

Unilateral rules undermine the importance of sustainability

Last year, the European Parliament adopted regulations aimed at slowing down the rate of deforestation around the world. From December this year, companies that export cattle, cocoa, coffee, palm-oil, soya, rubber, charcoal or paper products to the EU will require a comprehensive set of documents proving that the supply of these products to not contribute to deforestation in their country of origin. Make no mistake, deforestation is a global challenge and research indicates that an area the size of Europe was stripped of its forests between 1990 and 2020. Aside from pressures brought by growing populations, commercial deforestation is largely market-driven and the regulations seek to reverse the trend through an intervention in the European market. As an environmentalist myself, I fully appreciate the need for sustainable use. However, the decision will have unavoidable economic consequences for various developing countries.

The regulations will be used to categorise high, medium and low risk countries and place an obligation on the exporters in that country to conduct risk assessments and compile due diligence reports specifying the environmental impact that these agricultural activities are having in the country of origin. Traceability also plays a key role as the due diligence report will require meticulous details about the land parcel, owners, interested parties and environmental impact per consignment. Many African countries will find it difficult to meet these requirements.

Firstly, many African countries lack a well-developed land cadastre as land parcels may be allocated but not fully surveyed or designated from wall to wall. This will make traceability very difficult. Secondly, the definition of a 'forest' is very broad as it includes "land spanning more than 0,5 hectares with trees higher than 5 metres and a canopy cover of more than 10 %, or trees able to reach those thresholds in situ, excluding land that is predominantly under agricultural or urban land use..". The definition could easily include woodland and savanna areas, provided the land is not predominantly under agricultural use. Would this include or exclude extensive rangelands? What about communal areas where land use is not strictly segregated between extensive grazing, recreational or subsistence use? It may be very difficult to tell.

Aside from the practical considerations making implementation difficult, fairness and equity must play a role. The United National Framework Convention on Climate Change (UNFCCC), the leading global agreement on climate change, recognises the concept of a 'nationally determined contribution'. This essentially means that each country's responsibility is not the same, even though we have the same, universal goal and all countries' actions have a bearing on the collective. Under the UNFCCC, it is recognised that developed countries had

the advantage of 150 years' of resource-intensive economic development. Many of these resources were derived from developing countries that did not see the direct economic benefit in their own economies. Now that restrictions are legitimately required to save the environment, developing countries must be given more leeway than those who enjoyed resource-intensive development. This makes sense, but this is the result of a negotiated outcome.

Unlike the UNFCCC, these regulations were passed by the European Parliament and applies only to imports into the EU. It is not a condition in any trade agreement that was negotiated between the EU and another trade bloc. On the one hand, one can argue that the EU is entitled to make its own laws and use its considerable market power to effect the changes it wants to see in the world. This is no different from the objectives that the US set in relation to AGOA. On the other hand, common sense should dictate that environmental protection is a global responsibility and it would be unfair to introduce regulations with a substantial trade implication without thorough consultation. Environmental protection will always require tough decisions to be made where long-term prosperity can conflict with short-term economic prospects. Europe found that out the hard way. However, one cannot help but wonder whether the same outcome could be achieved by following an inclusive approach where developed and developing countries agree on the best trajectory for sustainable development.

By Agbiz CEO Theo Boshoff for Farmers Weekly