An EU legal framework to halt and reverse EU-driven global deforestation

2020/2006(INL) - 22/10/2020 - Text adopted by Parliament, single reading

The European Parliament adopted by 377 votes to 75, with 243 abstentions, a resolution with recommendations to the Commission on an EU legal framework to halt and reverse EU-driven global deforestation.

Need for mandatory measures to halt deforestation

Recalling that biologically diverse forests, as natural carbon sinks, are indispensable in the fight against climate change, Members stressed that EU consumption accounted for around 10% of global deforestation, with palm oil, meat, soy, cocoa, eucalyptus, maize, wood, leather and rubber being the main drivers of deforestation and the resulting human rights violations.

Between 2014 and 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. However, 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.

While third-party certification schemes and labels have played an important role in involving business and civil society in a better common understanding of the problem of deforestation, Members noted that they are not effective in preventing forest and ecosystem-risk commodities and products from entering the Union internal market.

In this context, Parliament called on the Commission to present an EU legal framework to halt and reverse global deforestation caused by the EU.

Recommendations concerning the content of the requested proposal

Members called for a new EU legal framework based on mandatory due diligence, reporting, disclosure and third party involvement, as well as on liability and penalties in case of breaches of obligations for all companies placing commodities or derivatives that pose risks to forests and ecosystems on the EU market for the first time.

Mandatory rules based on due diligence

The proposed Regulation should impose traceability obligations on traders operating on the EU market, including the identification of the origin of commodities and products derived from them when they are placed on the EU internal market, in order to ensure sustainable value chains without deforestation.

These obligations should apply to all operators, irrespective of their size or place of registration, who place commodities posing a risk to forests and ecosystems on the EU market, without giving rise to undue burdens on small and medium-sized producers or prevent their access to markets and international trade due to a lack of capacity.

The legal framework should:

- ensure transparency and certainty with regard to: (a) commodities covered by the proposal and their derived products marketed on the EU internal market, (b) procurement practices and financing of all operators active on the EU internal market, and (c) production practices;

- provide definitions of what constitutes deforestation and forest degradation;

- provide for an early warning system for businesses should be established to warn businesses whenever they import from regions where deforestation might be taking place;

- 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.

Deforestation and human rights

The legal framework should cover the protection of human rights as well as the formal and customary rights of indigenous peoples and local communities in relation to the lands and resources involved in the harvesting, extraction and production of products. It should also establish legally binding sustainability criteria relating to human rights and the protection of natural forests and natural ecosystems from conversion and degradation.

Operators should be jointly and severally liable for any damage arising from human rights violations or degradation of natural forests or natural ecosystems, as referred to in the proposal.

Trade and international cooperation

Members stressed that the EU's trade and investment policy should include chapters on sustainable development that are binding and enforceable and that fully respect international commitments. They recommended that the Commission, in the context of the "do no harm" principle, better assess, on a regular basis, the impact of existing trade and investment agreements on deforestation.

Consultation and transparency

The new rules would require operators to: (i) consult stakeholders in the definition and implementation of due diligence measures; (ii) report publicly to the competent authority annually on their due diligence processes, the risks identified, their implementation and their results.

Lastly, Parliament considered that ancient and primary forests should be considered as global commons and protected as such, and that their ecosystems should be given legal status.