

California's Hand in Global Deforestation: Key points and FAQ's

Assembly Bill 1979, the California Deforestation-Free Procurement Act, would require state contracts comprised of forest-risk commodities, entered or renewed on or after January 1, 2025, to certify that their operations and their supply chains are not contributing to tropical deforestation and have in place a “forest” policy – a set of policies and procedures that contractors maintain in order to prevent tropical deforestation and intact forest degradation, as well as violations of Indigenous and traditional communities’ rights to free, prior, and informed consent within proximity of a business entity’s sphere of operations.

As Californians and people around the world face growing threats from climate change and ecosystem collapse, from the extremes of heatwaves and polar vortexes to devastating drought and repeated 100-year storms, this bill is a critical step toward protecting one of the forest biomes most vital to securing a safe, livable future.

How is the state of California linked to tropical deforestation?

The main driver of deforestation and forest degradation in tropical forests is industrial-scale production of “forest-risk commodities,” and the logging and road-building that enables it. These commodities include palm oil, soy, cattle, rubber, paper/pulp and timber. Products containing these commodities are widely consumed—making virtually all consumers inadvertent contributors to the destruction and degradation of tropical and boreal forests.

Each year, U.S. demand for imported products like palm oil, beef, pulp and paper, lumber and plywood, leather, coffee, cocoa, rubber, and soy is leaving behind vast clearcut areas that jeopardize our climate, at-risk species, and Indigenous peoples. In order to transform our economies towards greater sustainability, resilience and equity, it is crucial that we reduce consumption, especially in the over-consuming wealthy nations of the Global North. Globally, governments spend an estimated \$13 trillion annually — one-sixth of global GDP — in the procurement of goods. As the world’s fifth largest economy California has an enormous annual budget that is interwoven in global supply chains, some of which result in degraded or razed forests and ecosystems abroad.

How much of California's yearly budget contributes to deforestation?

An unreleased study based on California’s 2019 public purchasing data* reveals that up to one quarter of California’s public purchasing – \$600 million – is linked to deforestation in sensitive forests across the world. Three quarters of the forest-risk products procured by California (by value) contain palm oil (8% of state purchasing), soy (6% of state purchasing) or timber (5% of state purchasing).

(*Note: the study is based on proprietary information, so has not been made public, but the data can be shared upon request.)

What can California's legislators do to extract state contracts from deforestation?

Assembly Member Kalra (D-San Jose) has introduced CA AB 1979, which would require state procurement contracts that involve forest-risk commodities to certify that their operations and their supply chains do not involve tropical deforestation or primary forest degradation.

The bill promises protection for forests that are essential to storing carbon and providing habitat and home for threatened species, as well as protecting at-risk Indigenous peoples. The state-level procurement bill will create an important precedent in establishing mechanisms for ensuring supply chain transparency.

California's AB 1979 is authored by Assembly Member Ash Kalra, and co-authored by Assembly Members Lee and Senator Stern, along with Assembly Members Bloom, Friedman, Luz Rivas, and Robert Rivas and Senator Allen. AB1979 is co-sponsored by Friends of the Earth and Social Compassion in Legislation.

Why is it important to preserve tropical forests?

Tropical deforestation and primary forest degradation are responsible for almost one quarter of global greenhouse gas emissions. Ending deforestation in California's public procurement will also address concerns about biodiversity and human rights violations.

Tropical forests cover roughly seven percent of the Earth's surface but harbor close to 50 percent of all species on Earth; an estimated 30 million acres of tropical forest, an area one-third the size of California, is lost every year due to industrial activities, making tropical deforestation the third leading driver of global CO2 emissions. Forest degradation in the tropics has been shown to be even more extensive than deforestation.

Reductions in rainfall and snowpack in parts of the U.S. have been linked to deforestation in the Amazon. Tropical forest loss is also linked to a global rise in pandemics, increasing the likelihood of the spread of zoonotic diseases like COVID-19.

Weak governance, corruption, and lack of transparency in many tropical forest countries such as Brazil and Indonesia contribute to high rates of deforestation and forest degradation.

Is there precedent for legislation like this?

California's AB 1979 will be the first laws of its kind in the United States, though it bears similarities to the California Transparency in Supply Chains Act, which requires the state to ban public purchasing of products linked to slavery and human trafficking. New York has a parallel bill (S5921) that is part of a trend towards greater regulation of deforestation in public procurement, as reflected in similar initiatives in France, Norway, the EU and other jurisdictions.

Why is this bill important NOW?

Globally, deforestation and forest degradation are at the intersection of multiple overlapping crisis: the climate crisis, the biodiversity crisis, and an epidemic of violence against environment and human rights defenders, with, on average, four land defenders murdered every week around the world. If current trends continue there will be a major mass extinction in tropical forests and the biodiverse ecosystem they hold, and the disappearance of numerous species in these regions.

While countries recently acknowledged the critical importance of forests to the climate and biodiversity in the 2021 COP26 Glasgow Leaders' Declaration on Forests and Land Use, the success of this framework will depend on strong commitments to end deforestation and protect intact forests globally, both in the tropics and Northern forests. Prior frameworks, such as the New York Declaration on Forests, to which California was a signatory, have failed due to a lack of corporate accountability and measures to address forest impacts in the Global North.

This bill would position California as a leader in realizing the full scale of the vision of the Glasgow Declaration and place the state at the forefront of a global political and marketplace push to curtail forest loss.

Who supports this bill?

- ▶ Virtually every environmental organization in the country supports this bill.
- ▶ The responsible investment community: a coalition of responsible investors who collectively manage \$1.65 trillion in assets have expressed support for the bill in California as well as the bill in New York.
- ▶ Indigenous peoples: the world's largest federation of indigenous peoples' organizations from Asia and Latin America have expressed support for the bill. In fact, the only opposition to the bill is from industry associations with long records of opposing any regulation of their industries.