

## Unlocking the potential of Natural Climate Solutions: Why addressing imported deforestation and ecosystem degradation should be part of EU climate action

*Conservation International* and *The Nature Conservancy* welcome the possibility to contribute to the key process of the strategy for long-term European Union (EU) greenhouse gas (GHG) emissions reductions. We praise the ambition of the European Commission to work on a long-term strategy for GHG emissions reductions before COP 24: this will provide a strong basis for the EU to support the process towards the Paris Agreement rulebook and higher ambition to tackle climate change at the global level. *Conservation International* and *The Nature Conservancy* hope this strategy will send a signal to the other parties to scale up action, and we are willing to support this endeavor.

However, we note that the consultation survey only focusses on action within the EU and does not include the impacts of EU consumption on ecosystems abroad that are key to reach the global targets under the Paris Agreement, and more generally, to our planet's survival.

Our planet is warming at an alarming pace, despite historic efforts to reverse our course, and the risk to turn the earth into a "hothouse"<sup>1</sup> becomes more and more prominent. Therefore, we call on the European Commission to design an ambitious and comprehensive long-term strategy to position the EU as a global leader for climate action. This will only be possible if the EU takes responsibility for its global environmental footprint and considers the great potential of nature to mitigate and adapt to climate change.

### Main recommendations:



As part of the EU strategy for long-term GHG emissions reductions, the Commission should develop an **ambitious and comprehensive initiative to address imported deforestation and conversion of natural ecosystems** before the end of the current term.



The next **Multiannual Financial Framework** must be aligned with the objectives of the Paris Agreement and other international commitments. It should include an **increased 50% target for climate – and environment – relevant spending** across future External Financing Instruments.



The EU should continue to support **free and open source access to satellite data** and monitoring tools critical for countries to measure carbon emissions and enable sustainable land use planning;



The EU should ensure that the potential of the preservation of forests and key ecosystems is fully integrated in the **Paris Agreement rulebook** and the **Nationally Determined Contributions**.

<sup>1</sup> <http://www.pnas.org/content/early/2018/07/31/1810141115>

## Why nature matters – Including Natural Climate Solutions in climate action

### Examples of Natural Climate Solutions:

**Reforestation, afforestation & restoration:** Turning less productive and otherwise unused lands into forests and enriching existing forest cover can capture and store gigatonnes of carbon dioxide.

**“Blue Carbon”:** Coastal wetlands can store up to ten times more carbon than terrestrial forests per unit area.<sup>2</sup> Conserving and restoring these valuable ecosystems can significantly improve carbon mitigation.

**Soil health:** Enriching soils through smarter agricultural practices such as more efficient use of fertilizers can deliver greater carbon retention, but also higher yields and lower costs.

**Zero-deforestation supply chains:** Demand for consumer goods has been a principal driver of deforestation. Working with companies to eliminate deforestation from their supply chains helps keep precious carbon stores intact.

### The ways we can deliver natural climate solutions:

**Avoid habitat conversion:** Rising demand for food and other natural resources has seen the large-scale conversion of natural habitats. Habitat conversion releases carbon otherwise stored in plants, soils and coastal wetlands.

**Promote indigenous leadership:** Indigenous peoples living traditional lifestyles commonly have a rich understanding of the environments. The contribution they can make in delivering sustainable land management practices for both protection and economic production benefit is considerable.

*Protecting and restoring key ecosystems, and improving management of working lands, could account for a third of all mitigation action needed to limit global warming to safe levels.*

In 2017, a study by 16 institutions<sup>3</sup>, including several of the [Nature4Climate](#) partners, found that the land sector contributes a quarter of total GHG emissions, but can deliver over 30% of the GHG reductions required by 2030 to keep global warming below 2 degrees, and do so cost-effectively. Natural Climate Solutions, such as the protection of existing stocks, reforestation, afforestation, conservation agriculture and coastal wetland protection, enhance nature’s ability to absorb and store carbon.

While there is increasing policy action and investment on renewable energy to reduce GHG emissions, governments have been slow to date to address land use changes. Natural Climate Solutions only receive 2% of public mitigation finance,<sup>4</sup> despite being the only economic carbon removal solution available today

<sup>2</sup> [https://www.nrs.fs.fed.us/pubs/jrnl/2011/nrs\\_2011\\_pan\\_002.pdf](https://www.nrs.fs.fed.us/pubs/jrnl/2011/nrs_2011_pan_002.pdf)

<sup>3</sup> <http://www.pnas.org/content/114/44/11645.full>

<sup>4</sup> <https://climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2017/>

at scale.<sup>5</sup> Moreover, while 77 per cent of NDCs in the framework of the Paris Agreement reference restoring forest landscapes, only 30 percent include quantified targets for the sector.<sup>6</sup>

Natural Climate Solutions are essential for the success of the Paris Agreement and are recognized in the text of the agreement. They must be fully part of climate action and cannot be ignored by the EU in its strategy for long-term GHG emissions reductions.

*Ecosystem-based adaptation has great potential to reduce people's vulnerability to climate change impacts and provides significant co-benefits for biodiversity and people.*

Natural Climate Solutions go beyond mitigation; they also encompass ecosystem-based adaptation.<sup>7</sup> Ecosystem-based adaptation — the conservation, sustainable management and restoration of natural ecosystems to help people adapt to climate change — has great potential to reduce people's vulnerability to a range of climate change impacts and provide significant co-benefits for biodiversity and people, from clean air and water to medicines and food.

Natural ecosystems, as well as the incorporation of biodiversity in human-modified landscapes, such as agricultural areas, are great assets for long-term support to reduce the negative impacts of climate change and maintain well-being of particularly vulnerable populations. For example, the protection of mountain forests provides natural buffers to reduce damages to assets and settlements resulting from disasters, such as landslides or avalanches, triggered by intense precipitations. Another example is the restoration of coastal wetlands that can reduce the height of the storm surge, the wind and wave speed, as well as flooding and provide a mechanism for trapping debris, which is a major cause of death and injury during extreme weather events.

## The role of the EU as a global climate leader

As signatory of the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC), the EU has already shown strong leadership on climate action. However, this leadership cannot stop at its own borders. The EU strategy for long-term GHG emissions reductions must address the full range of EU actions to ensure positive impacts at a global level. The EU consumption has significant impacts on producing countries' ecosystems, which affects global efforts to meet the goals of the Paris Agreement.

27% of global forest loss can be attributed to deforestation through permanent land use change for commodity production.<sup>8</sup> The EU was the leading importer of products linked to deforestation between 1990 and 2008, causing an area of deforestation at least the size of Portugal<sup>9</sup>; it is still the second largest market for imports of palm oil after India<sup>10</sup> and the second-largest importer of soybeans in the world.<sup>11</sup>

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<sup>5</sup> <https://www.nature.com/articles/s41467-018-05340-z>

<sup>6</sup> [https://infoflr.org/what-flr/increasing-ambition-and-action-ndcs-through-flr?utm\\_campaign=2129791\\_Arborvitae%20May-July%202018&utm\\_medium=email&utm\\_source=IUCN&dm\\_i=2GI3,19NCV,48BT8A,42GIM,1](https://infoflr.org/what-flr/increasing-ambition-and-action-ndcs-through-flr?utm_campaign=2129791_Arborvitae%20May-July%202018&utm_medium=email&utm_source=IUCN&dm_i=2GI3,19NCV,48BT8A,42GIM,1)

<sup>7</sup> [https://www.adaptationcommunity.net/wp-content/uploads/2018/09/giz2018-en-panorama-EbA-solutions-in-focus\\_web.pdf](https://www.adaptationcommunity.net/wp-content/uploads/2018/09/giz2018-en-panorama-EbA-solutions-in-focus_web.pdf)

<sup>8</sup> <http://science.sciencemag.org/content/361/6407/1108>

<sup>9</sup> <http://ec.europa.eu/environment/forests/pdf/1.%20Report%20analysis%20of%20impact.pdf>

<sup>10</sup> <https://apps.fas.usda.gov/psdonline/circulars/oilseeds.pdf>

<sup>11</sup> <https://www.ers.usda.gov/topics/crops/soybeans-oil-crops/trade/>

Many corporate actors are stepping up their commitments and actions to address imported deforestation, e.g. the Consumer Goods Forum's zero net deforestation by 2020 initiative<sup>12</sup> and the New York Declaration on forests<sup>13</sup> – which the EU also signed.

Several EU member states have also started to address imported deforestation, e.g. through the Amsterdam Declarations Partnership<sup>14</sup>. Individual countries are moving ahead too; for example, France is paving the way to integrated climate and imported deforestation action, with a national strategy against imported deforestation<sup>15</sup> currently being designed under the national climate plan. However, greater impact cannot be achieved without a strong EU leadership.

The European Parliament<sup>16</sup> and some member states<sup>17</sup> have asked the European Commission to work on an ambitious strategy to combat imported deforestation. EU action to tackle imported deforestation would be a major global signal and could lead the way for other countries with important markets such as China and India to work on similar initiatives. It would also provide incentives for companies and producing countries to take action, which could, in turn, help level the playing field for transitioning to green economies.

2018 will be a crucial year for climate action, with the IPCC Special report on 1.5 degrees to be released in October and the Paris Agreement rulebook to be elaborated at COP 24 in December. It is therefore a pivotal moment where the EU should consider the preservation of the natural carbon sinks in the world as being fully part of climate action – through its strategy for long-term GHG emissions reductions and the climate negotiations under the UNFCCC.

## How can the EU act?

1. As part of the EU strategy for long-term GHG emissions reductions, the Commission should develop an **ambitious and comprehensive initiative to address deforestation**, forest degradation and conversion of natural ecosystems committed outside the European territory through imports of commodities – “imported deforestation” – before the end of the current term, to make full use of the recently published feasibility study<sup>18</sup> and to ensure a continuity into the next term of the Commission. This initiative should in particular:
  - **Tackle the drivers of deforestation and forest degradation**, by putting in place new policy mechanisms to deliver sustainable, resource-efficient production and consumption. It should include a **regulatory framework** to ensure that all supply chains linked to the EU market are sustainable, free from deforestation and forest degradation and comply with international standards and obligations on rights of indigenous peoples and local communities, including Free, Prior and Informed Consent and the UN Declaration on the Rights of Indigenous Peoples.
  - **Strengthen the implementation of existing policies**, such as the FLEGT Action Plan.

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<sup>12</sup> <https://www.theconsumergoodsforum.com/implementing-and-scaling-up-the-cgf-zero-net-deforestation-commitment/>

<sup>13</sup> <http://www.un.org/climatechange/summit/wp-content/uploads/sites/2/2014/07/New-York-Declaration-on-Forest-%E2%80%93-Action-Statement-and-Action-Plan.pdf>

<sup>14</sup> <http://data.consilium.europa.eu/doc/document/ST-6528-2018-INIT/en/pdf>

<sup>15</sup> <http://www.consultations-publiques.developpement-durable.gouv.fr/consultation-projet-lutte-deforestation-SNDI-a1849.html>

<sup>16</sup> <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P8-TA-2018-0333+0+DOC+PDF+V0//EN>

<sup>17</sup> <http://data.consilium.europa.eu/doc/document/ST-6528-2018-INIT/en/pdf>

<sup>18</sup> <http://ec.europa.eu/environment/forests/pdf/KH0418199ENN2.pdf>

- **Provide more financial and technical assistance to producer countries** to protect, maintain and restore critical ecosystems, including by improving governance, supporting protected areas that uphold community rights, ensuring that FLEGT and REDD+ strategies contribute to addressing the drivers of deforestation and forest degradation, and improving the productivity of all producers – including smallholders – through good agricultural practices.
2. The next **Multiannual Financial Framework** (MFF) is an opportunity for the EU to provide considerable, transparent and predictable funding to support healthy people and planet globally. It must be aligned with the objectives of the Paris Agreement and other international commitments, such as the Convention for Biological Diversity (CBD) and the 2030 Sustainable Development Agenda, and should include:
- **An increased 50% target for climate – and environment – relevant spending** across future External Financing Instruments (EFIs), to step up investments that contribute to biodiversity and ecosystem health.
  - **A specific window for biodiversity** within future EFIs, to allow for funding to be channeled directly to environment-related priorities in support of non-EU countries' efforts to pursue their own international commitments.
  - **A consistent and transparent approach to reporting climate and biodiversity finance**, both through public funds and leveraging private funds, to monitor whether the EU is on track to deliver its international commitments on climate and biodiversity finance.
  - **Strong policy coherence for sustainable development** across the next MFF, to ensure that policies and actions in Europe do not undermine the achievement of international commitments in third countries and globally.
3. The European Space Agency data provides a key input to much of the research needed to undertake Natural Climate Solutions. The EU should continue to support **free and open source access to satellite data and monitoring tools** critical for countries to measure carbon emissions and enable sustainable land use planning;
4. The EU should ensure that the potential of the preservation of forests and key ecosystems is **fully integrated in the Paris Agreement rulebook and the NDCs**, including specifically:
- **Developing guidance on NDCs and adaptation communications that encourage countries to include efforts across all sectors**, particularly Natural Climate Solutions which address forests, wetlands and peatlands, coastal carbon management, ecosystem-based adaptation, REDD+ and climate-resilient agriculture, among others.
  - **Developing guidance on cooperative approaches that encourage the generation of internationally transferred mitigation outcomes across all sectors**, taking advantage of the potential for removals from sinks, while promoting high environmental integrity through robust accounting and transparency rules.
  - **Preparing a set of foundational decisions under the Koronivia joint work on agriculture by 2019** with options for national-level interventions and identify the technological and financial support needed to advance mitigation and adaptation actions in the agricultural sector.

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