



Biodiversity: a crucial aspect for sustainable agricultural production and consumption

EPOA supports the aim of the **EU Biodiversity Strategy** in the conservation and restoration of biodiversity and urges stakeholders to take adequate actions to protect vulnerable and crucial flora and fauna.

Summary

- Biodiversity and sustainable production and consumption are intimately linked.
- Biodiversity is crucial for safeguarding EU and global food security.
- Governments need to ensure proper legislation to conserve and enhance biodiversity.
- Companies involved in critical supply chains (not limited to palm oil) should perform proper due diligence in order to avoid loss of biodiversity and restore and conserve natural habitats in the particular regions.
- Legislative or financial action to protect local biodiversity must be based on a true multi-stakeholder process.
- Clear biodiversity and restoration targets for EU member states should be the basis to work on biodiversity goals in areas outside the EU and support partner countries.
- National governments should set the priorities when it comes to a biodiversity action plan, ensure adequate regulation (including standards) and governance..
- Policies (regulatory and non-regulatory measures) for protection of biodiversity should go hand-in-hand with socio-economic development in rural areas especially in the developing countries.

European Commission Initiative

In May 2020, the EC launched the **EU Biodiversity Strategy** for 2030, '*Bringing nature back into our lives*' as part of the Green Deal. This strategy outlines specific commitments and actions to improve and recover biodiversity by 2030. While this initiative is mainly concerned with the EU territory, there is also a clear global agenda. Besides protecting European biodiversity, the effect of EU consumption and imported goods on the world's flora and fauna should also be taken into account.

The EU ambition should therefore be transferred to the global biodiversity challenge. Obviously, this needs strong collaboration between all relevant governments and stakeholders. The EC foresees enforcement of biodiversity

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provisions in all trade agreements. Furthermore, international cooperation is seen as key to biodiversity conservation.

Biodiversity loss forms a threat to the EU and global food security. Any failure in the conservation of flora and fauna will therefore have a dramatic impact on people, profit and planet. It is clear that (major) investments are needed to restore and conserve flora and fauna. Further actions and measures should also take into account the many faces biodiversity has.

EPOA position on biodiversity

EPOA supports the EU commitment to protect biodiversity, as defined in the Convention on Biological Diversity¹. Looking at the current status of biodiversity in the EU and worldwide, we think that legislation protecting forests, native vegetation and endangered, vulnerable and threatened species should be in place and enforced. As such, there is an important role to play for governments. Next to this, companies should also perform proper due diligence in order to avoid loss of biodiversity related to their supply chain (actions).

For a long period already, specific palm oil certification schemes have provided guidelines on biodiversity conservation by carrying out environmental assessments and criteria to safeguard and protect biodiversity through identification and conservation of High Conservation Value and High Carbon Stock areas. This implies that certification is only possible when there is:

- No clearing on High Conservation Value (HCV) and High Carbon Stock (HCS) forests (primary and secondary forests);
- Zero burning for oil palm re-plantings and new plantation development;
- Protection and conservation of endangered, rare and threatened (ERT) tree species;
- No new planting on peatlands;
- Best practices management for existing plantation on peat
- No hunting within the respective operations.
- Limited use of agrochemicals
- Protection of fragile areas such as steep slope and riparian zone

In order to help to protect biodiversity, supporting certified palm oil production is key.

EPOA supports clear definitions of forests, including HCV and/or HCS standards. These definitions are now widely accepted and used by most sustainable palm oil

¹ The convention on biological diversity defines biodiversity as '*the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems'*.



certification schemes and initiatives. It is noted that there are regional differences in biodiversity in terms of species and quantity. Therefore regional evaluations need to be possible and in place.

The palm oil industry, in close cooperation with civil society actors, researchers and conservation organizations, work towards the protection of natural habitats and wildlife. This commitment has gone beyond setting-up HCV and HCS standards. We urge other stakeholders (not limited to the palm oil supply chain) to look for possible collaboration and projects to restore and conserve natural habitats in the particular regions. Governments should actively stimulate such efforts by creating the right conditions in which such initiatives will also be cost-effective and benefit (local) communities.

EPOA realises that investments will need to be made in order to conserve and restore biodiversity. There is a specific role to play for the governments involved taking appropriate measures.

At the same time, clear definitions about sustainable economic activities should be in place. The current Green Taxonomy initiative should be leading in this. This will make it clear to all stakeholders (including the financial sector) what activities are in line with biodiversity conservation.

Related to this, solid scientific research and studies should be the basis for any decision making. This also holds for determining whether crops are high ILUC risk or not.

International cooperation for biodiversity

The EU has a particular role to play with respect to the protection of global biodiversity. Therefore, we welcome the targets set to conserve biodiversity within the EU. Every member state will have to step up. Member state actions should be based on solid and binding nature restoration targets including protection of primary and old-growth forests. Furthermore the EU has to come with clear guidelines about afforestation and reforestation in order to maintain a healthy forest sector.

Only on this basis, the EU can rightfully consider biodiversity goals in areas outside the EU and support partner governments. Obviously, the measures taken in the EU will be different from those needed to protect and restore tropical forests.

We believe that measures to conserve biodiversity should be achievable, cost-effective and part of license to operate. Furthermore, it should be possible to make use of a compensation mechanism in case particular developments cannot be changed anymore. Usually, forests are used by indigenous people or local communities as alternative livelihood or cultural places. Whatever the target set will be, this should not be at the expense of local communities' rights and livelihoods.



Any legislative or financial action to protect local biodiversity must be based on a true multi-stakeholder process including Indigenous Peoples' and local community representatives and assuring FPIC

National governments should be leading in setting the priorities when it comes to a biodiversity action plan. Local actions that support national biodiversity policies should be encouraged and take in to account.

Lastly, all measures should not have gross negative consequences for society.

We, as EPOA, welcome the Global Biodiversity Coalition and are looking forward to other high ambition coalitions to help develop the post-2020 framework. In addition, we are in favour of having specific biodiversity and sustainability provisions in free trade agreements. Conservation and restoring of biodiversity complex systems should not be limited to certain regions. It is crucial to work internationally and globally.

Furthermore, cooperation and making use of all possible (shared) knowledge should be set as a precondition. The instalment of a Chief Trade Policy Enforcer can be helpful provided that all partners and respective points of view are taken into account.

EPOA

The European Palm Oil Alliance (EPOA) is a business initiative of European palm oil refiners and palm oil producer organisations. We believe that sustainably produced palm oil is a key food ingredient that fits in a nutritionally balanced diet and helps feed the world, protect biodiversity and improve socio-economic development and overall contributes to achieving the United Nations' Sustainable Development Goals (UN SDGs). We push for sustainable palm oil market transformation and support initiatives committed to sustainable palm oil across Europe. All our members are committed to supply certified sustainable palm oil² in Europe and support a fully traceable NDPE ('No Deforestation, No Peatland and No Exploitation') supply chain. The European Palm Oil Alliance (EPOA) supports the development, initiatives and concrete measures to produce, trade and consume deforestation-free palm oil protecting biodiversity.

Sustainable palm oil production and biodiversity

Palm oil is the most important vegetable (cooking) oil for millions of people (often living in poverty) around the world, and a key food ingredient for millions more. Palm oil also plays a crucial role in the socio-economic development of millions of people living in rural areas in low- and middle-income countries, from Southeast

² RSPO or equivalent



Asia (Indonesia, Malaysia) to Africa (Ghana, Nigeria) and Latin-America (Colombia, Honduras, Ecuador, Guatemala).

EPOA acknowledges that biodiversity is crucial for safeguarding EU and global food security.

At the same time we also fully recognise the problem of decreasing biodiversity. Therefore we support measures to conserve nature and also bring back nature where possible.

Since it has been shown that palm oil production can take place without deforestation, minimal use of agrochemicals and is available to be used in the European market, we believe this message of no-deforestation, or deforestation-free in combination with sustainable palm oil production should be spread to the wider European audience as well.

Responsible growers have demonstrated that the biodiversity which occurs in and around their concession areas can thrive, not only as a result of not disturbing the species or their habitat, but also by taking direct action such as managing HCV-HCS areas, developing wildlife corridors, working with communities to combat poaching, and educating their workforce on the need to protect wildlife.

Over the last 10-15 years, the private sector has taken essential steps to reach high levels of sustainability in the supply chain, from production to consumption. By now, the traceability of palm oil to producers has tremendously increased. More and more companies are engaged in satellite monitoring (projects) identifying mal-practices on the spot. No-Deforestation-Peat-Exploitation commitments are made and monitored.

The role of the European market

The EU is not self-sufficient for its vegetable oil consumption. Currently the EU is importing roughly 10-11% of the global production of palm oil. By moving towards a more sustainable production, biodiversity is being served as well. Therefore EPOA considers it of utmost importance to maintain and increase the volume and support of sustainably produced palm oil. The EU has an important role to play by leading by example through reaching the EU related biodiversity goals, as well as engaging and working with governments of producing countries to protect and improve biodiversity outside the EU. EPOA stresses the importance that policies (regulatory and non-regulatory measures) for protection of biodiversity should go hand-in-hand with socio-economic development in rural areas especially in the developing countries. This is crucial in order to achieve and work in line with the United Nations' Sustainable Development Goals (UN SDGs) and is currently insufficiently addressed in the EU Biodiversity Strategy.



Final remarks

In summary, EPOA welcomes the initiative by the EC to conserve and restore biodiversity in the EU and worldwide. Sustainable production and biodiversity are intimately linked. As such, the production of sustainable palm oil plays a key role in this. The palm oil industry has made major steps towards this aim. We urge other stakeholders (not limited to the palm oil supply chain) to join and support these efforts.

Finally, international cooperation is crucial to conserve and restore biodiversity. However, if the EU aims to have global leading role in this, it needs to make significant steps towards reaching its own biodiversity targets. Only then, the EU can rightfully consider those outside its territory.