

# THE FOSTERING OVERSEAS RULE OF LAW AND ENVIRONMENTALLY SOUND TRADE (FOREST) ACT OF 2021

Deforestation in tropical countries produces about 4.8 gigatons of greenhouse gas emissions per year. Put another way, deforestation ranks as the third largest “country” in terms of emissions, underscoring the need to address this problem as part of the global solution to the climate crisis.

## *The Problem*

Nearly half of all tropical deforestation is estimated to be the result of illegal conversion of forest for commercial agriculture. Just four commodities—beef, soy, palm oil, and wood products—drive most of the deforestation. Agricultural commodities produced on illegally deforested land enter international markets and unfairly compete with products produced legally. Illegal deforestation is also often associated with corruption, organized crime, and human rights abuses, including violence against indigenous peoples and other environmental defenders.

## *The Solution*

The FOREST Act prohibits access to U.S. markets for commodities that originate from illegally deforested land—reducing the long-term incentive to sacrifice productive forests for agriculture uses. The bill also uses this market leverage to bring all interested parties together to improve laws, monitoring, and enforcement in countries experiencing illegal deforestation.

Companies and governments are increasingly making commitments to end deforestation within their supply chains and borders. Yet the clearing of forests is accelerating, often in violation of a producer country’s laws, and companies are consistently falling short of their goals. Elimination of commodity-driven deforestation is good for the environment and good for business. This bill creates the roadmap for how countries can use trade access to directly address deforestation internationally.

## **The bill has 4 major parts:**

1. A risk-based framework for increasing transparency and reporting in companies’ international supply chains – built from the success of the Lacey Act.
2. Financial and technical assistance that enable countries, companies, and the U.S. federal government to coordinate solutions to reduce illegal deforestation.
3. Provisions that include illegal deforestation in financial crime statutes so the United States can prosecute those who use the proceeds from deforestation to fund other criminal or terrorist enterprises.
4. Purchasing preference for the federal government for deforestation-free products.

The framework creates a whole-of-government approach—drawing expertise from the U.S. Trade Representative, Customs and Border Protection, U.S. Agency for International Development, and the Departments of State, Justice, the Interior, and Agriculture.

The bill also creates a standing advisory committee to bring the expertise of companies and other interested parties into the implementation process. The advisory committee ensures that program implementation will be informed by the companies and groups that have been working for years to address this issue.