



Photo: Maite Alvarez



FERN

Annual Report 2007

Getting to know FERN

FERN works to achieve environmental and social justice with a focus on forests and forest peoples' rights in the policies and practices of the European Union.

Set up 12 years ago as Forests and the European Union Resource Network, FERN coordinates campaigning work around EU policies that have a direct impact on forests and forest peoples. This niche role continues to be of great strength and importance. Our internal structure is non-hierarchical and this way of working can also be seen in our day-to-day contact with civil society, other NGOs and the EU. We pride ourselves in respecting the input of all employees, colleagues and partners.

Our work is focused on 6 linked campaigns with the following visions:

Development Aid: EC aid contributes to the protection of forests and ensures respect for the rights of forest peoples.

Illegal logging: Improved forest governance halts illegal timber trade in Europe and returns forest land to the ownership of local communities.

Trade and Investment: Trade and investment within and beyond the EU benefits all of its citizens without damaging forests and the communities that depend on them.

Certification: Certification schemes implement standards which recognise forest peoples' rights and improve forestry practices and legislation.

European Forests: Forestry practice and conservation in Europe works to halt biodiversity loss.

Climate Change: The EU rejects carbon trading as an expensive and ineffective distraction and concentrates on reducing consumption and avoiding deforestation.

Who we are

Board

FERN's work is overseen by its board which is made up of experts from around the world in the fields of forests, forestry and community rights, development, intergovernmental organisations and communication. The board and staff meet at least once a year to review the year's work, sign off the following year's workplan and look into the issues that will be affecting forests in the future. This list shows our 2007 board and the country they are based in:

Stan Termeer (Netherlands), Chairperson

Monica Årdback (Sweden), Treasurer

Gemma Boetekees (Netherlands), Secretary

Sian Pettman (United Kingdom), Member

Elisa Peters (USA), Member

David Kaimowitz (Mexico), Member

Kyeretwie Opoku (Ghana), Member

Staff

FERN's staff comprises five campaigners, each of whom run their own campaign, a finance officer and since December 2007, a communications officer. They are all based in either Brussels, Belgium or Gloucestershire, UK. Between them FERN has fluency in 8 European languages and many years of campaigning experience. Contact details are on page 14.

Jutta Kill: **Climate change and certification**

Leontien Krul: **European forests (left 2008)**

Judith Neyer: **Export Credit Agencies (left 2008)**

Saskia Ozinga: **Illegal logging and certification**

Iola Leal Riesco: **Development aid and illegal logging**

Joelle Dubois: **Finance officer**

Richard Wainwright: **Communications officer**



Getting the message out - an overview of 2007

Welcome to FERN's new look annual report for 2007, we hope it will give you a clear overview of who we are, how we work, what we aim to achieve and our successes throughout the year. It highlights how we have successfully built on the strong position we were in at the end of 2006 and increased our audience, grown our networks, but most importantly had some real concrete campaign successes that will improve the lives of forest peoples.

There were quantifiable successes such as average monthly visits to www.fern.org breaking the 20,000 per month mark and [Forest Watch](#) our monthly newsletter increasing its readership beyond 1,200. On top of this, publications we produced and contributed to continued to be very highly regarded, one of them - [Carbon Trading. A critical conversation on climate change, privatisation and power](#) was downloaded an astonishing 400,000 times.

FERN's publications are never an end in themselves, but one of the tools to help us affect the changes outlined in our strategies. For example, *Provoking Change* our [French](#) and [English](#) advocacy toolkit for NGOs in West Africa was launched in March 2007 and has since been widely used to increase the advocacy capacity of NGOs in the Congo Basin and beyond. Advocacy workshops were held in Cameroon and attended by over 40 African NGOs who are now better placed to ensure their demands are included in future government policies and laws.

Another example was [So, who owns the forest?](#) a study published with Liberian partner SDI. The report documents the current system of customary law and details how this system should be incorporated into statutory law to ensure that local peoples become the rightful owners of the land they live on. Detailed recommendations of the study have since been taken on in a first draft of a new community rights law that will be sent to the legislature in autumn 2008.

More successes and the details of the challenges we face are outlined throughout this report. We hope you enjoy reading it and whether this is your first contact with FERN, you are an old friend, or someone whose work we are challenging we would love to hear from you to find out how to improve our work in 2008. You can find the contact details of the most appropriate person at www.fern.org/contact.html

Thank you

Iola, Joëlle, Julie, Richard,
Saskia and Veerle.

The FERN team May 2008



Getting development aid right

The problem:

Although the motives behind EC development aid may be good, in practice there are serious concerns that some programmes may actually lead to increased poverty by devastating the environment of neighbouring communities. Funding has often not integrated environmental and social analysis, nor is consultation with civil society built into the planning and implementation stages.

2007 – building for successes

2007 saw FERN have some of its biggest ever successes from the development aid campaign. For example, after years of campaigning, country environmental profiles must now accompany all EC aid programmes to ensure all ecological considerations have been taken into account. These profiles are slowly becoming available on the European Commission's internet sites. On top of this, it has been agreed that forests will remain one of the main areas to receive EC aid, including support for local activists and forest dependent communities. Finally, following pressure from FERN, 2007 saw the setting up of the EU small grants fund for NGOs from the South.

The activities that FERN completed in 2007 included the release of its report [Transparency and availability of EC aid](#) which investigated the development of the EU's multi-annual cooperation frameworks with Africa and prompted debates in both Commission headquarters and delegations.

The solution:

If EU development aid is to help the poorest sectors of society whilst protecting their environment, civil society must be well informed and involved at all stages. The EU's development programmes should include environmental audits which detail the potential negative impacts, and these should be available to all rights holders and stakeholders.



Children in a Liberian refugee camp for people displaced by fighting in Sierra Leone. Image: Iola Leal Riesco

Natural resources in Liberia and Sierra Leone have been looted to support regional wars, displacing millions of people and leaving them without their means to support their livelihoods. FERN is working with [Green Actors of West Africa \(GAWA\)](#) to strengthen the advocacy capacity of African environmental NGOs.

By creating an advocacy toolkit and holding workshops, local NGOs have been able to strengthen their capacity in general and ensure that European Community environmental and development programmes recognise the need for local peoples to have a sustainable and peaceful living.

Getting rid of illegal logging

The problem:

Around half of the tropical timber and 20 per cent of timber from boreal forests imported into the EU is illegally sourced. Illegal logging destroys forests and damages communities, but it is hard to tackle because it is often an integral part of a nation's economy, giving financial support to political parties and companies.

What FERN is doing:

FERN's illegal logging campaign continues to push for civil society input into the EU's process for Forest Law Enforcement, Governance and Trade (FLEGT), as laid down in its Action Plan (2003). At the centre of this plan is the development of Voluntary Partnership Agreements (VPAs) between the EU and timber producing countries to control illegal timber imports to the EU and encourage partner countries to improve their forest governance.

FERN works closely with partners in all four countries that have started formal negotiations with the EU and others who are waiting in the wings. The first agreement is expected by autumn-2008.

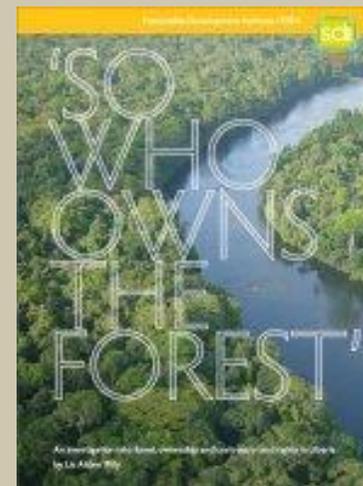
The solution:

FERN believes the challenge is to address the root causes of illegal operations: corruption, unclear tenure situation and the excessive influence of the timber industry. To this end, FERN is pressing for an EU ban on illegally sourced timber imports and for the EU to support local NGOs' demands for forest law reform in Africa and Asia.

Landmark study on land rights in Liberia

In 2003, Liberia emerged from 14 years of conflict that had left nearly 270,000 people dead and 1.5 million displaced. The conflict was in part fuelled by uncontrolled exploitation of and competition for Liberia's resources, especially timber.

Peace has created a new impetus to develop a legal framework that can form a fairer basis for sharing the many benefits that Liberia's forests have to offer. FERN, together with Liberian partner SDI, published a study that indicates clear steps towards the development of such a framework. The report documents the current system of customary law and details how its incorporation into statutory law would ensure local peoples become the rightful owners of the land they live on. The study brings together existing legal texts and new research to document how honouring land rights is compatible with economic growth. It delivers a stark warning that issuing concessions over community lands could trigger new conflicts. Detailed recommendations of the study have since been taken on in a first draft of a new community rights law that will be sent to the legislature in 2008.



Getting rid of illegal logging

2007 – building for the future

Improving civil society involvement in VPA negotiations.

FERN worked closely with NGOs representing community interests in official negotiations for a VPA in Cameroon, Democratic Republic of Congo, Gabon, Ghana, Indonesia, Malaysia and Republic of Congo. Building on this, it has published a series of reports outlining the NGO vision for forest governance in DRC, Ghana, Liberia and Malaysia.

Available: <http://www.fern.org/publication.html?id=156>

Strengthening regional networks across Africa.

Throughout 2007, FERN helped establish contact between different NGOs in Central and West Africa by organising regional meetings and exchange visits. NGOs in different countries working on the same issues such as community rights are now starting to share experiences and develop joint strategies.

Keeping communications flowing. FERN, together with a coalition of NGOs in timber producing countries and in Europe has created a website to monitor VPA negotiations in different countries. The website is jointly owned, managed and updated by the NGOs concerned and functions as a one-stop-shop for civil society, NGOs, the media, the timber industry and governments involved or interested in these negotiations. www.loggingoff.info



Participants of the FME meeting in Galicia. Image: Antón Lois Estévez

Building Movements for change

The Forest Movement Europe (FME) is a group of more than 150 people from 45 NGOs in 15 European countries working on forest issues. FME has been in existence for nearly twenty years with each meeting being hosted by a participating organisations with facilitation by FERN. In 2007 the meeting was held in Galicia, Spain and discussions included certification, climate change and illegal logging.

FME meetings allow European NGOs to share information on common issues and where possible discuss and develop joint strategies or action plans. Each meeting is followed by either a visit to a local forest or an action in support of the work of the local host. Most joint activities of European NGOs on forest issues originate in the FME.

Getting investment right

The problem:

European Export Credit Agencies (ECAs) support countless highly destructive and risky operations worldwide in many sectors including mining, nuclear, pulp and paper, oil, and large hydro power. There are clear examples where each of these projects has had devastating impacts on local peoples' health, environment and economy.

The solution:

FERN coordinates Europe-wide efforts to address the problems caused by ECAs, working to ensure this type of finance has to abide by the same binding environmental, social and human rights guidelines as other forms of government investment.

2007 a step closer to legislation:

A huge success was announced in June when as a result of work by our partners and us, new social and environmental guidelines were finally adopted by the Organization for Economic Cooperation and Development (OECD). The guidelines will make it considerably more difficult for destructive projects like the Camisea Gas Project (right) to benefit from public export credits in the future.

FERN and our partners continued to raise awareness about the havoc the proposed Turkish Ilisu Dam would cause to the environment and people living in the Kurdish region. It now looks as though this may lead to three European governments revoking their support as it is clear that the dam is not fulfilling its social and environmental mitigation measures.

An end to Camisea's pipe dreams?



Birds eye view of the Amazon.

Image: Amazon Watch

Arguably the most damaging project in the Amazon Basin, the ECA-supported Camisea gas project is located inside a reserve for indigenous peoples living in isolation in one of the most pristine and biologically diverse forests in the world. New guidelines adopted for ECAs in 2007 will help us prevent these kinds of investments in the future. For more information please visit:

www.amazonwatch.org



2007 saw FERN's push against the secrecy surrounding export credits finally starting to make headway with the publication of its comprehensive campaigners' guide on how to get access to environmental information. This 'Practical guide to your right to know' is available at http://www.fern.org/media/documents/document_4095_4108.pdf



Getting certification back on track

The problem:

The intellectual argument for forest certification has been won and the concept of certification is now mainstream, but there are serious problems translating this into improvements on the ground. Certification schemes are often dominated by the forestry industry or forest owners. Even where this is not the case, certifying bodies are increasingly certifying operations that do not deserve it, undermining the positive impact that forest certification could have. The majority of certified operations have not improved their forest management practices and often don't recognise the rights of local communities.

The solution:

The forestry industry's domination of certification schemes must shift towards local and indigenous stakeholders. To achieve this, FERN supports groups in the South to campaign against problematic certification operations or schemes whilst working to ensure policies such as the Forest Stewardship Council's (FSC) plantation policy are improved and implemented.

FERN has been actively involved in getting EU and Member States to have clear timber procurement policies which outlaw purchasing from non-certified sources. Six European countries now have policies and it looks like the UK may follow the Danes and the Dutch and include social criteria in its next revision.



Halting monoculture tree plantations

In fighting the expansion of monoculture industrial tree plantations, the World Rainforest Movement (WRM) found that some FSC certified plantations had the worst social and environmental impacts and did not even meet FSC Principles and Criteria. The situation undermined the FSC's credibility and jeopardised its NGO support. FERN and its partners urged the FSC to act. They responded with a review of their plantations policy and FERN was elected to the working group to represent Northern Environmental NGOs. The groups recommendations were adopted by the Board of Directors and FERN worked throughout 2007 to ensure they are implemented and that by 2009, FSC will have a new plantations policy which does not allow the certification of large scale socially destructive industrial monoculture plantations.

A monoculture tree plantation in Latin America. Image: World Rainforest Movement

Getting funding for biodiversity in forests

The problem:

The Rural Development Fund is the largest EU fund available for forests, and as such, if not spent correctly could have a devastating impact on the implementation of the EU's environmental policies such as Natura 2000 (the EU's flagship biodiversity conservation programme) and its aim to halt biodiversity loss by 2010.

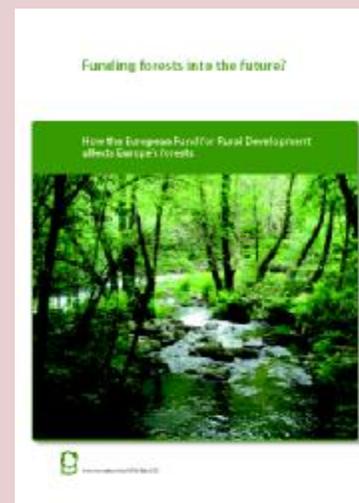
Despite this, large amounts of EU funds are being spent on supporting forestry businesses and practices which lead to biodiversity loss across Europe.

This was highlighted by the European Court of Auditors in 2005 in a report which stated that EC funded forestry measures must be more transparent and emphasise sustainable environmental benefits.

The solution:

The EU must evaluate all rural development programmes to ensure they support national forest programmes, national biodiversity strategies, action plans and EU environmental policies. All programmes should be developed and implemented in close consultation with local stakeholders including environmental NGOs.

Funds spent on rural development must have the twin aims of reducing biodiversity loss and protecting important habitats.



Encouraging Europe to fund biodiversity

FERN's work in 2007 built towards a seminar in November entitled *Raising awareness of forest funding via the European Agricultural Fund for Rural Development*. This was the culmination of research in seven countries, Bulgaria, Czech Republic, Finland, Hungary, Ireland, Portugal and Romania,

into the state of Rural Development Programmes.

Representatives from each of these countries and members of the coalition of forest NGOs working on the rural development regulation gave presentations and discussed the first draft of country reports which have since been finalised and are available at www.fern.org/publications.html

In 2008, FERN produced a synthesis version of these reports which highlights the need to spend rural development funding on biodiversity conservation rather than strengthening the forestry industry. This should be done by, for example, allocating more money to the EU's biodiversity conservation programme, Natura 2000.

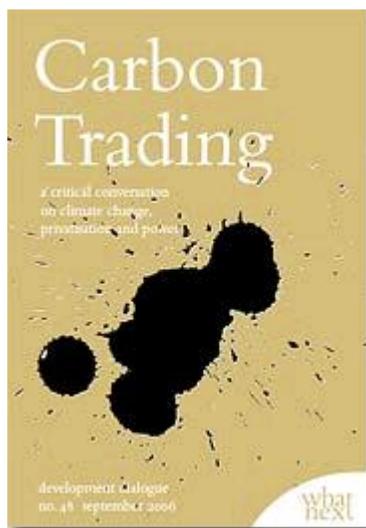
Getting carbon trading out of the climate change debate

The problem:

Climate change is already happening. If we are to avert its worst effects we must rapidly decarbonise our economies, yet the central pillar of EU action is carbon trading – an instrument which has been proven to be ineffective, unjust and unable to trigger the phase-out of fossil fuelled power generation.

The solution:

Move the EU towards policies that provide incentives to decarbonise Europe's economy, and away from those that cause deforestation such as agrofuels. Ensure policy makers and the public are aware that carbon trading is nothing more than a smokescreen behind which inaction is hidden.



In 2007, FERN co-founded the [Durban Group for Climate Justice](#) a group of organisations who believe climate policy needs to move beyond carbon trading and focus on ending fossil fuel dependency. FERN also contributed to [Carbon Trading. A critical conversation on climate change, privatisation and power](#) which examines the theory and reality of carbon trading and exposes why carbon trading reduces the pressure for society to cure its fossil fuel addiction. Since it was launched 10,000 have been printed and more than 400,000 copies downloaded.



FERN believes that there are not just 'bad apple' offsetting projects out there, but that the whole concept of offsetting is flawed. Even in the best case scenario offsets don't reduce emissions, they simply move them from one place to another. On top of that, schemes rely on storytelling, not verifiable calculations. The better a storyteller you are, the more carbon credits you can sell – hardly a recommendable approach to addressing what the European Commission has described as "[one of the greatest environmental, social and economic threats facing the planet.](#)"

Getting carbon trading out of the climate change debate

2007 – a year of successes

Belief in carbon offsets is finally changing. Offsets used to be considered the climate's hero but people are realising that they ignore the principle that the polluter should pay and award large profits to some of the world's dirtiest industries. 2007 saw NGOs such as International Rivers and Carbon Trade Watch write excellent reports confirming FERN's analysis, and there have also been a number of reports exposing bogus offset schemes. These included a series in the Guardian and the Financial Times as well as a special on UK Channel 4's Dispatches. See [SinksWatch](#) publications page for more.

The dangers of agrofuels are now widely recognised. FERN's call for the EU to drop its target to have 10 per cent of transport fuel from agrofuels by 2020 has been backed up by newspapers and institutions like the Organisation for Economic Cooperation and Development (OECD). Jean Ziegler the UN Rapporteur on Right to Food also called for a moratorium, pointing to concerns that agrofuels are adding to pressures on food crop availability and prices. In 2008, the challenge is to maintain pressure while pushing for an EU action plan to transform the EU transport and energy sectors to safe, low-carbon technology.

The importance of forests in halting greenhouse gas emissions has moved centre stage. The December 2007 Bali conference brought wider recognition that more than money is needed for Avoided Deforestation and Degradation (ADD) projects. This is the perfect opportunity to push governments to address the drivers of deforestation such as excessive consumption of paper and meat in the North and poor forest governance and industrial agriculture in the South. In 2008 we will push Northern governments to tackle deforestation **on top of** drastic reductions in fossil fuel use and ensure the substantial money for ADD reaches the forest communities who are most able to ensure a permanent end to deforestation.

Our partner in India



NESPON – the National Forum of Forest Peoples and Forest Workers, India

2007 saw NESPON going a long way to expose the carbon cowboy offset market in India. They used case studies, interviews and discussions to inform Indian social movements. As Soumitra Ghosh, above, stated, “The real and perceptible danger of climate change is offset by the illusion of the most absurd and impossible market human civilisation has ever seen.”

“We're creating a sort of “climate apartheid”, wherein the poorest and darkest-skinned pay the highest price – with their health, land, and, in some cases, their lives – for the continued carbon profligacy of the rich.”

Getting the money

All figures in euros

Income

	Campaign funding	Core funding	Total
Public Institutions (8)	274,578	114,483	389,061 (49%)
Private institutions (10)	252,151	137,508	389,659 (50%)
Other sources (including interest and reimbursements)	14,369	10,288	24,657 (1%)
Total	541,098	262,279	803,377

A stable financial future

FERN's finances are audited annually by an independent and chartered auditor. A full list of our funders is shown on the last page, and the chart shows that our eight public and ten private funders contribute almost exactly half of our funds each. Core funding accounted for 30 per cent of our income in 2007 and was covered by four donors all of whom FERN has a long relationship with. This funding allows us to be flexible and react to events as well as paying for cross-cutting campaigns.

FERN was pleased to welcome three new funders in 2007 who join the foundations, public institutions and NGOs that keep our invaluable work going.



Boreal forest, Ontario, Canada. Image: Damien Lee

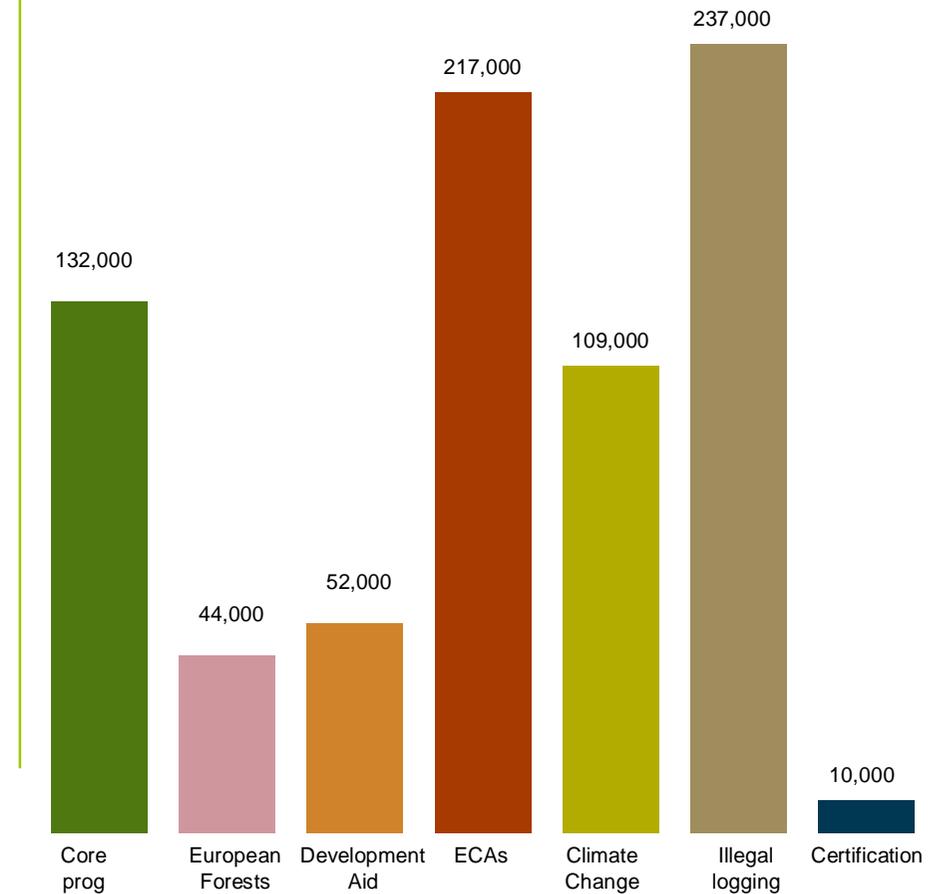
Getting our money's worth

All figures in euros

Overall Expenditure

Staff	309,155
Grants to partner organisations and networks	244,572
Travel and meetings	100,944
Administration and other costs	81,945
Publications	32,992
Consultants	29,424
Total	799,032

Expenditure per campaign



Getting in touch

During 2007 FERN produced a number of reports and briefing notes some of which are highlighted here and all of which are available from our website at www.fern.org/publications/html. Alternatively, hardcopies can be ordered by contacting info@fern.org or either of our offices.

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Briefing notes

Seeing RED; avoided deforestation and rights issues

The UNFCCC needs to answer important questions about forest governance and forest peoples' rights before negotiating a post-2012 climate agreement that may include forests.

L'Accord de Partenariat Volontaire au Cameroun: Evaluation du processus

French language briefing note evaluating the negotiation process between the EU and the Government of Cameroon to define a FLEGT Voluntary Partnership Agreement.

Integrating environmental issues in EU - ACP aid strategies

French and English briefing note produced as a background document to the workshop: "Why (not) mainstream? - A critical assessment of the results of a decade of gender and environmental mainstreaming."

Reports



So, who owns the forest?

This landmark study sets out the confusions and conundrums of forest tenure in Liberia today and develops clear recommendations towards solving potential conflicts over natural resources.



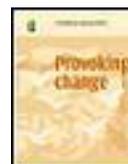
Transparency and availability of EC aid documentation

FERN, BirdLife and WWF study analysing the public availability of the environmental tools currently used in EC cooperation and aid plans, focussing on Country Environmental Profiles (CEPs), Environmental Impact Assessments (EIAs), and Strategic Environmental Assessments (SEAs).



Why Investment Matters

This book, by Kavaljit Singh, aims to educate us about how investment works, who the main players are, and what trends are emerging. Investment is not just a blandly apolitical process by which money is mysteriously made to grow, but a process in which companies and governments define and redistribute access to assets.



Provoking change - A toolkit for African NGOs

This Advocacy Toolkit is for local and national NGOs, but specifically for those based in West Africa. It was produced by FERN at the request of a network of environmental NGOs in West Africa: the Green Actors of West Africa (GAWA).

FERN would like to thank...

FERN's funders

FERN's work is entirely dependant on the generosity of its funders, many of whom have been supporters for several years. We do not receive funds directly from the public, nor are we tied to one funding source, we ensure accountability to our donors through regular reporting. Activities and successes in 2007 were made possible thanks to:

- C.S. Mott Foundation - USA
- Department for International Development (DFID) - The United Kingdom
- DG Agriculture of the European Commission - Belgium
- DG Environment of the European Commission - Belgium
- DG Trade of the European Commission - Belgium
- European Forest Institute (EFI) - Finland
- Ford Foundation - USA
- Grassroots Foundation - Germany
- Interchurch Organisation for Development Cooperation (ICCO) - The Netherlands
- National Committee of the Netherlands (IUCN) - The Netherlands
- Ministry of Housing, Spatial Planning and the Environment (VROM) - The Netherlands
- Oxfam-Novib - The Netherlands
- Swedbio/SIDA - Sweden
- Ministry of Agriculture, Nature and Food Quality (LNV) - The Netherlands
- The Ministry of Foreign Affairs (Development Cooperation) (DGIS) - The Netherlands
- The Sigrid Rausing Trust - United Kingdom
- Wallace Global Fund (WGF) - USA
- World Wide Fund for Nature (WWF) - The Netherlands

FERN's partners

FERN works with many NGOs around the world. In 2007 we specifically worked with:

- Both ENDS, The Netherlands
- Campagna per la Riforma della Banca Mondiale, Italy
- CED, Cameroon
- Civic Response, Ghana
- Climate and Development Initiative, Uganda
- The Corner House, UK
- Down to Earth, UK
- Debtwatch, Spain
- Environmental Foundation for Africa, Sierra Leone
- Euronatura, Portugal
- Forest Monitor, UK
- Forest Peoples Programme, UK
- Global Witness, UK
- Initiative to Keep Hasankeyf Alive, Turkey
- IDEAL, Malaysia
- NESPON, India
- OCDH, Republic of Congo
- Pro Regenwald, Germany
- Sahabat Alam, Malaysia
- SAMFU, Liberia
- SDI, Liberia
- Telapak, Indonesia

Cover photo credits

Main picture. Bulgarian forest. **Image:** Maite Alvarez

Small picture 1. A staghair fern. **Image:** Flickr

Small picture 2. Workshop in Cameroon. **Image:** Iola Leal Riesco

Small picture 3. River in Cameroon. **Image:** Iola Leal Riesco

Small picture 4. Protests against the Ilisu dam. **Image:** Ilisu dam campaign



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**Please note that from April 2009 our
new address in Belgium will be:**

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