Opinion of the European Economic and Social Committee on the ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Addressing the challenges of deforestation and forest degradation to tackle climate change and biodiversity loss’

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Rapporteur: Mr RIBBE

On 17 October 2008 the European Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the:

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Addressing the challenges of deforestation and forest degradation to tackle climate change and biodiversity loss


The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 17 April 2009. The rapporteur was Mr RIBBE.

At its 453rd plenary session, held on 13 and 14 May 2009 (meeting of 14 May), the European Economic and Social Committee adopted the following opinion by 153 votes to five with six abstentions.

1. Conclusions and recommendations

1.1. The European Economic and Social Committee welcomes the Commission communication and endorses the objectives set out therein, namely to reduce the deforestation and degradation of tropical forests by at least half by 2020, and to halt it completely by 2030. The Committee expects the EU to be much more proactive in its approach than it has been in the past.

1.2. Although activities undertaken by people living in the area may in some cases be responsible for part of the scenario outlined in the document – through subsistence farming for instance – the core damage has other underlying causes. The main players are, in most cases, a small number of people – or, in some cases, global companies – that pocket sometimes exorbitant profits at the expense of the environment, the climate, biodiversity and the local population, leaving, quite literally, scorched earth in their wake.

1.3. The current situation has arisen not just for the direct economic reasons rightly cited by the Commission, and connected with uncertain land-tenure regimes and corrupt or ineffective administrative systems. The countries to which the products concerned are exported also share a large part of the blame – and that includes the EU. The Committee thus welcomes the Commission’s intention to assess the EU’s direct and indirect contribution to the situation and to draw the requisite conclusions.

1.4. It is good that the EU will be taking on a leading role in combating deforestation. Clearly, there will also have to be some financial input from the international community as a whole. However, the Committee would call on all policymakers to abide by certain principles. The basic maxim should always be the polluter-pays principle, under which anyone – legally – acting in a way that is damaging to the environment must meet any attendant costs. Thus, the internalisation of external costs – a move called for by the Committee on many occasions in the past – now, at last, needs to be taken forward at a global level and framed as to be consistent with WTO ground rules. The ‘polluter-pays principle’ must not be undermined by a ‘public-pays principle’, where taxpayers/the public purse pay for the environment not to be damaged.

1.5. Countries wishing to take advantage of financial instruments to combat deforestation or forest degradation should be required to state quite clearly that they are not interested in the ‘sale of indulgences’ but in sustainable development. Action to combat illegal logging and timber trading must be an initial touchstone here. It makes no sense to transfer money to countries that lack even the willingness to actively combat illegal logging, either with or without EU support.

1.6. Although the individual measures the EU is seeking to introduce to resolve this global problem have yet to be worked out definitively, it is already clear that the planned action will largely be voluntary (1). However, the international community, which is predicated on liberalisation and globalisation, quickly appears constrained where worldwide moves to curb environmental and social exploitation are concerned. There is a lack of effective tools with global reach. The EU is called upon to ensure – at least – that initiatives in this area are no longer seen as trade barriers within the ambit of the WTO.

1.7. The Committee would initially endorse the voluntary approach, but expects the EU to conduct an interim study, at the latest after three years, to determine whether the measures are actually having an effect and whether the objectives are being achieved. If it is clear that deforestation and forest degradation are continuing apace, then consideration should be given to tougher measures.

1.8. Certification schemes are one initial option for securing improvements in this area. These should apply not only to all imported timber and timber products, but also to other products from the relevant regions (e.g. animal feed or biomass for energy production).

1.9. Sadly, the Committee feels that deforestation and forest degradation are also examples of how development policy has to a large extent failed – at least in the regions under discussion here. Nothing was done to develop innovative, forward-looking, regionally appropriate paradigms that could have allowed things to turn out differently, thereby avoiding the pillaging of natural resources that is in evidence today. That said, it is never too late to promote suitable ways forward – with and for the benefit of the local population. The EU should include in its strategic considerations appropriate initiatives to develop democratic structures and support civil society. The Committee again offers its assistance in any such venture.

2. The European Commission communication

2.1. The Commission communication is not concerned with forest areas within the EU. Instead, it addresses the issue of how, in future, to better protect those forest areas not yet covered by international agreements, such as that on climate protection.

2.2. According to FAO estimates, some 13 million hectares of forest are lost every year – an area approximately the size of Greece. 96% of deforestation occurs in tropical regions and the largest net forest cover loss between 2000 and 2005 was recorded in ten countries (2).

2.3. The causes of this unabated deforestation are, on the one hand, complex and diverse, yet, on the other, relatively simple. The Commission makes clear in a number of points that wholly unsustainable uses may well be highly profitable from an economic perspective, noting, for instance, that ‘forests are destroyed because it is more profitable in the short run to use land for other purposes than to keep them standing’ and that ‘profitable alternative uses of land with a high market value, such as obtaining commodities, provide incentives for deforestation’. It continues: ‘It should be explicitly recognised that one of the main drivers for deforestation is economic.’

2.4. The communication also cites infrastructure development as a further cause of what has, up to now, been unbridled deforestation. Moreover, the Commission writes: ‘The most important underlying cause is ineffective governance, linked to poorly enforced land-use policies and uncertain land-tenure regimes.’

2.5. The impacts of this deforestation are manifold:

— Deforestation as described here accounts for some 20% of total CO2 emissions, with no mechanisms in place to curb the massive impact this has on the climate. This is precisely what the Commission document seeks to address, not least in the run-up to the Copenhagen climate protection conference scheduled for the end of the year.

— However, the Commission also makes clear that this is not just a question of global climate protection. Around half of all species of the world’s fauna and flora live in tropical forests. Halting deforestation would also be a significant step towards halting biodiversity loss – another goal to which the international community is committed.

— Attention is also drawn to the various negative social impacts that deforestation and forest degradation may have, not least on poor sections of the population, and to the fact that indigenous peoples are losing their livelihoods.

2.6. The Commission communications gives figures for the economic value of tropical forests. Among other things, it cites forecasts signalling that, if deforestation continues apace, 5% of global GDP will be lost by 2050 (3), and notes the significant greenhouse gas mitigation potential that could be tapped at relatively low cost in terms of tonne of CO2 saved.

2.7. The European Commission is unequivocal that ‘the time is right for decisive action’. The objective is ‘to halt global forest cover loss by 2030 at the latest and to reduce gross tropical deforestation by at least 50% by 2020 compared to current levels.’ This is the objective the Commission intends to bring to the post-Kyoto negotiations.

2.8. In short, the Commission considers it vital to protect forest resources across the world and believes that Europe ‘needs to take a leading role to shape the global policy response to deforestation.’

2.9. The Commission communications outlines various areas in which the EU could make a contribution within the existing policy framework:

— On the one hand, the communication sets out possible ways of promoting sustainably produced timber and timber products. This is a key issue, since the EU is a major consumer of timber and timber products. In 2005 alone, 83 million m3 of timber and timber products were imported into the EU market, not counting pulp and paper. The Commission estimates that 19% of imported timber is illegally harvested.

— On the other, the communication also advocates that more should be done to assess the ‘forest impact’ of EU policies related to non-timber products The communication notes, among other things, that ‘there are linkages between demand for agricultural commodities and pressures on land use’ and makes clear the Commission’s commitment to studying the impact of EU consumption of imported food and non-food commodities (e.g. meat, soy beans, palm oil, metal ores) that are likely to contribute to deforestation. Such studies could lead to considering policy options to reduce this impact.

(2) Brazil, Indonesia, Sudan, Myanmar, Zambia, United Republic of Tanzania, Nigeria, Democratic Republic of the Congo, Zimbabwe, Venezuela.

(3) Interim report The Economics of Ecosystems & Biodiversity (TEEB), Mr Pavan Sukhdev.
2.10. In addition to existing policy, the Commission communication also draws attention to the scale and sources of funding and mechanisms to meet the deforestation challenge.

— The Commission’s impact assessment concludes that an estimated EUR 15 to 25 billion per annum will be needed to halve deforestation by 2020. The EU assumes that ‘developed countries need to allocate considerable resources to help to tackle deforestation.’

— Consideration is given on various fronts to what kind of funding mechanisms might be put in place. Recognition of forestry credits in the EU emissions trading system (ETS) is not deemed to be realistic at the present time since the emissions from deforestation are roughly three times higher than the amount of emissions regulated under the EU ETS. However, once, in addition to the EU ETS, other global trading systems are established and interconnected, it may become feasible to use forestry credits of this kind to finance forest protection.

— A major portion of EU funding could, however, come from proceeds from the auctioning of allowances within the EU ETS. If 5 % of the expected auctioning revenue (estimated at EUR 30 to 50 billion) were earmarked for this purpose, some EUR 1.5 to 2.5 billion could be raised in 2020.

2.11. Within the context of the United Nations Framework Convention on Climate Change (UNFCCC), the EU is, for the period 2013-2020, pushing for an internationally supported incentive scheme to reduce deforestation and forest degradation in developing countries.

— This might include the establishment of a Global Forest Carbon Mechanism to enable developing countries to contribute to the globally agreed emissions reduction objective by taking action to reduce emissions from deforestation and forest degradation; the institutional and operational details still ‘have to be worked out’.

— The inclusion of deforestation in carbon markets is seen as a longer-term prospect.

3. General comments

3.1. The Committee welcomes the Commission communication and the EU’s commitment therein to taking a leading role in resolving an issue that has been so well known and so widely discussed for decades. The upcoming negotiations for a climate protection agreement provide a good framework in which to do that.

3.2. Beginning on a critical note, the Committee deplores the fact that, so far, the international community has done virtually nothing to tackle deforestation. There were reasons enough to act long before now. Biodiversity loss as a result of deforestation and forest degradation, the destruction of resources on which indigenous people directly depend for their survival, the evident exploitation of workers and the ejection of small-scale farmers from their ancestral farmlands are in no sense new phenomena. Climate protection is thus merely a new and additional opportunity to tackle an old problem – it is to be hoped with new momentum.

3.3. To a certain extent, the Committee understands the Commission’s point that the communication ‘is not intended to give definitive answers to the many issues related to deforestation’. However, it trusts that the Commission will procrastinate no further on the issue. Now at last is the time for action.

3.4. The Committee welcomes the Commission’s clear statements on the reasons for deforestation. The Commission explicitly states that short-term economic interests are at the root of these utterly unsustainable types of land-use. With land-tenure regimes remaining wholly unsettled and administrative systems non-existent, weak on enforcement or, in some cases, downright corrupt, the destruction that is taking place not only raises serious global issues, but often also totally ignores the needs of the local population.

3.5. Naturally, the Committee understands that people in all regions of the world need scope for economic development. For many years now, the Committee has itself been working closely with civil society groups in Central and Latin America, India, China and elsewhere to find adequate solutions. However, the worldwide forest damage and destruction discussed in the Commission communication has nothing to do with appropriate regional development. It is the unacceptable exploitation of people and the environment with no hint of concern for sustainable development.

3.6. In countries which are experiencing large-scale deforestation, large numbers of farmers often cut down and set fire to forests so that the land can be used for arable farming or livestock production. This unsustainable waste of natural resources is caused by the unjust distribution of land and the absence of any form of agricultural policy in these areas.

3.7. In those places, land use is often in the hands of a very small number of people – or, in some cases, global companies – that pocket sometimes exorbitant profits at the expense of the environment, the climate, biodiversity and the local population, leaving, quite literally, scorched earth in their wake. It does not have to be like this – as witnessed by many positive examples (4), worthy of support, that show just how available local resources can be used sustainably, giving the local population new scope for income and development.

(4) For instance, the collaborative project Rainforestation farming between the University of Hohenheim (Germany) and the Leyte State University (Philippines), see: http://troz.uni-hohenheim.de/innovations/InnovXtr/RFFS/).
3.8. Although the impact of such wanton destruction is most directly – and indeed most spectacularly – felt at the local level, a global dimension is also involved, not least climate change and biodiversity loss. In other words, we are all of us affected by this destruction and we must all of us play a part in resolving it.

3.9. It makes little sense for the developed countries to point the finger at the drama unfolding in the developing countries, since we ourselves are also part of the problem. Many of the products – typically unprocessed commodities or low-processed goods – are not sold locally, but generally far away, often in the developed countries. There is therefore a demand for these ‘cheap’ products – including from Europe.

3.10. The Commission is thus absolutely right to address the following three issues:

1. What is the EU’s ‘share’ of the destruction taking place in these areas (and how can that be reduced)?

2. How, on the one hand, can the EU (and the Member States) help prevent illegal operations – i.e. destruction of a kind that cannot possibly be in the interests of the country concerned? And, on the other, what can be done to develop types of land use that are underpinned by sustainability principles and geared towards the needs of the local population?

3. How can funding methods be put in place to remove the pressure that leads to forest destruction?

3.11. The Committee is pleased that, together with other institutions, the Commission is actively seeking to present economic facts as back-up to the debate on climate and biodiversity protection. Examples include the Stern review, which makes clear that failure to protect the climate will, in the long run, be more expensive than large-scale change, and the Sukhdev report, cited in the Commission document, which outlines the economic value of intact biodiversity.

3.12. However, these studies and figures also illustrate only too well that the economic values they describe are still just words on paper. They do not add to GDP, they are not reflected in company audits and cannot be traded on the stock market. Quite the reverse: the example of deforestation highlights all too well the yawning chasm that exists between the short-term quest for profit (which is the cause of forest destruction) and the long-term interests of the economy as a whole (where forests are maintained to protect the climate and foster biodiversity).

3.13. The wanton exploitation of our resources is being carried on at the expense of the collective good. Our primary challenge, therefore, is to make the ‘externalisation of internal costs’ a reality at last and thus help promote genuine acceptance of the much-vaunted polluter-pays principle. The studies mentioned here and other figures cited in the Commission communication give a good indication of the scale of the sums involved.

3.14. The Committee recognises that, as in the Commission document, consideration will also have to be given to incentives in a bid to halt deforestation. For the Committee, however, it is vital that one key principle must thereby be observed, i.e. that no public money must be awarded to companies or private individuals as an ‘incentive’ not to act in a way that is damaging to the collective good. Efforts must always focus on creating global conditions in which the actions that cause damage can be avoided and ruled out in the first place. That must also be the EU’s guiding principle in the Copenhagen negotiations. Where damage does occur, we must respond with the consistent application of the polluter-pays principle – not the public-pays principle, where payment is made for damage not to be done.

3.15. Countries wishing in future to take advantage of financial instruments should thus be required to state quite clearly that they are not interested in the ‘sale of indulgences’ but in long-term sustainable development. Action to combat illegal deforestation and forest degradation could be a kind of ‘initial touchstone’ here. The countries concerned should make clear their sincere willingness – with or without the assistance of the international community – to put an end to these illegal practices. For the EESC, it is important to note that the point here is not to legalise illegal activities, but to put a stop to them. That in itself would improve matters considerably.

3.16. The countries concerned should also make clear that they are keen to take on board innovative, sustainable and regionally appropriate ways of combating deforestation and forest degradation.

4. Specific comments

4.1. The Commission communication remains rather vague on many points. This is due not only to an insufficient knowledge and information base, but also to the fact that the ideas presented are not yet fully formed.

4.2. Little by little, the EU is risking exposure to charge of simple lack of interest – unless it starts putting much more effort into developing ways of combating forest degradation.

4.3. For far too long, administrators and policymakers have simply looked on as forests are destroyed and illegally sourced products arrive at European ports. Although the origins of deliveries can often be hard to trace because, for instance, the materials in question have been incorporated into other products or because different coding has been used, there also appears to be no real willingness to remedy the situation. The Committee expects the EU to take a much more vigorous approach in tackling this key global issue. Only recently, the Committee welcomed EU moves for a complete ban on seal products, even although the Canadian government allows seals to be hunted legally. With this in mind, civil society is expecting similarly tough action to protect forests.
4.4. The communication is, for instance, less than specific on the extent to which the huge quantities of animal feed imported into the EU are responsible, directly or indirectly, for deforestation (5). This issue has frequently been a matter of controversial debate and it is also touched on in the Commission document (see point 2.9). To bring some clarity into the matter, the Committee would ask the Commission to press ahead with the greatest urgency with the study, announced in the communication, of 'the impact of EU consumption of imported food and non-food commodities (e.g. meat, soy beans, palm oil, metal ores) that are likely to contribute to deforestation.'

4.5. Just as the EU has evolved sustainability criteria for the production of agrofuel base material, the Committee feels that similar criteria should also be developed as quickly as possible for feedstuffs, timber, timber products etc. Although, given the uncertain land-tenure regimes and poor administration, it remains to be seen whether it will be possible to put in place and apply any ongoing monitoring arrangements for such sustainability criteria, the criteria themselves do represent an important and sound approach. For them to be effective, however, they will have to be incorporated as a mandatory component into the world trade rules of play.

4.6. Deforestation is a good example of the way in which the international community, which is predicated on liberalisation and globalisation, quickly appears constrained where worldwide moves to curb environmental and social exploitation are concerned. There is a lack of effective tools with global reach. The EU is called upon to ensure – at least – that initiatives in this area are no longer seen as trade barriers within the ambit of the WTO.

4.7. The Committee also understands the absence of any specific concepts for funding action in this area. The climate protection negotiations should be used for that purpose.

4.8. The future approach, however, will not simply be based on money transfers provided certain criteria are met (see above). Before any successful conclusion of negotiations on this front, action is needed in the countries concerned to put in place key conditions conducive to resolving the issues at stake. Without functioning democratic rights giving local people a say in the development of their region, without recognition of the rights of the indigenous peoples (who after all number some 60 million) and small-scale farmers, and without a properly working (corruption-free) administration, it will be impossible both to stop the often illegal exploitation and to work out appropriate development strategies to tackle it. That this aspect is virtually ignored by the Commission is a serious weakness in the communication.

4.9. Sadly, the Committee also feels that deforestation and forest degradation are examples of how development policy has to a large extent failed – at least in the regions under discussion here. Nothing was done to develop innovative, forward-looking, regionally appropriate paradigms that could have allowed things to turn out differently, thereby avoiding the pillaging of natural resources that is in evidence today. That said, it is never too late to promote suitable ways forward – with and for the benefit of the local population. The EU should include in its strategic considerations appropriate initiatives to develop democratic structures and support civil society. The Committee again offers its assistance in any such venture.


The President
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(5) The same also of course applies to agrofuels etc.