



EU

Forest Watch

www.fern.org

Informing NGOs, MEPs, member states, the European Commission and the media. Issue 73, April 2003.

Carbon sinks debated but big questions remain

The working group investigating forest-related activities that the EU could use to achieve its Kyoto emission target released its final report last month. The European Climate Change Programme report¹ presents recommendations on forest-related carbon sinks and climate change mitigation, some of which will please the pro-plantations lobby, but many of which will not.

Importantly, the report rectifies two common misconceptions about forests and carbon sinks: it clearly states that sinks are only a temporary supplement for effective reductions of emissions and that a forest's complex and intricate carbon pool represents much more than just planted trees. Preserving old-growth forests, by establishing forest reserve areas, and restoring forest wetlands are among the management activities proposed in the report. The positive aspect of these measures is that they enhance carbon sequestration and contribute to biodiversity conservation. The report also states that profound uncertainties remain concerning the longevity of carbon sinks, and that reliable data on a number of aspects, including the cost-effectiveness of such

measures, is scarce.

However, concerns have been raised over the report's inclusion of measures that focus on fast-growing tree plantations in Southern Europe and "forest extension" – meaning the creation of plantations on former agricultural or derelict land. The environmental and social benefits of these measures are of serious concern.

Overall, although the report identifies interesting options, big questions remain. In a joint statement² FERN, WWF and RSPB have pointed out that all of the report's proposed measures – whatever their local impact – lose any merit if they are used to generate carbon credits that justify continued releases of carbon from fossil fuels. FERN will continue to argue that the only effective way for the EU to meet its Kyoto targets is through real, reliable and lasting emission cuts at source. Bogus carbon sink credits merely shift the responsibility of cutting emissions to future generations, who will face far deeper cuts than the meagre 5% of the Kyoto Protocol.

1 Available at <http://www.europa.eu.int/comm/environment/climat/forestrelatedsinks.htm>

2 For a joint response from FERN, WWF and RSPB, see www.fern.org.

Company fined for trading in illegal wood

UK customs has won a case concerning £130,000 worth of illegal ramin – a CITES-listed species from Malaysia and Indonesia. The wood was imported under a false description and was seized last year. Arquadia Ltd has admitted guilt and been ordered to pay a fine. Until the EU adopts a new regulation to prohibit the import of illegally-sourced timber, CITES remains the main legal basis for enforcement agencies to prosecute forest crimes.

Reorganisation at DG Environment

A reorganised DG Environment has centralised all forest expertise in a new Forests and Agriculture unit (B3). The move will bring together the five people working on forest issues who were previously working in different units within DG Environment, but the impact of the change remains unclear.

The new unit will implement the Forest Focus Framework Regulation. The other tasks will remain unknown until a new head of unit is appointed.

The restructuring could potentially lead to improved coherence between EU internal and international forest-related policies, and could also increase recognition for forest issues in the reform of the Common Agricultural Policy (e.g. in afforestation under the Rural Development Regulation). But there are serious concerns that broader forest issues, such as illegal logging, global biodiversity, development aid and the impacts of trade, will not get the attention needed.

It will also be a challenge for DG Environment to ensure that forests are fully integrated in cross-cutting policies in particular those dealt with by the International Directorate, which will lose its forest expertise. It is hoped that the new head of unit will be someone who understands the global nature of the forest policy and recognises the value of forests for people in the North and South.



EU Forest Watch is published by FERN, the forest campaign group focusing on EU policy. For subscription details, please contact us below or subscribe online at www.fern.org.

Fern Brussels, 20 Avenue des Celtes, 1040 Brussels, Belgium.

Tel: +32 (0)2 742 2436. Fax: +32 (0)2 736 8054. E-mail: info@fern.org

Fern UK, 1c Fosseyway Business Park, Stratford Road, Moreton-in-Marsh, GL56 9NQ, UK.

Tel: +44 (0)1608 652 895. Fax: +44 (0)1608 652 878. E-mail: info@fern.org



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

New briefings on EC aid

Anyone wanting to inform themselves on EC aid now has several new sources of information. FERN has published a new briefing explaining the different types of EC aid and the policies affecting how it is spent.¹ Meanwhile, two briefings from BOND add to the information available. One highlights the impacts of EU enlargement on EC aid policies², while a second, *Guidance Note on EU institutions*,³ provides concise information on EU basics helping to demystify EU jargon.

1. See www.fern.org

2. See www.bond.org.uk/eu/euenlargement.pdf

3. See <http://www.bond.org.uk/guides/1euinstitutions.pdf>

Cotonou enters into force

Almost three years after its signature (23 June 2000), the Cotonou Agreement will enter into force on 1 April 2003 (no April fool!). The Agreement, successor of the Lomé Convention, sets the legal framework for EC trade and development co-operation with 78 countries in Africa, the Caribbean, and the Pacific for the next 20 years.

From Lesotho to Brussels

Last month, FERN was happy to host a visit from Lesotho, Jacob Lenka, from the Transformation Resource Centre. Mr. Lenka met with EU officials to discuss the Lesotho Country Strategy Paper and the Lesotho Highlands Water Project (LHWP). He reiterated his government's request for the EU to support his country's efforts to prosecute European companies accused of corrupting an official involved in the LHWP, as well as the need for the EU to step up its efforts in reforming European export credit agencies (See FW 67, October 2002).

Errata

Figures in the story on ALA reform published in the March issue of *EU Forest Watch* (FW 72) should have been in billions, not millions.

EU at crossroads on CDM carbon sinks

Over 50 Brazilian groups have published a letter¹ urging companies and governments not to buy carbon credits originating from a project involving industrial eucalyptus tree plantations. The project, known as Plantar, is one of the first projects to prepare for carbon credit registration with the Kyoto Protocol's Clean Development Mechanism. It has been developed under the auspices of the World Bank Prototype Carbon Fund (PCF) in the Brazilian state of Minas Gerais, and involves 23,000 ha of monoculture eucalyptus plantations for the production of charcoal to be used in pig iron production. Plantar has drawn criticism from NGOs since its inception as a potential CDM project because of its apparent failure to contribute to either clean development or the reduction of greenhouse gas emissions, the twin objectives of the CDM. The Brazilian groups' letter adds compelling facts to an already long list of arguments against the project's registration with the CDM.

FERN urges EU member states involved in the PCF to ensure that Plantar does not become a registered CDM sinks project. Just over a year ago, the EU argued strongly against the inclusion of sinks in the CDM, and it would be hypocritical if member states were now to approve this project by accepting Plantar credits.

1. Letter available in Portuguese and English at www.fern.org

First step to link aid and climate change policies

The new Commission paper on *Climate Change in the Context of Development Cooperation*,¹ is a positive step towards integrating environmental concerns into EC aid. However, an initial assessment by FERN identifies two areas of concern in relation to forests.

First, the paper falls short of identifying effective measures to ensure that future EC aid policies and projects will not worsen climate change. Second, the communication's vague references to carbon sequestration do not clearly exclude the EC from funding initiatives to create carbon sink credits. As these credits would be used to justify continued fossil fuel emissions, such measures would be firmly resisted by FERN. Instead, future policies on this issue should promote forest conservation and forest management as the most effective means of buffering the impacts of climate change. By conserving intact forests, the EC can support the livelihoods of forest-dependent peoples and minimise the impacts of climate change.

1 COM(2003) 85 final, available from FERN

Ecolabel on furniture

As previously announced in *EU Forest Watch*, a working group met on 18 March 2003 to discuss the criteria of the EU ecolabel for furniture. Prior to the meeting, NGOs had called for PVC to be banned and for wood to be certified by independent, third-party forest certification schemes.¹ We understand that these issues have been debated intensely by the member state representatives and other stakeholders at the working group, but the outcome is still unclear. It appears that a final decision will be taken by the EU Ecolabel Board on 20 May 2003.

1. See www.fern.org

Forest Agenda

11 April: Ecolabel meeting organised by Ministry of Environment Planning and Public Works, Athens.

28 April: Roundtable on ECAs and sustainable development. OECD Forum, Paris.

28-30 April: Fourth Ministerial Conference on the Protection of Forests in Europe, Vienna.