

Joint NGO comments on the Strategy on Forest Development Co-operation

November 2001

Compiled comments from Fern, WWF, Global Witness.

I. Strong points

- The strategy's emphasis on cross sectoral issues
"the proposed strategy consists of a two pronged approach: ensuring that impacts on forests are taken into account for interventions outside the forest sector and support to develop a favourable environment for sustainable forest management within the forest sector"
- A sound analysis of the constraints faced by forests within overall land use
"no market value for many forest goods and services; lack of recognition and understanding of forests actual and potential contribution towards poverty reduction; non recognition of traditional tenure rights of local people; direct and indirect subsidies or policy frameworks favouring competing land uses; marginalisation of forest peoples"
- The fact that the focus lies on 'how to ensure EC interventions in its six priority areas have positive impacts on forests'
"The challenge for forest sector development co-operation is to ensure that EC interventions in its six priority areas have positive impacts in forest sector development"
- Recognition of the fact that all four cross-cutting issues (gender; environment; human rights and good governance) are all equally relevant to forests, and that specifically human rights and good governance are often at the origin of many underlying causes of deforestation and forest degradation.

II. Weak points

- Lack of focus
- Lack of a clear strategy: i.e. a plan on *how* to ensure EC Interventions -both within and outside the forest sector- adhere to the analysis of the strategy
- The analysis is not always effectively reflected in the action points listed.
- Insufficient emphasis on the fact that any development plan that includes the forest sector needs to include long-term income generating opportunities for the poor people that depend on forests

III. Missing points

Procedural points:

- Clear strategy on how to involve civil society groups in further development and implementation of the strategy at global, regional and national level:

- Lack of clear commitment and /or procedures to develop procedures for all stakeholder involvement in development, implementation and evaluation of projects;
- No review or monitoring programme on implementation of the strategy nor annual reporting on impact of strategy on EC aid. This is essential specifically in the light of the negative conclusions of the ECO study on the impact of EC aid on forests.
- References need to be included.

Issues

- Production and consumption issues.
- The role of the EU in international corporate finance, e.g. the Export Credit Agencies in the member states and the EU's European Investment Fund, as part of the EIB.
- The unsustainability of much of the logging activities of Europe's timber industry abroad, specifically in Africa. 1989 communication mentioned code of conduct.
- Green procurement policy by EC institutions etc

IV. Preliminary concrete suggestions for improvement

(focusing on chapter 6 highlighting the strategy for the EC to follow)

2.1. Overview forests and livelihoods of the poor

- Indigenous Peoples has an 's' at the end, as recognised by the Council Resolution on Indigenous Peoples.
- The role forests have as a carbon store rather than as a sink needs to be emphasised.

2.2. Current situation

- Highlight the fact that carbon sequestration counters the EU position that forests should not be used as sinks in the CDM. Lack of permanence, land tenure, locking up land for 90 years etc are all reasons why the EC should not fund carbon sink projects.
- Globalisation: add the need to assess the impact of agriculture tariff liberalisation e.g. oil palm, soya on forests, as well as the potential impact of non tariff measures and investment.
- Add unsustainable consumption issues under (1)

3.2.1. Intergovernmental Forest Process

- Too much emphasis on IpF, IFF and UNFF and no mention of CBD. Both have not been effective, but CBD at least on paper has made leaps forward. This needs to be recognised.

3.2.2. Multilateral Environment and trade agreements

- Add the IP forum under CBD as it is specifically relevant to forests and traditional knowledge.

- Kyoto Protocol. Make clear that the ToR for sinks have not yet been defined and that EC will not fund projects until good ToR have been defined.

6.1.1. *Trade and Development*

- The huge impact of logging and mining for export on forest destruction and lives of forest people should be made clearer.
- The market access text should include effect of reducing tariffs in developing countries, where impacts might be higher.
- Consumption and Production issues should be listed here. Our growing consumption of timber and timber (pulp and paper!) products is unsustainable if translated to the global population.
- Capacity building is a cross-cutting issue of relevance to all points mentioned in 6.1.1. It is of a different nature than the other topics. Specifically relevant is the need for consultation with civil society in partner countries when the EU is negotiating trade agreements.
- Address perverse incentives, i.e. subsidies, one of the most important ‘underlying causes’ of forest loss, linked to trade. See WRI note on perverse subsidies.
- Actions to take on illegal logging should be more specific. The EU cannot undermine producer countries’ law enforcement by importing massive amounts of illegally sourced timber and timber products. Also undermines EU country programmes.
- Take out the objective ‘to define an internationally agreed framework for the definition of sustainable forest management’. Such a framework more or less exists in the 9 different regional C& I processes. However they are not developed for forest certification, and should according to the EU rightly not be used for certification either. A global framework for defining a forest certification standard to be developed by governments is not desirable, as certification is first and foremost a market tool. Note: defining SFM for certification is against ISO rules. A more productive way forward to be used in trade agreements might be to define what a ‘credible forest certification scheme is’. The manual developed by the UK consultancy ProForest on assessing forest certification schemes provides a very good basis.
- No use of flanking measures. They are just an escape route
- There is a need to highlight local trade and integration of local and national markets before jumping to international markets.
- Ensure that once investment negotiations begin, they will not be counterproductive for forests.

FOCUS OF 6.1.1. SHOULD BE ON SIA OF ALL TRADE NEGOTIATIONS AND AGREEMENTS THAT IMPACT ON FORESTS –INCLUDING AGRICULTURE, SERVICES AND ONCE READY INVESTMENT-, PROPER CONSULTATION WITH CIVIL SOCIETY, ACTION PLAN TO ADDRESS ILLEGAL LOGGING –INCLUDING BANNING IMPORT OF ILLEGALLY SOURCED TIMBER: LINKING PRODUCTION AND CONSUMPTION ISSUES; ALLOW GREEN PROCUREMENT AND PROVIDE INCENTIVES FOR GREEN TIMBER; NO GLOBAL CERTIFICATION FRAMEWORK.

6.1.2 *Regional integration and co-operation*

- Protected areas only with full and informed consent of all local people
- Information sharing on activities of companies with bad records across regions and between regions
- Protect, manage and restore links should be made more clearly.

6.1.3. *Macro economic policies and equitable access to social services*

- Internalisation of externalities, promote application of economic incentives that capture the full social and environmental costs and benefits.
- No perverse subsidies.
- Illegal logging, no undermining of national laws.
- Good governance should be a condition for EC intervention and supports to government.
- Supporting user rights and secure tenure.
- Supporting fiscal policies in favour of conservation and sustainable forest management.

FOCUS: ADDRESS UNDERLYING CAUSES OF FOREST LOSS SUCH AS PERVERSE SUBSIDIES, AND ENSURE FDI AND THE EU'S ECA DO NOT LEAD TO FURTHER FOREST DESTRUCTION, AS IS CURRENTLY THE CASE. STRENGTHEN GOOD GOVERNANCE BY ENSURING PARTNER COUNTRIES ADHERE TO RATIFIED HR TREATIES AND SUPPORTING FISCAL AND OTHER FINANCIAL MEASURES IN FAVOUR OF CONSERVATION AND SFM (GREEN PROCUREMENT) WHILE ACTIVELY DEVELOPING AN ACTION PLAN TO COMBAT IMPORTS OF ILLEGALLY SOURCED TIMBER.

6.1.4. *Transport*

- No roads unless clear benefits to local people. Transport infrastructure should focus on communities not on extracting primary resources.
- All roads, and upgrading and improvements, should have full SIA and EIA before project is started.

NO ROADS IN PRIMARY OR HIGH CONSERVATION VALUE FOREST, UNLESS IT IS CLEAR THEY ONLY BENEFIT LOCAL COMMUNITIES, AND NOT LOGGING COMPANIES. ALL ROADS TO HAVE PROPER EIA AND SIA BEFORE PROJECT APPROVAL.

6.1.5 *Food security and sustainable rural development*

- Priority should be :clarify land and user rights.
- Ensure no large scale development projects are being pursued with EC money that have negative impact on the poorest people in society.

FOCUS ACTIVELY ON SECURING LAND AND USER RIGHTS FOR LOCAL COMMUNITIES AND ENSURE THESE TRADITIONAL RIGHTS ARE NOT BEING UNDERMINED BY EC FUNDED DEVELOPMENT PROJECTS.

6.1.6. *Institutional capacity building*

- Clear support for land and user rights claims.
- Research into traditional land rights.
- Ensure countries adhere to signed human rights treaties.
- Empowerment of local communities.
- Improved management.
- Tracking, monitoring illegal logging.
- Underlying Causes.

FOCUS ON CAPACITY BUILDING AND EMPOWERMENT OF COMMUNITY BASED ORGANISATIONS AND LOCAL AND NATIONAL NGOS IN NORTH AND SOUTH AS WELL AS ENFORCING THOSE PARTS OF NATIONAL GOVERNMENTS THAT DEAL WITH MONITORING AND IMPLEMENTATION OF NATIONAL FOREST POLICY. OTHER EC POLICY NOT TO UNDERMINE THESE EFFORTS.

6.1.7. *Cross-cutting issues*

- Mention the direct links that exist between timber trade and conflicts. The worldwide tropical timber industry traditionally approaches leaders of countries with large forest resources and weak institutions. Abiding by ‘local business practices’, it negotiates deals to extract raw materials as cheaply as possible. This mode of doing business suits the warlord economy extremely well. Predatory transnational companies have no allegiance to a given country, nor do they abide by local laws and regulations unless obliged by their hosts. Their ability to operate relies on direct deals with the ruling elite and the continued demand for their end products: plywood, chipboard and hardwoods, in this case unconcerned with, or ignorant of, the source of their goods. In this way the global market for logs plays into the hands of organised crime and warlord leaders.
Furthermore, there are numerous examples where states promote the deliberate use of disorder to allow businesses to generate revenues to fund covert agendas and civil wars. This leads to the concept of ‘shadow states’ where, below the superficially recognised state identity, there exists a situation where business has effectively captured the state. Thereafter, the responsibilities of the state to its people – democracy itself - becomes warped and subsumed as the elites seek to obtain wealth for personal, political and military reasons, regardless of the cost to the nation.

6.2. *Conclusions*

- If conclusions listed here they should bring out the focus of actions clearly. Now they look misplaced.

8.1 *Coherence among EC policies*

- Important chapter needs to be beefed up, specifically the role of other commission services. It is well known there is a total lack of coherence. Might as well be spelled out.
- Add DG Internal Market (procurement) to the list.

8.4. International partnerships

- Needs to be taken out or expanded on. Now it is unclear what partnerships are. Partnerships with whom?

9. Conclusion

- Conclusion does not match text