

# European Commission proposal for a regulation on deforestation-free products

## Integration of other ecosystems

### Introduction

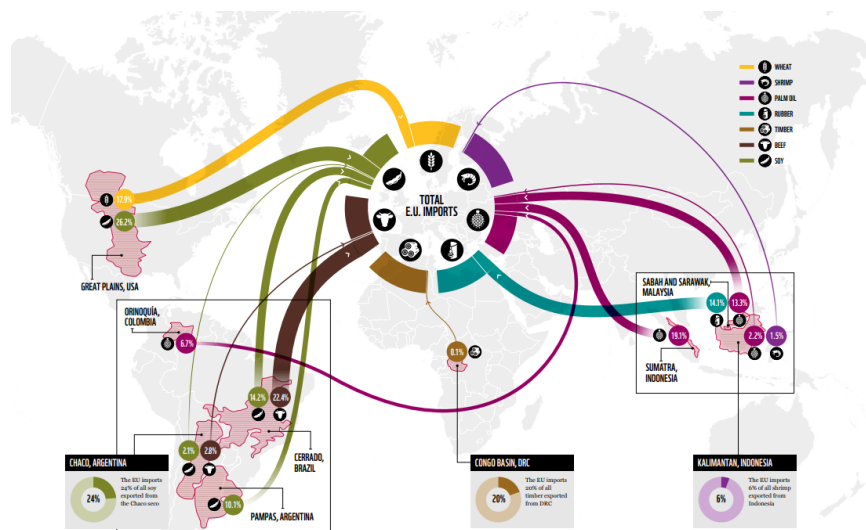
On 17 November 2021, the European Commission presented a [proposal](#) for new legislation on the “making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation”.

WWF welcomes the proposal as a good basis for the adoption of a strong and ambitious law. For legislation to be effective in the fight against climate change and biodiversity loss, a comprehensive approach, covering forests as well as other key ecosystems such as grasslands, savannahs, woodlands and wetlands is needed.

WWF calls on the EU Member States and the European Parliament to extend the regulation to other natural ecosystems from the beginning and not two years after the entry into force. In particular, it is essential to include, beyond deforestation, the conversion of savannahs, woodlands, grasslands, wetlands threatened by EU commodity expansion.

### Our consumption does not only threaten forests but also other ecosystems (savannahs, grasslands, etc.)

Beyond forests, natural ecosystems such as grasslands, savannahs, peatlands or wetlands are destroyed to produce agricultural raw materials : we have already lost half of savannahs in the world, while 15% of peatlands are destroyed and degraded and 35% of mangroves have disappeared in 20 years. The recent WWF [Beyond Forest report](#) (2022) shows the link between EU consumption and ecosystems that are not only composed of forested areas as defined by the FAO. The nine cases studied in the report represent a varied, but not exhaustive, illustration of how EU imports of agricultural commodities drive the conversion of natural ecosystems beyond forests.



By importing large volumes of such products, the EU plays a critical role in the conversion and therefore mostly irreversible destruction of these ecosystems.



## The current framework set by the Commission excludes several key ecosystems

The current proposal only stipulates a review two years after the law enters into force to assess “*the need for and feasibility of expanding the scope of the Regulation to other ecosystems beyond forests*”. This future and uncertain inclusion is problematic, as millions of hectares of these rich ecosystems are lost each year. **Most parts of several key ecosystems are currently ignored and do not fit into the FAO definition of forest proposed by the Commission.**

These ecosystems are mostly natural, [old-growth](#) grasslands, savannahs, scrublands and wetlands. For example, based on Mapbiomas and Copernicus detailed mapping of fragments<sup>1</sup>, 74% of remaining Cerrado fragments are not protected by the FAO definition of forests. Beyond the Cerrado, we see the same problem for other biomes :

- Caatinga: 11% Forests (FAO), 89% of remnants unprotected
- Pantanal: 24% Forests (FAO), 76% of remnants unprotected
- Pampa: 11% Forests (FAO), 89% of remnants unprotected
- Great Plains: 8% Forests (FAO), 92% of remnants unprotected

The [Cerrado](#) is the World's richest and oldest savannah, and also one of the largest Agriculture expansion frontiers. It has unique vegetation, with gradients of interdependent forest, scrublands and pure grasslands and all three vegetation types suffer the same rate of conversion.

The Pantanal is one of the world's largest wetlands, Caatinga a vast semi-arid shrubland, the [Pampa](#) as well as the [North American Great plains](#) are natural grasslands. All of these ecosystems have unique, unsubstitutable value for their biodiversity, carbon stocks and other key ecosystem services.

<sup>1</sup> The classes of Mapbiomas (see mapping [methodology](#)) land cover corresponding to natural ecosystems in 7 biomes in Brazil, Argentina, Paraguay, Bolivia and Uruguay (Brazilian Amazon, Cerrado, Chaco, Caatinga, Atlantic Forest and pampa, as well as Pampa and Chaco in Argentina, Paraguay and Uruguay) were clustered into 2 main categories: 1. Forest, Flooded and Closed Woodlands – corresponding to the FAO definition of Forests; 2. Non Forest Natural Formations, corresponding in their vast majority to Savannahs, Open Woodlands and Natural Grasslands, as well as wetlands and other non-forest natural habitats. The correspondence between Mapbiomas classes and FAO definitions was established on the base of the Mapbiomas [Algorithm Theoretical Basis Document](#) (Annex III) and assessment from Mapbiomas technical team. For the North American Great Plains, the data used was the land cover data from Copernicus, titled “*Land cover classification gridded maps from 1992 to present derived from satellite observations,*” year 2020, using the United Nations Food and Agriculture Organisation's (FAO) Land Cover Classification System.

**In total, at least 374.2 million hectares of ecosystems are under threat in the Americas alone, which is 7 times the size of France.** This number could at least double or even triple, considering the other non-forest ecosystems in the Americas, the African Savannahs and Asian steppes.

By not including other ecosystems beyond forests within the scope of the regulation, the EU is missing the opportunity to address a huge part of its own footprint, and risks undermining its own goals on climate change and biodiversity loss. On the contrary, the effects of its regulation will be multiplied tenfold if the EU corrects this loophole.

## **The loss of these ecosystems is as negative for climate and biodiversity as the loss of forests**

Grasslands and savannahs cover nearly half of all emerged lands, and are among the most threatened ecosystems due to commodity expansion. They are home to incredible biodiversity and support extremely rich and specialised flora and fauna. Globally, they store approximately the same amount of carbon as forest ecosystems, as much as 30% of total terrestrial carbon, mainly below ground - for this reason they are also called “inverted forests”. In addition, grasslands and savannahs are home and provide critical resources for millions of indigenous peoples and local communities.

Non forest ecosystems are vital for fighting climate change, sheltering a vast range of endemic animal and plant species and critical for the income, identity and livelihoods for millions of human beings. Excluding other natural ecosystems from the EU regulation will increase the danger of their large-scale destruction, with consequences that will be felt globally.

More importantly, **protecting only forests risks accelerating the conversion of neighbouring ecosystems that are already under threat now.** While savannahs and grasslands are already being converted at huge scale, it is likely that if the EU legislation only protects forests, the agricultural pressure on forests will also fall back on these ecosystems : being prohibited to convert forests, part of the production will sooner or later move to and add to the huge and widely overlooked current pressure on other ecosystems. As an example, the moratorium on soybeans in the Amazon (2006) reduced deforestation, while the rate of conversion of the Cerrado to cropland increased from 7% between 2003-2005 to 16% between 2011-13.

In most natural regions, such as the Cerrado, forests and other natural ecosystems are interdependent, and transition with one another in progressive gradients and/or through complex and rich mosaics of vegetation. In these contexts, it may be impossible to define reliably arbitrary borders between one ecosystem and another. Given this complex land use dynamics associated with agricultural expansion, it is essential to avoid focusing exclusively on a single natural ecosystem in detriment of the others. For this reason, **including other natural ecosystems such as savannahs, woodlands, grasslands, wetlands and peatlands would also facilitate the task of monitoring and verification, as land use changes are easier to detect and map safely and consistently than arbitrary limits within transitions of natural ecosystems.**

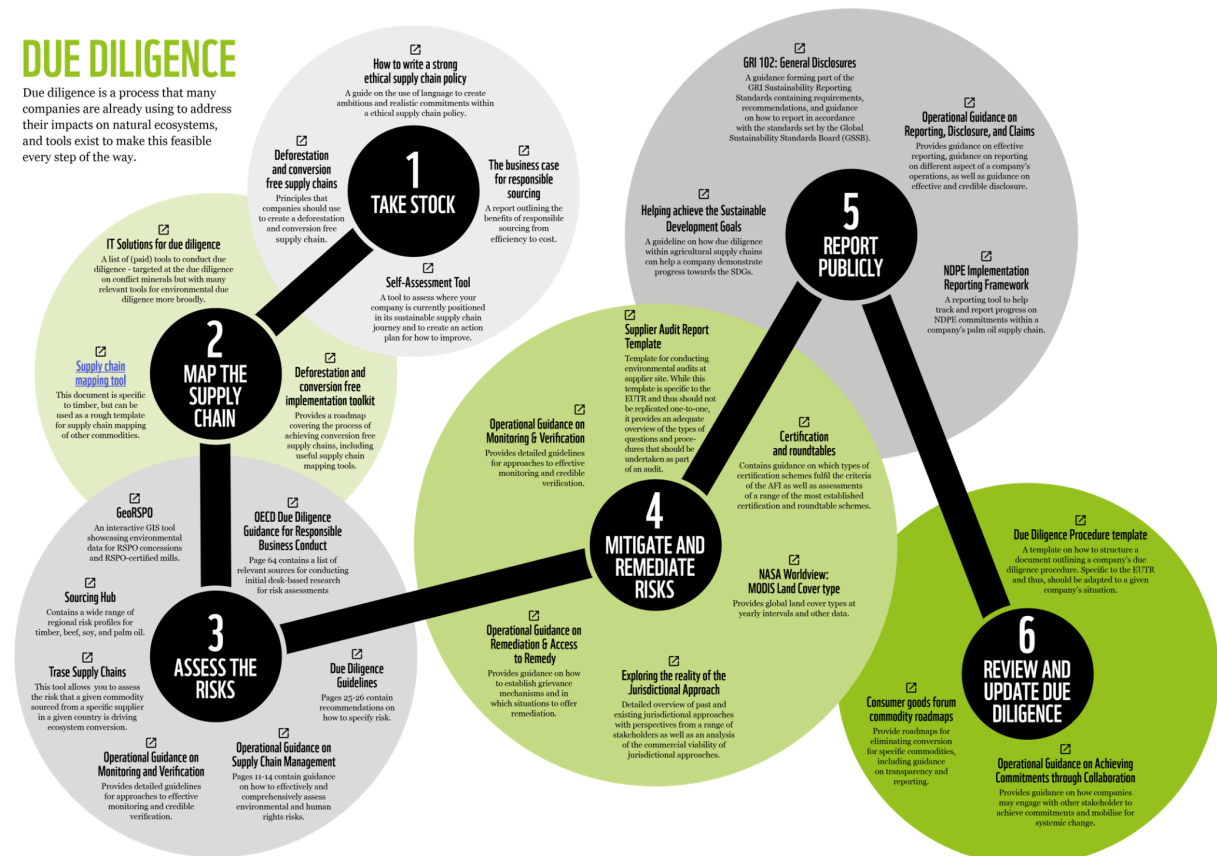
These ecosystems may be best defined using the [AFI definition](#) of natural ecosystems, categorised within the FAO broad land cover definitions, more precisely described by the more recent [IUCN Global Ecosystem Typology](#) and/or the [WWF Ecoregion typology](#), as well as precisely mapped through the adaptation of global ecosystems GIS such as the [UN Biodiversity Lab](#), the [Copernicus](#)

[Land Cover mapping](#), and for due diligence transparency, more granular, updated regional land use mappings such as [Mapbiomas](#).

## Companies can implement due diligence for natural ecosystems beyond forests

A number of policies at European or EU Member State level already make provision for protecting ecosystems beyond forests. The EU Renewable Energy Directive includes a provision that biofuels and bioliquids can only qualify for incentives if the raw materials do not originate from “*highly biodiverse grasslands, both temperate and tropical, including highly biodiverse savannahs, steppes, scrublands and prairies*”. At a national level, the Dutch Bill on Responsible and Sustainable International Business Conduct, the German Due Diligence Act and the French Duty of Vigilance Law all include provisions for broad environmental risks and impacts, no matter the origin.

On the other hand, due diligence is normal corporate practice and voluntary commitments in the private and public sector to exclude the conversion of natural ecosystems from supply chains already exist (Retail Soy Group, the Consumer Goods Forum [Forest Positive](#) coalition, [Finance Sector Roadmap](#), etc.) as well as a range of tools, guidance, toolkits and other services are available to make it practical and feasible for them to include natural ecosystems beyond forests.



### **It won't threaten our supply**

Curtailing the expansion of agricultural land onto natural habitats does not necessarily mean reduced production of commodities. Globally, more than 400 million hectares of existing cropland go unharvested, representing significant volumes of unused cropland<sup>2</sup>. There is also considerable land available without the clearance of natural habitats; in the Cerrado, approximately 38 million hectares of already-cleared land were identified as suitable for soy production in 2015. If cultivated, this would constitute more than double the current soy production area, without any additional ecosystem conversion. Governments can also support efforts to improve production without expanding agricultural areas by restoring degraded lands and providing farmers with greater financial and technical assistance. Finally, the necessary evolution of our diets (fewer and better quality animal products, more vegetable proteins) will require less land.

### **It won't be more expensive**

WWF mapped estimates of corporate costs associated with different environmental and social diligence laws in the UK and the EU and concluded that costs are usually either “negligible” or under 1% of a company’s turnover. In addition, there are considerable potential business benefits of conducting due diligence which can outweigh costs (strengthened brand reputation, improved customer relations, and increased operational efficiency). Fewer adjustments will be required to include other ecosystems in the due diligence process.

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<sup>2</sup> WRI (2018). “Creating a Sustainable Food Future: A menu of solutions to feed nearly 10 billion people by 2050”, available at [https://files.wri.org/d8/s3fs-public/creating-sustainable-food-future\\_2.pdf](https://files.wri.org/d8/s3fs-public/creating-sustainable-food-future_2.pdf).