



EU

Forest Watch

www.fern.org

Informing NGOs, MEPs, member states, the European Commission and the media. Issue 72, March 2003.

ALA reform: flexibility but no accountability

A broad coalition of NGOs, including FERN, has called for the EU to ensure that its revision of the aid regulation for Asia and Latin America (ALA) will strengthen, not weaken, the EU's commitment to poverty and sustainable development in the regions.

At a Parliamentary hearing on 19 February, 11 NGOs circulated a joint statement on the proposed changes to the ALA Regulation, arguing that the

current draft amounts to 'a blank cheque' and gives no guarantee that the Regulation will be mainly used for development co-operation.¹ The NGOs are concerned that the Regulation could become a vehicle for the Common Foreign and Security Policy instead of directing investment in health, housing, education and the sustainable use of forests and other natural resources to achieve Europe's political objectives.²

The ALA Regulation is the main financial instrument of EC aid to Asia and Latin America. Its budget for 2003 to 2006 is €2.5b for Asia and €1.27b for Latin America. In stark contrast to the previous Regulation, the new draft emphasises the importance of increasing trade and investment, and strengthening the EU's political and economic presence, while references to forests, natural resources, indigenous peoples and local communities have been eradicated. The new Regulation is based on the belief that integration in the market economy is the main solution to poverty alleviation and that security goes before everything else.

Development Commissioner Poul Nielson told the hearing that more flexibility in EC aid spending is needed and the Commission is therefore not inclined to add many 'requests' to the draft Regulation. The European Commission believes that inflexibility in regulations has hampered the overall coherence of its aid programme. However, arguing for flexibility in the ALA Regulation without strong accountability mechanisms and safeguards (such as Parliamentary control and transparent fund-allocation criteria), risks creating an ALA aid programme that misses the goal of poverty eradication.

The NGOs are now looking to the Parliament to recognise their concerns in amendments to the Regulation.

¹ *Reviewing the regulation, a commitment of the EU's commitment to poverty eradication* available at www.fern.org

² See *EU Forest Watch* issue 66.

African NGOs reject Congo Basin Initiative

Sixteen Central African NGOs have issued an open letter expressing very strong criticisms of the Congo Basin Forest Partnership Agreement. The organisations – representing development, human rights and environmental interests – are worried that the US-led initiative fails to take account of local concerns and turns a blind eye to perpetrators of illegal logging. The NGOs say that participation of civil society from the Congo Basin is non-existent, that access to information is restricted and that some of the project partners have contributed to the plundering of forest resources or are even now logging illegally in the Congo Basin.

The Initiative, announced at the World Summit on Sustainable Development, aims to support a network of national parks, create well-managed forest concessions and create economic opportunities for forest dependent people. Partners include the governments of the Congo Basin region, France, Germany, the United Kingdom, the United States and the European Commission. The World Bank, WWF, CIFOR, American Forest and Paper Association and Association Technique des Bois Tropicaux (ATIBT) are also partners to the agreement.

In their letter the NGOs remind the Partnership that these forests have been exploited intensively and often illegally for decades. This has resulted in rapid deforestation, increased poverty and inadequate recognition of the rights of forest-dependent peoples. They ask for information on the means to address these issues to be made publicly available and for the initiative's funds to be withheld from any company guilty of illegal logging. Although they recognise that the private sector has a role to play, the initiative should not be transformed into an armistice for those breaking the law. Finally, access to information, public participation and justice must be improved.



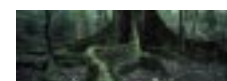
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Kakamega Forest.

Half of Kenya's only tropical rainforest has already been lost. What is left provides a unique sanctuary for biodiversity and a vital resource for local people, many of whom depend on it for fuel, medicine and food. Photo: A. Arbib.

NEWS IN BRIEF

Small grants – Calls for Proposals

The deadlines for applications to the Small Grants Fund for tropical forest projects in Thailand, the Philippines and Vietnam are rapidly approaching. The fund targets civil society and community-based projects. Forthcoming submission dates are Thailand (15 April), the Philippines (30 April) and Vietnam (31 May). See www.sgpptf.org.

With this issue: ECA demands

The European ECA Reform Campaign has issued a list of 17 demands for the reform of Export Credit Agencies. A copy of the demands, endorsed by 66 NGOs, is enclosed with *EU Forest Watch*.

New confederation of NGOs

CONCORD, a new confederation of European Development NGOs was launched on 30 January. It brings together 18 national platforms and 14 European networks, together representing more than 1,200 development NGOs. Its aim is to deliver a united message to the EU to ensure that EU commitments to eliminating poverty and promoting sustainable development are met. CONCORD is still at an early stage, but it seems certain that it will be an important voice in the EU development debate.

Swedish illegal logging in Latvia

According to a new study¹ by WWF and the Taiga Rescue Network, Sweden's dominant presence in the Latvian timber market and the reputation of Swedish companies as leaders in sustainable forest management warrants a closer look. Despite regulation and monitoring, illegal logging in Latvia is a problem, says the report. Ongoing illegal activity is overshadowing the positive steps that companies are taking. The report provides Swedish companies with clear recommendations to overcome problems and contribute to responsible trade.

1. *Responsible trade in the shadow of illegal logging* available at www.taigarecue.org

EU trade impacts on ACP regions: forests identified a key indicator of sustainability

Forests have been identified as a key indicator of sustainability for sub-Saharan Africa in the first report¹ of the Sustainability Impact Assessment (SIA) programme on trade negotiations between the EU and the African, Caribbean and Pacific regions. The report will be followed by a series of studies that will span the five-year negotiation process. The first two SIAs will look at the impact of the negotiations on West Africa and the Caribbean.

The report was prepared by a consortium of organisations on behalf of DG Trade. This group, which will also carry out the forthcoming studies, is composed of PricewaterhouseCoopers, the EcoMod research institute and two NGOs – Solagral and the African Prospective Institute.

This first report outlines the procedures for consultation in Europe, West Africa and the Caribbean region, and provides a baseline for future research. DG Trade is committed to including the programme's policy recommendations in its negotiation strategy for Economic Partnership Agreements (EPAs). EPAs are trade liberalisation agreements between the EU and sub-regions in Africa, the Caribbean and the Pacific. Their primary aim is to establish free trade areas but the negotiations are expected to take into account the need for trade-related policies to be implemented in conjunction with development policies. EPAs are a central component of the ACP-EU cooperation set out in the Cotonou Agreement.

The report lists forests as one of the qualitative and quantitative indicators for environmental sustainability. Qualitative indicators for forests include appropriate regulation, ownership issues, and good practice in forest management. Among the quantitative indicators are rates of forest clearance, ratios of plantation to natural forest, and threatened tree and animal species. As forests are essential to the survival of thousands of impoverished people in Africa, it will be interesting to see how this complex and potentially progressive analysis will be linked to the social and human development aspects of the studies.

1 http://www.sia-ACP.org/ACP/download/INCEPTION_REPORT.pdf

Illegal logging transfers to DG Development

Responsibility for the action plan to prevent illegal logging and associated trade has shifted from DG External Relations to DG Development and DG Environment. The action plan announced in 2002 is expected to be ready by May 2003. Commissioner Nielson's track record shows his commitment to this issue. His challenge now is to ensure that a high quality action plan is presented to the Council and the European Parliament, while simultaneously convincing member states that a European Regulation to control the imports of illegal timber is needed. Which it is – and urgently.

Forest Agenda

4-6 March: Visit of Jacob Lenka of the Transformation Resource Centre, Lesotho, to discuss the impacts of ECA and EIB support with European Parliamentarians.

18 March: EU Ecolabel for furniture, 2nd working group meeting, Brussels.

1-4 April: AFLEG meeting, Yaounde, Cameroon.

2 April: Briefing on human rights and ECAs at the 59th UN Human Rights Commission.