

Assembly Bill 572

California Deforestation-Free Procurement Act

Assembly Member Ash Kalra

SUMMARY

Tropical deforestation is responsible for a significant portion of global greenhouse gas emissions that cause climate change, as well as wide-ranging impacts on biodiversity and human rights. As a large public purchaser, California can use its purchasing power against commodities that drive tropical deforestation while helping to drive more sustainable practices, as part of the state's broad commitment to leadership in the fight against climate change.

AB 572 would require state contracts comprised of forest-risk commodities, entered or renewed on or after January 1, 2021, to certify that their operations and their supply chains are not contributing to tropical deforestation and have in place a No Deforestation, No Peat, No Exploitation (NDPE) policy.

By adopting a NDPE policy, all contractors doing business with the State of California would, at a minimum, ensure no deforestation of primary forests, areas of High Conservation Value (HCV), High Carbon Stock forest areas, or peatlands regardless of depth; a progressive reduction of emissions on existing plantations; respect for Indigenous Peoples' rights to give or withhold Free, Prior and Informed Consent for plantation operations on their customary lands; and protection of biodiversity and prevention of poaching of endangered species in all operations.

BACKGROUND

Tropical forests cover roughly seven percent of the Earth's surface, but harbor close to 50 percent of all species on Earth; an estimated 18 million acres of forest, an area 1/5 the size of California, is lost every year due to human activities. Tropical deforestation is the third leading driver of global CO₂ emissions.ⁱ

The main driver of tropical deforestation is industrial-scale production of agricultural commodities known as "forest-risk commodities," including palm oil, soy, cattle, rubber, paper/pulp and timber. Products containing these commodities are widely consumed – making virtually all consumers inadvertently contributing to global tropical forest destruction.

Tropical deforestation in many countries is closely associated with violations of the land rights of Indigenous Peoples, exploitation of workers, forced labor and child labor, criminality and violence against land defenders, and illegal wildlife trafficking. Illegal and forced acquisition and conversion of forest lands run afoul of internationally-recognized customary and statutory rights of Indigenous Peoples in the affected areas.

Many animal and plant species are lost to or on the edge of extinction due to tropical deforestation. Biologists believe if these trends are allowed to continue there will be a major mass extinction in tropical forests and the biodiverse ecosystem they hold.ⁱⁱ This loss of life is nowhere more apparent than in Indonesia where deforestation has cut orangutan populations by more than half over the last 15 years.ⁱⁱⁱ

California is the fifth largest economy in the world and its purchasing power has significant market force. An outspoken leader in addressing the climate crisis, California plans to reduce the state's GHG emissions to 40 percent below 1990 levels by 2030. Additionally, the New York Declaration on Forests, to which California is a signatory, has set a goal to halve deforestation by 2020 and to end it by 2030.^{iv}

Hundreds of major consumer brands, commodity traders, and national and subnational governments have shown support for ending tropical

deforestation and have adopted company-level policies committing them to zero deforestation in their supply chains. Recently, Aramark, a provider of food service, facilities, and uniform services for both public and private clients, has adopted a commitment to end deforestation in its supply chains by 2025 through adoption and implementation of a NDPE policy.

Since 2016, other nation-states, notably Norway and France, have adopted Deforestation-Free Procurement Policies.

SOLUTION

The California Deforestation-Free Procurement Act will contribute to global efforts to end tropical deforestation by ensuring that entities contracting with the State of California do not contribute to tropical deforestation directly or through their supply chains.

Specifically, AB 572 requires state contracts entered or renewed by January 1, 2021, that includes wholly or in part a forest-risk commodity to certify that the product has not contributed to tropical deforestation. AB 572 would also require those state contractors dealing with forest-risk commodities to have in place a NDPE policy.

Failing to comply with the state's no-deforestation procurement policy shall be grounds for ending a contract with the state and contractors may be removed from the state's contractor bidders list for up to 720 days and monetary penalties proportional to the size of the contract.

In order to promote guidance and best practices, AB 572 requires the Department of General Services to develop a Deforestation Free Code of Conduct that includes a list of forest-risk commodities and guidance to contractors in order to identify forest-risk commodities in the supply chain.

AB 572 extends California's environmental leadership to the protection of tropical forests and sends a crucial signal to global markets that illegal and destructive commodity-driven deforestation

will no longer be tolerated. The State Deforestation-Free Procurement Act will complement global efforts to curb tropical deforestation and its attendant contribution to climate change.

SPONSORS

Friends of the Earth
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ⁱ Fritts, Rachel. (2018, October 19). *Tropical Deforestation is the Third-Biggest Carbon Emitter in the World*.
<https://psmag.com/environment/tropical-deforestation-leads-to-more-carbon-emissions>

ⁱⁱ Alroy, J. *Effects of habitat disturbance on tropical forest biodiversity*, PNAS June 6, 2017 114 (23) 6056-6061

ⁱⁱⁱ <https://www.worldwildlife.org/species/orangutan>

^{iv} New York Declaration on Forests, Subnational Governments
http://www.undp.org/content/dam/undp/library/Environment%20and%20Energy/Forests/New%20York%20Declaration%20on%20Forests_DAA.pdf