



House of Commons
Environmental Audit Committee

The UK's contribution to tackling global deforestation

Fourth Report of Session 2023–24

*Report, together with formal minutes relating
to the report*

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Environmental Audit Committee

The Environmental Audit Committee is appointed by the House of Commons to consider to what extent the policies and programmes of government departments and non-departmental public bodies contribute to environmental protection and sustainable development; to audit their performance against such targets as may be set for them by His Majesty's Ministers; and to report thereon to the House.

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Contents

Summary	3
Introduction	7
The impact of deforestation on carbon emissions	7
Social impacts of deforestation	8
Background to the inquiry	9
1 The UK's contribution to deforestation	10
Drivers of deforestation	10
Monitoring the UK's contribution to deforestation	11
The impact of Government procurement practices	14
2 The UK's proposed due diligence system under the Environment Act 2021	17
The UK's timber regulations	17
Views on the UK Timber Regulations	17
Schedule 17 to the Environment Act 2021	18
Features of the Schedule 17 due diligence system	19
The Government's proposed approach	19
The EU Deforestation Regulation	21
Views on the proposed due diligence system	21
Legality vs. zero deforestation	21
Human rights risks in supply chains	22
A phased approach to introducing commodities	23
Businesses in scope	24
The financial sector and deforestation	26
3 Global agreements to tackle deforestation	28
International agreements on measures to halt and reverse deforestation	28
UK leadership on international anti-deforestation measures	31
Funding agreements	32
Views on available funding	33
Funding for indigenous peoples	35
Views on the level of funding available to indigenous people organisations	36
4 Global cooperation to tackle deforestation	37
UK government programmes to tackle deforestation in producer countries	37
The Forest Governance, Markets and Climate Programme	37

Voluntary partnership agreements and the Forest Law Enforcement Governance and Trade Programme	38
The future of FLEGT	38
Views on the effectiveness of VPAs and the FLEGT programme	40
Indigenous peoples in climate and nature negotiations	41
Trade	43
Certification	44
Conclusions and recommendations	46
Annex: Roundtable event on deforestation with NGO representatives	53
Formal minutes	57
Witnesses	58
Published written evidence	60
List of Reports from the Committee during the current Parliament	62

Summary

Deforestation is a key driver of both climate change and biodiversity loss. Forests host 80% of the world's terrestrial biodiversity, and support the livelihoods of 1.6 billion people. If protected and restored globally, forests could provide up to 37% of the greenhouse gas mitigation required to ensure a good chance of stabilising warming to below 2°C between now and 2030.

Globally, deforestation threatens irreplaceable biodiverse habitats and contributes 11% of global carbon emissions, surpassing those from aviation and cement production. Around 90% of deforestation is driven by land-use change to agriculture for the production of forest-risk commodities including cattle, soy, palm oil, cocoa, rubber and coffee.

Deforestation and biodiversity loss have a significant impact on the lives and livelihoods of local communities, including indigenous peoples. 25% of the world's total population, and 90% of the world's population who live in extreme poverty, depend on forests for some part of their livelihood.

Indigenous peoples play an important role in protecting the around 80% of the world's biodiversity globally, despite making up just 5% of the world's population. Through their direct dependence on their local ecosystems and inter-generational knowledge, indigenous peoples and local communities can possess detailed knowledge on biodiversity and ecosystem trends and are important contributors to the governance of biodiversity from local to global levels.

Indigenous peoples reliant on forests for their livelihoods often suffer directly from the pressures of expansion of agricultural frontiers and of the production of commodities such as mining, logging, and energy. This is impacted by the fact that they often only have customary tenure rights to the land they live on: it is often difficult for indigenous and other local communities to secure their land rights in the face of violence, retribution and historical marginalisation.

The UK's contribution to deforestation

The UK is a significant consumer of commodities linked to deforestation. A study by the WWF and RSPB estimated that UK imports of just 7 'forest risk' commodities—soy, cocoa, palm oil, beef and leather, paper, rubber, and timber—account for a land footprint equivalent to 88% of the UK in size every year. The same study found that over 40% of the UK's overseas land footprint was in countries with high or very high risk of deforestation, weak governance arrangements and poor labour standards. While the UK is only the 15th largest contributor to tropical deforestation in global terms, the intensity of UK consumption (in terms of footprint per tonne) is higher than that of China.

The Global Resource Initiative (GRI) Taskforce was set up by the Government in 2019 to establish the UK as a leader on supply chain sustainability but was disbanded in 2022. Before its disbandment, the GRI Taskforce recommended that the Government support the development of a monitoring, measurement and reporting framework which, now

created, can provide a holistic view of the environmental pressure exerted overseas by the UK's consumption. The main commodities driving UK's contribution to tropical and subtropical deforestation are cattle, palm oil, industrial roundwood and soybeans. The UK's tropical deforestation impact is biggest in Brazil and in the Democratic Republic of the Congo. The Government should continue to fund the development of a monitoring, measurement and reporting framework for UK consumption, and should use its international influence to promote greater data disclosure on deforestation activity.

The UK public sector is a major purchaser of food and catering services for central and local government and state-run schools, nurseries, hospitals, care homes, canteens, prisons and the military. A 2006 report estimated that public spending on food and catering amounted to £3.2 billion—2.1% of total procurement spend, or about 10% of that of total UK catering sector. The Global Resource Initiative suggests that government can therefore be an effective lever for driving demand for sustainably sourced products. Through the Government Buying Standards (GBS) and the Timber Procurement Policy (TPP) the Government has set out requirements for sustainable palm oil and timber (and wider wood products including paper) respectively, in line with commitments to buying greener products and services under the Greening Government Commitments. However, these requirements do not extend to other agricultural commodities: nor do they extend to public sector procurement outside central government departments, executive agencies and non-departmental bodies. Each standard should be made mandatory for all large public sector purchasing bodies.

The UK's proposed due diligence system under the Environment Act 2021

The UK proposes to reduce its deforestation impact through continuing current regulation of the import of timber and timber products, and establishing a due diligence system. This due diligence system aims to assure the sustainability of timber and other forest-risk commodity supply chains.

The UK Timber Regulations, like the current EU Timber Regulation, focus on the legality of timber imports rather than the sustainability of the forestry practices. This is also the proposed approach for the UK's due diligence system. This approach has been criticised, as imported products do not have to be 'deforestation-free': it is said to provide perverse incentives for producer countries to deregulate and remove laws that provide legal protection to areas of forest and other natural ecosystems. The Government should bring forward proposals to amend Schedule 17 to the Environment Act to place all deforestation activity within scope of the due diligence regime. The regime should be accompanied by capacity-building activity in third countries to bolster measures to address deforestation activity.

The Global Resource Initiative taskforce recommended that the due diligence obligation should require in-scope businesses address human rights risks in their supply chains. This would bring the regulation in line with the EU: under the incoming EU anti-deforestation regime companies will have to verify compliance with relevant legislation

of the country of production, including in respect of legislation on human rights, and will be required to ensure that the rights of concerned indigenous peoples and local communities have been respected in the commodity's production.

The publication in December 2023 of the proposed scope of the Schedule 17 regulations for forest risk commodities is welcome: but no timetable has been set for publication and agreement of the necessary secondary legislation. This must be addressed without further delay, and all major forest risk commodities must be brought within scope. Businesses in the financial sector must also be brought within scope of the regime.

Global agreements to tackle deforestation

Over the past decade a number of global agreements have been made to tackle deforestation, including but not limited to the Glasgow Leaders' Declaration on Forests and Land Use and the Forest, Agriculture and Commodity Trade (FACT) Dialogue, both signed at COP26 in November 2021. The Declaration on Forests and Land Use has been signed by 144 world leaders who represent over 90% of the world forests: they committed to halt and reverse forest loss and land degradation by 2030. The FACT Dialogue brings together the largest producers and consumers of internationally traded agricultural commodities in order to protect forests and other ecosystems while promoting trade and development.

Further progress has been made, most recently at COP27, the Convention on Global Biodiversity COP in Montreal in December 2022, and at COP28 in the United Arab Emirates. The UK must lead by example, fulfilling its part in the commitments made: mobilisation of the finance to back international commitments will be crucial.

Global cooperation to tackle deforestation

Voluntary Partnership Agreements (VPAs) are legally binding trade agreements between the European Union (EU)/UK and a timber-producing country outside the EU. The purpose of a VPA is to ensure that timber and timber products exported to the EU come from legal sources. Forest Law Enforcement Governance and Trade (FLEGT) is the European Union's programme to reduce illegal logging by strengthening sustainable and legal forest management, improving governance, and promoting trade in legally produced timber and work through VPAs. The EU's new Deforestation Regulation will largely replace the FLEGT licensing system and VPAs, but they are nevertheless retained in recognition of some of the valuable work that is ongoing under those initiatives. The Regulation says that work has been especially positive 'in terms of enhanced stakeholders' participation and improved forest governance.' For timber products, a FLEGT licence will be sufficient to demonstrate that the timber has been produced in compliance with the laws of the producer country.

Indigenous peoples and local communities (IPLCs) are vital protectors of forests but are themselves victims of the negative effects of deforestation activity. It is crucial to ensure the full and meaningful participation of IPLCs in negotiations to address deforestation activity. Security of tenure rights for IPLCs is essential to measures to address deforestation, and the UK Government can make a significant contribution

to ensuring security of tenure. FCDO must continue to pursue this in its development programming and in promoting the inclusion of IPLC representatives in all relevant global and national negotiations.

In order to have maximum impact on efforts to halt and reverse deforestation, the UK's engagement must extend to major consumers of forest-risk commodities in other markets. Ministers must take the opportunities presented in bilateral and multilateral trade negotiations to encourage consistently high environmental and social standards, so as to accelerate the transition to sustainable supply chains which minimise deforestation risk. The Government must develop strategies for the effective monitoring and delivery environmental net gains, including gains through halting and reversing deforestation, in its negotiations for and implementation of the UK's trade deals.

Introduction

1. Forests host 80% of the world's terrestrial biodiversity, support the livelihoods of 1.6 billion people¹ and provide vital ecosystem services to support local and global economies, such as storing carbon and regulating the water cycle.² If protected and restored globally, it is estimated that forests could provide up to 37% of the greenhouse gas mitigation required to ensure a good chance of stabilising warming to below 2°C between now and 2030.³
2. Globally, deforestation threatens irreplaceable biodiverse habitats and contributes 11% of global carbon emissions.⁴ Around 90% of deforestation is driven by land-use change to agriculture for the production of forest-risk commodities including cattle, soy, palm oil, cocoa, rubber and coffee.⁵ The UK's domestic consumption of these imported products therefore contributes to deforestation overseas.
3. Approximately one-third (34%) of the world's forests are primary forest. The United Nations Food and Agriculture Organization (FAO) defines a primary forest as "consisting of native tree species and having no clearly visible indications of human activities and no significant disturbances in ecological processes".⁶ Primary forests typically store more carbon than other forests and are often home to endemic biodiversity.⁷ Between them, the land masses occupied by Brazil, Canada and the Russian Federation host more than half (61%) of the world's primary forests.⁸ Brazil has experienced substantial forest loss since 1990, including of primary forests. In 2021, Brazil lost 1.5 million hectares of tropical primary forest, of which the vast majority was in the Amazon Basin. This represents over 40% of the global total of 3.75 million hectares of tropical forest loss.⁹
4. Primary forests—especially primary tropical moist forests—are highly species-rich, diverse ecosystems, and their extent is an important environmental indicator.¹⁰

The impact of deforestation on carbon emissions

5. Deforestation implies the long-term or permanent loss of forest cover from a land mass and transformation into another land use. The term includes areas of forest converted to

1 International Union for Conservation of Nature Issues Brief, [Forests and climate change](#), February 2021

2 Food and Agriculture Organization of the United Nations (FAO) and United Nations Environment Programme (UNEP), [The State of the World's Forests 2020: Forests, biodiversity and people](#), Rome, 2020

3 Bronson W. Griscom et al., "Natural climate solutions", *Proceedings of the National Academy of Sciences of the United States of America (PNAS)*, 114 (44) (October 2017), pp. 11645–11650

4 This figure represents net CO₂ emissions from land use, land use change and forestry: IPCC, [Working Group III contribution to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#), April 2022, and [Q194](#) [Dr Morecroft].

5 [Q84](#) [Dr Chris West]

6 FAO, [Global Forest Resources Assessment 2020: Main report](#), Rome, 2020, p. 16

7 Erika Berenguer et al., "A large-scale field assessment of carbon stocks in human-modified tropical forests", *Global Change Biology*, Vol. 20, issue 12 (December 2014), pp. 3713–3726; Gibson, L., Lee, T., Koh, L. et al. "Primary forests are irreplaceable for sustaining tropical biodiversity", *Nature* 478 (2011), pp. 378–381; Lancaster University. "Primary tropical forests are best but regrowing forests are also vital to biodiversity", ScienceDaily, 4 October 2018.

8 FAO, [Global Forest Resources Assessment 2020: Main report](#), Rome, 2020

9 Mikaela Weisse and Liz Goldman, "Forest Loss Remained Stubbornly High in 2021", Global Forest Watch, April 2022

10 FAO, [Global Forest Resources Assessment 2020: Main report](#), Rome, 2020

agriculture, pasture, water reservoirs and urban areas. It specifically excludes areas where the trees have been removed as a result of harvesting or logging, and where the forest is expected to regenerate naturally or with the aid of silvicultural measures.¹¹

6. Deforestation is one of the largest sources of greenhouse gas emissions and threatens global efforts to tackle climate change.¹² As we noted above, the practice is estimated to account for 11% of global greenhouse gas emissions, surpassing the global aggregate of emissions from aviation and from cement production combined.¹³ Global leaders meeting at COP26 recognised that halting and reversing deforestation was essential to meeting the Paris Agreement goals including reducing vulnerability to the impacts of climate change, holding the increase in the global average temperature to well below 2°C and pursuing efforts to limit it to 1.5°C.¹⁴

7. Over the past decade there have been several global agreements and initiatives to halt deforestation (the New York Declaration of 2014, the Sustainable Development Goals of 2015 and most recently the Glasgow Leaders' Declaration on Deforestation and Land Use, agreed at COP26 in 2021). These have had limited impact to date. On current trends it appears unlikely that deforestation will be halted by 2030, the target date set in the Glasgow Leaders' Declaration on Forest and Land Use. The declarations and substantial financial commitments made in the course of the COP28 summit in the United Arab Emirates in December 2023 appear to represent the most significant international effort to date in support of initiatives to halt and reverse deforestation.¹⁵

8. The FAO Global Forest Resources Assessment (FRA) of 2020 estimated that 420 million ha of forest had been deforested (converted to other land uses) between 1990 and 2020; although the rate of deforestation declined over the period, between 2015 and 2020 deforestation was estimated to be taking place at an average rate of 10 million ha (approximately 0.25%) per year.¹⁶

Social impacts of deforestation

9. Indigenous people, estimated to comprise 5% of the global population, play an important role in protecting around 80% of the world's biodiversity globally across 90 countries.¹⁷ Through their direct dependence on their local ecosystems, together with their generational knowledge, indigenous peoples and local communities possess detailed knowledge on biodiversity and ecosystem trends and are important contributors to the governance of biodiversity at all levels.¹⁸

11 FAO, [Global Forest Resources Assessment 2000: Appendix 2. Terms and definitions](#), Rome, 200

12 Feng et al. (2022), "[Doubling of annual forest carbon loss over the tropics during the early twenty-first century](#)", *Nature Sustainability* 5 (2022), pp. 444–451.

13 This figure represents net CO₂ emissions from land use, land use change and forestry: IPCC, [Working Group III contribution to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change](#), April 2022.

14 [Glasgow Leaders' Declaration on Forests and Land Use](#), Glasgow, 2 November 2021

15 COP28 Presidency news release, "[United for Nature: COP28 mobilizes action to protect and restore forests, mangroves, land and ocean](#)", 11 December 2023

16 New York Declaration on Forests, [Taking stock of national climate action for forests: 2021 NYDF Assessment report](#), 12 October 2021

17 Forest, Agriculture and Commodity Trade (FACT) Dialogue, [FACT Dialogue Progress Report 2022](#), July 2023, p. 7

18 Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), "[Indigenous and local knowledge in IPBES](#)", IPBES Work Programme to 2030

10. Deforestation and biodiversity loss have a significant impact on the lives and livelihoods of local communities, including indigenous peoples. 25% of the world's total population, and 90% of the world's population who live in extreme poverty, depend on forests for some part of their livelihood.¹⁹ As discussed further in chapter 4, indigenous people suffer directly from the pressures of expanding agriculture frontiers and commodity production, such as mining, logging, and energy.

Background to the inquiry

11. We launched this inquiry in July 2022. Our objective was to understand Government's approach to dealing with two policy issues. Firstly, given the role of timber in the UK's decarbonisation and nature recovery policies, we wanted to understand how the Government's programme of tree planting could help to deliver a sustainable and resilient timber sector to help meet a higher proportion of demand through domestically grown timber. Secondly, we wished to examine the degree to which UK supply chains contribute to deforestation overseas, the effectiveness of the Government's efforts to curb this and how the UK works with international partners to tackle deforestation.

12. Given the broad scope of the overall inquiry, we chose to make two reports to the House. In this report we examine the UK's contribution to global deforestation and the steps the UK Government can take to reduce UK consumption of forest-risk commodities through regulatory and other mechanisms implemented at UK and international level. Our report on the sustainability of the timber sector was issued in July 2023.

13. We received 55 written submissions to the inquiry overall and held five public evidence sessions hearing from 24 witnesses including academics, environmental NGOs, forestry sector representatives and Government agencies. In relation to deforestation, we held a roundtable discussion with representatives from NGOs in countries affected by tropical deforestation. To conclude the oral evidence to the inquiry, we heard from Trudy Harrison MP, then Minister for Natural Environment and Land Use at the Department for Environment, Food and Rural Affairs and Rt Hon the Lord Goldsmith of Richmond Park, then Minister for Pacific and the Environment at the Foreign, Commonwealth and Development Office.

19 International Development Committee [International climate finance: UK aid for halting deforestation and preventing irreversible biodiversity loss: report from the Sub-Committee on the Work of ICAI](#), Fourth Report of Session 2021–22, HC 730, February 2022

1 The UK's contribution to deforestation

Drivers of deforestation

14. The expansion of commercial agriculture, in particular the demand for land for the production of soy, palm oil, timber, pulp and paper, is a significant driver of deforestation, as is the international trade in agricultural and timber products.²⁰ According to the FAO, agriculture is estimated to be responsible for 88% of deforestation globally.²¹ More recent estimates suggest that this figure could be even higher: Dr Chris West, Deputy Director for Research at the Stockholm Environment Institute, York and lead of its Sustainable Consumption and Production programme, told us that “the dynamics of land-use change are complex but what we observe is that 90% to 99% of deforestation is in some way linked to agricultural expansion.”²²

15. In addition to agricultural commodities, mining (including gold mining and mining for minerals used in electronic and “green” energy products) is a major factor in deforestation.²³ WWF and the Environmental Investigation Agency both state that illegally produced gold is a significant driver of deforestation and has significant impacts on indigenous people and local communities in the Amazon. The then Minister for Pacific and the Environment at the Foreign, Commonwealth and Development Office, Lord Goldsmith of Richmond Park, told us that the Department would be incorporating mining into its programmes to tackle deforestation.²⁴

16. Complex socio-political factors also act as indirect drivers or facilitators of deforestation. These include weak forest governance, corruption, rural poverty and insecure tenure rights of forest dependant people.²⁵ It is estimated that at least 69% of land conversion from forest over the last decade has been conducted illegally.²⁶ An example of this was highlighted to the Committee by James Otto, Programme Coordinator at the Sustainable Development Institute in Liberia. In a roundtable discussion with Committee members, he observed that Liberian civil society organisations, Global Witness and other international rights organisations had warned that weak governance of the forestry sector was resulting in deforestation as in Liberia decisions about natural resources were driven from the top via politicians, elites and sometimes by the interests of corporations.²⁷

17. The UK is a significant consumer of commodities linked to deforestation. A study by the WWF and RSPB estimated that UK imports of just seven ‘forest risk’ commodities—soy, cocoa, palm oil, beef and leather, paper, rubber, and timber—accounted for a land footprint equivalent to 88% of the UK’s land mass every year. The same study found that over 40% of the UK’s overseas land footprint was in countries with high or very high risk

20 Pendrill et al. (2020), “[Agricultural and forestry trade drives large share of tropical deforestation emissions](#)” *Global Environmental Change* 63 (2020), pp. 102–103

21 FAO, [Remote Sensing Survey reveals tropical rainforests under pressure as agricultural expansion drives global deforestation](#), November 2021

22 [Q85](#)

23 Fauna & Flora International ([DEF0015](#)); Environmental Investigation Agency ([DEF0031](#))

24 [Q358–361](#)

25 WWF International, [Deforestation Fronts: drivers and responses in a changing world](#) (2021), pp. 33 and 56

26 Cassie Dummett and Arthur Blundell, , [Illicit Harvest, Complicit Goods: The State of Illegal Deforestation for Agriculture](#), Forest Policy, Trade, and Finance (FPTF) Initiative, May 2021

27 A summary of the roundtable discussion held on 15 March is annexed to this report.

of deforestation, weak governance arrangements and poor labour standards.²⁸ While the UK is only the 15th largest contributor to deforestation in global terms,²⁹ the intensity of UK consumption (in terms of its footprint per tonne) is higher than that of China.³⁰

18. The Global Resource Initiative (GRI) Taskforce was set up by the government in 2019 to establish the UK as a leader on supply chain sustainability. The Taskforce included members from the private sector including the financial sector, civil society and the whole value chain involved in key commodity areas relevant to the UK's global commodity supply chain footprint.³¹ The GRI was set up to meet on three occasions and to deliver recommendations to Government: its final report with recommendations was issued in March 2020³² and a further report with recommendations for the finance sector was issued in May 2022.³³

Monitoring the UK's contribution to deforestation

19. The GRI Taskforce recommended that the UK Government support the development of a monitoring, measurement and reporting framework.³⁴ The Government has funded the development of a UK 'Global Environmental Impacts of Consumption' indicator, intended to provide a holistic view of the environmental pressure exerted overseas by the UK's consumption.³⁵ It was developed for Defra by SEI York in collaboration with the Joint Nature Conservation Committee (JNCC) in partnership with Trase and the Trade Hub of the Government's Global Commodity Research Fund.³⁶ This indicator uses a model-based approach to attribute the environmental impact of UK consumption. The main commodities driving the UK's contribution to deforestation are cattle, palm oil, industrial roundwood and soybeans: Figure 1 indicates the UK's footprint on deforestation arising from consumption of these commodities in 2021.³⁷ The UK's tropical deforestation impact is greatest in Indonesia and in Brazil (Figure 2).

28 WWF and RSPB, [Riskier Business: the UK's overseas footprint](#), July 2020.

29 As measured by The Global Environmental Impacts of Consumption (GEIC) Indicator, accessible at commodityfootprints.earth

30 Dr Chris West (Senior Research Fellow at Stockholm Environment Institute, University of York) ([DEF0012](#)), citing analysis undertaken by Trase for GIZ, a German agency for international cooperation: "From a 'whole supply chain' (consumption) perspective the intensity of UK consumption (footprint per tonne) is higher than that of China (UK deforestation intensity = 0.3 ha/1000 tonnes; China deforestation intensity = 0.2 ha/1000 tonnes)".

31 Department for Environment, Food and Rural Affairs, [Global Resource Initiative: Terms of Reference](#), updated July 2022

32 Global Resource Initiative, [Final Recommendations Report](#), March 2020

33 Efeca, [Global Resource Initiative Finance Report](#), May 2022

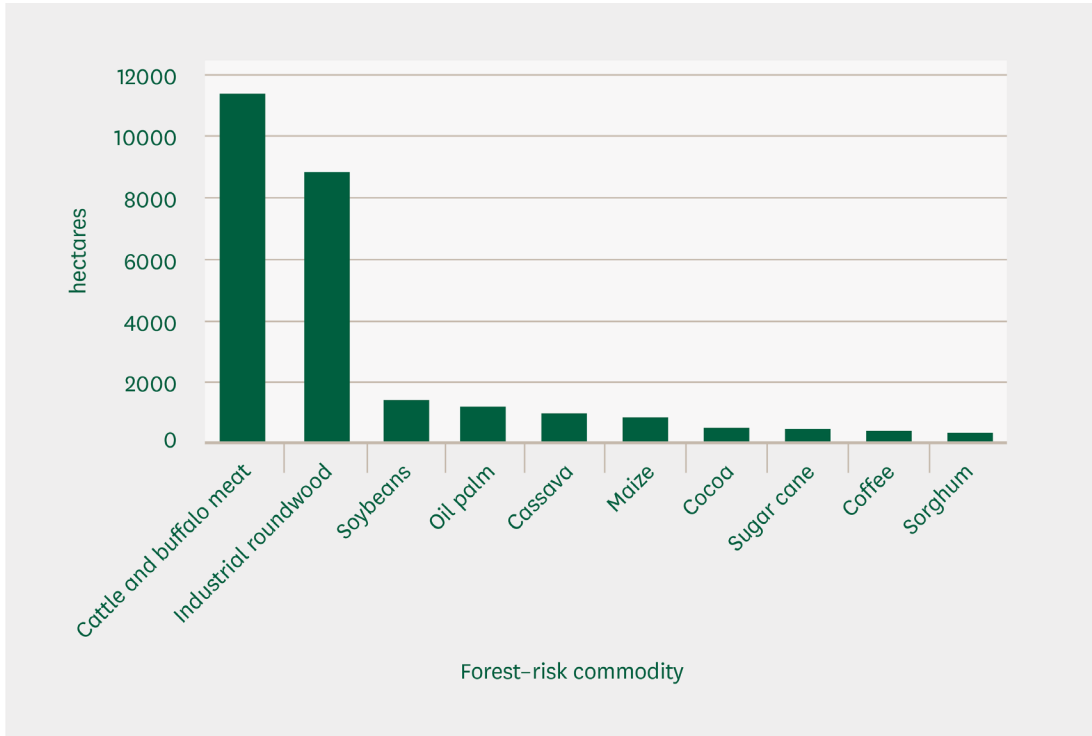
34 Joint Nature Conservation Committee (JNCC), [UKBI Biodiversity Indicator A4: Global biodiversity impacts of UK economic activity / sustainable consumption](#) (last updated November 2023)

35 Department for Environment, Food and Rural Affairs, [Interim 25YEP indicator K1: Global environmental impacts of UK consumption of key commodities](#)

36 Dr Chris West (Senior Research Fellow at Stockholm Environment Institute, University of York) ([DEF0012](#))

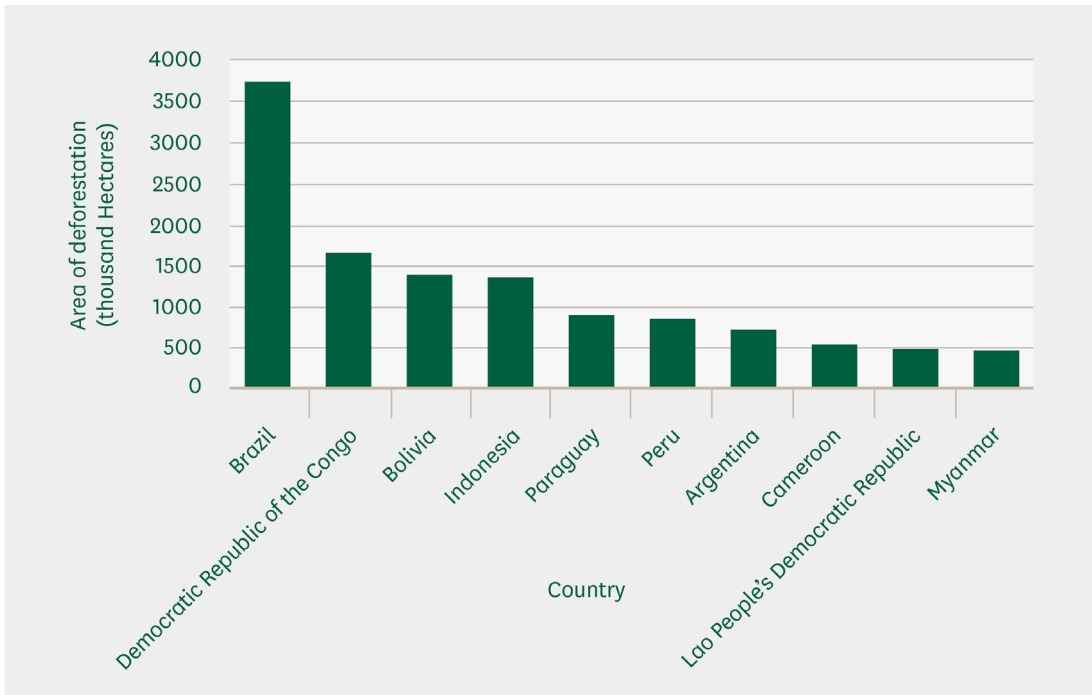
37 JNCC, [UKBI Biodiversity Indicator A4: Global biodiversity impacts of UK economic activity / sustainable consumption](#) (last updated November 2023): this has been compiled by SEI York in collaboration with the UK JNCC on behalf of the Department for Environment, Food and Rural Affairs. A dashboard has also been developed to represent SEI data at <http://www.commodityfootprints.earth>

Figure 1: Area of tropical and subtropical forest risk commodity associated with UK consumption, 2021



Source: Data sourced from the EXIOBASE model provided at the CommodityFootprints.earth platform, <https://www.commodityfootprints.earth>

Figure 2: Tropical deforestation associated with the UK's consumption by producer country, 2021



Source: Data sourced from the EXIOBASE model provided at the CommodityFootprints.earth platform, <https://www.commodityfootprints.earth>

20. Dr Chris West, Deputy Director for Research at the Stockholm Environment Institute, York and lead of its Sustainable Consumption and Production programme, told us that it was difficult to determine what percentage of deforestation was due to agricultural demand:

[the] number is not an easy one to confirm, not least because tree-cover loss is complex and does not necessarily lead to permanent deforestation. [...] Our recent study and census of evidence looking at the primary drivers of tropical deforestation concluded that between 90% and 99% of tropical deforestation could be linked to agriculture but looking at the productive agricultural output, only 45% to 65% of the deforested land becomes associated with agricultural output.³⁸

[... W]e know that the dynamics of land-use change are complex but what we observe is that 90% to 99% of deforestation is in some way linked to agricultural expansion. However, there are activities such as speculative clearing—fires that co-exist with agricultural lands which do not necessarily produce agricultural product.³⁹

Our view on the UK's contribution to deforestation

21. **Significant action is required to reduce the impact on deforestation of the UK's consumption of agricultural products. While the UK is the 15th largest contributor to tropical deforestation in global terms, the intensity of UK consumption (measured in footprint per tonne of product consumed) is higher than that of China. This figure ought to alarm Ministers.**

22. **Consumption patterns in the UK which rely on the current global supply chain are unsustainable. Addressing these patterns is essential to the UK's contribution to the alleviation of global biodiversity loss. The first step in addressing them is in recognising the need to reduce the UK's overall consumption. We welcome the news that the UK Government has commissioned the Joint Nature Conservation Committee to develop a global environmental footprint indicator, but we are disappointed to observe that the Government has not yet made a commitment to setting a global footprint target using this indicator, so as to track progress made in reducing the UK's global environmental footprint.**

23. *We reiterate the recommendation we made in our September 2021 report on The UK's footprint on global biodiversity, which reflects that of the Global Resource Initiative Taskforce, that the UK Government should commence the process of setting an environmental footprint target with the aim of reducing the UK's global environmental impact, including its deforestation footprint.*

24. **Understanding which forest risk commodities are contributing to deforestation, and on what scale, is essential for the UK and other nations to introduce effective legislation and policies. Monitoring and transparent data reporting are therefore crucial, including on how consumption contributes to deforestation. These are very complex undertakings, requiring global cooperation at the national government level**

38 [Q84](#)

39 [Q85](#)

and within the private sector. Complete and transparent data availability is essential for companies and the financial sector to be able to understand, and to reduce, exposure to deforestation in their supply chains or portfolios.

25. *To ensure that the UK can measure and track progress, we recommend that the Government should continue to fund the development of a monitoring, measurement and reporting framework for UK consumption.*

26. *We recommend that the Government use its influence in all relevant forums to promote international data disclosure (and domestic disclosure of UK customs and industrial data) so as to improve the monitoring of forest risks in the UK and globally.*

27. **Illegal mining is increasingly recognised as a driver of deforestation in some regions. The Foreign, Commonwealth and Development Office has indicated that its programmes addressing deforestation are to be expanded to cover a wider range of forest risk commodities, beyond timber, and will expressly include mining. We welcome this explicit recognition of a broader range of drivers of global deforestation.**

28. *We recommend that UK consumption monitoring be developed to incorporate the monitoring of mined products, so as to support the Government's programmes addressing the impact of mining-related deforestation.*

The impact of Government procurement practices

29. The UK public sector is a major purchaser of food and catering services for central and local government and state-run schools, nurseries, hospitals, care homes, canteens, prisons and the military. A report produced by Defra in 2006 estimated that public spending on food and catering amounted to £3.2 billion—2.1% of total procurement spend, or about 10% of that of total UK catering sector.⁴⁰

30. The Global Resource Initiative Taskforce suggested that Government could be “an effective lever for driving demand for sustainably sourced products and for driving best practice through sustainable supply chains”⁴¹ and recommended that the public sector “helps to lead the market transition to sustainable commodities by strengthening existing mandatory sustainable commodity public procurement requirements and extending across all of government, reinforcing the mandatory due diligence obligations on business”.⁴² Sir Ian Cheshire, former chair of the GRI, told us that he would have liked to have seen more progress from the Government in implementing his Taskforce’s recommendations on public sector procurement.⁴³

31. Through Government Buying Standards (GBS) and the Timber Procurement Policy (TPP) the Government has set out requirements for sustainable palm oil and timber (and wider wood products including paper) respectively, in line with commitments to buying greener products and services under the Greening Government Commitments (GGCs). The requirements under the GGCs do not extend to other agricultural commodities

40 Global Resource Initiative, [Final Recommendations Report](#), March 2020, p. 27

41 *Ibid.*

42 *Ibid.*, p. 10

43 [Q105](#)

(apart from an encouragement, rather than a requirement, to buy fairly traded cocoa and coffee),⁴⁴ nor do they extend to public sector procurement outside central government departments, executive agencies and non-departmental public bodies.

32. The broader public sector, including the NHS, schools and universities, prisons, the military, public corporations and local government, are not subject to the GGC procurement requirements, though these sectors are strongly recommended to apply the standards. The GRI Taskforce found that these sectors may account for as much as 80% of public sector procurement expenditure.⁴⁵ Duncan Brack, an environmental policy analyst and Green Alliance Associate, highlighted the impact of the sizeable food and catering contracts placed by the wider public sector, observing also that the GBS could be much broader in terms of the scope of commodities covered.⁴⁶

33. In June 2022 the Government consulted on changes to the Government Buying Standard for food and catering in England (GBSF).⁴⁷ The consultation closed in September 2022: the Government's response has not yet been published.⁴⁸ A feature of the consultation was a proposal to set a target for 50% food spend to be on food produced locally or certified to higher environmental production standards: this followed a recommendation from the Environment, Food and Rural Affairs Committee that GBSF be updated "to ensure that public bodies are encouraged to source local, seasonal produce".⁴⁹

34. Stakeholders generally welcomed the Department's proposal to extend the scope of GBSF to cover a broader range of forest-risk commodities from palm oil to soy, cocoa, coffee, tea and bananas.⁵⁰ Friends of the Earth suggested that the GBS include a requirement to reduce use of foods that contain or require high levels of imported commodities in Government Buying Standards.⁵¹ WWF UK recommended that at a minimum, all commodities included in scope of the due diligence regulations ought to be brought within the GBS, including those currently not listed, such as beef and leather.

35. Compliance with the Government Buying Standards is monitored and reported on through annual reports on the Greening Government Commitments, the last of which (for 2020–21) was issued in April 2023.⁵² The GRI Taskforce observed that overall compliance, monitoring and reporting had been weakly enforced.⁵³

36. The Environmental Investigation Agency (EIA) argued that the GBS in general placed an overreliance on using certification schemes to ensure legality and sustainability, such as for palm oil and soy, despite 'widespread evidence that such schemes are not robust or

44 Global Resource Initiative, [Final Recommendations Report](#), March 2020, p. 27

45 Global Resource Initiative, [Final Recommendations Report](#), March 2020, p. 27, citing [Sustainable procurement in government: briefing for the House of Commons Environmental Audit Select Committee](#), National Audit Office, February 2013. The NAO based its own figure on the Treasury's [Public Expenditure Statistical Analyses 2012](#).

46 [Q261](#)

47 Department for Environment, Food and Rural Affairs, [Seeking views on possible changes to public sector food and catering policy](#), June 2022

48 The consultation website is available at <https://consult.defra.gov.uk/public-sector-food-procurement/food-and-catering-consultation/>

49 Environment, Food and Rural Affairs Committee, [Public Sector Procurement of Food](#), Sixth Report of Session 2019–21, HC 469, para 41

50 WWF UK ([DEF0042](#)), Environmental Investigation Agency ([DEF0031](#)), Friends of the Earth (England, Wales and Northern Ireland) ([DEF0022](#))

51 Friends of the Earth (England, Wales and Northern Ireland) ([DEF0022](#)), para 82

52 Department for Environment, Food and Rural Affairs, [Greening Government Commitments Annual Report—April 2020 to March 2021](#), April 2023

53 Global Resource Initiative, [Final Recommendations Report](#), March 2020, p. 27

reliable'. EIA welcomed the proposed changes consulted on in 2022, recommending that the GBS should reference and reinforce the due diligence requirements in the Environment Act 2021, thereby making it clear that certification alone cannot be relied upon to ensure compliance with the Act is met.⁵⁴

37. Trudy Harrison MP, then Minister for Natural Environment and Land Use, could not indicate the Government's intentions for revision of the GBS. She set out the Government's commitment to environmental standards and pointed to the provisions of the Environment Act 2021 as proof of its intention in this regard.⁵⁵

38. Given the scale of government purchasing power, both centrally and across the wider public sector, the UK Government has an opportunity, and a responsibility, to drive best practice and to demand the use of sustainably sourced products.

39. We recommend that each Government Buying Standard be made mandatory for all large public sector bodies, including the NHS, the Armed Forces and HM Prison Service, as it currently is for UK Government departments and their partner organisations. Annual reporting on compliance against public procurement policies should also be mandatory for these large public bodies: the annual reporting should in each case indicate the proportion of overall goods procured which have been sourced from UK producers.

40. Sustainable government procurement presents a pathway to increasing the sustainability of supply chains. Government performance against existing sustainable procurement policies has been unimpressive to date. The 2020–21 Greening Government Commitments report indicated that ten departments had submitted information about their performance against the procurement commitment in that year. Given that 2020–21 was a year in which the pandemic had a significant impact, the Cabinet Office ruled that the data submitted “should not be considered as a representative measure of overall government performance against this commitment” and declined to publish the data submitted. We expect Ministers to require full reporting by their departments against the procurement commitment, and all other Greening Government Commitments, for 2021–22: in the interests of transparency and the encouragement of high levels of compliance, the data should be published in full in the 2021–22 annual report.

41. There is an opportunity to learn from the experience of timber and palm oil procurement, and to strengthen and extend these approaches. *We recommend that the GBS require all acquired forest-risk commodities (in addition to palm oil, timber and paper) to be certified as sustainably produced.*

54 Environmental Investigation Agency ([DEF0031](#)), para 5

55 [Q376](#)

2 The UK's proposed due diligence system under the Environment Act 2021

42. In this chapter we discuss the UK's regulations and due diligence systems which aim to assure the sustainability of timber and other forest-risk commodity supply chains.

43. The purpose of these systems are to prevent trade in timber that was illegally harvested. There are two separate regulatory regimes:

- the UK Timber Regulations (UKTR), derived from the EU Timber Regulation. UKTR focuses on preventing the placing of illegally harvested timber and timber products on the UK market.
- the Forest Law Enforcement, Governance and Trade Regulations (FLEGT). The FLEGT Regulations focus on preventing illegally harvested timber from being exported to the UK from producer countries. FLEGTs are covered in more detail in Chapter 4.

The UK's timber regulations

44. The EU Timber Regulation (EUTR) was adopted in October 2010 and came into force on 3 March 2013.⁵⁶ This regulation, which had direct effect in the UK, made it illegal to place illegally harvested timber and timber products on the EU market.

45. Following the UK's departure from the European Union, EUTR was retained in UK domestic legislation as the UK Timber Regulations.⁵⁷ These regulations have the same requirements as EUTR. They affect all those that first place timber on the EU or UK markets as well as traders further down the supply chain. A person who first places timber on the market has an obligation to undertake due diligence as to its sourcing; this is typically fulfilled if the person (or company) can demonstrate that reasonable steps have been taken to assure themselves that the timber has been harvested legally.

46. Under the terms of the EU/UK Withdrawal Agreement, the EUTR applies to Northern Ireland, and so the scope of the UKTR is restricted to Great Britain.

Views on the UK Timber Regulations

47. The UK Regulations focus on legality of the timber imports rather than the sustainability of forestry practices. Most countries have legislation which they apply to the harvest and supply of timber. For timber placed on the GB market to be considered legal it must have been harvested without contravening any of the applicable legislation in the country of origin: the legislation that is in force in the country in which the timber was harvested.⁵⁸

56 [Regulation \(EU\) No 995/2010](#) of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market

57 The Timber and Timber Products (Placing on the Market) Regulations 2013 ([SI 2013/233](#))

58 Office for Product Safety & Standards, [Timber and Timber Products \(Placing on the Market\) Regulations 2013: Guidance on the UK Timber Regulations](#), January 2021, p. 14

48. In written evidence, FSC UK suggested that, given the legislation's focus on legality, the UK Government could drive demand for legal and sustainable timber more broadly if it were to amend the Regulations to incorporate strict sustainability criteria as the basis to use schemes to help tackle deforestation. The Soil Association also suggested that by extending the scope to look at sustainability, the UK Government could drive demand for legal and sustainable timber more broadly.⁵⁹

49. Dr Constance McDermott, Jackson Senior Fellow and Associate Professor, Land Use and Environmental Change at the University of Oxford, is a critic of the legality-based approach to reducing deforestation in relation to timber and other forest risk commodities: we discussed the issue with her and others in oral evidence. Dr McDermott has raised concerns about the 'perverse effects of equating legality with sustainability' grounded in her research on EU efforts to eradicate illegality in the timber sector, including the EU's Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreements (VPAs) in Indonesia, Ghana and elsewhere.⁶⁰

50. At the same evidence session, the environmental policy analyst and Green Alliance Associate, Duncan Brack, told us that demand side regulation, such as the UKTR, "has an important role to play but will always be more effective if it is accompanied by some incentive to change behaviour on the ground".⁶¹

51. Current UK regulation is not sufficient when it comes to limiting non-sustainable deforestation. It relies too heavily on the laws in exporting countries and an assumption that that these laws will incorporate adequate provision for sustainability: as currently drafted the Regulations take control of the UK's impact on sustainable timber production out of the UK's hands.

52. We recommend that the Government bring forward proposals to amend the UK Timber Regulations so as not only to prevent illegally harvested timber being placed on UK markets but also to require all imported timber to be sustainably harvested.

Schedule 17 to the Environment Act 2021

53. The Environment Act 2021 made provision for the Government to establish a due diligence system for forest-risk commodities including soy, palm oil, cocoa, maize, beef, leather, rubber and coffee.⁶² Schedule 17 to the Act sets out a framework for the regulation of the use of forest risk commodities in commercial activity.⁶³

59 Soil Association ([DEF0026](#)); FSC UK ([DEF0008](#))

60 Constance L. McDermott, Mark Hirons & Abidah Setyowati, "[The Interplay of Global Governance with Domestic and Local Access: Insights from the FLEGT VPAs in Ghana and Indonesia](#)", *Society & Natural Resources*, 33:2 (2020), pp. 261–279, [McDermott et al. 2019](#)) and Constance L. McDermott and Metodi Sotirov, "[A political economy of the European Union's timber regulation: Which member states would, should or could support and implement EU rules on the import of illegal wood?](#)", *Forest Policy and Economics*, vol. 90 (2018), pp. 180–190

61 [Q252](#)

62 Timber is not expected to be within scope of the proposed due diligence system and is expected to continue to be regulated through the UK Timber Regulations.

63 Schedule 17 was brought into force on 30 November 2022 for the purposes of making regulations: the other substantive provisions of the Schedule are yet to be commenced. See The Environment Act 2021 (Commencement No. 3) Regulations 2022 ([SI 2022/518](#)).

54. Detailed secondary legislation is required to determine the commodities and businesses in scope, reporting requirements, the enforcement framework, and timelines for implementation.⁶⁴

Features of the Schedule 17 due diligence system

55. The parameters of the proposed UK system, as set out in Schedule 17, are:

- secondary legislation may specify a commodity only if that forest is being or may be converted to agricultural use for the purposes of producing the commodity. The scope of the UK's scheme currently excludes timber or timber products within the meaning of the EU Timber Regulation: since that regulation is now to be repealed at the end of 2024 and replaced by the more comprehensive EU Deforestation Regulation (see below) an amendment to the Schedule will be required in the course of the coming year;⁶⁵
- The due diligence regulations will prevent the use of a forest risk commodity in UK commercial activities unless produced in compliance with 'relevant local laws'. The legislation therefore prohibits the use of illegally produced commodities with reference to compliance with local laws. Products of deforestation activity which is legal in the area it is carried out are not to be within scope of the system;
- both the identified commodities and products deriving from those products are to be within scope, and
- businesses of a certain size that use a forest risk commodity or derivative product in their UK commercial activities will be required to establish and implement a due diligence system, involving the collection of information, risk assessment and risk mitigation.⁶⁶

Unlike the approach to regulation in this area which has been adopted by the EU, the UK's approach to the regulation of agricultural commodities is to be separate from the UK Timber Regulations, which cover imported timber products only.

The Government's proposed approach

56. From December 2021 to March 2022, the UK Government consulted on the details of the due diligence system to be implemented under the Schedule 17 framework.⁶⁷ An initial response was issued in June 2022. The consultation sought views on:

- which forest risk commodities should be brought under initial regulations and whether there should be a phased approach to introducing commodities within scope;
- which businesses should be in scope of the regulations;

64 Trase, [UK Environment Act: Use of Forest Risk Commodities in Commercial Activity \(Schedule 17\)](#), June 2022

65 Environment Act 2021 (2021 c. 30), [Schedule 17: Use of forest risk commodities in commercial activity](#)

66 European Scrutiny Committee, [First Report of Session 2022–23, HC119-I](#), May 2022, pp.13–19, and Department for Environment, Food and Rural Affairs, [Consultation on implementing due diligence on forest risk commodities - Summary of responses and government response](#), June 2022

67 Department for Environment, Food and Rural Affairs, [Implementing due diligence on forest risk commodities](#), December 2021 (updated September 2022)

- how businesses should conduct due diligence exercises to identify, assess and mitigate risk; and what information should be included in their annual reports;
- what elements of business reports should be made public, and
- how the enforcement authority will monitor and ensure compliance with regulations enforcement regime, in particular what criteria the enforcement authority should fill and the maximum variable monetary penalty.⁶⁸

57. On 12 December 2023 the Secretary of State for Environment, Food and Rural Affairs gave further details of the initial scope of the Schedule 17 due diligence system to be implemented through regulations.⁶⁹

- Four commodities will be subject to the system: cattle products (excluding dairy), cocoa, palm oil and soy. Ministers estimate that these commodities account for 64% of the UK's deforestation footprint in tropical areas: according to the Secretary of State, as much as 93% of the deforestation arising from the production of these commodities may be in violation of local laws and therefore in scope of the proposed regulation.
- The regulations are to apply to businesses with a global annual turnover of £50m or more. Businesses using 500 tonnes or less of each commodity annually will be able to apply for an exemption from the regulations. The Secretary of State says that the threshold requirements will ensure “that only larger businesses who can most effectively influence supply chains” will be within scope.
- Businesses will have a ‘grace period’ to prepare for the new requirements following the entry into force of the relevant regulations: the Government indicates that they will take effect from the beginning of the reporting year of businesses which are in scope.
- Ministers plan a “wide array” of sanctions to be available within the parameters of the enforcement framework established by Section 2 of Schedule 17, to tackle a range of potential breaches of the due diligence scheme, from failure to comply with reporting requirements to the importation of commodities derived from illegally-deforested land. Unlimited monetary penalties for the most serious breaches will be available for the enforcement authority.

58. While the Government remains “committed to implementing due diligence provisions at the earliest opportunity through secondary legislation”, we note that the proposed legislation is yet to be published.⁷⁰ The Department for Environment, Food and Rural Affairs now indicates that the legislation is to be laid before Parliament “when parliamentary time allows”.⁷¹

68 Department for Environment, Food and Rural Affairs, [Consultation on implementing due diligence on forest risk commodities - Summary of responses and government response](#), June 2022

69 Introduction of Forest Risk Commodities regulations, [HCWS117](#), 12 December 2023

70 Forests, written answer to a parliamentary question from Steve Reed MP, [UIN 1582](#), 20 November 2023

71 Department for Environment, Food and Rural Affairs news release, [“Supermarket essentials will no longer be linked to illegal deforestation”](#), Defra press release, 9 December 2023. The parliamentary procedure to apply to the sets of regulations which are to implement the Schedule 17 provisions is specified in section 116 of the Environment Act.

The EU Deforestation Regulation

59. Since it was first announced that the UK would bring in a due diligence system, the EU has adopted a Deforestation Regulation, which includes a system of due diligence broadly similar to that envisaged in the UK.⁷² The EU Regulation requires businesses to identify and minimise impacts arising from their operations as well as prohibiting the use of regulated products where their production did not comply with local laws. It applies to palm oil, cattle, soy, coffee, cocoa, timber and rubber as well as derived products such as beef, furniture, or chocolate. As timber is included in the scope of the new Regulation, the existing EU Timber Regulation is to be repealed on 30 December 2024.

60. The new Deforestation Regulation may be applicable in full—or in part—to Northern Ireland (NI) under the terms of the Windsor Framework.⁷³ Given the wide scope of the new Regulation, it remains unclear whether it will officially ‘replace’ the EUTR and therefore apply automatically to NI or whether its full application to Northern Ireland would require it to be added to the Windsor Framework by the EU-UK Joint Committee.⁷⁴

61. In addition, the EU is currently negotiating a new Corporate Sustainability Due Diligence Directive (CSDDD),⁷⁵ applying to a much wider context than the forest-risk commodities potentially covered in the UK system and beyond those covered by the new EU Deforestation Regulation. The draft CSDDD requires that companies need to identify potential and real adverse environmental and human impacts arising from their operations, subsidiaries and business relationships and take measures to prevent or mitigate potential impacts.

Views on the proposed due diligence system

Legality vs. zero deforestation

62. The due diligence system established under Schedule 17, and on which Ministers consulted, would prohibit the use of illegally produced commodities with reference to compliance with local laws. This means that products of legal deforestation are not currently within scope of the proposed system. By contrast, the EU Deforestation Regulation requires imported products to be both legal (compliant with local laws) and deforestation-free. Companies subject to the EU Regulation will have to confirm that the product has been produced on land that has not been subject to deforestation or forest degradation, including of primary forests, after 31 December 2020.

63. 90% of respondents to the Government’s consultation on new laws for forest risk commodities believed that the proposals should be extended so that it would be illegal for

72 [Regulation \(EU\) 2023/1115](#) of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010

73 European Scrutiny Committee, [Twenty-First Report of Session 2022–23](#), HC 119-xix, 18 July 2023, Chapter 4.

74 Subject to agreement in the Joint Committee, comprising representatives of the EU and the UK, new EU laws within the scope of the Protocol may be added to the list of legislation with which Northern Ireland must comply. If the EU identifies an EU law that it thinks should be added, but the Joint Committee fails to agree, the Parties should “examine all further possibilities to maintain the good functioning of the Protocol and take any decision necessary to this effect.” If the situation remains unresolved, the EU may take remedial measures once the EU law in question is implemented in the EU.

75 Proposal for a Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937, [COM\(2022\) 71](#), 23 February 2022.

UK businesses to use any key commodities related to deforestation in their supply chains. These respondents included Unilever, Nestle, Mondelez and all of the UK's 'big seven' supermarkets.⁷⁶

64. Witnesses to our inquiry observed that an entirely legality-based approach provided perverse incentives for producer countries to deregulate, removing or modifying laws that provide legal protection to areas of forest and other critical natural ecosystems: changes to legislation in Brazil were said to have weakened the legal framework protecting the Amazon Basin, where a 30% increase in illegal deforestation was reported during the Covid-19 pandemic. Michael Rice, a lawyer for Forest-risk Commodities at Client Earth, told us that:

a framework that ignores legal deforestation but also rewards it with access to the UK market I think risks creating perverse incentives for producer countries to change their laws to legalise deforestation. One example, not in response to the UK's proposal but in response to economic pressures, is in Indonesia where early into the Covid pandemic, to stimulate the national economy, a very broad deregulation package was quickly passed through Parliament, which deregulated the natural resources and extractive industries and reduced significantly the environmental and social safeguards required.⁷⁷

Alexandria Reid, Senior Global Policy Advisor at Global Witness, told us that the overall approach taken in Schedule 17 to the Environment Act was a major drawback in the way the UK had approached measures to tackle deforestation.⁷⁸

Human rights risks in supply chains

65. The Global Resource Initiative Taskforce recommended that the due diligence obligation under Schedule 17 should require in-scope businesses to address human rights risks in their supply chains.

66. Under the EU's Deforestation Regulation, companies importing in-scope products to the EU are required to verify that the products have been produced in compliance with the relevant legislation of the country of production, including human rights legislation, and to verify that the rights of concerned indigenous peoples and local communities have been respected.⁷⁹

67. Schedule 17 does not require a similar demonstration of adherence to international human rights law. Instead, certain businesses will be required to prove that their products are deforestation-free and compliant with relevant local laws.

68. In itself this provision does not guarantee that the rights of indigenous peoples and other customary rights-holders will be protected. Not all 'producer countries' have laws

76 Department for Environment, Food and Rural Affairs, [Consultation on implementing due diligence on forest risk commodities - Summary of responses and government response](#), June 2022

77 [Q95](#) [Mr Rice]

78 [Q95](#) [Alexandria Reid]

79 [Deal on new law to ensure products causing deforestation are not sold in the EU | News | European Parliament \(europa.eu\)](#)

that expressly recognise and protect the rights of indigenous peoples, and where these do exist, they often fall short of international standards and suffer from poor enforcement.⁸⁰ Alexandria Reid told us that

Global Witness's tracker shows there have been 1,733 land and environmental defenders killed over the past 10 years; that is one person killed every other day. Our tracker finds agri-business to be a particularly deadly industry that is linked to lots of these extrajudicial killings, and we see in our exposes that we consistently identify human rights abuses as a key offence that accompanies deforestation. In many ways, and this is written in the GRI report, deforestation and human rights abuses go hand in hand and that is part of the picture of illegality that we are looking at. While indigenous peoples comprise a very small proportion of the global population, they are very much over-represented in datasets of extrajudicial killings.⁸¹

69. The Department has indicated that UK legislation will not place an explicit duty on companies to conduct due diligence on human rights within their supply chains, though they would need to comply with any human rights requirement included in land use or land ownership laws. Under the Companies Act 2006, as amended in October 2013, companies are required to publish supply chain transparency statements in compliance with the Modern Slavery Act and the Government encourages businesses and public bodies to conduct human rights due diligence in line with the UN Guiding Principles on Business and Human Rights.⁸²

A phased approach to introducing commodities

70. The Government proposed staging the introduction of commodities in scope, from as little as two initially, with up to 7 in four or five years. The consultation gave a range of choices for when regulation could be introduced:

- regulating two commodities in 18–24 months,
- regulating 3 to 4 commodities in 3–4 years, or
- regulating 5 to 7 commodities in 4–5 years.

The Secretary of State's announcement of 12 December, giving more detail on the proposed scope of the due diligence scheme, indicated that four commodities were to be regulated initially, but gave no further detail as to the proposed timescale for introduction.

71. Civil society stakeholders have expressed concern over timeframes, questioning the Government's suggestion that implementation for five to seven commodities could take up to five years.⁸³ Global Canopy argued that cattle products, palm oil, and soy—the

80 Forest Peoples Programme ([DEF0019](#))

81 [Q102](#) [Alexandria Reid]

82 [Letter to the Chair from the Minister for Natural Environment and Land Use, Department for Environment, Food and Rural Affairs, dated 17 April 2023](#). The relevant legislative provision is contained in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ([SI 2013/1970](#)).

83 Trase, [UK Environment Act: Use of Forest Risk Commodities in Commercial Activity \(Schedule 17\)](#), June 2022; Dr Chris West (Senior Research Fellow at Stockholm Environment Institute, University of York) ([DEF0012](#)); Earthsight ([DEF0020](#)), and Fauna & Flora International ([DEF0015](#))

biggest drivers—had to be included as a minimum in the first phase but that limiting the coverage of the legislation to these three commodities would only cover half of the overall deforestation footprint.⁸⁴

72. The Stockholm Environment Institute argued that a phased introduction of commodities risked a fragmented approach across the UK's supply chain. Palm oil, soy and beef were likely to be included soonest, but other important commodities (such as cocoa or coffee) could be left out initially due to their association with lower global forest conversion—with implications for regional deforestation and associated biodiversity loss.⁸⁵ A phased approach risked missing the opportunity to set early and clear expectations that deforestation is not welcome in any UK supply chains.⁸⁶

73. Earthsight observed that a phased approach to introducing commodities regulation would take a minimum of 18 months to implement the law for one commodity, and four years to implement it for all seven. They highlighted other instances of similar due diligence measures being brought into place on shorter timescales, including:

- The 2008 amendments to the Lacey Act in the USA, which combats illegal trafficking of wildlife, fish, and plants, which took effect immediately on enactment, and
- The provision in EU Timber Regulation allowing two years for implementation (to allow all 28 EU Member States to pass implementing legislation).⁸⁷

Businesses in scope

74. Under the proposed system, businesses meeting a minimum financial turnover threshold are to be required to establish a due diligence system: the Secretary of State has indicated that the global annual turnover threshold is to be set at £50m, with provision for companies trading 500 tonnes or less of each commodity per annum to apply for exemptions. We note that the proposed threshold excludes small and medium-sized enterprises, leaving a segment of the UK supply chain uncovered.

75. We also observe that the financial sector is not within scope of the Schedule 17 regime: we address the exposure of that sector to forest risk activity further below.

Our view on the Schedule 17 regime

76. The Government's consultation on proposals for Schedule 17 implementation ended in March 2022, but secondary legislation has not yet been brought forward and the Government has not yet committed to a date by which it can be expected. While we welcome the Secretary of State's recent clarification of the initial commodities which are to be within scope, and the turnover threshold to which the Schedule 17 regime is to apply, many details of the proposed scheme remain unclear. We are concerned that this leaves businesses with uncertainty and impairs their ability to prepare properly to meet the requirements of the regime. Under the Glasgow Leaders' Declaration on Forests and Land Use, the UK has committed to ending deforestation and forest

84 Global Canopy ([DEF0025](#))

85 Trase, [UK Environment Act: Use of Forest Risk Commodities in Commercial Activity \(Schedule 17\)](#), June 2022

86 Dr Chris West (Senior Research Fellow at Stockholm Environment Institute, University of York) ([DEF0012](#))

87 Earthsight ([DEF0020](#))

degradation by 2030, and at COP15 global agreements were made to halt and reverse biodiversity loss by the same deadline. With less than seven years remaining until 2030, the UK Government should avoid all further delay to ensure that the UK plays its part in meeting these vital goals.

77. *We recommend that the Government publish its proposed suite of regulations as a matter of urgency. Where regulations are to be subject to the affirmative procedure, Ministers must publish a clear timetable for drafts to be laid, approved by both Houses and brought into force, to allow those businesses likely to be within the scope of the regulations sufficient time to prepare.*

78. The due diligence system established under Schedule 17 will prohibit the use of illegally produced commodities with reference to compliance with local laws. This means that products of legal deforestation will not be within the scope of the system, unlike comparable EU legislation. This is regrettable. Only 31% of deforestation globally is illegal; the wide variation in the strength of local laws on deforestation is a weakness of this approach, and there is the possibility of deregulation in response to the UK's due diligence requirements.

79. *We recommend that, in order to increase the sustainable use of forest-risk commodities, the Government should bring forward amendments to paragraph 2 of Schedule 17 to the Environment Act so as to prohibit UK businesses from trading or using commodities linked to deforestation activity as defined by the UN Food and Agriculture Organization, whether or not the activity is permitted by local legislation.*

80. *To be effective, the Government's proposed approach requires the UK to work in partnership with producer countries and to reinforce (and in some cases, strengthen) their legal and policy provisions to counter deforestation. We therefore recommend that the proposed demand-side due diligence system is complemented by Government initiatives to support and build capacity in producer countries.*

81. A phased introduction of forest risk commodities misses the opportunity to set early and clear expectations that deforestation is not welcome in any UK supply chains. While the Government's announcement that four major commodities will be brought within initial scope of the Schedule 17 regime is welcome, the failure to include commodities such as maize, rubber and coffee within this scope does not demonstrate the level of urgency required to halt and reverse forest loss and land degradation by 2030.

82. *We recommend that the Government's proposals for due diligence legislation should include from the outset all forest risk commodities associated with a material UK deforestation footprint (soy, palm oil, cocoa, maize, beef and leather, rubber and coffee) rather than taking the phased approach which Ministers appear to favour. In the response to this report we expect the Government to set out the evidential basis for the claim that the commodities within initial scope are estimated to account for 64% of the UK's tropical deforestation footprint, and to indicate the proportion of the UK's global deforestation footprint estimated to be covered by these commodities.*

83. A due diligence system is likely to require companies to comply with any human rights requirement included in local land use or land ownership laws. We observe that the legal status of customary land tenure rights of indigenous peoples and local

communities (IPLCs) varies between nations. Unless customary tenure rights are explicitly recognised and protected under national law, IPLCs with customary land rights are vulnerable to rights violations.

84. *We recommend that provision be made in the due diligence system—by amendment to primary legislation, if necessary—to ensure that products are not illegally produced in relation to land use and land ownership laws, including customary tenure rights.*

85. Schedule 17 requires the Secretary of State to evaluate the effectiveness of the due diligence system in the third year following its full entry into force. The Act requires an evaluation of the impact of the regime on deforestation activity, but does not explicitly require an evaluation of the impact of the system on the human rights of indigenous peoples. *We recommend that the statutory evaluation of the Schedule 17 due diligence system address expressly whether the due diligence system has effectively supported the human rights of indigenous peoples to land, territories and resources.*

The financial sector and deforestation

86. The UK finance sector lends and invests, directly and indirectly, in forest product supply chains which are exposed to deforestation risk. Whilst no figure exists for the overall risk exposure of UK financial institutions (UKFIs) to deforestation, third party estimates suggest it is likely to be significant: for instance, Global Witness has estimated that between 2015 and 2020 UK banks and asset managers provided some \$16.6 billion to businesses implicated in deforestation activity.⁸⁸ Financial institutions cannot meet their deforestation policies or their net-zero commitments without also addressing their exposure to deforestation through the companies they finance. This is now an issue widely recognised, including within the UN-backed Race to Zero campaign and by the Glasgow Financial Alliance for Net Zero (GFANZ).

87. The contribution of the agricultural sector to deforestation is resulting in increasing risks for multinational companies with investments in the sector. Global Canopy has reported that the global agribusiness sector is expected to lose an average of 7% in value by 2030, owing to unpriced nature and climate risk, with some companies losing up to 26% of their value in the next eight years.⁸⁹ According to its latest Forest 500 report, issued in February 2023, 201 (40%) of the companies and financial institutions with the most exposure to, and influence on, tropical deforestation had yet to adopt a single policy related to deforestation risk.⁹⁰

88. Voluntary initiatives are useful in generating momentum and allowing the sector to test out approaches which may later become mandatory. In its 2020 report the Global Resource Initiative Taskforce report urged the Government to encompass finance in its proposed anti-deforestation regulation, and the follow-up Finance Report of May 2022 proposed more detail for how financial institutions could be brought into scope.⁹¹

89. The Government did not bring forward provision in the Environment Act to extend due diligence requirements to UK banks and other finance providers who fund

88 Global Witness, [Deforestation dividends: how global banks profit from rainforest destruction and human rights abuses](#), October 2021

89 Thomson, E. and Fairbairn, A., [2023: A watershed year for action on deforestation](#), Global Canopy, Oxford, 2023

90 *Ibid.*

91 Fauna & Flora International ([DEF0015](#))

forest product supply chains. By contrast, the EU Deforestation Regulation includes a requirement on the Commission to “assess the need to oblige EU financial institutions to only provide financial services to their customers if they assess that there is only a negligible risk that these services do not lead to deforestation.”⁹²

90. Information and data availability is one of the greatest challenges for financial institutions with regards to reducing their deforestation risk. The Taskforce on Nature-related Disclosures (TNFD) recommendations, the first version of which was issued in September 2023, seeks to address these data gaps as transparency issues.⁹³ The Government has pointed to its support of TNFD as the way in which they will address the financial sector contribution to deforestation, rather than through the inclusion of the sector within scope of Schedule 17 of the Environment Act.

91. A mandatory due diligence duty on banks and finance providers would require them to assess and mitigate the risk that they provide finance to companies whose supply chains involve products at risk of illegal deforestation and to remedy any failures or breaches or face possible sanctions. On the other hand, the TNFD framework requires identification and reporting of risks to improve data availability which will help companies and financial institutions to act on their nature-related risks, but does not in itself require action. The disclosures required under the TNFD framework are rather broader in scope than disclosures of deforestation risk.

92. The UK financial sector is a direct and indirect contributor to financing deforestation. Financial institutions cannot meet their deforestation policies or their net zero commitments without also addressing their exposure to deforestation through the companies they finance.

93. Information and data availability is one of the greatest challenges for financial institutions with regards to allowing them to assess and reduce their deforestation risk. We therefore welcome the Government’s championing of the work of the Taskforce on Nature-related Financial Disclosures. We observe that making nature-related disclosures mandatory would not obviate the need for mandatory due diligence for the finance sector under Schedule 17 to the Environment Act.

94. We recommend that the Government bring forward legislation to bring businesses in the UK financial sector within the scope of the Schedule 17 regime.

95. In order to support target 15 of the Kunming-Montreal Global Biodiversity Framework, we recommend that the Government bring forward proposals to legislate for mandatory disclosure of nature-related impacts by businesses, including the financial sector, on the basis of the November 2023 recommendations of the Taskforce on Nature-related Financial Disclosures, and should set a clear timetable for doing so.

92. European Parliament news release, [“Deal on new law to ensure products causing deforestation are not sold in the EU”](#), 6 December 2022

93. Taskforce on Nature-related Financial Disclosures, [Recommendations of the Taskforce on Nature-related Financial Disclosures](#), September 2023

3 Global agreements to tackle deforestation

International agreements on measures to halt and reverse deforestation

96. Over the past decade there have been several international and global agreements and initiatives to halt deforestation, including:

- the New York Declaration on Forests (NYDF) (2014) included commitments to halve the loss of natural forest by 2020, and to strive to end it by 2030; to improve governance and the rights of forest communities, and to increase financial flows to forests;⁹⁴
- the Amsterdam Declarations Partnership (2015), in which ten European countries, including the United Kingdom, committed to eliminate deforestation in relation to agricultural commodity production and import by 2025,⁹⁵ and
- the Sustainable Development Goals (2015): goal 15 (life on land) pledged to halt deforestation by 2020.⁹⁶

Forest cover continues to decline at alarming rates. According to the most recent NYDF Progress Assessment (2021), global deforestation continues at a rate of approximately 10 million hectares per year and the world is not on track to halt deforestation by 2030.⁹⁷

Action on deforestation at COP26

97. The UNFCCC COP26 in 2021 was a significant landmark for international cooperation and action on deforestation. Several major initiatives to protect the world's forests were launched, including the Glasgow Leaders' Declaration on Forests and Land Use. As the joint Presidency of COP26, the UK Government played a leading role in establishing the Declaration and the subsequent Forest and Climate Leaders' Partnership. The Declaration was significant because it brought together more nations than any previous agreement—144 nations which account for 90.94% of the globe's forest area⁹⁸—and was accompanied by additional financing and the establishment of forums for taking forward action on deforestation such as the FACT Dialogue and action by major agricultural commodity producers (Box 1). Lord Goldsmith said that the intention was that at each subsequent COP participants should report back on how they are doing in relation to their FCLP commitments.

94 United Nations news release, "[New York Declaration on Forests—Halving the loss of natural forest by 2020, striving to end it by 2030](#)", 19 October 2015

95 [Amsterdam Declarations Partnership](#). The partnership comprises Belgium, Denmark, France, Germany, Italy, Luxembourg, The Netherlands, Norway, Spain, and the United Kingdom.

96 [Sustainable Development Goal 15: life on land](#)

97 New York Declaration on Forests, [Taking stock of national climate action for forests: 2021 NYDF Assessment report](#), 12 October 2021

98 [Glasgow Leaders' Declaration on Forests and Land Use](#), Glasgow, 2 November 2021

98. Deforestation and biodiversity loss have a significant impact on the lives and livelihoods of local communities, including indigenous peoples. As we will discuss in chapter 4 below, COP26 was also significant for the recognition of the rights of Indigenous People and Local Communities (IPLCs) in relation to climate change and nature.

Box 1: Major deforestation initiatives launched at COP26

Glasgow Leaders' Declaration on Forests and Land Use

144 world leaders, representing over 90% of the world's forests, committed to halt and reverse forest loss and land degradation by 2030 while delivering sustainable development and promoting an inclusive rural transformation.

This was accompanied by a commitment by 12 developed countries to provide \$12 billion (£8.75 billion) in forest related climate finance to the Global Forest Finance Pledge. This includes £1.5 billion from the UK over five years to support the forests pledge, including £350 million for tropical forests in Indonesia, £200 million for the LEAF Coalition, and up to £300 million intended for the Amazon.

The FACT Dialogue

As COP26 Presidency, the UK launched the Forest, Agriculture and Commodity Trade (FACT) Dialogue, co-chaired with Indonesia. This government-to-government dialogue brings together the largest producers and consumers of internationally traded agricultural commodities (such as palm oil, soya, cocoa, beef and timber) in order to protect forests and other ecosystems while promoting trade and development.

Action by major agricultural commodity producers

At COP26 the major 12 commodity producers of soya, palm oil, cocoa and cattle committed to align their business practices with the 1.5°C target.

The major agricultural commodity and trading companies (including ADAM, Bunge and Cargill) released a joint Corporate Statement of Purpose made at COP26, in which they agreed to lay out a plan by COP27 to set agricultural production and trade on a 1.5°C pathway to help meet global climate goals.

Sources: [Global Forest Finance Pledge](#); [LEAF Coalition](#); UK Government news release, "[\\$12 billion donor support to halt and reverse forest loss and protect land rights](#)", 2 November 2021; COP26 Presidency, [Agricultural Commodity Companies Corporate Statement Of Purpose](#), 2 November 2021

Action on deforestation at COP27

99. Further action on deforestation followed at COP27, where 26 countries and the EU committed to join the Forest and Climate Leaders' Partnership launched at COP26.⁹⁹ This partnership of countries, which accounts for over 33% of the world's forests and nearly 60% of the world's GDP, is to run annual high-level events to build the delivery of and accountability to global forest commitments. It also aims to provide a space for governments to create collective consensus about how to drive progress towards the 2030 target to halt and reverse forest loss and land degradation. The partnership is co-chaired by the US and Ghana, with member countries committing to lead in FCLP action areas that are then supported, led, established or showcased by the FCLP. These action areas are:

99 Cabinet Office news release, "[World leaders launch Forests and Climate Leaders' Partnership to accelerate momentum to halt and reverse forest loss and land degradation by 2030](#)", 7 November 2022

- International collaboration on the sustainable land use economy and supply chains;
- Mobilising public and donor finance to support implementation;
- Shifting the private finance system;
- Supporting Indigenous Peoples' and local communities' initiatives;
- Strengthening and scaling carbon markets for forests, and
- Partnerships and incentives for preserving high-integrity forests.

Following the Corporate Statement of Purpose released during COP26, fourteen of the world's largest agricultural commodity and trading companies released an agricultural sector 'roadmap' at COP27 to address deforestation associated with palm, beef and soy production in biomes around the world.¹⁰⁰

Action on deforestation at COP15

100. COP15, the Conference of Parties to the UN Convention on Biological Diversity, which concluded in Montreal in December 2022, adopted the Kunming-Montreal Global Biodiversity Framework (GBF), which comprises four goals and 23 targets for achievement by 2030. The headline targets—to achieve “effective conservation and management of at least 30% of the world's lands, inland waters, coastal areas and oceans”, and to reduce “harmful government subsidies” by \$500 billion by 2030—were accompanied by a target to ensure that by 2030 “areas under agriculture, aquaculture, fisheries and forestry are managed sustainably”.¹⁰¹

Action on deforestation at COP28

101. At COP28 in December 2023 additional initiatives to protect nature, including action to halt and reverse deforestation, were announced:

- Leaders of several heavily forested countries in Asia, Africa, and South America announced plans for the simultaneous implementation of the Paris Agreement and of the Global Biodiversity Framework agreed at COP15 in Montreal, supported by underpinning finance from private and public sources. The total financing packages announced for nature protection (including initiatives against deforestation and for ocean protection) amounted to \$2.59bn.¹⁰²
- Packages of nature conservation finance totalling \$1.7 billion were pledged, together with a partnership between the governments of the United Arab Emirates and of Brazil to drive further action on protection for nature through COP processes up to the COP30 summit, expected to be held in Belem, Brazil in late 2025.¹⁰³

100 Tropical Forest Alliance, [Agriculture Sector Roadmap to 1.5°C](#)

101 COP15 Presidency news release, [“COP15: Nations Adopt Four Goals, 23 Targets for 2030 In Landmark UN Biodiversity Agreement”](#), 19 December 2022

102 COP28 Presidency news release, [“COP28 World Climate Action Summit - Presidency Summary”](#), 2 December 2023

103 COP28 Presidency news release, [“COP28 Galvanizes Finance and Global Unity for Forests and the Ocean”](#), 3 December 2023

- A Joint Statement on Climate, Nature and People was agreed between the UAE Presidency of COP28 and the Chinese Presidency of COP15, and supported by the countries presiding over 16 separate international climate and nature initiatives, including Brazil, Canada, France, Germany, the United States of America and the UK. The statement included commitments from the parties to coordinate and simultaneously implement their nature and climate strategies, including land restoration plans.¹⁰⁴
- A further \$186 million of new financing for action to protect nature, including forests and mangroves, was announced, together with an initiative supported by 15 countries to drive investment in forest carbon markets and a statement supporting the sustainable use of timber in construction.¹⁰⁵

UK leadership on international anti-deforestation measures

102. Stakeholders were clear that implementation of initiatives to achieve these goals must now be prioritised, together with accountability for progress. Constance McDermott, of the University of Oxford, noted that ‘there is a lot of enthusiasm to keep cranking up the ambition but not necessarily being accountable for the targets and policies that are already in place.’¹⁰⁶ Duncan Brack highlighted that all previous deforestation targets had been missed:

I think what is different about COP26 and COP27 is that we saw more activity on the action to support the declaration and the pledges... Here I think you are beginning to see more commitment to provide funding and more commitment to put implementation frameworks in place. The declarations by themselves are not terribly helpful. They are useful, it is probably better to have them than not, but you have to have action on finance, trade, political will and implementation.¹⁰⁷

103. We note that the COP28 announcements placed comparably greater weight on financing pledges and delivery mechanisms than had been the case at earlier COPs and under previous anti-deforestation initiatives. We also note with approval the active engagement of the UK in the anti-deforestation initiatives announced at COP28.¹⁰⁸

104. The UK Government has played a significant role in brokering agreements to reverse deforestation and has been influential in increasing the profile of nature at climate COPs. For the first time, many nations and significant private sector institutions have committed to action on deforestation: substantial financial commitments on deforestation have also been made.

105. Decisive action must follow these commitments if the Kunming-Montreal goal of halting and reversing biodiversity loss by 2030 and the commitments of the Glasgow Leaders’ Declaration and subsequent COP agreements are to be met. The UK must lead

104 COP28 Presidency, [COP28 Joint Statement on Climate, Nature and People](#), 9 December 2023

105 COP28 Presidency press release, [“United for Nature: COP28 mobilizes action to protect and restore forests, mangroves, land and ocean”](#), 9 December 2023

106 [Q243](#)

107 [Q245](#) [Mr Brack]

108 Including the Mangrove Breakthrough, the Mangrove Alliance for Climate, the Scaling Investment in Forest Carbon Results and Credits initiative and the Initiative for Greening Construction with Sustainable Wood.

by example, fulfilling its pledged funding commitments, continuing its diplomatic efforts to keep issues of deforestation and nature prominent in global discourses and restoring and conserving its forests at home.

Funding agreements

106. At COP26 alongside the commitments of the Glasgow Leader's Declaration two major funding pledges were announced:

- The IPLC Forest Tenure Joint Donor Statement: \$1.7bn funding was committed to support IPLCs and their forests at COP26, from 2021 to 2025, 'to support the advancement of Indigenous Peoples' and local communities' forest tenure rights and greater recognition and rewards for their role as guardians of forests and nature'.¹⁰⁹
- Global Forest Finance Pledge: \$12 billion of climate finance was committed for partnerships in developing countries that tackle the causes of deforestation and to scale up sustainable economic opportunities for many of the world's poorest and most climate-vulnerable communities. The UK has committed to £1.5 billion over five years to support the forests pledge, including £350 million for tropical forests in Indonesia, £200 million for the LEAF Coalition, and up to £300 million intended for the Amazon.¹¹⁰

107. In the past, there has been a poor record on mobilising funding for climate and nature commitments. For example, the commitment of developed countries to deliver \$100bn a year in climate finance to developing countries by 2020 was not met.¹¹¹ Generally speaking, nature and biodiversity is significantly underfunded relative to global climate change financing.

108. This was highlighted by the International Development Committee when they heard from Dr Tamsyn Barton, Chief Commissioner of the Independent Commission for Aid Impact. Dr Barton described biodiversity and deforestation as an area that is "relatively neglected within climate finance".¹¹² Despite tropical forest loss accounting for 8% of the world's annual carbon dioxide emissions, only 3% of International Climate Finance allocated to reduce emissions goes towards protecting forests and other ecosystems. This is despite the fact that, according to ICAI, global rates of deforestation and biodiversity loss are "catastrophic", and that the amount of resource dedicated to tackling them is "dwarfed by the scale of the challenge".¹¹³

109 COP26 Presidency, [COP26 IPLC Forest Tenure Joint Donor Statement](#), 2 November 2021

110 Department for Environment, Food and Rural Affairs, Foreign, Commonwealth and Development Office, Department for Business, Energy and Industrial Strategy, and Cabinet Office news release, "[\\$12 billion donor support to halt and reverse forest loss and protect land rights](#)", 2 November 2021

111 BBC News, "[Climate change: Pledge of \\$100bn annual aid slips to 2023](#)", 25 October 2021

112 International Development Committee, [International climate finance: UK aid for halting deforestation and preventing irreversible biodiversity loss: report from the Sub-Committee on the Work of ICAI](#), Fourth Report of Session 2021–22, HC 730, February 2022

113 *Ibid.*

109. Over the past decade \$2.7 billion, representing only 1% of the official development assistance used for climate, went towards supporting indigenous peoples' and local communities' tenure rights and management. However, of this \$2.7 billion, only 17% reached projects that included indigenous peoples and local community organisations.¹¹⁴

110. FCDO is contributing £163 million under the US\$1.7 billion IPLC Forest Tenure Joint Donor Statement. The Department is using 50% of its contribution to build that capacity so that indigenous people will, for example, be able to benefit from carbon markets in the future and will be able to receive and to make use of funding in larger sums than hitherto.

111. At COP28, the UK signed the Joint Statement on Climate, Nature and People.¹¹⁵ This statement makes clear that there is no path to fully achieve the goals of the Paris Agreement or 2030 goals and targets of the Global Biodiversity Framework without urgently addressing climate change, biodiversity loss and land degradation. Signatories also committed to achieve these goals through stronger implementation of strategies; scaling finance and investment accordingly; ensuring effective representation of indigenous people, local communities, women, youth and vulnerable; promoting a whole-society approach and; encouraging coherence and interoperability across data, metrics and voluntary reporting frameworks.¹¹⁶

112. The UK also committed to £85 million of funding at COP28 to tackle deforestation and cut methane emissions, with £35 million to protect the Amazon rainforest through Brazil's Amazon Fund. This is in addition to a commitment of £80 million announced earlier in 2023.¹¹⁷

Views on available funding

113. In written evidence stakeholders welcomed the UK's \$1.5bn commitment to the Global Forest Finance Pledge. Global Witness and WWF observed that much of the finance announced by the UK Government at COP26 had already been committed to programmes prior to COP26: it was therefore difficult to ascertain from the little public information provided how much of the package announced was 'additional' funding.¹¹⁸ Similarly, Forest Peoples Programme highlighted that they were not aware of any documentation detailing the £1.5 billion commitment made by the UK Government to the Global Forest Finance Pledge (GFFP): there was no clarity on how this money would reach the ground.¹¹⁹

114. Global Witness said the UK should clarify the percentage of the funds pledged at COP26 which constitute new/additional funds, as opposed to funds already earmarked for forest protection and what it will be used for.

115. Duncan Brack told us that

the UK is one of the big forest donors, along with countries like Norway and Germany and, to a lesser extent perhaps, the US. The UK record goes back quite a long way before Glasgow. It was quite instrumental in helping

114 Forest Peoples Programme (DEF0019); Global Witness (DEF0029)

115 UNFCC COP28 Presidency, [COP28 Joint Statement on Climate, Nature and People](#), December 2023

116 *Ibid.*

117 Department for Energy Security and Net Zero news release, "[UK leads global action to protect rainforests, cut methane emissions and advance low carbon technologies](#)", 2 December 2023

118 WWF UK (DEF0042); Global Witness (DEF0029)

119 Forest Peoples Programme (DEF0019)

to create the FLEGT, the forest law enforcement, governance and trade programme, at the EU level. It has always been a big donor on forest-related commitments and it seems to be determined to keep that commitment up, which is very welcome.

116. The UK had committed to double its international climate finance in 2019 to £11.6bn, which was in support of meeting the global climate finance \$100bn a year commitment to developing countries. Lord Goldsmith urged transparency in relation to overseas funding commitments:

Given that the last year of spending will be conducted by whoever forms the next Government and given that that could very easily be the current Opposition, it is important that this Committee asks for and gets as much transparency as possible about how much money is being spent. We do not want to end up in a position where the first year of the next Government they face an impossible task to meet that obligation.¹²⁰

117. In published correspondence to the Committee from FCDO, the Department set out all approved funding for deforestation related projects.¹²¹ In the context of reports that the Government's funding pledge might be abandoned, we have been reassured to note the written statement delivered by the Minister of State for Development and Africa on 17 October 2023, reaffirming the Government's commitment to this £11.6bn.¹²²

118. It is encouraging to see the commitments made at COP26, COP27 and COP28 on deforestation which were accompanied by major funding commitments. Past commitments to mobilise finance for climate adaptation have not yet been fulfilled and commitments to restore nature remain relatively underfunded. In order to meet the commitments of the Glasgow Leaders' Declaration on Forests and Land Use and the goals of the Global Biodiversity Framework by 2023, mobilising the promised funding is critical.

119. Whilst the Committee welcomes recent funding announcements to tackle deforestation, it is unclear whether these are in addition to the £1.5 billion previously committed to in the Global Forest Finance Pledge.

120. The UK Government should lead by example. We therefore welcome the recent confirmation that the UK is to maintain its flagship £11.6bn climate and nature funding pledge. The UK cannot step off the global stage in relation to its climate, nature and deforestation commitments. The Government should make it clear how the £1.5bn of funding specifically committed to activity to address deforestation is being spent. Greater transparency will ensure that this Government and future Governments can be held to account.

120 [Q344](#)

121 [Letter to the Chair of the Environmental Audit Committee from the Minister of State for Overseas Territories, Energy, Climate and the Environment, Rt Hon Lord Goldsmith of Richmond Park, 30 May 2023](#)

122 [International Climate Finance, HCWS1071, 17 October 2023](#)

Funding for indigenous peoples

121. Ahead of COP26, Lord Goldsmith highlighted the importance of involving IPLCs in efforts to protect and restore nature, and highlighted the lack of funding available to IPLCs:

There is massive, I would say unarguable, evidence that, when you empower local communities around issues of land rights and land tenure, when you enable them to assert their rights on land that they have lived in forever, the ecological benefits are very easily measured. Despite all that, I think only about 2% of climate finance has gone towards IPLC, in short. That is something that we hope also to change at [the next] COP.¹²³

122. At COP26 the IPLC Forest Tenure Joint Donor Statement was released, committing \$1.7bn funding to the support IPLCs and their forests 'to support the advancement of Indigenous Peoples' and local communities' forest tenure rights and greater recognition and rewards for their role as guardians of forests and nature'. This Statement said that financing would be directed at:

- channelling support to Indigenous Peoples and local communities, including through capacity building and financial support for group activities, collective governance structures and management systems, and sustainable livelihoods;
- activities to secure, strengthen and protect Indigenous Peoples' and local communities' land and resource rights, including, but not limited to, support to community-level tenure rights mapping and registration work, support to national land and forest tenure reform processes and their implementation, and support to conflict resolution mechanisms.

123. In written evidence, Defra said that the UK would like to see the GLD follow-up process maintain the focus on IPLCs, and the actions needed to increase funding available and push for positive policy outcomes.¹²⁴

124. Lord Goldsmith said at the joint House of Lords Environment and Climate Change Committee and Environmental Audit Committee session reviewing the outcome of COP15:

On indigenous people, I think it is true to say that the main spokespeople for the indigenous organisations said that COP 26 was the first COP where they felt truly included and listened to. We made big commitments and secured them from other donors, countries and philanthropists: a \$1.7 billion commitment, for example, which is unprecedented in the context of indigenous people and their rights and their cause. We are still steering the donor co-ordination to ensure that, as that money is deployed, it is deployed in a way that the indigenous people expect and as they need.¹²⁵

123 International Development Committee, [International climate finance: UK aid for halting deforestation and preventing irreversible biodiversity loss: report from the Sub-Committee on the Work of ICAI](#), Fourth Report of Session 2021–22, HC 730, February 2022

124 Department for Environment, Food and Rural Affairs ([DEF0049](#))

125 Evidence taken before the House of Lords Environment and Climate Change Committee and the House of Commons Environmental Audit Committee, [COP 15: the international biodiversity conference](#), 18 January 2023, HC 480, [Q84](#)

Views on the level of funding available to indigenous people organisations

125. The Forest Peoples Programme commented that the IPLC Pledge was a welcome and necessary shift towards supporting indigenous peoples' self-determined priorities, with the co-benefit of positive environmental outcomes.¹²⁶ They said that direct funding would be a crucial element of funding in the next decade and beyond, highlighting the very small proportion of climate ODA which has historically been committed to supporting indigenous peoples' and local communities' tenure rights and management, and the even smaller proportion of funding which has actually reached projects that include indigenous peoples and local community organisations.¹²⁷

126. The Forest Peoples Programme nevertheless observed that was "highly concerning" that no centralised documentation had been made publicly available since COP26 on how much each donor was contributing to the total \$1.7 billion between 2021–2025; how each donor would allocate the funds; and how much was to be provided directly to indigenous peoples and local communities. They also highlighted that there were to their knowledge no information available on the £1.5 billion commitment made by the UK Government towards the Global Forest Finance Pledge (GFFP) and how this money will reach the ground.¹²⁸

127. Lord Goldsmith told the Committee that out of the \$1.7 billion commitment, the UK Government would provide £163 million to indigenous People and Local Communities with half going directly to grassroots organisations and the other half helping build the capacity for indigenous people to absorb and spend large sums of money, allowing them to receive larger donations in the future. This should allow more money to flow to indigenous people and organisations.

128. It is encouraging to see the IPLC donor pledge supporting the principle of the advancement of Indigenous Peoples' and local communities' forest tenure rights and rewards their role as guardians of forests and nature. However, extremely little funding pledged for nature has previously supported IPLC tenure rights, and even less has reached indigenous peoples and local community organisations directly.

129. We welcome the commitment of the Foreign, Commonwealth and Development Office to fund capacity building initiatives for IPLC grassroots organisations. We recommend that, in order to ensure that this funding is used to maximum effect, Ministers ensure that the greatest possible proportion of UK funding is disbursed so as to reach IPLC organisations directly and verifiably.

126 Forest Peoples Programme ([DEF0019](#))

127 Forest Peoples Programme ([DEF0019](#))

128 Forest Peoples Programme ([DEF0019](#))

4 Global cooperation to tackle deforestation

UK government programmes to tackle deforestation in producer countries

130. Much of the written evidence we received during the inquiry emphasised that demand-side measures to tackle deforestation through the Environment Act must be complemented by supply-side support to producers in developing countries. The theme also underpinned the relevant recommendations of the Global Resource Initiative Taskforce in its reports.

131. Schedule 17 to the Environment Act 2021 makes no explicit provision for cooperation or partnership between the UK and countries of production. ClientEarth observed that there was nevertheless scope to establish cooperation or partnership in secondary legislation.¹²⁹

132. In relation to the timber sector, UK support to developing countries has previously been through two main inter-related mechanisms which aim to support improvements to sustainable forest governance in producer countries:

- a) FCDO's Forest Governance, Markets and Climate Programme (FGMC); and,
- b) Voluntary Partnership Agreements (VPAs) and associated Forest Law Enforcement Governance and Trade (FLEGT) licensing

133. Lessons learnt from these initiatives could inform the development of equivalent due diligence mechanisms and Official Development Assistance funded support programmes to developing countries in relation to a wider range of forest risk commodities.

The Forest Governance, Markets and Climate Programme

134. The Forest Governance, Markets and Climate Programme (FGMC) is a Foreign, Commonwealth and Development Office (FCDO) initiative which aims to bring about governance and market reforms that tackle illegal logging in timber-producing developing countries, reduce the trade in illegally produced timber products and benefit poor people who depend on forests for their livelihoods. As part of global efforts to improve forest management and tackle deforestation the FCDO ran the FGMC programme between 2011 and 2021. The FGMC programme supported the 2003 EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan which aimed to ensure a legal trade of timber products within and between countries, and improve global sustainability and governance.

135. The FGMC programme is generally well respected. The Independent Commission for Aid Impact reports that at programme level it has delivered a good range of effective interventions and has been able to influence demand for timber in major consumer markets while supporting reforms in producer countries. Stakeholders were nevertheless uncertain about arrangements to continue similar support following the end of the FGMC.

129 ClientEarth ([DEF0053](#))

136. Maggie Charnley, Head of the International Forests Unit at DESNZ, confirmed that a bridging mechanism was being put in place to carry on the programme until the second phase is approved.¹³⁰ It was also made clear to the Committee that the Department was looking to expand the commodities covered by the programme: this could include an extension to cover mining commodities.

137. We welcome the Government's commitment to a programme to continue the work of the of the Forest Governance, Markets and Climate Programme, and the potential extension of its scope to include mining commodities.

138. We recommend that the scope of the next phase of the Forest Governance, Markets and Climate Programme should be kept under regular review to ensure that the most significant drivers of deforestation are included.

Voluntary partnership agreements and the Forest Law Enforcement Governance and Trade Programme

139. Voluntary Partnership Agreements (VPAs) are legally binding trade agreements between the European Union (EU) and a timber-producing country outside the EU. The purpose of a VPA is to ensure that timber and timber products exported to the EU come from legal sources. The agreements also help timber-exporting countries stop illegal logging by improving regulation and governance of the forest sector.¹³¹ VPAs use legality licensing as a market-based approach aimed at stemming illegal harvesting and trade. They engage multi-stakeholder processes which include indigenous and local participants, and seek to address underlying problems of forest governance, including unclear or contradictory forest related laws and weak community rights.¹³²

140. Forest Law Enforcement Governance and Trade (FLEGT) is the European Union's programme (established in 2003) to reduce illegal logging by strengthening sustainable and legal forest management, improving governance, and promoting trade in legally produced timber. FLEGT works through VPAs. One of the main tools of FLEGT involves the issuing of licences for timber products for export to the EU from partner countries.

141. As an EU Member State the UK was a part of the FLEGT programme. Since the UK's exit from the EU it is no longer party to EU VPAs. However, the UK entered into a separate VPA agreement with Indonesia that mirrors the terms of the EU/Indonesia VPA, meaning that timber from Indonesia must be accompanied by a FLEGT licence.

The future of FLEGT

142. A Fitness Check of the EUTR and the FLEGT Regulation was performed in 2021 by the European Commission to evaluate the implementation and functioning of these two instruments and to assess whether they were fit for purpose to halt illegal logging

130 [Q360](#)

131 [WWF, Forest Law Enforcement, Governance & Trade \(FLEGT\) Project](#)

132 [Foreign, Commonwealth and Development Office and KPMG, Concept Note Guidance for Final Grants Round of the Forest Governance, Markets and Climate \(FGMC\) Programme, November 2017](#) and [Feja Lesniewska and Constance L. McDermott, "FLEGT VPAs: Laying a pathway to sustainability via legality lessons from Ghana and Indonesia", Forest Policy and Economics, Volume 48 \(2014\), pp. 16–23](#)

and related trade.¹³³ The review recognised some benefits but ultimately was critical of the programme (Box 2). Client Earth¹³⁴ told us that the methodology and findings of the fitness check had been strongly criticised: some civil society organisations had indicated genuine improvements in governance in many VPA countries which fell outside the scope of the assessment and had therefore not been acknowledged.¹³⁵ The 'fitness check' assessment of VPAs had focused on whether a FLEGT license had been put in place: Client Earth argued that this did not capture the fundamental improvement to forest governance that VPAs had been able to achieve in some producer countries even before the issue of FLEGT licences.¹³⁶

Box 2: Relevant key findings of the EU Fitness Check of EUTR and FLEGT Regulation performed in 2021

- While VPAs have led to enhanced stakeholders' participation and positive results in terms of improvement of forest governance in some countries, negotiations proved lengthy, progress in their implementation has been very slow and there is no clear evidence of their impact in terms of stopping illegal timber from being placed on the EU market, and/or reducing illegal logging globally.
- While the FLEGT licencing system implemented by Indonesia and the EU appears to broadly be working as intended, the limited number of countries involved in VPA processes, and the limited trade volume covered have curtailed the ability of the FLEGT Regulation to achieve its objectives.
- After more than 15 years, only one country out of 15 has an operating licensing system in place (Indonesia).
- In 2018, the timber products covered by FLEGT licences amounted to only 3% of EU timber imports and those from all 15 VPA countries combined represented only 9%. Many important countries exporting to the EU, although not deemed low risk, have never shown interest in engaging in the VPA process.

143. The EU's new Deforestation Regulation will largely replace the FLEGT licensing system and VPAs when it enters into force. The structure is nevertheless to be retained in recognition of some of the valuable work that is ongoing under those initiatives. The Regulation recognises that work has been especially positive 'in terms of enhanced stakeholders' participation and improved forest governance.'¹³⁷ For timber products, a FLEGT licence will be sufficient to demonstrate that the timber has been produced in compliance with the laws of the producer country.

144. The future of the UK's utilisation of FLEGT-VPAs as a tool for cooperation or partnership with countries of production is uncertain. The Department for Energy Security and Net Zero is undertaking a post-implementation review of FLEGT. Maggie

133 European Commission, Directorate-General for Environment, [Illegal logging: EU rules to fight global illegal logging and associated trade](#) (undated)

134 ClientEarth (DEF0053)

135 Alison Hoare and Thiago H. Kanashiro Uehara, [Establishing fair and sustainable forest economies: lessons learned from tackling illegal logging](#), Chatham House Environment and Sustainability Programme, September 2022

136 ClientEarth (DEF0053)

137 Recital 81 of [Regulation \(EU\) 2023/1115](#) of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010

Charnley, Head of International Forests Unit at DESNZ, told us that we could expect publication of the review “this year”.¹³⁸ The lessons learnt could inform future approaches to UK programmes and partnerships with producing countries to tackle deforestation.

Views on the effectiveness of VPAs and the FLEGT programme

145. The written evidence we received was mixed on the effectiveness of VPAs and the FLEGT programme. Fern noted that VPAs had improved sustainable forest management and forest conditions, governance, and local communities’ rights, and a recent report by Chatham House stated that “Decades of work to establish legal and sustainable supply chains for timber and wood-based products provide important lessons for reform of other ‘forest risk’ commodities [...] The VPAs provide a valuable model to enable the UK to expand legal and sustainable trade around the world, not just in the forest sector but beyond.”¹³⁹

146. In contrast, the Forest Peoples Programme critiqued the programme, asserting:

The main findings of a rights based analysis of the Voluntary Partnership Agreements (VPA) are that they fail to evaluate human rights law compliance across the participating countries; that the VPAs themselves do not reference international human rights standards and instruments; that the verification processes rely on top down assurances or certification with little checks and balances, making the falsification of documentation commonplace; and, that consultation standards related to indigenous peoples are not included.¹⁴⁰

147. During a roundtable discussion which Committee members had with representatives of several IPLCs, the Committee heard that the effectiveness of VPAs and the FLEGT programme have been mixed. James Otto, Programme Coordinator at the Sustainable Development Institute in Liberia observed that while the VPA provided an opportunity and structures for civil society and government actors to meet and discuss forest governance, these structures had since been broken or ignored, with senior Liberian government officials failing to turn up regularly. This observation was echoed by Norman Jiwan from TUK Indonesia. He noted that through the VPA and FLEGT process, Indonesia had developed a timber certification system, but contended that this system has not sufficiently improved forest governance.¹⁴¹

148. Clement Akapame from TaylorCrabbe, an In-Country Associate of Client Earth in Ghana, told Members that over the last 10 years the VPA process had created a multi-stakeholder structure that enables effective monitoring of state actors in regard to

138 In August 2023 Defra issued a report on the operation of FLEGT from April 2022 to March 2023—the first such report on the application of the FLEGT Regulation since the UK left the EU—but no evaluation report has yet been produced. Department for Environment, Food and Rural Affairs, [Report on Council Regulation \(EC\) No 2173/2005 of 20 December 2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community, as retained and amended in UK law](#), August 2023

139 Alison Hoare and Thiago H. Kanashiro Uehara, [Establishing fair and sustainable forest economies: lessons learned from tackling illegal logging](#), Chatham House Environment and Sustainability Programme, September 2022

140 Forest Peoples Programme ([DEF0019](#))

141 A summary note of the discussion is provided in the Annex.

regulation of Ghanaian forests. He also believed that the voluntary partnership agreement as well as the FLEGT process has created an excellent model of a participatory approach to law reform.

149. We look forward to the publication of the report of the Government's review of the effectiveness of FLEGT-VPA programme. The evidence we have received indicates that the experience of the FLEGT-VPA varies greatly depending on the country context.

150. We recommend that the report of the Government review should be shared widely, including with the relevant EU authorities and Member States preparing for the successor programme to FLEGT-VPA. Lessons learned should be incorporated thoroughly into future UK programmes so as to address most effectively all deforestation activities driven by production of forest risk commodities. Where appropriate the review's findings should take a country-based approach, analysing the country-specific factors which have contributed to particular outcomes.

Indigenous peoples in climate and nature negotiations

151. Deforestation and biodiversity loss have a significant impact on the lives and livelihoods of local communities, including indigenous peoples. 25% of the world's total population, and 90% of the world's population who live in extreme poverty, depend on forests for some part of their livelihood.¹⁴² Indigenous people play an important role in protecting the around 80% of the world's biodiversity globally, despite making up just 5% of the world's population.¹⁴³ Through their direct dependence on their local ecosystems and inter-generational knowledge, indigenous peoples and local communities can possess detailed knowledge on biodiversity and ecosystem trends and are important contributors to the governance of biodiversity from local to global levels.¹⁴⁴

152. The significance and potential of indigenous practices have also been strongly recognized by the international scientific community, including the IPCC as essential to the development of successful approaches to climate adaptation.¹⁴⁵ The Kunming-Montreal Global Biodiversity Framework, agreed in December 2022, places a strong emphasis on respect for the rights of IPLCs. Target 22 of the Framework provides that participating states are to

ensure the full, equitable, inclusive, effective and gender-responsive representation and participation in decision-making, and access to justice and information related to biodiversity by indigenous peoples and local communities, respecting their cultures and their rights over lands, territories, resources, and traditional knowledge ...¹⁴⁶

142 International Development Committee, [International climate finance: UK aid for halting deforestation and preventing irreversible biodiversity loss: report from the Sub-Committee on the Work of ICAL](#), Fourth Report of Session 2021–22, HC 730, February 2022

143 Kanyinke Sena, ["Recognizing indigenous peoples' land interests is critical for people and nature"](#), WWF, 22 October 2020

144 Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), ["Indigenous and local knowledge in IPBES"](#), IPBES Work Programme to 2030

145 ["Summary for Policymakers"](#) in H. Lee and J. Romero (eds.), Synthesis Report. Contribution of Working Groups I, II and III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, IPCC, Geneva, 2023, p. 32

146 [Target 22](#) of the Kunming-Montreal Global Biodiversity Framework agreed at the 15th Conference of Parties to the UN Convention on Global Biodiversity, Montreal, 18 December 2022

153. Indigenous people reliant on forests for their livelihoods often suffer directly from the pressures of expanding agriculture frontiers and commodity production, such as mining, logging, and energy.¹⁴⁷ An indirect, but significant, driver of for this outcome is land tenure: indigenous peoples and forest dependent people in developing countries frequently have only customary tenure rights to the land they live on and have conserved for generations. Unless these customary tenure rights are explicitly recognized and protected in national legislation, people with customary land rights are vulnerable to rights violations. Violations of the rights of indigenous peoples and local communities are often a precursor and driver of deforestation, so protecting their rights is considered key for protecting forests.¹⁴⁸ The Forest Peoples Programme told us that violations of the rights of indigenous peoples and local communities were often a precursor to and driver of deforestation: protecting their rights was considered an essential requirement for protecting forests.¹⁴⁹

154. Given the role of IPLCs in protecting a vast amount of the world's biodiversity, the WWF¹⁵⁰, the Forest People's Programme,¹⁵¹ the International Union for Conservation of Nature (IUCN) and other NGOs¹⁵² have highlighted that action to secure customary land tenure rights is one of the most effective ways to conserving forests and ecosystems. A recent IUCN report highlighted evidence that tenure security reduces deforestation and associated emissions.¹⁵³

155. The UK Government also recognises the important role that IPLCs play in protecting biodiversity. Defra told us that the UK recognised the critical guardianship provided by Indigenous Peoples and Local Communities (IPLCs) in protecting tropical forests, preserving vital ecosystem services, and the global contribution they make to climate change mitigation, biodiversity preservation, and inclusive and sustainable development.¹⁵⁴ Lord Goldsmith told us that in his view, “[Although] We are no longer presidents of COP, and we were not the host of the CBD [...] I think we are seen as the leading country on this issue of indigenous people and land tenure.”

156. On the role of indigenous people and local communities in protecting the land, and government's work to support their rights, Lord Goldsmith went on to give the Government's view:

[... T]he cheapest way to protect large amounts of land is by protecting the people who are already doing it. Around 80% of the world's forest biodiversity is in land that is controlled and lived in by indigenous people. That is not a coincidence. We are committed, through our own funding but

147 Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), [“Indigenous and local knowledge in IPBES”](#), IPBES Work Programme to 2030

148 Forest Peoples Programme, [Closing the Gap: rights-based solutions for tackling deforestation](#), 2018

149 *Ibid.*

150 Kanyinke Sena, [“Recognizing indigenous peoples' land interests is critical for people and nature”](#), WWF, 22 October 2020

151 Forest Peoples Programme news release, [“UK efforts to reduce global deforestation undermined by ignoring indigenous peoples' rights”](#), 13 April 2022

152 WWF, UNEP-WCMC, SGP/ICCA-GSI, LM, TNC, CI, WCS, EP, ILC-S, CM, IUCN, [The State of Indigenous Peoples' and Local Communities' Lands and Territories: A technical review of the state of Indigenous Peoples' and Local Communities' lands, their contributions to global biodiversity conservation and ecosystem services, the pressures they face, and recommendations for actions](#), Gland, Switzerland, 2021

153 *Ibid.*

154 Department for Environment, Food and Rural Affairs ([DEF0049](#))

also through that donor co-ordination work that we are doing, to ensure that as many resources are invested as necessary to protect indigenous people's rights to the land that they live in.¹⁵⁵

157. This corroborated what Alexandria Reid, of Global Witness, had told us in an earlier evidence session:

An underlying driver is insecure land rights and tenure rights for local communities. Traceability needs to be secured at the geo-location so that we can go back and assure the genuine legality of the very land that has been acquired and potentially deforested ... It is obviously often very difficult for indigenous and other local communities to secure their land rights in the face of violence, retribution and historical marginalisation ... It is very important in this context because the UK's Environment Act takes the stance that the due diligence system will be introduced to ensure that products are not illegally produced in relation to land use and land ownership laws.¹⁵⁶

158. Indigenous peoples and local communities (IPLCs) are vital protectors of forests: but they themselves are victims of the negative effects of deforestation activity, which can include violence and deprivation of livelihoods. Ensuring the full and meaningful participation of IPLCs in negotiations to address deforestation activity is therefore crucial: it is encouraging that this appears to be recognised in Government.

159. Security of tenure rights for IPLCs is essential to measures to address deforestation. The UK Government can make a significant contribution to ensuring security of tenure. We recommend that the Foreign, Commonwealth and Development Office continue to address measures to improve tenure rights through its development programming. Ministers must ensure that IPLCs are supported in the protection and restoration of forests: one means of achieving this objective is by promoting the inclusion of IPLC representatives in all relevant global and national negotiations.

Trade

160. Compared to other large markets, such as the Asia Pacific market, the UK and EU markets represent a small percentage of global consumption for some agricultural commodities including soy and palm oil, whilst consuming relatively higher proportion of others (such as cocoa and coffee).

161. It is therefore imperative that engagement occurs with other major consumers of deforestation risk material. The UK has worked with China through the Forest Governance, Markets and Climate programme. Dialogue with China is particularly important given the important role China plays in the UK's supply chain, where China's imports may eventually be destined for the UK market.

162. The FACT Dialogue is a government-to-government dialogue which brings together the largest producers and consumers of internationally traded agricultural commodities

155 Evidence taken before the House of Lords Environment and Climate Change Committee and the House of Commons Environmental Audit Committee, [COP 15: the international biodiversity conference](#), 18 January 2023, HC 480, [Q84](#)

156 [Q92](#)

(such as palm oil, soya, cocoa, beef and timber) in order to protect forests and other ecosystems while promoting trade and development. Concerns have been raised that the FACT dialogue relies principally on engagement with producer governments, which in many cases will not necessarily reflect the views of local communities.

163. In the first revision of the Environmental Improvement Plan (EIP), issued in January 2023, the Government states that the UK will use its trade agreements and trading relationships “to support UK ambition on forestry, nature and sustainable supply chains to support the United Kingdom’s strong environmental and climate commitments”.

164. We nevertheless note that in the course of negotiations to finalise entry terms to the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), an 11-member regional trade agreement, the UK eliminated import tariffs on palm oil from CPTPP members, including Malaysia. After two years of negotiations the UK agreed to cut palm oil tariffs, which had been set at rates up to 12%, to nil for CPTPP members.

Certification

165. Forest certification is a voluntary process whereby an independent third party (the “certifier”) assesses the quality of forest management and production against a set of requirements (“standards”) predetermined by a public or private certification organization. Forest certification, and associated labelling, is a way of informing consumers about the sustainability of the forests from which wood and other forest products were produced.

166. There are two types of forest certification:

- a) certification of forest management, which assesses whether forests are being managed according to a specified set of standards; and
- b) certification of the chain of custody (sometimes referred to as CoC certification), which verifies that certified material is identified or kept separate from non-certified or non-controlled material through the production process, from the forest to the final consumer.¹⁵⁷

To label an end-product as certified, both forest management certification and chain-of-custody certification are required. Most forest management certification standards address a wide range of economic, social, environmental and technical aspects of forest management, including the well-being of workers and of families living in and around the forest area subject to certification.

167. The evidence we received appears to confirm that whilst the concept of a certification scheme is widely seen as positive, current schemes have certain deficiencies. These include the lack of robust deforestation criteria (such as the labelling of high conservation value areas, or respect for the legal status of land); the fact that certification arrangements do not necessarily demonstrate compliance with legal obligations, and the fact that breaches of some schemes do not automatically invalidate certification or lead to sanctions.

157 FAO, “[Forest Certification Module](#)”, included in the Sustainable Forest Management (SFM) Toolbox, “a large number of tools, case studies and other resources, organised in modules [...] created to provide forest owners, managers and other stakeholders with easy access to those resources for the implementation of SFM”.

168. For the UK Government to make good on its declared intention to put environmental sustainability measures at the heart of global production and trade, Ministers must ensure that biodiversity considerations are more consistently incorporated into its trade agreements and operations.

169. Ending commodity-driven deforestation requires decisive action by all major consumers. While the UK and EU markets represent a relatively high proportion of global consumption of some forest risk commodities, such as cocoa and coffee, they account for a relatively small proportion of others, including soy and palm oil, compared to other large markets such as the Asia Pacific market. In order to have maximum impact on efforts to halt and reverse deforestation, the UK's engagement must therefore extend to major consumers of forest-risk commodities in other markets.

170. If the UK Government is to persuade other major consumers to act on their deforestation footprint, it is important that the UK leads by example. We recommend that Ministers use the opportunity of bilateral and multilateral trade negotiations to encourage consistently high environmental and social standards, so as to accelerate the transition to sustainable supply chains which minimise deforestation risk.

171. We reiterate the recommendation of our 2021 report on the UK's footprint on global diversity: sustainability impact assessments must be conducted for all future trade agreements. Ministers must develop strategies for the effective monitoring and delivery environmental net gains, including gains through halting and reversing deforestation, in its negotiations for and implementation of the UK's trade deals.

Conclusions and recommendations

The UK's contribution to deforestation

1. Significant action is required to reduce the impact on deforestation of the UK's consumption of agricultural products. While the UK is the 15th largest contributor to tropical deforestation in global terms, the intensity of UK consumption (measured in footprint per tonne of product consumed) is higher than that of China. This figure ought to alarm Ministers. (Paragraph 21)
2. Consumption patterns in the UK which rely on the current global supply chain are unsustainable. Addressing these patterns is essential to the UK's contribution to the alleviation of global biodiversity loss. The first step in addressing them is in recognising the need to reduce the UK's overall consumption. We welcome the news that the UK Government has commissioned the Joint Nature Conservation Committee to develop a global environmental footprint indicator, but we are disappointed to observe that the Government has not yet made a commitment to setting a global footprint target using this indicator, so as to track progress made in reducing the UK's global environmental footprint. (Paragraph 22)
3. *We reiterate the recommendation we made in our September 2021 report on The UK's footprint on global biodiversity, which reflects that of the Global Resource Initiative Taskforce, that the UK Government should commence the process of setting an environmental footprint target with the aim of reducing the UK's global environmental impact, including its deforestation footprint.* (Paragraph 23)
4. Understanding which forest risk commodities are contributing to deforestation, and on what scale, is essential for the UK and other nations to introduce effective legislation and policies. Monitoring and transparent data reporting are therefore crucial, including on how consumption contributes to deforestation. These are very complex undertakings, requiring global cooperation at the national government level and within the private sector. Complete and transparent data availability is essential for companies and the financial sector to be able to understand, and to reduce, exposure to deforestation in their supply chains or portfolios. (Paragraph 24)
5. *To ensure that the UK can measure and track progress, we recommend that the Government should continue to fund the development of a monitoring, measurement and reporting framework for UK consumption.* (Paragraph 25)
6. *We recommend that the Government use its influence in all relevant forums to promote international data disclosure (and domestic disclosure of UK customs and industrial data) so as to improve the monitoring of forest risks in the UK and globally.* (Paragraph 26)
7. Illegal mining is increasingly recognised as a driver of deforestation in some regions. The Foreign, Commonwealth and Development Office has indicated that its programmes addressing deforestation are to be expanded to cover a wider range of forest risk commodities, beyond timber, and will expressly include mining. We welcome this explicit recognition of a broader range of drivers of global deforestation. (Paragraph 27)

8. *We recommend that UK consumption monitoring be developed to incorporate the monitoring of mined products, so as to support the Government's programmes addressing the impact of mining-related deforestation.* (Paragraph 28)
9. Given the scale of government purchasing power, both centrally and across the wider public sector, the UK Government has an opportunity, and a responsibility, to drive best practice and to demand the use of sustainably sourced products. (Paragraph 38)
10. *We recommend that each Government Buying Standard be made mandatory for all large public sector bodies, including the NHS, the Armed Forces and HM Prison Service, as it currently is for UK Government departments and their partner organisations. Annual reporting on compliance against public procurement policies should also be mandatory for these large public bodies: the annual reporting should in each case indicate the proportion of overall goods procured which have been sourced from UK producers.* (Paragraph 39)
11. Sustainable government procurement presents a pathway to increasing the sustainability of supply chains. Government performance against existing sustainable procurement policies has been unimpressive to date. The 2020–21 Greening Government Commitments report indicated that ten departments had submitted information about their performance against the procurement commitment in that year. Given that 2020–21 was a year in which the pandemic had a significant impact, the Cabinet Office ruled that the data submitted “should not be considered as a representative measure of overall government performance against this commitment” and declined to publish the data submitted. We expect Ministers to require full reporting by their departments against the procurement commitment, and all other Greening Government Commitments, for 2021–22: in the interests of transparency and the encouragement of high levels of compliance, the data should be published in full in the 2021–22 annual report. (Paragraph 40)
12. There is an opportunity to learn from the experience of timber and palm oil procurement, and to strengthen and extend these approaches. (Paragraph 41)
13. *We recommend that the GBS require all acquired forest-risk commodities (in addition to palm oil, timber and paper) to be certified as sustainably produced.* (Paragraph 41)

The UK's proposed due diligence system under the Environment Act 2021

14. Current UK regulation is not sufficient when it comes to limiting non-sustainable deforestation. It relies too heavily on the laws in exporting countries and an assumption that that these laws will incorporate adequate provision for sustainability: as currently drafted the Regulations take control of the UK's impact on sustainable timber production out of the UK's hands. (Paragraph 51)
15. *We recommend that the Government bring forward proposals to amend the UK Timber Regulations so as not only to prevent illegally harvested timber being placed on UK markets but also to require all imported timber to be sustainably harvested.* (Paragraph 52)

16. The Government's consultation on proposals for Schedule 17 implementation ended in March 2022, but secondary legislation has not yet been brought forward and the Government has not yet committed to a date by which it can be expected. While we welcome the Secretary of State's recent clarification of the initial commodities which are to be within scope, and the turnover threshold to which the Schedule 17 regime is to apply, many details of the proposed scheme remain unclear. We are concerned that this leaves businesses with uncertainty and impairs their ability to prepare properly to meet the requirements of the regime. Under the Glasgow Leaders' Declaration on Forests and Land Use, the UK has committed to ending deforestation and forest degradation by 2030, and at COP15 global agreements were made to halt and reverse biodiversity loss by the same deadline. With less than seven years remaining until 2030, the UK Government should avoid all further delay to ensure that the UK plays its part in meeting these vital goals. (Paragraph 76)
17. *We recommend that the Government publish its proposed suite of regulations as a matter of urgency. Where regulations are to be subject to the affirmative procedure, Ministers must publish a clear timetable for drafts to be laid, approved by both Houses and brought into force, to allow those businesses likely to be within the scope of the regulations sufficient time to prepare.* (Paragraph 77)
18. The due diligence system established under Schedule 17 will prohibit the use of illegally produced commodities with reference to compliance with local laws. This means that products of legal deforestation will not be within the scope of the system, unlike comparable EU legislation. This is regrettable. Only 31% of deforestation globally is illegal; the wide variation in the strength of local laws on deforestation is a weakness of this approach, and there is the possibility of deregulation in response to the UK's due diligence requirements. (Paragraph 78)
19. *We recommend that, in order to increase the sustainable use of forest-risk commodities, the Government should bring forward amendments to paragraph 2 of Schedule 17 to the Environment Act so as to prohibit UK businesses from trading or using commodities linked to deforestation activity as defined by the UN Food and Agriculture Organization, whether or not the activity is permitted by local legislation.* (Paragraph 79)
20. *To be effective, the Government's proposed approach requires the UK to work in partnership with producer countries and to reinforce (and in some cases, strengthen) their legal and policy provisions to counter deforestation. We therefore recommend that the proposed demand-side due diligence system is complemented by Government initiatives to support and build capacity in producer countries.* (Paragraph 80)
21. A phased introduction of forest risk commodities misses the opportunity to set early and clear expectations that deforestation is not welcome in any UK supply chains. While the Government's announcement that four major commodities will be brought within initial scope of the Schedule 17 regime is welcome, the failure to include commodities such as maize, rubber and coffee within this scope does not demonstrate the level of urgency required to halt and reverse forest loss and land degradation by 2030. (Paragraph 81)

22. *We recommend that the Government's proposals for due diligence legislation should include from the outset all forest risk commodities associated with a material UK deforestation footprint (soy, palm oil, cocoa, maize, beef and leather, rubber and coffee) rather than taking the phased approach which Ministers appear to favour. In the response to this report we expect the Government to set out the evidential basis for the claim that the commodities within initial scope are estimated to account for 64% of the UK's tropical deforestation footprint, and to indicate the proportion of the UK's global deforestation footprint estimated to be covered by these commodities. (Paragraph 82)*
23. A due diligence system is likely to require companies to comply with any human rights requirement included in local land use or land ownership laws. We observe that the legal status of customary land tenure rights of indigenous peoples and local communities (IPLCs) varies between nations. Unless customary tenure rights are explicitly recognised and protected under national law, IPLCs with customary land rights are vulnerable to rights violations. (Paragraph 83)
24. *We recommend that provision be made in the due diligence system—by amendment to primary legislation, if necessary—to ensure that products are not illegally produced in relation to land use and land ownership laws, including customary tenure rights. (Paragraph 84)*
25. Schedule 17 requires the Secretary of State to evaluate the effectiveness of the due diligence system in the third year following its full entry into force. The Act requires an evaluation of the impact of the regime on deforestation activity, but does not explicitly require an evaluation of the impact of the system on the human rights of indigenous peoples. (Paragraph 85)
26. *We recommend that the statutory evaluation of the Schedule 17 due diligence system address expressly whether the due diligence system has effectively supported the human rights of indigenous peoples to land, territories and resources. (Paragraph 85)*
27. The UK financial sector is a direct and indirect contributor to financing deforestation. Financial institutions cannot meet their deforestation policies or their net zero commitments without also addressing their exposure to deforestation through the companies they finance. (Paragraph 92)
28. Information and data availability is one of the greatest challenges for financial institutions with regards to allowing them to assess and reduce their deforestation risk. We therefore welcome the Government's championing of the work of the Taskforce on Nature-related Financial Disclosures. We observe that making nature-related disclosures mandatory would not obviate the need for mandatory due diligence for the finance sector under Schedule 17 to the Environment Act. (Paragraph 93)
29. *We recommend that the Government bring forward legislation to bring businesses in the UK financial sector within the scope of the Schedule 17 regime. (Paragraph 94)*
30. *In order to support target 15 of the Kunming-Montreal Global Biodiversity Framework, we recommend that the Government bring forward proposals to legislate for mandatory*

disclosure of nature-related impacts by businesses, including the financial sector, on the basis of the November 2023 recommendations of the Taskforce on Nature-related Financial Disclosures, and should set a clear timetable for doing so. (Paragraph 95)

Global agreements to tackle deforestation

31. The UK Government has played a significant role in brokering agreements to reverse deforestation and has been influential in increasing the profile of nature at climate COPs. For the first time, many nations and significant private sector institutions have committed to action on deforestation: substantial financial commitments on deforestation have also been made. (Paragraph 104)
32. Decisive action must follow these commitments if the Kunming-Montreal goal of halting and reversing biodiversity loss by 2030 and the commitments of the Glasgow Leaders' Declaration and subsequent COP agreements are to be met. The UK must lead by example, fulfilling its pledged funding commitments, continuing its diplomatic efforts to keep issues of deforestation and nature prominent in global discourses and restoring and conserving its forests at home. (Paragraph 105)
33. It is encouraging to see the commitments made at COP26, COP27 and COP28 on deforestation which were accompanied by major funding commitments. Past commitments to mobilise finance for climate adaptation have not yet been fulfilled and commitments to restore nature remain relatively underfunded. In order to meet the commitments of the Glasgow Leaders' Declaration on Forests and Land Use and the goals of the Global Biodiversity Framework by 2030, mobilising the promised funding is critical. (Paragraph 118)
34. Whilst the Committee welcomes recent funding announcements to tackle deforestation, it is unclear whether these are in addition to the £1.5 billion previously committed to in the Global Forest Finance Pledge. (Paragraph 119)
35. *The UK Government should lead by example. We therefore welcome the recent confirmation that the UK is to maintain its flagship £11.6bn climate and nature funding pledge. The UK cannot step off the global stage in relation to its climate, nature and deforestation commitments. The Government should make it clear how the £1.5bn of funding specifically committed to activity to address deforestation is being spent. Greater transparency will ensure that this Government and future Governments can be held to account. (Paragraph 120)*
36. It is encouraging to see the IPLC donor pledge supporting the principle of the advancement of Indigenous Peoples' and local communities' forest tenure rights and rewards their role as guardians of forests and nature. However, extremely little funding pledged for nature has previously supported IPLC tenure rights, and even less has reached indigenous peoples and local community organisations directly. (Paragraph 128)
37. *We welcome the commitment of the Foreign, Commonwealth and Development Office to fund capacity building initiatives for IPLC grassroots organisations. We recommend*

that, in order to ensure that this funding is used to maximum effect, Ministers ensure that the greatest possible proportion of UK funding is disbursed so as to reach IPLC organisations directly and verifiably. (Paragraph 129)

Global cooperation to tackle deforestation

38. We welcome the Government's commitment to a programme to continue the work of the of the Forest Governance, Markets and Climate Programme, and the potential extension of its scope to include mining commodities. (Paragraph 137)
39. *We recommend that the scope of the next phase of the Forest Governance, Markets and Climate Programme should be kept under regular review to ensure that the most significant drivers of deforestation are included. (Paragraph 138)*
40. We look forward to the publication of the report of the Government's review of the effectiveness of FLEGT-VPA programme. The evidence we have received indicates that the experience of the FLEGT-VPA varies greatly depending on the country context. (Paragraph 149)
41. *We recommend that the report of the Government review should be shared widely, including with the relevant EU authorities and Member States preparing for the successor programme to FLEGT-VPA. Lessons learned should be incorporated thoroughly into future UK programmes so as to address most effectively all deforestation activities driven by production of forest risk commodities. Where appropriate the review's findings should take a country-based approach, analysing the country-specific factors which have contributed to particular outcomes. (Paragraph 150)*
42. Indigenous peoples and local communities (IPLCs) are vital protectors of forests: but they themselves are victims of the negative effects of deforestation activity, which can include violence and deprivation of livelihoods. Ensuring the full and meaningful participation of IPLCs in negotiations to address deforestation activity is therefore crucial: it is encouraging that this appears to be recognised in Government. (Paragraph 158)
43. Security of tenure rights for IPLCs is essential to measures to address deforestation. The UK Government can make a significant contribution to ensuring security of tenure. We recommend that the Foreign, Commonwealth and Development Office (Paragraph 159)
44. *We recommend that the Foreign, Commonwealth and Development Office continue to address measures to improve tenure rights through its development programming. Ministers must ensure that IPLCs are supported in the protection and restoration of forests: one means of achieving this objective is by promoting the inclusion of IPLC representatives in all relevant global and national negotiations. (Paragraph 159)*
45. For the UK Government to make good on its declared intention to put environmental sustainability measures at the heart of global production and trade, Ministers must ensure that biodiversity considerations are more consistently incorporated into its trade agreements and operations. (Paragraph 168)

46. Ending commodity-driven deforestation requires decisive action by all major consumers. While the UK and EU markets represent a relatively high proportion of global consumption of some forest risk commodities, such as cocoa and coffee, they account for a relatively small proportion of others, including soy and palm oil, compared to other large markets such as the Asia Pacific market. In order to have maximum impact on efforts to halt and reverse deforestation, the UK's engagement must therefore extend to major consumers of forest-risk commodities in other markets. (Paragraph 169)
47. *If the UK Government is to persuade other major consumers to act on their deforestation footprint, it is important that the UK leads by example. We recommend that Ministers use the opportunity of bilateral and multilateral trade negotiations to encourage consistently high environmental and social standards, so as to accelerate the transition to sustainable supply chains which minimise deforestation risk.* (Paragraph 170)
48. *We reiterate the recommendation of our 2021 report on the UK's footprint on global diversity: sustainability impact assessments must be conducted for all future trade agreements. Ministers must develop strategies for the effective monitoring and delivery environmental net gains, including gains through halting and reversing deforestation, in its negotiations for and implementation of the UK's trade deals.* (Paragraph 171)

Annex: Roundtable event on deforestation with NGO representatives

Context and purpose

The House of Commons Environmental Audit Committee held a virtual roundtable with representatives from NGOs in countries affected by deforestation on 15 March 2023 in connection with Committee's inquiry into 'Sustainable timber and deforestation'.

The purpose of the roundtable was to hear from people with experience and/or expertise in countries affected by tropical deforestation.

Members participating:

- Philip Dunne MP
- Cherilyn Mackrory MP
- Cat Smith MP
- Anna McMorrin MP
- Matthew Offord MP
- Barry Gardiner MP
- Clive Lewis MP

The Committee was joined by the following participants:

- James Otto, Program Coordinator at the Sustainable Development Institute (SDI)/Friends of the Earth, Liberia
- Norman Jiwan, TuK INDONESIA, Indonesia
- Clement Kojo Akapame, TaylorCrabbe and In-Country Associate Of ClientEarth, Ghana

Summary of discussions

James Otto

Forest governance

- Weak governance of the forestry sector was resulting in deforestation. Decisions about natural resources had been driven at the top mainly by elites, politicians and Government officials, and sometimes driven by the interests of corporations. Law enforcement was primarily driven by corruption and vested interest from state and non-state actors.

- The government's capacity to effectively manage the timber industry in Liberia remained very weak. Law and policy reforms that included measures to curb illegal logging had produced mixed results.

Impact of VPA/FLEGT

- In 2011, Liberia concluded a Voluntary Partnership Agreement and entered a FLEGT programme with the EU.¹⁵⁸ This had been ratified in December 2013. The Voluntary Partnership Agreement process provided an opportunity for civil society and the government actors to meet in a round table format to discuss forest governance—but the decisions that had come out of those discussions in Liberia were being made by the State without properly including civil society. Though the VPA process had created structures for broader inclusive consultation among different active participants in the timber sector, James said that those structures had since been broken or ignored: senior Government officials regularly failed to turn up to discussion forums.

Rights of indigenous people: land tenure rights, human rights and FPIC

- In 2018, Liberia had enacted the Land Rights Act, which recognised customary land ownership as equal as private land ownership. James considered this to be progressive for civil society and to be “a very big step towards improving the rights” of local communities. However, implementation remained a challenge due to political circumstances. Since in the introduction of the Act, the Liberian Land Authority had not been able to approve a single certificate to a community, even though the law provided that certificates should be awarded to community claimants whether or not they had deeds to the land.
- James told us that companies were not seeking proper free, prior and informed consent¹⁵⁹ from communities with rights to the land over which they wished to operate, meaning that communities often did not formally agree to the use or not of their land. James gave an example in which he alleges that the army ‘coerced, intimidated and tortured community activists’ as a result of communities withholding consent to use their land. He added that companies had failed to provide adequate information about what the implications of operations would be for the communities, for example in the loss of livelihoods and compensatory opportunities for community growth and development of the communities.
- Some companies, though signed up to Roundtable on Sustainable Palm Oil standards, failed to abide by the standards regarding the protection of high carbon stock value areas and forests.

158 Voluntary Partnership Agreements (VPAs) are legally binding trade agreements between the European Union (EU)/UK and a timber-producing country outside the EU. The purpose of a VPA is to ensure that timber and timber products exported to the EU come from legal sources. The agreements also help timber-exporting countries stop illegal logging by improving regulation and governance of the forest sector.

159 Free, Prior, and Informed Consent (FPIC) is a specific right granted to Indigenous Peoples recognised in the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), which aligns with their universal right to self-determination. FPIC allows Indigenous Peoples to provide or withhold/ withdraw consent, at any point, regarding projects impacting their territories. FPIC allows Indigenous Peoples to engage in negotiations to shape the design, implementation, monitoring, and evaluation of projects.

Implications of UK deforestation regulations

- James considered that any UK legislation for companies and financial institutions should protect the rights of indigenous people and the collective right of free, prior and informed consent, covering all sectors including the timber, agri-commodities and mining. The benchmark for the law should be based on international human rights laws tenets (for instance, the UN Guiding Principles).

Norman Jiwan

Forest Governance

- Poor governance was a key driver of deforestation in Indonesia. Weak forest governance in Indonesia had been associated with corruption, money laundering and bribery both in the private sector and within Government.

Impact of VPA/FLEGT

- Through the VPA-FLEGT process, Indonesia had developed a timber certification system—the Indonesian Timber Legality Assurance System (SVLK). However, the SPLK had not sufficiently improved forest governance: following the introduction of the certification scheme, deforestation and illegal logging had continued.

Rights of indigenous people: land tenure rights, human rights and FPIC

- Norman did not believe that the consultation process for developing the SPLK had adhered to principles of free, prior and informed consent, and was concerned that the certification regime did not respect human rights and the customary rights of indigenous people. There had been attempts to pass a bill on the protection and recognition of indigenous people's rights in Indonesia for about 10 years, but the bill remained as draft legislation in Parliament. He called for collaboration between government and indigenous peoples, as the people who were most affected most by deforestation.
- Reforms to forest governance had to include consideration of human rights and the customary rights of indigenous people indigenous rights: the current certification system failed to do this. The UK due diligence system, when established, should aim to protect and recognise indigenous people's rights.

Clement Akapame

Forest Governance

- In Ghana, there had been a lot of transformation in the forest governance system although there were still issues in relation to enforcement of legislation.

Establishing the legal capacity of all stakeholders in society, government and industry was essential. The private sector lacked the full capacity to understand the legal framework.

Impact of VPA/FLEGT

- In the last 10 years, there had been much work to stop illegal logging as a result of the VPA process, even though FLEGT licenses had not yet been issued in Ghana. In addition, the UK Government's Forest Governance, Markets and Climate programme had contributed to in-country reforms in how timber was logged and treated.
- The VPA process over this period has created a multi-stakeholder structure that enables the effective monitoring of state actors in respecting the laws that have been put in place to regulate Ghana's forest.
- The voluntary partnership agreement and the FLEGT process had created an excellent model of participatory approach in law reform, which could easily be replicated in other sectors such as agriculture and mining. A multi-layered, multi-stakeholder, participatory approach was key to law reform when it came to ensuring the sustainable trade of forest risk commodities.

Implications of UK deforestation regulation

- When UK and EU deforestation regulations referenced the 'local laws of the country', they had to specify the local laws intended. The draft UK regulation potentially bit on all land and land use laws of the local country: but in Ghana land law was broad, spanning issues ranging from ownership rights to acquisition to elimination. If the UK legislation's references to existing domestic laws were broad, it would be challenging to implement locally.
- He addressed the concern that because the UK's regulation hinged on legality and that of the EU is on sustainability (zero-deforestation), the UK might have a weaker system. He observed that any operator who decided to move imported products from the UK to the EU would have to meet the standard set in EU legislation.

Formal minutes

Monday 18 December 2023

Members present

Philip Dunne, in the Chair

Barry Gardiner

Ian Levy

Caroline Lucas

Cherilyn Mackrory

Jerome Mayhew

Sustainable timber and deforestation

[..]

The Committee deliberated.

Draft Report (*The UK's contribution to tackling global deforestation*), proposed by the Chair, brought up and read.

Paragraphs 1 to 171 read and agreed to.

Annex agreed to.

Summary agreed to.

Resolved, That the Report be the Fourth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Adjournment

Adjourned till Wednesday 10 January 2024 at 2.00 pm.

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Wednesday 26 October 2022

Andrew Carpenter, Chief Executive, Structural Timber Association; **Stuart Goodall**, Chief Executive, Confederation of Forest Industries UK; **Nick Phillips**, Forestry Policy Lead, Woodland Trust; **Ian Tubby**, Head of Forest Services Policy and Advice Team, Forestry Commission

[Q1–48](#)

Dr Alan Knight, Group Director of Sustainability, Drax Group; **Professor Michael Norton**, Environment Programme Director, European Academies Science Advisory Council; **Professor Patricia Thornley**, Director of the Energy and Bioproducts Research Institute, Aston University

[Q49–56](#)

Wednesday 2 November 2022

Dr Alan Knight, Group Director of Sustainability, Drax Group; **Professor Michael Norton**, Environment Programme Director, European Academies Science Advisory Council; **Professor Patricia Thornley**, Director of the Energy and Bioproducts Research Institute, Aston University

[Q57–82](#)

Wednesday 9 November 2022

Sir Ian Cheshire, Chair, We Mean Business Coalition; **Alexandria Reid**, Senior Global Policy Adviser, Global Witness; **Michael Rice**, Lawyer, Forest-risk Commodities, Client Earth; **Dr Chris West**, Lead for Sustainable Consumption and Production group, Stockholm Environment Institute York

[Q83–114](#)

Wednesday 7 December 2022

Graham Clark, Senior Land Use Policy Adviser, Country Land and Business Association; **Ben Goh**, Commercial Manager, Maelor Forest Nurseries; **David Hopkins**, Chief Executive, Timber Development UK; **Justin Mumford**, Chartered forester and representative, Institute of Chartered Foresters

[Q115–153](#)

Professor David Coomes, Professor of Forest Ecology and Conservation, University of Cambridge; **Dr Mike Morecroft**, Principal Specialist, Climate Change, Natural England; **Dr Andrew Weatherall**, Principal Policy Officer for Woodlands and Forestry, Royal Society for the Protection of Birds (RSPB)

[Q154–196](#)

Wednesday 1 March 2023

Helen Bellfield, Policy Director, Global Canopy; **Danielle Carreira**, Head of Finance Sector Engagement, Tropical Forest Alliance, World Economic Forum; **Andrew Howard**, Global Head of Sustainable Investment, Schroders

[Q197–241](#)

Ligia Baracat, UK Policy and Advocacy Officer, Forest Peoples Programme; **Duncan Brack**, independent environmental policy analyst, Associate Fellow, Chatham House, Associate, Green Alliance; **Dr Constance McDermott**, Jackson Senior Fellow and Associate Professor, Land Use and Environmental Change, University of Oxford

[Q242–265](#)

Wednesday 29 March 2023

Trudy Harrison MP, Parliamentary Under-Secretary of State (Minister for Natural Environment and Land Use), Department for Environment, Food and Rural Affairs; **Sir William Worsley**, Chair, Forestry Commission

[Q266–338](#)

Trudy Harrison MP, Parliamentary Under-Secretary of State (Minister for Natural Environment and Land Use), Department for Environment, Food and Rural Affairs; **The Right Hon. the Lord Goldsmith of Richmond Park**, Minister of State (Overseas Territories, Commonwealth, Energy, Climate and Environment), Foreign, Commonwealth and Development Office; **Maggie Charnley**, Head, International Forests Unit, Department for Energy Security and Net Zero

[Q339–378](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

DEF numbers are generated by the evidence processing system and so may not be complete.

- 1 Agricultural Industries Confederation ([DEF0005](#))
- 2 Association of Renewable Energy and Clean Technologies (REA) ([DEF0046](#))
- 3 Atkinson, Mr David (Forestry Manager) ([DEF0004](#))
- 4 Catholic Agency for Overseas Development (CAFOD) ([DEF0030](#))
- 5 ClientEarth ([DEF0053](#))
- 6 Confor – Confederation of Forest Industries UK ([DEF0045](#))
- 7 Continuous Cover Forestry Group ([DEF0033](#))
- 8 Cut Carbon Not Forests (CCNF) ([DEF0013](#))
- 9 Department for Environment, Food and Rural Affairs ([DEF0049](#))
- 10 Drax Group ([DEF0044](#))
- 11 Earthsight ([DEF0020](#))
- 12 Environmental Investigation Agency ([DEF0031](#))
- 13 FERN ([DEF0035](#))
- 14 Forest Stewardship Council UK ([DEF0008](#))
- 15 Fairtrade Foundation ([DEF0010](#))
- 16 Fauna & Flora International ([DEF0015](#))
- 17 Forest Peoples Programme ([DEF0059](#))
- 18 Forest Peoples Programme ([DEF0019](#))
- 19 Forestry Commission ([DEF0058](#))
- 20 Fraser, Dr Alastair ([DEF0003](#))
- 21 Friends of the Earth (England, Wales and Northern Ireland) ([DEF0022](#))
- 22 Game & Wildlife Conservation Trust ([DEF0021](#))
- 23 Global Canopy ([DEF0025](#))
- 24 Global Witness ([DEF0029](#))
- 25 Gresham House ([DEF0057](#))
- 26 Grown in Britain ([DEF0027](#))
- 27 Hazlin of Ludlow Ltd ([DEF0016](#))
- 28 Heald, Mr Andrew ([DEF0032](#))
- 29 Holub-Swindell, Mr S ([DEF0001](#))
- 30 Institute of Chartered Foresters ([DEF0039](#))
- 31 Lowfield Timber Frames ([DEF0056](#))
- 32 Mighty Earth ([DEF0037](#))
- 33 Mineral Products Association ([DEF0043](#))

- 34 Natural England ([DEF0052](#))
- 35 PEFC UK Ltd ([DEF0014](#))
- 36 RSPB ([DEF0028](#))
- 37 Ridley-Ellis, Dr Daniel (Edinburgh Napier University) ([DEF0034](#))
- 38 Royal Forestry Society ([DEF0023](#))
- 39 Royal Society for the Protection of Birds; Wildlife and Countryside Link; MCS Charitable Foundation; and Soil Association ([DEF0038](#))
- 40 Schroders ([DEF0054](#))
- 41 Scottish Woodlands Ltd ([DEF0047](#))
- 42 Soil Association ([DEF0026](#))
- 43 Supergen Bioenergy Hub ([DEF0051](#))
- 44 The Food Foundation ([DEF0041](#))
- 45 Timber Development UK / Timber Trade Federation ([DEF0017](#))
- 46 Tony's Chocolonely ([DEF0055](#))
- 47 Vastern Timber ([DEF0024](#))
- 48 Woodknowledge Wales ([DEF0036](#))
- 49 WWF UK ([DEF0042](#))
- 50 West, Dr Chris ([DEF0012](#))
- 51 Wood Panel Industries Federation ([DEF0007](#))
- 52 Woodland Trust ([DEF0040](#))
- 53 Zoological Society of London ([DEF0050](#))
- 54 Stillwell, Mr (Storm Board LLP) ([DEF0002](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the publications page of the Committee's website.

Session 2023–24

Number	Title	Reference
1st	The financial sector and the UK's net zero transition	HC 277
2nd	Environmental change and food security	HC 312
3rd	Net zero and the UK aviation sector	HC 404
1st Special Report	Seeing the wood for the trees: the contribution of the forestry and timber sectors to biodiversity and net zero goals: Government Response to the Committee's Fifth Report of Session 2022–23	HC 406

Session 2022–23

Number	Title	Reference
1st	Building to net zero: costing carbon in construction	HC 103
2nd	Pre-appointment hearing: Chair of the Environment Agency (Pre-appointment hearing)	HC 546
3rd	Recommendations on the Government's draft environmental principles policy statement	HC 380
4th	Accelerating the transition from fossil fuels and securing energy supplies	HC 109
5th	Seeing the wood for the trees: the contribution of the forestry and timber sectors to biodiversity and net zero goals	HC 637
6th	The UK and the Arctic Environment	HC 1141
1st Special Report	Water quality in rivers: Government Response to the Committee's Fourth Report of Session 2021–22	HC 164
2nd Special Report	Greening imports: a UK carbon border approach: Government Response to the Committee's Fifth Report of Session 2021–22	HC 371
3rd Special Report	Building to net zero: costing carbon in construction: Government Response to the Committee's First Report	HC 643
4th Special Report	Accelerating the transition from fossil fuels and securing energy supplies: Government and Regulator Response to the Committee's Fourth Report	HC 1221

Session 2021–22

Number	Title	Reference
1st	Biodiversity in the UK: bloom or bust?	HC 136
2nd	The UK's footprint on global biodiversity	HC 674
3rd	Green Jobs	HC 75
4th	Water quality in rivers	HC 74
5th	Greening imports: a UK carbon border approach	HC 737
1st Special Report	Energy efficiency of existing homes: Government Response to the Committee's Fourth Report of Session 2019–21	HC 135
2nd Special Report	Growing back better: putting nature and net zero at the heart of the economic recovery: Government and Bank of England Responses to the Committee's Third Report of Session 2019–21	HC 327
3rd Special Report	Biodiversity in the UK: bloom or bust?: Government Response to the Committee's First Report	HC 727
4th Special Report	Green Jobs: Government Response to the Committee's Third Report	HC 1010
5th Special Report	The UK's footprint on global biodiversity: Government Response to the Committee's Second Report	HC 1060

Session 2019–21

Number	Title	Reference
1st	Electronic Waste and the Circular Economy	HC 220
2nd	Pre-appointment hearing for the Chair-Designate of the Office for Environmental Protection (OEP)	HC 1042
3rd	Growing back better: putting nature and net zero at the heart of the economic recovery	HC 347
4th	Energy Efficiency of Existing Homes	HC 346
1st Special Report	Invasive species: Government Response to the Committee's First Report of Session 2019	HC 332
2nd Special Report	Our Planet, Our Health: Government Response to the Committee's Twenty-First Report of Session 2017–19	HC 467
3rd Special Report	Electronic Waste and the Circular Economy: Government Response to the Committee's First Report	HC 1268