

EU Forest Watch

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

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World Bank begins palm oil consultation

The World Bank Group's (WBG) private sector arm, International Finance Corporation (IFC) has opened consultations in the USA, Indonesia, Costa Rica, Ghana and Europe on its global strategy in the palm oil sector.¹ Although the WBG President had promised a 'common approach' to the sector by the whole WBG, so far there is little sign that the IFC is working with the other parts of the Group.

In response to an initial invitation for comments by the IFC, a consortium of some 100 NGOs and indigenous peoples' organisations has issued a comprehensive statement setting out the issues the WBG must address in its strategy. These include: reforms of land tenure; effective recognition of indigenous peoples' rights; a public condemnation of forced land acquisition; revised land use planning procedures; a ban on clearance of forests and peatlands

and; a reorientation of the sector towards promoting the interests of smallholders through land security and fair trade. They argue that without such reforms, future WBG investments will only lead to more land grabbing, human rights abuses, forest destruction and massive greenhouse gas emissions.²

The consortium has also expressed concern that the delayed consultation is now being hurried through without adequate time for discussions about the strategy. A first draft is expected in June 2010, and the IFC wants this adopted by the WBG Board by July, leaving only a token opportunity for real comment.

The next consultation meetings are in Costa Rica (17-18 May), Ghana (31 May-1 June) and The Netherlands (3-4 June).

1. <http://tinyurl.com/y2sx79x>

2. <http://tinyurl.com/3xgy512>

CAP reform: speak up

Under agriculture Commissioner Dacian Cioloș, a public debate has been organised about the reform of the Common Agricultural Policy (CAP), due by 2013. Forests cover more than 42 per cent of the EU land area and the Rural Development Policy – the CAP's second pillar – is the vehicle for most EU-level funding for forestry practises. FERN's recent report¹ about implementation of the forestry measures in six countries' Rural Development Programmes indicates how future CAP support in the forest sector must change to benefit forest protection and increase forest resilience. Input into the public debate can be provided before 3 June at http://ec.europa.eu/agriculture/cap-post-2013/debate/index_en.htm.

1. "What changes are needed? The implementation of EU's rural development policy" www.fern.org

Legal timber trade in Cameroon: How far from paper to practice?

On 6 May 2010, the EU and Cameroon announced a trade agreement aimed at ensuring Cameroonian timber is legal when sold on the domestic market or exported to the EU and other countries. This announcement concludes negotiations that began in September 2007, making Cameroon – after Ghana (2008) and Republic of Congo (2009) – the third country to finalise a Voluntary Partnership Agreement (VPA) with the EU.

VPAs are part of the EU's innovative action plan on illegal logging¹ – innovative, because it concentrates on the drivers of

illegality and gives all forest stakeholders a voice in the policy reforms needed. Civil society in Cameroon had never before been as involved in a process targeting the problems of the forest sector – or of any other natural resource.

This unprecedented collaboration has led to an agreement with strong obligations for the government to make information publicly available, to continue independent monitoring of the forest sector, to reform the legal framework applicable to the forest sector and to include civil society in ensuring

commitments are upheld.

A key objective of the agreement is to ensure recognition and strengthening of the rights of forest communities.² Civil society involvement in ensuring that policies are, first, improved and, next, implemented will be central to the success of the agreement. The biggest challenge is yet to come, in the difficult move from texts to practice.³

1. COM(2003)251 final

2. EU Council Conclusions on FLEGT (2003/C 268/01)

3. FERN briefing and press release on the Cameroonian VPA at www.fern.org/camerooncounterbrief



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NEWS IN BRIEF

The **Republic of Congo – EU VPA** will move one step closer to becoming official when the agreement that was finalised and initialled in 2009 (see FW 138) is signed on 17 May 2010. The next step in the process for those parties is ratification.

Export Credit Agencies (ECAs) are quasi-governmental institutions whose prime objective is to transfer the burden of risk from exporters and investors to their governments. **“The changing landscape of Export Credit Agencies in the context of the global financial crisis,”** (www.fern.org) describes how ECAs have stepped in to fill the huge gap left by the private market as international commercial banks and private insurers – now more risk averse – have reduced support for cross-border trade and investments. The financial crisis has changed dramatically the landscape of ECAs. Many ECAs are offering new products to their clients; new commitments are also on the rise. But new signs of vulnerability and risks are fast emerging at the global level, too, and civil society is urged to keep watch.

On 20 April 2010, Ambassador Susan Rice announced the **United States decision to review its position on the UN Declaration on the Rights of Indigenous Peoples**. Of the four countries that voted against adoption in September 2007, Australia and New Zealand now have supported the declaration, the US is conducting a review and only Canada has yet to take a positive step.

Industrial emissions in the EU fell by 11 per cent in 2009 – below the caps set – according to data the European Commission released on 6 April 2010. This undermines the EU Emissions Trading System (ETS), as with an overall net surplus of 62 million tonnes worth of permits (www.sandbag.org.uk), no action to curb emissions is required. Worse, industrial sectors had on average 30 per cent more allowances than they needed. As surplus emission permits can be kept for future use or sold at a profit, the overallocation in the EU ETS will continue to delay a swift transition to low-carbon economies in the EU.

Additional measures needed to protect forests

In April 2010, the Spanish Presidency held a forest protection conference, using the Commission’s discussion (or ‘green’) paper adopted in early March¹ as a basis for discussion. Unfortunately, the conference’s final declaration lacks strong wording in favour of enhanced forest protection.² The conference should have motivated EU Member States to strengthen forest protection and ensure the EU puts proper forest monitoring systems in place. NGOs fear that Council Conclusions on the green paper, currently being prepared for adoption in June, will show a lack of political will in EU countries. Without a clear, harmonised system for forest monitoring, EU reporting on the state of forests within the Union will remain patchy, affecting among others reporting obligations under the UN climate convention. It seems that some Member States, concerned about losing power over their forests to the Commission, have blocked progress to address transboundary forest issues and EU wide harmonised monitoring. This bodes badly for forest protection, biodiversity and climate change.

1. COM(2010)66
2. <http://tiny.cc/8gnl9>

EU Ecolabel revisited

Asia Pulp and Paper (APP) has issued a statement in response to FERN’s report, “EU Ecolabel allows forest destruction: the case of Pindo Deli.”¹ FERN criticised the award to APP of an Ecolabel, thereby assuring consumers the product is ‘kind to the environment,’ although APP is well known for its destructive practices.² APP’s statement challenges no facts in FERN’s report; rather it alleges that the report is ill informed, that FERN accepts only ‘western style certification’ and asserts that APP is crucial to Indonesia’s development. Notably before publishing it, FERN sent the report to APP for comments and received no response. Further, APP did not send its statement to FERN. The Guardian picked up the news in an article, “Deflowering the EU Ecolabel.”³

FERN has written to DG Environment of the European Commission to ask for clearer procedures, stricter criteria, greater transparency and a complaints mechanism concerning the award of the EU Ecolabel for forest products. We await its response.

1. See Forest Watch 148 at www.fern.org
2. Available from www.fern.org
3. www.guardian.co.uk/environment/2010/apr/15/eu-green-logo

Bolivia: Putting people in climate talks

More than 35,000 delegates from social movements and organisations in 140 countries participated in the World People’s Conference on Climate Change and the Rights of Mother Earth, in Cochabamba, Bolivia, 19 - 22 April 2010. Bolivia’s president, Evo Morales, called for the summit after UN climate talks in Copenhagen ended without agreement and a controversial Copenhagen Accord. The Bolivian government responded to the disappointing outcome in Copenhagen, saying, “If governments cannot come to an agreement because of self-interest or ideology, it is time for the people to decide.”¹

The summit resulted in a “Peoples Agreement,” rejecting carbon market mechanisms in a climate agreement,

including the Reducing Emissions from Deforestation and Degradation (REDD) initiative which may turn forest carbon into a commodity to be traded. It also adopted a draft proposal for a “Universal Declaration of Mother Earth’s Rights.”²

With the UN Climate Change negotiations going into another round this May, the Peoples Conference has given renewed impetus and voice to grassroots and social movements calling for climate justice. Bolivia’s submission to the resumed UN climate talks summarises the outcomes of the Peoples Conference and aims to bring the peoples’ voice directly into negotiations.

1. <http://articles.latimes.com/2010/apr/23/opinion/la-oe-0423-morales-20100423>
2. <http://pwccc.wordpress.com/>