

EU Forest Watch

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

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Massive Norway-Indonesia deal fails to respect forest peoples' rights

On 27 May 2010, some 50 countries met for the Oslo Climate and Forest Conference to launch the 'Interim REDD+ Partnership'. Aiming to coordinate 'fast-track' funding pledges industrialised countries made in relation to UN climate talks for reducing deforestation, countries participating in the Oslo conference endorsed the Interim REDD+ Partnership Agreement, following a controversial process. Since the initial meeting in Paris in March 2010 to announce the intention to establish this Partnership, NGOs and indigenous peoples' organisations have criticised¹ the exclusion of forest peoples and civil society from preparatory meetings and governments' failure to agree to respect forest peoples' rights in implementing fast-track REDD financing activities. Far from rewarding forest peoples'

stewardship of forests or tackling drivers of deforestation, the failure to explicitly refer to rights as one of the Principles of the Partnership Agreement fuels concerns that REDD money will continue to sideline rights issues.

Clear language on protection of forest peoples' rights and a champion with the political will to insist on such provisions are also absent in bilateral agreements, such as the billion-US dollar deal Norway and Indonesia announced a day before the Oslo conference. Loopholes in the deal's suspension of new forest conversion concessions received attention,² but the announcement also sets a dismal precedent in its lack of commitment to forest peoples' rights. Without this, indigenous peoples will have to struggle for inclusion in the upcoming negotiation process that spells out the details of what

will be funded under the agreement and is set to conclude by October 2010. In March 2009, the UN Committee on Elimination of Racial Discrimination (CERD) criticised Indonesia's draft 2008 Regulation on Implementation Procedures for REDD, which "appears to deny any proprietary rights to indigenous peoples in forests". CERD notes that "Indonesia continues to lack any effective legal means to recognize, secure and protect indigenous peoples' rights to their lands, territories and resources." Norway seems to have ignored these findings. Implementation of the CERD recommendations must be central to the Norwegian deal if it is to make a difference.

1. www.regjeringen.no/en/sub/Portal-Oslo-Climate-and-Forest-Conference.html?id=600140
2. <http://tiny.cc/rh9r2>

Palm oil: The victim of green protectionism?

Palm oil, primarily used in food and detergents, is increasingly used for bioenergy production. The EU Renewable Energy Directive adopted last year contains binding sustainability criteria for biofuels that count toward the ten per cent renewable energy transport target. At a recent meeting among Malaysian and Indonesian palm oil producers, the Malaysian Plantation Industries and Commodities minister said the Directive unfairly excludes palm oil from the EU market; he will consult his Indonesian counterpart regarding the possibility of

bringing a dispute before the WTO. In his view, the sustainability criteria represent green protectionism. The palm oil industry claimed that it has been victimised by environmental activists and asked that Malaysia and Indonesia – producing 85 per cent of the world's palm oil – take a proactive approach to protect the industry that supports millions of livelihoods.

Yet the social track record of big palm oil companies is far from positive. In 2009, after complaints by NGOs and indigenous peoples organisations about the IFC's¹ persistent violations of its social and

environmental policies in Indonesia's palm oil sector, the World Bank Group froze funding for that sector pending approval of a revised strategy. A consultation process to release the funding has now begun. More than 100 indigenous peoples, oil palm smallholders and NGOs have expressed concerns that the process is too hasty and will not allow inclusive decisions; they call upon the World Bank to reconsider rushing back into funding oil palm.²

1. International Finance Corporation, a member of the World Bank Group
2. <http://tiny.cc/kth4j>



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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.

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NEWS IN BRIEF

The Corner House and the Campaign Against Arms Trade submitted a formal complaint to DG Competition in respect of aid that the UK Export Credit Agency ECGD; HM Treasury; and the Department for Business, Innovation and Skills provide to Guaranteed Export Finance Corporation Plc (GEFCO) in the form of “support arrangements.” GEFCO is a profit-making Special Purpose Vehicle (SPV) firm that refinances loans supported or guaranteed by ECGD. Since 1999, its refinancing activities have been largely funded directly by ECGD; this support may constitute an illegal subsidy. DG Trade was also sent the part of the Complaint that relates to its competences.

Following the Business and Human Rights Conference in Stockholm, November 2009, the former Swedish and current Spanish EU Council Presidencies concluded that the EU and its Member States should emphasise the importance of implementing human rights within export credit guarantees. UN Special Representative on Business and Human Rights John Ruggie¹ states in his report that the EU Presidency “encourages the Member States to consider the human rights impacts of projects supported by export credit guarantees.” In this regard, the ECA-Watch network in cooperation with Amnesty International sent a letter to the Spanish Permanent Representation to the European Union to ask how it intends to raise these human rights due diligence issues.

1. www.reports-and-materials.org/Ruggie-report-2010.pdf

Member States' Export Credit Agencies (ECAs) are undermining EU climate objectives by providing billions of euros worth of support for highly carbon-intensive projects and “techno-fixes” masquerading as environmental solutions. FERN's new report “Fool's Gold: How the planet Pays the Price for Europe's Export Credits,” (www.fern.org) highlights the most controversial recent agreements signed by ECAs, provides estimated figures of the European export credit guarantees to carbon-intensive projects and shows how ECA financing favours exports and investments that disproportionately benefit energy- and carbon-intensive industries.

CBD: Our collective failure

In its third Global Biodiversity Outlook report,¹ the Convention on Biological Diversity (CBD) announced that the target to halt biodiversity loss by 2010 has not only been missed, pressures leading to biodiversity loss are intensifying. The hard-hitting report refers to a ‘collective failure’ that will have severe consequences for all, and notably the poor, as biodiversity underpins the ecosystems on which we all depend. We are nearing potential tipping points that threaten the objectives of food security, poverty eradication and population health. To tackle biodiversity loss, it suggests we prioritise biodiversity in all decision-making and in all economic sectors. Conserving biodiversity cannot be an afterthought, it is the foundation on which many other objectives are built.

Yet the EU's director general of environment Falkenberg has stated that market-based mechanisms and awareness campaigns² are all that is required. Given the failings and the level of corruption and fraud in the carbon market, to suggest the same approach for biodiversity is ducking the issue. The EU's failure to prioritise biodiversity³ with either the Common Agricultural Policy or the Forest Action Plan holds serious consequences for biodiversity in the EU that trading ecosystems won't resolve.

1. <http://tiny.cc/fmjxm>

2. At Green Week; ENDS Daily 31 May 2010.

3. <http://www.fern.org/node/4669>

EU Trade deals: Why hide?

India and the EU will fast-track talks to conclude a Free Trade Agreement (FTA) within the next few months – despite serious criticism in the Indian Parliament, where members have asked that talks be made public and that Parliament approval be sought before the agreement is finalised. The European Parliament is however conspicuously quiet.

Whereas multilateral talks under the World Trade Organisation (WTO) are relatively open, with texts in the public domain, FTAs negotiated outside the WTO are shrouded in secrecy – even members of the national parliament are evidently concerned. Key issues under negotiation are agriculture, with the EU seeking greater access for its produce, and intellectual property rights.¹

Mistrust of the FTA process is broad. In May 2010, wide protests against the EU FTA process took place in Madrid: European and Latin American representatives of La Vía Campesina² demanded that negotiations for free-trade agreements between their countries and the EU be dropped.

In Article 11 of the Treaty of Lisbon, it is stated that the EU values transparency – as such they should either abandon negotiations, or at least make them public.

1. www.bilaterals.org/spip.php?article17423; FERN report <http://www.fern.org/changinglandscape>

2. <http://tinyurl.com/34bh2q5>

Swedes to close exemption for biofuels

In 2006, tax exemptions by the EU and Member States, amounted to almost €3 billion of the estimated €3.7 billion of public support for biofuels.¹ However, in Sweden, where biofuels are exempt from energy and carbon dioxide taxation, the National Audit Office has begun a review of the exemption, due in February 2011. The government plans to replace the exemption with a sale obligation. Currently, the country consumes the most ethanol per capita in the EU, behind only Germany and France in total consumption. According to the Swedish agency, the tax

break costs almost €210 million per year, among the highest in the EU. Germany ended its tax exemption for biofuels in 2006 and Norway announced plans to abandon its exemption for biodiesel last year.

FERN has recommended² that governments prioritise research and finance for energy reduction and efficiency programmes, and renewable energy sources such as solar, wind and wave over biomass.

1. Global Subsidies Initiative (2007). At what cost?

2. www.fern.org/sites/fern.org/files/snake%20oil%20or%20climate%20cure_0.pdf