



EU

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Is Lamy faking it?

As *Forest Watch* goes to press, NGOs are preparing to challenge representatives from DG Trade on their recent paper, *The Non-Trade Impacts of Trade Policy – Asking Questions, Seeking Development*¹, at what looks set to be a highly charged meeting on 2 March.

The paper, which is DG Trade's draft contribution to the EU's Sustainable Development Strategy, has caused an outcry amongst NGOs who believe it fails to address the environmental and social impacts of trade policy.

The meeting on 2 March is the first of two civil society consultations inviting NGOs to give their comments to DG Trade. However, NGOs are concerned that the meetings are simply a public relations exercise intended to divert protests and criticisms, and that their comments will be largely ignored.

The consensus amongst NGOs is that the underlying economic theory needs to be revisited to ensure environmental and social priorities are fully integrated into trade policy. This is the only way in which trade can make a positive contribution to sustainable development.

Although NGOs welcome the Commission's proposal to provide an outline for Sustainability Impact Assessments to the Council on important multilateral negotiations and is committed to mandatory SIAs for EU-ACP regional trade negotiations, they are nevertheless disappointed this is not

applied to all forms of trade negotiations. Another area of concern is the limited role of the SIA, which should be used to inform liberalisation decisions before they are taken, rather than mitigate their impact after the fact.

Within the WTO, forests are treated as industrial goods and their environmental importance is not recognised. Rather than making broad comments on trade impacts, the particular issues relating to forests should be addressed. If DG Trade feels it lacks the expertise to address this fully, it should transfer the task of drafting this chapter to other services where experts are available. As the environmental dimension of forests is of fundamental importance to sustainable development, DG Environment could take the lead – assisted by DG Development to ensure the needs of Southern countries are met. It is unclear to what extent these DGs have been consulted for this paper.

If, after the meeting, NGOs still feel they need an extra opportunity to debate points with senior officials, they may like to join an email chat event, *New millennium, new opportunities for a global new deal*, where Commissioners Lamy and Nielson will be available to answer questions!

¹ http://europa.eu.int/comm/trade/pdf/csc_idp.pdf

² 2 April 2001, 6pm - 8pm Central European Time, http://europa.eu.int/comm/trade/index_en.htm

Update: Hope for UNFF work plan

At the final pre-meeting of the UNFF in New York in February it appeared that much repeated NGO demands for 'implementation, implementation, implementation' of proposed actions to protect forests may have had an impact.

Most of the discussion focused on organisational matters such as locations for the secretariat (New York) and for five future sessions (New York, Geneva, San Jose, Geneva, New York). Officials were also elected, with Mr Mubarak of Sudan as Chair, and Vice Chairs from Indonesia, Peru and Norway.

Although no final decisions were made about the UNFF's work-programme, a strong consensus to focus on implementation was noted. This offers some hope that the UNFF will focus on action on the ground and avoid the long debates on legal arrangements and finance which stymied progress during the pre-UNFF period. Unfortunately, countries such as Canada, by hosting a confidential meeting of the 'Friends of the Convention', raised concerns amongst delegates and NGOs that the UNFF will also be held back by lengthy discussions on a legally binding instrument.

The first proper meeting of the UNFF, scheduled for 11-22 June 2001, will reveal whether the the Forum can make a fresh start and establish itself as an authoritative body, or whether it will be hijacked by the entrenched positions of the past.



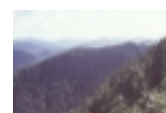
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Carmanah Valley, Canada.

Like many tropical forests, this temperate rainforest is the focus of a land rights

dispute and an environmental campaign. NGOs and forest peoples have joined forces to protect the valley from clear cutting.

New trade report **Mutual recognition no closer**

Fern has published a new report investigating the impact of trade liberalisation on forests and forest peoples.

The report, funded by WWF, is directed at forest NGOs and provides background information about the trade debate and how it affects forest issues. Worldwide, the quantity of forest products has doubled since 1970, and the value of forest products has tripled between 1970 and 1995 to reach \$152 billion a year.

The report steps beyond the impact of commercial logging to deal with tariffs, non tariff measures and the impact of agricultural trade. Sustainability impact assessments are found to be virtually non-existent on trade agreements.

The 40-page report, *Trade liberalisation and its impacts on forests*, is available free at Fern's website (www.fern.org), or paper copies are available from Fern with a • 10 charge for administration and postage.

EU makes good start in run-up to Rio+10

In a rare break from tradition, the Commission has produced a document that airs both enthusiasm and political will towards some of the most pressing environmental issues of the day.

The Commission's document, *Ten years after Rio: preparing for the world summit on sustainable development in 2002*, is upfront about the failure of policy initiatives since Rio, it discusses the need to address unsustainable consumption levels and the growing inequalities within and between countries. We welcome it.

The communication, which is a joint initiative of DG Environment and DG Development, lists the priorities and actions for the EU in preparation for Rio+10. Four strategic objectives are proposed:

- Increased global equity
- Better integration of environment

and development at international level

Despite their aim of 'building confidence between different certification schemes' the organisers of the workshop with this title – the FAO, ITTO and GTZ – did not allow sufficient time during their meeting to achieve this.

Only 50 minutes of the two-day Rome meeting in February were actually dedicated to confidence building. The remaining time was taken up by the slick presentations of different certification schemes, and frameworks and criteria for mutual recognition. Considering the existing level of mistrust between supporters of the different schemes, this was the wrong approach. Unsurprisingly, not much progress towards confidence building was made.

Reconciling different interests and values is clearly possible, although it looks like it may be a long and sometimes acrimonious process. So far the main supporters of the Pan European Forest Certification scheme, the forest owners,

have shown no interest in reconciling different interests as the PEFC scheme is set up in such a way that forest owners have the majority of votes. Meanwhile, environmental NGOs made it clear that the Forest Stewardship Council is currently the only scheme that meets their minimum requirements. They are not willing to discuss any other scheme or framework that does not meet the same minimum requirements. Hence the current deadlock. Southern countries' representatives often felt alienated during the workshop, as their needs were not addressed by these discussions.

Calls by governments and some industry representatives for a quick mutual recognition process will therefore not be answered as long as the two camps will not sit face to face around the table and talk about the problems and look for solutions. Until that happens, the current public battle between PEFC and FSC is likely to get worse before it gets better.

Forest Agenda

3-6 March: Joint NGO meeting on Export Credit Agencies. Celleno, Italy.

12-16 March: FAO Committee on Forestry (COFO) meeting in Rome

12-16 March: CBD SBSTTA-6 Montreal. On the agenda: alien species and climate change.

19-20 March: Interagency Task Force Forests meeting in Rome

26-27 March: Improvement of the Pan European Indicators for SFM, Liechtenstein.

27 April: DG Trade consultation: Ad-hoc meeting on trade and sustainable development, Brussels.

and development at international level

- Adoption of environment and development targets to revitalise and provide focus for the Rio process
- More effective action at national level with stronger international monitoring.

All of these make sense. The fact that the Commission stresses that other, less inspirational, EU contributions such as the draft sustainable development strategy, the sixth EAP and the EC's development strategy will be important for Rio+10 is therefore worrying. Most of these miss out the good points of this new communication and were not based on consultation with civil society within and beyond Europe – something this document also calls for. It therefore remains to be seen if and how this document will be converted into concrete EU activities in the lead-up to Rio+10.