

EU DEVELOPMENT OF DEFORESTATION LEGISLATION

BCA Sustainability Committee Meeting

8 June 2021



BACKGROUND

On 23 July 2019, the EC published its **Communication on Stepping up EU Action to Protect and Restore the World's Forests**

Priorities include:

1. Reduce the footprint of EU consumption and encourage the consumption of products from deforestation-free supply chains in the EU
2. Work in partnership with producer countries to reduce pressures on forests
3. Strengthen international cooperation to halt deforestation and forest degradation
4. Redirect finance to support more sustainable land-use practices
5. Support research and innovation

One of the key commitments in the Communication is to assess additional demand-side regulatory and non-regulatory measures to ensure a level playing field and a common understanding of deforestation-free supply chains.

EUROPEAN GREEN DEAL

EU growth strategy that aims to transform the EU into a fair and prosperous society.

HOW? By putting Europe on a pathway to a sustainable future.

Overarching goal: The EU is to become the first climate-neutral “block” by 2050

Over 20 different transformative policies



IMPACT ON PRODUCING COUNTRIES

BIODIVERSITY STRATEGY

Introduces measures to tackle the global biodiversity challenge



Reducing the
use and risk of
pesticides by
50% by 2030



Mandatory due
diligence to:

Guarantee
sustainable value
chains
+
Prevent global
deforestation

FARM TO FORK STRATEGY

Attempts to accelerate the transition to Sustainable Food Systems



Reducing the
use and risk of
pesticides by
50% by 2030



Reducing by
20% the use of
fertilizers by
2030
+
Reducing EU's
contribution to
global
deforestation

REGULATION ON FOREST COMMODITIES

The EU is exploring **regulatory and non-regulatory options for additional demand side measures** to minimize the risk that products linked to deforestation are placed on the EU market and to develop a **definition of deforestation-free supply chains**.

Objectives:

1. Minimise the risk of EU-imported deforestation
2. Increase consumer awareness
3. Promote demand for non-deforestation-associated products
4. Incentivise forest-friendly investment decisions



The **EC** is currently carrying out an **impact assessment**

This **impact assessment** takes different elements into consideration, including:

- EP report "An EU legal framework to halt and reverse EU-driven global deforestation" (October 2020)
- Findings of the Fitness Check of the Forest Law Enforcement, Governance and Trade (FLEGT) and the EU Timber Regulations (2020-2021)
- Results of the public consultation on "Deforestation and forest degradation – reducing the impact of products placed on the EU market"
- Study (carried out by Wood, Trinomics & Wageningen University) commissioned by the European Commission (Q2 2021).

Objective

Proposal for a **regulation (Q3 2021 tbc)**

WHAT OPTIONS ARE CONSIDERED?

Deforestation-free definition

1. Adopting the FAO's definition of deforestation (although excluding plantations)
2. Developing an accountability framework within the UNFCCC range
3. Adopting the UNFCCC range plus adopting a High Carbon Stock approach

Cut-off date

The Commission is considering setting up a cut-off date for 2020, although it indicated its openness to any date between 2010 and 2020.

Scope

- Targeted commodities: **coffee**, along with beef, wood, palm oil, soy, rubber, cereals, cocoa
- Commodities and their derived products
- Illegal and legal deforestation and forest degradation

Potential policy measures (not mutually exclusive):

1. Improved due diligence requirements
2. Benchmarking or country carding
3. Mandatory public certification
4. Mandatory labelling
5. A deforestation-free requirement supported by benchmarking or country carding.

ECF POSITION & ACTIVITIES

OUR COMMON POSITION

We support the EU's objectives to protect and restore the world's forests, and call for a pragmatic approach that addresses the specificities of the coffee sector:

- Smart mix of measures
- Collaborative approach
- EU financial support
- Promotion of "green investments"
- Development of existing sustainability schemes
- Scaling up demand for sustainable products

OUR ACTIVITIES

- Position papers on deforestation
- Participation in public consultation
- Feedback to consultant for impact assessment
- Mapping of sustainability landscape
- Networking and events



ECF Deforestation Workstream

UPCOMING ECF ACTIVITIES

1. Before the legislative proposal is published by EC

Focus on EC, Member States and Missions of Producing Countries

- Step 1

Engage with EC for additional information on the upcoming initiatives and to share the coffee sector's position.

- Step 2

Discuss, align and develop the coffee perspective on policy options

- Step 3

Direct engagement with:

- European Commission: relevant units and directorates, DG ENV
- Countries of origin: raise awareness
- Other stakeholders to build alliances (if appropriate)

2. After the release of the legislative proposal by EC

Focus on the 3 EU institutions at EU + MS level and producing countries

- Step 1

Discuss and align on a reactive statement and/or amendments to the proposal

- Step 2

ECF to share position and engage with:

- European Commission: relevant units and directorates to give feedback
- European Parliament: key MEPs
- Council: Perm Reps, Presidency
- Countries of origin to reinforce our position
- National Associations (for Council and European Parliament)
- ECF member companies to reinforce the message
- Other stakeholders: other sectors, etc.

A close-up photograph of a person's hands pouring water from a silver kettle into a white paper coffee filter. The filter is placed in a glass dripper, which sits on a black electronic scale. The scale is on a wooden table. The background is blurred, showing a coffee shop environment with various bottles and equipment.

THANK YOU FOR YOUR ATTENTION!