

EU • FOREST WATCH

NAFTA blamed for forest loss in Mexico

An independent study exploring the impacts of NAFTA on forests and peoples in Mexico has found that as timber production has increased so forests, the environment, justice and local peoples have suffered. The findings represent the first proper scientific assessment of the impact of trade liberalisation in the forest products sector, and show that the promised 'environmental and social benefits' of low tariff agreements like NAFTA are spurious claims.

The study¹ was presented by the Comisión de Solidaridad y Defensa de los Derechos Humanos and the Texas Center for Policy Studies at a seminar organised by the North American Commission for Environment Cooperation, an organisation established under

NAFTA to examine the links between trade and the environment. In it the authors conclude that despite low tariffs in the forest products sector NAFTA has had a substantial negative impact on the forests in the Mexican state Chihuahua. Trade data shows that imports of pulp and paper products from the United States into Mexico have increased rapidly, and this has forced local producers to keep prices low and avoid environmental regulations. In addition, hundreds of citizens' complaints about illegal logging and unsustainable forestry practices have been filed, but the Mexican government has failed to respond, and has ignored environmental and forestry laws.

Indigenous leaders and NGOs

have asked the government to enforce environmental laws, to assess the damage done by forestry-based industries, and to provide a basis for a land management system that will protect forests, peoples and the environment.

The authors of the study want to see more attention placed on sustainable forest management and believe that illegal logging, which is not counted under the official statistics, has also increased since NAFTA. A study to be published shortly by Fern and WWF International explores the links between trade liberalization and forests.

¹ The Forestry Industry in the State of Chihuahua: Economic, Ecological and Social Impacts post NAFTA. Available at www.cec.org.

Human rights abuses in Mexican anti-logging campaign

Two farmers have been convicted on false charges and sentenced to 6-10 years in prison because of their campaign against uncontrolled logging in the Sierra de Petatlán mountain range in Mexico. Before their arrest and imprisonment in May 1999, Rodolfo Montiel Flores, 45, and Teodoro Cabrera García, 50, campaigned to protect old-growth forests and to prevent the destructive logging operations in the Costa Grande region of Guerrero.

The focus of the Organization of Campesino Ecologists of the Sierra de Petatlán and Coyuca de Catalán was the protection of local farms that were suffering from soil erosion and

low water levels caused by the logging activities and forest destruction. Amnesty International declared both men Prisoners of Conscience in March 2000, and Rodolfo Montiel was awarded the Goldman Environmental Prize.

Four members of the environmental organisation have already been killed. In May 1999 the Mexican army illegally detained Montiel and Cabrera and after being held incommunicado for five days and suffering torture, they were forced to sign false confessions.

The EU is Mexico's second largest trading partner and EU investment (FDI) to Mexico has

increased by 252% from 1993 to 1996. The Global Agreement between the EU and Mexico, which came into force on 1 October 2000, has respect for human rights as its basis, as well as the principles of the rule of law and good governance, and the principles of sustainable development. However, it is clear that currently none of this is being properly implemented in Mexico. Fern has sent a letter to Pascal Lamy to address these concerns. An appeal to release Montiel and Cabrera has been launched by Amnesty International and is supported by Fern. For more information see Fern's website.

The European Investment Bank: what is it hiding?

Representatives of one of the world's biggest and most secretive funders of development projects, including projects that impact on forests, met NGOs at a roundtable meeting in October 2000¹ to discuss a forthcoming information policy.

Lending more money every year than the World Bank, the European Investment Bank (EIB) is funded by EU member states to grant loans for investment projects within and outside the EU. In 1999 it provided finance totalling 31.8 billion euros and its current portfolio covers investments in more than 120 countries, with more than 16% of EIB's total lending going outside the European Union.

Yet the EIB lags far behind other international financial institutions in terms of its transparency, accountability, and the way it addresses environmental and social issues. Its current policy offers

almost no access to project related information, and the drafting process for its new policy has been far from open. Yet being an EU institution the Bank has great reason to be accountable to citizens of the European Union. Even so, in a recent case concerning a project in Hungary brought by the NGO BankWatch, the EIB rejected the right of the EU ombudsman to request information from the Bank.

The Bank now seems to be preparing for its new information policy with nothing but excuses. Unable to speak openly about expectations for the coming policy (perhaps a worrying indication of what is to come), little progress with the Bank was made at the meeting. More information is available from CEE Bankwatch.²

¹ Hosted by CEE Bankwatch and the Heinrich Boll Foundation

² Bankwatch: main@bankwatch.org

Development policy ignores all that was asked for

On 10 November 2000 the Development Council is expected to adopt, with no fundamental changes, the Commission's proposal for a new EC development policy¹. If so, environmental and development NGOs will be dismayed as a golden opportunity to improve environmental standards (a pre-requisite for sustainable development) around the world will have been missed.

The new policy was originally expected² to tally closely with existing policies such as the indigenous peoples resolution, the tropical forest policy and the draft strategy on environmental integration. However, these papers have been ignored, leaving NGOs as well as Commission officials and MEPs bewildered. Instead, in its preliminary conclusions, the Council accepts the development policy's six main themes which put market integration at the centre of poverty

alleviation, and fails to emphasise the importance of a healthy environment.

In addition, environmental NGOs were excluded from the consultation process and the comments of development NGOs were ignored.

¹ For detailed comments and the development policy paper see Fern's website.

² Minutes Council meeting May 2000.

EU Forest Watch informs NGOs, MEPs and European Commission officials about the forest debate in Brussels. It is published by Fern, an NGO created by the World Rainforest Movement. Fern advocates changes in EU activities in order to achieve:

- conservation and sustainable management of forests,
- respect for the rights of forest peoples,
- greater transparency in EU aid to tropical forest countries.

For more information visit our website
<http://www.greenet.org.uk/fern>

8-country start

The eight-country initiative to 'shape the programme of work for the United Nations Forum on Forests' (see FW 44) kicked off in an open way this month. Parties (who weren't put off by the length and complexity) submitted their responses to a questionnaire that will form the basis for discussions from 27 November - 1 December in Bonn. Ironically, this date clashes with that of the CBD technical expert group on forests. It will be interesting to see in which basket governments will now put their eggs. Fern's response to the questionnaire is available on our website at www.greenet.org.uk/fern/.

Forest Agenda

- **7 November**, Environmental Council meeting on climate change.
- **10 November**, Development Council meeting.
- **13 - 24 November**, COP6 of Climate Change Convention (UNFCCC) in The Hague.
- **13 November** - COP6 side event organised by WRM to show environmental and social impacts of carbon sink plantations.
- **23 November**, DG Trade consultation with civil society.
- **27 - 30 November**, Eight-country initiative meeting on the workplan of the UNFF.

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