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DEFORESTATION AND THE INTERNATIONAL TRADE IN AGRICULTURAL COMMODITIES

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eia



ABOUT THE

ENVIRONMENTAL INVESTIGATION AGENCY

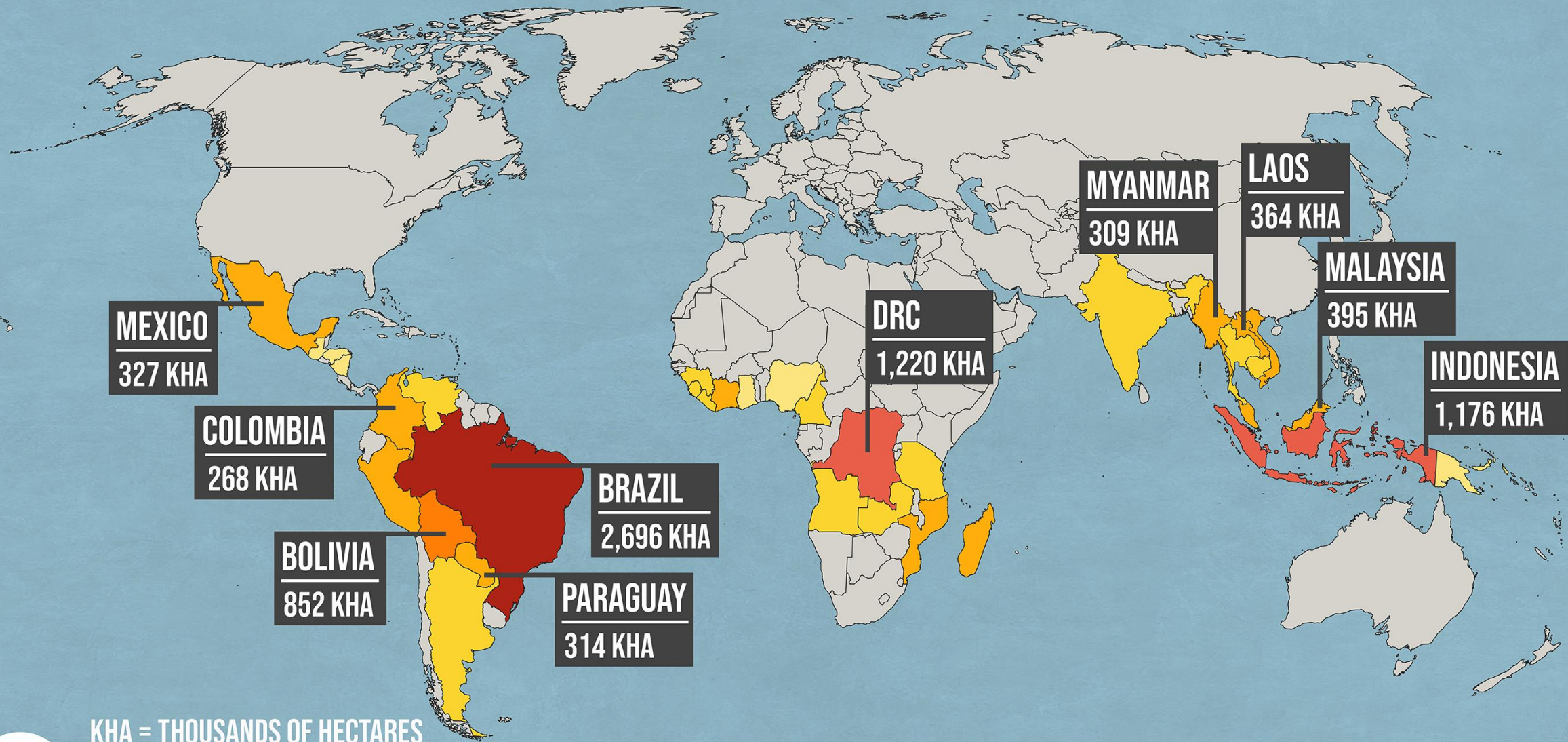
- **Non-profit organization founded in 1984 with offices in Washington, DC and London**
- **Employs pioneering investigative techniques to document and expose environmental crimes and human rights abuses**
- **Strengthens intelligence-led law enforcement**
- **Promotes innovative legal and policy solutions**

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OUTLINE

- 1** — Overview of global deforestation and its drivers
- 2** — International trade in agricultural commodities driving deforestation
- 3** — US imports of commodities and products linked to deforestation
- 4** — Precedents and recent developments in consumer markets to prevent environmental harm and human rights abuses in supply chains

TREE COVER LOSS IN THE TROPICS IN 2019

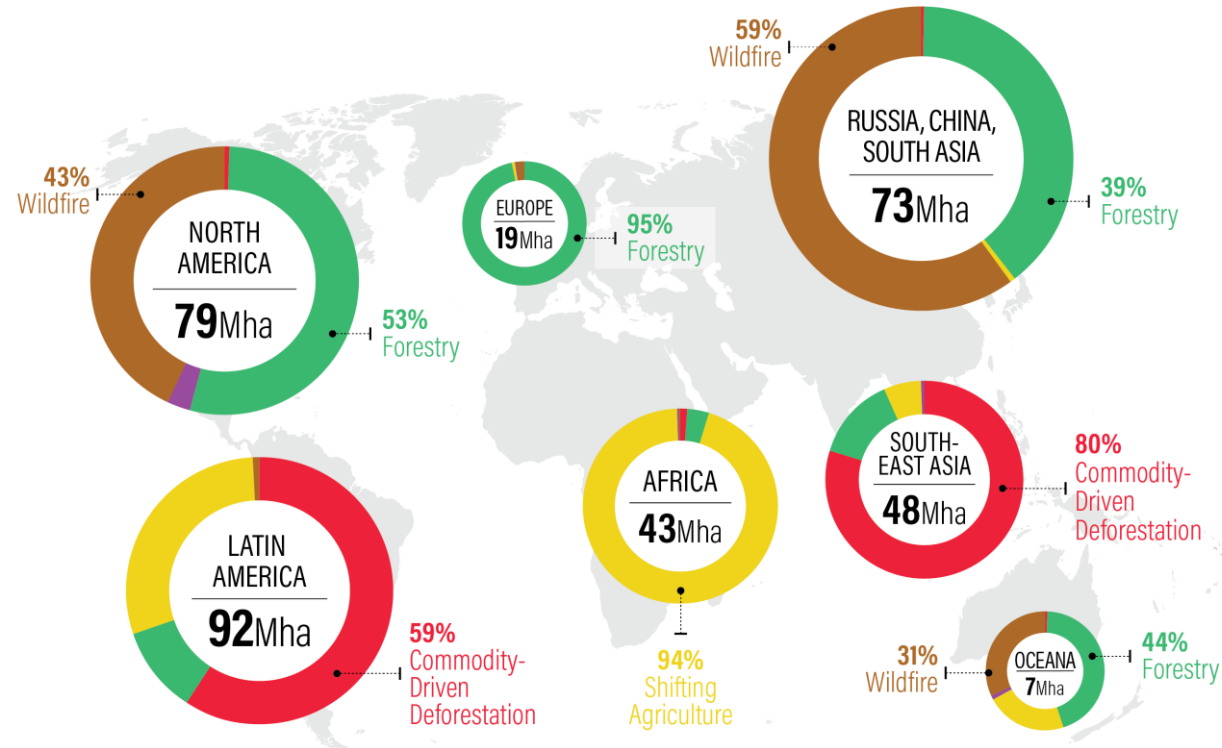


KHA = THOUSANDS OF HECTARES



SOURCE: HANSEN/UMD/GOOGLE/USGS/NASA, ACCESSED THROUGH GLOBAL FOREST WATCH

Regional Tree Cover Loss by Driver for the Period 2001–2018



* Permanent deforestation

** May or may not lead to permanent deforestation

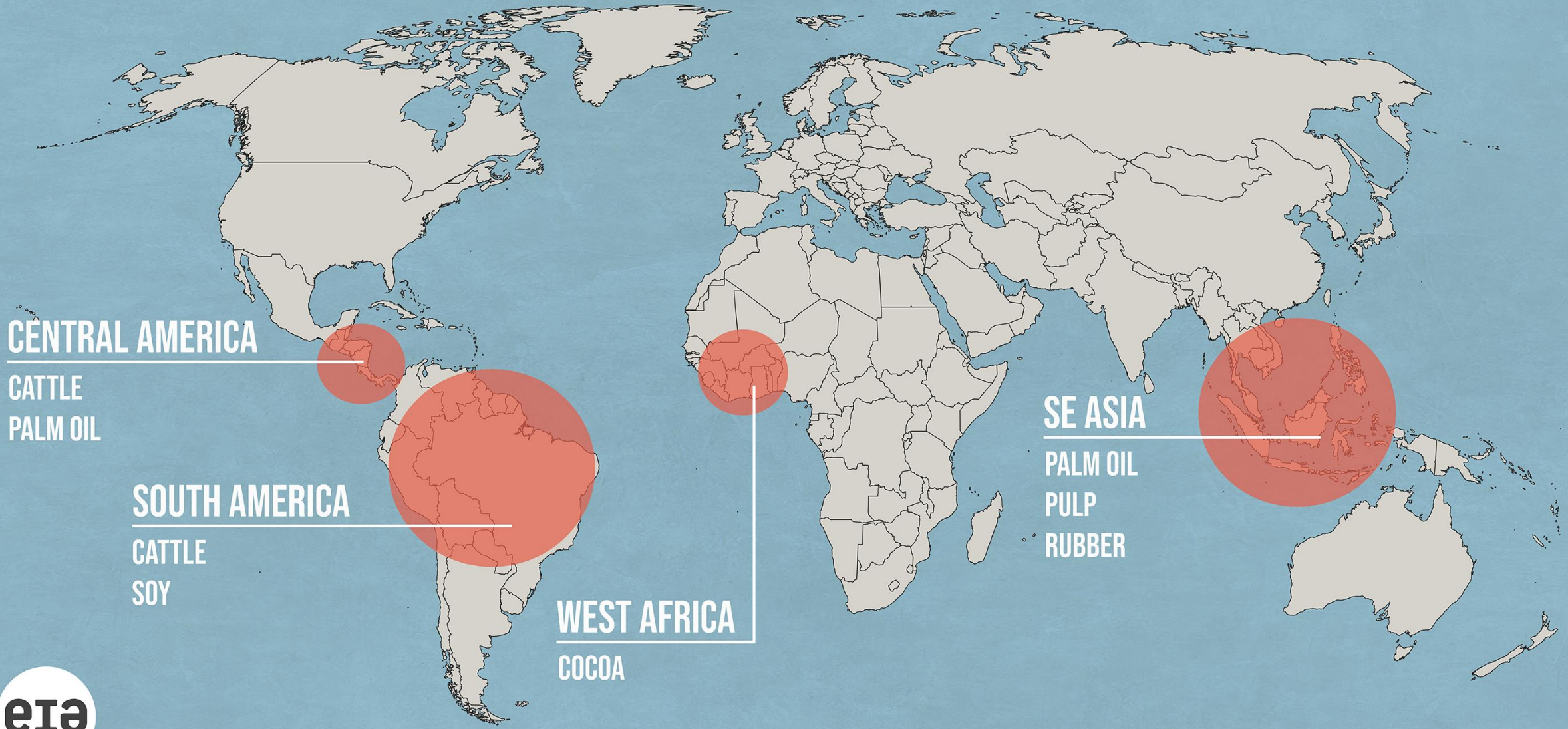
Note: Numbers reported as of March 3, 2020

Source: Global Forest Watch

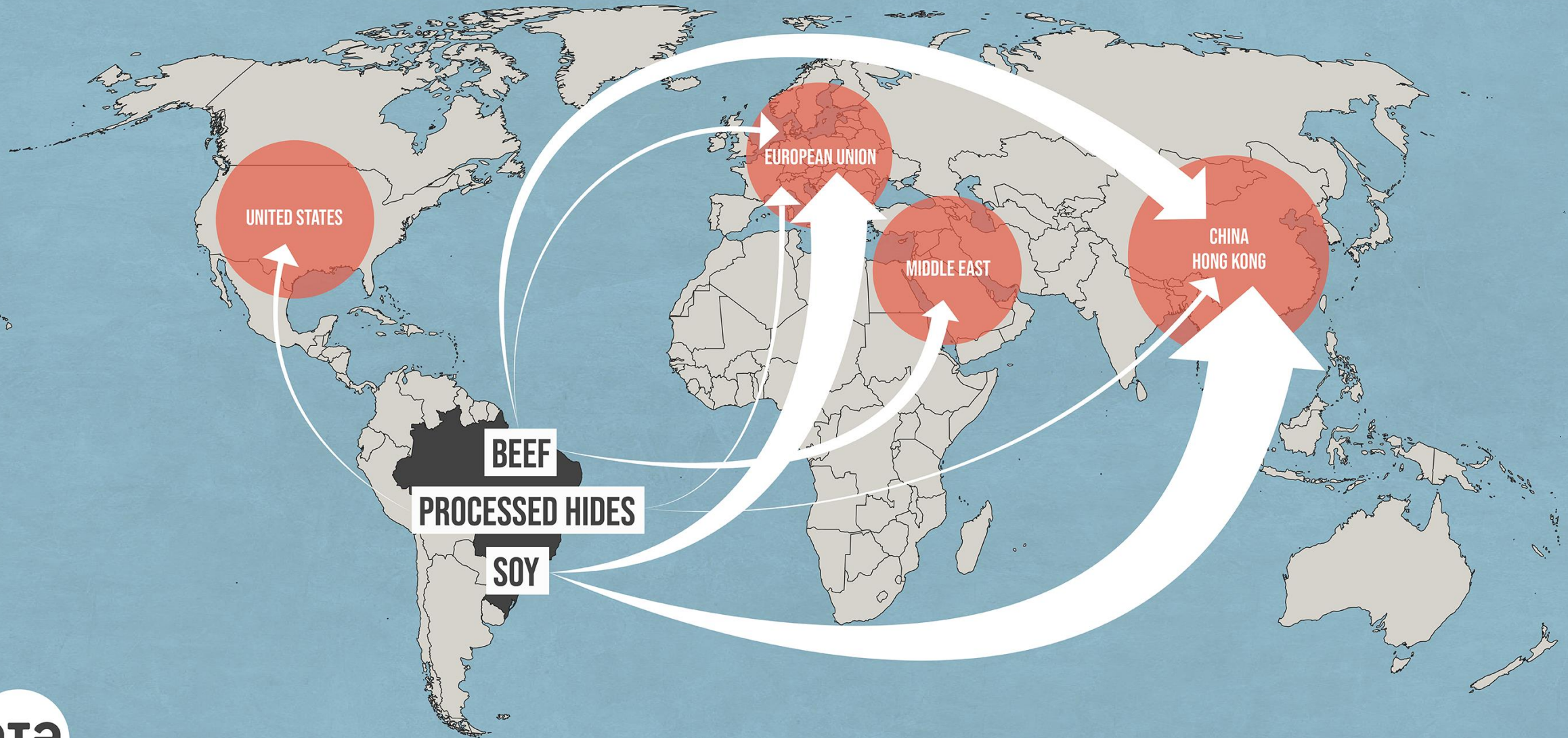
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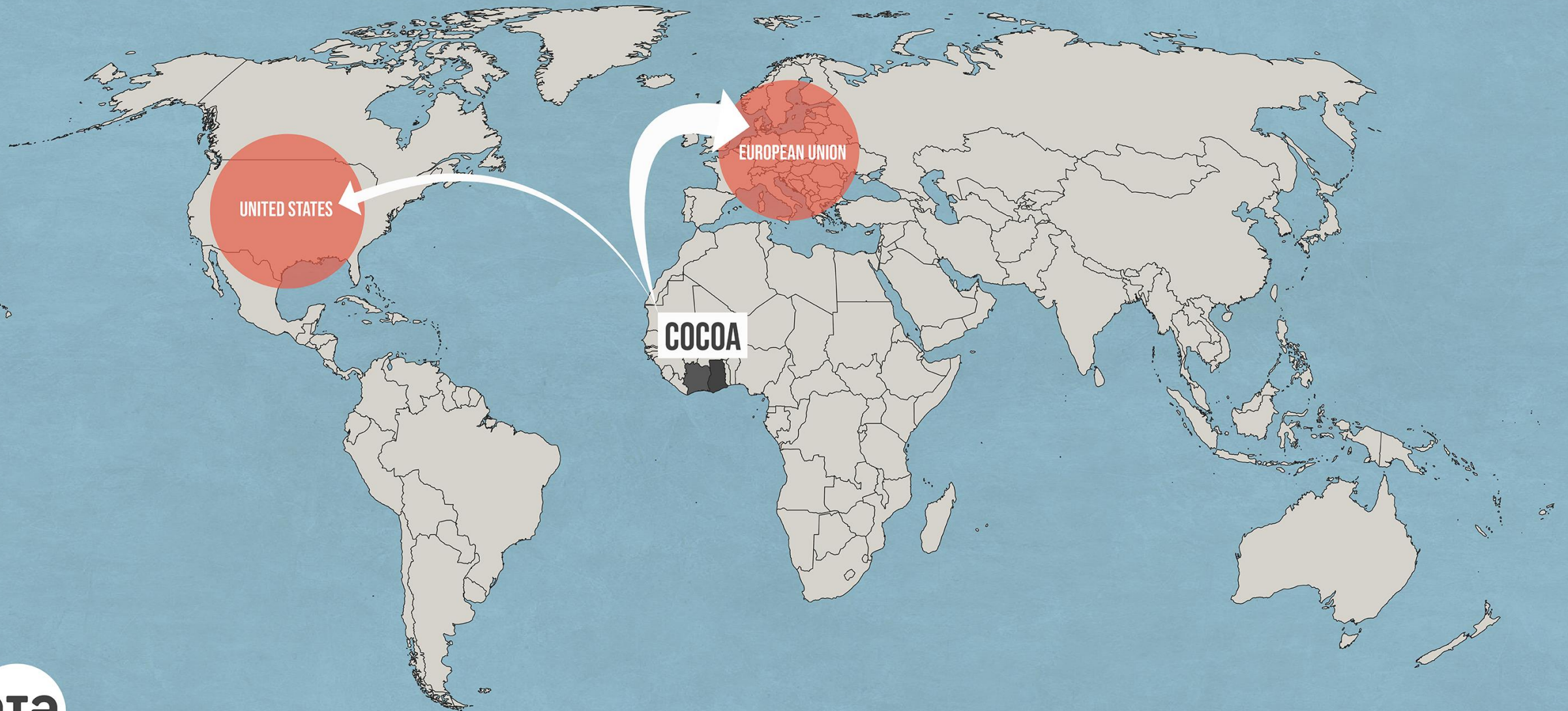
KEY INTERNATIONALLY TRADED COMMODITIES DRIVING DEFORESTATION BY REGION



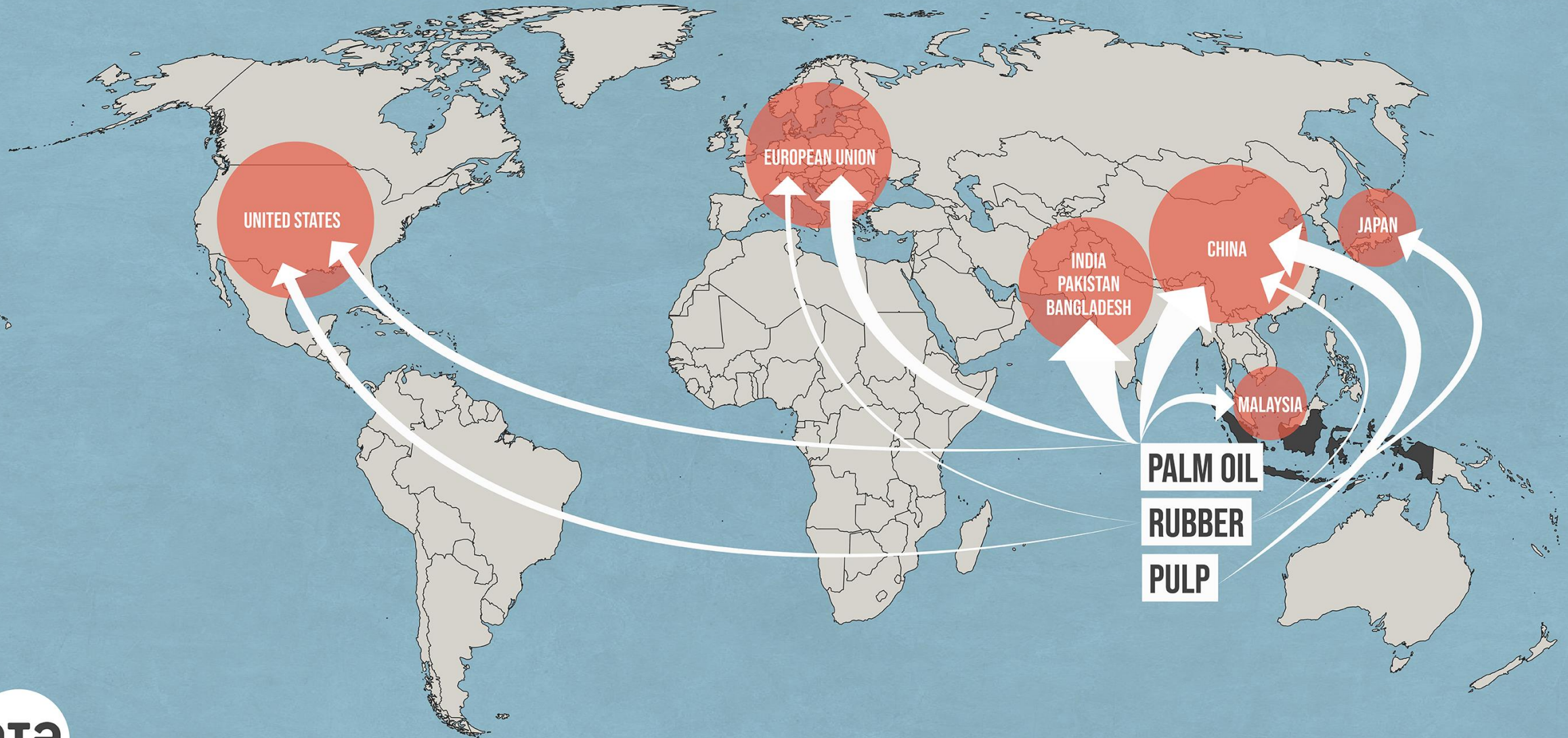
TRADE FLOWS OF KEY COMMODITIES DRIVING DEFORESTATION IN BRAZIL



TRADE FLOWS OF KEY COMMODITIES DRIVING DEFORESTATION IN GHANA, CÔTE D'IVOIRE

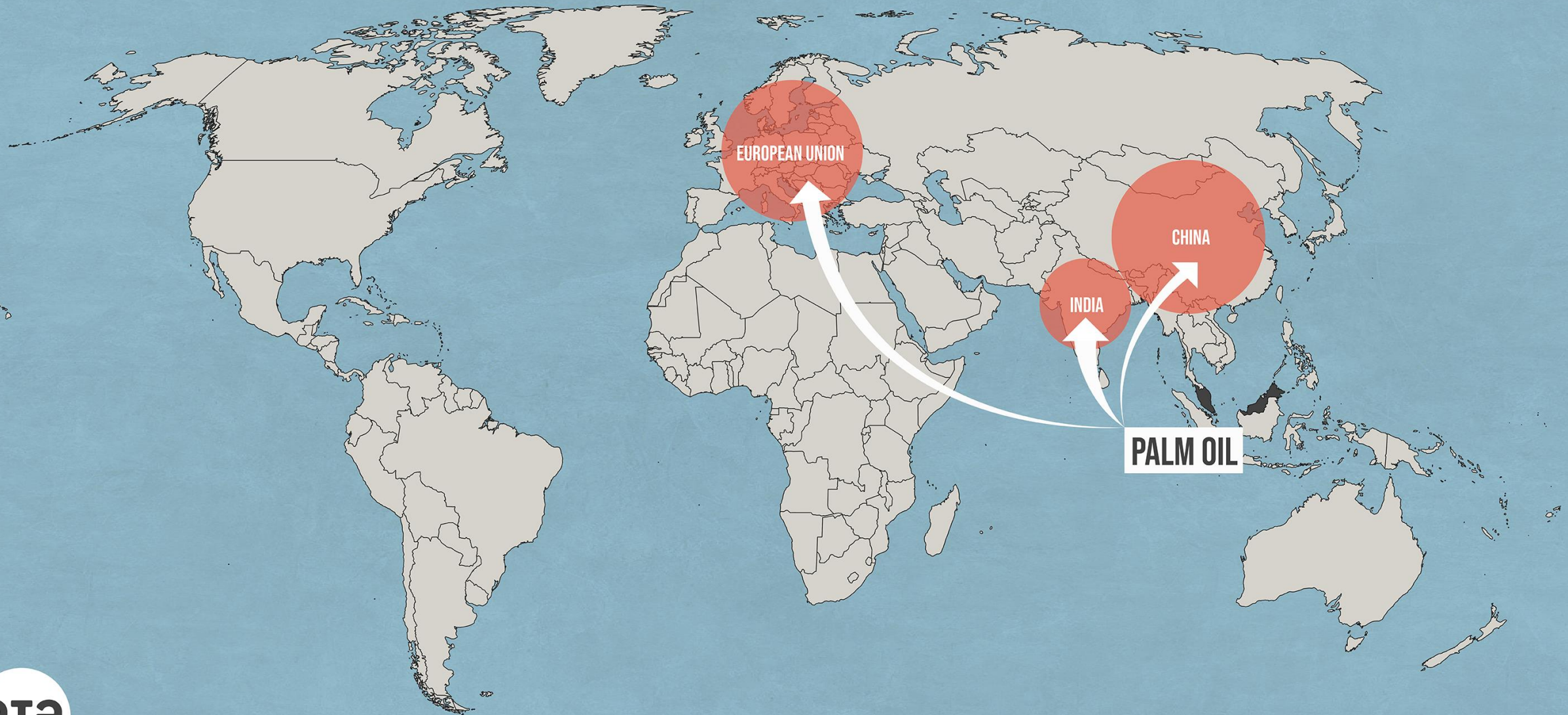


TRADE FLOWS OF KEY COMMODITIES DRIVING DEFORESTATION IN INDONESIA

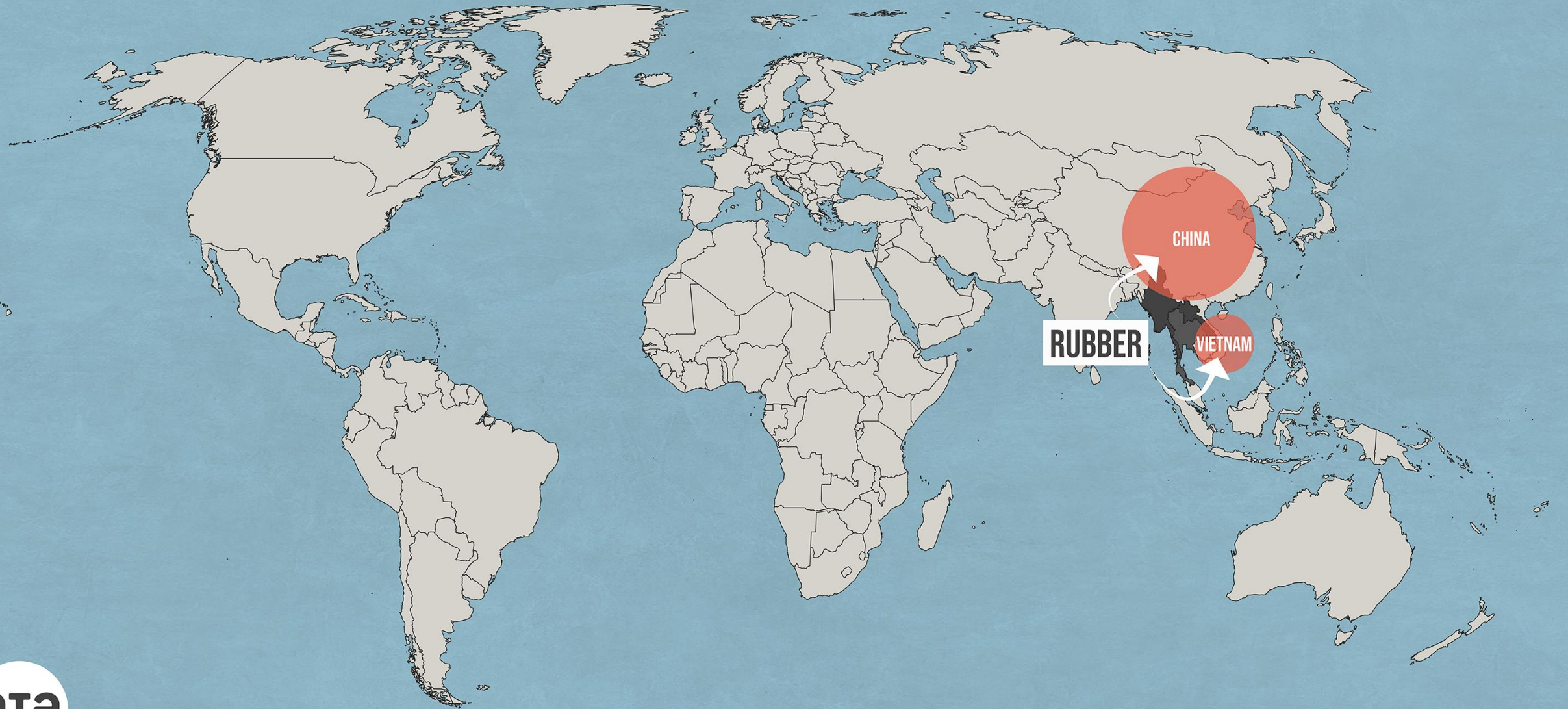


SOURCE: 2019 EXPORT DATA ACCESSED VIA UN COMTRADE

TRADE FLOWS OF KEY COMMODITIES DRIVING DEFORESTATION IN MALAYSIA

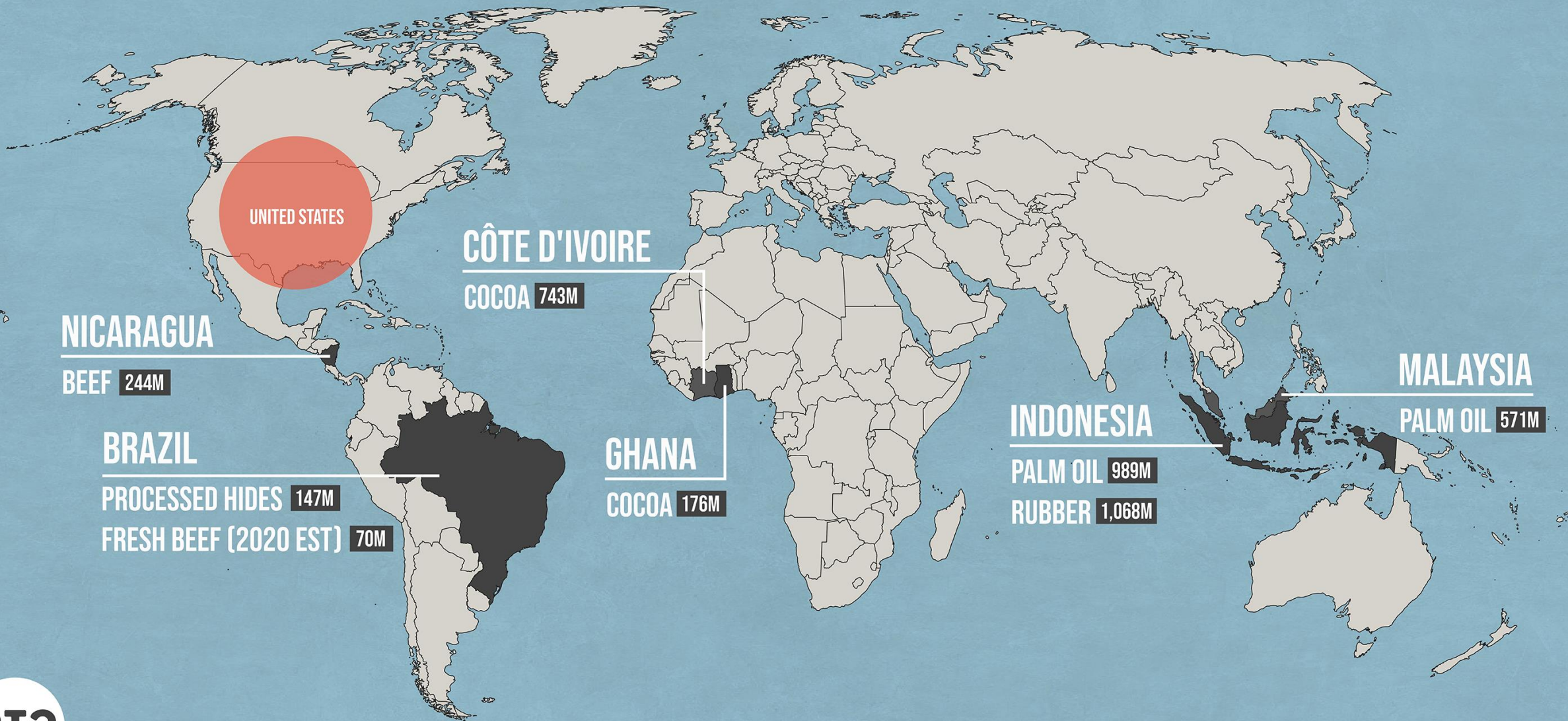


TRADE FLOWS OF KEY COMMODITIES DRIVING DEFORESTATION IN LAOS, MYANMAR, CAMBODIA

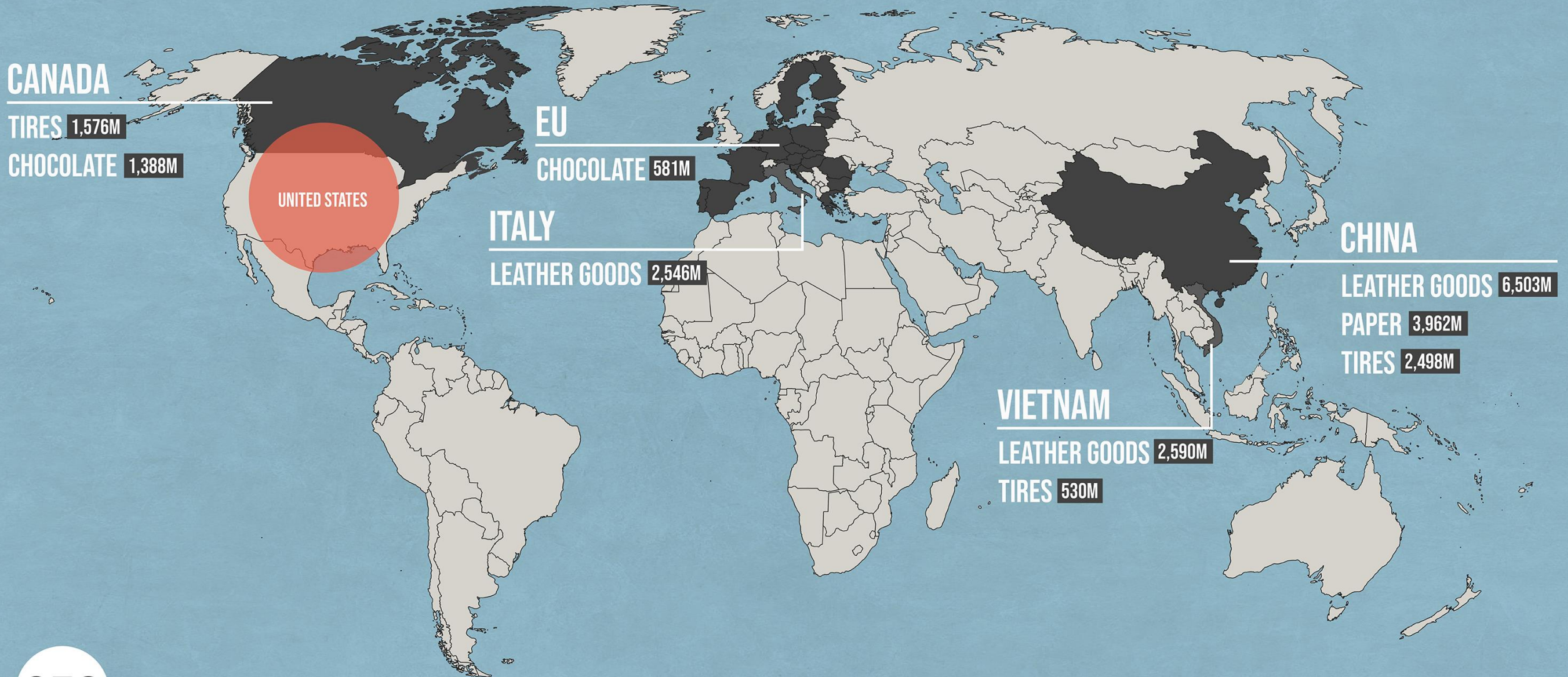


SOURCE: 2018 EXPORT DATA ACCESSED VIA UN COMTRADE

US IMPORT VALUES (MILLIONS USD) OF KEY DEFORESTATION-RISK COMMODITIES



US IMPORT VALUES (MILLIONS USD) OF KEY DEFORESTATION-RISK PRODUCTS



SOURCE: 2018 US IMPORT DATA ACCESSED VIA UN COMTRADE

REDUCING DEFORESTATION THROUGH TRADE RULES: PRECEDENTS AND RECENT DEVELOPMENTS

- The EU, United States and China are major importers of agricultural commodities and products driving deforestation and must show leadership in establishing global rules for legal and sustainable trade
- Voluntary corporate policies and certification schemes developed over the last decade are not proving adequate to reduce deforestation and ensure respect for human rights
- Consumer market regulations are needed to incentivize systemic market change and level the playing field for leading companies
- Due diligence is a key element of regulatory measures – companies should be required to know their full supply chains back to the point of production, gather information sufficient to assess and mitigate risks, and report on what they are doing
- Regulatory frameworks to tackle the trade in illegal timber already exist
 - U.S. Lacey Act (as amended in 2008) and EU Timber Regulation (in force since 2013) prohibit the trade in illegal timber and require supply chain due diligence on wood products
 - China's newly revised Forest Law prohibits the use of illegally sourced timber; how this will apply to timber imports needs to be elaborated in implementing rules currently being developed (China is the world's largest tropical wood importer)
- Other laws in the United States and EU oblige importers to carry out due diligence to keep goods sourced illegally or involving human rights abuses out of markets – for example:
 - EU Conflict Mineral Regulation requires importers to carry out supply chain due diligence on certain minerals linked to armed conflict
 - U.S. Tariff Act prohibits the import of goods produced from forced labor
 - Fisheries laws in the U.S. and EU prohibit the trade in illegally harvested fish and require traceability and reporting

REDUCING DEFORESTATION THROUGH TRADE RULES: PRECEDENTS AND RECENT DEVELOPMENTS

- The EU has acknowledged its role in driving deforestation through its commodities imports and started a process to develop laws and policies to reduce its global footprint on forests
- A coalition of NGOs, and a number of major corporations, are calling on EU regulators to require companies to carry out due diligence to prevent deforestation and human rights violations in their agricultural commodity supply chains
- The UK recently announced plans to develop a law that would prohibit imports of agricultural commodities produced in violation of producer country laws and oblige large importers to carry out due diligence on their commodity supply chains
- U.S. lawmakers have recognized the need to address the role of U.S. trade in driving deforestation and some are developing new legislation
- Some recent voluntary industry initiatives and non-binding government guidelines for key agricultural commodities supply chains have been announced in China, but as yet the government has not indicated an intent to develop mandatory policies to address its role in driving deforestation

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THANK YOU

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