



The German Federal Government's Guidelines

on the Promotion of Deforestation-Free Supply Chains of Agricultural Commodities

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Preamble

Dear Readers,

Last year, forests were a ubiquitous topic in Germany and also internationally: droughts, storms and fires took a toll on our forests all around the globe. Rarely before have our forests been written about so much by the media or discussed by the general public. This shows how much our forests mean to us. We all recognise that forests perform many vital functions – for the climate, for us humans, for nature and for rural development. That is why we need to continue our active efforts to conserve them, and indeed strengthen the measures we are taking to achieve this.

The Federal Government has already begun: we have put in place additional support for forest owners in Germany to address forest damage caused by storms, extreme drought, forest fires and infestation with bark beetles. The Federal Government is also a reliable partner for global forest conservation at international level.

Unfortunately, about 8.8 million hectares of forest land are lost each year around the globe – according to conservative estimates. One of the biggest drivers of forest destruction worldwide is the legal and illegal conversion of forests into farmland. This mainly affects forests in the tropics. For successful international forest protection – first and foremost in the still largely unspoiled primary forests – we need in future to produce agricultural commodities as far as is possible without any deforestation.

For years, the Federal Government has been working toward this goal together with many international partners, such as other countries, industry and international organisations. In the Federal Government's Guidelines on the Promotion of Deforestation-Free Supply Chains of Agricultural Commodities, we present specific approaches on how Germany, also as part of a coordinated response by the European Union, is making a significant contribution to the conservation of forests worldwide. These guidelines aim to develop and support new ways to avoid so-called "imported" forest degradation. This is our contribution to stopping the global overexploitation of forests. Simultaneously, we are promoting sustainable forest management.

This can only succeed, however, if society as a whole takes responsibility, which includes voluntary industry commitments, regulatory measures - if necessary -, and cooperative partnerships with other producer and consumer countries and ultimately also changes in the daily consumption habits of us all.

I count on your personal support for global forest conservation, and I hope you find these Guidelines an interesting read!

With best wishes

Yours,



Julia Klöckner
Federal Minister of Food and Agriculture

1. Introduction

Forests play a fundamental role in the lives of all people worldwide. They are also indispensable ecosystems and provide a habitat for approximately two thirds of the animal and plant species on land. The many functions they perform, whether being utilised, providing protection or offering a place for recreation, are of considerable ecological, economic and social significance. They make important contributions to achieving the Sustainable Development Goals of the United Nations' 2030 Agenda for Sustainable Development and, among others, to fulfilling commitments arising from the Paris Climate Agreement and the Convention on Biological Diversity.

Thanks to forests and sustainable forest management, large amounts of carbon can be sequestered every year, making forests a decisive factor in climate stewardship. However, in many parts of the world – particularly in the tropics – the current deforestation rates are contributing to approximately 11% of global CO₂ emissions.

Preserving and sustainably managing forests worldwide and restoring degraded and destroyed forests are therefore important global goals and a central challenge for the international community and therefore also for Germany.

As stated in the 2017 Forest Report issued by the Federal Government, conversions to commercial farming in the vast tropical forest areas in Asia and Central/South America and conversions to subsistence farming in Africa, as well as the logging of fuel wood, also for the production of charcoal and lumber, continue to be the main reasons for deforestation. According to investigations conducted by FAO, up to 80% of deforestation in the tropics is caused by the expansion of agricultural land, which is justified by the demand for food, feed, bioenergy, timber and other raw materials resulting from the growing world population and changes in diets. In addition to that, inefficient resource use and the globally uneven distribution of resources are important determinants of deforestation.

Many of the products produced on these areas are also traded internationally and further processed in global value chains. According to the EU Commission, this applies to raw materials such as soya, palm oil, cocoa, coffee, rubber, meat, tropical fruit and sugar. Consumer countries such as the EU Member States have a shared responsibility here. For this reason, the EU's high demand for commodities means that the EU has an important role to play in reducing global deforestation. Since different policy areas overlap here, only prudently coordinated political measures in the fields of forestry management, agriculture, environmental protection, climate change mitigation, rural development, trade and environment will improve the current situation.

Taking on responsibility globally

Despite the decrease in deforestation rates in some regions of the world, the global destruction of forests, in particular primary forests, continues to be alarmingly high. Recently, there have been increases in Africa and Latin America, first and foremost in the tropical forest areas and in particular in the Amazon region and the Latin American savannahs. Besides illegal deforestation, deforestation caused by legal national and regional development processes – here, the conversion of forests into other types of land use – remains an unsolved challenge.

The New York Declaration on Forests of 2014 and the Amsterdam Declarations of 2015 contained the objective of eliminating deforestation from agricultural supply chains by 2020. According to the most recent findings from the two implementation processes, this objective can no longer be realised with the existing approaches. With these Guidelines, the Federal Government therefore wants to address current shortcomings and strengthen Germany's contribution to the implementation of deforestation-free agricultural supply chains.

Germany has been actively involved in the promotion of deforestation-free supply chains for many years at national, European and international level. For instance, the Federal Government played a significant role in implementing the New York Declaration on Forests and the Amsterdam Declarations¹.

The Federal Government therefore welcomes the Communication from the EU Commission on the reinforcement of relevant measures at EU level, which had been requested by the Amsterdam Declarations Partnership (ADP) and others for a long time, and was issued in July 2019². In this Communication, the Commission outlines ways to reinforce EU measures that help both to protect forests worldwide, specifically primary forests, from further conversion and destruction and also to restore them. The Federal Government will actively engage in the development of these specific measures and support them with substantive preliminary work as far as possible – based on the current measures at national level and those under the Amsterdam Declarations Partnership.

Similarly, in its Communication, the EU Commission calls upon the Member States to be more productive in developing national strategies and action plans against deforestation and forest degradation. The Federal Government has complied with this request by drawing up these Guidelines. On the basis of these Guidelines, the Federal Government will in future enhance its efforts to coordinate its position and take an active role in promoting deforestation-free agricultural supply chains both at national level and in bilateral contacts and international fora. The protection of primary forest will be of particular priority in this regard. The Federal Government may further develop its measures to take account of any future specifications at EU level.

Particular attention will be given to preventing stand-alone solutions and to promoting coherence and synergies between different approaches. It will be of major importance for us to work towards harmonised and internationally accepted definitions and standards on freedom from deforestation and effective requirements for a certification along the entire value-added chain. We see and acknowledge existing corporate commitment for deforestation-free supply chains and existing instruments such as sustainability standards as an important basis for further action.

¹ See Annex

² Communication of 23 July 2019 with the title: "Stepping up EU Action to Protect and Restore the World's Forests"; COM (2019) 352 final

The Guidelines aim to achieve the following fundamental objective:

Germany is making a noticeable contribution to forest conservation all over the world by eliminating deforestation from the production and importation of agricultural products.

2. Objectives and solutions

The German Sustainability Strategy of 2016, which was developed while implementing the United Nations' 2030 Agenda for Sustainable Development, already refers to activities on the promotion of sustainable, deforestation-free supply chains within the context of measures regarding the international Sustainable Development Goals (SDGs) no 12 and no 15.

The Federal Government is now in exchange with other governments, private sector stakeholders and civil society in various committees, fora, initiatives and projects. We will continue to support these activities that serve to implement these SDGs. In doing so, we will enhance our focus on promoting coherence and mutual, cross-commodity knowledge transfer.

Further targeted initiatives are planned to supplement or replace the existing ones. The following objectives are intended to point the way forward:

1. Promoting and supporting the production side and consumption side of initiatives by industry, civil society and associations to create deforestation-free supply chains for agricultural commodities.
2. Creating transparency for consumers and raising awareness of the subject of deforestation-free agricultural products, making recommendations on the consumption of deforestation-free products and ensuring a broad inclusion of stakeholders.
3. Deepening the participatory dialogue with production countries and supporting them in creating deforestation-free supply chains for agricultural products.
4. Advancing coherent and ambitious cooperation at international level, in particular with other important consumer countries and fast growing emerging countries.
5. Continuing to actively use sustainability aspects in EU trade policy.
6. Advancing common, target-oriented approaches within the EU.
7. Enhancing the foundation of evidence-based decisions.

Approaches in detail

Promoting and supporting the production side and consumption side of initiatives by industry, civil society and associations to create deforestation-free supply chains for agricultural commodities

- We want to gain support from further enterprises for existing initiatives in order in the long term to make all supply chains for agricultural commodities in Germany deforestation-free. We advocate a more rigorous application of the OECD-FAO Guidance for Responsible Agricultural Supply Chains³ by German enterprises and enterprises operating on the German market.
- We want to further support enterprises in their transition toward sustainable alternatives and the use of sustainable, deforestation-free, certified agricultural commodities. This goes hand in hand with increasing the demand for deforestation-free agricultural commodities and the strong signal this sends. We want to further promote the exchange of sustainably certified enterprises in the EU, for instance between the national raw material fora and within the Amsterdam Declarations Partnership (ADP). Subjects such as, for example, tighter supply chain management, identification of risks in the supply chain or commitment to and purchasing from sustainable growing regions can be addressed here.
- We are supporting the further development of sustainability standards and other instruments for the implementation of (voluntary) commitments by industry to deforestation-free supply chains, particularly concerning the protection of primary forests.
- We are improving knowledge transfer across raw materials and supporting “cross-learning” processes in the respective national, European and international initiatives and processes, in particular also possible “lessons learned” and synergies with legality approaches such as FLEGT (Forest Law Enforcement, Governance and Trade).
- We are promoting a sustainable finance system to advance investments in projects focusing on “green investments”. This is intended to prevent negative impacts on forest conservation caused by investments. The objectives here are those contained in the “GFS Principles for Responsible Investment in Agriculture and Food Systems”. In addition to that, we are supporting the application of the OECD-FAO Guidance for Responsible Agricultural Supply Chains⁴.
- We will review the effectiveness of the CSR (Corporate Social Responsibility) reporting with regard to deforestation.

Creating transparency for consumers and raising awareness of the subject of deforestation-free agricultural products, making recommendations on the consumption of deforestation-free products and ensuring a broad inclusion of stakeholders

- We will enhance our efforts to provide consumer information that identifies the implications of consumption habits for agricultural land use, work towards reducing food waste, contribute to increased transparency via certification systems, and educate on deforestation-free products. To this end, we will publish recommendations on the consumption of sustainable, deforestation-free products.
- We will review the expansion of procurement policies to include certified agricultural products in order to support deforestation-free supply chains. This can be supported, for example, by a guideline that serves as an aid to implementation, or by other support options (e.g. offering only deforestation-free products in canteens). The aim is for stakeholders in public procurement to be sensitised on the subject of deforestation-free agricultural products.

³ See <http://mneguidelines.oecd.org/OECD-FAO-Leitfaden.pdf>

⁴ See <http://www.fao.org/3/a-au866e.pdf>

Deepening the participatory dialogue with production countries and supporting them in creating deforestation-free supply chains for agricultural products

- Bilateral and multilateral cooperation helps to promote deforestation-free supply chains, for instance through participatory landscape and jurisdictional approaches with the objective of harmonising forest protection and agricultural and economic development. We will expand these existing initiatives to include further pilot regions. Synergies on implementation measures under the REDD+ framework⁵ will be promoted.
- We want to support producer countries in formulating and implementing relevant policies and in developing the necessary structures, capacities and monitoring measures. The “Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security” of the Committee on World Food Security provide the foundation for this⁶.
- We want to lend support in the development of competitive and sustainable forest management and sustainable agriculture, while giving due regard to other factors, for instance ambitious ecological criteria. In doing so, it is planned to also support various actors within the value chains in the producer countries, with special emphasis on the rights and living conditions of smallholder farmers and indigenous peoples. Particular attention will be paid to the development of incentives for a deforestation-free agricultural sector for producers.
- We want to further expand the development of stable trading relations and sales markets for deforestation-free products in partnership with the respective countries and stakeholders.
- We will strengthen coordination of development cooperation on the subject of freedom from deforestation with other countries, notably in the Amsterdam Declarations Partnership (ADP). We thereby also want to work towards consumer initiatives aimed at ensuring freedom from deforestation along the entire supply chains are better linked with industry in producer countries and sustainable production regions, including, for example, the Forum for Sustainable Palm Oil (FONAP), the Sustainable Cocoa Forum (FNK), the Dialogue Forum on More Sustainable Protein Feed, the Initiative on Sustainable Agricultural Supply Chains (INA) and the “Import Promotion Desks” (IPD) of the Federation of German Wholesale, Foreign Trade and Service (Bundesverband Großhandel, Außenhandel, Dienstleistungen e.V.).

⁵ The REDD+ framework (Reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries) was developed and recognised by the international community under the global Paris Climate Agreement; see <https://unfccc.int/topics/land-use/resources/unfccc-documents-in-relation-to-reducing-emissions-from-deforestation-and-forest-degradation-in>

⁶ See <http://www.fao.org/docrep/016/i2801e/i2801e.pdf>

Advancing coherent and ambitious cooperation at international level, in particular with other important consumer countries and fast growing emerging countries

- We will continue to develop and coordinate multilateral approaches, in particular with partners of the ADP, in order to conclude multilateral agreements with as many major producer countries as possible.
- We want to work toward harmonised and internationally accepted definitions and standards on freedom from deforestation. In the process, we will actively participate in dialogues on an international consensus regarding the structural development of certifications for deforestation-free production (raw materials) and we will take into account all steps of the value chain.
- Together with the ADP members, we want – against the backdrop of the Paris Climate Agreement and the Convention on Biological Diversity, among others – to strengthen the dialogue with countries that are important consumers of agricultural commodities that cause deforestation in order to join forces to promote global deforestation-free supply chains.

Continuing to actively use sustainability aspects in EU trade policy

- The Federal Government supports the value-based trade agenda of the European Union, which promotes open markets and rules-based trade. Sustainability aspects are given special consideration. With a view to deforestation-free supply chains for agricultural commodities, we want to continue to actively use the existing instruments and procedures, for example with regard to trade and sustainable forestry or trade and biodiversity.
- Besides trade-policy measures, we also want to improve the opportunities for industry to make a contribution to the protection of forests. For this reason, we want to facilitate the procurement of raw materials with an international trade standard for raw materials from deforestation-free supply chains.

Advancing common, target-oriented approaches within the EU

- The Federal Government wants to advance the cultivation and utilisation of protein plants for food and feed (particularly leguminous crops) in Germany and the EU in an economically viable and environmentally sound manner, thus increasing the eco-friendly supply of protein from domestic production. The previous activities under the protein crop strategy, the EU protein plan and the European Soya Declaration have been providing initial approaches for this. Based on existing studies on the global division of labour, we want to take into account possible relocation effects.
- We welcome the Communication from the Commission on “Stepping up EU Action to Protect and Restore the World’s Forests” and advocate its rigorous implementation as a central component of the joint approach within the EU. We want to support the pursuit of all five priorities and key actions. We support having a knowledge-based evaluation of the potential advantages and disadvantages inherent in options to tackle deforestation and forest degradation, in particular the evaluations of legal actions and the subsequent presentation of appropriate proposals, to assist in the development of effective and rigorous EU measures. We will see to it that the experiences that have been made within the FLEGT and EUTR⁷ processes will be taken into account. We encourage close cooperation between governments and businesses to increase sales and the use of deforestation-free and sustainably produced agricultural products. We support research and foster innovations, such as block chain technology procedures and further digital solutions, in order to improve the traceability of deforestation-free products along the entire product chain. We will pay attention to the coherent development of national and EU measures and will embed the Federal Government’s measures in future regulatory and non-regulatory EU measures. The continued active incorporation of

⁷ See EU Timber Regulation, <https://eur-lex.europa.eu/legal-content/DE/ALL/?uri=CELEX:32010R0995>

sustainability aspects in EU trade policy is also of particular importance. We will press ahead with getting important countries outside the EU on board in order to enhance the effectiveness of EU action.

Enhancing the foundation of evidence-based decisions

- The Federal Government promotes awareness and knowledge of how important it is to preserve and sustainably manage forests. To this end, we want to support the use of sustainable land and forest management and collection practices in forests, on plantations and in agroforestry areas for agricultural commodities. We are also committed to market analyses and to knowledge transfer and further research on adapted process technologies.
- We deem it very important to foster and further develop sustainability standards in order to further counteract deforestation and will continue to promote research on comparability and on the impact of sustainability standards on deforestation rates.

3. The way forward

- The Federal Government will establish a national body in the form of a multi-stakeholder platform. Companies, scientists, civil society and non-governmental organisations will be invited to participate in annual meetings on the implementation of the Guidelines and their monitoring. The platform is also intended to foster the exchange and consultation between the national and European levels.
- We want to regularly evaluate the progress made towards reaching targets using existing and possible future standards and link this to international traceability procedures, for instance those under the New York Declaration on Forests and the Amsterdam Declarations.
- In implementing the COM Communication on “Stepping up EU Action to Protect and Restore the World’s Forests”, we will closely link and align the measures at national level with measures at EU level and potentially develop them further to take account of future specifications at EU level. We will also continue to work together at EU level to ensure a stringent approach on this subject in the context of the “European Green Deal”⁸.
- We will also seek an exchange with other European countries, particularly the Amsterdam Declarations Partnership partners, with the objective of exchanging experiences and creating synergies.
- We want to expand the exchange on the promotion of deforestation-free agricultural supply chains with important producer and consumer countries, both within the scope of existing and new agricultural, forestry, development and environmental policy dialogues and at the level of bilateral and multilateral cooperation.

The measures set down in the Federal Government’s Guidelines on the Promotion of Deforestation-Free Supply Chains of Agricultural Commodities will be funded by the respective departmental budgets in accordance with the budget estimates made under the respective Federal budget.

⁸ See https://ec.europa.eu/info/files/communication-european-green-deal_de

Annex

1. New York Declaration on Forests (2014): voluntary, not legally binding commitment of 191 governments, companies and non-governmental organisations (NGOs) to ten targets, including ending forest degradation, restoring 350 million ha of forest land by 2030 and eliminating deforestation in the supply chains for agricultural goods. The Federal Government supports the implementation of the Declaration; annual situation reports show the progress and areas where more action is needed.
2. OECD-FAO Guidance for Responsible Agricultural Supply Chains: the guidance note was developed by OECD and FAO in a two-year multi-stakeholder process. It addresses the following risk areas along agricultural supply chains: human rights, labour market legislation, health and security; food security and nutrition; property rights, ownership rights and logging rights and access to natural resources; animal welfare; environmental protection and sustainable stewardship of natural resources; governance; and technology and innovation.
3. Amsterdam Declarations (2015): multilateral initiative with the objective of promoting cross-border measures for a whole range of raw materials that are aimed at ensuring sustainable and deforestation-free supply chains for agricultural products, above all for soya, palm oil and cocoa. The Federal Government endorses the implementation of the declarations made with other signatories (Denmark, France, Great Britain, Italy, the Netherlands, Norway) under the Amsterdam Declarations Partnership (ADP).
4. Tropical Forest Alliance (TFA): public-private alliance/coordination platform with close ties to the World Economic Forum and a focus on reducing deforestation in the tropics by supporting the sustainable production of raw materials. Members: producer countries (Indonesia, Colombia, Liberia, Peru), consumer and donor countries (Great Britain, the Netherlands, Norway, USA, Germany – joined in 2019, signed by BMU and BMZ), enterprises and NGOs.
5. Forum for Sustainable Palm Oil (FONAP e.V.): national multi-stakeholder initiative involving companies, NGOs, associations and the Government (BMEL). FONAP is working towards all palm oil that is used in Germany being certified as sustainable. The members of the Forum have made a corresponding voluntary commitment. Another of FONAP's objectives is to improve the recognised certification systems.
6. Sustainable Cocoa Forum (FNK): national, self-committing multi-stakeholder initiative, in which the Federal Government, represented by the Federal Ministry of Food and Agriculture (BMEL) and the Federal Ministry of Economic Cooperation and Development (BMZ), have joined forces with the German confectionery industry, the German food trade and civil society. The objective of the FNK is to improve the living situation of cocoa farmers and their families and to increase the cultivation and marketing of cocoa certified according to sustainability standards; the focus lies on Ghana and Côte d'Ivoire. In cooperation with the German and Côte d'Ivoire Governments, the Forum is implementing the PRO PLANTEURS project in Côte d'Ivoire. The FNK works closely with other bodies, for instance the Swiss Platform for Sustainable Cocoa.
7. 10-Point Plan for Sustainable Cocoa (2019): with the 10-Point Plan, the BMEL and BMZ are reinforcing and defining the Federal Government's efforts to achieve the long-term objective that all the cocoa in cocoa products sold in Germany should originate from sustainable production.
8. Dialogue Forum on More Sustainable Protein Feed: multi-stakeholder initiative of companies, NGOs and the Government (BMEL) with the objective of strengthening the production of domestic protein crops, achieving deforestation-free imports and establishing links to the Amsterdam Declarations Partnership.
9. One Planet Network (2012): the Network is a multi-stakeholder partnership for sustainable development. It is intended to be recognised as a guiding mechanism to support and implement the shift to sustainable consumption and production and serve as a mechanism for implementing SDG

12 and the 2030 Agenda for Sustainable Development (the BMU is a stakeholder in the programme for consumer information).

10. National Programme for Sustainable Consumption (NPNK) and Centre of Excellence for Sustainable Consumption (KNK): the NPNK describes measures and activities on the promotion of sustainable consumption. This includes, for instance, the promotion of sustainability initiatives such as the raw material fora on palm oil and cocoa. The Federal Government established the Centre of Excellence for Sustainable Consumption at the Federal Environmental Agency in order to support the implementation of the NPNK, and in particular to promote the technical exchange between the Ministries and social stakeholders and to exploit synergies. The work of the Centre of Excellence involves all Federal Ministries and the corresponding subordinate bodies.
11. BMZ development cooperation initiatives on deforestation-free, sustainable supply chains: projects, in particular in cooperation with Côte d'Ivoire, Ethiopia, Indonesia and Colombia, supporting the producer countries in developing sustainable growing areas (taking into account socially, economically and ecologically sustainable land use planning), private sector initiatives (promotion of smallholder farmers to obtain certification, support for the integration of smallholder farmers in global supply chains, promotion of adapted agroforestry systems, reforestation on former forest areas), and the Initiative for Sustainable Agricultural Supply Chains (INA). The INA coordinates the improved coordination and pooling of activities between the above stakeholders, promotes the exchange of expertise on cross-cutting issues such as deforestation-free supply chains or living incomes, increases the share of sustainable agricultural raw materials on the German market and supports the creation of sustainable growing regions.
12. BMU initiative under the International Climate Initiative (IKI): 18 projects in total on the issue of deforestation-free, sustainable supply chains and forest-friendly business models. The International Climate Initiative supports a secretariat and the reporting on implementation of the objectives set out by the New York Declaration on Forests. Consulting services are provided to realise investments in deforestation-free and sustainable supply chains. Sustainability criteria that also include the prevention of deforestation are being developed for the Asian financial sector and pilot studies are being carried out on the implementation of these criteria in banks. Management alternatives that reduce the pressure to exploit forests, protect natural resources and restore forestry land are being developed and then implemented and scaled in cooperation with farmers' associations, companies and cooperatives. The International Climate Initiative is actively engaged in Africa, Asia and Latin America and supports the monitoring and sustainable, deforestation-free production of timber, meat, cocoa, tea, palm oil, products from the agroforestry sector and the reforestation of forests in the value chain.