

EU's trade deals can put an end to deforestation

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A forest fire rages in the town of Porto Velho, state of Rondonia, Amazonia, Brazil, 9 September 2019. [EPA-EFE/Fernando Bizerra]

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The EU must take an aggressive “stick and carrot” approach to trade deals in order to put an end to deforestation and avert a next pandemic, writes Fazlun Khalid.

Fazlun Khalid is an advisor to the UN, founder of Islamic Foundation for Ecology and Environmental Sciences (IFEES) and author of "Signs on the Earth – Islam, Modernity & the Climate Crisis".

A new World Wildlife Fund report, released around the same time as a sharp acceleration in Amazon deforestation, concludes that the rampant destruction of nature led to the COVID-19 pandemic – a view reinforced by the UN and WHO.

It also warns that future deforestation could unleash new global crises – from climate change to pandemics and biodiversity collapse.

That is why putting an end to deforestation once and for all must now be an urgent priority. The evidence confirms that relentless industrial expansion is consistently **breaching the planetary boundaries** necessary to maintain what scientists call a 'safe operating space' for humanity.

Boycotting problematic commodities is not the answer

Thankfully, the EU's trade balance gives it some leverage to tackle deforestation in a post-COVID world reeling from economic turmoil.

But merely boycotting problematic commodities implicated in deforestation won't work – and often leads to the exports of those same commodities being redirected to regions with far lower environmental standards.

Indeed, the European Union has quietly conceded that its previous approach to stopping deforestation due to palm oil is unlikely to work.

A **paper** published by the European Parliament's Directorate General for External Policies of the Union cites recent scientific studies on "deforestation linked to palm-oil production" showing that solely reducing Europe's own imports of palm oil is environmentally ineffective.

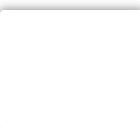
Instead, the paper concludes that "it is more effective and less costly if Malaysia and Indonesia" – the world's largest palm oil producers – implement a moratorium on deforestation (targeting deforested areas)."

This is because a palm oil boycott tends to simply switch demand to less efficient vegetable oils which use up more land, potentially driving **greater rates of deforestation**. It also signals to producer countries that adopting sustainable production methods is pointless because Europe doesn't want to buy their palm oil anyway.

The question, of course, is how to incentivise developing nations to implement verifiable and effective forest conservation policies. A recent call in a **report** by the EU's Agricultural Committee for new inclusive trade partnerships with the Global South attempts to address this issue.

The Committee warns that only mandatory, legally enforceable environmental standards can stop deforestation. But it also notes that such standards cannot be imposed unilaterally, and require buy-in from producer nations.

The EU needs to adopt a "stick and carrot" approach to trade deals



The big question missing from the EU's ruminations so far is how to achieve this buy-in. There is one way: Working in partnership with the global south will mean adopting an aggressive "stick and carrot" approach to trade deals.

Nations that meet environmental standards can be put on track for Free-Trade agreements. Those that refuse to do so would fall outside the negotiating table. That would be a huge step in spurring a global green economic revolution.

In Malaysia, there is now ample precedent for this process. The Malaysia Sustainable Palm Oil (MSPO) certification standard is the world's first national, government-mandated palm oil certification scheme enforceable by law.

Unlike voluntary schemes, like the Roundtable on Sustainable Palm Oil (RSPO) – catering for big corporate producers – the scheme is obligatory for all palm oil producers, more accessible to smallholder farmers, and enforced with fines for those who refuse to comply.

Unfortunately, the EU is still playing catch-up. The Directorate General report cites outdated research from last year to claim that in Malaysia and Indonesia, "attempts to limit palm-oil-driven deforestation... fall short of their stated goals: less than one-third of palm-oil production is certified, and often, certified areas overlap."

But this is untrue. Since making the MSPO scheme mandatory, 63.2% of Malaysian palm oil plantations **became** MSPO-certified as of the end of 2019. And Malaysia is aiming to **certify 100 percent** of its palm oil by the end of this year.

Further new research suggests that, in contrast to the Amazon where deforestation is accelerating, the MSPO scheme is working.

The World Resources Institute's Global Forest Watch this month released **new data** showing that for three consecutive years, Malaysia's rate of deforestation has slowed down – a development attributed to local "efforts to reduce deforestation".

All this points to an unfortunate gap between EU perceptions and facts-on-the-ground, suggesting that the EU had rushed through its well-intended deforestation policies too haphazardly, without attention to key facts, and lacking sufficient engagement with countries who appear to be making real progress.

To be sure, we must not be sanguine. Rates of deforestation remain out of control, and if we do not act now, the COVID-19 crisis teaches us that human civilisation itself is in peril.

But MSPO is one scheme showing that there is a path forward, one that might be scaled to other regions facing the scourge of deforestation. That is all the more reason the EU should find ways to work more closely with developing nations to support, rather than alienate, nationally-mandated conservation efforts.

This could help usher in a new global cooperative architecture that can cultivate trade in sustainable goods and services while using the full force of law to put an end to deforestation once and for all.

That may well avert the next global crisis.