How EU double standards help deforestation

The following article by former Brexit Party MEP, Brian Monteith, has previously been published by both Think Scotland and Global Britain. We are grateful to both for allowing us republish it here…

AS WITH ANY political campaigning when it comes to saving the planet it is often difficult for the public to see the wood because of the trees. One such example is the hypocrisy surrounding deforestation, and there is no better exemplar of that hypocrisy than the European Union claiming it is a paragon of virtue when it is anything but.

After China, the EU is the second-largest destination market for commodities that put forests and the ecosystem at risk. In a report published in the European Parliament itself, using EU data, EU consumption is cited as currently responsible for around 10% of global deforestation. Put graphically, every year EU demand causes around 72,900 square kilometres of forest loss, an area the size of Ireland.

One example of the consumption-driven devastation is how the EU's growing demand for meat drives global deforestation. According to the UN Food & Agriculture Organization average annual meat consumption per person in the EU countries is 79.28 kilograms, almost twice as much as the world average of 43.15 kilograms. Despite all the publicity promoting vegetarian and vegan diets the truth is meat consumption is growing in the EU.

The coming Mercosur-EU trade deal

I am a supporter of trade deals – a rising tide of trade is a good thing – it lifts all the boats and spreads prosperity, reduces world poverty and puts food on the table. We should be careful, however, to identify false claims about trade deals and the EU is a master of claiming it is trading righteously when it is often one of the worst offenders against the environment or other concerns it chooses to preach about – such as in its rape of West African fisheries. Another such example is the claims made about the Mercosur-EU trade deal helping fight deforestation.

The EU is already the biggest trade partner with Mercosur (Argentina, Brazil, Paraguay, and Uruguay), with trade flows valued at almost €77 billion (2019). The EU is also the largest foreign investor in the Mercosur region, with total investment stocks in 2017 valued at €365 billion.

Nicknamed "cows for cars", if ratified, the deal would allow for increased access to EU markets of Mercosur agricultural goods, including beef, soy, poultry, sugar, and ethanol, in exchange for facilitated access to Mercosur markets for EU cars, chemicals, and other manufactured goods.

How does this affect the world's ecology?

More than half of Brazil's area known as the *Cerrado*, the most biodiverse savannah in the world, has already been cleared to make room for mainly soy and beef production, while the timber is used to make charcoal for Brazil's vast steel mills. In 2019, EU imports of beef from the Cerrado accounted for 26% of the EU's total imported beef and almost one fifth of the beef exports from the region.

Last November 2021 the EU outlined a draft law requiring companies to prove their agricultural commodities destined for the bloc's 450 million consumers were not linked to deforestation – yet the EU's proposals left out many fragile ecosystems, including Brazil's vast Cerrado – home to 10,000 species of plants, half of which are found nowhere else in the world. By limiting the current draft regulation to forests but excludingwooded grasslands, such as the Cerrado, the EU has neatly avoided regulating one of the main sources of its imports..

Furthermore, while Brazilian Soy and beef has been linked to damage to critical biomes such as the Pantanal region, that region was also excluded from a European Union draft anti-deforestation law last year, repeating the omission made for the Cerrado.

The risk of deforestation

The world still has at least 11.1 million km2 of primary forest. Combined, three countries – Brazil, Canada and the Russian Federation – host more than half (61%) of the world's primary forest.

The global area of primary forest has decreased by 810 000 km2 since 1990, but the rate of loss more than halved between 2010 to 2020 compared with the previous decade. Forest loss peaked in the 1980s, and has declined to a third of that level since then. Like with most environmental problems forest loss is a problem of early economic development. Once a country reaches a certain level of prosperity – defined by the emergence of a vocal middle class that seeks to preserve its own environment – attitudes change, forest cover begins to recover, leading to a U-shaped curve describing levels of forest cover.

The main global locations of deforestation have changed significantly in recent years. Significant focus was given to Asian palm oil production but new sustainable farm practices has seen that threat decline and in many areas reversed.

On a global scale, Africa has the highest annual rate of net forest loss in 2010-2020 with 39 000 km2, followed by South America with 26 000 km2. By contrast, Asia – which includes Indonesia and Malaysia, where oil palms are often grown – had the largest net gain of forest area in 2010-2020.

By country, Brazil remains at the top of the list of countries with the most primary forest loss in 2020, accounting for over 40% of global forest loss. After a significant decline in deforestation up to 2012, the rate of forest loss has increased again in recent years. Clear-cutting and the use of fire have multiplied with many fires becoming uncontrollable due to drought, devastating large portions of the Amazon.

The Democratic Republic of Congo and Bolivia are in second and third place, behind Brazil. There, too, the primary cause of deforestation is cattle ranching, and uncontrolled forest fires that have ravaged thousands of hectares.

Asian reforms show there is hope

Hope for improvement comes from Indonesia and Malaysia, which for years have been singled out for the development of industrial oil palm crops at the expense of forests, but are now cited as examples of countries controlling deforestation. For the fourth year in a row, both countries have reduced the loss of primary forest.

The World Resources Institute calls them 'bright spots of hope', and attributes the improvements in part to corporate commitments in the pulp and paper as well as palm oil industries rather than global restrictions like those used by the EU.

The key lesson has been identifying policies for each country rather than have a one-size-fits-all approach that is so beloved by EU technocrats – because the reasons for the loss of forest area are specific to each jurisdiction.

If Asian Palm Oil farmers can do it…

Interestingly, when it comes to which companies have reported the most progress on deforestation it is the producers of palm oil when compared to other commodities such as soy, cattle products, rubber, cocoa and coffee.

In the case of Palm Oil production in Indonesia, Malaysia, and Papua New Guinea deforestation has fallen to a three-year low; down by 42 per cent in the first six months of 2021 to 11,500 hectares of forests lost, compared like-for-like with 2020 (19,894 ha), and 71% compared with 2019 (40,000 ha), according to satellite analysis published from Chain Reaction Research (CRR), a risk analysis group. According to Global Forest Watch, primary forest loss in Malaysia alone decreased by almost 70% between 2014 and 2020. According to the WRI, 2020 is the fourth straight year that palm oil deforestation has been trending down.

Most rich countries have gone through their deforestation stage, and have come out the other side both prosperous and with its forests recovering. It is hypocritical to deny developing countries the same latitude, especially since they are hardly razing forests on the scale that Western countries once did.

According to Global Forests Report 2020 by Carbon Disclosure Project, palm oil companies have the highest levels of rigorous no-deforestation commitments (20%), comprehensive risk assessments (25%) and integration of forest-related issues into all parts of their long-term strategic business plans (57%). Companies in the palm oil value chain are also the largest proportion to have set or achieved targets to either source 100% certified no-deforestation compliant commodities or trace 100% of commodities to at least municipality (18%).

Companies are more likely to report on their progress in palm oil supply chains (90%), and least likely to do so for beef (46%) and leather (33%) supply chains.

Ironically, while consumers do not want deforestation on their plate. Beef (64%) and Soy (58%) are the top 2 commodities where food sector companies do not have a deforestation commitment. For palm oil, this figure stands at 27%.

Financial institutions play an important role in deforestation and human rights efforts as they engage to influence the behaviour of the companies being financed. Of the 150 companies reviewed only 46 financial institutions had a clear public process to identify businesses within their portfolios that do not comply with their deforestation policy for at least one of the commodities. Policies for palm oil were most common with 42 financial institutions

31 of the financial institutions surveyed had a process in place to engage any clients/holdings found not to comply with their policy for at least one commodity. 29 financial institutions had a process in place for palm oil, while the least common was for cattle products, where just 11 financial institutions were identified as having a process in place.

The EU's double standards

The reality is that when it comes to environmental issues the EU speaks with forked tongue. While it talks up its green credentials, when the details of its regulations and trade deals are inspected the EU is often found out to be less than honest – such is the case of the EU trying to reduce deforestation.

Typically, the EU is seeking to obtain a deal on its terms so it can export it goods – fair enough – but the gushing concerns about deforestation that result in it drafting regulations to protect the environment conveniently leave out the very areas that are under threat. The reason is obvious, the EU trade deal with Mercosur is one economic bloc dealing with another – thus these two groups operate in a one-size-fits-all mentality when what is needed is evolutionary change on a country-by-country basis to suit particular climates, economic conditions and environmental risks.

The Asian countries of Indonesia, Malaysia, and Papua New Guinea once berated about the impact of Palm Oil production have shown improvements can be achieved – knowing the incentive was that achieving change would brand their produce as premium quality and improve their earnings – they should be the role model and the incentive that Mercosur countries should follow – EU trade deal or no EU trade deal.