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## TEXTS ADOPTED

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### **P8\_TA(2017)0098**

#### **Palm oil and deforestation of rainforests**

##### **European Parliament resolution of 4 April 2017 on palm oil and deforestation of rainforests (2016/2222(INI))**

*The European Parliament,*

- having regard to the 2015-2030 United Nations Sustainable Development Goals (SDGs),
- 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 Commission Technical Report entitled ‘The impact of EU consumption on deforestation’ (2013-063)<sup>1</sup>,
- having regard to the Commission Communication of 17 October 2008 entitled ‘Addressing the challenges of deforestation and forest degradation to tackle climate change and biodiversity loss’ (COM(2008)0645),
- having regard to the Amsterdam Declaration of 7 December 2015 entitled ‘Towards Eliminating Deforestation from Agricultural Commodity Chains with European Countries’, in support of a fully sustainable palm oil supply chain by 2020 and in support of an end to illegal deforestation by 2020,
- having regard to the promise of government support for the scheme to make the palm oil industry 100 % sustainable by 2020, made by the five Member States and signatories to the Amsterdam Declaration: Denmark, Germany, France, the United Kingdom and the Netherlands,
- having regard to the European Strategy for a low-carbon mobility of July 2016 and the Commission proposal of 30 November 2016 for a directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (recast) (COM(2016)0767),
- having regard to the study commissioned and funded by the Commission of 4 October 2016 entitled ‘The land use change impact of biofuels consumed in the EU: Quantification of area and greenhouse gas impacts’,

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

- having regard to the report entitled ‘Globiom: the basis for biofuel policy post-2020’,
  - having regard to Special Report No 18/2016 of the European Court of Auditors on the EU system for the certification of sustainable biofuels,
  - having regard to the United Nations Convention on Biological Diversity (CBD),
  - having regard to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES),
  - having regard to the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilisation to the Convention on Biological Diversity, which was adopted on 29 October 2010 in Nagoya, Japan and entered into force on 12 October 2014,
  - having regard to the EU biodiversity strategy to 2020, and the related mid-term review<sup>1</sup>,
  - having regard to its resolution of 2 February 2016 on the mid-term review of the EU’s Biodiversity Strategy<sup>2</sup>,
  - having regard to the International Union for the Conservation of Nature (IUCN) World Conservation Congress held in Hawaii in 2016 and its Motion 066 on mitigating the impacts of palm oil expansion and operations on biodiversity,
  - having regard to the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP),
  - having regard to Rule 52 of its Rules of Procedure,
  - having regard to the report of the Committee on the Environment, Public Health and Food Safety and the opinions of the Committee on Development, the Committee on International Trade and the Committee on Agriculture and Rural Development (A8-0066/2017),
- A. whereas the European Union has ratified the Paris Agreement and should play a crucial role in achieving the objectives laid down in the areas concerning the fight against climate change and delivering environmental protection and sustainable development;
- B. whereas the EU was instrumental in setting the Sustainable Development Goals that are closely linked to the issue of palm oil (SDGs 2, 3, 6, 14, 16, 17 and, in particular, 12, 13 and 15);
- C. whereas under the 2030 Agenda On Sustainable Development, the EU is committed to promoting the implementation of sustainable management of all types of forests, to halting deforestation, to restoring degraded forests and to substantially increasing afforestation and reforestation worldwide by 2020; whereas under the 2030 Agenda the EU is also committed to ensuring sustainable consumption and production patterns, to encouraging companies to adopt sustainable practices and integrate sustainability information into their reporting cycle and to promoting sustainable public procurement

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<sup>1</sup> Commission Communication entitled ‘Our life insurance, our natural capital: an EU biodiversity strategy to 2020’ (COM(2011)0244)

<sup>2</sup> Texts adopted, P8\_TA(2016)0034.

practices, in accordance with national policies and global priorities by 2020;

- D. whereas there are many drivers of global deforestation, including the production of agricultural commodities such as soy, beef, maize and palm oil;
- E. whereas nearly half (49 %) of all recent tropical deforestation is the result of illegal clearing for commercial agriculture and this destruction is driven by overseas demand for agricultural commodities, including palm oil, beef, soy, and wood products; whereas it is estimated that the illegal conversion of tropical forests for the purposes of commercial agriculture produces 1,47 gigatonnes of carbon each year – the equivalent of 25 % of the EU’s annual fossil fuel-based emissions<sup>1</sup>;
- F. whereas the wildfires of 2015 in Indonesia and Borneo were the worst observed for almost two decades and occurred as a result of global climate change, land use changes and deforestation; whereas the extremely dry conditions in the regions in question are likely to become more common events in the future, unless concerted action is taken to prevent fires;
- G. whereas the wildfires in Indonesia and Borneo exposed 69 million people to unhealthy air pollution and are responsible for thousands of premature deaths;
- H. whereas fires in Indonesia are typically the result of the clearing of land for palm oil plantations and other agricultural uses; whereas 52 % of fires in Indonesia in 2015 occurred in carbon-rich peatlands, turning the country into one of the largest contributors to global warming on Earth<sup>2</sup>;
- I. whereas the absence of accurate palm oil concession maps and public land registries in many producing countries makes it difficult to determine responsibility for forest fires;
- J. whereas under the New York Declaration on Forests, the EU has agreed to ‘help meet the private-sector goal of eliminating deforestation from the production of agricultural commodities such as palm oil, soy, paper and beef products by no later than 2020, recognizing that many companies have even more ambitious targets’;
- K. whereas in 2008 the EU committed to reduce deforestation by at least 50 % by 2020 and to halt global forest cover loss by 2030;
- L. whereas precious tropical ecosystems, which cover a mere 7 % of the Earth’s surface, are under increasing pressure from deforestation; whereas the establishment of palm oil plantations is resulting in massive forest fires, the drying up of rivers, soil erosion, peatland drainage, the pollution of waterways and overall loss of biodiversity, which in turn leads to the loss of many ecosystem services and is having a major impact on the climate, the conservation of natural resources and the preservation of the global environment for present and future generations;
- M. whereas the consumption of palm oil and its derived processed goods plays a major role

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<sup>1</sup> Source: Forest Trends: Consumer Goods and Deforestation: An Analysis of the Extent and Nature of Illegality in Forest Conversion for Agriculture and Timber Plantations ([http://www.forest-trends.org/documents/files/doc\\_4718.pdf](http://www.forest-trends.org/documents/files/doc_4718.pdf)).

<sup>2</sup> Source: World Resources Institute (<http://www.wri.org/blog/2015/10/indonesia%E2%80%99s-fire-outbreaks-producing-more-daily-emissions-entire-us-economy>).

in the impact of EU consumption on global deforestation;

- N. whereas demand for vegetable oils in general is set to increase<sup>1</sup>, while demand for palm oil will, according to estimates, double by 2050<sup>2</sup>; whereas, since the 1970s, 90 % of the growth in palm oil production has been concentrated in Indonesia and Malaysia; whereas, moreover, oil palm cultivation is also taking off in other Asian countries, as well as in Africa and Latin America, where new plantations are constantly being established and existing ones expanded, a state of affairs that will lead to further damage to the environment; notes, however, that replacing palm oil with other vegetable oils would create a need for more land for cultivation;
- O. whereas the heavy use of palm oil is primarily due to its low cost, which is made possible by the increase in the number of oil palm plantations in deforested areas; whereas, in addition, the use of palm oil in the food industry is in keeping with a model of mass, unsustainable production and consumption, which runs counter to the use and promotion of organic, high-quality, zero-food-mile ingredients and products;
- P. whereas palm oil is increasingly being used as a biofuel and in processed food, with some 50 % of packaged goods now containing palm oil;
- Q. whereas some companies trading in palm oil are failing to prove beyond doubt that the palm oil in their supply chain is not linked to deforestation, peatland drainage or environmental pollution, and to demonstrate that it has been produced with full respect for fundamental human rights and adequate social standards;
- R. whereas under the 7th Environment Action Programme (EAP) the Commission is required to assess the environmental impact, in a global context, of Union consumption of food and non-food commodities and, if appropriate, to develop policy proposals to address the findings of such assessments, and to consider the development of a Union action plan on deforestation and forest degradation;
- S. whereas the Commission is planning studies on deforestation and palm oil;
- T. whereas the total GHG emissions from palm oil-related land use change is unknown; whereas it is necessary to improve scientific assessments in this regard;
- U. whereas there are no reliable data available in producer countries on the areas of land given over to the cultivation of oil palms, whether authorised or not; whereas this obstacle, from the outset, undermines the measures taken to certify the sustainability of palm oil;
- V. whereas the energy sector was responsible for 60 % of EU palm oil imports in 2014, with 46 % of imported palm oil used as fuel for transport (a six-fold increase on 2010) and 15 % for power and heat generation;
- W. whereas it is estimated that by 2020 the amount of land that will be converted globally to produce palm oil for biodiesel will be 1 Mha (million hectares), of which 0,57 Mha

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<sup>1</sup> <http://www.fao.org/docrep/016/ap106e/ap106e.pdf> (FAO, World Agriculture Towards 2030/2050 – The 2012 Revision).

<sup>2</sup> [http://wwf.panda.org/what\\_we\\_do/footprint/agriculture/palm\\_oil/](http://wwf.panda.org/what_we_do/footprint/agriculture/palm_oil/) (WWF).

will be converted from Southeast Asian primary forests<sup>1</sup>;

- X. whereas the total land use change caused by the EU 2020 biofuel mandate is 8,8 Mha, of which 2,1 Mha of land is converted in Southeast Asia under pressure from oil palm plantation expansion, half of which occurs at the expense of tropical forest and peatland;
- Y. whereas the deforestation of rainforests is destroying the natural habitats of more than half of the world's animal species and more than two thirds of its plant species and endangering their survival; whereas rainforests are home to some of the world's rarest and often endemic species, which are included on the red list of the International Union for the Conservation of Nature (IUCN) in the category of critically endangered species considered to have been undergoing an observed, estimated, inferred or suspected population size reduction of more than 80 % over the last 10 years or three generations; whereas EU consumers should be better informed of the efforts made to protect those animal and plant species;
- Z. whereas multiple investigations reveal widespread abuses of basic human rights during the establishment and operation of palm oil plantations in many countries, including forced evictions, armed violence, child labour, debt bondage or discrimination against indigenous communities;
- AA. whereas there are very worrying reports<sup>2</sup> that a substantial part of global palm oil production is in breach of fundamental human rights and adequate social standards, that child labour is frequently being exploited, and that there are many land conflicts between local and indigenous communities and palm oil concession holders;

### ***General considerations***

1. Recalls that sustainable agriculture, food security and sustainable forest management are core objectives of the SDGs;
2. Recalls that forests are essential for climate change adaptation and mitigation;
3. Notes the complexity of the driving factors of global deforestation, such as clearing land for cattle or arable crops, in particular to produce soya feed for EU livestock, as well as palm oil, urban sprawl, logging and other intensive agricultural activity;
4. Notes that 73 % of global deforestation arises from the clearing of land for agricultural commodities, with 40 % of global deforestation caused by conversion to large-scale

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<sup>1</sup> Source: Globiom report ([https://ec.europa.eu/energy/sites/ener/files/documents/Final%20Report\\_GLOBIOM\\_publication.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/Final%20Report_GLOBIOM_publication.pdf)).

<sup>2</sup> For example: Amnesty International – The Great Palm Oil Scandal (<https://www.amnesty.org/en/documents/asa21/5243/2016/en/>) and Rainforest Action Network – The Human Cost of Conflict Palm Oil ([https://d3n8a8pro7vnm.cloudfront.net/rainforestactionnetwork/pages/15889/attachments/original/1467043668/The\\_Human\\_Cost\\_of\\_Conflict\\_Palm\\_Oil\\_RAN.pdf?1467043668](https://d3n8a8pro7vnm.cloudfront.net/rainforestactionnetwork/pages/15889/attachments/original/1467043668/The_Human_Cost_of_Conflict_Palm_Oil_RAN.pdf?1467043668)).

monocultural oil palm plantations<sup>1</sup>;

5. Notes that palm oil exploitation is not the sole cause of deforestation, with the expansion of illegal logging activities and demographic pressures also responsible for this problem;
6. Observes that other plant-based oils produced from soybeans, rapeseed and other crops have a much higher environmental footprint and require much more extensive land use than palm oil; notes that other oil crops typically entail a more intensive use of pesticides and fertiliser;
7. Notes with concern that the global rush for land is driven by increasing global demand for biofuel and raw materials, and by speculation on land and agricultural commodities;
8. Recalls that the EU is a major importer of products resulting from deforestation, which has devastating impacts on biodiversity;
9. Notes that a little under one quarter (by value) of all agricultural commodities in international trade obtained from illegal deforestation is destined for the EU, including 27 % of all soy, 18 % of all palm oil, 15 % of all beef and 31 % of all leather<sup>2</sup>;
10. Highlights that in order to effectively combat deforestation linked to the consumption of agricultural commodities, EU action should consider not only palm oil production, but all such imported agricultural imports;
11. Recalls that Malaysia and Indonesia are the main producers of palm oil, with an estimated 85-90 % of global production, and welcomes the fact that Malaysian primary forest levels have increased since 1990, but remains concerned that current deforestation levels in Indonesia are running at a rate of -0,5 % total loss every five years;
12. Recalls that Indonesia has recently become the third highest polluter of CO<sub>2</sub> in the world and suffers from decreasing biodiversity, with several endangered wildlife species on the verge of extinction;
13. Recalls that palm oil accounts for about 40 % of global trade in all vegetable oils and that the EU, with around 7 million tonnes per year, is the second largest global importer;
14. Is alarmed by the fact that around half of the area of illegally cleared forests is used for palm oil production for the EU market;
15. Notes that palm oil is used as an ingredient and/or substitute by the agri-food industry because of its productivity and chemical properties, for example its ease of storage, melting point and lower price as a raw material;
16. Notes also that palm kernel cake is used in the EU for animal feed, especially for

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<sup>1</sup> The impact of EU consumption on deforestation: Comprehensive analysis of the impact of EU consumption on deforestation, 2013, European Commission (<http://ec.europa.eu/environment/forests/pdf/1.%20Report%20analysis%20of%20impact.pdf>) (p. 56).

<sup>2</sup> Source: FERN: Stolen Goods: The EU's complicity in illegal tropical deforestation ([http://www.fern.org/sites/fern.org/files/Stolen%20Goods\\_EN\\_0.pdf](http://www.fern.org/sites/fern.org/files/Stolen%20Goods_EN_0.pdf)).

fattening dairy and beef cattle;

17. Highlights in this context that social, health and environmental standards are stricter in the EU;
18. Is fully aware of how complex the issue of palm oil is and emphasises the importance of developing a global solution based on the collective responsibility of many actors; strongly recommends this principle for all those involved in its supply chain, including: the EU and other international organisations, the Member States, financial institutions, the governments of producer countries, indigenous people and local communities, national and multinational businesses involved in producing, distributing and processing palm oil, consumer associations, and NGOs; is convinced, moreover, that all of these actors must necessarily play a part by coordinating their efforts in order to resolve the many serious problems linked to the unsustainable production and consumption of palm oil;
19. Underlines the shared global responsibility in achieving sustainable palm oil production, while emphasising the important role of the food industry to source sustainably produced alternatives;
20. Notes that a number of commodity producers and traders, retailers and other intermediaries in the supply chain, including European companies, have made commitments in the areas of zero-deforestation production and trade of commodities, zero-conversion of carbon-rich peatlands, respect for human rights, transparency, traceability, third party verification and responsible management practices;
21. Recognises that the conservation of the rainforest and global biodiversity are of the utmost importance for the future of the earth and humanity, but stresses that preservation efforts should be combined with rural development policy instruments to prevent poverty and bolster employment for small farming communities in the areas concerned;
22. Considers that efforts to halt deforestation must include local capacity-building, technological aid, the sharing of best practices between communities and support to help smallholders make the most effective use of their existing croplands without resorting to further forest conversion; stresses, in this context, the strong potential of agroecological practices to maximise ecosystem functions via mixed, high diversity planting, agroforestry and permaculture techniques, without resorting to input dependency or monocultures;
23. Notes that the cultivation of palm oil can deliver positive contributions to the economic development of countries and offer viable economic opportunities for farmers, provided that it is carried out responsibly and sustainably and that strict conditions for sustainable cultivation are laid down;
24. Notes the existence of various types of voluntary certification schemes, including RSPO, ISPO and MSPO, and welcomes their role in promoting the sustainable cultivation of palm oil; notes, however, that the sustainability criteria of these standards are the subject of criticism especially with regard to ecological and social integrity; emphasises that the existence of different schemes is confusing for consumers and that the ultimate objective should be the development of a single certification scheme, which would improve the visibility of sustainable palm oil for consumers; calls on the

Commission to ensure that such a certification scheme will guarantee that only sustainably produced palm oil enters the EU market;

25. Notes that our non-EU partners also need to be made more aware of their role in tackling sustainability and deforestation issues, including in their sourcing practices;

### ***Recommendations***

26. Calls on the Commission to honour the EU's international commitments, inter alia, those made within the framework of COP21, the UN Forum on Forests (UNFF)<sup>1</sup>, the UN Convention on Biological Biodiversity (UNCBD)<sup>2</sup>, the New York Declaration on Forests and the Sustainable Development Goal to halt deforestation by 2020<sup>3</sup>;
27. Notes the potential of initiatives such as the New York Declaration on Forests<sup>4</sup> aimed at helping to meet private-sector goals to eliminate deforestation from production of agricultural commodities such as palm, soya, paper and beef by 2020; notes that some companies have more ambitious targets, but while 60 % of companies dealing in palm oil have committed to such initiatives, so far only 2 % are able to trace the palm oil they trade to its source<sup>5</sup>;
28. Notes the efforts and progress made by the food manufacturing sector to source CSPO; calls on all industry sectors using palm oil to step up their efforts to source CSPO;
29. Calls on the Commission, and all Member States who have not yet done so, to demonstrate their commitment to working towards the establishment of an EU-wide national commitment of sourcing 100 % certified sustainable palm oil by 2020 by, inter alia, signing and implementing the Amsterdam Declaration 'Towards Eliminating Deforestation from Agricultural Commodity Chains with European Countries', and to working towards the establishment of an industry commitment by, inter alia, signing and implementing the Amsterdam Declaration 'In Support of a Fully Sustainable Palm Oil Supply Chain by 2020';
30. Calls for companies that cultivate palm oil to adhere to the Bangkok Agreement on a Unified Approach to Implementing No Deforestation Commitments and to use the High Carbon Stock (HCS) approach, which helps to determine areas suitable for palm oil plantation, such as degraded lands of little carbon storage or natural value;
31. Calls for the EU to maintain its commitments, to step up ongoing negotiations on the FLEGT Voluntary Partnership Agreements and to ensure that the final agreements cover conversion timber taken from the development of palm oil plantations; stresses the need to ensure that these agreements are in line with international law and commitments concerning environmental protection, human rights and sustainable development, and that they bring about adequate measures for the conservation and sustainable management of forests, including the protection of the rights of local communities and indigenous peoples; notes that a similar approach could also be taken

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<sup>1</sup> UN Forum on Forest conclusions.

<sup>2</sup> UN Convention on Biodiversity, Aichi targets: <https://www.cbd.int/sp/targets/>

<sup>3</sup> Sustainable Development Goals, Art. 15.2, Target of halting deforestation  
<https://sustainabledevelopment.un.org/sdg15>

<sup>4</sup> UN Climate summit, 2014

<sup>5</sup> <http://forestdeclaration.org/wp-content/uploads/2015/09/2016-NYDF-Goal-2-Assessment-Report.pdf>

with a view to ensuring responsible palm oil supply chains; suggests that EU policies for the palm oil sector build upon the FLEGT principles of multi-stakeholder dialogue and tackling deep-seated governance issues in producer countries, as well as supportive EU import policies; notes that these measures could lead to improved controls on the palm industry in countries of destination;

32. Notes that an important element involves cooperating with producing countries by exchanging information on sustainable and economically viable developments and trading practices; supports producing countries in their efforts to develop sustainable practices that can help to improve lives and the economy of those countries;
33. Calls on the Commission to encourage the exchange of best practice on transparency and cooperation between governments and companies that use palm oil and, together with the Member States, to work with third countries to develop and implement national laws and to respect customary community land rights that ensure that forests, forest peoples and their livelihoods are protected;
34. Calls on the Commission to assess the necessity of putting in place mechanisms to address the conversion of forests for commercial agriculture within the FLEGT Action Plan Voluntary Partnership Agreement (VPA) framework and to empower further civil society organisations and native communities and farmer-landowners in the process;
35. Calls for the EU to create, as a supplementary element of voluntary partnership agreements, follow-up legislation on such agreements with regard to palm oil along the lines of the EU Timber Regulation which includes both companies and financial institutions; notes that the EU has regulated the supply chains of timber, fish and conflict minerals, but has not yet regulated any forest risk agricultural commodity supply chains; urges the Commission and Member States to step up their efforts to implement the Timber Regulation, in order to better gauge its effectiveness and to ascertain whether it could be used as a model for a new EU legislative act designed to prevent the sale of unsustainable palm oil in the EU;
36. Calls on the Commission, in cooperation with all relevant stakeholders from the public and private sectors, to launch information campaigns and to provide consumers with comprehensive information on the positive environmental, social and political consequences of sustainable palm oil production; calls on the Commission to ensure that information confirming that a product is sustainable is provided to consumers by means of an immediately recognisable sign for all products containing palm oil, and strongly recommends that this sign is included on the product or packaging, or is easily accessible through technological features;
37. Calls on the Commission to work closely with other significant consumers of palm oil, such as China, India and the producing countries, so as to raise their awareness and to explore common solutions to the problem of tropical deforestation and forest degradation;
38. Eagerly awaits the Commission's studies on deforestation and palm oil, which are expected to be presented as soon as possible after their completion;
39. Calls on the Commission to provide comprehensive data on the use and consumption of palm oil in Europe and its importation into the EU;

40. Calls on the Commission to intensify its research so as to gather information on the impact of European consumption and investment on the deforestation process, social problems, endangered species and environmental pollution in third countries, and to appeal to trading partners outside the EU to follow suit;
41. Calls on the Commission to develop technologies and present a concrete action plan, including information campaigns, in order to reduce the impact of European consumption and investment on deforestation in third countries;
42. Acknowledges the positive contribution made by existing certification schemes, but observes with regret that RSPO, ISPO, MSPO, and all other recognised major certification schemes do not effectively prohibit their members from converting rainforests or peatlands into palm plantations; considers, therefore, that these major certification schemes fail to effectively limit greenhouse gas emissions during the establishment and operation of the plantations, and have consequently been unable to prevent massive forest and peat fires; calls on the Commission to ensure that independent auditing and monitoring of those certification schemes is carried out, so as to guarantee that the palm oil placed on the EU market fulfils all necessary standards and is sustainable; notes that the issue of sustainability in the palm oil sector cannot be addressed by voluntary measures and policies alone, but that palm oil companies should also be subject to binding rules and a mandatory certification scheme;
43. Calls for the EU to introduce minimum sustainability criteria for palm oil and products containing palm oil that enter the EU market, making sure that palm oil in the EU:
  - has not led to ecosystem degradation, such as deforestation of primary and secondary forests and the destruction or degradation of peatlands or other ecologically valuable habitats, whether directly or indirectly, and does not cause a loss in biodiversity, foremost of all endangered animal and plant species,
  - has not given rise to changes in land management practices which have negative environmental impacts,
  - has not given rise to economic, social and environmental problems and conflicts, including the particular problems of child labour, forced labour, land grabbing or the eviction of indigenous or local communities,
  - fully respects fundamental human and social rights, and is in full compliance with adequate social and labour standards designed to guarantee the safety and wellbeing of workers,
  - enables small-scale palm oil cultivators to be included in the certification system and ensures that they receive their fair share of profits,
  - is cultivated on plantations that are managed using modern agro-ecological techniques in order to drive the conversion to sustainable agricultural practices so as to minimise adverse environmental and social outcomes;
44. Notes that strong standards for responsible palm oil production, including those developed by the Palm Oil Innovation Group (POIG) are already available, but have yet to be widely adopted by companies and certification systems, with the exception of RSPO Next;

45. Notes the importance for all actors along the supply chain of being able to distinguish between sustainably and non-sustainably sourced palm oil and its residues and by-products; notes the importance of traceability of commodities and transparency throughout all stages of the supply chain;
46. Calls for the EU to establish a binding regulatory framework to ensure that all agricultural commodity importers' supply chains are traceable back to the origin of the raw material;
47. Calls on the Commission to increase the traceability of palm oil imported into the EU and, until the single certification scheme is applied, to consider applying different customs duty schemes that more accurately reflect the real costs associated with the environmental burden; asks the Commission to also consider the introduction and application of non-discriminatory tariff and non-tariff barriers based on the carbon footprint of palm oil; calls for the 'polluter pays' principle to be fully applied in relation to deforestation;
48. Calls on the Commission to clearly define sanctions for non-compliance, while maintaining trading relations with third countries;
49. Calls on the Commission, in this regard, to initiate a reform of the Harmonised System (HS) Nomenclature at the World Customs Organisation (WCO) that would allow a distinction between certified sustainable and unsustainable palm oil and their derivatives;
50. Calls on the Commission to include, without delay, binding commitments in the sustainable development chapters of its trade and development cooperation agreements with a view to preventing deforestation, including, in particular, an anti-deforestation guarantee in trade agreements with producing countries, and with a view to providing strong and enforceable measures to tackle unsustainable forestry practices in producing countries;
51. Calls on the Commission and the Member States to focus on the development of tools that will facilitate the better integration of conservation issues into development cooperation; notes that such an approach will help to ensure that development activities do not lead to unintended environmental problems, but rather work in synergy with conservation activities;
52. Observes that weak land registry regimes in producing countries constitute a major obstacle to controlling the expansion of palm oil plantations and limit smallholders' opportunities to access the credit they require to improve the sustainability record of their plantations; notes that strengthening governance and forestry institutions at local and national level is a precondition for an effective environment policy; calls on the Commission to provide technical and financial assistance to producing countries in order to strengthen their land registry regimes and improve the environmental sustainability of palm oil plantations; points out that mapping in producer countries, including that carried out by means of satellite and geospatial technologies, is the only way to monitor oil palm concessions and to put in place targeted strategies for forestation, reforestation and the creation of ecological corridors; calls on the Commission to support producing countries to put in place fire prevention schemes;
53. Supports the Indonesian Government's recent peatland moratorium, which should

prevent plantations from being expanded on afforested peatland; supports the setting up of a Peatland Restoration Agency for the purpose of restoring 2 million hectares of fire-hit peatland;

54. Calls on the Commission and the Member States to endorse the need, as part of the dialogue with those countries, to impose a freeze on the area under oil palm cultivation, including by introducing a moratorium on new concessions, in order to safeguard the remaining rainforest;
55. Is alarmed that land deals can breach the principle of local communities' free, prior and informed consent as set out in ILO Convention 169; calls for the EU and its Member States to ensure that EU-based investors adhere fully to international standards on responsible and sustainable investment in agriculture, notably the UN Food and Agriculture Organisation (FAO)-OECD Guidance for Responsible Agricultural Supply Chains, the FAO voluntary guidelines on land tenure, the UN's Guiding Principles on Business and Human Rights and the OECD's Guidelines for Multinational Enterprises; underlines the need to take steps to ensure access to remedy for victims of corporate abuses;
56. Calls therefore on the relevant authorities in source countries to respect human rights, including the land rights of forest dwellers, and to strengthen environmental, social and health commitments, taking into account the FAO voluntary guidelines on land tenure<sup>1</sup>;
57. Urges that the EU support micro-, small- and family-based local rural enterprises and promote national and local legal registration of property or possession of land;
58. Highlights the low deforestation rates of indigenous lands with secured customary systems of tenure and resource management, which have a high potential in terms of the cost-effective reduction of emissions and securing global ecosystem services; calls for the utilisation of international climate and development funds to secure indigenous and community lands and to support indigenous peoples and communities who invest in protecting their lands;
59. Recalls that poor rural women are especially dependent on forest resources for their subsistence; stresses the necessity to mainstream gender in national forest policies and institutions, so as to promote e.g. the equal access of women to ownership of land and other resources;
60. Reminds the Commission of its Communication entitled 'Addressing the challenges of deforestation and forest degradation to tackle climate change and biodiversity loss' (COM(2008)0645), which emphasises a holistic approach to tropical deforestation that takes into account all deforestation drivers, including palm oil production; reminds the Commission of its objective in the COP21 negotiations to halt global forest cover loss by 2030 at the latest and to reduce gross tropical deforestation by at least 50 % by 2020 compared to current levels;
61. Calls on the Commission to press ahead with developing an EU action plan on deforestation and forest degradation which would include concrete regulatory measures

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<sup>1</sup> UN FAO's Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security, Rome 2012, <http://www.fao.org/docrep/016/i2801e/i2801e.pdf>

to ensure that no supply chains and financial transactions linked to the EU result in deforestation and forest degradation, in line with the 7th EAP, as well as an EU action plan on palm oil; calls on the Commission to adopt a single unified definition of 'deforestation-free';

62. Urges the Member States and the Commission to establish a definition of forest that includes biological, social and cultural diversity, so as to prevent land grabbing and the destruction of tropical forests resulting from vast palm oil monoculture, as this would jeopardise EU climate change commitments; stresses the need to give priority to native species, thereby protecting ecosystems, habitats and local communities;
63. Calls on the Commission to put forward an EU action plan on responsible business conduct.
64. Insists that development financial institutions should ensure that their social and environmental safeguard policies are binding and fully aligned with international human rights law; calls for increased transparency in the funding of private financial institutions and public financial bodies;
65. Calls on the Member States to introduce obligatory requirements favouring sustainable palm oil in all national public procurement procedures;
66. Notes with concern that commercial agriculture remains a significant driver of global deforestation and that around half of all tropical deforestation since 2000 has been due to the illegal conversion of forests to commercial agriculture, which may also entail a conflict risk; calls for improved coordination of forest, commercial agriculture, land use and rural development policies with a view to achieving the SDGs and the climate change commitments; stresses the need for policy coherence for development (PCD) also in this field, including on EU renewable energy policy;
67. Draws attention to the problems associated with land concentration processes and land use changes that arise when monocultures, such as palm oil plantations, are created;
68. Calls on the Commission to support further research into the effects of land use change, including deforestation and bioenergy production, on GHG emissions;
69. Calls on the Commission to set an example for other countries by establishing accounting rules for greenhouse gas emissions from managed wetlands and for land-use changes of wetlands in EU legislation;
70. Notes the effects of large oil palm monocultures, which increase pest presence, water pollution from agrochemicals and soil erosion, and impact the carbon sinking and ecology of the whole region, hampering the migration of animal species;
71. Notes that the latest research proves that agroforestry polycropping applied to palm oil plantations can offer combined benefits in terms of biodiversity, productivity and positive social outcomes;
72. Calls on the Commission to ensure the coherence of and to boost synergies between the Common Agricultural Policy (CAP) and other EU policies, and to ensure that they are conducted in a manner consistent with programmes aimed at combating deforestation in developing countries, such as REDD; calls on the Commission to ensure that the CAP reform does not lead, directly or indirectly, to further deforestation and that it supports

the goal of putting an end to global deforestation; calls on the Commission and the Member States to ensure that the environmental problems relating to deforestation caused by palm oil are also addressed in the light of the objectives set by the EU Biodiversity Strategy to 2020, which should be an integral part of the Union's external action in this area;

73. Calls on the Commission to provide support to organisations focusing mainly on the *in situ* – but also *ex situ* – conservation of all animal species affected by habitat loss due to palm oil-related deforestation;
74. Calls for more research at EU level into sustainable animal feed in order for alternatives to oil palm products to be developed for European agriculture;
75. Notes that 70 % of biofuel consumed in the EU is grown/produced in the EU and, of the biofuel imported into the EU, 23 % is palm oil, mainly from Indonesia, and another 6 % is soya<sup>1</sup>;
76. Notes the indirect effects of EU biofuel demand associated with tropical forest destruction;
77. Notes that once Indirect Land Use Change (ILUC) is taken into account, crop-derived biofuels can in some cases even result in a net increase in greenhouse gas emissions, e.g. the burning of habitats with high carbon stocks like tropical forests and peatland; is concerned that the impact of ILUC is not covered by the Commission's assessment of voluntary schemes;
78. Calls for the EU institutions to include, as part of the reform of the Renewable Energy Directive (RED), specific verification procedures regarding land tenure conflicts, forced/child labour, poor working conditions for farmers and dangers to health and safety in its voluntary scheme; calls, likewise, on the EU to take into account the impact of ILUC and to include social responsibility requirements in the reform of the RED;
79. Calls for the inclusion in EU biofuels policy of effective sustainability criteria that protect land of high biodiversity value, high carbon stocks and peatland, and that include social criteria;
80. Acknowledges the latest report<sup>2</sup> of the European Court of Auditors analysing the current certification schemes for biofuels, which found that these schemes are missing important aspects of sustainability such as not taking into account the indirect effects of demand, lack verification and cannot guarantee that certified biofuels are not causing deforestation and related negative socioeconomic effects; is aware of concerns about transparency in the evaluation of the certification schemes; calls on the Commission to improve the transparency of the sustainability schemes, including by drawing up an appropriate list of the aspects that should be scrutinised, such as yearly reports and the possibility of requesting audits, to be performed by independent third parties; calls for the Commission to have enhanced powers for the verification and monitoring of

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<sup>1</sup> Eurostat – Supply, transformation and consumption of renewable energies; annual data (nrg\_107a), Globiom study 'The land use change impact of biofuels consumed in the EU', 2015, and <http://www.fediol.be/>

<sup>2</sup> Source: European Court of Auditors: Certifying biofuels: weaknesses in recognition and supervision of the system (<http://www.eca.europa.eu/en/Pages/NewsItem.aspx?nid=7171>).

schemes, reports and activities;

81. Calls for the relevant recommendations of the Court to be implemented, as agreed by the Commission;
82. Notes with concern that 46 % of total palm oil imported by the EU is used for the production of biofuels and that this requires the use of about one million hectares of tropical soils; calls on the Commission to take measures to phase out the use of vegetable oils that drive deforestation, including palm oil, as a component of biofuels, preferably by 2020;
83. Notes that simply banning or phasing out the use of palm oil may give rise to replacement tropical vegetable oils being used for biofuel production, which would, in all probability, be grown in the same ecologically sensitive regions as palm oil and which may have a much higher impact on biodiversity, land use and greenhouse gas emissions than palm oil itself; recommends finding and promoting more sustainable alternatives for biofuel use, such as European oils produced from domestically cultivated rape and sunflower seeds;
84. Calls on the Commission and Member States to simultaneously support further development of second and third generation biofuels to reduce the risk of indirect land use change within the Union and to stimulate the transition towards advanced biofuels therein, in accordance with Directive (EU) 2015/1513 and in line with the circular economy, resource efficiency and low-emission mobility ambitions of the Union;

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