

EU Forest Watch

Informing NGOs, MEPs, Member States, the European Commission and the media

Issue 145 January 2010

EU Member States reject prohibition of the sale of illegal timber

The long battle to get a law in place to halt the sale of illegally sourced timber in the EU was dealt a blow on 15 December 2009 when the Council rejected calls for a prohibition coming from the European Parliament, civil society and sections of the timber industry. Member State governments including the Swedish EU presidency, Finland, Germany, Austria and Portugal rejected a prohibition, leading the Council to approve the European Commission's initial proposal¹ instead, which only required traders to set up "due diligence systems" (FW

131). Spain, the UK, Denmark, the Netherlands and Belgium had been pushing for a prohibition on the sale of illegal timber but this failed due to what UK minister Huw Irranca-Davies described as "unjustified worries" over the administrative burden on smaller forest owners and timber traders.

In its first reading of the Commission proposal, the European Parliament called for all traders in the supply chain to bear responsibility for stopping the sale of illegal timber (FW 136), not just traders placing products on the EU market for the first

time. The Parliament also demanded tough penalties for breaking the rules, including criminal sanctions, although they did not specify what these penalties should be.

The battle is not yet over. The second reading will require both the Parliament and Council to reach a compromise so as to have an agreed text, and the prohibition issue is likely to be a key point in negotiations between these two European Institutions.

1. http://ec.europa.eu/development/icenter/repository/flegt_timber_proposal_oct08.pdf

NGOs reject Ecolabel for copying and graphic paper

NGOs, including FERN, EEB and WWF voiced their criticism of the latest drafts of the EU Ecolabel criteria for copying and graphic paper during the European Union Ecolabelling Board meeting on 9 December 2009 – before the final draft was submitted to the European Commission at the end of the month.

NGO input into the development of these criteria has been largely ignored: Calls for a mandatory and significant amount of recycled fibres for all types of paper, not just for newsprint paper; for all fresh fibres to be certified; and for clearly defined verification tools have gone unanswered. Hence the Ecolabel has become a weak tool that will not be of use in excluding illegally sourced or unsustainably produced wood fibre. The EU Ecolabel is intended to reward frontrunners in the sector and should be a label of excellence.

However, the current criteria are so weak that the only option is to advise consumers to steer away from paper products with an EU Ecolabel as it will likely do more harm than good. The criteria are, at best, meaningless and, at worst, a greenwash for forest destruction and possibly even illegal forestry practices. It is foreseen that the criteria will be adopted in June 2010.

Will Europe follow America's ECAs in reducing GHGs

On 16 December 2009, US President Obama signed a bill which requires the US Overseas Private Investment Corporation (OPIC) to cut greenhouse gas (GHG) emissions from projects it invests in by 50 per cent over the next 15 years. The first step will be reducing emissions from its portfolio by 30 per cent from 2008 levels by 2020. It is not yet clear whether the targets can be met through offsets, but this may be the largest level of GHG reductions ever required by a mainstream public or private finance institution. It follows the G20's September 2009 announcement that they would phase out fossil fuel subsidies (FW 142). In November 2009, the US Export-Import Bank (Ex-Im) adopted what it claimed to be the first comprehensive carbon policy for an export credit agency (ECA), including a \$250 million facility to back renewable energy exports. Ex-Im's carbon policy does not commit to cap-and-reduce GHG emissions from its portfolio, falling short of what is necessary to address its climate change impacts. The expected new OPIC climate policy shows that public finance institutions can significantly reduce their fossil fuel project funding. It is therefore time for the Commission to enact the European Parliament's resolution to discontinue public support, via ECAs and public investment banks, for fossil fuel projects (FW 122).



Published by FERN, the campaigning NGO for greater environmental and social justice, with a focus on forests and forest peoples' rights in the policies and practices of the EU.

United Kingdom: 1C Fosseyway Business Centre, Stratford Road, Moreton-in-Marsh, Gloucestershire, GL56 9NQ, UK; T +44 (0) 1608 652 895; F +44 (0) 1608 652 878. Belgium: Rue d'Edimbourg 26, B-1050 Brussels, Belgium; T +32 (0)2 894 46 90; F +32 (0)2 894 46 10.

To receive this newsletter please subscribe at www.fern.org

Photo: Jutta Kill

NEWS IN BRIEF

The Independent Monitor of Forest Law Enforcement and Governance in Cameroon changes hands this month. The Resource Extraction Monitoring (REM) team, composed of experts in law and forestry who monitored forest illegalities and law enforcement officers' work, was active between March 2005 and December 2009. REM passed the baton to AGRICO and its local partner, Cameroon Environmental Watch on 30 December 2009. REM monitoring reports can be found at www.rem.org.uk.

The Government of the Republic of Congo finalised draft legislation on the promotion and protection of the rights of indigenous peoples on 23 December 2009. Progress on this bill had been blocked since its initiation in 2004. Making the passage of this law a precondition for the implementation of the Congo-EU VPA (FW 138) seems to have played a role in speeding up this process. The bill will now be sent to the Parliament and Senate for final adoption.

A new report by the Sustainable Development Institute in Liberia (see www.fern.org) reflects on the state of forest law enforcement and governance in post-conflict Liberia. The report documents the many illegalities that occurred during the recent handing out of concessions as well as the intimidation of civil society actors. Liberian NGOs hope that a FLEGT agreement between the EU and Liberia will support the government's return to the path of reform so that the forestry sector can benefit Liberia and its people. To encourage this, the report contains clear recommendations for the Government of Liberia, the EU and other donors.

Integrated Product Policy and Beyond

At the end of 2003, the European Commission presented its assessment report on the state of implementation of the integrated product policy (IPP).¹ IPP seeks to minimise environmentally negative impacts of products by looking at all phases of a product's life-cycle and taking action where those impacts can be reduced best and most cost-effectively. This worthwhile attempt does not seem to have achieved many results as yet.

The assessment aims to show how the five principles of the IPP approach – 'life-cycle thinking'; working with the market; stakeholder involvement; continuous improvement of products; and the use of a variety of policy instruments – have been successfully integrated in the activities of the regulators and the relevant stakeholders. The assessment portrays the EU Ecolabel – a fiasco, in the eyes of many NGOs, at least for timber products – as a success.

An obvious omission, or sign of disagreement within the Commission, is the lack of reference to the interesting Commission Communication on GDP and Beyond,² in which the Commission

acknowledges that the Gross Domestic Product (GDP) is not meant to nor able to gauge long-term economic and social progress or notably the ability of a society to tackle issues such as climate change, resource efficiency or social inclusion. They therefore make a clear case for complementing GDP with statistics covering the other economic, social and environmental issues on which future EU policies should be based.

The Commission intends to present a pilot version of an index on environmental pressure in 2010. This index will reflect pollution and other harm to the environment within the territory of the EU and assess the results of environmental protection efforts. The Commission will continue to work on indicators that capture the environmental impact outside the territory of the EU and support improvement of the Ecological Footprint.

The Index is eagerly awaited and may hold more potential for the fundamental changes needed than the IPP.

1. Brussels, 21.12.2009 SEC(2009)1707 final
2. "GDP and Beyond," Brussels, 20.8.2009 COM(2009) 433 final.

Member States' support binding biomass criteria

The importance of having binding criteria to assess the environmental and social impacts of (woody) biomass production has been well documented (FW 144). Nonetheless, the European Commission report for a sustainability scheme for biomass in heat and energy production that was expected by the end of December 2009 was to only present an option for voluntary standards to the Member States. In reaction to the prospect of such voluntary standards, Belgium, the Netherlands and Luxemburg submitted a note during the Energy and Environment Council meetings¹ insisting that the Commission develop a proposal for an appropriate framework for harmonised and binding criteria for biomass used for

energy purposes. A belated Commission report is expected at the end of January.

1. <http://register.consilium.europa.eu/pdf/en/09/st17/st17535.en09.pdf>

Forest Agenda

20-21 January: Illegal logging stakeholder conference, London

22 January: Dialogue on forests, governance and climate, London

22 January: Forest & Cork Advisory Group meeting, Brussels

8 February: VPA negotiations between EU and Liberia, Brussels

24-25 February: MCPFE, possible legally binding agreement on forests meeting, Geneva