



EU

Forest Watch

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Informing NGOs, MEPs and European Commission officials. Issue 68 November 2002.

Illegal logging: Regulation plea

At a seminar organised by FERN on 25 October, Poul Nielson, Commissioner for Development Co-operation made a strong plea for the EU to adopt legislation to tackle the import of illegally sourced timber: "We must address the demand and other legislative weaknesses, which open EU markets freely to illegal timber."

His sentiments were echoed by virtually all participants at the seminar, opening the way for an EU Regulation to be put into place. The basis for discussion at the seminar (attended by member state representatives, Commission officials, NGOs and the private sector) was a draft report on options to control the import of illegally-sourced timber, jointly written by the Royal Institute of International Affairs (RIIA) and FERN. The full report will be published before the end of the year.¹

Illegal logging is a growing problem, and the EU, as a major consumer of wood products, is complicit unless it develops means to control the import of illegally-sourced timber, as confirmed by the European Commission. NGOs estimate that almost 50% of tropical timber into the EU is illegally sourced and nearly 20% of timber from boreal forests.

1. For more information contact chantal@fern.org

Brazil seizes illegal mahogany shipment

Brazil's environmental protection agency Ibama has seized a \$108,000 shipment of illegal mahogany heading for Sweden from an Amazon port. It was the second such confiscation in less than a week. The shipment's documentation identified the wood as another tropical hardwood species. Brazil has had a near total ban on mahogany logging since 1996. "The repetition of these crimes demonstrates that this country alone can't guarantee the protection of the species, when it has such a high value on the international market," said a Greenpeace campaigner.

World Bank to log primary rainforests

On 30 October, the World Bank's Board of Executive Directors approved a new forests policy. After one of the longest and most controversial consultation processes the Bank has ever carried out, the revised policy was pushed through in two days of unprecedentedly strong debates, despite objections from some governments. Although the final text of the policy has yet to be officially released, the main elements are already clear. Reversing the 1991 policy (which disallowed World Bank funding of logging in primary moist tropical forests), the new policy will prevent all Bank operations from causing 'significant' damage to 'critical forests', while forestry projects are in addition to be subject to certification.

Most NGOs had called for retaining the proscription against old-growth logging and extending it to boreal, temperate and tropical dry forests. They are deeply concerned that lack of clarity, about how much damage is 'significant' and in the definition of 'critical forests', will allow many destructive projects to go ahead. The lack of effective safeguards to protect the rights of vulnerable forest peoples is another major NGO concern. Protections offered to forest-dwellers in forestry projects have not been extended to forest-dwellers affected by non-forestry lending. The new policy also relies on the procedures of the existing natural habitats policy which, some critics claim, actually does allow critical habitats to be destroyed, at the discretion

of the Bank's regional vice-presidents.

One of the issues longest debated at the Board was whether this policy should apply to structural adjustment and programmatic loans, which now make up over a third of World Bank lending. The new policy does not apply to such loans but a compromise agreement was reached at the Board, requiring the regional vice-presidencies to get technical opinions on any such loans that might cause 'significant' damage to forests. This requirement will not be written into the policy, however. In view of the controversial nature of the new policy, the Board also required an independent review of the implementation of the new policy in three years' time.



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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.

NEWS IN BRIEF

Why carbon sinks won't work

A new study into carbon sinks has found that the soil in the 'Kyoto forests' will actually release more carbon than the growing trees absorb in the first ten years, according to a report in the *New Scientist*.¹ "Countries will be able to claim carbon credits for the forests. But that won't reflect what is happening in the atmosphere," says Riccardo Valentini of the University of Tuscia in Viterbo, Italy. He was presenting the findings of CarboEurope, a programme researching the carbon budget.

1. More information: www.newscientist.com

First annual report for Europe Aid

A Commission report summarizing Europe Aid's first year implementing external assistance is now available.² The report accounts for the €9.7 billion committed and €7.7 billion disbursed in 2001. EC spending makes up roughly 10% of world overseas development aid. The report, a key output following reform of European Community aid, provides a comprehensive account of all geographical and horizontal budgets.

2. http://europa.eu.int/comm/europeaid/reports/index_en.htm

DRC: Timber profits fueling war

A UN Panel of Experts has released its final report on the illegal exploitation and trade of timber, minerals and diamonds from the Democratic Republic of the Congo (DRC). The report tells a shocking tale of how profit making, for local warlords and international corporations, fuels the humanitarian disaster ravaging the country. According to the Panel, the humanitarian consequences of the financially-driven conflict has been horrific, with at least three million deaths since the war began. Summing up the findings, the UN Secretary-General said when "war profiteering develops, there is no interest in peace."

Aside from imposing a reality check on those deciding the DRC's future, the Panel also highlighted the responsibility of end-user countries, including Belgium, France, Germany, the Netherlands and the United Kingdom for the products being illegally traded. It reminds these governments of their moral obligation to ensure that their corporations abide by the OECD Guidelines for Multinational Enterprises. "Governments with jurisdiction over these enterprises are complicit themselves when they do not take remedial measures," said the report. If EU countries are serious about holding corporations accountable for the environment and human rights abroad, now is the time for action.

1. Final report on the illegal exploitation of natural resources and other forms of wealth of the Democratic Republic of the Congo, UN Security Council, 16 October 2002, S/2002/1146.

Norwegian doubts grow as climate talks stall

No-one going to New Delhi for COP8 of the climate change convention expected a milestone conference. But even scaled-back expectations were hardly met. Little progress was made on remaining implementation issues, and no decisions were taken regarding the definitions and modalities for sinks in the Clean Development Mechanism (CDM). The results of the deliberations on the rules for CDM sink projects merely repeated items already called for at the previous meeting in Bonn.

EU member states still have the freedom to exclude carbon credits from project categories in their national registries. At COP6bis, the Belgian Presidency stated that "The fact that sinks have been included [in the CDM] doesn't mean we have to use them." Indeed, it does not. EU member states must be reminded of this possibility and follow Norway's lead. There, an ongoing parliamentary debate calls for the exclusion of carbon-sink project credits from Norway's climate registry.

Australian NGOs reject AFS certification

A newly-launched forest certification scheme in Australia has run immediately into strong NGO criticism. A number of environmental NGOs, including Friends of the Earth (FoE), WWF and the Native Forest Network, have rejected the standard developed by the Australian timber industry, the government and its agencies. A wide range of environmental groups withdrew from the standard's development process earlier this year as they felt none of their concerns was being addressed. Since then, the Australian Forestry Standard has been finalised without the involvement, or endorsement of environmental NGOs. According to WWF and FoE Australia, the standard allows native forests to be converted to plantations and logging of high conservation value forests. Claims that the AFS will make Australian wood products more appealing to domestic and overseas markets are considered by these NGOs as 'ludicrous'. They state that nothing could be less appealing to consumers than a bogus claim of sustainability. WWF will urge companies to refrain from buying AFS-certified timber and other NGOs have started a petition to protest against this standard.

Forest Agenda

13 November: The future of EU development co-operation, Brussels.

18-19 November: General Affairs and External Relations Council, Brussels.

19 November: European Parliament illegal logging seminar, Strasbourg.

20-22 November: ETFAG meeting, Frankfurt.

25 November: OECD/EPOC meeting on ECAs, Paris.

28 November: EC Forests Platform, organised by FERN, Brussels.

29 November: DG Trade illegal logging meeting, Brussels.