

FACING THE FACTS: A WAKE-UP CALL ON DUTCH RESPONSIBILITY REGARDING ILLEGAL DEFORESTATION, LAND CONFLICTS AND HUMAN RIGHTS VIOLATIONS

Soy, palm oil, beef and pulp & paper are essential commodities for all developed economies and necessary for countless products that are intrinsic to the Western way of life. Growing demand in importing countries like the Netherlands is fueling the expanding land-use footprint required to produce these agricultural commodities (“agri-commodities”).

DEMAND-DRIVEN DEFORESTATION – THE FACTS

Over half of global tropical deforestation is caused by four commodities: soy, palm oil, beef, and pulp & paper, resulting in 15% of total global GHG emissions – more than all the cars, trucks and buses in the world combined.ⁱ

Combined EU consumption of beef, soy and palm oil requires the clearance of 18 football fields of tropical rainforest every minute, making the EU (still) the world’s largest ‘importer of deforestation’.ⁱⁱ

Commercial agriculture is responsible for two-thirds of tropical rainforest deforestation in Latin America and one-third in both Africa and sub-tropical Asia.ⁱⁱⁱ

1 billion of the poorest and most vulnerable people on the planet, particularly indigenous peoples and women, depend on forests for their survival.

Forests are essential to the livelihoods of 90% of the 1.2 billion people living in extreme poverty worldwide and the food security of nearly half the population of the developing world.^{iv}

About half the land cleared for commercial agri-commodity expansion occurs illegally without community consultation or consent or adequate social or environmental impact assessments.^v

Half the agri-commodities produced from illegally cleared land are grown directly for export markets, and the EU pays about €6 billion per year for products grown on illegally cleared lands.^{viii}

Global trade in palm oil, soy, and beef has grown hand-in-hand with not only deforestation, but also land-grabbing, illegal forest clearing, human rights violations and violence, often with a disproportionate impact on women and girls.

WHAT ROLE DOES THE NETHERLANDS PLAY?

The Netherlands has few natural resources and a relatively small agriculture sector (1.6% of GDP in 2016).^{viii} Yet the Netherlands is the world’s second largest exporter of food produce and its agribusiness industry is one of the driving forces behind the Dutch economy, accounting for 17.5% of total Dutch exports. Unsurprisingly, the Dutch economy relies heavily on massive annual imports of raw materials such as soy, palm oil, beef and other agri-commodities.

Palm Oil

The EU is the world’s second largest importer of palm oil (after India) and consumes approximately 17% of the global palm oil market,^{ix} representing 7.1 million tons in 2016.^x

The Netherlands is Europe’s largest importer of palm oil products, accounting for approximately 30% of all palm oil entering Europe.^{xi}

Soy Products

The EU is the world’s biggest importer of soybean meal (used for feed in the livestock and poultry sectors) and second-biggest importer of soybeans (after China).^{xii}

The Netherlands is the biggest importer of soy within Europe, accounting for 23.5% (over 8 million tons) of all EU soy imports in 2014.

Beef

The EU is the world’s seventh largest importer of beef, importing about 334,331 tons of beef and veal in 2016,^{xiii} 72% of which was produced in South America (Brazil: 42%; Uruguay: 17%; & Argentina: 13%).^{xiv}

The Netherlands accounts for almost a third of beef and veal products imported into the EU.

EMBEDDED DEFORESTATION, HUMAN RIGHTS VIOLATIONS & LAND GRABS

The total ‘embedded deforestation’ imported by the Netherlands’ is staggering – estimated at reaching 1.6 million hectares over the 10 years to 2005. The Netherlands is also among the top ten countries worldwide investing in overseas land deals, with Dutch companies, financial institutions and government bodies actively involved in global land-based developments.^{xv}

For the sake of the planet and its peoples, this trend simply cannot continue.

PROGRESS ON EXISTING POLICY COMMITMENTS & INITIATIVES

The Netherlands is considered a frontrunner in promoting sustainable business and has made a range of declarations and commitments aimed at guaranteeing sustainable production and sourcing of agri-commodities. Yet the facts show that deforestation and human rights violations continue to escalate with growing agri-commodity demand. This widening gap between aspiration and reality must be closed if the Netherlands is to stand a chance at delivering on its commitments.

A. THE AMSTERDAM DECLARATIONS: ZERO AGRI-COMMODITY DEFORESTATION & 100% SUSTAINABLE PALM OIL IMPORTS BY 2020

Given the evidence of agri-commodity consumption and deforestation trends, it is essential that the Amsterdam Declarations are **actively promoted, widely adopted, and implemented**. Primary responsibility rests with the Amsterdam Declaration signatories to meet their own regulatory responsibilities **in accordance with global obligations to protect human rights**.

Integrating human rights and tenure governance standards into the Amsterdam Declaration ambitions is key to making these initiatives sustainable, legal and legitimate. Leading industry players, both from the plantation sector and buyers, are calling for governments to **address the moral hazard inherent in industry-regulated sustainability schemes** and to **ensure that investments in sustainable supply chains are guaranteed under import frameworks**.

B. LAND GOVERNANCE, FORESTS & CLIMATE CHANGE

The international community’s ambitions to strengthen forest-land governance are reflected in the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (“VGGT”), adopted by the UN Committee on World Food Security in 2012. The Netherlands explicitly committed to implement the VGGT and secure land tenure rights of female and male (customary) land users and Indigenous Peoples. However, **little has been done** to integrate good land governance requirements in Dutch policies or ensure companies and

investors acting with Dutch government support act consistently with the expectations listed in the VGGT.

Given the accumulating deforestation embedded in Dutch agri-commodity imports, coherent policies that **prioritise community customary tenure rights, human rights protection, sustainable livelihoods, responsible land governance and forest conservation must be implemented** if the Netherlands’ international climate commitments are to be met.

C. BUSINESS & HUMAN RIGHTS

The world is witnessing a growing trend of community leaders and environmental defenders (men and women) being intimidated, threatened and murdered, with 197 environmental defenders violently murdered in 2017 – an average one murder *every 44 hours*.^{xvi} This violence has one common element - conflict between local communities and commercial land-users, often following illegal land-grabbing, or plantation expansion into community land, and often with tacit support from local authorities.

resulted in effective measures or accessible mechanisms to protect human rights defenders in agri-commodity production regions **impacted by Dutch supply chains**. The *Action Plan* has done little to clarify the Dutch Government’s expectations on companies to conduct **human rights due diligence investigations, monitor respect for human rights along supply chains, and provide just and fair remedies**. The Dutch Government is falling behind the international community’s expectations that governments take action to ensure companies respect human rights and remedy violations.

The Dutch Government adopted a *National Action Plan on Business and Human Rights*^{xvii} in 2013, yet it has not

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- ⁱ World Economic Forum, (2017), 'Commodities and Forests Agenda 2020: Ten priorities to remove tropical deforestation from commodity supply chains', [white paper prepared by Climate Focus on behalf of the Secretariat of the Tropical Forest Alliance 2020], at p. 4, available at https://www.tfa2020.org/wp-content/uploads/2017/12/TFA2020_CommoditiesandForestsAgenda2020_Sept2017.pdf.
- ⁱⁱ See: http://ec.europa.eu/environment/forests/impact_deforestation.htm.
- ⁱⁱⁱ Kissinger, G., M. Herold, V. De Sy (2012), *Drivers of Deforestation and Forest Degradation: A Synthesis Report for REDD+ Policymakers*, Lexeme Consulting, Vancouver Canada, available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/65505/6316-drivers-deforestation-report.pdf.
- ^{iv} See: <http://documents.worldbank.org/curated/en/424531468781760578/Sustaining-forests-a-development-strategy>.
- ^v For example see <https://www.globalwitness.org/en/campaigns/forests/>.
- ^{vi} Fern (2015), *Stolen Goods: The EU's complicity in illegal Tropical deforestation*, available at http://www.fern.org/sites/fern.org/files/Stolen%20Goods_EN_0.pdf.
- ^{vii} Forest Trends (2014), *Consumer Goods and Deforestation: An Analysis of the Extent and Nature of Illegality in Forest Conversion for Agriculture and Timber Plantations*, Forest Trends Report Series September 2014, at p. 2, available at http://www.forest-trends.org/documents/files/doc_4718.pdf.
- ^{viii} USDA Foreign Agricultural Service (2017), *Global Agricultural Information Network Report; Country Report – Netherlands*, p. 4, available at https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Country%20Report_The%20Hague_Netherlands_10-27-2017.pdf.
- ^{ix} European Sustainable Palm Oil, "Making Sustainable Palm Oil The Norm In Europe: Progress Report on the import and use of sustainable palm oil in Europe", 23 November 2017, available at <https://www.idhsustainabletrade.com/uploaded/2017/11/Monitoring-Rapport-ESPO-2017.pdf>.
- ^x In 2016 the European Union imported 7.1 million tonnes of palm oil, of which 3.7 million tonnes was used by the food industry and 3.4 million was used by the energy sector: European Sustainable Palm Oil, "Making Sustainable Palm Oil The Norm In Europe: Progress Report on the import and use of sustainable palm oil in Europe", 23 November 2017, available at <https://www.idhsustainabletrade.com/uploaded/2017/11/Monitoring-Rapport-ESPO-2017.pdf>.
- ^{xi} See <https://www.cbi.eu/market-information/vegetable-oils/palm-oil/>.
- ^{xii} USDA Economic Research Service (2017), 'Trade: Major Foreign Soybean Exporters and Importers', available at <https://www.ers.usda.gov/topics/crops/soybeans-oil-crops/trade.aspx#foreign>.
- ^{xiii} European Commission (2017), *Meat Market Observatory – Beef & Veal*, available at https://ec.europa.eu/agriculture/sites/agriculture/files/market-observatory/meat/beef/doc/eu-trade_en.pdf.
- ^{xiv} Meat & Livestock Australia (2016), *Market Snapshot: European Union*, available at <https://www.mla.com.au/globalassets/mla-corporate/prices--markets/documents/os-markets/red-meat-market-snapshots/mla-eu-beef-snapshot-2017.pdf>; Agriculture & Horticulture Development Board (2017), *EU Beef Imports*, available at <http://beefandlamb.ahdb.org.uk/market-intelligence-news/eu-beef-imports/>.
- ^{xv} See http://www.landmatrix.org/en/get-the-detail/by-investor-country/?order_by=-deal_count.
- ^{xvi} Monica Ulmanu, Alan Evans and Georgia Brown (2017), 'The defenders', *The Guardian*, available at <https://www.theguardian.com/environment/ng-interactive/2017/jul/13/the-defenders-tracker>. See also Jonathan Watts and John Vidal (2017), 'Environmental defenders being killed in record numbers globally, new research reveals', *The Guardian*, available at <https://www.theguardian.com/environment/2017/jul/13/environmental-defenders-being-killed-in-record-numbers-globally-new-research-reveals>.
- ^{xvii} Available at <https://business-humanrights.org/sites/default/files/documents/netherlands-national-action-plan.pdf>.