

Assembly Bill 416

California Deforestation-Free Procurement Act

Assembly Member Ash Kalra

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SUMMARY

Tropical and boreal deforestation and primary forest degradation are responsible for a significant portion of global greenhouse gas (GHG) 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 to influence global supply chains towards reducing tropical and boreal deforestation and primary forest degradation while helping to drive more sustainable practices, as part of the state's broad commitment to leadership in the fight against climate change.

AB 416 would require state procurement contracts comprised of forest-risk commodities, entered or renewed on or after January 1, 2023, to certify that their operations and their supply chains are not contributing to tropical or boreal deforestation or primary forest degradation and have in place a No Deforestation, No Peat, No Exploitation (NDPE) policy.

By adopting and implementing NDPE policies, all contractors doing business with the State of California would, at a minimum, ensure their commodity supply chains adhere to High Conservation Values; have a progressive reduction of emissions; respect Indigenous Peoples' rights; protect biodiversity; and prevent poaching of at-risk 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 one-fifth the size of California, is lost every year due to human activities. Tropical deforestation is the third leading driver of global

CO₂ emissions.ⁱ Boreal forests account for one-third of the world's forested areasⁱⁱ and, after mangroves, are the most carbon-dense forests on earth.ⁱⁱⁱ The Canadian boreal forest alone stores twice as much carbon as the world's oil reserves and is the nesting ground for billions of migratory birds.^{iv}

The main driver of deforestation and forest degradation in both tropical and boreal forests is industrial-scale production of "forest-risk commodities," including palm oil, soy, cattle, rubber, paper/pulp and timber, among other commodities. Products containing these commodities are widely consumed—making virtually all consumers inadvertent contributors to the destruction and degradation of tropical and boreal forests.

Tropical and boreal deforestation and degradation in many countries is closely associated with violations of the land rights of Indigenous Peoples. Tropical deforestation is also connected with the exploitation of workers, forced labor, child labor, 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 and boreal deforestation and forest degradation. 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,^v and the disappearance of numerous species in these regions. In some tropical areas deforestation has cut orangutan populations by more than half over the last 15 years.^{vi} In North America, only 15 of 51 boreal caribou herds have sufficient habitat to survive long-term, primarily as a result of industrial

logging, while 33 percent of boreal birds have declined in the last 50 years.^{vii}

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 end deforestation by 2030.^{viii}

Hundreds of consumer brands, commodity traders, and national and subnational governments have shown support for ending deforestation and primary forest degradation, and have adopted NDPE policies committing them to zero deforestation in their supply chains. Since 2016, nation-states, notably Norway and France, have also adopted deforestation-free procurement approaches.

SOLUTION

The California Deforestation-Free Procurement Act will complement global efforts to curb deforestation and its attendant contribution to climate change by ensuring that entities contracting with the State of California do not contribute to tropical or boreal forest loss directly or through their supply chains.

Specifically, AB 416 requires state procurement contracts entered or renewed by January 1, 2023, that includes wholly or in part a forest-risk commodity to certify that the product has not contributed to tropical or boreal deforestation or primary forest degradation. AB 416 would also require those state contractors dealing with forest-risk commodities to have in place an NDPE policy.

In order to promote guidance and best practices, AB 416 requires the Department of General Services to develop a Deforestation-Free Code of Conduct by July 1, 2022, that includes a list of forest-risk commodities and guidance for contractors in order to identify forest-risk commodities in their supply chain.

Failing to comply with the state's no-deforestation procurement policy shall be grounds for ending a

state contract and contractors may be subject to monetary penalties proportional to the size of the contract.

AB 416 extends California's environmental leadership to the protection of tropical and boreal forests and sends a crucial signal to global markets that illegal and destructive commodity-driven deforestation and primary forest degradation will not be tolerated.

SPONSORS

Friends of the Earth
Natural Resources Defense Council
Peace 4 Animals
Social Compassion in Legislation

CONTACT

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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 Pohjanmies, Tähti, et al. *Impacts of Forestry on Boreal Forests: An Ecosystem Services Perspective*, *Ambio* November 2017 46, (7) 743-755

ⁱⁱⁱ Watson, Robert T. et al., *Special Report on Land Use, Land-Use Change, and Forestry: Summary for Policymakers*, Intergovernmental Panel on Climate Change 2000,
<https://www.ipcc.ch/site/assets/uploads/2018/03/sr1-en-1.pdf>

^{iv} Wells, Jeffrey V., Boreal Forest Threats and Conservation Status, in *Boreal Birds of North America: A Hemispheric View of their Conservation Links and Significance* 2011.

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

^{vi} <https://www.worldwildlife.org/species/orangutan>

^{vii} Rosenberg, Kenneth V. et al., *Decline of the North American Avifauna*, *Science* October 4, 2019 366 (6461) 120-124

^{viii} 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