

Op-ed De Volkskrant, April 8, 2021

Dutch pension funds are funding deforestation and they could and should do something about that

[Opinie: Nederlandse pensioenfondsen financieren ontbossing en daar kunnen en moeten ze iets aan doen | De Volkskrant](#)

The Netherlands has been funding worldwide deforestation. According to the *World Resource Institute* more than 4 million hectares of tropical forest has been felled the past year. This is an area the size of the Netherlands, furthermore it is an increase of 12 percent in relation to the previous year. Dutch banks and pension funds are facilitating and investing in this deforestation.

The ground reason for this tropical deforestation is the growing demand for agricultural lands for the production of beef, and palm and soy oil. More than one third of the international trade of these products is destined for the European market. The European Commission is aware of its responsibility: it is working on a proposal for the 'European forest law'. The Netherlands presents itself as an ally to make trade chains deforestation free. However, something is still going wrong.

One and a half million of hectares

Under Bolsonaro's rule in Brazil 1,5 million hectares of Amazon forest has been lost in 2020. Beef is the main culprit. Big Brazilian meat processing companies such as JBS and Marfrig are involved with this deforestation. These companies receive loans from Dutch banks and the pension funds ABP, PFWZ and BpfBOUW invest millions in them. The pension fund ABP, which is a fund for the government and teachers, is one of the ten biggest investors in JBS.

Self-regulation is failing. In the previous years, financial institutions have tightened up their policies and discussed matters with problematic enterprises. However, these initiatives did not pick up on the Dutch funding of the deforestation and the violation of human rights.

As long as the banks and pension funds can profit from the destruction of the forest they will remain part of the problem. They are undermining the government's efforts to decrease deforestation, this has to change.

Destruction or responsibility

People do not want their pension fund to invest in the destruction of the Amazon. Scientists from Wageningen University and Research no longer want ABP to invest in Brazilian meat processing companies. However, most consumers are unaware of the problematics. The reaction from the minister of finance claimed that pension funds themselves are responsible for their choice of investment in companies. However, the choice to fund the deforestation of the Amazon should not be in the hands of individual organizations, nor in the hands of employers and private investors.

The government should take her responsibility by creating obligations for financial institutions to make sure they do not fund companies that are involved in deforestation. The Netherlands

should stand up for this obligation within the European forest law. By doing so we create an level playing field for financial institutions all over Europe and we make 'deforestation free' financing the norm.