Transparent and accountable management of natural resources in developing countries: the case of forests

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The Development Committee adopted an own-initiative report by Heidi HAUTALA (Greens/EFA, FI) on transparent and accountable management of natural resources in developing countries: the case of forests.

The Committee on the Environment, Public Health and Food Safety, exercising its prerogative as an associated committee in accordance with Article 54 of the Rules of Procedure, also gave its opinion on the report.

Members recalled that the Sustainable Development Agenda for 2030 recognises that **biologically diverse forests play a critical role in sustainable development as well as for the Paris agreement**. Sustainable and inclusive forest management and responsible use of forest commodities constitute the most effective and cheapest natural system for carbon capture and storage.

Stopping deforestation - which is responsible for 11% of anthropogenic greenhouse gas emissions - and allowing forests to regrow would achieve at least 30% of all mitigation action needed to limit global warming to 1.5°, according to the report.

Members called on the Commission to honour the European Union's international commitments, in particular those made at COP21, the UN Forum on Forests (UNFF), the UN Convention on Biological Diversity, the New York Declaration on Forests and SDG 15.2, which aims to promote sustainable management of all types of forests, **halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally by 2020**.

Forest and land governance: the report called on the EU to establish **stronger cooperation and effective partnerships** with major timber-consuming countries and international stakeholders. It stressed the need to encourage participatory and community-based forest management by strengthening the involvement of civil society in the planning and implementation of forest management policies and projects, raising awareness and ensuring that local communities share the benefits of forest resources.

Members urged partner countries to recognise and protect the rights of **local forest-dependent communities and indigenous peoples**, notably indigenous women, to customary ownership and control of their lands. They called for the scrupulous application of the principle of free, prior and informed consent to large-scale land acquisitions.

The Commission is urged to immediately launch a thorough impact assessment, and a genuine stakeholder consultation, involving in particular local people and women, with the purpose of establishing a meaningful **EU Action Plan on deforestation and forest degradation.**

This plan should include concrete and coherent regulatory measures, including a monitoring mechanism, to ensure that no supply chains or financial transactions linked to the EU cause deforestation, forest degradation, or human rights violations.

Responsible supply chains and financing: the report noted that imports of timber and timber products should be more thoroughly checked at the EU borders, to ensure that the imported products do indeed

comply with the criteria necessary to enter the EU. They noted that more than half of the commodities produced and exported onto the global market are products of illegal deforestation.

The global supply chains and financial flows only support legal, sustainable and deforestation-free production and do not result in human rights violations.

The report called on the EU to address global deforestation by regulating European trade and consumption of forest-risk commodities, such as soy, palm oil, eucalyptus, beef, leather and cocoa.

This regulatory framework should

- establish mandatory criteria for sustainable and deforestation-free products;
- impose mandatory due diligence obligations on both upstream and downstream operators in forest-risk commodity supply chains;
- enforce traceability of commodities and transparency throughout the supply chain;
- require Member States' competent authorities to investigate and prosecute EU nationals or EU-based companies that benefit from illegal land conversion in producer countries;
- comply with international human rights law.

In this context, the report highlighted the need to **better inform consumers** of the harmful effects of unsustainable palm oil production on the environment, the ultimate goal being to significantly reduce palm oil consumption.

Forest crime: Members noted that, according to UNEP and INTERPOL, illegal logging and trade in timber is **one of the five most important sectors of environmental crime**, increasingly involving transnational organised crime groups. They stressed the importance of **combating the illegal trade in tropical timber**. They called on the Commission and Member States to address the risks associated with war timber and to ensure that it is classified as illegal under voluntary partnership agreements.

The report stressed the importance of deploying truly dissuasive and effective penalties in producer countries to combat illegal logging and trade in timber. It called on the Commission to widen the scope of Directive 2008/99/EC on the protection of the environment through criminal law to include illegal timber logging.

Lastly, on **trade issues**, the report urged the EU to systematically include, in the trade and sustainable development chapters binding and enforceable provisions to halt illegal logging, deforestation, forest degradation and land grabbing, and other human rights violations which are subject to suitable and effective dispute settlement mechanisms.