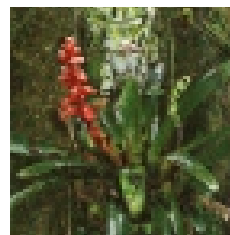
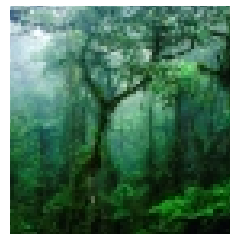
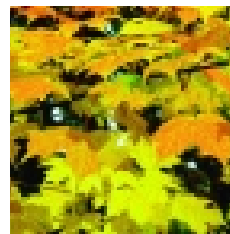




# FERN Annual Report 2003



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## Foreword

Now almost ten years in existence, FERN has clearly emerged as an organisation that is internationally respected – both by its partner NGOs and by the EU institutions it seeks to influence. And following calls for ‘more please’ from those who have come to value FERN’s astute political analysis and strategic co-ordination, 2003 has proved to be another busy and productive year.

Continuing to focus on its core activities of finding out what’s really going on, letting the right people know and bringing disparate groups together on common issues, FERN has had a good deal of success in 2003.

First, we have undertaken a number of research projects that will prove invaluable to long-term planning on forest protection. These have included the examination of existing EU legislation for its potential application in issues such as illegal logging and the reform of Europe’s powerful Export Credit Agencies.

Second, FERN has co-ordinated the development of joint NGO strategies on critical forest issues – such as the EU Ecolabel, forest certification and illegal logging. And third, FERN has been instrumental in facilitating key information flows between local communities and EU governments and institutions. And the outcome? Well, the outcome of these efforts is detailed in this annual report.

Although we firmly believe that our work is effective, we can always improve the quality and outreach of our work. Therefore we carried out a small evaluation in 2003 to learn what people thought of our work and our publications. The anonymous quotes you will find in this report are taken from this evaluation. They come from European Commission staff, national and international NGOs, EU Parliamentarians and journalists.

Just as important as the concrete results of our work is the process by which we achieve these results. Working closely with a wide range of environmental and social NGOs and indigenous peoples’ organisations in both North and South is essential for us. Much of our work is behind the scenes and focuses on facilitating the development of NGO strategies and supporting local and national NGOs by providing information, raising funds or bringing their case to the EU institutions. By working with others we jointly create a movement for change at EU level and elsewhere. The more divided the world gets, the more important linking up and working closely across borders and different cultures will be.

And that is our challenge for 2004. To increase NGO co-operation across Europe’s now 25 member states as well as with partners in the South and East, and to aim together to achieve concrete changes in EU policies and practices; changes which will be to the benefit of the forest and its people the world over.

**“The  
co-ordination  
and contact  
point roles of  
FERN are  
important and  
well received.”**  
DG Trade, 2003



*Water shortage around eucalyptus plantations destroys swamp forests in Minas Gerais, Brasil.*

*Intact forests are an important water reservoir. Photo: Bella Coola valley, British Columbia, Canada.*



## Finding out the facts

### FERN research and analysis

One of FERN's key areas of expertise lies in its research and analysis of critical forest issues. The results of FERN's investigations may be published as reports or briefings, presented at key political fora or disseminated in workshops. Either way, high quality research forms the cornerstone of FERN's campaigning.

#### Targeting industry

The forestry industry and the way it operates is still one of the major contributors to the destruction of the world's remaining forests. Hence two of FERN's key areas of work – illegal logging and forest certification – are aimed at influencing the way the industry produces and trades in forest products.

**“It is estimated that of the timber imported into the EU, around 50 percent of imports from the tropics and 20 percent from the boreal regions, is illegally sourced.”**

FERN, WWF, Greenpeace:  
*Facing Reality*,  
2004

Early 2003 saw a potential crisis for NGOs and local and national governments attempting to include social and environmental criteria in procurement policies, when it became clear that the EU was about to decide in favour of a new Procurement Directive that would effectively prohibit governments from including any environmental or social considerations in such policies. This would have left governments with no scope to favour legally and sustainably produced products. Fortunately, as a result of enormous resistance from NGOs, unions and local government associations, the EU finally adopted a Procurement Directive that does allow governments to include these considerations in their purchasing policies. Following this dramatic change, FERN was able to publish (in early 2004) its latest report on procurement: *“To Buy or Not to Buy”*. Based on detailed research carried out in 2003, *“To Buy or Not to Buy”* provides a guide to NGOs and to local and national governments on the various possibilities for green procurement stemming from this new Directive. Meanwhile, additional research carried out by FERN and several partner NGOs provided new insights into eight different forest certification schemes currently operating – or about to operate – worldwide. The findings of this research will be published in 2004.

Of course work on both green procurement and forest certification in Europe has wider implications elsewhere, and in this respect the WTO Ministerial meeting in Cancun proved a focal point for much of the work done by NGOs in 2003. FERN focused its work on the perceived barriers caused by the WTO to forest certification and labeling, producing an analysis of the current situation on WTO labeling rules, the position of different governments on voluntary labeling schemes and what could be expected in Cancun. The analysis also included clear recommendations to the EU and other WTO members with regard to certification and labeling. The paper was presented to EU trade negotiators as well as to the NGO community. This debate will be continued through 2004 in a project on environmental and social labeling requirements to be hosted by FERN and carried out by PI Consulting.



Illegal logging remains an issue of growing concern globally and following its successful report *“Controlling Imports of Illegal Timber: options for Europe”* launched together with the Royal Institute for International Affairs in 2002, FERN has been able to explore this issue in more detail. Examining existing legislation for its potential to counter the import of illegally sourced timber into Europe – notably on Money Laundering, the OECD Convention on Bribery and legislation to outlaw imports of illegally sourced timber – this research was presented at a global seminar in the Netherlands. Final findings and recommendations will be published in 2004.

### EU legislation and forests

In 2003, FERN, together with the Taiga Rescue Network (TRN), initiated an analysis of the various EU policies and laws that impact European forests and their biodiversity – including Forest Focus, the Rural Development Regulations and the Habitats Directive. The aim of this work was to understand how European NGOs can best combine their efforts to contribute to the conservation and good management of Europe’s forests. This has resulted in a draft report outlining a way forward for FERN and TRN to best contribute to the improved management of Europe’s forests. This report will form the basis for both the development of an activity plan for 2004 and a series of briefings for European NGOs.

**“To be honest I think this is a very flexible organisation that produces very good and, politically speaking, really accurate analysis.”**

FERN review, 2003

### Targeting financial flows

Another major factor contributing to forest degradation around the world lies in financial flows that finance development projects, the development literature overflowing with examples of poor funding decisions that have led to severe social and environmental damage. FERN is therefore working on three critical areas related to this problem: Export Credit Agencies (ECAs), the European Investment Bank (EIB) and aid and development co-operation. In 2003 FERN carried out three major research projects relating to these financial flows.

Given the significance of ECAs in funding development projects, research into the impact of the existing OECD agreement on ECAs – which provides some guidelines for ECA financing – resulted in the publication of the joint NGO report *“Race to the Bottom: Take II”*. The report’s findings clearly highlighted the failure of that original agreement to halt the development of disastrous projects; findings which have since led to the creation of a new agreement. The research was financed, co-ordinated and published by FERN.

Meanwhile FERN also carried out detailed legal research into whether and how the Aarhus and Espoo Conventions might prove applicable to ECAs, culminating in the publication of a report which discusses the relevance of these two conventions to the activities of ECAs. The final report details the aims of both conventions, their legal scope,

their applicability to both the European Community (EC) and member states, and whether they might be used as a tool to restrict ECAs from supporting environmentally damaging projects. The paper concludes that, unlike the Espoo Convention, the Aarhus Convention should *a priori* apply to ECAs, given that their activities are officially supported and that these projects do affect the environment.

FERN has also been reviewing the Economic Partnership Agreements developed between the EU and the African, Caribbean and Pacific (ACP) countries under the Cotonou Agreement. The European Commission has set up the Cotonou Investment Facility – a € 2.2 billion investment facility, managed by the EIB, for financing projects in ACP countries. Along with its demands that environmental, social and human rights standards are incorporated into other funding mechanisms such as ECAs and the EIB, FERN has put forward demands that these issues must also be considered by the Cotonou Investment Facility.

#### **The European Investment Bank (EIB)**

Together with other NGOs in the EIB Reform Campaign, FERN is currently exploring the potential of a study into the workings of the EIB and the EU Institutions, to determine whether and in what way these bodies co-operate, and to assess which EU policies and practices the EIB must legally adhere to. Such a study would inform the EIB campaign on the potential leverage points that different EU institutions might offer to turn the EIB in a more transparent and accountable bank.

*Woodland Cariboo have become a rare sight where old growth forests have been turned into timber plantations. Photo taken in the Kootenay region in British Columbia, Canada*



### **SinksWatch: Forest Fraud**

Freak weather events and record-breaking summer temperatures across Europe in 2003 have heightened public awareness that our climate is changing. And while predictions of future climate scenarios remain fraught with uncertainty, few doubt that human consumption of fossil fuels is one of the main contributors to climate change.

One outcome from trying to 'address' this problem has been the development of tree planting – or carbon sinks – projects which will allow countries to gain 'carbon credits' to neutralise their emissions of greenhouse gases. However, not only is the scientific evidence to support this approach lacking, but such projects are also likely to have negative impacts on communities living on, or in the vicinity of, land designated as so-called carbon sinks.

Given the novel nature of these projects and the vulnerability of the communities most likely to be affected by them, FERN has focused its climate work on supporting local communities who are faced with this issue. This work is done predominantly through SinksWatch – an initiative to track and monitor tree planting projects motivated by the new carbon market – which FERN has been hosting since 2002.

The main goal of SinksWatch is to expose the fraud underlying the carbon sinks accounting of the Kyoto Protocol and to provide support and information to communities confronted with the problems arising from the monoculture plantations that will be financed through the sale of carbon credits. In December 2003 FERN published "Forest Fraud", a report that documents how the new carbon market is already funding the damaging expansion of monoculture eucalyptus plantations in Brazil. The report also exposes how the World Bank is promoting the use of these spurious carbon credits to finance the expansion of other industrial tree plantations whose benefits for either climate or forest protection are doubtful.

**“Providing an estimated US \$14 billion of insurance each year, ECAs constitute the largest source of taxpayer support for foreign investment in infrastructure in south and eastern Europe.”**

Berne Handbook for Investors 2002



## Spreading the word

### Networking and communication

While collecting and interpreting accurate information is a key activity for FERN, a second and equally important one is making sure that this information and those analyses get to the right people – to decision-makers, to affected communities, to civil society groups and to academics – both throughout the EU and globally. Throughout 2003, FERN has continued to achieve this through its publications, its presentations at international fora and its website, as well as through bringing NGOs together at a range of workshops and seminars. This last function in particular has played a vital role in facilitating the development of common NGO strategies on key forest issues and thus presenting a united NGO approach to the EU.

#### Developing joint strategies

In the last 12 months, FERN has organised a range of meetings and workshops and co-ordinated the development of joint NGO strategies and positions on several major forest issues: illegal logging, the EU Ecolabel, non-credible forest certification schemes, ECA reform, EC aid to Asia and Latin America and climate change initiatives. This work is critical in terms of successfully putting issues onto the EU's political agenda and has led to a number of important successes.

**“FERN does a great job, and the energy and input that you have given over the years will have been much appreciated by many people.”**

FERN review, 2003

First, FERN has co-ordinated important work on the revision of the EU Ecolabel. With the criteria for the EU label for furniture up for revision in 2004, FERN liaised with the EU Ecolabel Working Group in close co-operation with the European Environment Bureau (EEB). The work involved collating and presenting extensive comments on the required criteria for the EU ecolabel and proved successful in so far as the EU's adopted text requires that the Ecolabel must adhere to independent certification of fresh fibre.

In relation to lobbying for ECA reform, FERN co-ordinated a series of joint NGO amendments to the OECD *“Draft Recommendation for Common Approaches on the Environment and Export Credits”*. These amendments were presented to the European Council Working Group on ECAs at a meeting chaired by the European Commission's DG Trade, during which FERN was able to highlight how the EU Treaty justified EU involvement in ensuring that ECAs adopt policies on human rights and information disclosure. The same document was later presented to the OECD Working Group on ECAs, and at the end of 2003 the OECD adopted an improved set of guidelines for these agencies.

On illegal logging, one of FERN's key roles lies in informing policy-makers in member states of the possible options to tackle the import of illegally sourced timber and forest products. To this end, FERN, together with Greenpeace Italy, organised a meeting hosted by the Italian senate in November 2003. The goal of the meeting was to raise awareness of both the issues and the opportunities surrounding illegal timber imports and to

encourage political support for the implementation of the EU's Action Plan on illegal logging. Following the success of this meeting, FERN is now preparing to organise similar meetings in three other member states during 2004.

The issue of forest certification is still hotly debated among most NGOs working on forest issues. On the one hand non-credible industry-driven schemes are springing up; on the other the Forest Stewardship Council (FSC) has made its own fair share of mistakes. As a certification system, the FSC is clearly the most robust available, and it has garnered most NGO support. Yet its many implementation failures over the last few years indicate that it is not as stringent in practice as it is on paper. Specifically the certification of large industrial-scale tree plantations – which have nothing in common with natural forest – is of great concern. With this in mind FERN organised two meetings in December 2003, one aimed at developing a joint NGO strategy on non-credible certification schemes and the other aimed at developing measures to improve FSC policies and practices – particularly on plantations. The first was attended by over 30 delegates from Europe, US, Canada, Australia, Malaysia, Indonesia, Cameroon, Chile and Brazil – many presenting case studies on the pros and cons of different certification schemes in their own country. This meeting led to concrete plans of action in numerous countries and to the development of joint NGO statements. The second saw representatives from communities in South Africa, Thailand and Brazil – all affected by FSC-certified plantations – present their cases to FSC staff and members. This resulted in the FSC initiating a revision of its principles on the certification of plantations.

### **Facilitating information flows: from international to local level**

A series of workshops organised by SinksWatch in India provided many of its participants with their first opportunity to learn about the newly created carbon market and its

*Indigenous peoples at the Espirito Santo State Conference on the Environment in October 2003, where the Movement against the Green Desert called for land reform and to stop the expansion of industrial monoculture tree plantations.*



implications for their respective countries. Aimed at providing vital information about climate change and carbon finance to civil society organisations, community groups and tribal leaders, the success of these workshops – organised in Delhi, Kolkata, Ranchi and Gwahati – has led to several requests for similar workshops elsewhere. These will be followed up in 2004.

#### **Campaign highlight: EC Aid Platforms in Cameroon and Indonesia**

A major development within FERN in 2003 was its joining forces with Cameroon's CED (Centre pour l'Environnement at le Développement) and Indonesia's TELAPAK, to create EC Aid Platforms in these two countries. These two Southern Platforms will work towards ensuring that forest and forest peoples' issues are properly addressed throughout the EC aid programme in their respective countries by creating NGO networks that focus on improving the quality of the flow of EC aid. FERN's Brussels office will ensure that all relevant developments in Brussels will be passed on to the Platforms and will assist them with all information issuing from EU headquarters. In exchange, the Southern networks will inform FERN about the impact of EC activities on the ground.

In addition to facilitating efficient information flows regarding EC aid and its impact in these countries, the development of the two Aid Platforms will allow local NGOs in the South both to directly lobby the EC delegation in their own country and to be heard in the EC at both delegation and Brussels levels.

**“The lobbying work that the Sami people did at the EU level would have been impossible without the input, support and advice of FERN. Thanks for your great work!”**

FERN review, 2003

FERN's four-monthly newsbrief on development issues, the Platform Newsletter, was published four times in 2003 and provided up-to-date information to NGOs in the South on developments in Brussels with regard to EC aid.

#### **Facilitating information flows: from local to international level**

2003 saw FERN organise several major tours, facilitating NGOs and local communities in bringing their cases to decision-makers in Europe. In June, SinksWatch organised a tour to five European countries – Norway, Belgium, the Netherlands, France and Germany – where colleagues from Brazil and India spoke about the impacts of carbon sink plantations on local livelihoods. In meetings with investors in those projects, and with governments, media and NGOs, the Southern guests spoke about the negative impacts of monoculture tree plantations and large hydro-dams on local communities. They also discussed how international climate negotiations threaten to provide a new type of subsidy to equally detrimental and unsustainable projects elsewhere. A clear success of this tour was the World Bank announcement that it would initiate an inquiry into Brazil's Plantar Plantation – the world's first monoculture tree plantation project financed through the sale of carbon sink credits (see page 15).

In March, FERN further organised a visit to Brussels for Jacob Lenka of Lesotho's *Transformation Resource Centre*, with the goal of allowing Mr Lenka to meet with EU Commission officials and with MEPs. FERN also agreed to assist in organising a Parliamentary hearing on the Lesotho Highlands Water Project case – where a number of European companies have been prosecuted on bribery charges relating to the Project. As a result, FERN organised the visit of Mr Guido Penzhorn – lead prosecutor on the bribery cases – to give testimony in Brussels. The cases are ongoing.

Later, in the summer of 2003, FERN brought key activists campaigning against the Baku-Tbilisi-Ceyhan oil pipeline to talk to major potential funders in London, Paris, Berlin and Rome. Manana Kochladze from *Green Alternative* together with Mayis Gulaliyev of *Caucasus NGO Confederation* were able to meet with European ECA representatives and with government officials to raise their concerns and express their demands in the four countries that are most likely to support the project.

Still later, in October, FERN hosted a visit from representatives campaigning on a second project – the Veracel Pulpmill in Brazil. Campaigners from the *Alert Against the Green Desert* coalition visited Brussels to urge the EIB to reject a € 70 million loan for the construction of a pulpmill – which is destined to be the largest single line production in the world. The project has attracted severe criticism from indigenous peoples' organisations, NGOs and academics in Brazil, who, under the umbrella *Alert Against the Green Desert* have voiced strong opposition to it. In their meeting with the EIB, the campaigners stated that the pulpmill and its associated plantations would exacerbate existing land concentration problems, displace small-scale farmers, cause economic dependence on a single export product, use excessive pesticides and herbicides and worsen existing social inequities.

*Temperate rainforests in British Columbia continue to be under threat from industrial logging and mining.*



## Making a difference

### Putting knowledge to use

Of course one of the key requirements of effective campaigning is that good information is put to good use. As a result of FERN's careful research, effective networking and high quality communications, 2003 has seen a number of important successes arising within the forest movement. These include positive outcomes on illegal logging, green procurement, ECAs and EC aid.

#### Focusing on Trade

Successful lobbying by FERN and other NGOs during 2003 saw two main outcomes. First, the European Council finally adopted a strong position on the Commission's Action Plan on illegal logging. And second, contrary to earlier indications, the EU eventually adopted a new Procurement Directive that does allow governments at all levels to include social and environmental considerations in their procurement policies. Both of these outcomes are of great significance in terms of positively influencing the way in which the forestry industry can continue to operate in the future.

#### Focusing on Financial Flows

FERN also saw some considerable successes emerging from its work on financial flows.

First, FERN together with its partner NGOs won the support of the EC's DG Trade and DG Environment for the joint NGO amendments on the OECD's "*Draft Recommendation for Common Approaches on the Environment and Export Credits*"; this in turn led to the Director of DG incorporating many of these amendments into the workplan of the European Council Working Group on ECAs.

Second, FERN spent much of 2003 informing NGOs about the EC's mid-term review of its Country Strategy Papers which detail how EC aid is being spent in a particular country. Originally characterised by the lack of integration of environmental considerations into current country programmes, FERN and their partner NGOs have lobbied the European Commission on this issue with considerable success: it is now mandatory for every country programme to include a review of the environmental situation in that country. At the same time, FERN has also campaigned to improve the EC consultation requirements for civil society, researching a number of briefings on this issue. These briefings have played an important role in informing NGOs in recipient countries of their rights to participate in these decision-making processes.

Finally, throughout 2003, FERN has been instrumental in ensuring not only that the Regulation underpinning EC aid flow to Asia and Latin America had poverty alleviation and sustainable development as foci but also that 10 percent of all funds are to be allocated to environmental programmes in the first step in the adoption of the

**"FERN is an excellent little group whom I can only highly recommend. They produce excellent material and are increasingly influential and well thought of in EC AIDCO."**  
EU Small Grants Programme

Regulation. To this end FERN and WWF issued the joint briefing *“The Importance of Natural Resources and a Healthy Environment for Poverty Alleviation”*, which was distributed to Parliamentarians prior to their voting on the draft Regulation.

### **Focusing on Forest Policies**

While most of FERN’s work focuses on influencing policies and legislation within the EU, there are two key international fora relating to forests in which FERN remains

**“... it is now mandatory for every country programme to include a review of the environmental situation in that country.”**

DG Development of the European Commission



*Plantations are not forests. Trees can be found in both, but that is where the similarities end.*



involved – the Convention on Biological Diversity (CBD) and the United Nations Forum on Forests (UNFF). Of these, the UNFF formed a greater priority for FERN in 2003, its main goal in this forum being to ensure that the UNFF monitors and implements government commitments made prior to the emergence of the UNFF itself. Most notable among these are the *Proposals for Action* developed by UNFF's predecessor the Intergovernmental Panel of Forests. To gain a better understanding of the current situation in terms of the development of national forest programmes, FERN developed and distributed to NGOs, a questionnaire to determine the status of the National Forest Programme in a number of countries. The questionnaire was designed to determine whether a Programme has been developed, the level of quality of the Programme and whether it was developed using a genuinely participatory process. The findings from this will be presented in May 2004 at UNFF IV.

### Campaigning on sinks

To date the FERN campaign on sinks has resulted in some corporate investors in Europe realizing that carbon sink credits are scientifically invalid, and that investment in such projects carries the additional price of being in the spotlight of a high-profile international campaign. Focusing initially on the Plantar Project, Brazil (see box), this campaign has already contributed to delaying the approval of the project proposal and has significantly raised the hurdles for approval by exposing the many problems associated with the plantation's current carbon accounting. Moreover, through this campaign, FERN has also been able to strengthen its links with partner civil society organisations in Brazil who are opposing any further expansion of monoculture eucalyptus plantations.

**“Honestly, there have now been so many bad sides of the Plantar project discovered that nothing is decided ... whether we will support this or not.”**

Liv Rathe of [Norske] Hydro and the investment board of the World Bank's PCF, 2003

#### The Plantar Project: deterring investors

The Plantar project in Minas Gerais, Brazil is the world's first carbon sink plantation which is seeking to sell carbon credits to companies or governments that are obliged to reduce greenhouse gas emissions under the Kyoto Protocol. The project involves planting 23,100 hectares of eucalyptus trees on lands previously used for pasture. The project has been developed under the auspices of the World Bank's Prototype Carbon Fund (PCF), which has a number of government and corporate investors who receive a *pro rata* share of the credits from PCF projects. However, it is clear that the Plantar Project will not contribute to sustainable development, since Plantar seeks credit for carbon stored in industrial monoculture tree plantations. This is despite the numerous negative impacts associated with industrial tree plantations elsewhere and also despite the fact that there are no scientific assurances that the carbon stored in this way can be stored permanently. Thus there are no guarantees of any long-term benefit to the climate stability. If approved, Plantar will reap millions of dollars for bogus carbon credits and industrialised countries will be allowed to meet their Kyoto reduction target using unsustainable plantations and climatically worthless credits.

## Schuld voldaan, evenveel uitstoot

Om de Nederlandse uitstoot van broeikasgas te compenseren, zijn 300 milieuprojecten nodig in het buitenland. Nederland kiest onder meer voor aanolieden, siveledammen en ecodyplisplantages.  
Door Jeroen Trommel



## Is the EU logged-on to illegal wood trade

By Rana Campos

THE European Commission has been accused of putting trade interests before ethical concerns by failing to impose an outright ban on imports of illegally-logged wood.

Complaints say an earlier plan would have been for the EU to ban all wood imported from illegal logging, then to go for a ban on wood from the EU.

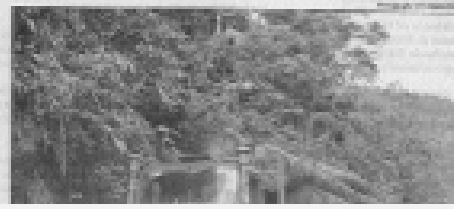
It is claimed that the EU will continue to import illegal wood products, while deforestation and the loss of forest animals and birds will

with Cambodia and around several African nations. Last July, Indonesia banned the export of logs that Malaysia reported to be coming from illegal logging.

However, it is claimed that the EU has been slow to act.

The London-based Environmental Investigation Agency (EIA) says that a shipment of Indonesian logs being smuggled into a Malay port.

Under the Commission's action plan, the number of illegal log imports is slowly rising in the EU, although it does not know how many.



## Kontroverse über mögliches CDM-Plantagen-Projekt geht weiter

Gegen die Beschlüsse von März 2002 sollen Projekte, die Kohlenstoffreserven im Rahmen des Clean Development Mechanismus erzeugen, sowohl die nachhaltige Entwicklung eines Landes unterstützen als auch zur Verringerung von Treibhausgasen beitragen. Dies gilt auch für Solarkraftwerke, die eine Registrierung im CDM anstreben.

Es müssen sich jedoch die Anreize, denen die Realität solcher Solarkraftwerke

technischen Bedenken stellen die Klimaschutzpolitik des Projekts. In Frage. Beispielsweise sollen die PV-Management auf Projekte und Projekte mit über 100 Millionen US-Dollar, die Kohlenstoffreserven, Gezeitenkraftwerke und Wasserkraftanlagen im Rahmen des CDM in einem Brief legen die brasilianische Gruppe ihre Bedenken gegen das Projekt dar, welches die negative Umweltauswirkungen, die unzureichende Arbeitsbedingungen bei der Holzherstellung und die Verantwortung einer unzureichenden

### SinksWatch

Um zu verhindern, dass Projekte wie das oben beschriebene Solarkraftwerk in Brasilien, die Kohlenstoffreserven aus dem Markt von Kohlenstoffreserven zum Klimaschutz bringen, haben Fern und das World Resources Institute (SinksWatch) zu einem Projekt, das die Integrität von Solarkraftwerken und die Registrierung von solchen Projekten, die keine eindeutigen Beitrag zum Klimaschutz leisten, zu

“Thanks for your excellent newsletter. Please keep them coming.”  
The Guardian



## Sinking to new depths

Planting trees to absorb carbon dioxide emissions sounds like a nice idea. But this form of 'carbon offsetting' may do more to reduce guilt than combat

EUROPEAN VOICE 19 JULY 2003

Forest & Paper Products 1

## The unkindest cut: 15m hectares of forests disappear every year

Europe can't see the wood for the trees

By Rana Campos

AT A point last week, I was asked about the claim that, in some parts of the world, forest

The news, globalists will a change every day and a clear and direct way of cutting the forest's demand for wood without increasing the growth of the forest's demand for



By Rana Campos

EUROPEAN VOICE 19 JULY 2003. Forests are essential to water legislation, which enables the sustainability and efficient management.

The result of FERN's press work: articles in the Financial Times, European Voice as well as several German, Dutch and English newspapers.

FEATURES SCIENCE & HEALTH

## The greenhouse effect won't be cured by trees

As environmentalists meet in Milan, Vanessa Houlder looks at the evidence concerning the use of forests to offset carbon emissions.



# FERN's visibility

## Media and publications

Much of FERN's success lies in the effective distribution of its publications both via mailouts and via its increasingly popular website. The site hosts all of our publications, joint NGO statements and other campaign materials.

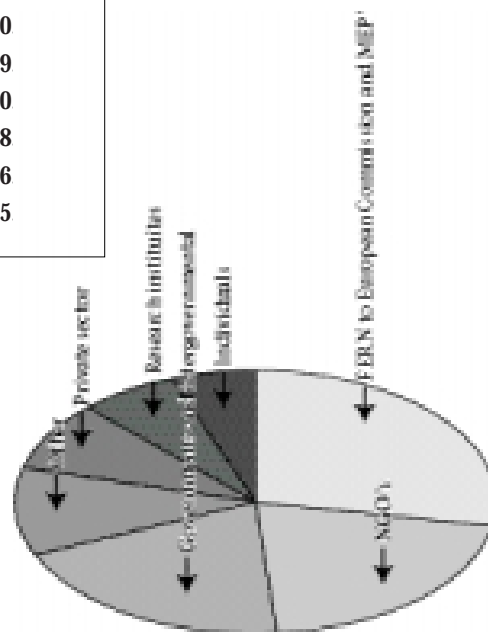
Evidence of the website's success – and hence of FERN's increasing visibility – can be seen in the number of visits to the site, which over 12 months since September 2002 has risen from 3,342 to 7,197 visitors per month. Requests for publications are especially popular and subscriptions for our free newsletter *EU Forest Watch* have risen from 385 in January 2003 to 523 in December 2003.

Meanwhile, in terms of targeting our information to key recipients, at present our databases hold the details of more than 2,000 contacts with whom we have regular e-mail or other contact. The categories of these recorded contacts are as follows:

**“I have worked with FERN and found it to be a very professional, influential organisation with a global reach.”**

FERN review, 2003

European Commission and MEPs	27.9%
NGOs	20
Governments and intergovernmental	19
Other	10
Private sector	8
Research institutes	6
Individuals	5



Fundamental to the increasing popularity of FERN's website is the quality of the information we provide on it, and 2003 proved no different from previous years with FERN producing a number of seminal publications on key forest issues. In addition, FERN's active media work generates articles and news reports about our work and contributes to the visibility of FERN among target audiences and the general public. See next page for the whole range of campaign materials FERN produced in 2003.

## Briefings and reports in 2003

### Targeting industry

- FERN, FoE, Greenpeace, WWF (2003) **Council Issues Conclusions on Illegal Logging: re-statement of demands in advance of the finalisation of the Action Plan on illegal logging.** *October 2003*
- FERN (2003) **Steps to Stop Illegal Logging: an analysis of the European Commission's Action Plan on illegal logging.** *July 2003*
- Garforth M (2004) **To Buy or Not to Buy: green timber procurement policies in the EU.** *FERN, January 2004*
- Ozinga S (2003) **Timber certification in Malaysia.** *FERN, July 2003*
- Ozinga S (2003) **Ecolabeling, Forest Certification and the WTO: a briefing on possibilities and problems of ecolabeling under WTO rules.** *FERN, September 2003*



### Targeting financial flows

- FERN (2003) **Key Reforms Needed For Exported Credit Agencies.** *January 2003*
- Horta K (2003) **The Chad/Cameroon Oil & Pipeline Project: can its track record hold lessons for the Baku-Tbilisi-Ceyhan Pipeline?** *FERN, January 2003*

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- Leubuscher S (2003) **Multinational Enterprises – Masters of the Legal Universe.** *FERN June 2003*
- Marijnissen C, Muraille B (2003) **Export Credit Agencies and Biodiversity Loss.** *FERN, March 2003*
- Muraille B (2003) **EC Development Aid: a briefing sheet.** *FERN, March 2003*
- Ozinga S (2003) **Consultation Requirements for Civil Society in EC Development Policies and Practices.** *(English, French and Spanish) FERN, April 2003*
- Thenard E (2003) **Fact File on the Lesotho Case.** *FERN, June 2003*
- Watson G, Thenard E (2003) **Race to the Bottom Take II: a compilation of case studies to highlight the persisting problems with projects supported by ECAs and the weaknesses of the current 'Draft Recommendation for Common Approaches'.** *FERN, September 2003*

### Legislation and forests

- Ioli Christopoulou (2003) **The European Convention and the Environment.** *FERN, April 2003*

### Climate change and forests

- Kill J (2003) **Forest Fraud: Say NO to Fake Sinks Credits.** *SinksWatch, FERN, December 2003*
- SinksWatch, FERN (2003) **Briefing Note for the Indigenous Peoples Caucus on Climate Change.** *November 2003*

# FERN

## Finance

### *Income and expenditure Account for the year ended 31 December 2003*

	<i>2003</i>	<i>2002</i>
<b>Income</b>		
General project receipts	280.201	453.310
Core funding	192.315	134.597
Agent monies received	15.135	30.194
Reimbursements	6.148	4.657
Income from other sources	2.440	10.016
Bank interest received	5.031	1.337
	<u>501.270</u>	<u>634.111</u>
Less income in respect of future years	(153.170)	(219.659)
	<u><u>348.100</u></u>	<u><u>414.452</u></u>
<b>Expenditure:</b>		
Agent monies paid	15.135	80.874
Printing	45.992	38.575
Telephone	10.342	12.214
Postage	6.324	4.721
Stationery	3.071	5.455
Travelling	48.797	24.517
Computer & office equipment	6.185	5.662
Salaries & consultancy	354.248	256.933
Magazines, journals & documents	5.557	3.166
Meetings & seminars	43.358	27.339
Miscellaneous expenses	13.779	4.681
Accountancy	9.580	8.628
Rent	9.485	10.586
Bank charges	1.042	1.346
Insurance	-	30
Cleaning	517	475
Exchange gain	(2.816)	-
	<u>570.596</u>	<u>485.202</u>
<b>(Deficit) of income over expenditure</b>	<b>(222.496)</b>	<b>(70.750)</b>
Income deferred from previous year	219.659	72.168
Taxation	<u>300</u>	<u>( 337)</u>
<b>(Deficit)/surplus after taxation</b>	<b>(2.537)</b>	<b>1.081</b>
Balance brought forward	<u>27.495</u>	<u>26.414</u>
<b>Balance carried forward</b>	<u><u>24.958</u></u>	<u><u>27.495</u></u>

## **Board and staff**

### *Our current Board members are:*

Gemma Boetekees (Netherlands), Francesco Martone (Italy), Sian Pettman (United Kingdom), Stan Termeer (Netherlands), Filip Verbelen (Belgium) and Caroline Zuniga (Germany).

### *FERN's staff:*

Sylvia Franssen, Financial and Office Manager

Sara Horsley, Administrative Assistant

Jutta Kill, Climate Policy Officer

Leontien Krul, Intern on Forest Policy Issues

Berenice Muraille, Development Policy Officer (replaced in 2004 by Iola Leal Riesco)

Chantal Marijnissen, Trade Policy Officer (replaced in 2004 by Saskia Ozinga)

Saskia Ozinga, Co-ordinator

Emilie Thenard, European ECA Co-ordinator (replaced in 2004 by Judith Neyer)

Jess Wenban-Smith, Communications Manager (vacancy in 2004)

## **FERN would like to thank all of its funders who so generously supported our work during 2003:**

Both Ends, the Netherlands

The Cornerhouse, UK

Department for International Development, UK

DG Development of the European Commission

DG Environment of the European Commission

Dutch Ministry of Environment, Housing and Spatial Planning, the Netherlands

Ford Foundation, US

Grassroots Foundation, Germany

Netherlands Committee for IUCN, the Netherlands

C.S. Mott Foundation, US

Swedish Society for Nature Conservation, Sweden

Wallace Global Fund, US

World Rainforest Movement, Uruguay

## **FERN Annual Report 2003**

Editor: Catherine Cotton

Photos: Jutta Kill

Design: Daan van Beek

Print: Drukkerij Zuidam & Uithof



## About FERN

### Who we are and how we work

FERN is a non-governmental organisation (NGO) created in 1995 by the World Rainforest Movement. We work closely with many local, national and international NGOs. Our overall goal is to promote the conservation and sustainable use of forests and respect for the rights of forest peoples in the policies and practices of the European Union. We co-ordinate several NGO networks and work co-operatively to achieve change.

FERN stands for Forests and the European Union Resource Network, although we are more widely known by our acronym – the name was chosen for its symbolic value, as ferns are among the few plants found in all forest types.

With so many issues affecting forests globally, FERN has decided to focus on the underlying causes that in many cases lead to forest loss. These include financial flows and the international trade in timber and other forest products, as well as government policies. Within this framework, FERN's main campaign areas in 2003 were climate change, export credit agencies and the European Investment Bank, illegal logging, aid and development co-operation, intergovernmental fora, EU forest and biodiversity policies and forest certification. FERN's main activities in all of these areas involve researching and disseminating accurate information; producing detailed analyses on key forest issues; working to build common NGO positions on these issues; facilitating grassroots and national organisations' work in putting a wide range of complex information to practical use.



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