



**COUNCIL OF
THE EUROPEAN UNION**



Council Conclusions on addressing the challenges of deforestation and forest degradation to tackle climate change and biodiversity loss

*2912th ENVIRONMENT Council meeting
Brussels, 4 December 2008*

The Council adopted the following conclusions:

"THE COUNCIL OF THE EUROPEAN UNION,

RECALLING

- (1) The conclusion of the Environment Council of 20 October 2008 insisting on the importance of an ambitious deal in the Copenhagen agreement on reducing emissions from deforestation and forest degradation in developing countries, and also on the role of conservation, sustainable management of forests and enhancement of forest carbon stocks;
- (2) The conclusions of the Environment Councils of 20 February and 28 June 2007 and 3 March 2008, and the conclusions of the Spring European Council of 13-14 March 2008, stressing the need to achieve synergies between climate change and biodiversity policies as a way to secure co-benefits, in particular with regard to deforestation and forest degradation;
- (3) The EU Biodiversity Action Plan to 2010 and beyond which underlines the EU's commitment to the global target of significantly reducing the rate of biodiversity loss and the EU objective of halting biodiversity loss within the EU;

P R E S S

- (4) The EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT) ¹ adopted in 2003 addressing the problem of illegal logging and its related trade and the FLEGT Regulation ² adopted in 2005 establishing the legal framework for the imports into the EU of timber originating in partner countries;
- (5) The conclusions of the Competitiveness Council of 25 September 2008 on the Communication of the European Commission on Public Procurement for a better environment as well as the conclusions of the Environment Council of 4 December 2008, promoting sustainable production and consumption of natural resources and raw materials, including paper and timber products;
- (6) The conclusions of the Agriculture Council of 5 October 2007 welcoming the Non-Legally Binding Instrument on All Types of Forests (NLBI) within the framework of the United Nations Forum on Forests as a significant step forward, underlining the commitment of the EU to contribute positively and actively to its implementation and the increased need for policy coherence at international level on forest issues, as well as the Council conclusions of 28 January 2008 taking note of the adoption by the UN General Assembly of a Non-Legally Binding Instrument on All Types of Forests within the framework of the United Nations Forum on Forests to strengthen political commitment and action at all levels to implement effectively sustainable management of all types of forests and to achieve the shared global objectives on forests, particularly reverse the loss of forest cover worldwide through sustainable forest management, including protection, restoration, afforestation and reforestation, and increase efforts to prevent forest degradation;
- (7) The IPCC Fourth Assessment Report stating that forest-related mitigation activities can considerably reduce emissions from sources and increase CO₂ removals by sinks at low cost, and can be designed to create synergies with adaptation, conservation of biological diversity and sustainable development;
- (8) The Commission Communication³ proposing to build a new alliance on climate change between the European Union and the poor developing countries that are most affected and that have the least capacity to deal with climate change: the "Global Climate Change Alliance" (GCCA), which defines Reducing Emissions from Deforestation as one of the priority areas for stepped up cooperation.

¹ COM(2003) 251.

² COUNCIL REGULATION (EC) No 2173/2005.

³ COM(2007) 540

WHEREAS

- (9) Forests produce a vital range of products and services, including ecosystem services, on which the livelihoods and well-being of humankind and especially the daily needs of the local communities in many developing countries depend;
- (10) Deforestation accounts for some 20 % of global carbon dioxide emissions. Reducing emissions from deforestation and forest degradation will therefore be essential in order to achieve our objective of limiting global warming to 2°C above pre-industrial levels. Studies indicate that it is also a cost- effective way to combat climate change;
- (11) Deforestation and forest degradation are major drivers of biodiversity loss. Tropical forests in particular host about half of all terrestrial species and play a central role in the functioning of the biosphere. Continued deforestation and forest degradation will result in significant biodiversity loss, including extinction of species and the associated loss of goods and services;
- (12) Illegal logging is one of the direct drivers of deforestation and forest degradation, and strengthening forest law enforcement, governance and institutions at local and national level as well as tackling the trade in and consumption of illegally harvested timber are necessary for any effective policy response;
- (13) Causes of deforestation and forest degradation are complex and different across countries and over time. However, to a great extent, forests are destroyed because it is more profitable in the short run to unsustainably harvest timber and to use land for other purposes than for sustainably managed forests, in particular because the full value of the goods and services they provide is not valued and recognised. Effective policies should take into account the value of the services provided by forests;
- (14) Reducing Emissions from Deforestation and Forest Degradation offers opportunities to achieve mitigation and adaptation objectives, as well as objectives concerning the conservation of forest biodiversity;

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- (15) WELCOMES the Commission's Communication on "Addressing the challenges of deforestation and forest degradation to tackle climate change and biodiversity loss"; and NOTES WITH SATISFACTION the approach on deforestation and forest degradation, addressing both internal and external EU policies and that its objective is to set out the main lines of an EU response; at this point in time, WISHES to build on the Commission's suggestions with a view to contributing to ongoing deliberations in the run-up to a Copenhagen climate change agreement, while UNDERLINING that work should continue on the many issues related to deforestation and forest degradation and the role of conservation, sustainable forest management and enhancement of forest carbon stocks;
- (16) SUPPORTS the aims put forward by the Commission to halt global forest cover loss by 2030 at the latest and to reduce gross tropical deforestation by at least 50 % by 2020 compared to current levels;
- (17) WELCOMES the use of the indicator of gross tropical deforestation for this intermediate objective, as a way to take into account biodiversity concerns;
- (18) REAFFIRMS the synergies between the Rio Conventions, as well as with other related instruments and processes such as the Non-Legally Binding Instrument on All Types of Forests, and the opportunities for co-benefits of actions to mitigate and adapt to climate change, and preserving biodiversity; STRESSES that concerns regarding conservation and sustainable use of biodiversity and ecosystems should be taken into account when formulating and implementing activities aimed at tackling deforestation and forest degradation; and WELCOMES the establishment by the Convention on Biological Diversity of a process to take this forward, and LOOKS FORWARD to its outcomes;
- (19) UNDERLINES that the EU can help promote sustainable forest management and tackling deforestation and forest degradation notably through the implementation of the Non-Legally Binding Instrument on All Types of Forests, through implementing the EU FLEGT Action Plan and through promoting FLEG-processes; and EMPHASISES the interest of developing sustainability criteria for wood and other biomass used for the generation of renewable energy, taking into account existing sustainability criteria or those being developed in relevant processes;
- (20) ACKNOWLEDGES that some EU and Member States' policies outside the forestry sector, especially those for poverty eradication and development policies, could have some impacts on deforestation and INSISTS on the necessary policy coherence. To this end INVITES the Commission to assess the impact on deforestation of future EU and international policy initiatives and trade and agricultural policy agreements;

- (21) SUPPORTS the objective, within the United Nations Framework Convention on Climate Change, of developing financing mechanisms, taking into account existing arrangements, as part of an effective, efficient, equitable and coherent financial architecture within the post-2012 climate agreement to be reached in Copenhagen, to support developing countries to reduce emissions from deforestation and forest degradation; in this regard, NOTES the Commission's suggestion for establishing a Global Forest Carbon Mechanism (GFCM); STRESSES that complementary ways to assist developing countries to preserve and sustainably use their forests and to reduce the risk of international leakage are needed, such as promoting the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks; LOOKS FORWARD to continuing a constructive dialogue with partners, in particular developing countries, on reducing emissions from deforestation and forest degradation;
- (22) ADVOCATES that any financial mechanism should be performance-based and provided on the basis of verified results in terms of avoided emissions from gross deforestation and forest degradation, while promoting conservation, sustainable forest management, and enhancement of forest carbon stocks. Nationwide implementation involving the entire forestry sector would be required so as to minimise the risk of in-country leakage; STRESSES that such a mechanism should take account of the need to secure co-benefits, such as protecting biodiversity and eradicating poverty, to the greatest extent possible; furthermore, HOLDS that, at the national level, effective implementation should require that effective forest governance structures are in place, that the rights of forest-dependent local communities are respected, and that the principles of common but differentiated responsibilities and respective capabilities should be taken into account when designing the financial support instruments under such mechanisms;
- (23) TAKES NOTE of the Commission's estimation that between 15 and 25 billion euros per annum would be needed to halve deforestation by 2020, but that the total amount of financing will depend on the level of mitigation actions undertaken by developing countries; HIGHLIGHTS that the perspective of the EU climate and energy package negotiations will further contribute to EU efforts to provide finance;
- (24) RECALLS that it is for the Member States to determine, in accordance with their constitutional and budgetary provisions, how the revenues generated by the auctioning, from 2012 onwards, of 15 % of the EU ETS allowances for aviation are to be used, and that in this context, they undertake to combat climate change in the EU and third countries, *inter alia* to reduce greenhouse gas emissions, to adapt to the impacts of climate change, especially in developing countries, and to fund measures to avoid deforestation.

- (25) RECALLS that in the period from 2008 to 2012 afforestation and reforestation activities are recognised, subject to strict quantitative limits, for government compliance; STRESSES that recognition of afforestation and reforestation activities should be continued in the 2013 to 2020 period; and in addition, INVITES the Commission to assess the implications of credits generated in the context of a financial mechanism addressing deforestation and forest degradation, under appropriate conditions, for a partial fulfilment of government commitments; EXPRESSES openness to the idea that recognition for EU ETS compliance as a complementary tool in the medium to long term could be considered after a thorough review and in the light of experience gained, especially on methodological questions;
- (26) INVITES the Commission to include in its future Communication covering the EU's approach for the Copenhagen negotiations an ambitious strategy for scaling up finance and investment flows for both mitigation and adaptation, including aspects relating to combating deforestation and forest degradation and the role of conservation, sustainable forest management and enhancement of forest carbon stocks ;
- (27) INVITES the Commission to assess the options within a future financial mechanism to direct incentives toward actions with the lowest mitigation costs and highest poverty alleviation and biodiversity co-benefits, including strengthening ecosystem resilience and services;
- (28) STRESSES the need for the EU to support developing countries in building capacity, strengthening forest governance and addressing the knowledge gaps, in order to have a financial mechanism operational as soon as possible."
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