



2020/2006(INL)

9.9.2020

OPINION

of the Committee on International Trade

for the Committee on the Environment, Public Health and Food Safety

with recommendations to the Commission on an EU legal framework to halt and reverse EU-driven global deforestation
(2020/2006(INL))

Rapporteur for opinion: Karin Karlsbro

(Initiative – Rule 47 of the Rules of Procedure)

(*) Associated committee – Rule 57 of the Rules of Procedure

PA_INL

SUGGESTIONS

The Committee on International Trade calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible:

- to incorporate the following suggestions into its motion for a resolution:
 1. notes 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; stresses in this regard that trade and investment policy need to be reviewed in order to address this global 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 ecosystems; believes that the EU 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;
 2. 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;
 3. welcomes the good results the cooperation with third countries under the EU FLEGT Action Plan and Voluntary Partnership Agreements (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;
 4. urges the Commission to ensure full implementation of the EU FLEGT Work Plan 2018-2022;
 5. welcomes the EU communication of 23 July 2019 on stepping up EU action to protect and restore the world's forests; underlines the importance of measures which ensure that demand is in line with the stated goals, as the EU is a significant importer of forest and ecosystem-risk commodities (FERCs), and that the EU has a responsibility to reduce any negative impacts of these imports;
 6. acknowledges the importance of the EU Timber Regulation in preventing the entry of illegally harvested timber to the EU markets; 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;
 7. repeats its demand that imports of timber and timber products should be more thoroughly checked at EU borders in order to ensure that the imported products do

indeed comply with the criteria for entry into the EU; 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 EU 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;

8. notes that agricultural expansion accounts for an estimated 80 % of global deforestation and has its roots in the demand for FERCs such as palm oil, soy, meat, leather, cocoa, coffee, rubber, and maize; notes that, with the exception of the products covered by the EU Timber Regulation, there is currently no EU legislation in force that requires economic operators placing FERCs into the EU market to follow due diligence procedures to mitigate the risk of deforestation; 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;
9. 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 EU 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;
10. recommends that all new and updates of existing trade and investment agreements include more ambitious climate and environmental provisions regarding the conservation and sustainable management of forests, and strengthen the enforcement of these rules, leading to better conditions for the forests and ecosystems, including the protection of indigenous peoples and local communities rights, as well as illegal logging related anti-corruption provisions, and the obligation to ensure multilateral environmental agreements, such as the Paris Agreement and the Convention on Biological Diversity, are implemented effectively; calls on the Commission to look at different tools to monitor the carbon footprint of imports;
11. notes that despite the genuine attempts by companies to self-regulate through voluntary due diligence obligations, it is evident that they remain insufficient, since complex, dynamic and non-transparent global value chains are often linked to deforestation; and consequently recommends that more efficient bolder EU binding regulatory framework

be developed, addressing the Union-wide demand side;

12. considers that a legislative proposal to introduce a due diligence obligation on operators placing forest and ecosystem-risk commodities and products on the internal market needs to ensure that such commodities and products do not cause deforestation, forest degradation, and the conversion or degradation of natural ecosystems or related human rights violations; a similar due diligence obligation should apply to the financial sector; the due diligence obligations should apply to the whole supply chain and cover OECD guidelines on social responsibility and human rights in trade; stresses that in order to be more effective, such legal framework should also include adequate access to justice, legal remedies and effective protection for whistleblowers in natural resources exporting countries;
13. believes that future proposals regarding forest-risk commodities should build upon lessons learned from the FLEGT Action Plan, the EU Timber Regulation, Regulation (EU) 2017/821 of the European Parliament and of the Council¹ ('the Conflict Mineral Regulation'), Directive 2014/95/EU of the European Parliament and of the Council² ('the Non-Financial Reporting Directive'), legislation on illegal, unreported and unregulated (IUU) fishing and other EU initiatives to regulate supply chains; and asks the EU to encourage voluntary sustainable forest management certification, which can verify sustainability and be compatible with any due diligence system in place;
14. 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;
15. stresses the importance to carry out an impact assessment and to take account of its results in order to design rules that do not forego but rather enhance competitiveness and are functional and applicable to all actors on the market, including SMEs; to ensure that such a framework is WTO compliant i.e. proportionate, non-discriminatory and that it would not constitute arbitrary or unjustifiable discrimination or a disguised restriction on international trade; recommends that SMEs are provided adequate support and transition time in order to adapt their business operations to the new rules;
16. 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, protection of the rights of indigenous people, agricultural policies, climate change, democracy, human rights and political freedom; 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 policy framework, while ensuring the conservation of ecosystems; believes that gender equality in forestry education is a key point in the sustainable management of forests which should be reflected in the EU

¹ OJ L 130 19.05.2017, p. 1

² OJ L 330 15.11.2014, p. 1

Action Plan;

17. 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 EU being proactively involved in this process;
 18. stresses that public procurement provisions in FTAs should take into account social, environmental and responsible business conduct criteria in awarding contracts;
 19. 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 the World Trade Organization (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;
 20. 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;
- to incorporate the following recommendations into the annex to its motion for a resolution:

Voluntary Partnership Agreements (VPAs)

1. the proposal should ensure that there is legal certainty for all relevant stakeholders on any new EU-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 EU; 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.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	3.9.2020
Result of final vote	+: 38 -: 0 0: 4
Members present for the final vote	Barry Andrews, Anna-Michelle Asimakopoulou, Tiziana Beghin, Geert Bourgeois, Saskia Bricmont, Udo Bullmann, Jordi Cañas, Daniel Caspary, Anna Cavazzini, Miroslav Číž, Arnaud Danjean, Paolo De Castro, Emmanouil Fragkos, Raphaël Glucksmann, Markéta Gregorová, Enikő Győri, Roman Haider, Heidi Hautala, Danuta Maria Hübner, Herve Juvin, Karin Karlsbro, Maximilian Krah, Danilo Oscar Lancini, Bernd Lange, Margarida Marques, Gabriel Mato, Emmanuel Maurel, Maxette Pirbakas, Carles Puigdemont i Casamajó, Samira Rafaela, Inma Rodríguez-Piñero, Massimiliano Salini, Helmut Scholz, Liesje Schreinemacher, Sven Simon, Dominik Tarczyński, Mihai Tudose, Kathleen Van Brempt, Marie-Pierre Vedrenne, Jörgen Warborn, Iuliu Winkler, Jan Zahradil

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

38	+
GUE/NGL	Emmanuel Maurel, Helmut Scholz
ID	Roman Haider, Herve Juvin, Maximilian Krah, Danilo Oscar Lancini, Maxette Pirbakas
NI	Tiziana Beghin, Carles Puigdemont i Casamajó
PPE	Anna-Michelle Asimakopoulou, Daniel Caspary, Arnaud Danjean, Enikő Győri, Danuta Maria Hübner, Gabriel Mato, Massimiliano Salini, Sven Simon, Jörgen Warborn, Iuliu Winkler
RENEW	Barry Andrews, Jordi Cañas, Karin Karlsbro, Samira Rafaela, Liesje Schreinemacher, Marie-Pierre Vedrenne
S&D	Udo Bullmann, Miroslav Číž, Paolo De Castro, Raphaël Glucksmann, Bernd Lange, Margarida Marques, Inma Rodríguez-Piñero, Mihai Tudose, Kathleen Van Brempt
VERTS/ALE	Saskia Bricmont, Anna Cavazzini, Markéta Gregorová, Heidi Hautala
0	-
4	0
ECR	Geert Bourgeois, Emmanouil Fragkos, Dominik Tarczyński, Jan Zahradil

Key to symbols:

+ : in favour

- : against

0 : abstention