

EU Forest Watch

Informing NGOs, MEPs, Member States, the European Commission and the media

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Wood criteria threaten green procurement

In the framework of the EU Communication for Government Procurement of July 2008,¹ the European Commission presented criteria for various wood products, including paper, furniture and construction materials, for adoption in 2009 by Member States.² Public authorities spend the equivalent of 16 per cent of the EU GDP on the purchase of such goods. If the criteria for what counts as 'green' are meaningful, public procurement can be a powerful force to create a market for sustainable products.

Alas, the proposed criteria are precisely the problem. For instance, paper from 'legal' but not sustainably managed sources can be rewarded according to the current policy. Accepting only FLEGT licenses

as proof of legality would reinforce the scheme yet, in the proposal, all paper accompanied by a 'declaration of their legality' is acceptable.

Generally, the criteria for wood products both fail to uphold sustainability and, worse, undermine the EU FLEGT process. To preserve some meaning to 'green procurement,' only FLEGT licenses should be considered for legality, and only independent third-party forest certification for sustainability. When the criteria are submitted to the Member States, FERN hopes that they inject some substance into 'green' procurement.

1. COM(2008)400 final

2. http://ec.europa.eu/environment/gpp/toolkit_en.htm

Civil society gagged

On New Year's Eve, 2008, police detained four representatives of civil society in Gabon, including the director of an NGO participating in the EU FLEGT process and individuals working for transparency and good governance. Two journalists were detained the day before, after a meeting of Transparency International. At the time of writing, warrants had not been served, charges had not been brought and the French ambassador to Gabon was refused access to the detainees. These actions intimidate civil society, and clearly demonstrate that a stakeholder process such as FLEGT cannot proceed meaningfully in a political climate that obstructs transparency and stifles dissent.

Forest offsets remain excluded from ETS – for now

As part of the EU's climate change package,¹ the EU Emissions Trading Scheme (ETS) directive² was adopted on 17 December 2008. Despite language suggesting the EU may wish to include forest credits at a later stage, it is clear that the revised ETS will not include forest credits until at least 2020. However, the directive can still be amended after a Commission report assessing afforestation, reforestation, avoided deforestation and forest degradation in third countries. This is to be presented within three months of signing a UNFCCC agreement.

The final text is a clear improvement

on Parliament's original proposal to include forest offsets in the ETS, which, in FERN's view, would have had negative effects on forests, the climate and the ETS' credibility. Still, by allowing offsetting of up to 50 per cent of EU-wide reductions for 2008-20 – offsets that combine real and hypothetical efforts in third countries – the directive will create a significant 'carbon credit trap.' Guiding principles for offset credits are meant to ensure that offsets are 'real, verifiable, additional and permanent,' but experience with the Kyoto Protocol's CDM demonstrates that this is unlikely to be the case.

The directive supports the establish-

ment of an internationally recognised system for reducing deforestation and increasing afforestation and reforestation within the context of the post-2012 climate agreement. Yet by accepting offsets, the directive will, at best, only neutralise a tiny percentage of emissions instead of requiring a real U-turn toward a low-carbon economy.

1. Included in the climate package were: the revision of the EU Emission Trading Scheme; the effort-sharing decision; the carbon capture and storage (CCS) legal framework; the renewable energies directive; the regulation on CO₂ emissions from cars and the fuel quality directive.

2. www.europarl.europa.eu/news/expert/infopress_page/064-38799-280-10-41-911-20081006IPR38798-06-10-2008-2008-false/default_en.htm

NEWS IN BRIEF

FERN has produced a briefing note about the **differences between verification of legality and certification of sustainability** to be presented at the upcoming Chatham House meeting (see www.fern.org after 19 January 2009). It argues that both processes are valuable but fundamentally different in their aims as well as procedures. Among other things, verification of legality, as foreseen under the EU FLEGT programme, will require much more robust tracking systems than currently in use by existing certification schemes.

The FLEGT VPA process in Liberia appears to be finally starting in earnest: the Liberian Forestry Department is organising a national-level workshop to launch negotiations between the Government of Liberia and the European Commission formally on 27 and 28 January in Monrovia. Liberian NGOs welcome this step forward and hope for an open, transparent process.

A new IDDRI publication, “**The fight against deforestation (REDD): Economic implications of market-based funding**,” was released in time for Poznan (www.iddri.org/Publications/Collections/Idees-pour-le-debat/Id-0820_Pirard_deforestation_EN.pdf). Romain Pirard’s paper clearly explains the present terms of the REDD debate, the issues at stake and the main problems of market mechanisms.

Forest Agenda

January 19-20: Illegal logging update meeting, Chatham House, London.

January 20: REDD meeting with Ed Milliband MP, Secretary of State for Energy and Climate Change, London.

January 21: FLEGT Regulation meeting, Chatham House, London.

January 26: Green Procurement Consultation for Wood Products, Brussels.

Ilisu Dam: Not dead yet

On 8 October 2008, Germany, Austria and Switzerland issued an environmental failure notice to Turkey, suggesting that financial support for the Ilisu Dam project has finally been withdrawn.¹ This is a great precedent as it is the first time a ECAs have suspended a loan once approved, but the contentious project may not yet be buried. Rumours abound that Swiss and Austrian credit agencies are reluctant to acknowledge the project’s many failings.

The failure notice’s deadline has run out, and on 23 December 2008, Austrian German and Swiss Export Credit Agencies ordered the suspension of delivery contracts.² However, in a joint statement citing ‘significant progress,’ they nonetheless gave Turkey 180 days in which to comply with the social and environmental standards that it has failed to meet for more than two years.

Construction of the Ilisu Dam would cause the displacement of more than 50,000 individuals, flood the historical town of Hasankeyf, create cause for dispute with downstream Iraq and Syria and violate the *acquis communautaire*.

With the global credit crisis asphyxiating reliable small and medium enterprises, it is amazing that finance for this project has not yet evaporated. Indeed, it appears national Export Credit Agencies are taking up the limping banks’ slack: ECA funding to enormous and often devastating projects has increased recently by some 30 per cent.³ The Ilisu dam financiers should take the final step of pulling out, sending a bold message to promoters of projects with dire environmental and social consequences.

1. Forest Watch 131.

2. www.news.bbc.co.uk/2/hi/europe/7798857.stm

3. www.halifaxinitiative.org/updir/IU12-2008.pdf

EU biodiversity goals: Failure in progress

In recognition of obligations under the CBD, the European Commission devised an Action Plan in 2006 that detailed specific actions and responsibilities to halt biodiversity loss by 2010.¹ A mid-point assessment² reveals that the European Union is well on its way to failing completely. Member States must intensify efforts, and a new Commission Communication³ outlines priorities in four broad policy areas: EU biodiversity, EU and global biodiversity, biodiversity and climate change, and the knowledge base; it also summarises results by Member State.

Certain measures have borne fruit concerning, for instance, the establishment of Natura 2000 sites, protection of endangered species – even EU water quality trends are positive. Yet despite sporadic gains, the overall situation is bleak. For example, some 50 per cent of species and 80 per cent of habitat types protected under the Habitats Directive

have unfavourable conservation status. The global situation is bleaker still: “ecosystems [are] frequently degraded to the point where natural processes are disrupted,”⁴ with devastating economic and social consequences.

Commissioner Stavros Dimas underscores that halting biodiversity loss is essential not only for nature’s sake, but to preserve critical ecosystems services⁵ – services that would imply vast costs to replace. Indeed, in its most cynical terms, protection of nature is simply a matter of not shooting oneself, or one’s neighbour, in the foot.

1. COM(2006)216 final, Technical Annex http://ec.europa.eu/environment/nature/biodiversity/comm2006/pdf/sec_2006_621.pdf

2. COM(2008) 864 final http://ec.europa.eu/environment/nature/biodiversity/comm2006/pdf/bap_2008_en.pdf

3. http://ec.europa.eu/environment/nature/biodiversity/comm2006/index_en.htm

4. COM(2008) 864 final

5. <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1988>