



Fern Annual Report 2000



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Who are Fern?

In 2000 Fern was represented by:

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Susan Leubuscher, Policy adviser on legal matters

Chantal Marijnissen, Policy adviser on trade and development

Saskia Ozinga, Director

Sofia Ryder, Policy adviser on forest policies

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Foreword

The year 2000 was a milestone for Fern as it marked our fifth year of existence. Since our beginning in 1995 Fern has more than doubled in size and has become the leading organisation at the EU-level dealing with aid and trade issues in relation to forests. Our impact has been felt in the aid and trade debates as well as on issues such as forest certification and the intergovernmental discussions on forests. Our profile has grown dramatically in the last two years and we feel justly proud of our achievements.

Still, there are always things to learn and improve upon and, in this spirit, we marked our fifth anniversary by engaging an independent consultant to evaluate our achievements so far. The focus of his appraisal was to assess our impact and identify where and how we could improve our performance in the future. The outcome was very favourable and also showed us ways to move forward. To have ourselves evaluated in this way was a very positive exercise. See back cover for details.

In policy terms, the 'hot issue' of 2000 was climate change. Unlike 1999, when the failure of the trade talks at the WTO Ministerial in Seattle was seen by most social and environmental organisations as a success, the failure of the climate talks in the Hague were seen by most as a disaster. Fern disagreed: the deal on the table held potentially serious negative consequences for forests and forest peoples and did not adequately address emission reductions. Climate will therefore be another important focus for our work in 2001 as we work to persuade decision-makers to act soon and act well.

Through the climate and trade debates we have increased our contacts and working relationships within NGOs in the US and Japan, on top of our existing close network of NGOs in Europe and the South. Networking and developing joint strategies between environmental and social organisations in North and South remains one of Fern's core and most respected functions. Without this close working relationship between NGOs, we believe there is little chance of getting the urgent changes in government policies and company behaviour that are needed to address the forest crisis. However, with a concerted, well-organised and well-informed effort from like-minded organisations, great achievements are possible – as we have discovered during the last five years. Time and again the determination, perseverance and high standards of the NGO community have overcome the daunting obstacles in their paths. Fern's resolve to continue this tradition is firm – now and in the future.

Here's to another five years!

Saskia Ozinga, Director

Climate crisis

Climate change will have a profound impact on the world's forests and their ability to survive as healthy ecosystems that also provide us with clean air and water.

Much of Fern's work in 2000 was dominated by intense preparations for the intergovernmental climate negotiations at The Hague in November. With several controversial issues dividing opinions between countries, governments and NGOs, Fern provided clear analysis of the arguments and promoted a strong environmental agenda.

The negotiations, known as the Sixth Conference of Parties (COP6), were an important opportunity for ministers to debate the detail of greenhouse gas emissions reduction targets agreed at the Kyoto Protocol in 1997.

Throughout the year, at EU Council and Commission meetings, Fern raised awareness of the importance of COP6 in reducing global carbon emissions and put forward concerns about the impacts of 'carbon sinks' (in box).

Outputs

- A major Fern report, *Sinking the Kyoto Protocol*, provided detailed arguments against the inclusion of carbon sinks within the Clean Development Mechanism. 1,500 copies of the report were distributed at the climate conference in The Hague.
- An expanded and revised climate change info zone at Fern's website, including reference publications available on line, provided a vital resource for campaigners.
- Fern led climate change discussions at the Trans-Atlantic Environment Dialogue biodiversity working group in May 2000, and presented arguments to senior environment officials from the US and the EU.
- Fern contributed to *Tree Trouble*, a new report on the damaging social and environmental impacts of carbon sink projects in countries including Ecuador, Uganda and Australia.
- Fern's weekly climate change news updates during November and December kept NGOs in touch with events and developments during COP6.
- Three days before COP6 started, Fern co-hosted an intensive two-day seminar to inform and discuss the carbon sinks issue with NGOs, scientists and the emerging carbon forest industry.



Old-growth forests are being cleared at an alarming rate.

Carbon wars

The big issue at the heart of COP6 was 'carbon sinks' – would they be accepted as part of a Clean Development Mechanism, or wouldn't they? The idea of carbon sinks is to use the natural chemistry of trees, plants and soil – which soak up carbon while they are alive or undisturbed – to tackle climate change. Unfortunately, 'carbon sink' plantations bring many environmental and social hazards with them, and are not the panacea that many suggest.

If carbon sinks were accepted as part of the Clean Development Mechanism at COP6, industrialised countries facing emission reduction targets would be encouraged to plant huge new tree plantations to earn carbon credits. These credits could be offset against a country's greenhouse gas emissions and would allow a country to meet its Kyoto targets without significantly reducing its emissions. Indeed, by encouraging widespread acceptance of carbon sinks, the CDM could end up discouraging countries to reduce their emissions.

In addition, the environmental and social impacts of widespread plantation development would be severe. While old-growth forests – rich in biodiversity, inhabited by forest peoples and storing large amounts of carbon – are being cleared at an alarming rate, new plantations would displace peoples and cause untold environmental damage.

In Fern's view, it was vital that negotiators at COP6 kept carbon sinks out of the Clean Development Mechanism, and so far this has been successfully resisted.

Trading rights

The second year of Fern's campaign to investigate the impact of trade on forests and forest peoples was highly productive. With funding from WWF, Fern published a major report assessing how and how much global trade affects forests and forest peoples – the first time this information has been comprehensively analysed.

Meanwhile, the European Commission and its Trade Commissioner, Pascal Lamy, led EU negotiations on trade with other governments and country groupings. Fern, as the European co-ordinator of the international NGO campaign on the impact of trade on forests, continued to monitor and lobby the Commission with the objective of ending further trade liberalisation in the forest products sector, increasing the use of Sustainability Impact Assessments for trade agreements and improving transparency within the European Commission as well as within the WTO.

Outputs

- A major report, *Trade liberalisation and its impact on forests*, was researched, written and published by Fern. It assessed, for the first time, the impact of trade policies on forests and forest peoples (see box). Fern hosted an international meeting of forest NGOs to develop a strategy for a joint campaign on trade and forest issues. Fern took on the role of leading the European campaign, in close co-operation with the leading NGOs in the US and Japan.
- Fern brought together European Commission officials responsible for trade and forests and invited forest NGOs to put their views forward. Fern co-ordinated the Trans Atlantic Environment Dialogue's working group on biodiversity and presented Commissioner Lamy and David Sandalow, the US Undersecretary of State on Environment, with NGO demands and concerns over tariff reduction, non-tariff barriers and the impact of agricultural liberalisation on forests.



Trade liberalisation in the agricultural sector could have a major impact on forest loss

Liberal reporting

Fern researched and published a new report investigating the impact of trade liberalisation on forests. The main findings included:

- In the absence of appropriate policies guaranteeing the sustainable management of forests, further tariff liberalisation in the forest products sector will worsen current trends of forest loss and increase land conflicts with local communities and indigenous peoples.
- Further research is needed on the economic, social and environmental impacts of eliminating non-tariff measures (NTMs), seen as hindering free trade. The potential negative impact on forests of the liberalisation of NTMs could be significant. Governments have a responsibility to ensure that WTO rules do not restrict the use of environmental NTMs that are in place to inform consumers or protect the environment. Any new trade agreements, specifically in the forest, mining and agriculture sectors, should be preceded by a comprehensive assessment of the environmental and social effects of trade on forests and forest peoples.
- Forest NGOs should play a more prominent role in the trade liberalisation debate where the forest products sector is concerned. However, other sectors, such as agriculture, might have an even greater impact on forest loss. In addition, issues such as structural adjustment and the consolidation of the corporate sector (with increasing political influence) should not be left out. The direct impact on forests and forest peoples of these issues is likely to be even greater than that of trade liberalisation in the forest products sector.

Aid campaign

Following 1999's dramatic exposé of the European Commission's poor record on aid giving, organisational reforms were far-reaching in 2000. With the Commission's attention focused on its internal structure, there were few opportunities for Fern to influence fundamental policy matters in this area. However Fern used all opportunities that arose to press for the inclusion of environment into the EC's new development strategy. At the end of the year it emerged that DG Development – the section of the Commission responsible for delivering aid – would be slimmed down to little more than a figurehead role, and a new office, EuropeAid, would be created to manage the entire lifecycle of aid projects.

After a long wait, the forest and environment budget lines were renewed in November 2000. These are the main source of EU funding for NGOs from the South engaged in small-sized forest and environmental projects. Throughout 2000 Fern argued for the protection of these budget lines, which provide vital funds for many forest groups.

Outputs

- **Fern presented the EC and the Council with joint NGO comments on the European Development policy.**
- **Fern drafted and submitted joint NGO comments on the EC's Biodiversity Action Plan for economic and development co-operation. Signatories included Greenpeace, Birdlife International and WWF.**
- **Fern attended consultation meetings hosted by the EC on its draft strategy to integrate environment and sustainable development into EC development co-operation. Fern's written comments were later submitted.**
- **Fern organised meetings between NGOs from Cameroon and Indonesia to meet the Commission and to discuss the problems in their countries and opportunities for funding further projects.**



Multinational enterprises should be subject to more than voluntary codes of conduct.

Codes of conduct

The Organisation for Economic Co-operation and Development (OECD) carried out a review and revision of its Guidelines for Multinational Enterprises. These voluntary guidelines are intended to act as a code of conduct for multinational enterprises so that they may 'operate in harmony with government policies and with societal expectations'.

As part of its activities to further public supervision of private laws affecting public legal regimes, Fern submitted comments to the OECD on these guidelines during their public consultation phase. Fern has pointed out that the supra-governmental nature of multinational enterprises in today's world and the protection of their activities through private contracts render voluntary standards insufficient to protect peoples from activities aimed at increasing profit.

Intergovernmental agendas

January 2000 marked the passing of one intergovernmental forum on forests (named, in fact, the Intergovernmental Forum on Forests or IFF for short), and the birth of its successor, the United Nations Forum of Forests (UNFF). Both arenas emerged from the 1992 Rio Earth Summit, and part of Fern's task is keeping political momentum alive eight years after governments first considered the forest crisis. The focus on action to protect forests within these fora is therefore crucial.

With the launch of UNFF, Fern's main objective was to influence the agenda-setting process. Long discussions at the European Council working group on forests helped to shape the UNFF work programme. To feed into this process, Fern undertook an independent evaluation to monitor levels of implementation of the IPF Proposals for Action agreed in 1996, which IFF inherited but failed to act upon (see box).

The Convention on Biological Diversity (CBD) presented another forum where Fern could make its voice heard. The CBD decision-makers demonstrated positive attitudes towards social awareness, the rights of Indigenous Peoples and the need for small community driven projects.

Outputs

- Fern campaigned for an open, transparent and participatory United Nations Forum on Forests (UNFF) and for a work programme focusing on action, through the European Council's Eight Country Initiative, the European Commission and Member States.
- As the European focal point of the Global Forest Coalition – a network of NGOs working on intergovernmental processes relating to forests – Fern co-ordinated joint NGO responses to proposals for the UNFF structure and work programme, and kept NGOs up to date with developments.
- Fern published several special updates and briefings on the UNFF discussions, which highlighted problem areas and proposed positive options that would help establish an effective UNFF.
- Fern submitted detailed comments on the EC's Biodiversity Action Plan for Natural Resources, one of four action plans aimed at translating the EC's Biodiversity Strategy.



Recognition of the poor state of forests in Europe was lacking.

Action for forests

At the eighth session of the Commission for Sustainable Development in April 2000, NGOs presented a new report examining country adherence to commitments made at the United Nations General Assembly on forests. The report highlighted progress made in implementation of the IPF Proposals for Action and engaged organisations working at a national level in the international forest debate. Fern drafted the report together with Bionet and the Global Forest Policy Project in the USA, was a member of the steering committee and acted as European co-ordinator of this ambitious project.

As European co-ordinator, Fern produced a separate EU report reviewing 11 European governments' adherence to the Proposals for Action. The process showed that none of the countries has fully implemented the IPF Proposals for Action. At the national level participation of all major groups had improved but is still a long way from a meaningful dialogue. Finally, the ecological, social, and cultural values of forests are still not being fully recognised and incorporated into forest planning. Specific to Europe was a lack of recognition of the poor state of forests in Europe.

Soon after the monitoring project was finalised, the European Commission initiated its own study to assess its progress in implementing the IPF Proposals for Action.

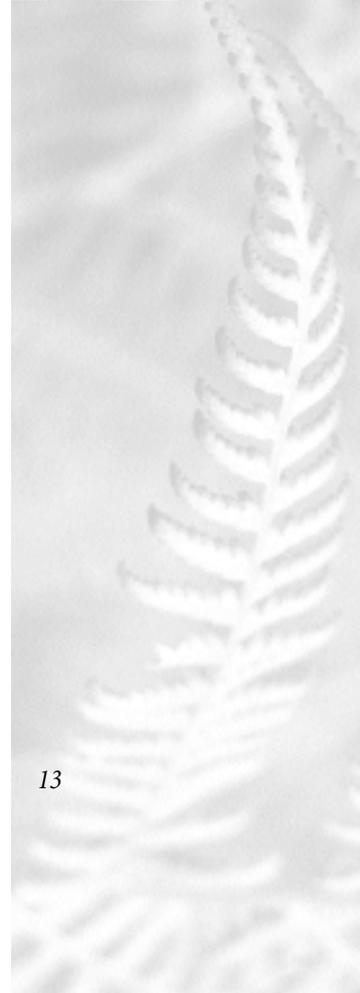
Human rights

Fern believes that unless human rights and Indigenous Peoples rights are respected then neither development projects nor international agreements to conserve and sustainably manage forests will have much impact. The EU's Indigenous Peoples Resolution is an important tool for the protection of Indigenous Peoples rights and Fern campaigned for its implementation.

In 2000, Fern joined the international campaign to free Rodolfo Montiel Flores and Teodoro Cabrera García, two farmers and environmental activists convicted on false charges in the state of Guerrero, Mexico. In response to uncontrolled logging in the Sierra de Petatlán mountain range, Montiel co-founded the Organization of Campesino Ecologists of the Sierra de Petatlán and Coyuca de Catalán (1998) to protect the area's old-growth forests and prevent the widespread soil erosion that was endangering local farms. Months of successful non-violent demonstrations angered landowners, many of whom have close ties to the military and to corrupt government officials.

Outputs

- **Fern campaigned to urge Commissioner Lamy to enforce the Human Rights clause under the Bilateral Agreement between Mexico and the Europe Commission.**
- **Part of this campaign included an appeal that was presented to Commissioner Lamy in November and was signed by 175 NGOs around the world, asking him to intervene on the behalf of Montiel and Cabrera. Commissioner Lamy responded that he would act according to the wishes of NGOs.**
- **Fern lobbied the Commission to ensure that implementation of the Indigenous Peoples Resolution progressed as fast as possible.**
- **Fern researched human rights abuses relating to forest conflicts in preparation for a major new report in 2001.**



Publications 2000

To subscribe to EU Forest Watch or order copies of Fern's reports, please send an email to sara@gn.apc.org.

EU Forest Watch

Fern's regular newsletter is distributed to a key audience of NGOs, European Union officials and the forestry industry. Keeping readers well informed on developments in the EU and beyond, *EU Forest Watch* is regarded as essential reading for anyone involved in forest campaigning in Europe.

Accompanying EU Forest Watch were several Special Reports on a range of topical issues including: *Climate change*, *High hopes for forests under the CBD*, *Cameroon Government expresses concern over illegal logging by European companies*, and *IFF Special Report*.

Keeping the promise?

This joint review by NGOs, including Fern and Indigenous Peoples' Organisations investigated the implementation of the IPF's Proposals for Action in selected countries. Altogether 17 countries were highlighted and the findings revealed a wide disparity of action taken. None of the countries included in the review had adequately met their commitment to implement the Proposals for Action.



EU implementation of IPF proposals for action

As part of the process leading to the 'Keeping the promise?' report, Fern produced a European report looking in detail at the implementation of the IPF Proposals for Action by 11 EU governments. Based on questionnaires sent to 15 EU countries, and an in-depth study into three countries (UK, Finland and Germany), Fern analysed how far the Proposals for Actions have been met by different countries. The report concluded that most governments need to take more action to fulfil pledges made.

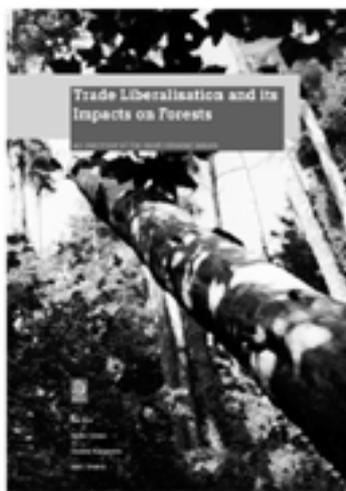
Sinking the Kyoto Protocol

For those who always wanted to know the ins and outs of the debate on forests as carbon sinks. Published in the run up to the COP6 negotiations in The Hague, this highly successful short report assesses the issues at stake and the connection between climate change and forests. The report sets out the arguments behind Fern's objections to including carbon sinks in the Clean Development Mechanism and makes the case for negotiators to strengthen emission reduction measures.



Trade liberalisation and its impact on forests

Trade liberalisation is spreading fast and the impact on forests has hardly been considered. This report assessed how and how much global trade affects forests and forest peoples – the first time this information has been comprehensively analysed. Aimed at forest NGOs, this report presents all the necessary information to understand the trade debate and its potential impact on forests.



Financial Report

in Dutch Guilders
1 Euro equals 2.204 Guilders

2000

Income:

Agent monies received	52,204
General project income	484,702
Reinbursements	4,354
Income from other sources	1,750
Income re previous year	8,530
Interest receivable	2,315

553,855

Expenditure:

Agent monies paid	49,278
Previous year's expenses	15,227
Underlying causes and human rights projects	63,832
Production bulletin	24,206
Telephone	28,327
Post and stationary	11,130
Travelling	36,544
Salaries	307,069
Magazines and journals	9,947
Seminars	—
NGO-EU meetings	13,832
Sundry expenses	1,605
Accountancy	4,579
Rent	20,787
Bank charges	1,889

588,252

Fern's evaluation

The year 2000 marked Fern's fifth birthday, and one of the ways we marked this significant achievement was to employ an independent consultant to evaluate our strengths, our shortcomings and the options ahead.

Altogether, 18 representatives from NGOs, the European Parliament, the Commission and forest industry were reached and reported back their views:

Fern's work

Fern's work was highly praised, especially its commitment, its knowledge and the fact that it has put forests on the EU agenda. Fern's small size means it lacks the weight of big NGOs, but as a result it is judged on the value of its content. Forest Watch and NGO co-ordination received especially high scores.

Fern's role

The EU is seen as a good niche for Fern and the right way to improve EU policies and practices. Fern's position between NGOs and the EU is seen as very useful. Changing the focus of Fern's work towards more campaigning was seen as a potentially successful strategy, but a higher profile and stronger PR effort would be needed if Fern pursued this approach.

Fern's strengths

Its knowledge base, networking and co-ordinating roles are considered as Fern's main strengths, followed by its strong position between NGOs and the EU.

In 2001 Fern will be using the results of this evaluation to strengthen our performance in many areas and to explore new areas of work.



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