About Fern

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, among others. 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. Fern’s 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 has a significant impact on forests and forest communities. But the EU also has concerned citizens and a well-developed mandate for protecting human rights and the environment. Fern believes its democratic institutions can be harnessed to protect forests and improve the lives of forest communities worldwide. For this reason, Fern’s advocacy is based on researching forest governance, on providing information that can generate practical solutions to governance failure, and on holding EU institutions and member states to account.

Fern believes in giving a voice to the people who are best placed to protect the world’s disappearing forest resources – those who use, live in and derive their livelihoods from the forests. Through its partnerships and other means, Fern promotes their rights and participation in decisions that affect them.

But even the strongest voices cannot succeed alone. Fern also believes that real lasting change usually happens only when individuals, communities and civil society groups work together towards a common goal. So it focuses 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.

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Welcome

20 years of making the EU work for people and forests

In March 2015 Fern entered its third decade of campaigning for an EU that protects rather than destroys forests, and which respects rather than ignores the rights of those who depend on them.

By 1995 it had become clear to Saskia Ozinga and Sian Pettman, a former Friends of the Earth Netherlands campaigner, and an ex-civil servant at the European Commission respectively, that holding national governments to account for their forest policies was not enough. As the world’s largest trading bloc and the biggest single development aid donor, the EU’s impact on tropical forests is huge. So the need to monitor its policies and practices – and where necessary improve them – was obvious. They began working unfunded out of a cramped shed in Oxfordshire, settling on the name Fern because of the plant’s ubiquity in the world’s forests.

Twenty years on, Fern employs 16 people, has offices in Belgium and the UK and a turnover of around €3 million. But this is not the real measure of its success. That lies in the NGO networks it has facilitated across the EU, Africa and Asia; in how it has supported forest communities to have a say in the decisions governing their lives; and in the strategies it has forged to stop forests in the EU and in the tropics being destroyed and plundered by a corrupt few.

Many of Fern’s achievements still resonate today. We played a key role in getting the EU to adopt an Action Plan against illegal logging called the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan; exposed the fallacies of carbon trading and biodiversity offsetting; fought successfully to stop forests being included in the EU Emissions Trading Scheme (EUTR); and ensured that the European Commission included environmental impact assessments in its aid programmes.

Over time, Fern has shifted its efforts from trying to improve voluntary forest certification schemes, to campaigning for better laws to protect forests, focussing particularly on governance in timber producing countries using the FLEGT process. The last few years have also taken us out of the forest to look at the drivers of forest loss, such as energy, food and finance.

In one important respect, Fern’s outlook has evolved in the past two decades. The evidence is now clear that strengthening the tenure rights of local communities can stop forest destruction, and so one of our touchstones is that forest peoples should control their own resources.

Evolving threats

While the issues that inspired Fern’s creation have not changed, the need to address them is more urgent than ever. As demand for consumer goods continues to rise, pressure on the world’s forests intensifies and forest communities are finding themselves under siege from rapacious companies and governments coveting their land. Meanwhile in the EU, forests continue to lose biodiversity and communities are increasingly being denied access to land.

Whereas before the main threat came from the demand for timber, now tropical forests are being destroyed and land is being grabbed because of a global rising demand for agricultural products, including palm oil, soy, beef, leather, rubber and cocoa. In response, last year Fern embarked on a new campaign to tackle the EU’s critical role in this.

This culminated with the publication in March 2015 of Stolen Goods: The EU’s complicity in illegal tropical deforestation, which estimated that in a single year the EU imported €6 billion worth of agricultural goods: the EU’s complicity in illegal tropical deforestation, which estimated that in a single year the EU imported €6 billion worth of agricultural

Silas Kpanan’Ayoung Siakor
Goldman Prize winner and Director, Sustainable Development Institute, Liberia:

“Fern matters because of the way they work with their partners in the Global South. It’s a relationship based on mutual respect and on the notion of solidarity.”
products which were grown or reared on land illegally cleared of forests in the tropics – almost a quarter of the total world trade.

Identifying the problem is one thing, finding solutions another. So in the wake of Stolen Goods, Fern released ten further reports – including on trade, investment, finance, aid and consumption – proposing ways for the EU to ensure the legality and sustainability of its agricultural commodities supply chain. Their publication coincided with a conference Fern organised at the European Parliament calling for the EU to adopt a broad action plan on deforestation – something we will continue to push for.

In our view, FLEGT remains the EU’s strongest policy on forests to date since it is the only one to seriously grapple with the causes of forest destruction: corruption, power imbalances in wood-producing countries and a lack of clarity over land tenure. FLEGT is currently under review. The next 12 months will be critical in determining whether the EU abandons a policy which has helped galvanise the fight against illegal logging. It has also given rise to the first set of trade agreements in the world negotiated with the participation of local civil society including forest peoples.

In 2014-15, Fern has also run campaigns on the EU’s bioenergy policy; its proposal to introduce biodiversity offsetting; and its consultation over the role that land use should play in reducing the EU’s emissions. Each brims with potential dangers. Policies on biodiversity offsetting and the role of land use in emissions targets are still being decided and different scenarios explored; but the effects of the EU’s flawed renewable energy strategy, which allows for a huge increase in bioenergy, are already being felt through increased emissions and deforestation. In each of these campaigns, Fern has used rigorous arguments to push for equitable alternatives.

Twenty years on – despite huge advances in some areas – the threats facing forests and forest peoples are more acute than when Fern started. It will require deep political will, driven by unwavering pressure from campaigners, forest communities, scientists and the general public, to produce the change needed to avert the worst: the ongoing destruction of the world’s forests, with its catastrophic consequences for all.

Yet it can be done. The support Fern has received over the past 20 years, the inspiration we continue to draw from our partners and the many committed people across the world who are transforming their communities for the better, is a testament to that.

Yannick Jadot
MEP Greens / European Free Alliance:

“Fern is the type of NGO we need at the European Parliament, because Fern is a group of activists, a group of experts that comes and advises us and reminds us of the compromises we make with other political groups.”
The Forest Movement Europe (FME)

The 25th annual meeting of the Forest Movement Europe (FME) was held in May 2014, by the scenic Donauauer forest on the outskirts of Vienna. The purpose of the FME – a network of more than 45 NGOs from more than 12 European countries which has been facilitated by Fern since 1995 – is to develop joint strategies and share information on forest-related issues.

This year’s event was hosted by Austrian environmental NGOs, Global 2000 and Finance and Trade Watch Austria, and brought together old and new members alike. Over two days valuable discussions were held on topics such as what an EU Action Plan to deal with the drivers of deforestation would look like, how NGOs can influence companies, the lessons of Austria’s environmental successes and how to combat money laundering from timber.

Biodiversity offsetting

Having acknowledged the serious threat that biodiversity loss poses to precious habitats and rare species, the EU proposed a deeply flawed solution to the problem: biodiversity offsetting. In simple terms, biodiversity offsetting creates a market for developers to concrete over valuable habitats, wildlife and forests as long as they pay to replace them elsewhere. The evidence from around the world is that this is doomed to fail: biodiversity offsetting ignores the difficulties in recreating complex ecosystems, it overlooks the uniqueness of different habitats and it disregards the importance of nature for local communities. In short, communities lose their access to nature forever, while developers are given a license to build more, faster and worse.

Our year

As biodiversity offsetting has come under increased scrutiny, opposition has grown across the spectrum. Fern has been at its forefront. In June 2014 we organised a forum attended by 100 prominent academics, activists and others in Regent’s Park, London, where ‘the world’s first global conference on biodiversity offsetting’ was taking place, and where Fern spoke in a plenary panel. In October we coordinated a letter signed by 9,500 people and 60 different organisations outlining the dangers of biodiversity offsetting, which coincided with the conclusion of the European Commission’s consultation on the matter. We have also highlighted the issues through media coverage in a broad range of publications including major pieces in The Times and The Guardian. The message has been getting through. Recently, the Commission has begun to openly acknowledge the risks associated with offsetting, while in early 2015 the UK government quietly shelved its plan to introduce the policy.

Publications

Case studies, May 2014. Fern released a report of detailing powerful evidence of the impact biodiversity offsetting is having across the UK, as well as in France and Australia.
In July, **Biodiversity offsetting, making dreams come true**, a video we helped produce which parodies the inherent absurdities of offsetting, was released.

Beyond biodiversity offsetting; trading away community rights in Gabon, March 2015. While the warnings about offsetting are increasingly being heard in Europe, around the world the trend for allowing damage to the environment to be offset by making amends elsewhere, has not slowed. In August 2014, Gabon passed a new Sustainable Development Law which established a framework that goes further than any we have seen so far, enabling not just the offsetting of damage to nature but applying the law to communities themselves. We highlighted the dangers in this briefing note.

Bioenergy

In trying to reduce its reliance on fossil fuels, the EU has chosen a ‘solution’ which deepens the problem.

At a time when we urgently need to protect forests to combat climate change, the EU’s renewable energy policy supports the burning of wood which leaves forests in a more vulnerable state.

Biomass used for heating and electricity now accounts for more than half of the renewable energy used in the EU. Three quarters of this biomass is ‘woody biomass’ from forests. If Member States reach their renewable energy targets by 2020, the amount of wood used for energy is expected to be equivalent to 2013’s total EU wood harvest. This is simply not sustainable.

Relying on wood for our energy needs degrades European and global forests, and has a devastating impact on biodiversity and forest ecosystems. At the same time, it can be more polluting than coal, for example when wood is shipped in from overseas and used in electricity plants. Moreover, by putting biomass at the heart of its Renewable Energy policy, the EU has diverted money and effort away from developing truly renewable energies, such as wind, solar and tidal, and made it more difficult to replace carbon-intensive materials in other sectors, such as construction and the bio-economy. Fern’s aim is therefore to limit the EU’s industrial use of wood for energy.

Fern has also helped strengthen a network of Brussels-based NGOs, and looked for ways to ensure future cooperation in Europe and abroad. We have helped US partners such as Dogwood Alliance bring their message to policy-makers in Brussels, exposing how south-eastern US forests are being destroyed to feed European power stations. Fern’s report Burning Matter was widely disseminated to policy makers and other stakeholders, underlining that policy-makers cannot blindly call for increased use of wood to meet growing energy demands.

Our publications

Letter to the Dutch government urging it to tackle the EU drivers of deforestation when it assumes the EU Presidency, March 2015

NGO discussion paper concerning key criteria and indicators for sustainable forest management, March 2015.

EU Drivers

The EU has been at the vanguard of trying to stem the trade in illegal timber through its FLEGT Action Plan. But cutting trees for timber is no longer the main cause of forest destruction. As the 21st century progresses, millions of hectares of tropical forest are being destroyed to make way for agriculture. What’s more, Europe – through its enormous consumption of agricultural commodities such as palm oil, soy, beef, leather, sugar, biofuels and cocoa – is at the heart of it.

In 2013 an EU study found that between 1990 and 2008, 53 per cent of global deforestation was driven by agricultural expansion, and that the EU as a whole was the single largest destination for these crops and livestock products.

This means that the EU and its consumers are helping fuel climate change, displace communities and destroy forests across the world – and much of this is happening illegally on a scale which is hard to fathom: the illegal clearance of forests for commercial agriculture is estimated to have been responsible for half of all tropical deforestation since 2000. These violations take different forms, from forests being destroyed using bogus permits, to land being cleared where there is no right to do so, or in contravention of laws protecting local people or the environment.

Recognising this shifting reality, Fern launched a new campaign in 2014 to push the EU into action.

Ending the EU’s complicity in illegal tropical deforestation will be complex, requiring, among other things, companies opening up supply chains to proper scrutiny; a broad Action Plan on deforestation and extending the rules that control the imports of illegal timber to illegally sourced agricultural commodities; eliminating the paradox which sees the same development agencies giving aid to save forests while they fund agricultural projects that destroy them; and changing EU rules on consumption, trade and investment. If the EU is to achieve its goal of stopping deforestation by 2030 sweeping changes are needed.

Our Year and Publications

The end of Fern’s financial year culminated in the official launch of the EU Drivers campaign.

In March 2015, we released Stolen Goods: The EU’s complicity in illegal tropical deforestation which revealed that one football pitch of forest was illegally felled every two minutes in the period from 2000 – 12 in order to supply the EU with agricultural commodities. The report showed how the Netherlands, the UK, Germany, Italy and France are collectively responsible for three-quarters of this trade in terms of the areas of forest destroyed. The study attracted media coverage in outlets including Die Zeit (Germany), The Observer (UK), The Guardian (UK), De Morgen (Belgium), La Croix (Italy), Ansa (Italy), AFP, Reuters and Der Spiegel (Germany), as well as in a number of comment pieces and widespread coverage in the trade and specialist press. The report has been downloaded more than 7,000 times and the associated video was watched more than 1,000 times on Facebook alone.

David Kaimowitz, Ford’s Director of Sustainable Development speaking at Fern’s European Parliament Conference in March 2015:

“Our supermarkets have been converted into crime scenes.”
We followed this up with the release of our animation *The Story of Consumption* and ten reports outlining in further detail how the EU is destroying the world’s forests through agricultural deforestation, and proposing a series of recommendations for how to end it. Fern drew on the knowledge of a range of NGOs, governments and other experts in producing these publications, and the award-winning writer Fred Pearce synthesised them into a single report, *Protecting Forests, Respecting Rights – Options for EU Action on Deforestation and Forest Degradation*.

Our year ended when we brought the issue of developing an EU Action Plan on deforestation to the European Parliament with a conference, also entitled *Protecting Forests, Respecting Rights*, on March 29 2015. It was attended by Commissioners, MEPs, NGOs from the Global North and South, as well as major company representatives.

**The 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**
Finance and Trade

Disentangling the financial systems which support forest destruction is not easy. Yet without a clear understanding of how EU-based banks and investment institutions are financing rampant and often illegal deforestation across the world, there is little chance of stopping it. These institutions can be forces for good or bad: supporting sustainable projects which respect local rights, or providing the money which fuels land grabs and human rights abuses. We believe that financial institutions can be instruments of positive change so long as they are made aware of the impacts on the ground of the projects they fund, and realise it is in their interests to address them. We also believe that if the EU is to meet its target of eliminating global deforestation by 2030, voluntary measures are not enough.

Our Year

Throughout 2014 we conducted and contracted out a number of scoping studies to look at where new financial regulation could have the greatest effect in terms of reducing deforestation. We also produced a study looking in detail at the policies and practices of leading European funders of forestry and forest risk agriculture in developing countries. This analysis revealed what the priorities should be for future reform, and the conclusions were set out in the report Clear Cut: Making EU Financial Institutions Work for People and Forests. Revelations included that the top 20 EU-based financial institutions have provided nearly US$18 billion of outstanding loans and underwriting services to foreign agriculture companies based in developing countries, and that voluntary codes of good practice are insufficient to stop landgrabbing and human rights abuses.

Other activities included raising awareness among MEPs, notably from the ECON, JURE and Human Rights Committees that financial regulation must deal with investments in forest risk agriculture. The first step should be to extend the scope of language relating to environmental and social issues in three specific pieces of proposed EU legislation: the Shareholder Rights Directive, the Pension Funds Directive and the proposed voluntary label on environmental and social issues within the packaged retail investment and insurance products (PRIIPs) Directive which covers many categories of investment within the EU.

Publications

Our report Taking stock, Tracking Trends in European Aid for Forests and Communities revealed that while the EU’s forest-related aid has increased more than three-fold in 10 years: from EUR 130.2 million in 2002 to EUR 493.2 million in 2012, this was offset by the discovery that much of the European Aid on forests is being channelled through institutions which are also financing forest destruction, in particular Development Finance Institutions (DFIs). DFIs provide loans for private sector investment in the developing world, and have been implicated in land grabs and deforestation. We found that in 2013 alone EU DFI spending amount to EUR 28 billion.

Clear Cut: making EU financial institutions work for people and forests examines different financial institutions’ activities and their involvement in forest-risk agriculture. It investigates specific voluntary policies intended to address environmental, social and governance issues and the problems that arise with such measures (e.g. lack of public oversight and inability to enforce). The report examines the financial context in which investment takes place, and the factors that have contributed to an ‘agricultural gold rush.’

Hen Anderson, co-founder of Save our Woods:

“Fern helped us analyse complex policy documents and understand the implications on a national as well as a EU level, giving us greater confidence when engaging with decision-makers.”
In official negotiations on how nations can reduce greenhouse gas emissions globally, the role of land use, land use change and forestry – otherwise known as LULUCF – is among the most opaque, complex and impenetrable to outsiders. Yet the risks attached to how these emissions are accounted for is alarmingly clear. From April 2014 Fern began to raise awareness of the havoc that including emissions from this sector would cause to the EU’s pledge of cutting its emissions by 40 per cent by 2030. Fern hosted meetings with European NGOs, donors and European Commission staff to educate ourselves and the wider NGO movement on the topic and present a joint position paper outlining the risks of including emissions from the land sector in EU fossil fuel targets.

Our year

In 2014, LULUCF was discussed as part of negotiations about a new Climate and Energy Framework to set the EU’s ambition for 2021-2030. Fern’s main goal was to ensure that LULUCF would not weaken the target (since it is a net sink in the EU). Because Fern believes that good decisions are made when civil society understands the issue and is part of negotiations, we focussed on simplifying the science, making the issue more approachable and relevant to different interest groups, and raising NGO awareness. We organised a series of expert-NGO workshops to learn about the issue, and were a founding member of an international network that aims to come up with a strategy for ensuring land use plays a strong role in future climate change agreements. Fern coordinated an NGO position paper which provided advice for how EU decision makers could achieve the best climate benefits from LULUCF policy. One key criteria ‘environmental integrity’ was included in the EU’s international climate pledge, and this has created space for the network to be able to push the EU next year. As part of Fern’s proposals for an EU Action Plan on deforestation (see p.6) we also wrote specific recommendations for how to ensure an environmentally robust and socially fair EU climate policy.

Publications

Principles and Recommendations: LULUCF and the EU climate and energy framework 2030, October 2014. This paper outlined how the EU should integrate LULUCF into its energy and climate framework, and how emissions from deforestation, forest and peatland degradation and other land use change can be tackled. Nine other NGOs also signed up to the paper.

Fighting Fossil Fuels First: Making EU Climate Policy work for people and forests, March 2014. This paper outlines need to reduce greenhouse gas emissions domestically, without offloading responsibilities onto other countries through offsets. It explores why forests cannot offset fossil fuel emissions; and recommends reorienting EU finance currently earmarked for forests more effectively on factors that drive deforestation – improved governance and enhanced tenure rights.
Partner spotlight

Around half of Fern’s funding goes to our partners across the world; here we spotlight three:

**Cameroon: Centre pour l’environnement et le développement (CED)**

Like Fern, Cameroon’s Centre pour l’environnement et le développement (CED), has just celebrated its 20th anniversary. CED was founded in the 1990s in response to the growing pressure on Cameroon’s forests due to increasing industrial logging, illegal exploitation, illegal poaching, and widespread corruption causing devastating ecological, social, and economic problems. CED also promotes environmental justice and the sustainable management of natural resources in neighbouring countries in the Congo Basin region. CED staff, including Samuel Nguiffo, its General Secretary and winner of the prestigious Goldman Environmental Prize in 1999, have faced harassment from their government for challenging policies and projects that damage local communities and forests.

**Vietnam: Sustainable Rural Development (SRD)**

SRD supports poor rural communities to adapt to the changing environment and sustainably manage their own livelihoods. Founded in March 2006, SRD inherited 28 years of experience from the organisation International Cooperation for Development and Solidarity (CIDSE) in Vietnam. SRD is the co-founder and chair of the Vietnamese NGO network on Climate Change. Since January 2012, Fern and SRD have worked together to develop the VNGO-FLEGT network, provide training and capacity building to Vietnamese NGOs working in the forestry sector.

**Ghana: Civic Response**

Civic Response Ghana was founded in 2003 by a group of Ghanaian activists experienced in campaigning to secure communities’ rights over natural resources. Its mission is to challenge marginalisation of communities in natural resource sectors, and provide advocacy and networking support to citizens’ groups. Civic Response facilitates the Forest Watch Ghana platform, the forum in which civil society’s positions on the VPA process are discussed and formulated.
In 2003, the European Union launched the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan, a ground-breaking scheme to halt illegal logging. The justification for this ambitious undertaking was irrefutable: a global trade in illegal timber estimated at up to US $100 billion, loss of revenues to cash-strapped governments and grave threats to the livelihoods of 1.6 billion forest-dependent people. Halting illegal logging would also reduce carbon emissions.

FLEGT, particularly through its Voluntary Partnership Agreements (VPAs) with timber-producing countries, changed the narrative on illegal logging: from one where the emphasis was on improving the enforcement of existing laws – however unjust, unclear or contradictory – to using trade as leverage for including civil society and forest community members in the formulation of new and more just laws. In this way the balance of power shifts in countries where illegal forest destruction is occurring, while demand for timber from responsibly managed forests increases in importing countries. So far six countries have signed VPAs with the EU, and another nine are being negotiated.

Throughout 2014 Fern has used the VPA negotiations to continue campaigning with local partners to improve forest governance in timber-producing countries. Confronting deep-seated issues around land tenure and ownership of natural resources was never going to be smooth, but there have been significant and far-reaching successes. These are outlined every six months in Fern’s VPA Updates.

Fred Pearce, award-winning author and journalist:

“Fern has been really innovative in using trade laws to improve things for the forest communities and for the forests, and to allow consumers in Europe to make ethical choices about what they buy.”
The EU FLEGT Action Plan is currently being reviewed and it is not clear what changes this will bring. But after sending a powerful signal to the rest of the world about the importance of timber legality and sustainably managing the world’s forests, the EU must not reverse the gains it has made. Rather, it should take the review as an opportunity to update its Action Plan and adapt it to a rapidly changing world.

**Our year**

On 3 and 4 April 2014, Fern brought together participants from Central America, Africa, Asia and Europe for a community forestry workshop in Brussels. Thirty participants came together to share their understanding and experience of community forestry, and to enrich their knowledge around small-scale livelihood models.

In October 2014, Fern and the Environmental Investigation Agency (EIA) hosted a meeting of the global Community Rights Network in Brussels. It was a great opportunity for 35 representatives of communities and civil society from 17 VPA countries to share their knowledge and experiences of strategies to promote community rights. Besides motivating and enriching the knowledge of those present, a major theme of this workshop was identifying strategies to minimise security threats against people working on VPAs and other forestry issues. The Community Rights Network grew out of the original African Community Rights Network and this year saw participants from Guyana, Burma, Laos and Indonesia attending for the first time. Many participants of this meeting star in Fern’s film *Stories from the Ground*.

The March 2013 coup and subsequent civil war in the Central African Republic (CAR) created the “largest forgotten humanitarian crisis of our time”, according to the UN. As CAR slowly emerges from a tragedy which has left two million people in urgent need of humanitarian aid, Fern has continued to support its local partners, who are trying to tackle the deep-seated governance problems and corruption that have plagued the country for decades, and which were instrumental in fuelling the crisis. The implementation of the VPA, which was signed in 2011, came to a standstill following the war, but CAR’s civil society platform, Gestion Durable des Forêts et des Ressources Naturelles (GDRNE), is pushing its government and the EU to revive it. The security and political situations remain fragile, but there are glimmers of hope. The GDRNE had a strong influence on the country’s new draft constitution, ensuring that key tenets of the International Labour Organisation’s (ILO) convention on indigenous peoples’ rights and the rights to environmental information and resource transparency were included. Because of the crisis, Fern’s engagement
in CAR mainly took the form of distant coaching, and lobbying and advocacy at EU level in collaboration with local partners. Technical support from Fern ensured excellent engagement by civil society organisations, led by CIEDD with the country’s national transitional council. This means that indigenous peoples’ views on community rights, tenure, and transparency will be integrated into the new draft country constitution. Fern also supported cross country and international experience sharing through policy meetings with EU officials, and the organisation of the African Community Rights Network and global Community Rights Network meetings which helped to keep CAR forests on the global policy radar.

In Cameroon we have continued to support our partners in their fight against land grabbing and forest destruction. The long-running Herakles Farm saga, which has seen forests cleared, local people harassed and their livelihoods threatened has continued to grab international attention. Our partner, the Centre pour l’environnement et le développement (CED) has worked with forest communities to reduce the size of Herakles’ plantation from 73,000 to 20,000 hectares. Meanwhile, work to implement Cameroon’s VPA is ongoing but slow. An independent auditor’s report shows that illegal logging remains rampant, while conversion of forests to agriculture and infrastructure projects has become an even larger threat to Cameroon’s forests. Fern has been instrumental in highlighting these problems at the EU level and in advocating to keep opportunities for dialogue open. Throughout the year, Fern has worked with the NGO Foder to develop a system to monitor FLEGT and REDD+ processes. This included the organising of a media and advocacy training for all local partners involved.

In Côte d’Ivoire, where VPA negotiations have been underway since 2013, a new Forest Code was passed in 2014, replacing its highly outdated 1965 predecessor. The code makes a number of important changes, in particular transferring ownership of trees from the state to land owners. Work has now begun on implementation, which will flesh out the details to many of these important changes. Thanks to the VPA process and to advocacy support from Fern, Ivorian civil society successfully lobbied to be involved in the drafting of these implementing regulations: the first time in the country’s history that civil society have been included at such a level. In 2014, Fern facilitated a meeting with the national civil society platform and local forest community representatives where they agreed for the first time on their collective priorities for improving forest governance. In March 2015 civil society members also received advocacy training from...
In Gabon the VPA negotiations which the government had blocked since 2012, were officially re-launched in October 2014. Fern has been supporting GabonMaTerreMonDroit, a platform for local communities who have been highlighting the impact of large scale agribusiness plantations. The main focus of our work with partners, including Brainforest, in Gabon has, however, centred on the new Sustainable Development Law which would allow for offsetting carbon, biodiversity and communities. See biodiversity offsetting campaign on page 6.

In Ghana, the VPA, which was ratified in 2010, has enabled local community groups to shut down major loopholes in the country’s forest laws which were allowing illegal logging via the backdoor. In 2014 Fern and our Ghanaian partners, including Civic Response, lobbied successfully for logging taxes to be raised for the first time in a decade, a portion of which will go to local communities. The state has incurred huge losses (at least US$ 16 million just on exchange rate differences) over the course of the past decade because of their failure to carry out this legally-mandated review. As a portion of these stumpage fees goes to communities, this will increase the revenues communities receive from timber exploitation. The first FLEGT licenses, guaranteeing the legality of Ghana’s timber exports, are expected to be issued in early 2016.

For much of 2014 Liberia’s devastating Ebola outbreak took precedence over all else. Fern supported our partners’ Community Awareness and Support Team initiative which led a joint relief effort to stop the disease spreading by providing information and hygiene supplies to protect communities. In the aftermath of the crisis, the tangible benefits of the VPA that Liberia signed with the EU in December 2013 can be seen. The progression of the Land Rights Act is truly momentous: when it becomes law, roughly half the country’s land will revert to community ownership. Liberian forest communities are also poised to receive the US$1.4 million they are owed from the land rental fees paid by timber concession holders – money which will go basic amenities in one of the poorest countries on earth. Meanwhile in a sign of increasing transparency and accountability several former managers of the Forestry Development Agency have gone on trial for illegally issuing Private Use Permits that authorised logging companies to operate on 2.5 million hectares of farmland throughout Liberia.

In the Republic of Congo Fern worked with partners to advance forest communities rights in the new forest law. This included supporting community consultation in forest areas affected by industrial logging and forest conversion, and launching an action plan to allow local communities and indigenous peoples to develop concrete proposals for benefit-sharing mechanisms and community forestry management. As a result of the consultations and improved coordination, civil society organisations were able to provide solid...
legal contributions, and successfully advocate for the inclusion of around 70 per cent of their proposals into the draft forest law. In order to remind policy makers of the real people affected by these policy negotiations, Fern produced a short film on civil society’s plea for effective participation at the forest reform and good laws in the Republic of Congo. The film shows the struggle of forest dependent communities, and that of civil society activists, to reduce the impacts of deforestation and to guarantee their rights to manage and control their own forests. The film was shown at various events in Congo and in the region and inspired other countries to document their own forest communities’ struggles.

In Vietnam Fern has continued to help promote the voices of local NGOs in the VPA negotiations, which started in 2010. With our support the Vietnamese NGO Network produced a livelihoods impact assessment to try to establish the effect the VPA will have on forest dwelling communities. The head of VNForest (Vietnam’s Forest Department) publicly thanked the NGOs for their contribution: this rare public acknowledgement representing a sign of progress in a country where civil society has traditionally been ignored.

Fern worked in Laos for the first time in 2014 and much of our time has been spent understanding the political landscape and assessing the challenges of working in a country where local civil society organisations have only been legally authorised to operate since 2009. Opportunities for Lao civil society to engage in policy dialogue with their government are still limited. Nevertheless, our partner Village Focus International has started to mobilise local civil society organisations to engage in the VPA process.

In Malaysia the VPA negotiations which began in 2007 have stopped and started several times. The major sticking points include Sarawak’s refusal to take part and the Malaysian government’s refusal to recognise the customary tenure rights of indigenous communities. In 2014 Fern facilitated a trip to Europe of a delegation which included NGO representatives, human rights lawyers and an indigenous community representative. In a range of meetings with members of the European Commission, UK MPs and others they explained that without effectively recognising customary rights in Malaysia, the timber coming from Malaysia will remain legally dubious. The government’s refusal to incorporate these rights into policy decisions on forest and agriculture concessions remains problematic.

**Publications**

**Making Forestry Fairer,** April 2014. Drawing on real-life examples this easy-to-read guide offered ways for NGOs and community groups to use FLEGT VPAs to provoke enduring change in their countries.

**Community representation and participation in the VPA process,** May 2014. Case studies from nine VPA countries were used to survey the extent of community participation in VPA processes.

**Animations and videos**

**The Story of FLEGT** April, 2014. Our animation explaining the role of FLEGT in combating the illegal timber trade has been praised by governments and NGOs keen to explain the process and is being used by universities one of whom stated that “it enables us to explain a complicated issue in five minutes which used to take an hour”. It has been viewed many more than 2,000 times and has been translated into 10 languages.

**A chance for Change in the Congolese Forests,** September 2014. This film showed how the Republic of Congo’s VPA with the EU has led to civil society being involved in reforming the country’s forest code, giving them a say for the first time in how their forests are run.

**Stories from the Ground,** March 2015. Released to coincide with FLEGT week, this well-received short film presented by the Emmy and Bafta award winning Sierra Leonean journalist Sorious Samura featured interviews with campaigners from across the world explaining the effect that FLEGT process is having in their countries. It is also available in French and Spanish.
Keep in touch with Fern

The easiest way to find out more about Fern is to watch The Story of Fern, a short video made to celebrate our 20th anniversary, capture some of our history and explain the attributes of Fern which make us proud.

Once you have done that, why not follow us on Twitter and Facebook. With often daily updates on all the news relevant to forests and the EU, in 2014 our followers doubled and Fern’s films were watched on Facebook more than 2,000 times. Our Twitter followers are also very active, sharing and retweeting ours and others information to journalists, governments, scientists, NGOs and academics.

To get more in-depth information, join the more than 2,000 subscribers to our monthly newsletter ForestWatch. In 2014 it reached its 200th issue and it is still going strong. Monthly articles cover all of our campaigns and special editions give in-depth analysis of topical subjects.

Our website www.fern.org has also grown from strength to strength over the last 20 years. Visitors continue to go up and 2014 saw a 30 per cent rise in traffic. By the end of March we had been receiving more than 10,000 visitors a month.

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 2014 – December 2014 our funders were:

Congo Basin Forest Fund, Tunisia
Department for International Development, United Kingdom
Directorate General for Development, European Commission
Ford Foundation, United States of America
The Sigrid Rausing Trust, United Kingdom
Esmée Fairbairn, United Kingdom
Directorate General for Research and Innovation, European Commission
Both Ends, The Netherlands
# FERN’s finances

## INCOME

<table>
<thead>
<tr>
<th>Source of Income</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>DFID, UK</td>
<td>1,165,589</td>
<td>854,629</td>
</tr>
<tr>
<td>European Commission</td>
<td>736,880</td>
<td>133,741</td>
</tr>
<tr>
<td>Other public institutions</td>
<td>80,725</td>
<td>99,250</td>
</tr>
<tr>
<td>Private institutions</td>
<td>420,032</td>
<td>457,251</td>
</tr>
<tr>
<td>Other sources (including interest and reimbursements)</td>
<td>94,828</td>
<td>104,632</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>2,514,991</strong></td>
<td><strong>1,649,503</strong></td>
</tr>
</tbody>
</table>

## EXPENDITURE

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>782,386</td>
<td>620,077</td>
</tr>
<tr>
<td>Grants to partner organisations and networks</td>
<td>964,096</td>
<td>564,191</td>
</tr>
<tr>
<td>Travel and meetings</td>
<td>282,097</td>
<td>136,864</td>
</tr>
<tr>
<td>Administration and other costs</td>
<td>142,153</td>
<td>143,098</td>
</tr>
<tr>
<td>Publications</td>
<td>83,257</td>
<td>33,921</td>
</tr>
<tr>
<td>Consultants</td>
<td>280,071</td>
<td>143,382</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>2,534,058</strong></td>
<td><strong>1,641,533</strong></td>
</tr>
</tbody>
</table>

## Expenditure by category

- **ECAs**: €148,675
- **Finance and trade**: €58,413
- **Illegal logging**: €1,868,902
- **EU Drivers**: €225,444
- **Biodiversity offsetting**: €42,911
- **Bioenergy**: €7,027
- **Organisational (Core costs)**: €82,687

To see a complete version of Fern’s audited accounts, please visit: [www.fern.org/about-us/audited-finances](http://www.fern.org/about-us/audited-finances)
Cover photo: Round logs ready for loading on a cargo ship bound for China. Local Pomio landowners are protesting against the biggest land grab in Papua New Guinea history. Under the special agricultural and business leases system, forests are being destroyed and customary land is being stolen. © Paul Hilton / Greenpeace