

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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EU Publishes Communication on Deforestation

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Report Highlights:

On July 23, 2019, the European Commission released a Communication detailing actions the EU could take to combat deforestation in the world. The EU wants European citizens to be able to consume products coming from “deforestation-free supply chains”. The next Commission led by President-elect Ursula von der Leyen is expected to propose regulatory and/or non-regulatory measures to that effect.

General Information:

On July 23, 2019, the European Commission released [Stepping up EU Action to Protect and Restore the World's Forest](#), a comprehensive Communication outlining a new framework to protect and restore forests worldwide. Within the EU forest area grew from 1990 until 2015, but has been in decline since. Worldwide, population pressures and a pressing need for resources has continued the deforestation trend that has been ongoing for decades. The Communication cites agriculture as a significant threat to deforestation, estimating that 80% of global deforestation is caused by the expansion of agricultural land use. The Communication specifically included land use for soy, maize (corn), meat and timber.

To tackle this issue, the Communication outlines five priorities to reduce deforestation and forest degradation. Directly quoting the Communication, those priorities are:

1. Reduce the footprint of EU consumption on land and encourage the consumption of products from deforestation-free supply chains in the EU;
2. Work in partnership with producer countries to reduce pressures on forests and to “deforest-proof” EU development cooperation;
3. Strengthen international cooperation to halt deforestation and forest degradation, and encourage forest restoration;
4. Redirect finance to support more sustainable land-use practices;
5. Support the availability and quality of information on forests and commodity supply chains, the access to that information, and support research and innovation.

The EU proposes to attain these priorities through creating transparent supply chains, supporting sustainable land and forest use practices in the EU and third countries, promoting deforestation-free consumption, and addressing deforestation and forest degradation in trade policy. “Deforestation-free” consumption would include encouraging EU citizens to consume products from deforestation-free supply chains through the use of environmental labeling, transparent sourcing, and the creation of certification/verification schemes. New regulatory and non-regulatory measures, such as guidance documents and exchanges of best practices, could also be used to ensure transparent supply chains for products entering the EU.

This new Communication is not the first action the EU has taken to tackle deforestation. It follows the 2008 Communication on [addressing the challenges of deforestation and forest degradation to tackle climate change and biodiversity loss](#) as well as the 2013 study on [EU consumption impacts on deforestation](#), the [2014](#) and [2017](#) conferences on deforestation, and a 2018 study on [combating deforestation due to palm oil production](#).

The EU as a “global trailblazer”?

The Communication stresses that the EU’s commitment to ending deforestation is representative of their responsibility to achieving the Sustainable Development Goals (SDGs) and the goals outlined in the Paris Climate Agreement. As such, the EU intends to ensure that all trading partners and development efforts are also aligned with reducing deforestation. This includes confirming that all Free Trade

Agreements (FTAs) address deforestation and that only “deforest-free” products will be sold in the EU. It should be noted that for the United States, the inclusion of such “deforestation-free” accreditation in FTAs could prove very challenging, as certification is a complex and often expensive process – especially for small and medium sized producers. Additionally, the inclusion of a “deforest-proof” criteria in EU development cooperation could be problematic for developing partner countries.

The RED and RED II precedent

Throughout the Communication, the European Commission references the Renewable Energy Directive (RED) and its recast (RED II) as an example of EU legislation that includes binding sustainability criteria to avoid indirect land use change and deforestation for the production of biofuels and biomass. RED requires that all biofuel used in the EU, whether produced in the EU or a third country, be certified by a sustainability scheme. For U.S. exporters of biomass to the EU, these requirements have introduced red tape and increased costs. If the Commission were to introduce mandatory “deforestation free” criteria for imported commodities, this would result in additional costs for U.S. exporters.

Multinational commodity trading companies have already started to assess the possible impacts of a European certification schemes for commodities. Many have also launched internal programs and working groups on deforestation and forest-degradation issues.

Next steps:

Tackling deforestation is expected to be part of the European Green Deal announced by European Commission President-elect Ursula von der Leyen who will assume office on November 1, 2019. She announced her plans to present a Green Deal in the first 100 days of her mandate. The new Commission will build upon this Communication to present regulatory and/or non-regulatory measures to ensure a “deforestation-free supply chain”.

The EU will also launch a multi-stakeholder platform to support and advise the Commission as well as an observatory [1] on deforestation and forest degradation to share commitments among stakeholders in order to build alliances as well as information on future actions taken by the Commission. Post will continue to monitor the implementation of the Communication. For more information about this platform, interested parties can contact European Commission DG ENVI Directorate F “Global Sustainable Development”, Unit F3 “Multilateral Environmental Cooperation” at ENV-DEFORESTATION@ec.europa.eu.

^[1] The EU Commission’s Observatories provide the various commodity sectors with more transparency by means of disseminating market data and short-term analysis in a timely manner.