



Council of the
European Union

072499/EU XXVI. GP
Eingelangt am 23/07/19

Brussels, 23 July 2019
(OR. en)

11449/19
ADD 1

AGRI 400
ENV 709
FORETS 29
PROCIV 56
JUR 452
DEVGEN 152
RELEX 741
UD 216
PROBA 34
FAO 29

COVER NOTE

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 23 July 2019

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

No. Cion doc.: SWD(2019) 307 final

Subject: COMMISSION STAFF WORKING DOCUMENT *Accompanying the
document* COMMUNICATION FROM THE COMMISSION TO THE
EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN
ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE
REGIONS: Stepping up EU Action to Protect and Restore the World's
Forests

Delegations will find attached document SWD(2019) 307 final.

Encl.: SWD(2019) 307 final



Brussels, 23.7.2019
SWD(2019) 307 final

COMMISSION STAFF WORKING DOCUMENT
Accompanying the document

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

Stepping up EU Action to Protect and Restore the World's Forests

{COM(2019) 352 final}

A. SYNOPSIS REPORT OF CONSULTATION RESULTS AND FEEDBACK

1. Introduction

The idea of a new EU initiative against deforestation and forest degradation was mooted in both the 2013 EU Forest Strategy¹ and the 7th Environmental Action Programme². Between 2013 and 2019, the Commission consulted widely with various stakeholders including the general public, public authorities, academia, environmental non-governmental organisations, businesses and the industry, certification bodies and others, including from third countries on the subject. This document summarizes the inputs received from three studies (respectively released in 2013, 2017, 2018)³, two conferences (2014, 2017)⁴, and an open public consultation (2019).

2. Strengthening the knowledge base and consulting stakeholders

Study on the impact of EU consumption on deforestation (2013)

As part of its strategy to address climate change and global biodiversity loss, the European Commission launched a comprehensive study to assess the impact of EU consumption on forest loss at a global scale in 2011. The study, carried out over a two year period, was published in 2013.

Part 1⁵ of the study provided a comprehensive analysis of the impact of EU consumption on embodied direct deforestation. It found that the majority of crops and livestock products associated with deforestation were consumed at local or regional level. Of the portion of the embodied direct that is traded internationally, between 1990-2008 the EU 27 imported and consumed 36% of crops and livestock products associated with direct deforestation in the countries of origin. This translated into a deforested land area of 7.3 million ha per annum over the same period.

Part 2⁶ of the study identified critical areas where existing EU policies and legislation could be reviewed to reduce the effect on third country deforestation, which included climate and renewable energy policy, the Common Agricultural Policy, the Forest Strategy, the Biodiversity Strategy 2020, sustainable production and consumption policy, trade policy, investment policy, development cooperation policy, and research and innovation policy.

The third part⁷ of the study proposed specific EU actions and measures, including other initiatives for further consideration. These included regulatory measures, voluntary measures,

¹ COM(2013) 659 final

² Decision No 1386/2013/EU of the European Parliament and of the Council of 20 November 2013 on a General Union Environment Action Programme to 2020 ‘Living well, within the limits of our planet’

³ All study were funded by the European Commission: The impact of EU consumption on deforestation: Comprehensive analysis of the impact of EU consumption on deforestation, 2013; Study on the environmental impact of palm oil consumption and on existing sustainability standards, 2018; Feasibility study on options to step up EU action against deforestation, 2018.

⁴ “Tackling deforestation and illegal logging conference: Progress made and opportunities for future action”, 21-23 June 2017; “Conference on the Challenges of Deforestation and Forest Degradation in the context of Climate Change, Development and Biodiversity Loss”, 26-27 May 2014

⁵ <http://ec.europa.eu/environment/forests/pdf/1.%20Report%20analysis%20of%20impact.pdf>

⁶ <http://ec.europa.eu/environment/forests/pdf/2.%20Report%20policies%20identification.pdf>

⁷ <http://ec.europa.eu/environment/forests/pdf/3.%20Report%20policies%20proposal.pdf>

market-based instruments, information and awareness raising, funding mechanisms, capacity building and technical assistance. The identified options were assessed and ranked according to evaluation criteria. The study served as an important input to strengthen the knowledge base and better understand the EU's impact on deforestation in the process of developing an EU initiative.

Conference on the Challenges of Deforestation and Forest Degradation in the context of Climate Change, Development and Biodiversity Loss (2014)

On 26 and 27 May 2014, the Commission organised a conference on the challenges of deforestation and forest degradation in the context of climate change, development and biodiversity loss. The conference aimed at launching a broad consultation process both inside and outside the EU to address deforestation and inform the development of future strategies. It was structured around four topics: i) Planet, ii) Business, iii) People, livelihood and ecosystems, and iv) The way forward⁸. More than 120 representatives of EU Member States, third countries, international organisations, private sector, NGOs and research organisations attended.

The conference found that while there is no quick fix to address the challenges of deforestation and forest degradation, and broad and comprehensive approaches are needed, some existing EU initiatives could serve as a basis for future action. The EU Action Plan on Forest Law Enforcement Governance and Trade (FLEGT Action Plan⁹), the EU Biodiversity Strategy 2020¹⁰, sustainable production and consumption policies and other initiatives in which the EU is involved, such as Reducing Emissions from Deforestation and forest Degradation (REDD+)¹¹, are important examples. Other instruments such as the responsible sourcing of minerals from conflict areas, international negotiations on the post 2015 development area and the development of the Sustainable Development Goals were also highlighted.

The conference closed with a call for action at both individual and collective levels, addressed to all stakeholders at all governance levels, including beyond the EU.

Conference on tackling deforestation and illegal logging: progress made and opportunities for future action (2017)

From 21 to 23 June 2017, the Commission invited stakeholders to take stock of progress, achievements and challenges as well as to explore opportunities for improving implementation of the FLEGT Action Plan and exploring further EU action against deforestation. More than 250 participants from producer and consumer countries, the private sector, civil society, indigenous and local communities, EU Member States and international organisations attended the conference.

⁸ A summary note can be found here:

http://ec.europa.eu/environment/forests/pdf/conf_26_05_2014/summary.pdf

⁹ COM/2003/0251 final

¹⁰ COM/2011/0244 final

¹¹ https://ec.europa.eu/europeaid/sectors/environment/sustainable-forestry/reducing-emissions-deforestation-and-forest-degradation_en

The first part of the conference¹² focused on illegal logging, in particular the state of play of implementation of the FLEGT Action Plan. The second part of the conference¹³ collected further input on how to strengthen EU action against deforestation, notably by stepping up action on agricultural commodities, which are the major drivers of deforestation.

As a follow up to the study on the impact of EU consumption on deforestation in 2013, the Commission launched a study to assess the feasibility of options to step up EU action against deforestation in 2016. The contractor presented the preliminary findings of the study, and three break out groups discussed potential demand-side, supply-side and investment & finance measures. The conference also served as an opportunity to inform the discussion and gather input in view of future developments.

In closing the conference, it was felt that there is a strong case for an EU action plan on deforestation where different options for different contexts are considered and a comprehensive approach is taken.

Feasibility study on options to step up EU action against deforestation (2018)

In 2018, the Commission published the outcomes of the study on the feasibility of options to step up EU action to combat deforestation and forest degradation launched in 2016.

The study on the feasibility of options to step up EU action to combat deforestation and forest degradation reviewed relevant EU policies, legislation and initiatives as well as ongoing international and regional efforts by the private sector, governments and civil society. It made suggestions on the framing of possible EU action to tackle deforestation as well as its root causes and drivers.

The study proposed a range of potential EU interventions that would tackle the different drivers and dimension of the problem of deforestation and forest degradation (supply and demand side drivers, as well as the role of finance & investments). The identified interventions were assessed against a shared set of assessment criteria, which included feasibility and effectiveness, political acceptability, technical complexity, and administrative costs.

A key conclusion of the study was that given the complexity of the problem, any potential EU initiative should consider a package of interventions that addresses the supply, demand and finance dimensions, building on and reinforcing existing EU action as well as government and private sector commitments on zero deforestation and other relevant international initiatives.

Study on the environmental impact of palm oil consumption and on existing sustainability standards (2018)

The Commission also released in 2018 the report of a study on the environmental impact of palm oil consumption and on existing palm oil sustainability standards with view to strengthening the knowledge base on the subject.

¹² http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_FLEGT_PART.pdf

¹³ http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf

In assessing the role and potential of existing palm oil sustainability certification schemes, the study concluded that the four main oil palm certification schemes (RSPO¹⁴, ISCC¹⁵, MSPO¹⁶, ISPO¹⁷) differ considerably in terms of their requirements, performance, market uptake and transparency. Inconsistency in their implementation and enforcements were also found. None of the schemes were found to cover all of the environmental and social issues included in EU and UN policy objectives.

Besides these four main certification schemes, several voluntary initiatives and commitments related to palm oil and driven by NGOs, the public or the private sector were assessed. An evaluation of existing legislation and enforcement regimes affecting the sustainability of palm oil showed that while most producer countries have introduced environmental and social regulations relating to palm oil, their enforcement is often selective, incomplete or ineffective.

Open public consultation (2019)

From 14 January 2019 until 25 February 2019, the Commission published an open public consultation through EU survey to collect the views of all interested stakeholders on the problem of deforestation and forest degradation, and how the EU can address it. The consultation received 955 replies. Most respondents to the survey answered as private EU-citizens (61%), with the next largest respondent categories being NGOs (10%), and businesses (7%).

Almost all respondents (98%) considered the problem of deforestation and forest degradation to be an alarming or serious threat. However, the degrees of perceived severity of the problem varied to some extent across different stakeholder groups. For instance, non-governmental organisations and EU farmers found the problem much more alarming than companies and business organisations.

At the same time, most respondents (73%) considered the current EU policy and legislative framework inadequate for tackling deforestation and degradation. While it was mostly EU citizens, followed by NGOs and companies, that considered the current EU framework to be inadequate, at least 50% of all stakeholder groups agreed.

The main reasons to address deforestation and forest degradation were protecting biodiversity, ecosystems and their services according to 92% of all respondents followed by mitigation and adaptation measures for climate change (80%).

Respondents considered the most important direct drivers of deforestation and forest degradation to be the expansion of large-scale commercial agriculture (93%), followed by industrial logging/industrial forest products extraction (83%), and illegal logging (81%)¹⁸.

¹⁴ Roundtable on Sustainable Palm Oil

¹⁵ International Sustainability and Carbon Certification

¹⁶ Malaysian Sustainable Palm Oil

¹⁷ Indonesian Sustainable Palm Oil

¹⁸ The other direct drivers considered in the open public consultation were (Quesiton 7a): mining, infrastructure development, urban expansion, fuelwood extraction, fuelwood extraction, natural causes (forest fires, climate change, pests and diseases) and expansion of small-scale and subsistence agriculture.

Among the indirect drivers, more than 90% of the respondents perceived weak forest protection law and adequate enforcement as the most important, followed by weak governance of land and weak enforcement of law (92%). Poor forest and land management practices were also considered as a very important driver by 85% of the respondents, followed by the high consumption levels of commodities associated with deforestation and forest degradation together with increasing demand for these commodities due to population growth and increasing standards of living (83%)¹⁹.

When asked about which commodities associated with deforestation and forest degradation should be addressed by an EU initiative, 80% of all respondents considered palm oil, followed by meat (54%), soy (53%), wood (52%) and bio-diesel (45%).

3. Stepping up EU action against deforestation and forest degradation

The studies, conferences and the open public consultation have shown that in particular five priorities are of particular relevance when tackling the problem of deforestation and forest degradation. These involve actions on the demand-side, supply-side, multilateral and bilateral cooperation, finance and investment, and research and innovation (including monitoring and transparency). The input provided by stakeholders is summarized below.

Priority 1: Leveraging EU demand for commodities from deforestation-free supply chains

Participants at the conferences²⁰ stressed that demand-side action had the strongest potential to deliver on the EU's international commitments and ensure sustainable supply practices. Of the proposed demand-side measures in the open public consultation, 91% of the respondents²¹ considered addressing EU consumption of unsustainably produced commodities associated with deforestation and forest degradation as very important or important. 88% of the respondents²² even considered the discouragement of the consumption of unsustainable and non-deforestation-free products as a very important or important action. Many respondents also requested the promotion of healthy diets including less meat consumption. Participants at the 2017 conference²³ also stressed the need to encourage lower consumption of food products associated with deforestation and forest degradation, including in the context of the Common Agriculture Policy.

¹⁹ The other indirect drivers considered in the open public consultation were (Question 7b): lack of public policies promoting commodities produced with less impact on forests, insufficient finance for investments in sustainable agriculture in producer countries, lack of private sector policies, commitments and engagements in deforestation-free supply chains, low consumer awareness of risks of deforestation related to commodities; lack of incentives for private sector to source commodities produced with less impact on forests, climate change, high consumer country dependency on feed imports, trade agreements, policy driven increase in demand for commodities, low social and economic development of large part of local population in producer countries, finance and investment flows from the EU and other countries, high dependence of countries on agriculture and forest sector, low resource efficiency resulting in waste and loss, and low productivity at farm, plot or plantation level or in the processing chains.

²⁰ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf

²¹ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13b

²² Public consultation on stepping up EU action against deforestation and forest degradation: Question 13e

²³ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf

Participants at both conferences²⁴ highlighted lack of transparency and traceability in the supply chain to verify third party commitments as an issue. In this process, existing transparency initiatives should be promoted. Similarly, 88% of respondents²⁵ to the open public consultation indicated that the consumption of sustainable and deforestation-free products through improved transparency and information would be a very important or important action. At the conferences, participants stressed that consumers need better access to information in order to address the production of unsustainably produced commodities²⁶. They proposed to establish a platform for regular dialogue between producers, buyers, monitoring- and enforcement bodies on progress and issues, and to seek solutions. Furthermore, 83% of respondents²⁷ to the open public consultation considered actions to better implement, coordinate and communicate actions in EU Member States as very important or important.

87% of all respondents²⁸ strongly supported initiatives to promote sustainable and deforestation-free products on the EU market. Both participants at the conferences and respondents to the open public consultation called on the EU to establish a regulatory framework to ensure deforestation-free supply chains²⁹. It was also suggested that forest-specific requirements should be included in EU trade and investment agreements, and that due diligence approaches should be promoted for companies, including the banking and finance sector, to address environmental and social concerns. It was suggested to build on existing initiatives and lessons learnt from the timber and forestry sector (such as FLEGT Voluntary Partnership Agreements and the EU Timber Regulation³⁰).

62% of all respondents³¹ considered encouraging the use of voluntary certification to be a very important or important action. Nonetheless, at the conferences, participants expressed concerns about the weaknesses and limits of certification schemes, such as weak auditing and monitoring processes, and the absence of compliance bodies. It was also stressed that different approaches are needed for different commodities and that these need to be complemented by government, jurisdictional and policy support to help achieve results³². There was a convergence of views between NGOs calling for a transformation of the mainstream market, where as the private sector focussed more on high sustainability standards for niche markets³³. While both respondents to the public consultation and

²⁴ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf;

²⁵ European Commission Conference on The challenges of deforestation and forest degradation in the context of climate change, development and biodiversity loss 26-27 May 2014 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_26_05_2014/summary.pdf

²⁶ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13b

²⁷ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13e

²⁸ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13b

²⁹ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf;

European Commission Conference on The challenges of deforestation and forest degradation in the context of climate change, development and biodiversity loss 26-27 May 2014 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_26_05_2014/summary.pdf; Public consultation on stepping up EU action against deforestation and forest degradation: Question 13

³⁰ Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market

³¹ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13b

³² European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf

³³ Ibid.

participants at the conferences called for more robust and mandatory certification schemes, it was also argued that these schemes will not be sufficient to reduce deforestation rates significantly and should be complemented by other actions³⁴.

At the 2017 conference, it was also stated that the private sector should be seen as part of the solution, and ongoing efforts and commitments should be recognized. Similarly, 85% of respondents³⁵ to the questionnaire indicated that support to deforestation commitments and national dialogues on deforestation-free commodities are very important or important.

89% of all respondents³⁶ to the public consultation rated better integration of deforestation and forest degradation considerations through relevant public policies, such as public procurement and corporate social responsibility, as very important or important. Participants at the conferences³⁷ also stressed the need for monitoring implementation of public procurement policies and the essential role of governments in changing their own procurement policies towards deforestation-free supply chains.

Participants³⁸ at the 2017 conference also discussed the interplay between deforestation and the EU policy on biofuels, as well as possible measures to decouple biofuels production from deforestation. Some respondents to the public consultation also proposed to reduce the import of soy-based animal feeds into the EU.

Priority 2: Strengthening partnerships with producing countries to reduce pressure on forests

Regarding potential supply-side actions, 91% of the respondents to the public consultation³⁹ strongly supported working in partnership with producer countries to increase the share of sustainably produced commodities. Similarly, experts at the 2014 and 2017 conferences stressed that the EU should work in partnership with commodity producer countries through for example political dialogue, cooperation, partnership instruments, free trade agreements etc. Some participants at the conferences stressed the importance of recognizing producer countries' needs to use forest resources for their future development⁴⁰.

³⁴ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf;
European Commission Conference on The challenges of deforestation and forest degradation in the context of climate change, development and biodiversity loss 26-27 May 2014 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_26_05_2014/summary.pdf; Public consultation on stepping up EU action against deforestation and forest degradation: Question 13

³⁵ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13b

³⁶ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13e

³⁷ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf;
European Commission Conference on The challenges of deforestation and forest degradation in the context of climate change, development and biodiversity loss 26-27 May 2014 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_26_05_2014/summary.pdf;

³⁸ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf

³⁹ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13a

⁴⁰ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf;
European Commission Conference on The challenges of deforestation and forest degradation in the context of

92% of the respondents to the public consultation⁴¹ considered support to the uptake of sustainable and deforestation-free practices by stakeholders in tropical forest countries as very important or important. This was also stressed at the conferences⁴², where participants called for a policy package for phasing out illegally produced agricultural commodities along with the need to increase productivity and promote sustainable agricultural intensification.

Participants at the conferences also highlighted the important role of small-scale forest and farm producers, who represent by far the largest private sector group but are often overlooked by global initiatives, national policies, development funding and the large industrial scale private sector. It was stressed that the EU should provide better market access and opportunities as incentives for sustainably produced commodities⁴³.

Participants at the conferences stated that, as one of the main importers of commodities associated with deforestation, the EU ought to provide more financial and technical assistance to producer countries to protect and restore forests and support livelihoods of local and indigenous communities. The important role of communities in protecting forests and the risk of neglecting forest degradation, ecosystem fragmentation and land grabbing was also highlighted⁴⁴.

Several speakers at the conferences also stressed the issue of land-use planning, insecure tenure and more effective land governance⁴⁵. In this context, the need to work at jurisdictional level where land use decisions are taken was also emphasized. At the same time, the limitations of these approaches were also discussed, as tenure issues cannot always be addressed at jurisdictional level and there may be risks of leakage across borders to other jurisdictions. The results of the open public consultation showed that 94% of the respondents supported the promotion of better forest protection and land use planning, governance and law enforcement⁴⁶.

Participants at the conferences requested the EU to not only address supply chains but also forest protection and biodiversity conservation needs. Similarly, 95% of the respondents to the public consultation⁴⁷ considered support to forest policies, sustainable forest

climate change, development and biodiversity loss 26-27 May 2014 Summary report:

http://ec.europa.eu/environment/forests/pdf/conf_26_05_2014/summary.pdf;

⁴¹ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13a

⁴² European Commission Conference on The challenges of deforestation and forest degradation in the context of climate change, development and biodiversity loss 26-27 May 2014 Summary report:

http://ec.europa.eu/environment/forests/pdf/conf_26_05_2014/summary.pdf;

⁴³ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report:

http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf;

European Commission Conference on The challenges of deforestation and forest degradation in the context of climate change, development and biodiversity loss 26-27 May 2014 Summary report:

http://ec.europa.eu/environment/forests/pdf/conf_26_05_2014/summary.pdf;

⁴⁴ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report:

http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf

⁴⁵ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report:

http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf;

European Commission Conference on The challenges of deforestation and forest degradation in the context of climate change, development and biodiversity loss 26-27 May 2014 Summary report:

http://ec.europa.eu/environment/forests/pdf/conf_26_05_2014/summary.pdf;

⁴⁶ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13a

⁴⁷ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13a

management, better protection, conservation and restoration of ecosystems as very important or important.

Priority 3: Strengthen multilateral and bilateral cooperation to halt deforestation and forest degradation

83% of the respondents to the public consultation⁴⁸ considered working in partnership with other key consumer countries to step up action as very important or important. Speakers at the 2017 conference also emphasised the importance of stronger partnerships between the public and private sector. These partnerships should ensure transparency and accountability and should help stimulate private sector actions. The important role of international organisations and certification bodies, in particular those with a focus on agricultural and forest commodities associated with deforestation and forest degradation, was also stressed by the participants⁴⁹.

82% of the respondents to the public consultation⁵⁰ supported working on an ambitious multilateral agreement that could focus on or integrate deforestation and forest degradation considerations into e.g. a Convention of the Parties. Several respondents also proposed to use the EU's environmental diplomacy to improve international cooperation and work towards an international treaty with binding targets, as well as promote measures to avoid deforestation in other multilateral agreements.

Free trade agreements were also mentioned as a tool to prevent trade in illegally sourced commodities. A majority of 95% of respondents to the public consultation⁵¹ considered the inclusion of deforestation and forest degradation measures in EU trade agreements signed with tropical countries as a very important or important action. Similarly, several participants at the conferences called on the EU to introduce forest-specific requirements in EU trade and investment agreements to underpin the EU's international commitments and to mainstream deforestation considerations throughout EU policies. Some experts also suggested to increase trade tariffs or to attach sustainability criteria to the import of commodities associated with deforestation and forest degradation, and some argued for a complete import ban on those commodities⁵². A number of respondents to the public consultation also proposed to make trade in these commodities conditional on rigorous forest protection measures.

Priority 4: Redirecting finance in support of more sustainable land-use practices

80% of all respondents to the public consultation⁵³ considered measures to increase of the sustainability, availability and access to finance (including to smallholders) as very important or important. Similarly, at the 2017 conference, it was stressed that besides the need to raise

⁴⁸ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13d

⁴⁹ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf

⁵⁰ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13d

⁵¹ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13e

⁵² European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf

⁵³ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13c

green finance, measures are also required to ensure that conventional investments do not have adverse impacts on deforestation and forest degradation⁵⁴.

89% of the respondents to the public consultation⁵⁵ rated the action to increase sustainability and transparency in financing of high deforestation and forest degradation risk sectors as very important or important. At the 2017 conference, participants highlighted that the financial sector has a key role to play in eradicating deforestation from its activities but that it needed technical and regulatory support. It was suggested that the EU could help to identify and map financial sector actors and mechanisms, and set up a regulatory framework for the disclosure of investments that risk contributing to deforestation⁵⁶. The latter was supported by 87% of all respondents⁵⁷ who considered measures to improve the disclosure of information on deforestation proofing in financial investments to be very important or important.

A large majority of 93% of all respondents⁵⁸ considered actions to ensure that the EU or the European Investment Bank do not, even indirectly, finance projects contributing to deforestation as very important or important. Participants at the 2017 conference also suggested that the European Investment Bank could provide investments needed to reduce deforestation and assist in unlocking private sector finance⁵⁹.

Finally, participants at the 2017 conference suggested the EU could provide guidelines for the financial industry to apply in their investments, offering clarity and a level playing field⁶⁰. Respondents to the public consultation proposed mandatory transparent and verifiable forest-risk and human rights-risk due diligence obligations for EU financiers and investors participating in forest risk sectors. The option of de-investing in forest-risk activities was also discussed at the 2017 conference⁶¹.

Priority 5: Support research and innovation, availability, quality and access to information on forests and commodity supply chains

More than 80% of respondents to the public consultation⁶² considered the promotion of research and innovation activities, and knowledge sharing as a very important or important action. Respondents also called for more - international - collaboration among research and training bodies to increase understanding and awareness of the problem and to find solutions together.

In addition, respondents requested the EU to establish clear indicators on how to monitor the implementation of international commitments, including its impact abroad. 93% of all

⁵⁴ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf

⁵⁵ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13c

⁵⁶ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf

⁵⁷ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13c

⁵⁸ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13c

⁵⁹ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf

⁶⁰ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf

⁶¹ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf

⁶² Public consultation on stepping up EU action against deforestation and forest degradation: Question 13a

respondents⁶³ ranked the strengthening of forest monitoring and improvement of transparency and traceability in the supply chain as a very important or important action. Respondents emphasised that traceability is key and proposed legislation on transparency. At the conferences, it was argued that if certification systems are given recognition, they should include more robust auditing and monitoring system, and effective complaints mechanisms⁶⁴.

Many stakeholders suggested to develop a large-scale transparent and verifiable forest monitoring and reporting system to help business restructure their supply chains to avoid deforestation and forest degradation and sourcing in areas subject to a high risk of deforestation⁶⁵.

⁶³ Public consultation on stepping up EU action against deforestation and forest degradation: Question 13a

⁶⁴ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf;
European Commission Conference on The challenges of deforestation and forest degradation in the context of climate change, development and biodiversity loss 26-27 May 2014 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_26_05_2014/summary.pdf;

⁶⁵ European Commission Conference on Illegal Logging and Deforestation 21-23 June 2017 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_21_06_2017/TDIL_FINAL_REPORT_DEF_PART.pdf;
European Commission Conference on The challenges of deforestation and forest degradation in the context of climate change, development and biodiversity loss 26-27 May 2014 Summary report: http://ec.europa.eu/environment/forests/pdf/conf_26_05_2014/summary.pdf;