European Parliament





Plenary sitting

A8-0249/2018

4.7.2018

REPORT

on transparent and accountable management of natural resources in developing countries: the case of forests (2018/2003(INI))

Committee on Development

Rapporteur: Heidi Hautala

Rapporteur for the opinion (*): Kateřina Konečná, Committee on Environment, Public Health and Food Safety

(*) Associated committee – Rule 54 of the Rules of Procedure

RR\1158251EN.docx PE619.397v02-00

PR_INI

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION	3
OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH A FOOD SAFETY	
OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE	32
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE	39
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE	40

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on transparent and accountable management of natural resources in developing countries: the case of forests (2018/2003(INI))

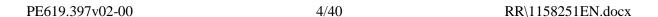
The European Parliament,

- having regard to the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan (September 2001) and the FLEGT Voluntary Partnership Agreements (VPAs) with third countries.
- having regard to the Treaty on the Functioning of the European Union (TFEU) and Article 208 thereof,
- having regard to 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 (the EU Timber Regulation)¹,
- having regard to the 2011 Busan Partnership for Effective Development,
- having regard to the 2015-2030 United Nations Sustainable Development Goals (SDGs),
- having regard to the Paris Agreement reached at the 21st Conference of Parties of the United Nations Framework Convention on Climate Change (COP21),
- having regard to the final report of the Commission study entitled 'The impact of EU consumption on deforestation: Comprehensive analysis of the impact of EU consumption on deforestation' (2013),
- having regard to the draft feasibility study on options to step up EU action against deforestation, commissioned by the Commission's Directorate General for Environment (2017).
- having regard to the Commission's communication of 17 October 2008 entitled 'Addressing the challenges of deforestation and forest degradation to tackle climate change and biodiversity loss' (COM(2008)0645),
- having regard to the Consumer Goods Forum of 2010, a global industry network of retailers, manufacturers and service providers, which adopted a target of achieving zero net deforestation in its membership's supply chains by 2020,
- having regard to the 2011 Bonn Challenge, which is a global effort to bring 150 million hectares of the world's deforested and degraded land into restoration by 2020, and 350 million hectares by 2030,
- having regard to the Tropical Forest Alliance 2020,

_

¹ OJ L 295, 12.11.2010, p. 23.

- having regard to the New York Declaration on Forests and Action Agenda of 2014,
- having regard to the 2016 Council conclusions on forest law enforcement, governance and trade,
- having regard to the Amsterdam Declaration 'Towards Eliminating Deforestation from Agricultural Commodity Chains with European Countries' of December 2015,
- having regard to the Commission's Trade for All strategy (2015),
- having regard to the UN's Programme on Reducing Emissions from Deforestation and Forest Degradation (REDD+) mechanism,
- having regard to the UN Strategic Plan for Forests 2017-2030 (UNSPF), which defines six Global Forest Goals and 26 associated targets to be achieved by 2030,
- having regard to the UN Convention to Combat Desertification, adopted on 17 June 1994,
- having regard to the development by the United Nations Development Programme (UNDP) of national sustainable commodity platforms,
- having regard to the Bilateral Cooperation Mechanism on Forest Law Enforcement and Governance (BCM-FLEG) with China (2009),
- having regard to the International Covenant on Civil and Political Rights of 1966,
- having regard to the International Covenant on Economic, Social and Cultural Rights of 1966,
- having regard to the American Convention on Human Rights of 1969,
- having regard to the African Charter on Human and Peoples' Rights of 1987,
- having regard to the International Labour Organisation (ILO) Convention No169 on Indigenous and Tribal Peoples of 1989,
- having regard to the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) of 2007,
- having regard to the 2012 Voluntary Guidelines on the Governance of Tenure (VGGT) of the Food and Agriculture Organisation of the United Nations (FAO),
- having regard to the FAO's 2014 Principles on Responsible Investment in Agriculture and Food Systems,
- having regard to the most recent Planetary Boundaries report,
- having regard to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) of 1973,



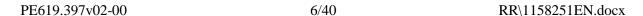
- having regard to the Convention on Biological Diversity of 1992 and the associated Cartagena Protocol on Biosafety of 2000 and Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilisation of 2010,
- having regard to the final report of the High-Level Expert Group on Sustainable Finance.
- having regard to the Guiding Principles on Business and Human Rights, endorsed by the UN Human Rights Council in 2011, as well as to the OECD's Guidelines on Multinational Enterprises, updated in 2011,
- having regard to its resolution of 4 April 2017 on palm oil and deforestation of rainforests¹,
- having regard to its resolution of 25 October 2016 on corporate liability for serious human rights abuses in third countries²,
- having regard to the statement from civil society representatives on the EU's Role in Protecting Forests and Rights of April 2018,
- having regard to the United Nations Office on Drugs and Crime (UNODC) Global Programme for Combating Wildlife and Forest Crime,
- having regard to its resolution of 12 September 2017 on the impact of international trade and the EU's trade policies on global value chains³,
- having regard to Rule 52 of its Rules of Procedure,
- having regard to the report of the Committee on Development and the opinions of the Committee on the Environment, Public Health and Food Safety and the Committee on International Trade (A8-0249/2018),
- A. whereas biologically diverse forests contribute substantially to climate change mitigation and adaptation and to conserving biodiversity;
- B. whereas 300 million people live in forests and 1.6 billion people rely directly on forests for their livelihood, including more than 2 000 indigenous groups; whereas forests play a key role in the development of local economies; whereas forests are home to an estimated 80 % of all terrestrial species and constitute, therefore, an important reservoir of biodiversity; whereas, according to the FAO, around 13 million hectares of forest are lost each year;
- C. whereas deforestation and forest degradation occur for the most part in the southern hemisphere and tropical forests;
- D. whereas forests prevent land degradation and desertification and thereby reduce the risk

¹ Texts adopted, P8_TA(2017)0098.

² OJ C 215, 19.6.2018, p.125.

³ Texts adopted, P8_TA(2017)0330.

- of floods, landslides and drought;
- E. whereas forests are vital for sustainable agriculture and improve food security and nutrition;
- F. whereas forests also provide essential ecosystem services that support sustainable agriculture by regulating water flows, stabilising soils, maintaining soil fertility, regulating the climate, and providing a viable habitat for wild pollinators and predators of agricultural pests;
- G. whereas forest products account for 1 % of the world's GDP;
- H. whereas forest restoration is one of the strategies vital to limiting global warming to 1.5 degrees; whereas all governments should accept their responsibilities and take measures to reduce the costs of greenhouse gas emissions in their own country;
- I. whereas deforestation and forest degradation is the second leading human cause of carbon emissions and accounts for nearly 20 % of global greenhouse gas emissions;
- J. whereas wood fuel is still the most important forest product in developing countries and the most important energy source in many African and Asian countries; whereas in sub-Saharan Africa, four out of five people still use wood for cooking;
- K. whereas primary forests are rich in biodiversity and store 30 to 70 percent more carbon than logged or degraded forests;
- L. whereas clear, consistent and up-to-date information on forest cover is crucial for effective monitoring and law enforcement;
- M. whereas while FLEGT-VPAs have proved valuable in helping to improve forest governance, they still have many flaws;
- N. whereas FLEGT-VPAs focus on industrial logging, while the vast majority of illegal logging stems from artisanal logging and timber from farms;
- O. whereas FLEGT-VPAs have too narrow a definition of 'legality', sometimes leaving aside crucial issues related to land tenure and rights of local people;
- P. whereas FLEGT-VPAs, REDD + and certification have remained separate initiatives, which should be further coordinated;
- Q. whereas the implementation of FLEGT objectives depends heavily on major producing, processing and trading countries such as China, Russia, India, South Korea and Japan, and their commitment to fighting against illegal logging and trade in illegal timber products, and whereas bilateral political dialogues with these partners have produced limited results to date;
- R. whereas the aim of the EU Timber Regulation (EUTR) is to ensure that no illegal timber is placed on the EU market; whereas a 2016 review of the EUTR concluded that the implementation and enforcement of the regulation were incomplete; whereas a public consultation was launched at the start of this year on possible changes to the EUTR's





scope;

- S. whereas protected areas should be at the heart of any strategic approach to wildlife conservation; whereas they should act as secure and inclusive economic development poles, based on sustainable farming, energy, culture and tourism, and lead to the development of good governance;
- T. whereas public-private partnerships play an important role in the sustainable development of parks in sub-Saharan Africa, respecting the rights of forest communities;
- U. whereas corruption and weak institutions represent major obstacles to the protection and preservation of forests; whereas a 2016 joint report by the UN Environment Programme (UNEP) and INTERPOL¹ identifies forest crimes as being among the five most salient challenges to achieving the SDGs and states that illegal logging represents between 15 and 30 % of the global legal trade; whereas, according to the World Bank, affected countries lose an estimated USD 15 billion each year to illegal logging and timber trade;
- V. whereas forest crime can take several forms, namely illegal exploitation of high-value endangered wood species (CITES listed); illegal logging of timber for building material and furniture; illegal logging and laundering of wood through plantation and agricultural front companies to supply pulp for the paper industry and utilisation of the vastly unregulated wood fuel and charcoal trade to conceal illegal logging within and outside of protected areas;
- W. whereas urbanisation, misgovernance, large-scale deforestation for agriculture, mining and infrastructure development are causing severe human rights violations with devastating impacts on forest peoples and local communities, such as land grabbing, forced evictions, police harassment, arbitrary arrest and the criminalisation of community leaders, human rights defenders and activists;
- X. whereas the UN's Agenda 2030 sets the target of halting and reversing deforestation and forest degradation by 2020; whereas this commitment is reiterated in the Paris Climate Agreement and should not be deferred;
- Y. whereas SDG 15 explicitly mentions the need for good forestry management, while forests can play a role in helping to achieve many of the other SDGs;
- Z. whereas REDD+ has brought environmental and social benefits in many developing countries, from biodiversity conservation to rural development and the improvement of forest governance; whereas, however, it has been criticised for putting pressure on forest communities;
- AA. whereas there is a growing body of evidence that securing community tenure rights leads to reduced deforestation and more sustainable forest management;

-

¹ Nellemann, C. (Editor in Chief); Henriksen, R., Kreilhuber, A., Stewart, D., Kotsovou, M., Raxter, P., Mrema, E., and Barrat, S. (Eds),, *The Rise of Environmental Crime – A Growing Threat to Natural Resources, Peace, Development And Security, A UNEP-INTERPOL Rapid Response Assessment*, United Nations Environment Programme and RHIPTO Rapid Response, Norwegian Centre for Global Analyses, www.rhipto.org, 2016.

- AB. whereas agriculture accounts for 80 % of deforestation worldwide; whereas livestock farming and large industrial soy and palm oil plantations, in particular, are major drivers of deforestation, particularly in tropical countries, due to growing demand for these products in developed countries and emerging economies and the expansion of industrial agriculture worldwide; whereas a Commission study in 2013 found that EU-27 was the largest global net importer of embodied deforestation (between 1990 and 2008); whereas the EU therefore has a decisive role to play in combating deforestation and forest degradation, particularly with regard to its demand and its due diligence requirements in relation to agricultural commodities;
- AC. whereas soy expansion has led to social and environmental problems, such as soil erosion, water depletion, pesticide contamination and forced displacement of people; whereas indigenous communities have been among those most affected;
- AD. whereas the expansion of palm oil plantations has led to massive forest destruction and social conflicts that pit plantation companies against indigenous groups and local communities:
- AE. whereas in recent years, the private sector has shown a growing engagement towards forest protection and whereas over 400 companies have committed to eliminating deforestation from their products and supply chains in accordance with the New York Declaration on Forests, focusing in particular on commodities such as palm oil, soy, beef and timber; whereas public measures aimed at agricultural products nevertheless remain relatively rare;
- Recalls that the Agenda 2030 recognises that biologically diverse forests play a critical
 role in sustainable development as well as for the Paris agreement; reiterates that
 sustainable and inclusive forest management and responsible use of forest commodities
 constitute the most effective and cheapest natural system for carbon capture and
 storage;
- 2. Asks the EU to support the integration of forest and land governance objectives into the Nationally Determined Contributions of forested developing countries;
- 3. Recalls that the Paris Agreement requires all Parties to take action to conserve and enhance sinks, including forests;
- 4. Notes that 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°C¹;
- 5. Notes that deforestation is responsible for 11 % of global anthropogenic greenhouse gas emissions, more than all passenger cars combined;
- 6. Affirms the relevance of the type of forest management for the carbon balance in the

PE619.397v02-00 8/40 RR\1158251EN.docx

¹ Goodman, R.C. and Herold, M., Why Maintaining Tropical Forests is Essential and Urgent for Maintaining a Stable Climate, Working Paper 385, Centre for Global Development, Washington DC, 2014; McKinsey & Company, Pathways to a Low-Carbon Economy, 2009; McKinsey & Company, Pathways to a Low-Carbon Economy: Version 2 of the Global Greenhouse Gas Abatement Cost Curve, 2013.

tropics, as highlighted in recent papers¹, which indicated that subtler forms of degradation, and not only large-scale deforestation as previously thought, are likely to be a very significant source of carbon emissions, accounting for more than half of emissions;

- 7. Points out that reforestation, restoration of existing degraded forests and increasing tree cover on agricultural landscapes via agroforestry represent the only available sources of negative emissions with significant potential to contribute to the achievement of the Paris Agreement goals;
- 8. Recalls the Bonn Challenge², whose goal of restoring 350 million hectares of degraded and deforested land by 2030 could generate about USD 170 billion per year in net benefits from watershed protection, improved crop yields and forest products, and could sequester up to 1.7 gigatonnes of carbon dioxide equivalent annually;
- 9. Calls on the Commission to honour the EU's international commitments, inter alia those made within the framework of COP21, the UN Forum on Forests (UNFF), the UN Convention on Biological Diversity (UNCBD), the New York Declaration on Forests and SDG 15, in particular target 15.2, the aim of which is to promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally by 2020;
- 10. Recalls specifically that the Union has committed to the Aichi Targets of the Convention on Biological Diversity, requiring 17 % of all habitats to be conserved, 15 % of degraded ecosystems to be restored and forest loss to be brought close to zero, or at least halved, by 2020;
- 11. Notes that the aviation industry relies heavily on carbon offsets, including forests; stresses, however, that forest offsets face serious criticism, since they are difficult to measure and impossible to guarantee; believes that the International Civil Aviation Organisation (ICAO) should exclude forest offsets from the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) mechanism;
- 12. Underlines 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 and climate change; calls on the Commission to step up its efforts regarding the full and effective implementation of FLEGT-VPAs and to address deforestation holistically through a coherent policy frame, i.e. by ensuring effective recognition and respect of land tenure rights of forest-dependent communities, particularly in case of EU development funding, as well as in the screening process of the FLEGT-VPAs, and in such a way as to enable subsistence in local community forestry, while ensuring the conservation of ecosystems;
- 13. Calls on the Commission to produce a report every two years on the progress of the FLEGT Action Plan; stresses that this should include an assessment of VPA

_

¹ Baccini, A. et al., 'Tropical forests are a net carbon source based on aboveground measurements of gain and loss', *Science*, Vol. 358, Issue 6360, 2017, pp. 230-234.

² See https://www.iucn.org/theme/forests/our-work/forest-landscape-restoration/bonn-challenge

- implementation, scheduled deadlines, any difficulties encountered and measures taken or planned;
- 14. Notes that implementation of VPAs will have more chance of succeeding if it envisages more targeted support for vulnerable groups involved in managing timber resources (smallholders, micro, small and medium-sized enterprises (MSMEs), independent operators in the 'informal' sector); stresses the importance of ensuring that the certification processes respect the interests of the more vulnerable groups involved in forest management;
- 15. Underlines the importance of combating illegal trade in tropical timber; suggests to the Commission that future negotiations of FLEGT export licences for verified legal timber products exported to the EU take into consideration the experience with the Indonesian system, effective since November 2016; requests that the Commission carry out an autonomous impact assessment of the implementation of the Indonesian timber legality assurance system, which should be presented within an adequate period of time;
- 16. Calls on the Commission and Member States to address the risk of conflict timber, to ensure that it is defined as illegal through the VPA process; believes that the definition of legality of the Timber Legality Assurance System (TLAS) should be enlarged to include human rights, in particular community tenure rights, in all VPAs;
- 17. Calls on the Commission and Member States to use the proposed 'FLEGT structured dialogue' to undertake a proper assessment of corruption risks in the forest sector and develop measures to strengthen participation, transparency, accountability and integrity, as the elements of an anti-corruption strategy;
- 18. Calls for the EU to develop a green timber procurement policy to support the protection and restoration of forest ecosystems around the world;
- 19. Notes with concern that the forest sector is particularly vulnerable to poor governance, including corruption, fraud and organised crime, which enjoys a significant degree of impunity; deplores the fact that even in countries that have good forest laws, implementation is weak;
- 20. Acknowledges that forest crime, such as illegal logging, has been estimated to represent a value of USD 50-152 billion globally in 2016, up from 30-100 billion in 2014, and ranks number one in terms of revenue among environmental crimes; notes that illegal logging plays a substantial role in financing organised crime and thus significantly impoverishes governments, nations and local communities owing to uncollected revenues¹;
- 21. Is alarmed that human rights violations, land grabs and the seizure of indigenous land have intensified, driven by the expansion of infrastructure, monoculture plantations for food, fuel and fibre, logging, and carbon mitigation actions such as biofuels, natural gas

PE619.397v02-00

RR\1158251EN.docx

¹ Nellemann, C. (Editor in Chief); Henriksen, R., Kreilhuber, A., Stewart, D., Kotsovou, M., Raxter, P., Mrema, E., and Barrat, S. (Eds),, *The Rise of Environmental Crime – A Growing Threat to Natural Resources, Peace, Development And Security, A UNEP-INTERPOL Rapid Response Assessment*, United Nations Environment Programme and RHIPTO Rapid Response, Norwegian Centre for Global Analyses, www.rhipto.org, 2016.

or large-scale hydropower developments;

- 22. Notes with concern that around 300 000 Forest People (also referred to as 'pygmies' or 'batwas') in the Central African rainforest are faced with unprecedented pressures on their lands, forest resources and societies, as forests are logged, cleared for agriculture or turned into exclusive wildlife conservation areas;
- 23. Urges strongly that the Commission follow up on the points made in Parliament's resolution of 25 October 2016 on corporate liability for serious human rights abuses in third countries¹, including with reference to corporations operating in this field; urges the Commission in particular to set in motion the measures called for in this resolution in order to identify and punish those responsible, when such actions can be directly or indirectly ascribed to multinational corporations operating within the jurisdiction of a Member State;
- 24. Highlights that illegal logging causes loss of tax revenues for developing countries; deplores in particular the fact that offshore tax havens and tax avoidance schemes are being used to fund shell companies and subsidiaries of major pulp, logging and mining companies associated with deforestation, as confirmed by the Panama and Paradise Papers, in a context where the effects of unregulated financial globalisation may impact negatively on forest conservation and environmental sustainability; urges once more that the EU show strong political will and determination in combating tax avoidance and evasion, both domestically and with third countries;
- 25. Welcomes the publication of the long-awaited feasibility study on options to step up EU action against deforestation², commissioned by the Commission's Directorate-General for Environment; notes that this study focuses mainly on seven forest risk commodities, namely palm oil, soy, rubber, beef, maize, cocoa and coffee, and recognises that 'the EU is clearly part of the problem of global deforestation';
- 26. Urges the Commission 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 that includes 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; calls for this Action Plan to promote enhanced financial and technical assistance to producer countries with the specific aim of protecting, maintaining and restoring forests and critical ecosystems, and enhancing the livelihoods of forest-dependent communities;
- 27. Recalls that indigenous women and women farmers play a central role in protecting forest ecosystems; notes with concern, however, the absence of women's inclusion and empowerment in the natural resource management process; deplores the lack of forestry education; believes that gender equality in forestry education is a key point in the sustainable management of forests, which should be reflected in the EU Action Plan;
- 28. Notes the opening of the public consultation on the product scope of the Timber

¹ OJ C 215, 19.6.2018, p. 125.

² http://ec.europa.eu/environment/forests/pdf/feasibility_study_deforestation_kh0418199enn_main_report.pdf

Regulation; considers that the possibility of selecting an option in the questionnaire on reducing the scope to be covered by the regulation is not justified, given that illegal trade flourishes within the current scope of the regulation; further notes the favourable position of the European Confederation of the Woodworking Industries on extending the scope of the Timber Regulation to all wood products;

- 29. Notes that it was not possible to assess in the 2016 review of the EUTR (SWD(2016)0034) whether penalties laid down by Member States are effective, proportionate and dissuasive, as the number of sanctions applied so far has been very low; questions the application by some Member States of the criterion 'the national economic conditions' for set penalties, given the international aspect of the crime and the fact that it is ranked number one in environmental crimes in the world;
- 30. Calls on the Commission and the Member States to fully implement and enforce the EUTR, and for the EUTR to cover all products that are or may be made of wood, and that contain or may contain wood; emphasises the requirement to carry out adequate and effective checks, including on complex supply chains and imports from processing countries, and calls for robust and dissuasive sanctions for all economic players, given that this is an international crime generating the largest revenues among environmental crimes;
- 31. Notes that it was revealed that FLEGT export licences allow illegally sourced wood to be mixed with legal timber and that such wood could therefore potentially be exported to the EU as compliant with the EUTR¹;
- 32. Calls on the Commission to update the EUTR guidance to address conflict timber and recommend more detailed risk mitigation measures to strengthen enforcement, including requesting enhanced due diligence from operators importing from conflict-affected or high-risk areas, anti-bribery terms and conditions in contracts with suppliers, the implementation of anti-corruption compliance provisions, audited financial statements and anti-corruption audits;

Forest and land governance

- 33. Acknowledges the important work conducted under the UN Economic Commission for Europe (UNECE) and the UN Food and Agriculture Organisation (FAO) with regard to global sustainable forest management, which plays a key role in sustainable trade of forest products;
- 34. Calls on the EU to establish stronger cooperation and effective partnerships with major timber-consuming countries and international stakeholders, such as the UN, particularly the FAO, the Centre for International Forestry Research (CIFOR) and the World Bank's Programme on Forests (PROFOR), for a more effective reduction in the illegal logged

¹ The Environmental Investigation Agency (EIA) and the Indonesian Forest Monitoring Network's (Jaringan Pemantau Independen Kehutanan/JPIK) 2014 *Permitting Crime* report found that some TLAS-licensed companies are involved in 'timber laundering', mixing illegally sourced woods with legal timber. Today, these woods could potentially be exported to the EU as FLEGT-licensed timber. Available at: http://www.wri.org/blog/2018/01/indonesia-has-carrot-end-illegal-logging-now-it-needs-stick; primary source: https://eia-international.org/wp-content/uploads/Permitting-Crime.pdf

timber trade at global level and better forest governance in general;

- 35. Stresses that secondary forests, regenerating largely through natural processes after significant human or natural disturbance of primary forests, also provide, alongside primary forests, crucial ecosystem services, a livelihood for local populations and a source of timber; considers that as their survival is also threatened by illegal logging, any action addressing transparency and accountability of forest management should also target secondary and not only primary forests;
- 36. Stresses the need to encourage participatory and community 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:
- 37. Notes with concern that insecure community land tenure of forest peoples constitutes a key barrier to combatting deforestation;
- 38. Recalls that responsible governance of tenure of land and forests is essential to ensure social stability, sustainable use of the environment and responsible investment for sustainable development;
- 39. Notes the existence of models of community forestry/collective customary tenure, which can bring a number of benefits¹, including an increase in the forest area and in available water resources, a reduction in illegal logging by putting in place clear rules on timber access, and a robust forest monitoring system; proposes that more research and support be provided to help develop legal frameworks on community forestry;
- 40. Urges partner countries to recognise and protect the right of local forest-dependent communities, and of indigenous peoples, notably indigenous women, to customary ownership and control of their lands, territories and natural resources, as set out in international human rights instruments such as the International Covenant on Economic, Social and Cultural Rights, UNDRIP and in ILO Convention No 169; calls for the EU to support partner countries in this effort and in applying scrupulously the principle of free, prior and informed consent (FPIC) to large-scale land acquisitions;
- 41. Denounces the shrinking space for and the rising number of attacks on civil society's and local communities' freedom of expression with regard to forest governance;
- 42. Calls on the Commission to make the FAO VGGT binding for the External Investment Plan; stresses that compliance with VGGT requires the existence of effective independent monitoring and enforcement, including appropriate dispute resolution and grievance mechanisms; insists that standards on land tenure are included in project design, monitoring and annual reporting and become binding for all EU external action funded by official development assistance (ODA);
- 43. Urges the Commission and the Member States to establish, as an immediate step, an effective administrative complaints mechanism for victims of human rights violations

_

 $^{^1\} A\ case\ from\ Nepal\ presented\ by\ ClientEarth,\ available\ at\ https://www.clientearth.org/what-can-we-learn-from-community-forests-in-nepal/$

and other harmful impacts induced by ODA-funded activities in order to initiate investigation and reconciliation processes; points out that this mechanism should have standardised procedures, be of an administrative nature, and therefore be complementary to judicial mechanisms, and that EU Delegations could act as entry points;

- 44. Calls for the EU to adopt a rule on mandatory disclosure of information on deforestation that provides proof of financial investments linked to the production or processing of forest risk commodities;
- 45. Recalls that the Commission's report on the functioning of the Transparency Directive 2013/50/EU, which introduces a disclosure requirement for payments to governments by listed and large non-listed companies with activities in the extractive industry and involving logging of primary (natural and semi-natural) forests, should be submitted by 27 November 2018 to Parliament and the Council; further notes that this report should be accompanied by a legislative proposal; in light of a possible review, calls on the Commission to consider extending the obligation to other industry sectors affecting forests, and to forests other than primary forests;
- 46. Deplores that deficient local participation and lack of forest community agreements in land use zoning and concession allocation are common in many countries; takes the view that the TLAS should include procedural safeguards that empower communities, with the aim of reducing the likelihood of corrupt or inequitable allocation or transfers of land;
- 47. Stresses that transparency of data, better mapping, independent monitoring, auditing tools and information-sharing are essential to improving governance, international cooperation and facilitating compliance with zero-deforestation commitments; calls for the EU to step up financial and technical support to partner countries to achieve these ends and to help them develop the expertise necessary to improve local forest governance structures and accountability;

Responsible supply chains and financing

- 48. Notes 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;
- 49. Notes that more than half of the commodities produced and exported onto the global market are products of illegal deforestation; points out that, taking into account agriculture-related forest risk-commodities, it is estimated that 65 % of Brazil's and 9 % of Argentina's beef exports, 41 % of Brazil's, 5 % of Argentina's and 30 % of Paraguay's soy exports are likely to be linked to illegal deforestation; further notes that EU producers import significant amounts of feed and proteins from developing countries¹;
- 50. Highlights the key role of the private sector in achieving international forest targets,

¹ Forest Trends Report Series: Consumer Goods and Deforestation: An Analysis of the Extent and Nature of Illegality in Forest Conversion for Agriculture and Timber Plantations, 2014.



- including forest restoration; stresses, however, the need to ensure that global supply chains and financial flows only support legal, sustainable and deforestation-free production and do not result in human rights violations;
- 51. Welcomes the fact that major private sector actors (very often from the EU) have pledged to eliminate deforestation from their supply chains and investments; notes, however, that the EU must rise to the challenge and reinforce private sector efforts through policies and appropriate measures creating a common baseline for all companies and levelling the playing field; considers that this would boost pledges, generate trust and make companies more accountable for their commitments;
- 52. Recalls that the UN Guiding Principles on Business and Human Rights must be respected; 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 actively involved in this process;
- 53. Encourages corporations to take action to prevent corruption in their business practices, particularly those related to the allocation of land tenure rights, and to enlarge their external monitoring systems on labour standards to encompass broader deforestation-related commitments;
- 54. Calls for the EU to introduce mandatory requirements for the financial industry to undertake robust due diligence when assessing financial and non-financial environmental, social and governance risks; calls equally for the public disclosure of the due diligence process, through the annual reporting of investors by way of a minimum;
- 55. Calls for 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, based on lessons learned from the FLEGT Action Plan, the Timber Regulation, the Conflict Mineral Regulation, the Non-Financial Reporting Directive, legislation on illegal, unreported and unregulated fishing (IUU) and other EU initiatives to regulate supply chains;
- 56. This regulatory framework should
 - a) establish mandatory criteria for sustainable and deforestation-free products;
 - b) impose mandatory due diligence obligations on both upstream and downstream operators in forest-risk commodity supply chains;
 - c) enforce traceability of commodities and transparency throughout the supply chain;
 - d) require Member States' competent authorities to investigate and prosecute EU nationals or EU-based companies that benefit from illegal land conversion in producer countries;
 - e) comply with international human rights law, respect customary rights as set out in the VGGT and guarantee the FPIC of all potentially affected communities through the entire lifecycle of the product;

- 57. Calls for the EU to ensure that the measures put in place and the regulatory framework do not give rise to undue burdens on small and medium-sized producers or prevent their access to markets and international trade;
- 58. Calls equally for the EU to promote a similar binding regulatory framework at international level and to integrate forest diplomacy into its climate policy, with the aim of encouraging countries, which process and/or import significant quantities of tropical timber, such as China and Vietnam, to adopt effective legislation banning the import of illegally harvested timber and requiring operators to conduct due diligence (along similar lines to the EUTR); to this end, calls on the Commission to improve transparency in relation to the discussions and actions taken under the BCM-FLEGT with China;
- 59. Deplores the Democratic Republic of the Congo (DRC) Government's challenge to the moratorium on granting two Chinese companies new licences for logging in the DRC's tropical rain forests; calls for the moratorium to be maintained until the logging companies, the Government and local forest-dependent communities reach an agreement on protocols ensuring satisfactory environmental and societal management;
- 60. Calls for the EU to introduce cross-compliance criteria for animal feed in the common agricultural policy (CAP) reform with the objective of ensuring that public subsidies are granted for sustainable and deforestation-free foodstuffs, reducing imports of protein feed crops and livestock, while diversifying and enhancing domestic protein crop production and with the aim of eliminating the import of forest-risk commodities (e.g. soy, maize) from direct or indirect support in the future EU food and farming policy;
- 61. Stresses that the new CAP will have to be aligned with the EU's international commitments, including the 2030 Agenda for Sustainable Development and the Paris Agreement on climate change;
- 62. Calls for the SDG indicators to be used to assess the CAP's external effects, as suggested by the OECD;
- 63. Recalls that Malaysia and Indonesia are the main producers of palm oil, with an estimated 85-90 % of global production, and that the growing demand for this commodity leads to deforestation, puts pressure on land use and has significant effects on local communities, health and climate change; stresses, in this context, that the negotiations for trade agreements with Indonesia and Malaysia should be used to improve the situation on the ground;
- 64. Regarding palm oil, acknowledges the positive contribution made by existing certification schemes, but observes with regret that Round Table on Sustainable Palm Oil (RSPO), Indonesian Sustainable Palm Oil (ISPO), Malaysia Sustainable Palm Oil (MSPO) and all other recognised major certification schemes do not effectively prohibit their members from converting rainforests or peatlands into palm plantations; considers, therefore, that these major certification schemes fail to effectively limit greenhouse gas emissions during the establishment and operation of the plantations, and have consequently been unable to prevent massive forest and peat fires; calls on the Commission to ensure that independent auditing and monitoring of these certification schemes is carried out, so as to guarantee that the palm oil placed on the EU market

PE619.397v02-00 RR\1158251EN.docx

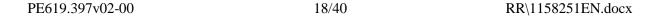
- complies with all necessary standards and is sustainable; notes that the issue of sustainability in the palm oil sector cannot be addressed by voluntary measures and policies alone, but that palm oil companies should also be subject to binding rules and a mandatory certification scheme;
- 65. Stresses the need to improve the reliability of voluntary certification schemes through labelling, with a view to guaranteeing that only palm oil free from deforestation, forest degradation, illegitimate appropriation of land and other human rights violations enters the EU market, in line with Parliament's resolution of 25 October 2016 on corporate liability for serious human rights abuses in third countries¹, and that schemes such as the RSPO include all end-uses of palm oil; stresses furthermore that consumers need to be better informed about the harmful effects of unsustainable palm oil production on the environment, the ultimate goal being to significantly reduce palm oil consumption;
- 66. Urges the Commission, and all Member States that have not yet done so, to work towards the establishment of an EU-wide commitment to source only certified sustainable palm oil by 2020 by, inter alia, signing and implementing the Amsterdam Declaration 'Towards Eliminating Deforestation from Agricultural Commodity Chains with European Countries', and to work towards the establishment of an industry commitment by, inter alia, signing and implementing the Amsterdam Declaration 'In Support of a Fully Sustainable Palm Oil Supply Chain by 2020';

Policy coherence for development

- 67. Recalls that SDGs can only be achieved if supply chains become sustainable and synergies are created between policies; is alarmed that the EU's high dependence on imports of animal feed in the form of soybeans causes deforestation abroad; is worried about the environmental impact of increasing imports of biomass and the rising demand for wood in Europe, notably to meet the EU renewable energy targets; calls on the EU to comply with the principle of policy coherence for development (PCD), as enshrined in Article 208 of the TFEU, as it constitutes a fundamental aspect of the EU's contribution to implementing Agenda 2030, the Paris Agreement and the European Consensus for Development; calls, therefore, for the EU to ensure consistency between its development, trade, agriculture, energy and climate policies;
- 68. Calls on the Commission to streamline and better coordinate its efforts in fighting illegal logging within the different EU policies and its services involved in the policies; calls on the Commission to negotiate timber import standards in future bilateral or multilateral trade-related agreements, in order to avoid undermining the successes achieved through the FLEGT Action Plan with timber-producing countries;
- 69. Recalls that 80 % of the forests are the traditional lands and territories of indigenous peoples and local communities; notes with concern that the UN Special Rapporteur on the rights of indigenous peoples has reported receiving an increasing number of allegations concerning situations where climate change mitigation projects have negatively affected the rights of indigenous peoples, notably renewable energy projects such as biofuel production and the construction of hydroelectric dams; stresses the need to secure land tenure rights for local forest communities, including customary rights;

¹ OJ C 215, 19.6.2018, p. 125.

- highlights results-based payments and REDD+ as an opportunity to enhance forest governance, land tenure rights and livelihoods;
- 70. Stresses the vital role of indigenous people in the sustainable management of natural resources and biodiversity conservation; recalls that the United Nations Framework Convention on Climate Change (UNFCCC) calls upon its state parties to respect the knowledge and rights of indigenous peoples as safeguards in implementing REDD+; urges partner countries to adopt measures to effectively engage indigenous peoples in climate change adaptation and mitigation measures;
- 71. Calls for the EU and its Member States to enhance synergies between FLEGT-VPA and REDD+;
- 72. Expresses deep concern over the expansion of large-scale industrial use of forests for energy through monoculture, which accelerates the global loss of biodiversity and the deterioration of ecosystems services;
- 73. Recalls that EU policy on biofuel should be consistent with the SDGs and the principle of PCD; reiterates that the EU should phase out all policy incentives for agrofuels by 2030 at the latest:
- 74. Deplores that the ongoing revision of the Renewable Energy Directive (RED II) does not introduce social sustainability criteria and other indirect land use consequences taking into account the risks of land-grabbing; recalls that the Directive should be consistent with international tenure rights standards, i.e. ILO Convention No 169 and FAO Voluntary Guidelines on Land Tenures and Principles for Responsible Investment in Agriculture and Food Systems; stresses equally the need to introduce more stringent criteria on forest biomass to avoid the promotion of bioenergy triggering deforestation abroad;
- 75. Notes the unequivocal body of evidence that the conversion of tropical forest to agriculture, plantations and other land uses causes a significant loss of species, and particularly of forest-specialist species; stresses the need to restore natural, biologically diverse forests as a means to combat climate change and to protect biodiversity, in line with the objectives of Agenda 2030, particularly Goal 15; believes that forest restoration programmes should recognise local customary land rights, be inclusive and tailored to local conditions and promote nature-based solutions such as forest landscape restoration (FLR) to balance land uses, including protected areas, agroforestry, farming systems, small-scale plantations and human settlements; calls on the Commission and the Member States to ensure that the impact of EU consumption on deforestation abroad is addressed in light of the objectives set by the EU Biodiversity Strategy to 2020;
- 76. Calls on the EU to support initiatives by forest-rich developing countries aimed at counterbalancing the unfettered expansion of agricultural practices and mining activities which have had an adverse impact on the management of forests and on the livelihood and cultural integrity of indigenous peoples, and detrimental consequences for social stability and the food sovereignty of farmers;
- 77. Reiterates that sustainable wood value chains, sourced from sustainably managed forests, including sustainable forest plantations and family tree farming, can deliver





important contributions to achievement of the SDGs and climate change commitments; insists, in a context where forest degradation or disturbance accounts for 68.9 per cent of overall losses of carbon in tropical ecosystems ¹, that no public funding originating from climate finance and development funding should be used to support the expansion of agriculture, industrial scale logging, mining, resource extraction, or infrastructure development into intact forest landscapes, while finance from public funding more generally should be subject to robust sustainability criteria; further calls for the EU and its Member States to coordinate donor policies in this respect²;

78. Considers that efforts to halt deforestation must include aid and support for the most effective use of existing croplands, to be applied in conjunction with a smart village approach; recognises that agro-ecological practices have a strong potential to maximise ecosystem functions and resilience via mixed high-diversity planting, agroforestry and permaculture techniques relevant also for crops such as palm oil, cocoa or rubber, and also deliver excess benefits in terms of social outcomes, diversification of production and productivity, without resorting to further forest conversion;

Forest criminality

- 79. Notes that, according to UNEP and INTERPOL, illegal logging and trade in timber are one of the five most important sectors of environmental criminality, with transnational organised crime groups playing an ever greater role;
- 80. Stresses that combating illegal international trade requires concerted and inclusive action to stop the destruction, deforestation, illegal logging and combat the fraud, the slaughter and the demand for forest commodities and wildlife; calls for an international police force to be set up to keep protected areas safe;
- 81. Underlines that forest crime, from unregulated or illegal burning of charcoal to large-scale corporate crimes involving timber, paper and pulp, have a major impact on global climate emissions, water reserves, desertification and rainfall patterns;
- 82. Notes with concern that, according to UNEP and INTERPOL, legislation tackling environmental crime is deemed to be inadequate in many countries, due among other things to lack of expertise and personnel, low fines or absence of criminal sanctions, etc., which constitute obstacles to the effective fight against these crimes;
- 83. Stresses the importance of deploying truly dissuasive and effective penalties in producer countries to combat illegal logging and trade in timber;
- 84. Calls on the Commission to widen the scope of Directive 2008/99/EC on the protection of the environment through criminal law³ to include illegal timber logging;
- 85. Encourages the EU to provide assistance in strengthening surveillance of deforestation

¹ Baccini, A. et al., 'Tropical forests are a net carbon source based on aboveground measurements of gain and loss', *Science*, Vol. 358, Issue 6360, 2017, pp. 230-234,

http://science.sciencemag.org/content/early/2017/09/27/science.aam5962

² Baccini, A. et al., op. cit.

³ OJ L 328, 6.12.2008, p. 28.

and illegal activities;

- 86. Stresses the need to address the root causes of environmental crime, such as poverty, corruption and poor governance, through an integrated and holistic approach, encouraging financial cross-border cooperation and employing all relevant instruments for combating international organised crime, including the seizure and confiscation of criminal assets and action against money laundering;
- 87. Stresses the need to strengthen domestic legal frameworks, support the setting up of national law enforcement networks and upgrade the implementation and enforcement of international law of relevance to the promotion of transparent and accountable forest management, inter alia through exchange of best practices, stringent information disclosure, robust sustainability impact assessments and monitoring and reporting systems, taking into account the need to protect forest guards; calls for enhanced cross-sectoral and cross-agency collaboration both at national and international levels, particularly with INTERPOL and UNODC, including intelligence sharing and judicial cooperation and the enlargement of the scope of the jurisdiction of the International Criminal Court (ICC) to cover environmental crime;
- 88. Recalls that greater access to customs data on imports entering the EU would increase global value chain transparency and accountability; calls on the Commission to extend customs data requirements and include the exporter and the manufacturer as mandatory customs data elements, thereby enhancing the transparency and traceability of global value chains;

Trade Issues

- 89. Emphasises that Union trade negotiations must be in line with Union commitments to take action to reduce deforestation and forest degradation and to enhance forest carbon stocks in developing countries;
- 90. Emphasises the need to expand and reinforce the arrangements for preventing, monitoring and verifying environmental and human rights impacts of EU bilateral and multilateral free trade and investment agreements (FTAs), including via verifiable indicators and independent community-based monitoring and reporting initiatives;
- 91. Urges the EU to always include in its trade and sustainable development (TSD) 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, and to consider, among various enforcement methods, a sanctions-based mechanism and provisions to guarantee the right to property, prior consultation and informed consent; calls on the Commission to include such provisions in already concluded FTAs through the revision clause, particularly the commitment to effectively implement the Paris Agreement on Climate Change; stresses the importance of monitoring these provisions and the need to start government consultation procedures without delay in the event that trade partners disrespect these rules, and to trigger existing enforcement mechanisms such as the dispute resolution mechanisms established within the framework of TSD chapters;
- 92. Calls on the Commission to include ambitious forest-specific provisions in all EU trade

- and investment agreements; stresses that these provisions should be binding and enforceable through effective monitoring and sanctions mechanisms that allow individuals and communities, outside or within the EU, to seek redress;
- 93. Stresses that corruption linked to illegal logging should be addressed in EU trade policy; urges the Commission to include in its FTAs illegal logging-related anti-corruption provisions that are enforceable and which must be effectively and fully implemented;
- 94. Urges the Commission to include illegal forest practices, such as underpricing of wood in concessions, harvesting of protected trees by commercial corporations, smuggling of forest products across borders, illegal logging and processing forest raw materials without a licence, within the scope of enforceable anti-corruption provisions in FTAs;
- 95. Notes that the generalised Scheme of Preferences (GSP) Regulation still has limited scope for the protection and accountable management of forestry resources; calls on the Commission to ensure that forest-relevant conventions covered by the GSP and GSP+ schemes are properly monitored, including by civil society organisations, so as to guarantee the protection of forests in partner countries, including the possibility of setting up a complaint mechanism to ensure that interested parties' complaints are duly considered; stresses that this mechanism must give special consideration to the rights of indigenous peoples, forest-dependent communities, and the rights granted under ILO Convention C169 on Indigenous and Tribal Peoples where applicable;
- 96. Recalls the importance of adequate access to justice, legal remedies and effective protection for whistleblowers in natural resources exporting countries in order to ensure the efficiency of any legislation or initiative;

O

97. Instructs its President to forward this resolution to the Council and the Commission.

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Committee on Development

on transparent and accountable management of natural resources in developing countries: the case of forests (2018/2003(INI))

Rapporteur for opinion (*):Kateřina Konečná

(*) Associated committee – Rule 54 of the Rules of Procedure

SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- 1. Notes that deforestation and forest degradation are the second leading cause of global warming and are responsible for about 15 % of global greenhouse gas emissions¹; emphasises the importance of taking the right policy approaches for the integral and sustainable management of forests in order to deliver both carbon and non-carbon benefits;
- 2. Recalls that the Paris Agreement requires all Parties to take action to conserve and enhance sinks, including forests;
- 3. Notes that 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°C²;
- 4. Notes that deforestation is responsible for 11 % of global anthropogenic greenhouse gas emissions, more than all passenger cars combined;

FN

¹ https://www.forestcarbonpartnership.org/what-redd

² Goodman, R.C. and Herold, M., Why Maintaining Tropical Forests is Essential and Urgent for Maintaining a Stable Climate (November 2014), Working Paper 385, Centre for Global Development. McKinsey & Company, Pathways to a low-carbon economy (2009). McKinsey & Company, Pathways to a low-carbon economy: Version 2 of the global greenhouse gas abatement cost curve (2013).

- 5. Affirms the relevance of the type of forest management for the carbon balance in the tropics, as highlighted in recent papers¹, which indicated that subtler forms of degradation, and not only large-scale deforestation as previously thought, are likely to be a very significant source of carbon emissions, accounting for more than half of emissions;
- 6. Points out that reforestation, restoration of existing degraded forests and increasing tree cover on agricultural landscapes via agroforestry represent the only available sources of negative emissions with significant potential to contribute to the achievement of the Paris Agreement goals;
- 7. Acknowledges that forest crime, such as illegal logging, has been estimated² to represent a value of USD 50-152 billion in 2016, up from 30-100 billion in 2014, and is ranked number one in terms of revenues among environmental crimes globally; notes that it has a major role in financing organised crime and that it significantly impoverishes governments, nations and local communities due to uncollected revenues;
- 8. Recalls the Bonn Challenge³, whose goal of restoring 350 million hectares of degraded and deforested land by 2030 could generate about USD 170 billion per year in net benefits from watershed protection, improved crop yields and forest products, and could sequester up to 1.7 gigatonnes of carbon dioxide equivalent annually;
- 9. Notes that forests are not only an essential source of timber, food and fibres, but they are also home to 80 % of the world's terrestrial biodiversity, are a major provider of various ecosystem services and play a significant role in the global carbon cycle;
- 10. Stresses that secondary forests, regenerating largely through natural processes after significant human or natural disturbance of primary forests, also provide, alongside primary forests, crucial ecosystem services, a livelihood for local populations and a source of timber; considers that as their survival is also threatened by illegal logging, any action addressing transparency and accountability of forest management should also target secondary and not only primary forests;
- 11. Notes that it is well established and uncontested that the conversion of tropical forest to agriculture, plantations and other land uses causes a significant loss of species, particularly forest specialist species;
- 12. Calls on the Commission to honour the EU's international commitments, inter alia those made within the framework of COP21, the UN Forum on Forests (UNFF), the UN Convention on Biological Diversity (UNCBD), the New York Declaration on Forests and Sustainable Development Goal 15, in particular target 15.2, the aim of which is to promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally by 2020;
- 13. Recalls specifically that the Union has committed to the Aichi Targets of the

EN

¹ Baccini, A. et al., Tropical forests are a net carbon source based on aboveground measurements of gain and loss (2017)

² UNEP, The Rise of Environmental Crime report (2016).

³ See https://www.iucn.org/theme/forests/our-work/forest-landscape-restoration/bonn-challenge

- Convention on Biological Diversity, requiring 17 % of all habitats to be conserved, 15 % of degraded ecosystems to be restored and forest loss to be brought close to zero, or at least halved, by 2020;
- 14. Recalls in particular the Union's collective commitments under the New York Declaration on Forests to restore 150 million hectares of degraded landscapes and forestlands by 2020 and significantly increase the rate of global restoration thereafter, which would restore at least an additional 200 million hectares by 2030;
- 15. Welcomes the publication of the long-awaited feasibility study on options to step up EU action against deforestation¹, commissioned by the Commission's Directorate-General for Environment; notes that this study focuses mainly on seven forest risk commodities, namely palm oil, soy, rubber, beef, maize, cocoa and coffee, and recognises that 'the EU is clearly part of the problem of global deforestation';
- 16. Is fully aware of how complex the issue of deforestation is, and emphasises the importance of developing a global solution based on the collective responsibility of many actors; strongly recommends this principle for all those involved in the timber supply chain, including the EU and other international organisations, the Member States, financial institutions, the governments of producer countries, indigenous people and local communities, national and multinational businesses, consumer associations and NGOs; is convinced, moreover, that all of these actors must necessarily play a part by coordinating their efforts in order to resolve the many serious problems linked to deforestation;
- 17. Welcomes the fact that major private sector actors (very often from the EU) have pledged to eliminate deforestation from their supply chains and investments; notes, however, that the EU must rise to the challenge and reinforce private sector efforts through policies and appropriate measures creating a common baseline for all companies and levelling the playing field; considers that this would boost pledges, generate trust and make companies more accountable for their commitments;
- 18. Notes the opening of the public consultation on the product scope of the Timber Regulation; considers that the possibility of selecting an option in the questionnaire on reducing the scope to be covered by the regulation is not justified, given that illegal trade flourishes within the current scope of the regulation; further notes the favourable position of the European Confederation of the Woodworking Industries on extending the scope of the Timber Regulation to all wood products;
- 19. Notes that it was not possible to assess in the 2016 review of the EU Timber Regulation (SWD(2016)0034) whether penalties laid down by Member States are effective, proportionate and dissuasive, as the number of sanctions applied so far has been very low; questions the application by some Member States of the criterion 'the national economic conditions' for set penalties, given the international aspect of the crime and the fact that it is ranked number one in environmental crimes in the world;
- 20. Notes that it was revealed that Forest Law Enforcement, Governance and Trade (FLEGT) export licences allow illegally sourced wood to be mixed with legal timber

FN

¹ http://ec.europa.eu/environment/forests/pdf/feasibility_study_deforestation_kh0418199enn_main_report.pdf

- and that such wood could therefore potentially be exported to the EU as compliant with the EU Timber Regulation (EUTR) 1 ;
- Calls on the Commission to update the EUTR guidance to address conflict timber and recommend more detailed risk mitigation measures to strengthen enforcement, including requesting enhanced due diligence from operators importing from conflictaffected or high-risk areas, anti-bribery terms and conditions in contracts with suppliers, the implementation of anti-corruption compliance provisions, audited financial statements and anti-corruption audits;
- Calls on the Commission and the Member States to fully implement and enforce the 22. EUTR, and for the EUTR to cover all products that are or may be made of wood, and that contain or may contain wood; emphasises the requirement to carry out adequate and effective checks, including on complex supply chains and imports from processing countries, and calls for robust and dissuasive sanctions for all economic players, given that this is an international crime generating the largest revenues among environmental crimes:
- Notes the existence of models of community forestry/collective customary tenure, which can bring a number of benefits², including an increase in the forest area and in available water resources, a reduction in illegal logging by putting in place clear rules on timber access, and a robust forest monitoring system; proposes that more research and support be provided to help develop legal frameworks on community forestry;
- Stresses that recognition of peoples' tenure rights, for example via a constitution, is not necessarily applied in practice³, and that the EU should therefore carry out active screening to ensure that tenure rights are respected, for the purpose of Voluntary Partnership Agreements (VPAs) and for individual cases of EU development funding;
- Recalls that the Commission's report on the functioning of the Transparency Directive 2013/50/EU, which introduces a disclosure requirement for payments to governments by listed and large non-listed companies with activities in the extractive industry and involving logging of primary (natural and semi-natural) forests, should be submitted by 27 November 2018 to Parliament and the Council; further notes that this report should be accompanied by a legislative proposal; in light of a possible review, calls on the Commission to consider extending the obligation to other industry sectors affecting forests, and to forests other than primary forests;
- 26. Calls for the EU to maintain its commitment to step up ongoing negotiations on the

¹ The Environmental Investigation Agency's (EIA) and the Indonesian Forest Monitoring Network's (Jaringan Pemantau Independen Kehutanan/JPIK) 2014 Permitting Crime Report found that some TLAS-licensed companies are involved in 'timber laundering', mixing illegally sourced woods with legal timber. Today, these woods could potentially be exported to the EU as FLEGT-licensed timber. Available at http://www.wri.org/blog/2018/01/indonesia-has-carrot-end-illegal-logging-now-it-needs-stick, primary source https://eia-international.org/wp-content/uploads/Permitting-Crime.pdf

² A case from Nepal presented by ClientEarth, available at https://www.clientearth.org/what-can-we-learn-fromcommunity-forests-in-nepal/

³ A recent case (WaTER project financed by DG DEVCO) involved the violation of tenure rights of Kenya's Ogiek and Sengwer indigenous peoples, despite the recognition of their rights to land in the Constitution, particularly Article 63(2)(d) thereof, and in the 2016 Community Land Act.

FLEGT VPAs; stresses the need to ensure that logging concessions awarded corruptly or illegally are not legitimised through any agreement or legislation, that legislation and these agreements are in line with international law and commitments concerning environmental and biodiversity protection, human rights and sustainable development, that they bring about adequate measures for the conservation and sustainable management of forests, including the legal protection of the rights of local communities and indigenous peoples by recognising their tenure and customary rights, and that they address problems in the global trade in timber products, such as conflict timber and conversion timber:

- 27. Calls on the Commission and the Member States to coordinate donor policies and to ensure that development funding through these policies is not used to support the expansion of industrial-scale logging into intact tropical forests; calls for suspension of funding for any project where a substantiated claim of such logging exists, until such time as the claim is dismissed or corrective measures are applied;
- 28. Calls on the EU to support initiatives by forest-rich developing countries aimed at counterbalancing the unfettered expansion of agricultural practices and mining activities which have had an adverse impact on the management of forests and on the livelihood and cultural integrity of indigenous peoples, and detrimental consequences for social stability and the food sovereignty of farmers;
- 29. Notes that the FLEGT process should tackle the underlying causes of deforestation in producer countries, which include insecure land tenure, weak law enforcement and weak governance;
- 30. Calls for the EU, in its dialogue with forest-rich developing countries, to raise the need to introduce adequate compensation schemes and programmes for local communities who have been forcefully displaced and deprived of access to their customary land and resources, and in all situations where their free prior and informed consent (FPIC) was not obtained;
- 31. Calls for the EU to create, as a supplementary element of VPAs, follow-up legislation on such agreements along the lines of the EU Timber Regulation which includes both companies and financial institutions, and to review the functioning of existing VPAs in practice in order to ensure that the joint assessment on the country's timber legality assurance system functions as described in the VPA and that timber laundering can be excluded; notes with concern that while the EU to its credit has regulated the supply chains of timber, fish and conflict minerals, it has not yet regulated any forest risk agricultural commodity supply chains; urges the Commission and the Member States to step up their efforts to implement the Timber Regulation, in order to better gauge its effectiveness;
- 32. Calls on the Commission and the Member States to develop a process that is triggered when conflict breaks out in a VPA partner country, including appointment of an independent panel to conduct an assessment of the risk of conflict timber and the need for VPA suspension at all stages of negotiations where there is evidence that timber trade revenues are fuelling conflict;
- 33. Calls on the Commission to ensure the coherence of and to boost synergies between the

common agricultural policy (CAP) and other EU policies, and to ensure that they are conducted in a manner consistent with programmes aimed at combating deforestation in developing countries, including REDD+; calls on the Commission to ensure that the import of forest risk commodities is eliminated from direct or indirect support of the future EU food and farming policy; calls on the Commission to encourage, where practical, an increase in the practice of agroforestry and reforestation; calls on the Commission and the Member States to ensure that the environmental problems relating to deforestation are also addressed in the light of the objectives set by the EU Biodiversity Strategy to 2020, which should be an integral part of the Union's external action in this area;

- 34. Considers that mapping, including by means of satellite and geospatial technologies, is crucial to ensure transparency and accountability in the management of forests and to put in place targeted strategies for forestation, reforestation and the creation of ecological corridors; calls, therefore, on the Commission and the Member States to provide technical and financial assistance to forest-rich developing countries in order to support the thorough mapping of their forests, also by backing projects on collaborative mapping run jointly by NGOs, forestry organisations, scientists and local experts;
- 35. Notes that more than half of the commodities produced and exported into the global market are products of illegal deforestation¹, and that more than 80 % of all deforestation is driven by agricultural expansion, both commercial and subsistence²; further notes that the EU's imports of feed and proteins (e.g. soy), owing to high levels of consumption of meat as confirmed by a recent study, its imports of cocoa and palm oil, the flow of finance to sectors driving deforestation and forest degradation, its biofuel consumption and the growing demand for forest biomass and timber, including for energy, are significant drivers of deforestation and forest degradation³;
- 36. Calls for the EU to establish a binding regulatory framework to ensure that all agricultural commodity importers' supply chains are traceable back to the origin of the raw material; notes that new technologies, e.g. blockchain technology, can be used to track the origin of commodities, and stresses that this could be used in practice to increase transparency around the origin of different commodities and virtually remove forest degradation and deforestation from the supply chains;
- 37. Calls on the Commission to develop a certification scheme for sustainably produced, deforestation-free products entering the EU market;
- 38. Regarding palm oil, acknowledges the positive contribution made by existing certification schemes, but observes with regret that RSPO, ISPO, MSPO and all other recognised major certification schemes do not effectively prohibit their members from converting rainforests or peatlands into palm plantations; considers, therefore, that these

-

¹ Forest Trends Report Series, 2014: Consumer Goods and Deforestation: An Analysis of the Extent and Nature of Illegality in Forest Conversion for Agriculture and Timber Plantations https://www.forest-trends.org/wp-content/uploads/2014/09/doc_4718.pdf

² Tackling deforestation and forest degradation: a case for EU action in 2017 https://www.greenpeace.org/eu-unit/Global/eu-unit/reports-briefings/2017/170620%20-

^{%20}A%20case%20for%20EU%20action%20in%202017.pdf

³ Feasibility study on options to step up EU action against deforestation (European Commission) http://ec.europa.eu/environment/forests/pdf/feasibility_study_deforestation_kh0418199enn_main_report.pdf

major certification schemes fail to effectively limit greenhouse gas emissions during the establishment and operation of the plantations, and have consequently been unable to prevent massive forest and peat fires; calls on the Commission to ensure that independent auditing and monitoring of these certification schemes is carried out, so as to guarantee that the palm oil placed on the EU market complies with all necessary standards and is sustainable; notes that the issue of sustainability in the palm oil sector cannot be addressed by voluntary measures and policies alone, but that palm oil companies should also be subject to binding rules and a mandatory certification scheme;

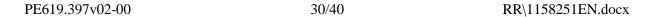
- 39. Recalls its resolution of 4 April 2017 on palm oil and deforestation of rainforests¹, including the recognition that 73 % of global deforestation arises from the clearing of land for agricultural commodities, with 40 % of global deforestation caused by conversion to large-scale monocultural oil palm plantations, and that the EU is a major importer of products resulting from deforestation; also recalls its amendments to the Renewables Directive phasing out the incentives for use of palm oil in transport fuels by 2021;
- 40. Calls on the Commission to follow up on its aforementioned resolution on palm oil and deforestation of rainforests, introducing sustainability criteria for palm oil and products containing it that are entering the EU market, and a unique certification scheme, and improving the traceability of imported palm oil;
- 41. Urges the Commission, and all Member States that have not yet done so, to work towards the establishment of an EU-wide commitment to source only certified sustainable palm oil by 2020 by, inter alia, signing and implementing the Amsterdam Declaration 'Towards Eliminating Deforestation from Agricultural Commodity Chains with European Countries', and to work towards the establishment of an industry commitment by, inter alia, signing and implementing the Amsterdam Declaration 'In Support of a Fully Sustainable Palm Oil Supply Chain by 2020';
- 42. Considers that efforts to halt deforestation must include aid and support for the most effective use of existing croplands, to be applied in conjunction with a smart village approach; recognises that agro-ecological practices have a strong potential to maximise ecosystem functions and resilience via mixed high-diversity planting, agroforestry and permaculture techniques relevant also for crops such as oil palm, cocoa or rubber, and also deliver excess benefits in terms of social outcomes, diversification of production and productivity, without resorting to further forest conversion;
- 43. Calls on the EU to ensure that the measures put in place and the regulatory framework do not give rise to undue burdens on small and medium-sized producers or prevent their access to markets and international trade;
- 44. Calls on the Commission to show political will and leadership by committing to deliver, as soon as possible and before the end of the current Commission's mandate, an ambitious EU action plan on deforestation and forest degradation, which would include concrete regulatory measures to ensure that no supply chains or financial transactions linked to the EU result in deforestation, forest degradation or human rights violations in

¹ Texts adopted, P8 TA(2017)0098.

- developing countries;
- 45. Calls for such legislative action to include mandatory due diligence requirements on the chain of operators using forest risk commodities and obligations on financial institutions to take action to eliminate the risk of deforestation resulting from financial investments;
- 46. Emphasises that Union trade negotiations must be in line with Union commitments to take action to reduce deforestation and forest degradation and to enhance forest carbon stocks in developing countries;
- 47. Calls on the Commission and the Member States to make full use of existing diplomatic and institutional processes and dialogues to encourage countries which process and/or import significant quantities of tropical timber, in particular where those timber products are then exported to the EU, such as China and Vietnam, to adopt effective legislation banning the importation of illegally harvested timber and requiring operators to conduct due diligence comparable to the EU Timber Regulation.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	17.5.2018
Result of final vote	+: 53 -: 1 0: 3
Members present for the final vote	Pilar Ayuso, Zoltán Balczó, Ivo Belet, Biljana Borzan, Paul Brannen, Soledad Cabezón Ruiz, Nessa Childers, Birgit Collin-Langen, Miriam Dalli, Seb Dance, Stefan Eck, José Inácio Faria, Karl-Heinz Florenz, Francesc Gambús, Elisabetta Gardini, Gerben-Jan Gerbrandy, Jens Gieseke, Sylvie Goddyn, Françoise Grossetête, Andrzej Grzyb, Jytte Guteland, György Hölvényi, Anneli Jäätteenmäki, Benedek Jávor, Urszula Krupa, Jo Leinen, Peter Liese, Lukas Mandl, Valentinas Mazuronis, Susanne Melior, Rory Palmer, Massimo Paolucci, Piernicola Pedicini, Bolesław G. Piecha, Pavel Poc, John Procter, Julia Reid, Annie Schreijer-Pierik, Davor Škrlec, Claudiu Ciprian Tănăsescu, Ivica Tolić, Nils Torvalds, Adina-Ioana Vălean, Damiano Zoffoli
Substitutes present for the final vote	Nikos Androulakis, Nicola Caputo, Esther Herranz García, Jan Huitema, Peter Jahr, Karol Karski, Ulrike Müller, Stanislav Polčák, Bart Staes, Tiemo Wölken
Substitutes under Rule 200(2) present for the final vote	John Flack, Jaromír Kohlíček, Miltiadis Kyrkos



FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

53	+
ALDE	Gerben-Jan Gerbrandy, Jan Huitema, Anneli Jäätteenmäki, Valentinas Mazuronis, Ulrike Müller, Nils Torvalds
ECR:	John Flack, John Procter
EFDD:	Piernicola Pedicini
ENF:	Sylvie Goddyn
GUE/NGL:	Stefan Eck, Jaromír Kohlíček
NI:	Zoltán Balczó
PPE:	Pilar Ayuso, Ivo Belet, Birgit Collin-Langen, José Inácio Faria, Karl-Heinz Florenz, Francesc Gambús, Elisabetta Gardini, Jens Gieseke, Françoise Grossetête, Andrzej Grzyb, Esther Herranz García, György Hölvényi, Peter Jahr, Peter Liese, Lukas Mandl, Stanislav Polčák, Annie Schreijer-Pierik, Ivica Tolić, Adina-Ioana Vălean
S&D:	Nikos Androulakis, Biljana Borzan, Paul Brannen, Soledad Cabezón Ruiz, Nicola Caputo, Nessa Childers, Miriam Dalli, Seb Dance, Jytte Guteland, Miltiadis Kyrkos, Jo Leinen, Susanne Melior, Rory Palmer, Massimo Paolucci, Pavel Poc, Claudiu Ciprian Tănăsescu, Tiemo Wölken, Damiano Zoffoli
VERTS/ALE:	Benedek Jávor, Davor Škrlec, Bart Staes

1	-
EFDD	Julia Reid

3	0
ECR	Karol Karski, Urszula Krupa, Bolesław G. Piecha

Key to symbols:

+ : in favour- : against0 : abstention

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Development

on transparent and accountable management of natural resources in developing countries: the case of forests (2018/2003(INI))

Rapporteur: Maria Arena

SUGGESTIONS

The Committee on International Trade calls on the Committee on Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- 1. Welcomes the progress made in FLEGT Voluntary Partnership Agreements (VPAs), particularly in terms of cohesion between civil society, industry and governments to reach common policy decisions; calls on the Commission to bring the ongoing negotiations to a successful outcome, to strengthen and speed up the implementation of the existing VPAs, to further prioritise the enforcement of national legislation and provide adequate assistance to support the necessary reform processes in the VPA exporting countries, and to address remaining challenges such as corruption, conflict timber, illegal deforestation, forest degradation, transparency, and the security of tenure for communities as a key principle of land governance; urges the Commission to encourage VPA countries to take into account the issues of deforestation, forest conversion and sustainable forest management when developing their timber legality assurance systems; adds that the FLEGT Action Plan should also take into consideration new geographical priority areas, both VPA and non-VPA;
- 2. Notes that implementation of VPAs will have more chance of succeeding if it envisages more targeted support for vulnerable groups involved in managing timber resources (smallholders, micro, small and medium-sized enterprises (MSMEs), independent operators in the 'informal' sector); stresses the importance of ensuring that the certification processes respect the interests of the more vulnerable groups involved in forest management;
- 3. Underlines the importance of combating illegal trade in tropical timber; suggests to the Commission that future negotiations of FLEGT export licences for verified legal timber





- products exported to the EU take into consideration the experience with the Indonesian system, effective since November 2016; requests that the Commission carry out an autonomous impact assessment of the implementation of the Indonesian timber legality assurance system, which should be presented within an adequate period of time;
- 4. Recalls that conflict timber is already an action area in the FLEGT Action Plan but that insufficient work has been done to address this issue; calls on the Commission to deliver on its commitment to extend the due diligence obligations provided by the EU Timber Regulation (EUTR) so as to cover conflict timber in the framework of the upcoming review;
- 5. Emphasises the need to further improve implementation and enforcement of the EUTR to best preserve sustainable trade in imported and domestically produced timber and timber products;
- 6. Acknowledges the important work conducted under the UN Economic Commission for Europe (UNECE) and the UN Food and Agriculture Organisation (FAO) with regard to global sustainable forest management, which plays a key role in sustainable trade of forest products;
- 7. Calls on the EU to establish stronger cooperation and effective partnerships with major timber-consuming countries and international stakeholders, such as the UN, particularly the FAO, the Centre for International Forestry Research (CIFOR) and the World Bank's Programme on Forests (PROFOR), for a more effective reduction in the illegal logged timber trade at global level and better forest governance in general;
- 8. Notes 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;
- 9. Recalls that forests are home to 300 million people and that close to 1.6 billion people rely on forest resources for their livelihoods, as a source of food, fuel for cooking and heating, medicines, shelter, clothing, employment and income; notes that forest resources also function as safety nets in crises or emergencies – when crops fail owing to prolonged drought, for example; considers that the EU should work continuously with its counterparts to ensure that the added value derived from forests is sustainable and in line with the UN Sustainable Development Goals;
- 10. Notes with concern that commercial export-oriented agriculture remains a major driver of global deforestation, since around 75 % of all deforestation now comes from the conversion of natural forests for agriculture¹, and that around half of all tropical deforestation since 2000 has been due to the illegal conversion of forests for commercial agriculture; notes that the EU is the largest importer of palm oil and soy exports from tropical forest countries and that, according to recent estimates, soy, beef, palm oil, coffee and cocoa have been responsible for close to 80 % of tropical deforestation worldwide, while the role of commercial export-oriented agriculture in driving deforestation has

¹ Evaluation of the EU FLEGT Action Plan (Forest Law Enforcement Governance and Trade) 2004-2014, April 2016, p. 92.

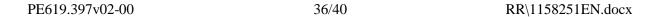
- increased in the 21st century¹; emphasises the need for a robust EU common agricultural policy, in order to reduce our dependence on imports in certain sectors;
- 11. Reiterates its call on the EU to develop an action plan on deforestation and forest degradation which would include concrete regulatory measures to ensure that no supply chains and financial transactions linked to the EU result in deforestation and forest degradation;
- 12. Notes with concern that deforestation is considered as one of the contributing factors to global climate change and recalls that 70 % of the world's plants and animals live in forests and are losing their habitats due to deforestation;
- 13. Notes that the EU has regulated the supply chains of timber, fish and conflict minerals, but not yet of forest-risk agricultural commodities; notes that, according to the recent feasibility study on options to step up EU action against deforestation, legislation regulating access to the EU market for forest-risk commodities would be the most effective demand-side measure to combat deforestation; urges the Commission to consider the possibility of developing an enforceable framework for due diligence obligations in the entire supply chain of these commodities, in such a way as to ensure legal certainty and based on sustainability or deforestation-free criteria, such as in relation to direct and indirect impacts on forests and other ecosystems, the treatment of workers and the rights of forest communities and indigenous peoples with regard to such issues as land grabbing;
- 14. Emphasises the need to expand and reinforce the arrangements for preventing, monitoring and verifying environmental and human rights impacts of EU bilateral and multilateral free trade and investment agreements (FTAs), including via verifiable indicators and independent community-based monitoring and reporting initiatives;
- 15. Recalls that Malaysia and Indonesia are the main producers of palm oil, with an estimated 85-90 % of global production, and that the growing demand for this commodity leads to deforestation, puts pressure on land use and has significant effects on local communities, health and climate change; stresses, in this context, that the negotiations for trade agreements with Indonesia and Malaysia should be used to improve the situation on the ground;
- 16. Urges the EU to always include in its trade and sustainable development (TSD) 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, and to consider, among various enforcement methods, a sanctions-based mechanism and provisions to guarantee the right to property, prior consultation and informed consent; calls on the Commission to include such provisions in already concluded FTAs through the revision clause, particularly the commitment to effectively implement the Paris Agreement on Climate Change; stresses the importance of monitoring these provisions and the need to start government consultation procedures without delay in the event that trade partners disrespect these rules, and to trigger existing enforcement mechanisms such as the dispute resolution mechanisms established within the framework of TSD chapters;

PE619.397v02-00

¹ http://ec.europa.eu/environment/forests/studies EUaction deforestation palm oil.htm

- 17. Recalls that the UN Guiding Principles on Business and Human Rights must be respected; 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 actively involved in this process;
- 18. Notes that the GSP Regulation still has limited scope for the protection and accountable management of forestry resources; calls on the Commission to ensure that forest-relevant conventions covered by the GSP and GSP+ schemes are properly monitored, including by civil society organisations, so as to guarantee the protection of forests in partner countries, including the possibility of setting up a complaint mechanism to ensure that interested parties' complaints are duly considered; stresses that this mechanism must give special consideration to the rights of indigenous peoples, forest-dependent communities, and the rights granted under ILO Convention C169 on Indigenous and Tribal Peoples where applicable;
- 19. Urges the Commission to include illegal forest practices, such as underpricing of wood in concessions, harvesting of protected trees by commercial corporations, smuggling of forest products across borders, illegal logging and processing forest raw materials without a licence, within the scope of enforceable anti-corruption provisions in FTAs;
- 20. Stresses that corruption linked to illegal logging should be addressed in the EU trade policy; urges the Commission to include in its FTAs illegal logging related anti-corruption provisions that are enforceable and which must be effectively and fully implemented;
- 21. Recalls the importance of adequate access to justice, legal remedies and effective protection for whistleblowers in natural resources exporting countries in order to ensure the efficiency of any legislation or initiative;
- 22. Calls for the EU to consider developing a transparent, functioning, effective and enforceable 'social and environmental traceability' labelling system throughout the production chain of timber and forest-risk agricultural commodities, in compliance with WTO provisions, and to promote similar action at international level; stresses that certification should be easily accessible for smallholders and SMEs and understandable for consumers, and recalls that such measures should remain practical and financially affordable, especially for small producers; recalls that customs controls must be reinforced, that the full independence and accountability of licensing authorities and auditors must be ensured and that legal action must be taken against any unlawful practices identified in the certification process;
- 23. Recalls that responsible governance of tenure of land and forests is essential to ensure social stability, sustainable use of the environment and responsible investment for sustainable development;
- 24. Calls for the EU to work with the private sector and promote the uptake of responsible business conduct guidelines on responsible agricultural supply chains, such as those of the OECD, as well as ambitious commitments pursuant to ILO conventions and multilateral environmental agreements, with suitable civil society participation and effective cooperation with local stakeholders, and to develop adequate provisions to enforce social and environmental standards for investors and to prevent investment activities which encourage deforestation and illegal logging, by, for instance, adding this dimension to the

Non-Financial Reporting Directive on the occasion of the upcoming review; calls on the EU to work also in this direction with international partners.



INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	24.4.2018
Result of final vote	+: 36 -: 0 0: 0
Members present for the final vote	William (The Earl of) Dartmouth, Laima Liucija Andrikienė, Tiziana Beghin, David Campbell Bannerman, Daniel Caspary, Salvatore Cicu, Santiago Fisas Ayxelà, Karoline Graswander-Hainz, Nadja Hirsch, Yannick Jadot, France Jamet, Jude Kirton-Darling, Bernd Lange, David Martin, Emma McClarkin, Anne-Marie Mineur, Sorin Moisă, Artis Pabriks, Franck Proust, Godelieve Quisthoudt-Rowohl, Viviane Reding, Inmaculada Rodríguez-Piñero Fernández, Tokia Saïfi, Helmut Scholz, Joachim Schuster, Joachim Starbatty, Adam Szejnfeld, Iuliu Winkler, Jan Zahradil
Substitutes present for the final vote	Eric Andrieu, Goffredo Maria Bettini, Reimer Böge, Klaus Buchner, Dita Charanzová, Agnes Jongerius, Frédérique Ries

RR\1158251EN.docx 37/40 PE619.397v02-00

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

36	+
ALDE	Dita Charanzová, Nadja Hirsch, Frédérique Ries
ECR	David Campbell Bannerman, Emma McClarkin, Joachim Starbatty, Jan Zahradil
EFDD	Tiziana Beghin, William (The Earl of) Dartmouth
ENF	France Jamet
GUE/NGL	Anne-Marie Mineur, Helmut Scholz
PPE	Laima Liucija Andrikienė, Reimer Böge, Daniel Caspary, Salvatore Cicu, Santiago Fisas Ayxelà, Sorin Moisă, Artis Pabriks, Franck Proust, Godelieve Quisthoudt- Rowohl, Viviane Reding, Tokia Saïfi, Adam Szejnfeld, Iuliu Winkler
S&D	Eric Andrieu, Goffredo Maria Bettini, Karoline Graswander-Hainz, Agnes Jongerius, Jude Kirton-Darling, Bernd Lange, David Martin, Inmaculada Rodríguez-Piñero Fernández, Joachim Schuster
VERTS/ALE	Klaus Buchner, Yannick Jadot

0	-

0	0

Key to symbols: + : in favour - : against 0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	25.6.2018
Result of final vote	+: 21 -: 0 0: 0
Members present for the final vote	Enrique Guerrero Salom, Heidi Hautala, Maria Heubuch, György Hölvényi, Arne Lietz, Linda McAvan, Norbert Neuser, Vincent Peillon, Lola Sánchez Caldentey, Elly Schlein, Mirja Vehkaperä, Bogdan Brunon Wenta, Anna Záborská, Joachim Zeller
Substitutes present for the final vote	Thierry Cornillet, Frank Engel, Ádám Kósa, Cécile Kashetu Kyenge, Adam Szejnfeld
Substitutes under Rule 200(2) present for the final vote	Asim Ademov, Marie-Christine Vergiat

RR\1158251EN.docx 39/40 PE619.397v02-00

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

21	+
ALDE	Thierry Cornillet, Mirja Vehkaperä
GUE/NGL	Lola Sánchez Caldentey, Marie-Christine Vergiat
PPE	Asim Ademov, Frank Engel, György Hölvényi, Ádám Kósa, Adam Szejnfeld, Bogdan Brunon Wenta, Anna Záborská, Joachim Zeller
S&D	Enrique Guerrero Salom, Cécile Kashetu Kyenge, Arne Lietz, Linda McAvan, Norbert Neuser, Vincent Peillon, Elly Schlein
VERTS/ALE	Heidi Hautala, Maria Heubuch

0	-

0	0

Key to symbols: + : in favour

+ : in favour- : against0 : abstention