European Parliament

2019-2024

TEXTS ADOPTED

P9_TA(2020)0285

Deforestation

European Parliament resolution of 22 October 2020 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 192(1) of the Treaty on the Functioning of the European Union,
– 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’),
– 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 investment,
– 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 value assessment" of September 2020¹,

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 Union²;

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 Trial 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,

¹ EPRS, "An EU legal framework to halt and reverse EU-driven global deforestation - European added value assessment", PE 654.174, September 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 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 defenders1,

having regard to its resolution of 25 October 2016 on corporate liability for serious human rights abuses in third countries2,

having regard to its resolution of 4 April 2017 on palm oil and deforestation of rainforests3,

having regard to its resolution of 12 September 2017 on the impact of international trade and the EU’s trade policies on global value chains4,

1 Texts adopted, P7_TA(2010)0226
2 Texts adopted. P8_TA(2016)0405
3 Texts adopted, P8_TA(2017)0098
4 Texts adopted, P8_TA(2017)0330
– having regard to its resolution of 3 July 2018 on violation of the rights of indigenous peoples in the world, including land-grabbing¹,

– having regard to its resolution of 11 September 2018 on transparent and accountable management of natural resources in developing countries: the case of forests²,

– having regard to its resolution of 15 January 2020 on the European Green Deal³,

– having regards to its resolution of 16 January 2020 on the 15th meeting of the Conference of Parties (COP15) to the Convention on Biological Diversity⁴,

– having regard to its resolution of 16 September 2020 on the EU’s role in protecting and restoring the world’s forests⁵,

– 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 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,

¹ Texts adopted, P8_TA(2018)0279
² Texts adopted, P8_TA(2018)0333
³ Texts adopted, P9_TA(2020)0005
⁴ Texts adopted, P9_TA(2020)0015
⁵ Texts adopted, P9_TA(2020)0212
having regard to the report of the Committee on the Environment, Public Health and Food Safety (A9-0179/2020),

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 scenario\(^1\), 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 area\(^2\); 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 deforestation\(^3\);

C. whereas forests are a source of livelihood and income for about 25% of the world's population\(^4\) 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 gas\(^5\);

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

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\(^1\) 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”.

\(^2\) Communication on Stepping up EU Action to Protect and Restore the World’s Forests, European Commission, 2019.

\(^3\) “Living planet 2016”, WWF, Zoological society of London, Stockholm Resilience Centre

\(^4\) Communication on Stepping up EU Action to Protect and Restore the World’s Forests, European Commission, 2019.

favours the growth of existing forests to their maximum carbon storage potential whilst restoring previously degraded ecosystems and allowing organic material to decompose 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)\(^1\) 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, 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 destroyed\(^2\);

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 decade\(^3\);

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 soybean\(^4\); 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

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\(^1\) Cook, NASA Goddard Institute for Space Studies, 2005

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

\(^3\) Rainforest Mafias: How Violence and Impunity Fuel Deforestation in Brazil’s Amazon, Human Rights Watch, online, 17 September 2019.

\(^4\) 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
impossible to control the use of this resource and allows for over-abstraction, pollution 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 commodities

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 agriculture; 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 consumption; 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

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1 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)]


3 European Commission, 2013. The impact of EU consumption on deforestation: Comprehensive analysis of the impact of EU consumption on deforestation. Final report. Study funded by the European Commission and undertaken by VITO, the International Institute for Applied Systems Analysis, HIVA - Onderzoeksinstituut voor Arbeid en Samenleving and International Union for the Conservation of Nature NL.
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 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 km\(^2\) in which satellites do not detect any human pressure) were reduced by 7 % between 2000 and 2013\(^1\);

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

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\(^1\) IPBES report 2019
key point in the sustainable management of forests which should be reflected in Union policies.

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 deforestation 1; 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 2;

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

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deal with multiple interconnected deforestation drivers\(^1\), therefore do not deliver on 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 Council\(^2\) and to set up an EU pre-approval scheme to authorise the use of green claims;

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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 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 2006/2004 of the European Parliament and of the Council (‘Unfair Commercial Practices Directive’) (OJ L 149, 11.6.2005, p. 22).
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 studies\(^1\) 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;

\(^1\) [https://www.sciencedirect.com/science/article/pii/S0959378014001046](https://www.sciencedirect.com/science/article/pii/S0959378014001046)
32. 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;

33. 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 measures at national level;

34. 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;

35. 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;


37. 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)**

38. 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

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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;

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

40. 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;

41. Urges the Commission to ensure full implementation of the EU FLEGT Work Plan 2018-2022;

42. 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;

43. 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;

44. 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;

45. 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**

46. 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;

47. 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;

48. 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;

49. 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;

50. 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;

51. 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;

52. Stresses that public procurement provisions in FTAs should take into account social, environmental and responsible business conduct criteria in awarding contracts;
53. 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;

54. 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;

55. 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.

56. 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;

57. 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 Indicatives 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;

58. 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;

59. 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;

60. 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**

61. 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;

62. 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;

63. 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 peoples\(^1\), 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;

64. 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;

65. 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;

66. 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.

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

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\(^1\) Report by the Brazilian Attorney General’s office:
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**

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;

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; believes that it is 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;

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;

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;

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;

Highlights the importance of the development of a sustainable bio-economy which gives a high economic value to sustainably produced products;

Stresses that the Union’s bioenergy policy should respond to strict social and environmental criteria;

Recalls that the Union addresses the risk of deforestation by means of the EU Timber Regulation, the EU FLEGT Action Plan, VPAs promoting multi-stakeholder processes
in producer countries, and the Renewable Energy Directive (RED II)\(^1\), 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;

77. 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) 2019/807\(^2\) 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;

78. 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;

79. Believes that ancient and primary forests should be considered and protected as global commons, and that their ecosystems should be granted a legal status;

**Communication and awareness raising**

80. 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-reach ecosystems, as well as socio-economic consequences of deforestation and ecosystem destruction and forest-related crimes in the Union and in third countries;

81. 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

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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**

82. 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 instruments;

83. 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-learnt among them, in order to enhance methodologies used and granularity of information;

84. Stresses the essential need to improve mechanisms which would help identify the source or origin of wood material placed on the internal market;

85. 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;

86. 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;

87. 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;

88. 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;

89. 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;

90. 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;

91. 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

92. 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;

93. Notes that the forestry sector employs at least 500,000 people directly\(^1\) in the Union, and 13 million people worldwide\(^2\), and that these jobs are found especially in rural areas;

94. 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;

95. Calls for closer cooperation between governments, undertakings, producers and civil society to adopt policies and establish framework conditions to support private sector projects;

96. 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;

97. 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;

98. 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;

99. 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;

100. 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;

\(^1\) Eurostat database on forestry [https://ec.europa.eu/eurostat/web/forestry/data/database](https://ec.europa.eu/eurostat/web/forestry/data/database)

101. Calls for strengthening worldwide co-operation to better share knowledge and experiences in improving sustainability in managing multifunctional forests;

102. 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;

103. 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;

104. 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;

105. Calls for robust financial support and incentive programmes for measures to afforest deteriorated land and land unsuitable for farming.

**Financing**

106. 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;

107. 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 procurement\(^1\) should integrate compliance with due diligence in the award criteria;

108. 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;

109. 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/EU;

110. 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;

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111. 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;

112. 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;

113. 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;

114. 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;

115. Requests that the Commission submit, on the basis of Article 192(1) 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;

116. Instructs its President to forward this resolution and the accompanying recommendations to the Commission and the Council.
ANNEX TO THE 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 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.

Operators should take appropriate and transparent measures to ensure that these standards are respected throughout their entire supply chain.

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 995/2010 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.

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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 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”. 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, 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.

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(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, or aggravates damage to natural forests or natural ecosystems or human rights abuses or the risks thereof; these should include:

i. effective, proportionate and dissuasive 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/EC 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.