IISD Trade and Sustainability Hub 2021

Session 27: The Role of Trade Policy in Reducing Commodity-driven Deforestation

Co-organised by the

International Institute for Sustainable Development IISD, Geneva Centre for Development and Environment, University of Bern Foreign and Commonwealth Development Office (FCDO), United Kingdom

15.00 - 16.30 (CET)

The full recording of the session is available online at https://www.youtube.com/watch?v=X_ux6kV8A2s

Session description

Some governments of consumer countries are exploring new policy options to address deforestation and forest degradation. Such options include unilateral trade-related measures, forestry-specific environmental provisions contained in regional trade agreements, voluntary sustainability standards (VSS) and consumer country mandatory due diligence requirements.

The session aims at

- i. providing for an exchange of views on the role of novel trade-related instruments based on process and production methods (PPMs) to help reduce deforestation and forest degradation associated with "forest-risk commodities", as well as enabling more sustainable supply chains;
- ii. taking stock of recent policy developments such as the legislation at the level of the European Union on due diligence requirements and the outcomes of COP26 specific measures;
- iii. discussing potential implications of measures for farmers and producers in developing countries;
- iv. discussing how measures interact with the multilateral trade rules, the extent to which such rules foster a more sustainable production and how the WTO members can contribute to anchoring more sustainability considerations into the multilateral trading system.

Language

English

Structure

75min

Introductory remarks

by Soledad Leal, Lead, Sustainable Trade, Economic Law and Policy Program, IISD.

PRESENTATIONS

How can regulation in consumer countries contribute to reducing deforestation in a non-discriminatory manner from a trade perspective while ensuring sustainable livelihoods?

Dr. Elisabeth Buergi Bonanomi (Centre for Development and Environment, University of Bern) A perspective on PPMs to reduce deforestation; the example of the EFTA-Indonesian Agreement CEPA A perspective on the WTO and on FLEGT

Ms. Beth Child, Deputy Director, International Climate Change Campaigns & COP, Department for Business, Energy and Industrial Strategy (BEIS), United Kingdom

Forest, Agriculture and Commodity Trade (FACT) Dialogue (main trade-related elements). Main policy outcomes of COP26/FACT

- Dr. Enrico Partiti, Group Legal Counsel for Sustainable Finance, Triodos Bank Due diligence requirements and the role of voluntary sustainability standards (<u>VSS</u>) in due diligence processes and how they relate to deforestation
- **Mr. Chris Beeko**, Director, Timber Validation Department, Ghana Forestry Commission A perspective from a producer country

Q&A moderated by Soledad Leal

DISCUSSION

Views from **Mr. Daniel Lauchenauer**, Program Manager, State Secretariat for Economic Affairs (SECO) Switzerland

SECO perspective on what has been discussed

Initiatives supported by SECO in Indonesia based on the landscape approach and alongside the CEPA concessions.

Views from Ms. Sandra Ruckstuhl, Public Affairs Senior Manager, Nestlé Suisse S.A.

How are value chains and business processes adapted as a result of new measures in consumer countries? Does this move enable or disable sustainable performance of a business enterprise?