



Response to the EU Consultation: 'Deforestation and Forest Degradation - Stepping up EU Action'

This response to the public consultation is submitted by WCS EU, a Belgian NGO, and also represents the view of the Wildlife Conservation Society (WCS), a US-based global NGO working in over 60 countries on wildlife conservation programmes, with more than 4,000 staff.

Summary of our key recommendations

The EU should:

- **Adopt a comprehensive EU Action Plan with legislative proposals that comprehensively aim to tackle deforestation and forest degradation**
- **Prioritise protecting the world's last remaining intact forests and adopt an intact forests metric**
- **Include action to protect forest biodiversity and prevent defaunation**
- **Integrate forest protection within EU climate change policies**
- **Decouple financial investments from deforestation and forest degradation**

We would like to highlight the following points with regard to the future of EU policies addressing tropical deforestation and forest degradation:

1. The EU needs to take ambitious action and show global leadership

Tropical deforestation remains one of the world's most important and challenging environmental problems. The absence of a dedicated global treaty or other intergovernmental agreement has meant that efforts at the international policy-making level (and subsequently at the national level) have been wholly inadequate to address it. This is despite the fact that forests are of global importance: harbouring more than 75% of the world's terrestrial biodiversity; providing important economic resources essential to human life (such as timber, food, medicines and non-timber forest products); and providing a range of vital environmental functions, for example, stabilising the soil and preventing landslides; regulating water flows; and contributing to climate change mitigation and adaptation. Whilst a recent FAO global forest assessment highlighted a slowing in the world's deforestation rate (FAO 2015), it also showed that tropical deforestation and forest degradation remains high (and in some cases, for example, Indonesia and Malaysia, it continues to increase), including in many poor countries where the negative economic, social and environmental consequences are often highest (Keenan et al. 2015)

Given the importance of forests and the scale of the problem, the proposed non-legislative response by the EU is wholly inadequate in order to achieve SDG goal 15 and halt deforestation by 2020. As called for by the European Parliament, the European Commission must bring forward the following:

“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.” (European Parliament 2018)

2. An overarching coherent policy is needed

Whilst the EU should aim to achieve zero-deforestation imports, sourcing from, and focusing efforts solely on, areas that are either low risk in terms of forest loss or where efforts are already underway to achieve sustainable production will not help partner countries address ongoing or future deforestation in forest frontier areas. The EU must therefore aim to tackle deforestation and forest degradation in a holistic manner. Rather than a sole focus on “cleaning up” its own supply chains, the EU should address its footprint whilst also actively contributing to interventions that address deforestation and forest degradation. Similarly, measures need to apply to all commodities and investment activities and not just a limited number of forest-risk commodities as consumption could then shift to alternatives which also cause deforestation or conversion of other important ecosystems. Complementary action is needed to tackle deforestation directly, especially in those areas at greatest risk, through support to partner countries, and encouraging countries in other global regions (such as China) to take similar measures. An EU communication must therefore achieve a balance between demand-side measures and support for producer countries, as aimed for timber, in the FLEGT action plan.

The EU Action Plan against Wildlife Trafficking, adopted in 2016, provides an excellent model to inform the development of an EU communication to combat deforestation and forest degradation by providing an overarching framework for a comprehensive and complementary set of actions to tackle the issue from source through to consumer countries. One major difference between the two issues, however, is that the causes of deforestation and forest degradation do not only relate to illegal activities and EU action on forests needs to go beyond legality to ensure sustainability.

3. Specific recommendations for tackling forest degradation

Forest degradation is an important and growing, but often overlooked issue, for example, carbon emissions from forest degradation increased threefold between 1990 and 2015 (Federici et al. 2015). The roadmap produced by the European Communication outlining the process of the development of this communication highlighted the need to tackle forest degradation but the suggested actions focused on deforestation. We would therefore like to recommend two specific recommendations as to how forest degradation should be tackled:

3.1 Promote forest ‘intactness’, including through the adoption of a new metric

A significant body of science now recognises that some forests are disproportionately important in tackling some of our most pressing global challenges. These are the last intact

forests on earth, and the nature of their intactness holds the key to why they carry an outsize impact on these values. They are globally irreplaceable for their contribution to climate change mitigation potential, biodiversity, ecosystem services, sustaining imperilled cultures, and their resilience in the face of climate change are often highly threatened (Potapov et al. 2017). It is important to recognise the value of such areas whilst they are still intact, as protective action is the most cost-effective response. Furthermore, a large proportion of these last intact forests (35%) are owned or managed by Indigenous Peoples. There is a large and growing body of evidence that forest management by Indigenous Peoples is highly effective but in some cases these forests are particularly threatened due to a lack of recognition of land rights and inadequate support for their efforts to protect and manage these areas, which the EU should play a role in addressing¹.

WCS has been working with a scientific consortium that includes the Universities of Queensland, Oxford and Maryland, and the World Resources Institute and WWF, to develop a global framework metric for measuring forest intactness based on ecosystem spatial and structural integrity. Such a metric could be adapted to help the EU monitor forest degradation which is currently not monitored. For example, the EU Eurostat report (Eurostat 2017) reporting on the measurements of EU progress on achievement of the SDGs, does not include any measurement of EU impacts on global deforestation or forest degradation, which is a major gap. A global framework metric on forest intactness will present a holistic indicator of the degree to which a forest ecosystem has or has not been degraded by human action for the entire global forest estate at a high resolution. This will (i) make the scale, intensity and location of forest degradation visible and intuitively understandable to key audiences, raising their awareness of the need to find solutions and (ii) will offer a practical framework for setting quantifiable targets and measuring progress, helping to ensure that policy action on degradation is seen as feasible. The proposal for a global metric on ecosystem intactness is now gaining momentum within the CBD discussions.

3.2 Tackling defaunation and forest biodiversity loss

Defaunation is a major component of forest degradation which receives very limited attention although the loss of forest wildlife due to poaching and unsustainable hunting has reached critical levels, with long-term unknown effects for forest functioning. Forest elephants in Central Africa, for example, declined by 65%, between 2002 and 2013 (Maisels et al. 2013), which is expected to seriously impact forest biodiversity, carbon stocks, and soil fertility given the role elephants play in seed dispersal and nutrient cycling. DEVCO is responding to this issue and their work on forest biodiversity, for example, by tackling bushmeat hunting through the new Sustainable Wildlife Management (SWM) programme; their long-term support for national parks in Africa; and support for small-scale sustainable agricultural production or alternatives to fuelwood collection, should be included within the scope of this communication. In particular, the new communication should recommend the allocation of dedicated funding from DEVCO to implement measures that protect wildlife in tropical forests, as outlined in the 'Larger than Elephants' and 'Larger than Tiger' strategic guidance documents that have been prepared for DEVCO.

¹ For more information on this issue, please see the following policy brief: https://c532f75abb9c1c021b8c-e46e473f8aad72cf2a8ea564b4e6a76.ssl.cf5.rackcdn.com/2018/09/12/8vxxkock8bw_Policy_Brief_WCS_CDU_U MD_Indigenous_Lands_and_Intact_Forest_Landscapes_v5.pdf

4. Integration within EU climate policy

It is disappointing that DG Clima is not a co-lead on the proposed communication, given the importance of forests for achieving global climate objectives. Natural solutions, such as forest protection and restoration are already available at the scale needed to deliver 30% of the climate solution needed by 2030 but receive less than 3% of climate funding and very little attention in global and EU climate policy discussions. We hope that the consultation will still consider this important and highly relevant policy area and that the communication outlines measures for protecting and enhancing global forest carbon stocks to contribute to the fight against climate change. As 25% of future EU development aid funding is proposed towards fighting climate change, there is considerable scope for the EU to substantially increase financing to support climate change mitigation measures, including through forest conservation and restoration.

5. Sustainable finance

One of the most effective ways of tackling drivers is to decouple financial investments from deforestation. This issue must be a priority under the implementation of the EU action plan on sustainable finance. Robust criteria must be developed for sustainable finance to ensure that no EU investments can be linked to deforestation and forest degradation (not just illegal deforestation), especially of the world's last remaining intact forests. Furthermore, the issue must be included within mandatory financial reporting by companies linked to trade in forest-risk commodities or in priority sectors. In addition, the EU should promote incentivize investments into sustainable production/ development in frontier landscapes that are under the greatest threat of forest conversion to actively address deforestation and secure the world's remaining forests. Furthermore, the scope of activities under this work area should include removing perverse subsidies for commodities and other activities linked to deforestation and forest degradation.

6. Suggested actions

In summary, we recommend the following actions are included:

- Regulatory measures to ensure commodity imports into the EU do not cause deforestation or forest degradation particularly of the world's last remaining intact forests (including impact assessments to prevent indirect/alternative conversion of other natural ecosystems).
- Regulatory measures to ensure EU investments are not causing deforestation or forest degradation, including mandatory financial reporting
- Support for partner countries to tackle deforestation at the frontiers (e.g. through landscape/jurisdictional approaches). This includes through demand signals for deforestation-free production in these areas and through direct financial and technical support to address deforestation and forest degradation.
- Increase EU financial and technical support for the conservation of the world's remaining intact forests
- Diplomatic work with other global regions and countries to encourage them to adopt deforestation-free supply chains (and investment policies and standards)
- Adoption of an 'intact forests' metric and promotion of this globally, through the CBD and other international conventions
- Promotion of forest management by Indigenous Peoples, including recognition of land rights
- Increased financial support for partner countries to tackle drivers of forest degradation, including the loss of forest wildlife as an overlooked aspect of forest degradation
- Integrated climate change policies and financial support to enhance and conserve global forest carbon stocks

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