



# Web-meeting 9 July 2020

COCERAL, FEDIOL FEFAC meeting Commissioner Sinkevicius to talk about deforestation

# The tool box needed to fight deforestation

1. Support for public and private partnership with producer countries where possible (regulatory framework, trade framework with sustainability chapter, capacity for implementation, reward of effort and continuous improvement)
2. International cooperation and engagement of other important users of forest-risk commodities
3. A regulatory and non-regulatory framework to complement political / trade action
  - Definitions and common understanding (forests, deforestation, land-conversion)
  - Mandatory implementation of due diligence steps...
  - ...supported by certification, verification, satellite imagery, product environmental footprint methodologies, labelling, etc
  - Incentives to change practice (not only sticks, also carrots), including financial (PES, Green Bonds)
  - Awareness raising on responsibility of the whole chain, up to consumers

# How should due diligence look like ? 1 / 2

- ▶ Due diligence as a tool to assess and manage risk with mandatory implementation
- ▶ Set obligations to implement all steps of due diligence for all companies/operators in the supply chain, commensurate with their size, their impact
- ▶ Cover environmental and social risks across a company's operations and supply chains
- ▶ Address illegal deforestation/conversion and support objectives going beyond local legal requirements
- ▶ Robust monitoring and public reporting framework to incentivise harmonised and standardised reporting (including assurance and verification, as in OECD/FAO guidelines and UN Guiding Principles)

## How should due diligence look like ? 2 / 2

- ▶ Enforcement by a public agency.
- ▶ Stepwise enforcement of the criteria to ensure that improvement takes place and can be demonstrated to continue leading engagement and partnership with producer countries, rather than pushing players to disengaging from higher risk areas
- ▶ Incentivise economic operators in producer countries to sustain their effort of supply chain transformation and provide appropriate responses to socio-economic drivers of deforestation
- ▶ In case of adverse impacts, companies to provide recovery plans including actions for remediation
- ▶ Reference dates defining the beginning date for putting the system in place and the target date for achieving a no deforestation objective. Possible differentiation by sector/biome