ANNUAL REPORT

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The world’s fast-dwindling forests are being destroyed in a multitude of ways: cleared for mining, invaded for agriculture plantations, degraded by logging, drowned by reservoirs and subdivided by roads and pipelines. The exact threats vary with time and place. But in each case, the root causes are unjust power structures that promote the short-term interests of elites over the long-term needs of communities that use and live in the forests, and which ignore the ecological limits of the planet. Our purpose, as a Europe-based NGO, is to address these root causes from a European perspective.

As a major aid donor, investor and importer of commodities derived from forests, the European Union (EU) has a significant impact on forests and forest communities. But it also has concerned citizens and a well-established mandate to protect human rights and the environment. We believe the EU’s institutions can be harnessed to protect forests and improve the lives of forest communities worldwide. For this reason, our advocacy, based on extensive research, provides information that generates practical solutions to governance failure, and holds EU institutions and Member States to account.

We want to give a voice to the people who live in, derive their livelihoods from and are best placed to protect the world’s forests. Through our partnerships, we promote their rights and participation in decisions that affect them.

But even the strongest voices cannot succeed alone. The best way to achieve lasting change is to bring individuals, communities and civil society together to work towards the same goal. So we focus on building networks and coalitions, both within and outside the EU, that can work towards a common purpose – making the EU work for forests and forest communities in the interests of a shared planet.
Our Team

Céline Bernard: Partner Finance Officer
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Mark Olden: Press Adviser
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Julie Painting: UK Office Administrator
Roy Probert: Communications Manager (acting)
Emilie van Strydonck: Campaign Assistant
Indra Van Gisbergen: Forest Governance Campaigner, Congo Basin
Viviane Vandemeulebrouke: Finance Officer
Richard Wainwright: Communications Manager (on sabbatical)

Linde Zuidema: Bioenergy and Export Credit Agency Campaigner

Our board:
Ramy Bulan: specialist in law, indigenous issues – Malaysia
David Kaimowitz: specialist in forest politics, economics and community rights – Nicaragua
Jacques Lauriol: specialist in financial issues and financial training – UK
Elisa Peter: specialist in forest politics and UN institutions – UK
Fred Pearce: specialist in communications, climate change and land grabs – UK
Flip van Helden: specialist in forest governance and EU relations – Netherlands
Welcome

Last year was Fern’s twentieth anniversary, and a natural moment for us to reflect on how far we’ve come. Our previous annual report, covering March 2014 to April 2015, chronicled our achievements over the past two decades. From now on our annual reports will follow the calendar year, so this one includes some of the same period as the last. Yet there’s no need to look back over old successes again; the challenges before us are too great.

A major one – unlike when Fern began in 1995 – is that forests are being destroyed less for timber and more for agriculture. The apparently limitless desire for palm oil, soy, beef, leather, cocoa, biofuels and other agricultural commodities is currently the gravest threat to the world’s remaining tropical forests, and estimated to drive around 80 per cent of deforestation globally.

Over the past year we’ve intensified our campaign for the EU to address its critical role in this. Last March we released evidence revealing that in a single year the EU imported €6 billion worth of agricultural products which were grown or reared on land illegally cleared of forests in the tropics. Drawing on the knowledge of various experts, we published ten reports proposing ways to address this.

The message, it seems, is being heard. In December, the European Commission announced that it had contracted research to assess options for an EU Action Plan on deforestation. Such a complex challenge requires multifaceted action, including building on the lessons learned from the EU’s Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan, aimed at stopping illegally harvested timber from entering the EU.
FLEGT may not be the most elegant acronym in the history of international efforts to protect tropical forests, but its vision is the most innovative. At the time of writing, its growth hangs in the balance: throughout 2015 external reviews into FLEGT’s effectiveness have taken place and its future will soon be decided by the European Commission and EU Member States.

While progress is slow in some places and its implementation needs greater coordination, FLEGT’s aim of improving how forests are owned and managed and “strengthen[ing] land tenure and access rights… for marginalised, rural communities and indigenous peoples” is the best way to keep forests standing, as the evidence shows. This is because communities who rely on forest resources have the greatest stake in preserving them.

Whatever the Commission and EU Member States decide, we will continue striving for forest communities to be at the heart of the decisions affecting their lives; and while supporting progressive policies such as FLEGT, we will keep on highlighting damaging ones. Among the worst is the EU’s industrial burning of wood for energy.

A policy intended to create a sustainable energy supply is doing the opposite. To meet EU targets for reducing greenhouse gas emissions and promoting renewable sources of electricity and heating, EU Member States are giving enormous subsidies to energy companies to burn increasing amounts of biomass in power plants across the continent, which mostly means burning wood from European and North American forests. Throughout 2015, we investigated and exposed the devastating impact this is having on forests, people and the climate. The battle is still to be won, but the tide of the debate, at least, appears to be turning.

As 2015 drew to a close, the world’s attention turned to Paris and the United Nations’ Climate Change Conference.

Amid the mass of competing voices, we ensured that the evidence of forests’ vital role in slowing the rise in global temperatures – and how forest peoples are best-placed to protect them – was heard. We produced the first ever global map showing where forests are threatened by coal mining; released research revealing how the EU can include forests in its carbon-cutting targets in a climate-friendly way; as well as on the new role that the Paris Climate Agreement carves for forests, and the risks, limitations and opportunities it brings.

Taken as a whole, these activities embody Fern’s enduring ethos: not only identifying the problems facing us all, but finding practical solutions to them.
Biodiversity offsetting

In 2015 opposition to biodiversity offsetting grew stronger, with widespread concerns raised about a policy which gives developers a license to destroy precious habitats, wildlife and forests, so long as they pay to replace them elsewhere.

In January, the UK government quietly shelved plans for an offset regulation. In the same month, the European Commission published the results of its consultation, for which we rallied 10,000 people in a petition, showing that almost half of respondents rejected the introduction of biodiversity offsetting as part of the European Commission’s No Net Loss Initiative.

In March, together with French NGOs, we mobilised French parliamentarians to submit amendments to a draft biodiversity law. We also published a briefing on a new biodiversity offset law in Gabon, along with a short video featuring our local partner, Brainforest, explaining the changes in the law, which was shown during an NGO workshop. The Gabonese law raises serious concerns as it allows for a market trading carbon, biodiversity and community credits.

Having been instrumental in raising awareness and galvanising opposition to biodiversity offsetting since 2013, a strong network is now in place to scrutinise EU policy in this area, and we will continue to support these efforts on biodiversity offsetting.

Bioenergy

Forests across Europe – and further afield – are being threatened in the name of “clean” energy and to meet EU targets for reducing greenhouse gas emissions. Almost half of wood harvested in the EU is now used for energy, while around 45 per cent of renewable energy is generated by burning woody biomass for electricity and heating. This is bad for the environment, for the climate and for people.

It increases pressure on forests, including on their biodiversity and ecosystems, while forming a barrier for a more efficient use of the limited wood resource. At the same time, bioenergy can increase greenhouse gas emissions, the direct opposite of what the EU’s renewable energy policy is meant to accomplish.

The EU is now considering how to meet a new target of drawing 27 per cent of its energy from renewable sources by 2030. Biomass must not be at the heart of it. Rather it must focus on energy reduction so that the 27 per cent can realistically be met by renewables such as wind, solar, and tidal – with more efficient use of wood for energy.

Our year and publications

Through reports, media work, speeches at high-level seminars and meetings with decision-makers, we have become recognised as an expert on bioenergy and the wider bio-economy. More importantly, we have helped place the negative impacts of intensified bioenergy use into the mainstream EU debate, while giving a voice to those most affected by it.

Burning Matter: making bioenergy policy work for people and forests showed how the EU’s bioenergy policy is driving deforestation and can increase greenhouse gas emissions, detailing its biofuels and biomass policies separately.

Pitfalls and potentials: the role of bioenergy in the EU climate and energy policy post 2020. This position paper from Fern and 10 other NGOs argued that the EU should limit bioenergy use in achieving the 2030 renewable energy target, and should introduce safeguards to avoid negative impacts on the environment, resource efficiency and the climate.
Our briefing note on the limited availability of wood for energy showed how little forest biomass is available and recommended policies focusing on energy reduction, other renewables and the efficient use of wood.

Environmental author (and our board member) Fred Pearce investigated how Europe’s forests have been invaded in the name of green energy in Up in Flames: How biomass burning wrecks Europe’s forests. It highlighted cases where public subsidies are fueling untold damage to forests, people and businesses, including in France, Romania and the US.

EU Drivers of Deforestation

Millions of hectares of tropical forest are being destroyed to make way for land to produce the agricultural commodities that are part of our daily lives.

The palm oil in our shampoo, biscuits, toothpaste, lipstick, margarine and cereal; the soy we feed chickens and pigs; the leather belts, shoes and jackets we wear; the cocoa in our chocolate; the sugar that saturates so many of the products lining our supermarket shelves: the list of things we consume that are tainted by the clearing of far-off forests – much of it illegal – goes on and on, and the EU has a critical role in driving it.¹

The EU is committed to ending deforestation by 2030.

To do so it will need to develop or amend a range of policies dealing with consumption and production, energy, agriculture, trade, investment and finance.

Our year and publications

Tireless work by us and others has begun to pay dividends as the issue of agricultural deforestation has moved up the EU’s political agenda over the past 12 months.

Our year began with a flurry of activity. In March we released the report Stolen Goods: The EU’s complicity in tropical deforestation, which revealed that in a single year, the EU imported €6 billion worth

¹ In 2013 the European Commission published a comprehensive analysis of the impact of EU consumption on deforestation, which found that between 1990 and 2008, 53 per cent of global deforestation was due to agricultural expansion, a third of which was to grow crops for international trade. The EU as a whole was the largest single destination for these crops and livestock products.
of soy, beef, leather and palm oil grown or reared on land illegally cleared of forests in the tropics and constituting almost a quarter of total world trade.

The report attracted widespread publicity, with media including La Croix (France), The Observer, The Guardian (both UK), Die Zeit, Der Spiegel (both Germany), AFP, Reuters and Ansa (Italy) covering it. The report has been downloaded more than 11,000 times and the accompanying animation, the Story of Consumption, watched almost 2,500 times.

We followed this up by releasing ten further reports drawing on the expertise of various NGOs, governments and other specialists, proposing ways to end the EU’s role in agricultural deforestation.

On 30 March we held a conference at the European Parliament, Protecting Rights, Respecting Forests, where options for an EU Action Plan on deforestation were discussed by Commissioners, MEPs and NGOs.

As the year drew to a close, the EU signalled its willingness to act. In October, the Commission proposed a new EU trade and investment strategy, Trade for All, with a special focus on responsible supply chains. And in December it announced a feasibility study for an EU Action Plan on deforestation.

Protecting Forests, Respecting Rights: Options for EU action on deforestation and forest degradation

Power of Public Purchasing: making EU public procurement policy work for people and forests

Less and Better: making EU consumption policies work for people and forests

Duty Free? Making EU tariffs work for people and forests

Fighting Fossil Fuels First: making EU climate policy work for people and forests

WTO compatibility with EU action on deforestation

Clear Cut: making EU financial institutions work for people and forests

Burning Matter: making EU bioenergy policy work for people and forests

Catching it all: making EU illegal logging policies work better for people and forests

Taking stock: Tracking trends in European Aid for forests and communities

Playing with Fire: human misery, environmental destruction and summer BBQs

The food we eat, the clothes we wear and the energy we use comes at a hidden cost.
Export Credit Financing

After facilitating an EU campaign for guidelines for Export Credit Agencies to halt funding ecologically or socially destructive projects, we have decided to hand over this role. Much has been achieved since the start of this campaign in 1999, including the Organisation for Economic Co-operation and Development (OECD) issuing guidelines for ECAs. The link with forests was always tenuous and with less possibility to influence the debate in Brussels, the centre of gravity will now be the EU Member States.

Finance and Trade

Efforts to stop forest destruction too often overlook the crucial role played by banks and other financial institutions in facilitating forest loss – much of it illegal – across the world. Yet without understanding the often complex ways they support environmentally and socially damaging projects by providing funds and financial services, the chances of success recede. These institutions can be forces for good or ill: they can fund projects respecting local peoples’ rights, or they can fuel land grabs and human rights abuses.

Our year and publications

We carried out two rounds of research to quantify the extent to which European banks and investors are funding deforestation and land grabbing. The exercise, the first of its kind to look at the subject in such depth, involved a comprehensive trawl of financial databases, company and media reports. The results are due for publication in the spring of 2016. They will show that while EU financial institutions own relatively few shares in companies involved in deforestation and land grabbing, EU banks are massive providers of loans and financial services that help those companies raise capital. About 40 per cent of the loans to the companies we surveyed (as measured by their value) from 2010 to 2015 came from EU banks and 30 per cent of the underwriting by value.

We continued to campaign alongside other NGOs for the reform of EU financial regulations, and played a prominent role in February in FLEGT week, highlighting the lack of progress in implementing the finance and investment measures in the FLEGT Action Plan. We’ve also had considerable success in getting language that encourages investors to take account of ESG (environmental, social and governance) issues in the text of EU legislation, such as the Shareholder Rights Directive and the revised Pension Funds Directive, under consideration by the European Parliament.

Our report Clear Cut: Making EU financial institutions work for people and forests analysed the role of EU-based banks and investors in financing projects that lead to deforestation and land grabbing, making the case for reform of EU financial regulation so that it addresses these issues.

We published an investigation – Stashing the cash: banks, money laundering and the battle against illegal logging – into whether more effective use of anti-money laundering laws and procedures could help stem the flow of criminal money that supports illegal logging.
Illegal Logging

The destruction caused by illegal logging takes different forms: It drives climate change; it devastates forest ecosystems and biodiversity; it threatens the 1.6 billion people who rely on forests for their livelihoods; and it weakens the economies of forested countries, which lose an estimated $10 billion annually in assets and revenue as a result of it.

As the world’s largest trading bloc and the biggest single development aid donor, the EU’s power to curb illegal logging is immense. Yet much has changed since 2003, when the FLEGT Action Plan, the EU’s flagship policy to combat it, was adopted.

The EU has been eclipsed by China and India as the world’s largest importer of timber, and the conversion of forests for agriculture is today the main cause of forest loss worldwide. As the economic value of agriculture has risen, so the value of the forestry sector has fallen.

Over the past year, FLEGT has been under review, and the European Commission will make recommendations on its future soon.

With such an altered landscape, some question whether FLEGT and its central pillars – the Voluntary Partnership Agreements (VPAs) trade deals with timber-producing countries, and the European Timber Regulation (EUTR), aimed at stopping any illegal timber or timber products being sold in the EU – should continue to get significant support.

Fern works in nine countries where VPAs have been or are being introduced, and our view is clear: while the EU urgently needs a broader strategy to address the pressure on forests from other sectors, particularly agriculture, VPAs and the EUTR should be strengthened.

Progress has been slow in some countries, but the

Case study  How UK barbecues fuel misery in Namibia

As temperatures soared across Europe last summer we revealed the true cost of a barbecue. Around 70 per cent of the charcoal used in Europe is imported, and Namibia is the biggest supplier to the UK.

In our report Playing with Fire, we showed how UK consumption is driving the illegal harvesting of trees for charcoal on a vast scale in Namibia, where charcoal workers are operating and living in deplorable conditions. We found workers living in black plastic sheet dwellings without access to running water or toilets.

Our findings were covered by the BBC World Service, The Daily Mail (UK), The Independent (UK), The Observer (UK) and BBC Radio Four’s ‘You and Yours’ programme among others. They have also been a catalyst in Namibia for moves to better regulate the charcoal industry, and led to a number of charcoal producers contacting us in search of ways to run their businesses sustainably as well as profitably.
policy itself is pioneering, being the first of its kind to address the root causes of illegal logging.

Under the VPAs, trade is used as leverage for including civil society and forest peoples in creating new and fairer laws and improving the way forests are owned and managed. Ultimately this shifts the balance of power in the countries where illegal forest destruction occurs.

Effecting such deep-seated transformations in timber-producing countries – changing who owns and benefits from forests – was never going to happen overnight. But that’s no reason to abandon the fight.

Our year

Five years after Cameroon signed its VPA with the EU, pressure on the country’s civil society has deepened – and civil society’s resistance to that pressure – has grown. The reasons for this include that attacks by the militant Boko Haram group on civilians in the north of the country have led to a harsher political climate generally, and the government’s favoured path to development of handing over large tracts of land to foreign investors against the wishes of many forest peoples and NGOs has heightened tensions. The fact that the VPA is now being implemented means the stakes are higher, and the obligation on the government to initiate real change is greater.

The leaked Cameroon FLEGT Independent Auditor’s report offered a stark verdict on the increase in illegal timber, concluding that not a single timber concession title could be considered legal according to the VPA standards. This includes the Forest Stewardship Council (FSC) certified concessions.

Against this worrying backdrop, working with our partners CED and Foder, we have achieved some clear results, highlighting the risks of importing illegal timber from Cameroon, doing outreach work with forest communities to increase awareness of the VPA process and their rights, and organising a workshop on the FLEGT review (see: A Day in the life of a Fern campaigner feature, on the next page).

The aftermath of 2013’s coup continues to shape events in the Central African Republic (CAR). In September, dozens were killed in sectarian clashes in Bangui, while two million people, including more than one million children, are in need of humanitarian aid. In such a fragile environment, progress on implementing the VPA has been understandably slow. Despite this, 2015 has seen some notable successes, largely inspired by the courage and resilience of the civil society groups and local communities, including our partners, who continued advocating for rights and governance in their shattered country. They were able to influence VPA regulations, giving them oversight of the bidding process for logging permits and better compensation for forest communities. Our partners, Le Centre pour l’Information Environnementale et le Développement Durable (CIEDD), Gestion Durable des Ressources Naturelles et Environnement (GDRNE) platform and the Maison de l’Enfant et de la Femme Pygmées (MEFP), also engaged in the country’s political transition process. This included contributing to the work of the commission tasked with crafting proposals to improve the management of CAR’s vast natural resources at
A day in the life of a Fern campaigner

Indra van Gisbergen

What’s great about my job is that it combines important inter-related issues: human rights, forests and climate. By trying to protect forests and improve forest governance in the Congo Basin we’re also working on climate change, which is kind of an ‘invisible emergency’, but one which could destroy the planet.

When I’m in Brussels a lot of time is spent liaising with our partners in Cameroon, including the Centre pour l’Environnement et le Développement (CED), Forêts et Développement Rurale (FODER) and the Forests and Communities Platform, which is made up of about 40 different organisations. We communicate via email, phone and Skype, which isn’t always ideal.

We all have the same aim: promoting community rights. I see myself as our partners’ eyes and ears in Brussels and a conduit to the key policymakers in the EU. We believe you achieve change by pressuring decision makers here as well as in countries where there are tropical forests, so part of my job is meeting EU policymakers and briefing them. It’s important too, that we coordinate with our European NGO allies who are working on areas of common interest, so I’m in touch with them almost constantly.

There are generally two types of discussions I have with our partners in Cameroon. The first is campaign-oriented. This means advising on policy work, discussing key messages and tactics, giving feedback on reports, working out campaign strategies and following what’s happening on the ground there. Fern channels around half of the funding we receive from our donors to partner organisations around the world, so we have to make sure that we have mechanisms for checking that money is spent well, properly accounted for and achieves campaign objectives – and then reporting this back to donors. This takes up a fair bit of my time.

I go to Cameroon about three times a year because it’s crucial to have face-to-face contacts with our colleagues in the south, exchange views, get a better understanding of the political context and discuss challenges and approaches to our campaigns. During trips we hold workshops and meetings aimed at strengthening our partners’ advocacy and campaigning skills.

At Fern, we’re privileged to work with people in different parts of the world who know first-hand what it means if a forest disappears and peoples’ lives are put in danger or made very difficult because of it – something that’s hard for most of us to comprehend. One of the most rewarding aspects of my job is being able to link with colleagues in Africa and work towards our common goal of preventing this.

“We’re privileged to work with people in different parts of the world who know first-hand what it means if a forest disappears and peoples’ lives are put in danger or made very difficult because of it – something that’s hard for most of us to comprehend.”
the Bangui Reconciliation Forum. Any chance of long-term stability is unlikely if the country’s forests and other natural resources are not managed sustainably, transparently and for the benefit of everyone. Further progress on the VPA is one way of achieving this.

2015 has seen some notable successes largely inspired by the courage and resilience of civil society groups who continued advocating for rights and governance in their shattered country.

For a country which has lost more than three-quarters of its forest cover since 1960, Côte d’Ivoire’s new Forest Code is hugely significant: it gives communities the right to own trees, as well as legal ownership of their customary land for the first time. Previously this belonged to the state. The Code was passed in 2014, but its implementing regulations have been held up by various complications, including funding, which have now been resolved, leaving the path open for them finally to be drafted. Our partners were among those who formulated proposals to protect community rights which will feed directly into the Forest Code implementing regulations. In March we conducted advocacy training to help them and other local NGOs draft strategies on community tenure security, benefit-sharing and access to information.

Whether the Code will deliver on its promise is uncertain. Several important details around the legal status of customary tenure and community forests remain unclear, but the new law is a potentially revolutionary development for Côte d’Ivoire’s forests and forest communities – and a model for the rest of the Africa. Meanwhile VPA negotiations, which began in 2013, are continuing, with Fern’s civil society partners feeding into them.

Ghana should be ready to issue its first FLEGT licences soon, but obstacles remain. A major one has been bringing some existing logging permits into line with the legal requirements of the VPA. Ghana’s Attorney General threatened prosecution against those failing to convert their permits, and insisted that outstanding Timber Rights Fees must be paid. Historically, these fees have not been paid, resulting in the loss of US$100 million. This illustrates clearly how effective VPA implementation would provide real benefit to Ghana’s Government and its people. Fern and its partners are working towards this aim.

After years of campaigning by local NGOs, a process to consolidate Ghana’s forest laws has started, as has a national process to review the current failing tree tenure system, which is leading to forest loss. Our partner, Civic Response, has done extensive research into tree tenure systems and presented its proposals for future tree tenure and benefit sharing arrangements. This will hopefully begin a process of reversing forest losses and improving income for landowners and farmers. Civic Response’s findings have been corroborated by a government consultant.

Effective advocacy by Fern and its partners has led to the closing of a loophole around ‘special permits’, which could be granted at the discretion of the minister. This move brings FLEGT licenses closer.

Civic Response has also developed a monitoring system to track communities’ participation in forest policy decisions, as well as the implementation of community benefit-sharing commitments by logging companies. Results will become available next year.

Liberia, whose abundant natural wealth has fuelled wars and land grabs throughout its history, shows how VPAs can help improve the lives of the disenfranchised. The country’s VPA with the EU, which was ratified in 2013, has enabled forest communities to benefit financially for the first time from timber concessions in their areas. It has also been instrumental in outlawing illegal logging contracts, known as private use permits, with landmark indictments of officials exploiting them.

The country’s momentous Land Rights Act, which will see roughly half of all land revert to community ownership, remains on course to be passed. Despite resistance in parliament, President Ellen Johnson Sirleaf reiterated her desire for it to become law in a state of the union address.

Liberia has made numerous international commitments to stop deforestation, including the Liberia-Norway agreement worth US$150 million in development aid. Yet the nation’s forests are still under attack from logging, palm oil and mining companies, with growing evidence of industrial logging taking place in palm oil concessions, where relations with local communities remain fraught.

With our support, our partners Sustainable Development Institute (SDI) and the Foundation for Community Initiatives (FCI) have worked with community organisations in Liberia to ensure that they get money owed to them by logging companies,
leading to the first US$1 million being transferred. They have trained communities in how to access these funds and account for them, and supported community elections ensuring that representatives are legitimate and increasing the number of women elected. Our partners’ participation in the VPA process will now focus on banning companies with a bad record in the country’s civil war and on proper implementation of the social agreements between companies and communities.

In Laos, where Fern has worked since 2014, VPA negotiations with the EU were officially approved by the Prime Minister’s office, an endorsement which should accelerate a process that’s moved at a glacial pace since it began in 2012. The acceptance of a formal role for non-profit organisations, as civil society groups are called in Laos, was a potentially significant development in a country where such voices have traditionally been ignored. Whether this is a cosmetic move to please the EU and other donors or one with real substance remains to be seen.

The Prime Minister of Vietnam, Nguyễn Tấn Dũng, has reaffirmed his country’s commitment to conclude VPA negotiations by the end of 2016. To do so, civil society’s lack of a formal role and other key issues will have to be addressed, as we emphasised in a statement following his visit to Brussels in December.

We have worked with our local partners in the Republic of Congo for the effective implementation of the VPA, creating linkages with the REDD+ process and increasing visibility of local efforts to advance community rights. This included providing financial and technical support to policy discussions between civil society and parliamentarians, which resulted in a joint action plan for advancing forest governance and strengthening the links between local forest and transparency NGOs. This led to a government commitment to include timber in the country’s Extractive Industries Transparency Initiative (EITI), a global standard to promote open and accountable management of natural resources. Fern also facilitated communication between Congolese civil society organisations and EU officials on reviving dialogue between the government, civil society and the private sector on the forest reform instigated by the VPA.

Fern’s Malaysian partner Sahbat Alam Malaysia (SAM) released Penan Land Rights in Sarawak, documenting the state’s lack of progress in resolving Sarawak’s indigenous communities’ lack of land and other rights.

Our publications

An alternative development model to industrial logging and large agricultural concessions could include community forestry. To better understand what community forestry is, how it works, and under which conditions it would be successful, we commissioned a series of papers, invited our partners in Central and West Africa to learn first-hand from experiences in Asia.

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Robinson Djeukam Njinga  A fighter for forest peoples’ rights

On 19 August 2015, our inspirational friend, ally and colleague Robinson Djeukam Njinga died suddenly in Yaoundé. Robinson, an environmental and social justice lawyer and activist in Cameroon, spent more than 20 years working to protect the Congo Basin’s forests and those who live in them. His warmth, knowledge and dedication will be sorely missed. https://www.youtube.com/watch?v=wbXatfeEyXE
and Central America and presented a report collating these findings.

**Protecting forests, improving livelihoods – Community forestry in Nepal** by Ghan Shyam Pandey and Bijaya Raj Paudyall.

**Protecting forests, improving livelihoods – Community forestry in Mexico** by Ernesto Herrera Guerra.

**Protecting forests, improving livelihoods – Community forestry in Guatemala** by Professor Silvel Elias.

We published **Time to rethink? A critique of rural land law in Côte d’Ivoire**, by international tenure expert Liz Alden Wiley, which examined customary land laws in the West African nation from an Africa-wide perspective. This has been widely shared and discussed in both government and civil society circles in Côte d’Ivoire.

Seeing the Forests through the Trees: **VPA-led Transparency in Five African Countries** analysed transparency commitments in VPAs in Cameroon, the Central African Republic, Ghana, Liberia and The Republic of Congo.

**How FLEGT is making a difference in the Central African Republic**. We produced a short film showing how forest communities and NGOs, including Fern’s local partners, are using the VPA mechanisms to ensure that forest communities are properly consulted on their country’s future.

Emmy and Bafta-winning filmmaker and journalist Sorious Samura presented our video **Stories from the Ground**, exploring the impact of FLEGT around the world.
To most outsiders the jargon of climate change negotiations is baffling. Perhaps the most complex area is the role forests play in keeping temperatures down. In 2015 we brought other NGOs along with us in a concerted effort to scrutinise policy-making in this area, to ensure decisions are taken more transparently and ultimately, that better decisions are reached. It’s time to get to grips with this issue because it affects us all.

We have engaged in the debate over the EU’s 2030 climate and energy package and what role ‘LULUCF’ (Land Use, Land Use Change and Forestry) should play.

The EU has pledged to cut its greenhouse gas emissions by at least 40 per cent by 2030, and is currently deciding on how to integrate emissions from farmlands, wetlands and forests. Until now, the EU has kept this ‘LULUCF sector’ separate from its emissions-reduction plans – something we are campaigning to maintain. Even the smallest changes in the rules used to account for LULUCF could have a major impact on the EU’s ability to reach its target and therefore to take the lead in fighting climate change.

What’s more, the value of forests is more than the carbon they absorb and store: they are repositories of biodiversity and priceless assets for our health and wellbeing – something which could be jeopardised by including them in existing emissions reductions plans.

The Paris Agreement has placed forests centre-stage, too. It talks about how ‘emissions’ of CO2 need to be balanced with ‘removals’; and growing forests are the only thing that naturally removes CO2 from the atmosphere. Hence the Paris Agreement could be interpreted as giving support to forest restoration. Restoring forests, especially if it is led by communities, can bring multiple benefits to the climate. But this must not distract from the more urgent need to cut fossil fuel emissions immediately, nor should the Paris Agreement lead to planting of large scale plantations.

Our year and publications

The year began with the European Council conceding that LULUCF must be addressed with ‘environmental integrity’, which was one of our key demands in 2014. We clearly signalled to the European Commission that NGOs were tracking this issue when we facilitated NGO responses to the LULUCF consultation launched by the Commission in March.

To support policy makers and NGOs, Fern and the International Federation of Organic Agricultural Movements (IFOAM) commissioned ground-breaking
research by the respected Öko-Institut. Described by experts as ‘the only credible report on the issue’, it revealed that including LULUCF in greenhouse gas emissions accounting could undermine the EU’s climate target by between three and seven per cent.

The study, Impacts on the EU 2030 climate target of including LULUCF in the climate and energy policy framework, concluded that the EU should account for LULUCF emissions and removals separately from accounting for fossil fuel emissions.

Following this report, we commissioned further research from the Institute of European Environmental Policy (IEEP), which offered constructive and clear recommendations for how to build a dedicated instrument for LULUCF.

The Paris Agreement rightly argues that we should limit global warming to 1.5 degrees Celsius. The only way to do that, though, is to remove CO2 from the atmosphere, a phenomenon called ‘negative emissions.’ As forests take up CO2 from the atmosphere, it is therefore understandable that people are looking to forests for ‘negative emissions’. During the Paris climate change talks we released a briefing entitled What role should land and forests play in the Paris Agreement? with Rainforest Foundation Norway and Friends of the Earth Norway. It showed that if we keep forests standing and restore the world’s degraded forests, including through strengthening local communities’ tenure rights on forest lands, we will be able to stay within 1.5 degrees. At least if we also reduce fossil fuels to zero by 2050.

Potentially dangerous ‘negative emission’ plans, such as planting biofuel crops or trees on vast swathes of land, with serious impacts for those living there, and then capturing and storing the CO2 when burned, which is an unproven technology, should be shelved.

The briefing was based on research by the Stockholm Environment Institute (SEI) and showed the dangers of relying on highly speculative negative emissions technologies, which would likely lead to warmer planet.

Case study Coal’s threat to Forests

Coal is the single biggest contributor to man-made climate change. Deforestation, meanwhile, accounts for up to a sixth of CO2 emissions. So when forests are torn down to make way for coal mines, the danger to the planet intensifies. Coinciding with the COP21 UN climate change conference in Paris.

Fern used Geographic Information System (GIS) technology to produce the first ever global map showing where forests are being threatened by coal mining concessions.

The map and report, Double Jeopardy: Coal’s threat to Forests, highlighted the threat razing forests to burn coal poses to the climate and its dire impact on forest-dependant people. Both were launched at the UN climate change conference in Paris.

We found that at least 11.9 million hectares of forest – an area larger than Portugal – are at risk from coal mining, including nine per cent of Indonesia’s total forest cover, and an area the size of 2.1 million football fields in Australia.

Our research was covered by the international media, including in India, Indonesia and the United States.
Keep in Touch

You can keep up to date with what Fern is doing by visiting our website www.fern.org, which received more than 110,000 visitors in 2015.

We are increasingly active on social media; you can follow us on Twitter (https://twitter.com/FERN_NGO) and Facebook (www.facebook.com/ngo.fern) to see and share what’s important to us. You can also view all of our videos on YouTube. There you can see our film the Story of Fern, made to celebrate our 20th anniversary, which explains what we do and what makes us unique.

To get more in-depth information on current issues that affect forests and forest communities, you can subscribe to our monthly newsletter ForestWatch. Occasional special editions give in-depth analysis of particular subjects.

Acknowledgements

Fern would like to thank all of our funders, supporters and partners, without whom none of this work would have been possible. In the period January 2015 – December 2015 our funders were:
Both ENDS, Netherlands; David & Lucille Packard Foundation, United States of America; Delegation of the European Union in Cameroon (via Centre for International Development and Training, University of Wolverhampton, United Kingdom); Delegation of the European Union in Côte d’Ivoire; Delegation of the European Union in Liberia; Delegation of the European Union in Vietnam; Department for International Development, United Kingdom; Esmée Fairbairn Foundation, United Kingdom; European Forest Institute, Finland; European Environmental Paper Network, Germany; Ford Foundation, United States of America; Forêts et Développement Rurale, Cameroon; INTEGRAL, European Commission; International Federation of Organic Agricultural Movements, Belgium; The Sigrid Rausing Trust, United Kingdom.

Fern would also like to acknowledge the valuable financial and non-financial resources that our many partners bring to our joint work.
Fern’s Finances
(Jan–Dec 2015) – all figures are in euros

INCOME

<table>
<thead>
<tr>
<th>Source</th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Department for International Development, UK</td>
<td>852,009</td>
<td>1,165,589</td>
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<td>European Commission</td>
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<td>Other public institutions</td>
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<td>Private institutions</td>
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<td>Other sources (including interest and reimbursements)</td>
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<td><strong>Total income</strong></td>
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<td><strong>2,514,991</strong></td>
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EXPENDITURE

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<th>Category</th>
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<th>2014</th>
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<tbody>
<tr>
<td>Staff</td>
<td>883,683</td>
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<tr>
<td>Grants to partner organisations and networks</td>
<td>1,045,921</td>
<td>964,096</td>
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<tr>
<td>Travel and meetings</td>
<td>226,346</td>
<td>282,097</td>
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<td>Administration and other costs</td>
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<td>Publications</td>
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<td>Consultants</td>
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<td>280,071</td>
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<td><strong>Total expenditure</strong></td>
<td><strong>2,799,134</strong></td>
<td><strong>2,534,058</strong></td>
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</table>

Source of income

- Department for International Development, UK
- European Commission
- Other public institutions
- Private institutions
- Other sources (including interest and reimbursements)
- Export credit agencies: €162,764 (grants to partner 68%)
- Finance and trade: €82,028
- Illegal logging: €1,892,639 (grants to partners 49%)
- EU Drivers of deforestation: €330,124
- Biodiversity offsetting: €8,295 (grants to partner 100%)
- Land use, forests & climate: €50,302
- Bioenergy: €74,295
- Organisational (core costs): €198,688

Expenditure by category

To see a complete version of Fern’s audited accounts, please visit: www.fern.org/about-us/audited-finances
In the Central African Republic the courage of civil society groups is leading to fairer forest laws.
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