiversity should also be a priority for the Union;
15. Stresses that the Union's bioenergy policy should respond to strict social and environmental criteria;
16. Regrets that policies aiming at protecting biodiversity and mitigating climate change are not automatically mutually supportive; is notably worried about the environmental impact of increasing imports of biomass, which might lead to unsustainable practices triggering deforestation abroad if not duly monitored; in particular, urges the Commission and the Member States to take full account of the impact that increased use of biofuels and biomass could have on deforestation;
17. More broadly, calls for an exhaustive impact assessment of the environmental impact of increasing imports of biomass, and calls for the revision of the Directive 2009/28/EC of

¹ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

the European Parliament and of the Council² to make it consistent with the Union's international commitments in relation to Agenda 2030, the Paris Agreement and the Convention of Biological Diversity, which entails, inter alia, the adoption of social sustainability criteria, taking into account the risks of land-grabbing, in line with international land tenure rights, notably ILO Convention No. 169 and the VGGT and CFS Principles for Responsible Investment in Agriculture and Food Systems;

18. Calls on the Union to comply with the principle of policy coherence for development as set out in Article 208 of the Treaty on the Functioning of the European Union and to ensure consistency between its development, foreign, trade, agriculture, energy, research and innovation, climate and biodiversity policies; in particular, urges the Union to invest more in programmes promoting more climate-resilient, more sustainable and more extensive farming practices, as well as sustainable diversification, agro-ecology and agro-forestry, thereby reversing the trend of forests being cleared to make more land available, in line with the objectives of the European Green Deal;
19. Calls on the Union to support partner countries in developing sustainable forest management (SFM) and strategies, based on scientific evidence, which is key to decreasing deforestation and forest degradation; underlines, therefore, the importance of proforestation as an effective solution to address the dual global crises of climate change and biodiversity loss, while afforestation and reforestation should equally contribute to restoring damaged ecosystems, to regenerating soils in order to avoid erosion and loss of nutrients, and to increasing tree coverage to achieve climate neutrality, as indicated in SDG 15 targets; calls equally on the Union to provide support to third countries with the aim of switching to non-wood-based renewable energy sources, thereby reducing the pressure on forests caused by the use of wood as fuel;
20. Highlights that Union measures should concentrate also on minimising the effects of law-abiding logging operations allowed in the context of alternative land uses, notably for cattle ranching, mining and drilling activities, which constitute the major drivers of deforestation, ecosystem degradation as well as habitat destruction, together with intensive agriculture;
21. Points out that approximately 80% of global deforestation is caused by the expansion of land used for agriculture, and is aggravated by legal and illegal wood harvesting for fuel and export; emphasises that the Union farming model is dependent on imports of large volumes of protein feed, the cultivation of which overseas often represents one of the drivers of deforestation and the destruction of rainforests;
22. Calls for sustainability criteria to be introduced concerning feed imports to encourage third countries to cultivate protein plants in a sustainable manner which is not damaging to the environment or society and does not lead to mass deforestation; calls on the Union, as a last resort, to gradually halt imports of soya from third countries unwilling to adopt such sustainability criteria;

² Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (OJ L 140, 5.6.2009, p. 16).

23. Reiterates that Union trade policy should be consistent with, and contribute to, its international environmental commitments; in this regard, stresses that the Paris Agreement should be an essential element of Union trade agreements; accordingly, calls on the Commission to include ambitious forest and biodiversity-specific provisions in all Union trade and investment agreements, including robust, coherent and enforceable sustainability chapters, which integrate inter alia sustainability benchmarks for agricultural commodities, provisions to ensure that Free, Prior and Informed consent of indigenous peoples and local communities is obtained and to ensure the recognition of land tenure rights of forest-dependent communities and of indigenous peoples; stresses that such provisions should be binding and enforceable through an effective monitoring mechanism that enables people to seek redress, notably by providing accessible complaint mechanisms and evaluation systems to ensure accountability and transparency; invites the Commission to carefully assess the impacts of trade agreements on deforestation in the Sustainability Impact Assessments (SIAs) and other relevant assessments, including the state of forests, natural ecosystems and human rights, based on solid data and evaluation methodologies;
24. Calls for the EU-ACP cooperation to be strengthened in order to tackle the increasing problem of deforestation and desertification in ACP countries through the development of action plans aimed at improving the management and conservation of forests and the setting-up of monitoring systems; calls on the Union to ensure that deforestation is included in political dialogues at country level, and to help partner countries to develop and implement national frameworks on forests and on sustainable supply chains, while supporting the effective implementation of partner countries' Nationally Determined Contributions (NDC) pursuant to the Paris Agreement;
25. Urges the Commission to strengthen cooperation with producer and consumer countries as well as business and civil society by developing guidance, including assessment based on certain criteria, to demonstrate the credibility and solidity of different standards and schemes aimed at identifying and promoting deforestation-free commodities;
26. Stresses that climate change, deforestation, the destruction of habitats and biodiversity loss are considerably exacerbating the risk of the transmission of zoonotic diseases from animals to humans, as was the case with COVID-19;
27. Believes that raising consumer awareness about consumption footprints encourages behavioural change and the choice of sustainable and deforestation-free products.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	16.7.2020
Result of final vote	+: 22 -: 2 0: 1
Members present for the final vote	Anna-Michelle Asimakopoulou, Hildegard Bentele, Dominique Bilde, Udo Bullmann, Catherine Chabaud, Antoni Comín i Oliveres, Ryszard Czarnecki, Gianna Gancia, Charles Goerens, Mónica Silvana González, Pierrette Herzberger-Fofana, György Hölvényi, Rasa Juknevičienė, Pierfrancesco Majorino, Erik Marquardt, Janina Ochojska, Jan-Christoph Oetjen, Michèle Rivasi, Christian Sagartz, Tomas Tobé, Miguel Urbán Crespo, Chrysoula Zacharopoulou, Bernhard Zimniok
Substitutes present for the final vote	Maria Noichl, Patrizia Toia

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

22	+
EPP	Anna-Michelle Asimakopoulou, Hildegard Bentele, György Hölvényi, Rasa Juknevičienė, Janina Ochojska, Christian Sagartz, Tomas Tobé
S&D	Udo Bullmann, Mónica Silvana González, Pierfrancesco Majorino, Maria Noichl, Patrizia Toia
RENEW	Catherine Chabaud, Charles Goerens, Jan-Christoph Oetjen, Chrysoula Zacharopoulou
ID	Dominique Bilde
GREENS	Pierrette Herzberger-Fofana, Erik Marquardt, Michèle Rivasi
GUE/NGL	Miguel Urbán Crespo
NI	Antoni Comín i Oliveres

2	-
ID	Gianna Gancia, Bernhard Zimniok

1	0
ECR	Ryszard Czarnecki

Key to symbols:

+ : in favour

- : against

0 : abstention

3.6.2020

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on the Environment, Public Health and Food Safety

with recommendations to the Commission on an EU legal framework to halt and reverse EU-driven global deforestation
(2020/2006(INL))

Rapporteur for opinion: Mauri Pekkarinen

(Initiative – Rule 47 of the Rules of Procedure)

SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible:

- to incorporate the following suggestions into its motion for a resolution:
 - A. whereas global deforestation can be tackled by recognising the value of forests, addressing the impact of our patterns of consumption, securing the economic value of forests and by securing land tenure rights; whereas, at the same time, it is crucial to protect primary forests and stimulate the restoration of secondary forests;
 - B. whereas healthy and sustainably managed and used forests are essential to contribute to the global commitments and policy objectives of the Union;
 - C. whereas climate benefits and other ecosystem services provided by forests and the forest-based sector will be crucial to achieving the Union's international commitments such as the United Nations Sustainable Development Goals (UN SDGs), and those under the Kyoto Protocol, the Paris Agreement and other international instruments;
 - D. whereas sustainable forest management can have a significant impact on the prevention of deforestation, and has a positive impact on the health and diversity of forests;
 - E. whereas indirect land-use change (ILUC) can occur when land previously devoted to food or feed production is converted to produce biofuels, bioliquids and biomass fuels, which can lead to the extension of agricultural land into areas with high carbon stock, thereby contributing to global deforestation;
 - F. whereas deforestation and ecosystem conversion in certain parts of the world can be linked to human rights violations, including concerning the rights of indigenous peoples

and local communities;

- G. whereas in its resolution of 15 January 2020 on the European Green Deal¹, the European Parliament calls on the Commission to present, without delay, a proposal for a European legal framework based on due diligence to ensure sustainable and deforestation-free supply chains for products placed on the EU market;
- H. whereas woody raw material and products should emanate only from forests that are legally harvested in accordance with the principles of sustainable forest management that are developed under international forest processes such as UN SDGs (in particular UN SDG 15) and Forest Europe, which include environmental, social as well as economic objectives;
- I. whereas there is a need to foster the implementation of the EU Timber Regulation (EUTR)² in order to prevent the entry of illegally sourced wood to the internal market;
1. Underlines the multifunctional role of forests in society and the wide variety of ecosystem services they provide, including those related to the provision of raw materials, renewable energy, oxygen supply, CO₂ sequestration, air quality, water storage and filtration, and erosion control;
 2. Notes that since sustainable forest management enables the value in forestry to be exploited over time, the economic incentive in sustainable forest management enables the forest assets to at least double, as harvesting takes place at a lower rate than growth, therefore forest volume continues to increase;
 3. Recalls that the Union addresses the risk of deforestation by means of the EU Timber Regulation (EUTR), the Commission communication of 21 May 2003 ‘Forest Law Enforcement, Governance and Trade (FLEGT)-Proposal for an EU Action Plan’, the Voluntary Partnership agreements promoting multi-stakeholder processes in producer countries, and the Renewable Energy Directive (RED II)³, which include numerous rules and could serve as a valuable basis to minimise the risk of deforestation and illegal logging; notes that RED II extends the obligation to fulfil the Union sustainability criteria from biofuels to all bioenergy end-uses, including heating/cooling and electricity, however, as it only covers raw material used for bioenergy production, it cannot currently ensure that the non-energy use of commodities linked to deforestation or ecosystem conversion as biofuel is not permitted;
 4. Highlights the importance of the development of a sustainable bio-economy which gives a high economic value to sustainably produced products;
 5. Recalls that RED II limits the contribution to the Union renewable energy target of food and feed crops considered to have a high ILUC-risk, and in relation to which a

¹ Texts adopted, P9_TA(2020)0005.

² Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (OJ L 295, 12.11.2010, p. 23).

³ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

significant expansion of their feedstock production area into land with high-carbon stock is observed; notes that the contribution of those high ILUC-risk biofuels will be reduced to 0 % by 2030; considers that provision to be vitally important as it limits a negative and unintended impact of the Union's renewable energy policy on global deforestation;

6. Notes that under certain circumstances, the ILUC impacts of fuels that are generally considered to be high ILUC-risk can be avoided; welcomes that the Commission, as empowered by the co-legislators under RED II, has set out criteria to allow for the identification and certification of low ILUC-risk biofuels, bioliquids and biomass fuels; notes that such certified biofuels are excluded from the limits and gradual reduction target set for high ILUC-risk biofuels;
7. Stresses the need in particular for independent monitoring of production and trading of commodities associated with deforestation; calls on the Commission to enhance its efforts on those issues through Horizon Europe, and to support independent monitoring in producer countries, as well as the exchange of best practices and lessons-learned among them, in order to enhance methodologies used and granularity of information;
8. Underlines the essential role of research and innovation in fostering the contribution of sustainable forest management and the forest-based sector in meeting deforestation challenges and tackling climate change;
9. Stresses the importance of education and of a skilled and well-trained workforce for the successful implementation of sustainable forest management in practice; calls therefore on the Commission and Member States to implement measures, and use existing partnerships, to facilitate the exchange of best practices in that field;
10. Emphasises the need to take into consideration the links between the forest-based sector and other sectors, and the importance of digitalisation and investment in research and innovation in order to monitor deforestation;
11. Underlines the contribution of non-governmental organisations, environmental activists, industry associations, as well as whistle-blowers, to the fight against illegal timber harvesting that results in deforestation, loss of biodiversity and increased emissions of greenhouse gases;
12. Highlights the positive role of Union forest-based industries in advancing global standards for sustainable forest management; believes that Union industries, small and medium-sized enterprises (SMEs), and micro-enterprises in the forest sector should play a key role in the dialogue with partner countries on how to further promote sustainability in the entire value chain; notes, however, that approximately 80 % of global deforestation is caused by agriculture and believes therefore that standards and certification schemes should accurately target that sector;
13. Stresses the need to strengthen standards and certification schemes that already exist instead of incorporating new standards and certification schemes; notes furthermore, that those standards and certification schemes must comply with World Trade Organization rules;
14. Stresses the importance of evidence-based decision-making when it comes to policies

related to forests, the forest-based sector and its value-chains; acknowledges that sustainable and active forest management is an effective way to prevent forest damage, deforestation and to preserve biodiversity;

15. Emphasises that initiatives should be developed to tackle issues outside the Union, with a focus on the tropics and the drivers outside the forest sector which have an impact on unsustainable practices in the forests, leading to deforestation and forest degradation;
 16. Notes the importance of ensuring that deforestation is included in country-level political dialogues, and of helping partner countries to develop and implement national frameworks for forestry and sustainable forestry; emphasises that those national frameworks have to reflect domestic needs as well as global commitments; stresses the need for the implementation of mechanisms incentivising small holder farmers to maintain and improve the ecosystem and products provided by sustainable forestry and agriculture;
 17. Stresses the essential need to improve mechanisms which would help identify the source or origin of wood material placed on the internal market;
 18. Points out that voluntary measures and schemes alone will not be able to stop deforestation and forest degradation; considers due diligence legislation in this regard to be a possible tool, providing for forest-risk commodities placed on the internal market to have supply chains which do not originate from deforestation and other activities that infringe environmental and human rights of indigenous peoples and local communities populations, including women, or cause forest degradation and conversion or degradation of natural ecosystems, in compliance with international standards and obligations; reiterates its request to the Commission to submit a proposal for an EU legal framework in that regard, based on due diligence and based on an impact assessment focussing in particular on SMEs; underlines the need to ensure that that new legal framework would create opportunities for SMEs and would not lead to excessive administrative burden;
- to incorporate the following recommendations into the annex to its motion for a resolution:
19. Asks the Commission to explore the strengthened use of the Copernicus satellite system for forest monitoring and for forest fire and forest damage prevention, including monitoring and identification of the causes of fires and forest damage, deforestation and ecosystem conversion, facilitating access for the relevant authorities in each Member State, and ensuring direct source of open data for SMEs or start-ups;
 20. Invites the Commission to consider the creation of an early alert mechanism to notify consumers, public authorities and companies about sourcing commodities from areas at risk of deforestation;
 21. Requests the Commission to increase cooperation with all stakeholders, in both the public and private sectors, with a view to ensuring that they are committed to the principle of responsible management of forests, responsible sourcing practices and sustainable production;

22. Calls on the Commission to step up its efforts, jointly with Member States, to strengthen standards and certification schemes that help identify and promote deforestation-free commodities;
23. Calls on the Commission to increase the transparency of supply chains, minimise the risk of deforestation for industry and consumers, and make it possible for industry and consumers to play their part in creating deforestation-free supply chains;
24. Encourages the Commission to strengthen the EU Action Plan on FLEGT, with a focus on Voluntary Partnership Agreements (VPAs) as crucial bilateral trade agreements with third countries, and incorporate it into the new European Forest Strategy to encourage third countries to abandon deforestation policies.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	28.5.2020
Result of final vote	+: 48 -: 18 0: 12
Members present for the final vote	François Alfonsi, Nicola Beer, François-Xavier Bellamy, Hildegard Bentele, Tom Berendsen, Vasile Blaga, Michael Bloss, Manuel Bompard, Paolo Borchia, Marc Botenga, Markus Buchheit, Klaus Buchner, Martin Buschmann, Cristian-Silviu Buşoi, Jerzy Buzek, Carlo Calenda, Andrea Caroppo, Maria da Graça Carvalho, Ignazio Corrao, Josianne Cutajar, Nicola Danti, Pilar del Castillo Vera, Martina Dlabajová, Christian Ehler, Valter Flego, Niels Fuglsang, Lina Gálvez Muñoz, Claudia Gamon, Jens Geier, Nicolás González Casares, Bart Groothuis, Christophe Grudler, András Gyürk, Henrike Hahn, Robert Hajšel, Ivo Hristov, Ivars Ijabs, Romana Jerković, Eva Kaili, Seán Kelly, Izabela-Helena Kloc, Łukasz Kohut, Zdzisław Krasnodębski, Andrius Kubilius, Miapetra Kumpula-Natri, Thierry Mariani, Marisa Matias, Eva Maydell, Georg Mayer, Joëlle Mélin, Iskra Mihaylova, Dan Nica, Angelika Niebler, Ville Niinistö, Aldo Patriciello, Mauri Pekkarinen, Mikuláš Peksa, Tsvetelina Penkova, Morten Petersen, Markus Pieper, Clara Ponsati Obiols, Sira Rego, Jérôme Rivière, Robert Roos, Sara Skytvedal, Maria Spyrali, Jessica Stegud, Beata Szydło, Grzegorz Tobiszowski, Patrizia Toia, Evžen Tošenovský, Marie Toussaint, Isabella Tovaglieri, Henna Virkkunen, Pernille Weiss, Carlos Zorrinho
Substitutes present for the final vote	Jutta Paulus, Edina Tóth

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

48	+
PPE	François-Xavier Bellamy, Hildegard Bentele, Tom Berendsen, Vasile Blaga, Cristian-Silviu Buşoi, Jerzy Buzek, Maria Da Graça Carvalho, Pilar Del Castillo Vera, Christian Ehler, András Gyürk, Seán Kelly, Andrius Kubilius, Eva Maydell, Angelika Niebler, Aldo Patriciello, Markus Pieper, Sara Skyttedal, Maria Spyraiki, Edina Tóth, Henna Virkkunen, Pernille Weiss
Renew	Nicola Beer, Nicola Danti, Martina Dlabajová, Valter Flego, Claudia Gamon, Bart Groothuis, Christophe Grudler, Ivars Ijabs, Iskra Mihaylova, Mauri Pekkarinen, Morten Petersen
S&D	Carlo Calenda, Josianne Cutajar, Niels Fuglsang, Lina Gálvez Muñoz, Jens Geier, Nicolás González Casares, Robert Hajšel, Ivo Hristov, Romana Jerković, Eva Kaili, Łukasz Kohut, Miapetra Kumpula-Natri, Dan Nica, Tsvetelina Penkova, Patrizia Toia, Carlos Zorrinho

18	-
ECR	Robert Roos
GUE/NGL	Manuel Bompard, Marc Botenga, Marisa Matias, Sira Rego
ID	Thierry Mariani, Joëlle Mélin, Jérôme Rivière
NI	Martin Buschmann, Ignazio Corrao
Verts/ALE	François Alfonsi, Michael Bloss, Klaus Buchner, Henrike Hahn, Ville Niinistö, Jutta Paulus, Mikuláš Peksa, Marie Toussaint

12	0
ECR	Izabela-Helena Kloc, Zdzisław Krasnodębski, Jessica Stegrud, Beata Szydło, Grzegorz Tobiszowski, Evžen Tošenovský
ID	Paolo Borchia, Markus Buchheit, Andrea Caroppo, Georg Mayer, Isabella Tovaglieri
NI	Clara Ponsatí Obiols

Key to symbols:

+ : in favour

- : against

0 : abstention

24.9.2020

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on the Environment, Public Health and Food Safety

with recommendations to the Commission on an EU legal framework to halt and reverse EU-driven global deforestation
(2020/2006(INL))

Rapporteur for opinion: Martin Häusling

(Initiative – Rule 47 of the Rules of Procedure)

SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes that the forestry sector employs at least 500 000 people directly¹ in the Union, and 13 million people worldwide², and that these jobs are found especially in rural areas;
2. Notes that climate change and fires are putting great pressure on forests globally; points out that in addition to being vital habitats for a vast but rapidly diminishing number of animal and plant species worldwide, forests are major carbon stocks and sinks; notes that forests protect soil, regulate hydrological cycles and under appropriate extraction and management practices can be a sustainable source of wood; stresses therefore that sustainable management of forests is key in halting deforestation and forest degradation, and so is worthwhile to promote in third countries;
3. Notes that between 1990 and 2015, global forest area was reduced by 129 million hectares, mainly due to agricultural production, a third of which is exported; highlights that soy, palm oil and cocoa represent 80 % of Union imports from deforested areas; points out that despite the global situation of decreasing forest cover, the Union area covered by forests, plantations and woodlands is growing, covering over 40 % of its territory;

¹ Eurostat database on forestry <https://ec.europa.eu/eurostat/web/forestry/data/database>

² <http://www.fao.org/rural-employment/agricultural-sub-sectors/forestry/en>

4. Regrets that Union-embodied deforestation makes up 10 %³ of global deforestation, notably due to its dependency on imported palm oil for biofuel and food, soya for animal feed, meat, cocoa, maize, timber etc.;
5. Calls on the Commission to include in its legislative proposals definitions for zero deforestation and ecosystem degradation, which should primarily focus on the main drivers of deforestation, including commodities such as palm oil, soy, meat, maize, rubber, cocoa, as well as wood used for paper and fuel; stresses that in doing so, the Commission should pay particular attention to related human rights violations and the rights of indigenous peoples and local communities;
6. Notes also that habitat modification and destruction, encroaching upon natural forest areas, have severe consequences for human and animal health globally, as well as biodiversity impacts, notably the increased incidence of zoonoses (causing 50 pandemics in last 30 years), most recently the COVID-19 pandemic;
7. Notes that at the Union level, some Member State policies reflect a framework on forests and forest management that can be fragmented and disjointed, therefore they need better and more co-ordination in order to encourage sustainability;
8. Welcomes also coordinated Union action against global deforestation and damage to, and overexploitation of, forests, and calls upon the Union to implement provisions aimed at protecting forests and natural resources in the framework of the Paris Climate Agreement, the Sustainable Development Goals (SDGs), as well as the Convention on Biological Diversity (CBD);
9. Calls for the Union to take a strong and leading international role in forest protection and sustainable natural resource management including bio-based production; acknowledges that this is needed for achieving the targets of EU Bio-economy Strategy, which also requires halting deforestation, while being coherent with the European Green Deal and the EU Biodiversity Strategy;
10. Calls for improved governance and sound institutions to ensure sustainable forest protection and management, by developing effective control and sanction mechanisms, including against corruption and illegal logging;
11. Welcomes therefore Commission action on biodiversity and climate related to forests, which are vital global carbon sinks and biodiversity repositories; calls on the Commission to follow through on the Union's international obligations and global climate and biodiversity objectives and SDGs, and to regulate Union imports of high-deforestation risk products issued from deforestation and deforested areas including agricultural commodities, and so promote sustainable food production and consumption;
12. Calls for binding Union law to be adopted that, while showing sensitivity to socio-economic structures, ensures that all the supply chains of products imported into, and supplied within, the Union do not involve deforestation and ecosystem degradation or conversion or human rights violations, including the rights of indigenous peoples and

³ <https://ec.europa.eu/environment/forests/pdf/1.%20Report%20analysis%20of%20impact.pdf>

local communities who depend on forests for their livelihoods, inter alia women and environmental and human rights defenders;

13. Calls for the establishment of an objective of Union zero deforestation and embodied deforestation by 2030 at the latest in the framework of the European Green Deal; demands that all products derived from deforestation should be prohibited from entering the Union for sale on the internal market;
14. Calls therefore for Union legislation placing a mandatory due diligence obligation on all operators, including financiers, that place forest and ecosystem-risk commodities or derivatives on the Union market, aiming to protect indigenous peoples and customary community tenure rights;
15. Stresses that such a Union law on due diligence obligations should be based on a robust and effective enforcement regime, with proportionate and dissuasive penalties for non-compliance where appropriate and applicable;
16. Stresses that many of the Union businesses in the supply chain are SMEs and therefore calls for an effective SME-friendly implementation that limits their administrative burden to an unavoidable minimum; considers that an early warning system for businesses should be established to warn businesses whenever they import from regions where deforestation might be taking place;
17. Calls for closer cooperation between governments, undertakings, producers and civil society to adopt policies and establish framework conditions to support private sector projects;
18. Calls for mutual support in the event of adverse events through research and exchanges in order to find measures adapted to the geographical conditions that can protect against large-scale fires or prevent pest infestations;
19. Highlights that afforestation can make an important contribution to rectifying the problems caused by deforestation, although it can only partly compensate for them; stresses the urgent need to primarily protect primary forests globally, as afforestation or newly planted forests cannot replace or deliver the same level of biodiversity, carbon sinking, soil protection and other ecosystem services and functions as primary forest;
20. Therefore, strongly encourages tree and forest planting and re-planting activities and projects, especially using native and wildlife friendly species with consideration for climate change, especially where primary forest has been destroyed; notes that effective, sustainable and appropriately managed afforestation in addition to protection and restoration of forests can help to increase carbon sequestration, complement farming and boost biodiversity, while their sustainable management can reduce the risk and extent of forest fires; stresses also the important role of riparian forests in stabilising riverbanks, thereby reducing flood risk, improving water quality by filtering run-off from adjacent land, and regulating water temperatures thus benefitting biodiversity;
21. Welcomes measures to adapt plantations to climate change; welcomes the fact that in many countries an increase in the number of resilient native tree species in healthy and biologically diverse forests is already recommended and practiced;

22. Highlights the role of agroforestry where trees are grown in combination with agriculture on the same land parcel, which boosts overall productivity, generates more biomass, maintains and restores soils and provides other valuable ecosystem services; points out that forests and agroforestry play an important role in global food security and are an important source of income for many small farms and communities; emphasises that forest conservation and reforestation measures improve living conditions in rural areas;
23. Emphasises the importance of training within the Union and in third countries in sustainable management of forests, plantations and agroforestry, including continuous vegetation cover; considers that these are an essential factor in ensuring biodiversity as well as income of forest communities and farmers practicing agroforestry;
24. Notes that although voluntary schemes are a useful instrument in the effort to stop global deforestation outside the Union that can go a long way to galvanising public opinion against the consumption of goods and services that drive deforestation, voluntary measures alone have so far not stopped deforestation or the Union contribution to global embodied deforestation caused by the importation into the Union of deforestation-risk goods and services; believes that binding legislation should be combined with non-legislative initiatives, such as cooperation with third countries, in order to fight against global deforestation;
25. Calls therefore, to put in place a deforestation-free labelling and certification system that would increase the supply chain transparency in the Union and allow the promotion of products not resulting from deforestation, building on existing approaches and based on an unambiguous definition of deforestation free supply chains;
26. Calls on the Union to promote deforestation-free supply chains and improved added-value, taking due account of human rights, labour rights and land tenure rights as well as food security and fair incomes;
27. Notes the governmental responsibilities in combating deforestation and ecosystem conversion, which cannot be adequately addressed by external stakeholders alone; therefore, stresses the importance of inclusive partnership of the Union and its Member States with third countries, to strengthen sustainable land management, sustainable agriculture and good governance, particularly regarding land and forest tenure rights;
28. Calls for strengthening worldwide co-operation to better share knowledge and experiences in improving sustainability in managing multifunctional forests;
29. Believes that establishing a platform for multi-stakeholder and Member State dialogue on deforestation, forest degradation and on sustainably increasing world forest cover is an important complement to a legal framework on due diligence, and could help all stakeholders to address these issues; calls for all relevant international actors to be able to actively use that platform;
30. Calls therefore, on the Union to develop international alliances with third countries to protect forests, pursuing sound policies aiming at zero deforestation, integrated land planning, land tenure transparency, and preventing conversion of forest into agricultural land; calls to this end, for securing international financing in the framework of global

forest protection agreements, in close cooperation with European governments and international actors;

31. Supports regular information exchanges with third countries to promote the consumption and trade of wood and wood-derived products coming from forests managed in a sustainable way;
32. Considers that traceability and transparency are essential to ensure that only sustainably sourced products can be sold on internal market that are known to be free from deforestation, ecosystem conversion and degradation and human rights abuses; considers it a complementary yet essential first step to put in place a widely recognised deforestation-free certification and labelling system for agricultural and forestry products imported into the Union that would increase the supply chain transparency in the Union particularly reflecting the impact on the environment arising from their cultivation, processing and transport and human rights; takes the view that mandatory labelling of sustainable wood extraction can ensure informed consumer choices and promote the consumption of sustainable products;
33. Calls on the Commission to evaluate and disclose the deforestation footprint of the timber sector and trade organisations involved in importing commodities from deforestation risk areas, with a view to creating greater transparency and understanding of international supply chains, and stimulating the implementation of sustainable wood use solutions;
34. Calls for due diligence obligations on prospective suppliers to be integrated into public procurement rules, together with a ban on the purchase of imported products derived from deforestation; notes the additional benefits of such a verification system to combat fraud, corruption and cartel practices, while challenging logistical operations based on illegal logging;
35. Points out that, in order to avoid price dumping and ensure sustainable use of wood, to prevent the proliferation of bilateral agreements based on dumping timber prices, and to avoid driving additional logging, remedies should be considered including establishing a common timber auction system, to allow tracking of where material comes from and factoring in climate, biodiversity and human rights concerns into the price;
36. Considers that in order to minimise the carbon footprint created by transport of imports from third countries and to stimulate sustainable local production and jobs, the Union should encourage the use of sustainable locally-sourced timber, harvested wood products or forest biomass;
37. Calls for the development of concepts for a sustainable future for forests worldwide that reconcile both economic and environmental interests, given that forests are an important resource for many countries and that the latter are not willing to forego this resource voluntarily;
38. Stresses the importance of promoting sustainable diets, by raising consumer awareness of the impacts of consumption patterns and providing information on diets that are better for human health and have a lower environmental footprint;

39. Recalls that importing into the Union large quantities of agricultural products derived from deforestation should not be in conflict with Union commitments for zero deforestation and human rights; considers that compliance with Union rules, together with safeguard clauses in the event of non-compliance, should be a necessary precondition for all the Union's trade negotiations; calls for binding and enforceable environmental and social provisions related to deforestation to be included in all trade agreements, in addition to food safety and animal welfare standards, to protect global forests, natural ecosystems and human rights, particularly community tenure rights; calls on the Commission to continue to closely monitor and enforce ongoing free trade agreements against those standards;
40. Calls on the Commission to act on the "do no harm" principle as announced in its European Green Deal Communication and to propose measures to address detrimental impacts where identified, to update existing free trade agreements; calls for trade partners to be subject to binding and enforceable provisions and incentives that ensure no import of products derived from deforestation or human rights violations; firmly regrets that such provisions have not been fully included in the EU-Mercosur agreement process and calls for updating trade agreements and ongoing negotiations to comprehensively include them;
41. Calls subsequently for additional or renewed negotiations of free trade agreements where such provisions are not already included, in coherence with the Union's climate, biodiversity, zero deforestation and human rights commitments;
42. Stresses that, in the future the Commission should systematically take the impact of trade agreements on forests into account in its impact studies, and to take into consideration the results of ex ante evaluations in defining terms and mandates for trade negotiations; considers that the respect of the Paris Agreement should be a binding condition in all trade agreements with third countries;
43. Calls on the Commission to pinpoint incentive mechanisms for farmers to enhance the supply of sustainable agricultural and forestry products, and simultaneously to maintain and bolster ecosystems;
44. Calls for the Union to cut dependency on imports of forest and ecosystem-risk commodities; notes that soya products originating in deforested land used for animal feed in the Union is a significant driver of global deforestation and related emissions, accounting for nearly half of the deforestation embodied in all Union imports⁴;
45. Calls furthermore on the Commission and Member States to promote locally-sourced plant protein, pasture-based grazing and legal and sustainably sourced feed, namely by implementing and building on the Union protein plan, enabling innovation and enacting policy that allow Union livestock production to match available Union land resources; further recommends that the Union and Member States assess domestic production potentials and plan measures aimed at comprehensively satisfying the Union's consumption requirements and helping to reduce dependence on imports;
46. Supports the elimination by 2030 of the use of raw materials contributing to the

⁴ <http://ec.europa.eu/environment/forests/pdf/1.%20Report%20analysis%20of%20impact.pdf> pp. 23-24

deforestation in the production of biofuels; notes also the use of palm oil in a range of industries, including food processing; expresses its concern regarding consumer deception, for example the use of palm oil in milk substitute products;

47. Asks therefore the Commission to promote responsible agri-food and feed consumption patterns which further reduce dependency on embodied deforestation and the Union's environmental footprint;
48. Stresses also the need to strengthen and support shorter supply chains and localising production of protein crops and commodities, to the advantage of food sovereignty both in the Union and its partner countries; encourages the inclusion of these elements in the COVID-19 recovery plan;
49. Supports the promotion of nitrogen fixing/leguminous/protein crops under the new CAP strategic plans inter alia through crop rotations, in conditionality, eco-schemes and agro-environmental measures, new sectorial interventions and coupled support in order to increase the protein crop self-sufficiency of the Union, and, at the same time, contribute to reach the objectives of the biodiversity and the Farm to Fork strategies; notes further that livestock farm income and profitability should be made compatible with production levels that can be sustained by pasture-based grazing or home-grown fodder crops; calls for further research and promotion of innovative production systems and methods that can reduce external inputs and costs, for example forage based grazing systems such as rotational grazing, even if production volumes may be lower;
50. Notes that Parliament has adopted, since December 2015, 40 objections to the import of genetically modified food and feed, of which 11 were to genetically modified soy imports; reminds that one of the reasons for objecting to those imports was the deforestation associated with cultivation in countries such as Brazil and Argentina, where the soy is almost exclusively genetically modified for use with pesticides; notes that a recent peer-reviewed scientific study by pan-Union researchers found that the Union has the largest carbon footprint in the world due to soy imports from Brazil, 13,8 % larger than China, the largest soy importer, due to a larger share of emissions from embodied deforestation;⁵ notes further that, according to the Commission, soy has historically been the Union's number one contributor to global deforestation and related emissions, accounting for nearly half of the deforestation embodied in all Union imports;⁶
51. Calls for a coherent policy framework, that includes the recently published Farm to Fork and Biodiversity Strategies of the European Green Deal, the EU Bioeconomy Strategy, and the Commission's communication of 28 November 2018 entitled 'A Clean Planet for all — a European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy', based on existing systems, such as the Forest

⁵ Ref: Escobar, N., Tizado, E.J., zu Ermgassen, E.K., Löfgren, P., Börner, J., & Godar, J. (2020). Spatially-explicit footprints of agricultural commodities: Mapping carbon emissions embodied in Brazil's soy exports. *Global Environmental Change*, 62, 102067
<https://www.sciencedirect.com/science/article/pii/S0959378019308623>

⁶ Ref: Technical Report - 2013 - 063 of the Commission, 'The impact of EU consumption on deforestation: Comprehensive analysis of the impact of EU consumption on deforestation', study funded by the European Commission, DG ENV, and undertaken by VITO, IIASA, HIVA and IUCN NL,
<http://ec.europa.eu/environment/forests/pdf/1.%20Report%20analysis%20of%20impact.pdf>, pp. 23-24

Law Enforcement, Governance and Trade (FLEGT) Action Plan; calls therefore for guaranteeing participation of affected rights holders in FLEGT, inter alia of indigenous peoples and local communities, particularly women and environmental and human rights defenders;

52. Calls for implementing and improving legislation concerning forests and export regulations for wood and wood products, for example with enforceable sustainability criteria;
53. Calls for a more holistic approach, within the Union, in which the Union provides direct support to local authorities for afforestation and sustainable management practices; calls particularly for a stronger Union role in helping local and regional authorities in enforcement of forest protection regulations in force;
54. Calls for consistency and coherence between the actions of the Union at home and abroad; recalls the European Environment Agency's outlook⁷ noting that the Union is set to miss many of its environmental objectives for 2020, highlighting that Union's forests are also subject to pressures such as, inter alia high extraction rates, pollution, climate change and invasive alien species; calls therefore for robust implementation and enforcement of the Union timber regulation and the Natura 2000 Directives across the Union, including via timely infringement proceedings;
55. Calls on the Commission and Member States to advance sustainable management of forests that ensures ambitious measures aimed at protecting and restoring forests and other natural ecosystems are applied both to the Union's and the world's forests, in line with the Union's new forest and biodiversity strategies; believes, in particular, that poverty-induced use of forest woody biomass as fuel must also be addressed, including by supporting clean alternatives;
56. Notes the unsustainable level of consumption of raw materials including fossil fuels in the Union and urges the Commission and Member States to take full account of the impact that the use of land-based biofuels has on global land-use change and deforestation; stresses that the sustainability of raw material use inside the Union could be considerably improved in the circular bio-economy and action is needed to reduce the dependency on deforestation-risk imports; notes that a resource efficient hierarchy of use is of particular importance to protect forests' carbon sink and biodiversity functions; considers that largescale burning of wood for fuel does not make sense in terms of climate protection, carbon sinking and efficient resource use in a circular economy;
57. Considers that the largescale use of biofuels in the Union must be accompanied by sufficient sustainability criteria in order to avoid direct and indirect, land-use change (ILUC) including deforestation; notes further that the current criteria do not take sufficient account of fossil raw materials used in biofuel production; calls therefore for monitoring and evaluation of the impact of the revised Renewable Energy Directive during its ongoing implementation including the effectiveness of the sustainability criteria for bioenergy; notes the importance of local supply chains of raw material to

⁷ Ref. 1e. - European Environment Agency's report on 'The European Environment - state and outlook 2020'

achieve long-term sustainability;

58. Stresses that despite the increase in forestry and plantation area in the Union, the increasing use of wood for biofuels and bioenergy is creating pressure on forests worldwide; notes therefore the need to respect designated nature protection areas worldwide; stresses that the Union should only promote sustainably managed forests and land-uses, to ensure that Union consumption is fully sustainable; calls on the Commission to critically assess measures for the sustainable production and use of wood fuels, in view, inter alia, of the high level of imports of wood pellets into the Union and address the risks that these imports pose to forests in third countries;
59. Supports the elimination by 2030 of raw materials used for biofuels that contribute to the deforestation; to this end, calls on the Commission to review by 2021 the relevant aspects of the Commission Delegated Regulation (EU) 2019/807⁸ and to revise it without delay on the basis of scientific knowledge, the precautionary principle and a detailed impact assessment, so as to ensure the phasing out of all high-ILUC risk biofuels including palm and soy oil, fulfilling the Union's commitment to stop and reverse global biodiversity loss;
60. Stresses the importance of linking the European Green Deal policies with the incentives for and drivers of deforestation, through addressing the environmental, social and human rights impacts of deforestation in order to achieve the long-term vision of a climate neutral economy;
61. Stresses the importance of a common and free observatory system, interacting and working with international partners and bodies such as the UN, for global monitoring of deforestation, forest degradation and changes in the world's forest cover, based on satellite data, allowing Member States and other stakeholders and citizens to record deforestation and habitat conversion, particularly in protected areas, in real time, and to monitor the status of forest cover;
62. Encourages, for example, the increased use of the Copernicus satellite system to monitor globally (within and outside the Union) wildfires, forest damage, landslides and soil erosion and forest/savannah ecosystem/habitat conversion; points out that this should be supplemented by other monitoring means to track related human rights and tenure violations and to take timely and appropriate action, including addressing their causes;
63. Calls for creating early warning alert mechanisms to notify public authorities, companies, including third party schemes, and consumers of commodities originating in areas of ecosystem conversion risk concerning loss and deterioration of forest and savannah and areas where human rights have been violated, and to assist in tackling

⁸ Commission Delegated Regulation (EU) 2019/807 of 13 March 2019 supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council as regards the determination of high indirect land-use change-risk feedstock for which a significant expansion of the production area into land with high carbon stock is observed and the certification of low indirect land-use change-risk biofuels, bioliquids and biomass fuels (OJ L 133, 21.5.2019, p. 1).

these issues by intensifying dialogue and data sharing with respective third countries;

64. Welcomes the proposal of the Commission in its Farm to Fork Strategy communication to put in place a deforestation observatory; however, considers it necessary that this is accompanied by submitting, every two years, a report to Parliament and the Council on global deforestation, building on the UN FAO's Forest Resources Assessment global report⁹ and the Global Forest Watch Commodities¹⁰, in order to take appropriate measures in terms of reinforcing cooperation with third countries and safeguarding trade restrictions at the Union level;
65. Points out that a sustainable intensification of agricultural use, as well as planned land use and land management, are essential for many small-scale farms;
66. Calls for robust financial support and incentive programmes for measures to afforest deteriorated land and land unsuitable for farming.

⁹ <http://www.fao.org/forest-resources-assessment/en/>

¹⁰ <https://www.wri.org/resources/maps/global-forest-watch-commodities>

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	22.9.2020
Result of final vote	+: 38 -: 1 0: 9
Members present for the final vote	Mazaly Aguilar, Clara Aguilera, Atidzhe Alieva-Veli, Álvaro Amaro, Attila Ara-Kovács, Carmen Avram, Adrian-Dragoş Benea, Benoît Biteau, Mara Bizzotto, Daniel Buda, Isabel Carvalhais, Asger Christensen, Angelo Ciocca, Ivan David, Paolo De Castro, Jérémy Decerle, Salvatore De Meo, Herbert Dorfmann, Luke Ming Flanagan, Cristian Ghinea, Dino Giarrusso, Francisco Guerreiro, Martin Häusling, Martin Hlaváček, Krzysztof Jurgiel, Jarosław Kalinowski, Elsi Katainen, Gilles Lebreton, Norbert Lins, Chris MacManus, Marlene Mortler, Ulrike Müller, Maria Noichl, Juozas Olekas, Pina Picierno, Maxette Pirbakas, Eugenia Rodríguez Palop, Bronis Ropé, Bert-Jan Ruissen, Petri Sarvamaa, Simone Schmiedtbauer, Annie Schreijer-Pierik, Veronika Vrecionová, Juan Ignacio Zoido Álvarez
Substitutes present for the final vote	Claude Gruffat, Christine Schneider, Michaela Šojdrová, Marc Tarabella

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

38	+
ECR	Mazaly Aguilar, Krzysztof Jurgiel, Veronika Vrecionová
GUE/NGL	Luke Ming Flanagan, Chris MacManus, Eugenia Rodríguez Palop
ID	Ivan David
NI	Dino Giarrusso
PPE	Álvaro Amaro, Daniel Buda, Salvatore De Meo, Jarosław Kalinowski, Norbert Lins, Marlene Mortler, Christine Schneider, Annie Schreijer-Pierik, Juan Ignacio Zoido Álvarez, Michaela Šojdrová
RENEW	Asger Christensen, Jérémy Decerle, Cristian Ghinea, Martin Hlaváček, Ulrike Müller
S&D	Clara Aguilera, Attila Ara-Kovács, Carmen Avram, Adrian-Dragoş Benea, Isabel Carvalhais, Paolo De Castro, Maria Noichl, Juozas Olekas, Pina Picierno, Marc Tarabella
VERTS/ALE	Benoît Biteau, Claude Gruffat, Francisco Guerreiro, Martin Häusling, Bronis Ropé

1	-
PPE	Simone Schmiedtbauer

9	0
ECR	Bert-Jan Ruissen
ID	Mara Bizzotto, Angelo Ciocca, Gilles Lebreton, Maxette Pirbakas
PPE	Herbert Dorfmann, Petri Sarvamaa
RENEW	Atidzhe Alieva-Veli, Elsi Katainen

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	1.10.2020
Result of final vote	+: 45 -: 11 0: 25
Members present for the final vote	Nikos Androulakis, Bartosz Arłukowicz, Margrete Auken, Simona Baldassarre, Marek Paweł Balt, Traian Băsescu, Aurelia Beigneux, Monika Beňová, Sergio Berlato, Alexander Bernhuber, Malin Björk, Simona Bonafè, Delara Burkhardt, Pascal Canfin, Sara Cerdas, Mohammed Chahim, Tudor Ciuhodaru, Nathalie Colin-Oesterlé, Miriam Dalli, Esther de Lange, Marco Dreosto, Bas Eickhout, Eleonora Evi, Agnès Evren, Fredrick Federley, Pietro Fiocchi, Catherine Griset, Jytte Guteland, Teuvo Hakkarainen, Martin Hojsík, Pär Holmgren, Jan Huitema, Yannick Jadot, Adam Jarubas, Petros Kokkalis, Athanasios Konstantinou, Ewa Kopacz, Joanna Kopcińska, Ryszard Antoni Legutko, Peter Liese, Sylvia Limmer, Javi López, César Luena, Fulvio Martusciello, Liudas Mažylis, Joëlle Mélin, Tilly Metz, Silvia Modig, Dolors Montserrat, Alessandra Moretti, Dan-Ștefan Motreanu, Ville Niinistö, Ljudmila Novak, Grace O’Sullivan, Jutta Paulus, Stanislav Polčák, Jessica Polfjård, Luisa Regimenti, Frédérique Ries, María Soraya Rodríguez Ramos, Sándor Rónai, Rob Rooker, Silvia Sardone, Christine Schneider, Günther Sidl, Ivan Vilibor Sinčić, Linea Sjøgaard-Lidell, Nicolae Ștefănuță, Nils Torvalds, Edina Tóth, Véronique Trillet-Lenoir, Petar Vitanov, Alexandr Vondra, Mick Wallace, Pernille Weiss, Michal Wiezik, Tiemo Wölken, Anna Zalewska
Substitutes present for the final vote	Hildegard Bentele, Kateřina Konečná, Ulrike Müller

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

45	+
EPP	Michal WIEZIK
S&D	Nikos ANDROULAKIS, Marek Paweł BALT, Monika BEŇOVÁ, Simona BONAFÈ, Delara BURKHARDT, Sara CERDAS, Mohammed CHAHIM, Tudor CIUHODARU, Miriam DALLI, Jytte GUTELAND, Javi LÓPEZ, César LUENA, Alessandra MORETTI, Sándor RÓNAI, Günther SIDL, Petar VITANOV, Tiemo WÖLKEN
RENEW	Pascal CANFIN, Fredrick FEDERLEY, Martin HOJSÍK, Jan HUITEMA, Ulrike MÜLLER, Frédérique RIES, María Soraya RODRÍGUEZ RAMOS, Nicolae ȘTEFĂNUȚĂ, Linea SØGAARD-LIDELL, Nils TORVALDS, Véronique TRILLET-LENOIR
GREENS/EFA	Margrete AUKEN, Bas EICKHOUT, Pär HOLMGREN, Yannick JADOT, Tilly METZ, Ville NIINISTÖ, Grace O'SULLIVAN, Jutta PAULUS
GUE/NGL	Malin BJÖRK, Petros KOKKALIS, Kateřina KONEČNÁ, Silvia MODIG, Mick WALLACE
NI	Eleonora EVI, Athanasios KONSTANTINOU, Ivan Vilibor SINČIĆ
11	-
EPP	Alexander BERNHUBER, Christine SCHNEIDER
ID	Teuvo HAKKARAINEN, Sylvia LIMMER
ECR	Sergio BERLATO, Pietro FIOCCHI, Joanna KOPCIŃSKA, Ryszard Antoni LEGUTKO, Rob ROOKEN, Alexandr VONDRA, Anna ZALEWSKA
25	0
EPP	Bartosz ARŁUKOWICZ, Traian BĂSESCU, Hildegard BENTELE, Nathalie COLIN-OESTERLÉ, Agnès EVREN, Adam JARUBAS, Ewa KOPACZ, Esther de LANGE, Peter LIESE, Fulvio MARTUSCIELLO, Liudas MAŽYLIS, Dolors MONTSERRAT, Dan-Ștefan MOTREANU, Ljudmila NOVAK, Stanislav POLČÁK, Jessica POLFJÄRD, Edina TÓTH, Pernille WEISS
ID	Simona BALDASSARRE, Aurelia BEIGNEUX, Marco DREOSTO, Catherine GRISET, Joëlle MÉLIN, Luisa REGIMENTI, Silvia SARDONE

Key to symbols:

+ : in favour

- : against

0 : abstention