

FoodDrinkEurope contribution paper on forest protection and restoration

The food and drink industry is the largest manufacturing sector in the EU with an annual turnover of over €1.2 trillion and is a leading employer, employing 4.72 million people. We provide food and drink for 1.5 billion meals every day and most of the sector (99%) is composed of Small and Medium-sized Enterprises (SMEs). However, issues such as deforestation are affecting our sector and society alike. The food and drink industry has been working over the past 10 years to make its supply chains deforestation-free. While progress has been made, the industry recognises it needs to accelerate the pace of change. It is therefore committed to working collectively and with other supply chain actors and stakeholders to:

- Implement the United Nations Sustainable Development Goals (SDGs);
- Support the development of enabling frameworks such as Trade and Sustainable Development (TSD) chapters at EU level that promote sustainable sourcing;
- Support the possible establishment of a harmonised framework on due diligence at EU level;
- Strengthen the credibility and reliability of forest related certification schemes;
- Participate in multi-stakeholder platforms/dialogue that will facilitate the exchange of best practices and help identify appropriate solutions and strategies to combat deforestation and foster afforestation.

The food and drink industry welcomes the European Commission's recently published communication entitled '*Stepping up EU Action to Protect and Restore the World's Forests*'¹ as a way to raise awareness about the importance of preventing deforestation, restoring forests and addressing the various challenges under the five priority pillars.

Forests are critical to life on our planet. Forests mitigate climate change, contribute to the balance of oxygen, carbon dioxide and humidity in the air and protect watersheds, which supply 75% of freshwater worldwide². Furthermore, forests contribute to reducing the risk of natural disasters, including floods, droughts, landslides and other extreme events. Forests also represent 30% of land of which 6% is represented by tropical forests (Amazon, Congo Basin, South East Asia), are home to 80% of the world's terrestrial biodiversity, and 1.6 billion people depend on them³. Forests are of key importance for food security and our planet.

There are several direct and indirect drivers of deforestation and forest degradation. They include activities such as the production of agricultural commodities (responsible for approximately 40% of deforestation)⁴, illegal logging urban sprawl and mining. The recent fires in the Amazon forest in Brazil and Australia, have been a testament to the world that there is a need for urgent action to halt deforestation worldwide.

Global initiatives such as the *New York Declaration on Forests*⁵, the *Amsterdam Declaration*⁶ and the *United Nations (UN) Strategic plan for forests 2017-2030*⁷, provide an important framework for forest-related

¹ Commission Communication – '[Stepping up EU Action to Protect and Restore the World's Forests](#)'

² UN SDG Knowledge platform – [Forests](#)

³ [WWF 'Forest habitat'](#)

⁴ FAO (2016) – '[The state of the world's forests](#)'

⁵ [New York Declaration on Forests](#)

⁶ [Amsterdam Declaration](#)

⁷ '[United Nations Strategic plan for forests 2017-2030](#)'

contributions to the implementation of the UN 2030 Agenda for Sustainable Development (SDGs), alongside the Paris Climate Agreement. If sustainably managed, forests can strongly contribute to sustainable development and provide economic, social and environmental benefits for current and future generations. This requires developing different forest pathways, such as reforestation, avoided forest conversion, natural forest management, improved plantations, avoided wood fuel and fire management. Research also shows that such pathways can offer over two thirds of cost-effective natural climate solutions mitigation needed to hold warming below 2 degrees, in line with the UN Paris agreement⁸.

The food and drink industry supports the development of enabling frameworks at EU level, including an EU forest strategy post 2020. In this context, we call for the following aspects to be taken into account:

1. Existing policy coherence and strengthened international cooperation

We believe it is important to build upon existing EU instruments, such as Forest Law Enforcement, Governance and Trade Action Plan (FLEGT)⁹ including its voluntary partnership agreements (VPA), and the EU Timber Regulation (EUTR)¹⁰, through bolstering their implementation at national level.

We strongly support strengthening legal compliance by national authorities and ensuring effective coordination at EU level. Measures by EU Member States should include awareness raising campaigns and engagement with relevant businesses alongside establishing voluntary commitments to use third-party verified sourced products from supply chains associated with deforestation and forest degradation. Actions to promote transparency, accountability and supply chain traceability at EU level should also be considered in order to boost demand of sustainably produced products.

Sustainable forest management initiatives should be aligned with other sectoral policies, such as the future Common Agriculture Policy (CAP) as a tool for rural development. The EU dialogue with third countries under EU free trade agreements already contains (binding) sustainable forest management provisions, under Trade and Sustainable Development (TSD) chapters. The EU should continue to engage with trading countries to step up the implementation and enforcement of TSD chapters, thus ensuring that commitments made through the integration of TSD chapters are binding and complied with.

Future potential trade instruments envisaged at EU level should aim to further strengthen the protection of forests and biodiversity, without unnecessarily impeding trade alongside economic development.

Funding opportunities for authorities and economic operators in producing countries to scale up multi-stakeholder forest conservation and restoration efforts should also be made available.

2. Support capability and capacity building of local governments in producing countries

As EU demand for imported agricultural goods only stands for less than 10% of indirect deforestation¹¹ of the world's forest, measures for stopping world-wide deforestation has to be established and encouraged in the producing countries.

⁸ [United Nations Paris Agreement](#)

⁹ ['Forest Law Enforcement, Governance and Trade Action Plan \(FLEGT\)'](#)

¹⁰ [EU Timber Regulation \(EUTR\)](#)

¹¹ [Commission technical report \(2013-063\)](#) - 'The impact of EU consumption on deforestation: Comprehensive analysis of the impact of EU consumption on deforestation'

To this end, partnerships between the EU and producer countries is necessary. Local authorities in producing countries need resources, educational skills and technical support for the conservation of natural forests (i.e integration of land use planning, forest monitoring and assessment programmes).

3. Reporting frameworks for due diligence and Responsible Business Conduct (RBC)

The European food and drink industry is willing to lead by example by adopting the highest standards of environmental and social sustainability, including human and labour rights and animal health and welfare, in all business activities, and promote this approach throughout the food value chain.

We welcome the existing reporting framework under the Disclosure of Non-Financial Reporting (NFR) Directive¹², alongside the related guidelines on climate change. These are key tools for large companies to disclose information on environmental, social and human rights matters in a transparent and reliable way, including on their impacts on forests. We believe that other reporting tools such as the Accountability Framework Initiative¹³ can further contribute to the establishment, implementation and monitoring of commitments to protect forests and natural ecosystems alongside human rights. Our guiding principles are set by the UN Guiding Principles on Business and Human Rights¹⁴, the OECD Guidelines for Multinational Enterprises¹⁵ and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work¹⁶. For the effective implementation of these guiding principles on a global scale, it is paramount to hold accountable all partners who engage in international trade with the EU.

We support efforts on due diligence requirements at policy level as a tool to understand the effectiveness of existing actions taken by food and drink manufacturers and that reflect the objective of deforestation-free supply chains.

Within this context, we highly support the establishment of a harmonised framework at EU level that encourages all actors of the food value chain to adopt sustainable and responsible business practices. This entails identifying and addressing their potential impacts on human rights and the environment. An appropriate framework should aim to advance corporate awareness on human rights and environmental responsibility and translate into collaborative, impactful and effective actions.

4. The use of certification schemes

Standards, guidelines and sustainability-related certification schemes related to forest management can help achieve more sustainable supply chains and increase consumer demands for deforestation-free products. A large number of food and drink manufacturers use independent third-party certification schemes to demonstrate compliance with sustainable sourcing standards, such as Fairtrade¹⁷, Rainforest Alliance¹⁸, UTZ¹⁹, RSPO²⁰ and Forest Stewardship Council (FSC)²¹.

Existing information provision schemes should be harmonised, wherever possible, to strengthen the credibility and reliability of certification schemes. Measures should be taken to ensure reliability of

¹² [Non-Financial Reporting \(NFR\) Directive](#)

¹³ [Accountability Framework Initiative](#)

¹⁴ [United Nations \(UN\) Guiding Principles on Business and Human Rights](#)

¹⁵ [OECD Guidelines for Multinational Enterprises](#)

¹⁶ [ILO Declaration on Fundamental Principles and Rights at Work](#)

¹⁷ [Fairtrade Standards](#)

¹⁸ [Rainforest Alliance Certified](#)

¹⁹ [UTZ Certification](#)

²⁰ [Round Table on Sustainable Palm Oil \(RSPO\) certification](#)

²¹ [Forest Stewardship Council \(FSC\)](#)

information. More specifically, a harmonised framework to certification, would enable the promotion of higher certification standards and adequate monitoring systems. The creation of an EU deforestation-free labelling scheme however requires careful consideration. To this end, it would require defining the objectives and to evaluate the feasibility and effectiveness of such scheme, necessitating for a common understanding of what constitutes valid “deforestation-free” claims and what is the relation to existing certification schemes. This should work to avoid the proliferation of different certification schemes that would cause confusion vis a vis the consumer and limit the administrative burdens on SMEs and smallholder farmers.

Additionally, it would be important to implement a variety of tools including certification compliance to ensure the sustainable sourcing of raw materials such as supply chain mapping, satellite monitoring and on-the-ground verification.

As it is key to protect smallholders’ livelihoods and the supply chain as a whole, forest conservation should be made and promoted as economically attractive for both smallholder and governments so as to ensure mainstreaming of regenerative agricultural practices.

5. A Multi-stakeholder approach

The food and drink industry welcomes the announced establishment of a EU Multi-Stakeholder Platform on deforestation and a potential EU Observatory on forests to strengthen monitoring. Existing tools such as the World Resource Institute (WRI) Global Forest Watch²² and the EU Copernicus programme²³ can further promote accountability and transparency across the industry. The platform should enable transparent and inclusive voluntary multi-stakeholder dialogue that will foster the exchange of best practices and identify appropriate solutions and strategies for the many challenges related to deforestation.

Moreover, the platform should address the entire scope and role of forests. It should be used for the coordination of positions delivered on behalf of EU stakeholders during forestry-relevant international dialogues (i.e. guidance for potential future commitments). The EU High-Level Platform on the implementation of the SDGs, established in 2018, can serve as an example and coordination between relevant platforms and initiatives should be ensured.

[FoodDrinkEurope](#) represents Europe’s food and drink industry, Europe’s largest manufacturing sector in terms of turnover, employment and value added.

²² World Resource Institute (WRI) [Global Forest Watch](#)

²³ [EU Copernicus programme](#)