

Procedure file

Basic information	
INI - Own-initiative procedure	2018/2003(INI)
Procedure completed	
Transparent and accountable management of natural resources in developing countries: the case of forests	
Subject	
3.70.18 International and regional environment protection measures and agreements	
6.30.02 Financial and technical cooperation and assistance	

Key players				
European Parliament	Committee responsible	Rapporteur	Appointed	
	DEVE Development		15/01/2018	
		 HAUTALA Heidi		
		Shadow rapporteur		
		 ZELLER Joachim		
		 DANCE Seb		
		 DEVA Nirj		
		 MICHEL Louis		
		 SCHAFFHAUSER Jean-Luc		
		Committee for opinion	Rapporteur for opinion	Appointed
	INTA International Trade		22/11/2017	
		 ARENA Maria		
	ENVI Environment, Public Health and Food Safety (Associated committee)			
European Commission	Commission DG	Commissioner		
	International Cooperation and Development	MIMICA Neven		

Key events			
18/01/2018	Committee referral announced in Parliament		
	Referral to associated committees		

18/01/2018	announced in Parliament		
25/06/2018	Vote in committee		
04/07/2018	Committee report tabled for plenary	A8-0249/2018	Summary
10/09/2018	Debate in Parliament		
11/09/2018	Results of vote in Parliament		
11/09/2018	Decision by Parliament	T8-0333/2018	Summary
11/09/2018	End of procedure in Parliament		

Technical information

Procedure reference	2018/2003(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	DEVE/8/11969

Documentation gateway

Committee draft report		PE619.397	16/04/2018	EP	
Committee opinion	INTA	PE616.682	26/04/2018	EP	
Amendments tabled in committee		PE622.194	22/05/2018	EP	
Committee opinion	ENVI	PE618.209	23/05/2018	EP	
Committee report tabled for plenary, single reading		A8-0249/2018	04/07/2018	EP	Summary
Text adopted by Parliament, single reading		T8-0333/2018	11/09/2018	EP	Summary
Commission response to text adopted in plenary		SP(2018)829	11/03/2019	EC	

Transparent and accountable management of natural resources in developing countries: the case of forests

The Development Committee adopted an own-initiative report by Heidi HAUTALA (Greens/EFA, FI) on transparent and accountable management of natural resources in developing countries: the case of forests.

The Committee on the Environment, Public Health and Food Safety, exercising its prerogative as an associated committee in accordance with [Article 54 of the Rules of Procedure](#), also gave its opinion on the report.

Members recalled that the Sustainable Development Agenda for 2030 recognises that biologically diverse forests play a critical role in sustainable development as well as for the Paris agreement. Sustainable and inclusive forest management and responsible use of forest commodities constitute the most effective and cheapest natural system for carbon capture and storage.

Stopping deforestation - which is responsible for 11% of anthropogenic greenhouse gas emissions - and allowing forests to regrow would achieve at least 30% of all mitigation action needed to limit global warming to 1.5°, according to the report.

Members called on the Commission to honour the European Union's international commitments, in particular those made at COP21, the UN Forum on Forests (UNFF), the UN Convention on Biological Diversity, the New York Declaration on Forests and SDG 15.2, which aims to promote sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally by 2020.

Forest and land governance: the report called on the EU to establish stronger cooperation and effective partnerships with major timber-consuming countries and international stakeholders. It stressed the need to encourage participatory and community-based forest management by strengthening the involvement of civil society in the planning and implementation of forest management policies and projects, raising awareness and ensuring that local communities share the benefits of forest resources.

Members urged partner countries to recognise and protect the rights of local forest-dependent communities and indigenous peoples, notably indigenous women, to customary ownership and control of their lands. They called for the scrupulous application of the principle of free, prior and informed consent to large-scale land acquisitions.

The Commission is urged to immediately launch a thorough impact assessment, and a genuine stakeholder consultation, involving in particular local people and women, with the purpose of establishing a meaningful EU Action Plan on deforestation and forest degradation.

This plan should include concrete and coherent regulatory measures, including a monitoring mechanism, to ensure that no supply chains or financial transactions linked to the EU cause deforestation, forest degradation, or human rights violations.

Responsible supply chains and financing: the report noted that imports of timber and timber products should be more thoroughly checked at the EU borders, to ensure that the imported products do indeed comply with the criteria necessary to enter the EU. They noted that more than half of the commodities produced and exported onto the global market are products of illegal deforestation.

The global supply chains and financial flows only support legal, sustainable and deforestation-free production and do not result in human rights violations.

The report called on the EU to address global deforestation by regulating European trade and consumption of forest-risk commodities, such as soy, palm oil, eucalyptus, beef, leather and cocoa.

This regulatory framework should

- establish mandatory criteria for sustainable and deforestation-free products;
- impose mandatory due diligence obligations on both upstream and downstream operators in forest-risk commodity supply chains;
- enforce traceability of commodities and transparency throughout the supply chain;
- require Member States competent authorities to investigate and prosecute EU nationals or EU-based companies that benefit from illegal land conversion in producer countries;
- comply with international human rights law.

In this context, the report highlighted the need to better inform consumers of the harmful effects of unsustainable palm oil production on the environment, the ultimate goal being to significantly reduce palm oil consumption.

Forest crime: Members noted that, according to UNEP and INTERPOL, illegal logging and trade in timber is one of the five most important sectors of environmental crime, increasingly involving transnational organised crime groups. They stressed the importance of combating the illegal trade in tropical timber. They called on the Commission and Member States to address the risks associated with war timber and to ensure that it is classified as illegal under voluntary partnership agreements.

The report stressed the importance of deploying truly dissuasive and effective penalties in producer countries to combat illegal logging and trade in timber. It called on the Commission to widen the scope of Directive 2008/99/EC on the protection of the environment through criminal law to include illegal timber logging.

Lastly, on trade issues, the report urged the EU to systematically include, in the trade and sustainable development chapters binding and enforceable provisions to halt illegal logging, deforestation, forest degradation and land grabbing, and other human rights violations which are subject to suitable and effective dispute settlement mechanisms.

Transparent and accountable management of natural resources in developing countries: the case of forests

The European Parliament adopted by 354 votes to 53, with 266 abstentions, a resolution on the transparent and accountable management of natural resources in developing countries: the case of forests.

Deforestation and forest degradation is the second leading human cause of carbon emissions and accounts for nearly 20 % of global greenhouse gas emissions. Halting deforestation and forest degradation and allowing forests to regrow would provide at least 30 % of all mitigation action needed to limit global warming to 1.5°C.

Parliament called on the Commission to honour the European Union's international commitments, and in particular those made at COP21, to promote the sustainable management of all types of forests, to halt deforestation, to restore degraded forests and to substantially increase afforestation and reforestation worldwide by 2020.

Forest and land governance: Parliament called on the EU to establish stronger cooperation and effective partnerships with major timber-consuming countries and international stakeholders with a view to improving forest governance. It stressed the need to encourage participatory and community-based forest management by strengthening the involvement of civil society in the planning and implementation of forest management policies and projects, raising awareness and ensuring that local communities share the benefits of forest resources.

Members urged partner countries to recognise and protect the rights of local forest-dependent communities and indigenous peoples, notably indigenous women, to customary ownership and control of their lands. They called for the scrupulous application of the principle of free, prior and informed consent to large-scale land acquisitions.

The Commission is urged to immediately launch a thorough impact assessment, and a genuine stakeholder consultation, involving in particular local people and women, with the purpose of establishing a meaningful EU Action Plan on deforestation and forest degradation.

This plan should include concrete and coherent regulatory measures, including a monitoring mechanism, to ensure that no supply chains or financial transactions linked to the EU cause deforestation, forest degradation, or human rights violations.

An effective administrative complaints mechanism shall be put in place to allow victims of human rights violations and other harmful impacts to request the opening of investigation processes.

Responsible supply chains and financing: given that more than half of the commodities produced and exported onto the global market are products of illegal deforestation, Members noted that imports of timber and timber products should be more thoroughly checked at the EU borders, to ensure that the imported products do indeed comply with the criteria necessary to enter the EU. They noted that more than half of the commodities produced and exported onto the global market are products of illegal deforestation.

The global supply chains and financial flows only support legal, sustainable and deforestation-free production and do not result in human rights violations. The EU should reinforce private sector efforts through policies and appropriate measures creating a common baseline for all companies and levelling the playing field.

Parliament called on the EU to address global deforestation by regulating European trade and consumption of forest-risk commodities, such as soy, palm oil, eucalyptus, beef, leather and cocoa. This regulatory framework should:

- establish mandatory criteria for sustainable and deforestation-free products;
- impose mandatory due diligence obligations on both upstream and downstream operators in forest-risk commodity supply chains;
- enforce traceability of commodities and transparency throughout the supply chain;
- require Member States competent authorities to investigate and prosecute EU nationals or EU-based companies that benefit from illegal land conversion in producer countries;
- comply with international human rights law.

In this context, Parliament highlighted the need to better inform consumers of the harmful effects of unsustainable palm oil production on the environment, the ultimate goal being to significantly reduce palm oil consumption.

Forest crime: Members noted that, according to UNEP and INTERPOL, illegal logging and trade in timber is one of the five most important sectors of environmental crime, increasingly involving transnational organised crime groups. They stressed the importance of combating the illegal trade in tropical timber. They called on the Commission and Member States to address the risks associated with war timber and to ensure that it is classified as illegal under voluntary partnership agreements.

Parliament stressed the importance of deploying truly dissuasive and effective penalties in producer countries to combat illegal logging and trade in timber. It suggested strengthening the implementation of the [European Parliament and Council Regulation \(EU\) No 995/2010](#) on timber by requesting enhanced due diligence from operators importing from conflict-affected or high-risk areas, anti-bribery terms and conditions in contracts with suppliers. It called on the Commission to widen the scope of Directive 2008/99/EC on the protection of the environment through criminal law to include illegal timber logging.

Trade issues: Parliament urged the EU to systematically include, in the trade and sustainable development chapters binding and enforceable provisions to halt illegal logging, deforestation, forest degradation and land grabbing, and other human rights violations which are subject to suitable and effective dispute settlement mechanisms.

Members called for the EU to integrate forest diplomacy into its climate policy and to develop a green timber procurement policy to support the protection and restoration of forest ecosystems around the world.