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

2018/2003(INI) - 11/09/2018 - Text adopted by Parliament, single reading

The European Parliament adopted by 354 votes to 53, with 266 abstentions, a resolution on the transparent and accountable management of natural resources in developing countries: the case of forests.

Deforestation and forest degradation is the second leading human cause of carbon emissions and accounts for nearly **20 % of global greenhouse gas emissions**. Halting deforestation and forest degradation and allowing forests to regrow would provide at least 30 % of all mitigation action needed to limit global warming to 1.5°C.

Parliament called on the Commission to honour the European Union's international commitments, and in particular those made at COP21, to promote the sustainable management of all types of forests, to halt deforestation, to restore degraded forests and to substantially increase afforestation and reforestation worldwide by 2020.

Forest and land governance: Parliament called on the EU to establish **stronger cooperation and effective partnerships** with major timber-consuming countries and international stakeholders with a view to improving forest governance. 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.

An effective **administrative complaints mechanism** shall be put in place to allow victims of human rights violations and other harmful impacts to request the opening of investigation processes.

Responsible supply chains and financing: given that more than half of the commodities produced and exported onto the global market are products of illegal deforestation, Members 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 EU should **reinforce private sector efforts** through policies and appropriate measures creating a common baseline for all companies and levelling the playing field.

Parliament 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, Parliament 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.

Parliament stressed the importance of deploying truly dissuasive and effective **penalties** in producer countries to combat illegal logging and trade in timber. It suggested strengthening the implementation of the European Parliament and Council Regulation (EU) No 995/2010 on timber by requesting enhanced due diligence from operators importing from conflict-affected or high-risk areas, anti-bribery terms and conditions in contracts with suppliers. 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.

Trade issues: Parliament 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.

Members called for the EU to integrate **forest diplomacy** into its climate policy and to develop a **green timber procurement policy** to support the protection and restoration of forest ecosystems around the world.