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New study finds EU donors spend millions of Euros halting deforestation while funding projects that drive it

20 March 2015. On the eve of UN International Day of Forests, a new study commissioned by [Fern](#) takes stock of EU spending on forests and finds striking incoherence at the heart of donor spending. Fern believes this could be fatally undermining the efficiency of aid to forests and calls for increased coherence and new priorities.

Taking Stock: Tracking Trends in European Aid for forests and communities found that even in an era of austerity, European Overseas Development Aid (ODA) has actually risen over the past few years, from EUR 40.4 billion in 2002, to EUR 70 billion in 2012, with a near four-fold increase in spending on forests from EUR130.2 million to EUR 493.2 million. At the same time, funding increased to agriculture projects, rising from 657 million to 1.59 billion. Agricultural conversion is the biggest driver of deforestation, causing 70 per cent of global forest loss.

Saskia Ozinga, campaigns coordinator at Fern said, *“The increase in money to forests is welcome, but the real question is how effective is it?”*

Much of this money is going to maintaining carbon in forests, with less attention on the pre-conditions required to keep forests standing. To be effective, this money should be improving governance, clarifying land tenure, increasing community rights and reducing external pressures on forests.”

The research tracks the latest trends in aid-spending on forests and makes the following findings:

- Despite an increase in aid, European donor agencies have been cutting staff numbers leading to a loss of expertise
- The proportion of money disbursed through multilateral organisations such as the World Bank, which has been criticised for its high over-head costs and inefficiency, is increasing.
- Much public money is channelled through [Development Finance Institutions](#) (DFIs) which provide loans for agricultural projects [involved in land grabs and deforestation](#).

Editor’s note: Visit www.fern.org/trackingtrends to download the new report.

Fern is a non-governmental organisation (NGO) and a Dutch Stichting created in 1995 to make the EU work for forests and people. Our work centres on forests and forest peoples’ rights and the issues that affect them such as EU consumption, trade, investment and climate change. All of our work is done in close collaboration with social and environmental organisations and movements across the world.