



**Address the Underlying
Causes of Deforestation**



**Promote rights-based
and socially just forest
policies**



**Monitor the
implementation of
international forest
policy**

Global Forest Coalition Annual Report 2008





About the cover:

1. Natural broad leave forests in the district of Georgia Kharagauli near Borjomi-Kharagauli National Park. Photo: Merab Machavariani, Vasil Gulisahvili Forest Institute, Tbilisi, Georgia.
2. Spruce plantations in Germany. 99% of Germany's forests and plantations are used for timber production. Photo: Wolfgang Kuhlmann, ARA.
3. Community gathering of Mby'a guarani to talk about the impacts of Payments for Environmental Services (PES) schemes on their community in Paraguay. Photo: Miguel Lovera, GFC.
4. Forests in the Western Rhodope region, Bulgaria. Photo: Georgi Ekov. Bulgarian Society for the Protection of Birds/BirdLife Bulgaria.

Who we are:

Board of the Foundation GFC:

Longgena Ginting, Sander van Bennekom, Marta Zogbi

Overview of the GFC Focal points in 2008:

- 🌀 Focal point English-speaking IPOs: Hubertus Samangun, ICTI Tanimbar, Indonesia
- 🌀 Focal point Spanish-speaking IPOs, Marcial Arias, Fundación para la Promoción del Conocimiento Indígena, Panama
- 🌀 Focal point South and East Asia: Swati Shresth, Kalpavriksh, India
- 🌀 Focal point Latin America and the Caribbean: Diego Cardona, Censat Agua Viva/Amigos de la Tierra, Colombia
- 🌀 Focal point Oceania: Sandy Gauntlett, Pacific Indigenous Peoples Environment Coalition, Aotearoa/New Zealand
- 🌀 Focal point Eastern Europe, Northern and Central Asia: Andrey Laletin, Friends of the Siberian Forests, Russia
- 🌀 Focal point Africa: Wally Menne, Timberwatch Coalition, South Africa
- 🌀 Focal point North America: Anne Petermann, Global Justice Ecology Project, USA
- 🌀 Focal point Europe: Sini Harkki, Finish Association for Nature Conservation, Finland.

Chairperson and independent monitoring coordinator: Miguel Lovera

Managing coordinator: Simone Lovera

Underlying Causes Initiative coordinator: Andrey Laletin

Communications manager: Yolanda Sikking

Media coordinator: Orin Langelles

Campaign coordinator: Ronnie Hall

Financial administrator: Ioanet ten Voorde-Araceli

Management assistant: Juan Carlos Araujo

Preface

About Global Crises and Local Knowledge

The year 2008 will be remembered as a year of crisis. It was marked by the global economic crisis, which touched upon all of us in one way or another, even though it was created by a small elite in a few of the world's richest countries. It was also a year of increasing concern about the gathering climate crisis, which also touches upon all of us - and was *also* created by a small elite in just a few of the world's countries.

2008 was also scarred by the spread of hunger – as droughts are increasing, as land is wrested away from small and peasant farmers to grow agrofuels and other crops to export, and as incomes dwindle, a third global crisis has been unfolding. The escalating food crisis is spreading hunger and misery amongst millions of people: in 2009, the number of people going hungry is expected to go past the 1 billion mark for the first time in human history. The first Millennium Development Goal – to eradicate extreme poverty and hunger – seems to be fading into the distance.

For many, this accumulation of crisis is growing evidence of the fundamental flaws in our global economic system, and should trigger a profound review of the basic rules of that system. Yet, the elites responsible for these crises remain unmoved. Instead of proposing the fundamental economic changes and greenhouse gas emissions cuts needed to address them, business-almost-as-usual continues.

Countries like the US, for example, are about to adopt legislation that could allow them to refrain from any domestic emission reductions until at least 2026. And even those emission reductions would be partly achieved through schemes such as the production of corn-based biofuels, which has already

contributed to the growing global food crisis. Progressive alliances like GFC have often been blamed for not being realistic, but regretfully we were certainly realistic when we called biofuels "a disaster in the making" in November 2006.

For GFC itself, 2008 was a busy and inspiring year full of intense cooperation with Indigenous and non-Indigenous communities and NGOs around the globe, collectively seeking a more sustainable future. It is through our work with small groups who pay attention to what goes on the ground that we are able to grasp the dynamic processes our planet and societies are undergoing, and fully comprehend the very real impacts that these turbulent times are having on nature and on people's livelihoods.

Yet governments continue to underestimate the risks we face, and the scale of their own responsibilities. Through our work on the Independent Monitoring of the implementation of the Biodiversity Convention's Expanded Programme of Work on Forest Biodiversity, for example, we learnt that the commitments made by Parties to that convention were no where near being implemented, and that even conceptual understanding was limited. We also found that the threat of contamination of forests by genetically engineered trees is not taken seriously by some of these countries.

Yet communities understand the risks and responsibilities well, as GFC's reports demonstrate. They have a refined comprehension of the factual reality through their sophisticated knowledge systems, and we are more convinced than ever that consulting and involving them is a prerequisite to moving ahead successfully.

This was again demonstrated in our Life as Commerce campaign. The involvement of local experts was crucial: the analyses produced by our allies and country monitors are replete with detailed observations and analysis of the impacts of market-

based conservation, from peoples that have acquired their knowledge and competence through the safest methodological pathway, trial and error. This is why the value of indigenous and traditional knowledge is so relevant at this point in time, when so many answers and solutions are being sought.

Our commitment to continue working with down-to-earth people - people who literally know the planet better than anyone else - will also guide and direct us in the coming year. We will carry on monitoring what is actually happening on the ground, in relation, for example, to theoretical schemes to "reduce emissions from deforestation and forest degradation."

We will also carry on analyzing the real underlying causes of forest loss, and start a new process to address the scarcity of forests our planet is facing. We will do this not by planting large swathes of lifeless tree monocultures, but by giving biodiversity the chance to restore its original shape, structure and functionality, and empowering Indigenous and non-Indigenous communities to restore their forests. Just what the planet needs.



Miguel Lovera
Chairperson Global Forest Coalition



Mby'a children in Paraguay. Photo: Miguel Lovera, GFC



World Social Forum in Belém, Brasil. Photo: Langelles/GJEP-GFC.

Introduction

The global economic crisis that gathered momentum in September 2008 allows for a fundamental rethinking of all policies, including forest policies. This is reflected in the clear links between the economic and ecological crises made by many opinion leaders and policy-makers. Many people, including influential heads of states, have called for a new, green economy that respects the ecological limits of this planet and prioritizes social welfare over the economic prosperity of a wealthy elite. This chimes with the vision already spelled out by the ecological movement, of which GFC is an integral part, since before the Rio Summit on Environmental and Development in 1992.

The fact that no fewer than six heads of state visited the World Social Forum in 2009 was also a sign of respect for the role that

social movements have played in further developing and refining this 'alterglobalista' vision.

It is important that forest policy-makers take advantage of this new political space, as well as the physical space that might be created and used for forest conservation and restoration, if demand for commodities declines in response to the global economic crisis¹.

As a contribution to this new thinking, GFC has developed a forest restoration program that is documenting and analyzing community-driven forest restoration projects, and the incentives, especially non-financial ones, that have made such projects work. Replicating successful forest projects and policies that require public and political will rather than significant new funding is important, since financial flows for forests might remain relatively modest over the coming years, in spite of a potential agreement to Reduce Emissions from Deforestation in Developing Countries (REDD) at the 15th Conference of the Parties to the Framework Convention on Climate Change (FCCC COP-15) in December in Copenhagen.

In the year 2008, GFC and its national partners were also actively involved in promoting rights-based campaigns focused on building the capacity of NGOs and IPOs to influence forest policy and advocate for rights-based forest policy.

Thanks to the generous financial contributions provided by the Dutch Ministry of Foreign Affairs and the Swedish Biodiversity Centre (Swedbio), GFC was able to intensify efforts to achieve its three key objectives:

¹ Although proposals for the expansion of large-scale plantations for biochar or wood-based agrofuel production could totally undo this potential positive effect of the crisis.

- to monitor the implementation of international forest policy,
- to address the underlying causes of forest loss, and
- to promote rights-based and socially just forest policies.

Campaigns

The Independent Monitoring Program

GFC launched a summary report on the Independent Monitoring of the Implementation of the CBD's Expanded Programme of Work on Forest Biodiversity, at the ninth Conference of the Parties to the CBD, in May 2008. 22 groups received a small grant to review the implementation of the CBD forest work programme in their own country, by organizing a national workshop and advocacy campaign, and writing a report on their government's efforts to implement the programme. Monitoring was carried out in Australia, Bangladesh, Brazil, Bulgaria, Cameroon, Canada, Costa Rica, Ecuador, Georgia, Germany, Indonesia, Kyrgyzstan, Mexico, Mozambique, Nepal, the Netherlands, New Zealand, Panama, Paraguay, Russia, Samoa and Uganda.

Funded by GFC or other organizations, almost all the country monitors were also able to participate in the COP at which the Independent Monitoring Report was launched. Media work during this event resulted in coverage in different media outlets; and many of the partner groups also organized national media campaigns around the launch of the report.

Both the summary report and the full monitoring reports (which were published in the countries themselves and on the GFC website) provide a fascinating insight into national forest policies

in very diverse countries. They clearly show that some countries have been far more successful than others in slowing or even halting deforestation and forest degradation; and that the reasons for this success are seldom connected to financial flows. Rather, strong well-implemented public policies, respect for Indigenous territories and Indigenous rights in general, active



Camila Moreno, Terra di Direitos, Brazilian country monitor, at the press conference in Bonn, May 2008. Photo: Langelles/GJEP-GFC

stakeholder participation, recognition of the ecological values of natural forests and policy coherence are the key factors in successful forest policy. Lack of policy coherence, and the impact of economic activity in other sectors turned out to be major factors in high deforestation rates in countries as diverse as Brazil and Indonesia (where the relatively sound and well-funded forest conservation policies developed by the respective environment ministries are undermined by the expansion of

large-scale monocultures promoted by other government departments).

A sad conclusion of the Independent Monitoring Report was that the CBD's Forest Work Programme was paid scant attention by governments developing and implementing national forest policies. In some countries, key actors in national forest policy, both at the governmental and non-governmental levels, were even found to be unaware of the Programme.

The Independent Monitoring project itself, which included the organization of national workshops in which many influential policy-makers participated, has contributed significantly to raising awareness of the value of CBD's Programme of Work on Forest Biodiversity. But it is clear that more efforts are needed to improve the Programme's implementation at the international and national levels, including within the framework of the UNFCCC's REDD negotiations. For this reason, GFC developed a new program of work during 2008, to promote coherence between REDD policies, the CBD Forest Work Programme and the UN Declaration on the Rights of Indigenous Peoples. We are also working with the Secretariat of the CBD to ensure that more attention is paid to the CBD Forest Work Programme, including at the 2009 session of the UN Forum on Forests.

The summary report, "Forests and the Biodiversity Convention", is available at: <http://www.globalforestcoalition.org/img/userpics/File/IndependentMonitoring/ForestandtheBiodiversityConventionSummary.pdf>






The synthesis includes a summary of the key findings in each country and general conclusions and recommendations. The full reports can be downloaded from:

<http://www.globalforestcoalition.org/reports/national/115>

Life as Commerce

From 2006 to 2008, GFC implemented the second phase of the Life as Commerce project. The objectives of the project are to analyze the social and environmental impacts of market-based conservation schemes; to raise the awareness of local communities, Indigenous Peoples, social movements, women's groups and relevant policy-makers about these impacts; and to build and strengthen the capacity of local communities, Indigenous Peoples, social movements and women's groups to address the impacts of market-based conservation schemes on community governance in relation to biodiversity.

The economic crisis has clearly shown the vulnerability of global markets for 'environmental services', such as ecotourism, as a source of conservation funding. GFC's major report, *"Life as Commerce, the impact of market-based conservation on Indigenous Peoples, local communities and women,"*² launched in October 2008, was published at a timely moment in this respect. The report centered on case studies written by five local NGOs:

-  Certification in South Africa, by the Timberwatch Coalition
-  Carbon sinks in Colombia, by CENSAT
-  Biodiversity offsets in Paraguay, by Alter Vida
-  Ecotourism in India, by Equations
-  Bioprospecting in Costa Rica, by COECO CEIBA

The groups received financial support to analyze the impacts of market-based conservation mechanisms in their countries and to implement an awareness-raising and advocacy campaign around this theme.

² <http://www.globalforestcoalition.org/paginas/view/33>

The report clearly showed the vulnerable position of Indigenous Peoples, local communities and women trying to participate in global markets that are entirely beyond their influence. It concludes, amongst other things, that market-based conservation mechanisms:

- are most likely to benefit those who have formal title to large tracts of land, marketing and language skills, and investment capital. This leaves Indigenous Peoples, women and poor communities in a disadvantaged position.
- can undermine legislation on community governance and create conflicts within and between communities. Communities engaging with projects can also find themselves saddled with unexpected liabilities and costs that may outweigh any benefits.
- generally lead to conservation priorities being set by economically powerful actors.



The economic crisis has demonstrated the vulnerability of ecotourism as a funding mechanism for conservation. Lata women, Uttarakhand in India

Now that market-based approaches have also proven unreliable as a source of financing for conservation, enthusiasm for them seems to be somewhat tempered, as demonstrated by the outcomes of the ninth Conference of the Parties to the Convention on Biodiversity, and the discussions during the 2009 meeting of the FAO Committee on Forestry.

Within the framework of the Life as Commerce project, a total of 32 national workshops and 11 side events on the impacts of market-based conservation mechanisms have so far been organized, in which more than 1,400 NGOs, IPOs and forest policy-makers have participated.

In 2008 specifically, there have been 13 local, national and regional workshops and 6 side events. At least 433 people participated in the national events and more than 360 people in the side events.

Within the framework of the project, GFC also initiated a series of international capacity-building seminars on the impacts of market-based conservation mechanisms, for representatives of local communities, Indigenous Peoples and women's groups.

In 2008, these included a seminar in April, which was organized back-to-back to the annual meeting of the Permanent Forum on Indigenous Issues in New York. In December 2008, on the occasion of the 14th Conference of the Parties to the FCCC in Poznan, a skill-share was also organized between representatives of youth movements, Indigenous Peoples' Organizations, women's movements, peasant movements and NGOs, on REDD and climate justice. These seminars were all organized in close cooperation with the International Alliance of Indigenous and Tribal Peoples of the Tropical Forests.

Within the framework of the project, GFC also produced a total of six briefing papers on the impacts of market-based conservation mechanisms. Two long papers on the role of International

Financial Institutions in promoting market-based mechanisms and the impact of trade agreements on market-based mechanisms and conservation were published by partner groups in Colombia and Costa Rica, and summarized and published as short briefing papers in 2008. An additional briefing paper, focusing on the impact of market-based conservation mechanisms on women, was also published in 2008.

GFC also produced three papers on the impact of market-based and non-market based approaches to REDD. In 2008, a policy briefing on the impacts of REDD on Indigenous Rights was produced, which was presented and widely disseminated at the preparatory workshop on Indigenous Peoples and Climate Change organized by the Permanent Forum on Indigenous Issues, in April 2008. Moreover, together with the IUCN Commission on Environmental, Economic and Social Policy, GFC published a briefing paper on Rights, Equity, Development and Deforestation and the Governance of Indigenous Peoples and Local Communities, which was presented and widely disseminated at the 14th Conference of the Parties to the Framework Convention on Climate Change, in December 2008.

Finally, within the framework of the project, GFC also produced a toolkit to assist communities in addressing the potential negative impacts of market-based conservation mechanisms. This toolkit was partly based on the outcomes of the above-mentioned analysis. It includes a video on the impacts of market-based conservation mechanisms in Colombia, which was also uploaded on YouTube. It contains a collection of intergovernmental agreements and publications containing relevant information and advice. The toolkit is available on the GFC website and on CD-Rom. It is currently being translated into multiple languages. It was launched at the 14th Conference of the Parties to the FCCC and has so far been disseminated over the internet, at the World Social Forum in January 2009, in Belem, Brazil and at subsequent governmental and non-governmental meetings.

One important indicator of the long-lasting effects of the project is the fact that five of the six groups are planning additional follow-up activities for 2009. These activities include publication of a follow-up document to the case study in Costa Rica and an additional regional workshop on ecotourism in Uttarakhand, India. All the groups involved have expressed a clear commitment to continue working on the themes they have developed over the past three years.

The summary report, "Life as Commerce 2008", is available at <http://www.globalforestcoalition.org/img/userpics/File/publications/LIFE-AS-COMMERCE2008.pdf>

The papers on the role of international financial institutions in promoting market-based conservation mechanisms, the impact of trade liberalization on market-based conservation mechanisms, the impacts of market-based conservation mechanisms on women, Indigenous Rights and REDD and Rights, Equity, Development and Deforestation and the Governance of Indigenous Peoples and Local Communities can be found at: <http://www.globalforestcoalition.org/paginas/view/33>

The Life as Commerce toolkit can be downloaded from. <http://www.globalforestcoalition.org/paginas/view/121>.

GFC Underlying Causes Initiative

The Underlying Causes Initiative is intended to channel funds to a series of workshops in various countries, to look specifically at the underlying causes of forest loss in those particular countries. Funding was obtained from both the Finnish and Dutch governments.

The current emphasis is on macroeconomic causes, which the previous three rounds of research have revealed to be a major cause for concern. The first of the national Underlying Causes workshops took place in Papua New Guinea almost three years ago. Since then workshops have taken place in more than 15 countries. The process is an ongoing with more workshops planned and a steady stream of applications coming in.

In 2008, the project was managed by Andrey Laletin, focal point Eastern Europe, Northern and Central Asia and chairman of Friends of the Siberian Forests, Russia. Groups in, Bangladesh, Cameroon, Ecuador, Ethiopia, India, Indonesia, Kenya and Tajikistan organized 19 workshops on the underlying causes of deforestation and forest degradation in 2008, partly as an outcome of projects that had started in 2007.

The following criteria are being used for managing the facility:

- 1) At least one major multi-stakeholder workshop must be undertaken and generally, at least three pieces of research should be considered at this workshop.
- 2) The maximum size of the grants available is €9,500 and it is recommended that this grant be distributed with roughly 60% going to the direct costs of the research and workshop, 20% going into overheads, incidentals, staffing and office expenses and the other 20% being set aside for ongoing campaign and educational activities, like public workshops, publications, policy lobbying and media work. All applications are to be accompanied by a detailed and complete budget.
- 3) The workshops should be open to all relevant actors, including governments, Indigenous Peoples' Organizations, women's groups, researchers, NGOs, the private sector, and representatives of local communities. Contributing

governments are to be invited to the workshop through their embassies.

- 4) Co-funding for the workshops is actively encouraged.



Truck in Sarawak, Maleisia. Photo: Simone Lovera, GFC.

In most cases, such as at the workshop organized by Kalpavriksh in India, participants from local communities gained access to information, and a better understanding of relevant legal and policy issues, as well as an increased ability to get their voices heard in larger fora. Likewise, the workshops in Ecuador strengthened the capacity of Indigenous communities to participate in national forest policies and national and international REDD policy development.

The workshop in Kenya has enabled the identification of various issues that need follow-up advocacy activities, including poverty reduction, natural resource management and peace building. The underlying causes work has also enabled the relevant partner

group, the Indigenous organization Dorobo Trust, to engage constructively in the national process to develop a national REDD strategy, from the beginning of the process. An important outcome of the policy work of this group has been the formal recognition by the Kenyan Government of the Ogiek as an independent ethnic group, and the Ogieks' active involvement in the development of policies to conserve the Mau forest, their homeland.

In Tajikistan, the national workshop facilitated the first multi-stakeholder debate on the direct and underlying causes of deforestation and forest degradation in 18 years. The workshop strengthened cooperation between the different stakeholders and built an important basis for joint work on environmental challenges in the future. A multi-stakeholder process to further develop forest biodiversity policy has been established.

In several countries, the workshops were widely covered by local and national media. In countries like Cameroon, Ethiopia and Indonesia the Underlying Causes initiative not only strengthened the capacity of the relevant national groups to work on forest policy, it also significantly increased government policy makers' awareness of the need to address the underlying causes of forest loss in these countries. This is especially true in Ethiopia, where the Federal Parliament, the House of Peoples Representatives, has gained a better understanding of the economic value of forests and has demonstrated an interest in reconsidering community forest ownership as an option alongside private and government ownership.

For full reports and summaries of all the national underlying causes workshops undertaken in 2008 go to:
<http://www.globalforestcoalition.org/reports/national/115>

Genetically engineered trees and agrofuels

In 2008, GFC continued its efforts to raise awareness of the environmental and social risks of genetically engineered trees (GE trees) and to build local, national and international coalitions to oppose the commercialization of GE trees and the industrial scale use of second generation wood-based (and GE tree-based) agrofuels. The campaign particularly highlights the impacts of GE trees and wood-based agrofuels on forests, as well as on Indigenous and forest-dependent peoples worldwide.



Photo: Langelle/GJEP-GFC

Highlights of the year included work done by GFC in coalition with allies in Europe, which helped expose the true cost of agrofuels and their direct link to the food crisis. This led to the EU downgrading its biofuel target from 10% of transport fuels by 2010, to approximately 4% by 2015: a significant victory. Another important policy outcome was the decision passed by the CBD at COP-9 in Bonn, relating to the potential impacts of agrofuels on forests and forest dependent communities.

A good deal of time was spent on public education and outreach. GE trees coordinator Anne Petermann and agrofuels coordinator

Dr Rachel Smolker were guests on well over thirty radio programs. *New Internationalist*, Radio Mundo Real, and the Women's International League for Peace & Freedom were some of the many broadcasters that gave GFC the opportunity to reach millions of people and address, for example, the correlation between agrofuels and the food crisis.

GFC and the Stop GE Trees Campaign representatives also attended national events where they delivered presentations on a range of issues including GE trees, agrofuels, and their relation to REDD. These events included the Yale Forestry Conference on Bioenergy and Avoided Deforestation, teach-ins on Synthetic Biology organized by the ETC Group, Climate Camps organized by Rising Tide North America, and the Protecting Mother Earth Biannual Gathering of the Indigenous Environmental Network.

In total, GFC and the Stop GE Trees Campaign organized five global, one regional and five national workshops, at which 569 representatives of NGOs, IPOs, governments and social movements participated, including 40 representatives of women's groups. At these and other events GFC distributed thousands of copies of a major report, *The True Cost of Agrofuels: Impacts on Food, Forests, Peoples and the Climate*. This report, published in December 2007, was also distributed to delegates at both the CBD COP-9 in Bonn and the UNFCCC COP in Poznan, as well as to NGO and IPO representatives in Europe, South America and North America. The GE Trees and Agrofuels Campaigns maintained a high profile at international fora. In February 2008, GFC attended the Convention on Biological Diversity's Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA) in Rome, where significant lobbying was undertaken in relation to the GE trees and agrofuels issues. This included distribution of a science-based report on the potential social and ecological impacts of GE

trees and an open letter signed by 86 groups from around the world which called for an immediate ban on the release of GE trees into the environment.

In May, GFC intensified this outreach and lobbying work at the CBD COP-9 in Bonn, organizing various actions, press conferences and advocacy activities. The Stop GE Trees Campaign was expanded internationally to include 146 groups, all calling for an immediate ban on the release of GE trees into the environment. In addition, GFC won unanimous support from all (non-business) NGOs and IPOs present as well as the entire African Union and several Latin American delegations for an immediate suspension on the release of GE trees into the environment.

More information on agrofuels and the Stop GE trees campaign, can be found at: <http://www.globalforestcoalition.org/paginas/view/66>



GE Trees protest, CBD SBSTTA, Rome, February 2008.
Photo: Langle/GJEP-GFC



Riverine forest, the Netherlands. Photo: Gerard Grimberg

Outreach in the Netherlands

The Dutch Independent Monitoring report concluded that a substantial new area of land needs to be freed up for forest restoration if the Netherlands is to comply with the relevant CBD and EU targets on biodiversity. It was recommended that the Netherlands should restore its three natural forest types: peat forest, mixed oak forest on sandy soils, and forests alongside rivers. Interconnectivity of the fragmented natural remnants is important. Most of the forest flagship species are extinct. New large wildernesses are needed to provide habitat for these species.

In May 2008 these proposals were also discussed during a half-day workshop with key stakeholders in the Dutch forest sector, which focused on the potential impact that using wood as a biofuel could have on Dutch forests. The event, which brought some of the most important actors in Dutch national forest policy together, was followed by a press conference in Nieuwspoor, the press centre at the Dutch Parliament. The launch of the Dutch report was covered by ANP, telegraaf.nl, the news site of the newspaper *Agrarisch Dagblad* and Radio 1 NOS.

Forest Cover

Forest Cover is the Global Forest Coalition newsletter, which aims to inform NGOs, IPOs and forest policy makers about the latest developments in international forest policy. It features reports on important intergovernmental meetings and other international events relating to forests, contributed by different NGOs and IPOs, and a calendar of future meetings. Forest Cover has a wide circulation list and is distributed at all major events attended by Global Forest Coalition members.

In 2008, four editions of Forest Cover were published, which included reports back from GFC participants and colleagues who attended and monitored the following meetings:

- 🌀 6th meeting of the Ad Hoc Working Group (AWG) on Access and Benefit Sharing of the Convention on Biodiversity, Montreal, Canada, 21-25 January 2008.
- 🌀 2nd meeting of the Working Group on Protected Areas of the Convention on Biodiversity, Rome, Italy, 11-15 February.
- 🌀 13th meeting of the Subsidiary Body on Scientific, Technical and Technological Advice of the Convention on Biological Diversity, Rome, Italy, 18-22 February.
- 🌀 the meetings of the FCCC Ad Hoc Working Group on Long Term Cooperative Action (AWG-LCA 1) and the Ad Hoc Working Group on Further Commitments for Annex 1 Parties under the Kyoto Protocol (AWG-KP 5), Bangkok, Thailand, 31 March-4 April.
- 🌀 UN International Expert Group Meeting on Indigenous Peoples and Climate Change, Darwin, Australia, 2-4 April.
- 🌀 7th Session of the UN Permanent Forum on Indigenous Issues, New York, USA, 21 April-2 May.
- 🌀 16th session of the Commission on Sustainable Development, New York, USA, 5-16 May.

- 🌀 9th Conference of the Parties of the Convention on Biodiversity, Bonn, Germany, 19-30 May.
- 🌀 The G8 summit, Hokkaido, Japan, 7 - 9 July.
- 🌀 28th session of the UNFCCC Subsidiary bodies, Bonn, Germany, 2-13 June.
- 🌀 FAO High-Level Conference on World Food Security: the Challenges of Climate Change and Bioenergy, Rome, 3-5 June.
- 🌀 3rd session of the AWG on Long-term Cooperative Action under the UNFCCC and the 6th session of the AWG under the Kyoto Protocol, Accra, Ghana, 21-27 August
- 🌀 Paramaribo Dialogue on Financing for Sustainable Forest Management', Paramaribo, Suriname, 8-14 September.
- 🌀 IUCN fourth World Conservation Congress, Barcelona, Spain, 5-14 October.
- 🌀 United Nations Forum on Forest's Open-Ended Ad-Hoc Expert Group (AHEG), Vienna, Austria, 10-14 November.
- 🌀 The Forest Stewardship Council General Assembly, Cape Town, South Africa, 3-7 November.
- 🌀 14th Conference of the Parties to the UNFCCC and the 4th Meeting of the Parties to the Kyoto Protocol, Poznan, Poland, 1-12 December.

The above-mentioned reports and future editions of Forest Cover can be downloaded for free from:

<http://www.globalforestcoalition.org/paginas/view/32>

Media work

2008 proved to be a particularly successful year for GFC in terms of obtaining international media coverage. We expanded our international media lists and made more personal contacts with individuals in the press. This gave GFC the ability to reach out to and interest media outlets on a far more effective basis than

before and has enabled GFC to project our issues and ideas into media outlets across the world. GFC's efforts were reported on in hundreds of articles, radio/TV interviews and blog reports appearing all over the world.

In February Z Magazine published an article written by GFC "Climate Change Negotiations: Bali: the official road map to disaster". In April GFC issued 3 press releases related to the tour of Brazil's President Lula to the Netherlands and Czech Republic, the protests of UK groups against UK biofuel targets and a call for NGOs to withdraw support to Responsible Soy Roundtable. These releases resulted in at least 24 media hits that included print media such as The Guardian and The Mercury News, radio media including National Public Radio and Pacifica Radio in the US plus Radio New Zealand. The releases were published on websites around the world, wire services and also various blog sites.

During the Biodiversity Convention in May in Bonn, Germany, GFC received at least 30 media hits as well as daily coverage from Deutsch Welle Radio. GFC held two press conferences and issued the following releases:

- 🌀 "Groups and Scientists call for a Halt to Releases of Genetically Engineered Trees, Many Countries fail to Comply with CBD Mandate";
- 🌀 "Activists Symbolically Cut Down Trees to Save Forests and Call for GE Trees Ban".

Media coverage included Die Tageszeitung and Businessweek, additional radio other than Deutsch Welle, and international websites, wire services and blogs. Continuing coverage of the CBD in June included 8 more media hits including Bangladesh's The New Nation. GFC also issued a press release about the outcomes of the FAO Summit on the World Food Crisis in June.

In July Z Magazine published the article "One Leap Backwards for Biodiversity, One Giant Step Forward for Industry" and GFC issued a press release about the support of the report of the Gallagher Committee for Second Generation Biofuels."

In September GFC issued three press releases, on the International Biochar Conference, the Copenhagen Call for Action and the International Day of Action Against Monoculture Trees Plantations. These releases received at least 16 media hits, specifically from international websites.

In October, GFC launched its new *report*, "Life as Commerce: the impact of market-based conservation on indigenous peoples, local communities and women" during a press conference at the IUCN World Conservation Congress in Barcelona, along with a press release, "Financial Crisis: Market-Based Conservation Criticized." This received coverage in The Guardian and Toward Freedom, plus other websites and blogs internationally. In December GFC received at least 14 media hits revolving around an action at the Environmental Defense Fund in Washington, DC. The action received coverage by Fox News, newswires, and many websites and blogs internationally.

As a result of its work in cooperation with members of the International Forum of Indigenous Peoples on Climate Change at the 14th Conference of the Parties of the FCCC in Poznan, GFC and its focal points received at least 61 media hits that included Real World Radio, IPS News, The Guardian, Virtual Poznan-interview, and YouTube. A Reuters article on carbon trading that included quotes from GFC's Marcial Arias was also published in a large number of international media (Washington Post, Boston Globe, USA Today, Scientific American and a dozen more). Other GFC media highlights during Poznan include coverage of the GFC

Side Event on REDD, and press releases, which included: "UN Poznan Fortune Telling," "Plantations are Not Forests," "Agrofuels Threaten Indigenous Peoples in Paraguay," and "Forest Groups Caution Poznan Outcomes will Cause Havoc to Forests and Indigenous Peoples". GFC was featured on numerous international websites and blogs.

Improvements in Organizational Structure and the Quality Management System

GFC's annual Monitoring, Evaluation and Planning meeting took place in February, in Rome, Italy. An overall internal evaluation of the functioning of the focal points, the coordination group and GFC as an organization was undertaken, and resulted in a number of valuable conclusions, recommendations and decisions. It was decided to prioritize the work around REDD and climate change, as this issue was clearly gaining momentum in global forest policy discussions. It was also decided that we should explore whether resources could be found to initiate a program to document successful cases of community-driven forest restoration and a project to analyze the impacts of forest certification.

The coordination group adopted a gender strategy. It was decided to increase staff capacity for financial administration and to hire an Indigenous staff member to assist with the campaign on REDD and Indigenous rights. The meeting resulted in a number of recommendations to improve internal and external communications, and concrete plans for activities around the CBD's COP-9. The meeting also evaluated and planned the *Life as Commerce* project and produced an outline for a major new



Focal point North America, Anne Peterman, at the Left Forum, New York. Photo: Langelle/GJEP-GFC

program on Indigenous Peoples' capacity-building and forest restoration.

In August 2008, the Digital Performance System was launched on the GFC website. This new system forms a transparent Monitoring, Evaluation, Planning and Learning tool for all members and partners of the Coalition, and other allies such as donor organizations and like-minded networks. By sharing concrete results and obstacles, the Digital Performance System not only contributes to the accountability of GFC towards its members and partners, it also forms an accessible learning tool for all who visit it. Together with strict reporting procedures, the internal newsletter, *Roots*, which was introduced in 2007, and the increasingly effective annual quality management meetings, the Digital Performance System has contributed significantly to strengthening GFC's overall quality management system.

The GFC Digital Performance System is available at <http://www.globalforestcoalition.org/paginas/view/120>

Obstacles and Difficulties Encountered and Lessons Learned

At its 2009 Monitoring, Evaluation and Planning meeting, which took place in January 2009 in Belem, Brazil, GFC analyzed the main obstacles and difficulties encountered in 2008 and lessons learned.

The main obstacle is strong opposition to the policies and measures proposed by GFC from powerful actors with clear economic interests in relation to forests and plantations. The agro-industrial and the car industry lobbies in the EU have played a clear role in frustrating the campaigns of GFC and its allies, who have been calling for the European agrofuel targets to be abandoned. These interests also succeeded in watering down the sustainability criteria for biofuels and removing the social aspects. Likewise, the new US administration is clearly not eager to provoke opposition from the agro-industrial sector by removing the current agrofuel subsidies, even though most of them make no sense at all from a climate perspective.

Actors with economic interests in the (voluntary) carbon offset markets exert the same kind of powerful opposition. These actors are many, and include NGOs: this is because forest projects that result in carbon offset credits can generate substantial amounts of funding, including for the conservation community. Debate over whether forest projects should be included in global carbon markets has thus led to a time- and energy-consuming split in the NGO community. Some conservation organizations with a financial stake in this issue implemented an intensive advocacy campaign in Brussels, leading the European Parliament to support the inclusion of forest projects in the carbon market. Happily, the European Commission was unconvinced and rejected the inclusion of forest projects in carbon markets at this stage on

the basis of concerns about the environmental integrity of the Climate regime and the social and environmental impacts of REDD, as raised by many of the more socially-oriented NGOs and IPOs.

The World Bank has a clear financial stake in this issue too, and has positioned itself as a potential carbon broker that could benefit substantially from administering large amounts of forestry carbon offset projects. The Bank is thus investing large amounts of money into 'building the capacity' of IPOs to participate in REDD policies, so as to win their support for market-based options. Many of the consultations they organized about their Forest Carbon Partnership Facility were highly non-participatory events that can be typified by one remark from a Bank official, which was overheard by one of GFC's Indigenous partners: *"How can you not agree with me? How can I go back to Washington after three days of consultations with Indigenous Peoples and tell my boss that they still do not agree with me?"*

GFC has been experiencing some difficulty in accessing new funding. This is in part due to GFC's critical analysis of the potential impacts of REDD and agrofuels, which is against the interests of some powerful donors in the forest sector. The economic crisis has also been a significant factor: several potential donors indicated that they would be interested in supporting GFC's work but were facing serious budget cuts themselves and thus had to prioritize their existing partners. Early in 2009, Swedbio renewed its grant to GFC, though, and other donors have expressed an interest in renewing their support to GFC as well, so the financial perspectives for 2009 look better.

At the 2009 Monitoring, Evaluation and Planning meeting it was also concluded that the large number of major reports and other concrete outputs produced in 2008 created an unsustainable



Rivers are roads in Amazonia, Brasil. Photo: Yolanda Sikking, GFC.

workload for some GFC staff members. The International Secretariat, the Southern office and the campaign coordinator/editor suffered from an overload of work. It was decided, therefore, to increase staff capacity at the International Secretariat slightly, also to allow for more outreach work in the Netherlands and more fundraising capacity.

GFC's work in 2008 has taught us some sobering lessons too, and reinforced the importance of our work. While the statements made by many country delegates during the REDD discussion, for example, demonstrated a significantly increased recognition of Indigenous rights, only a few countries have really made a strong case for this so far. In practice it is still virtually impossible for Indigenous Peoples' representatives to participate in UNFCCC

meetings. Important negotiations still take place behind closed doors.

It is also becoming increasingly clear that it is very optimistic to expect any kind of social or environmental standards for REDD projects to be agreed by the 15th UNFCCC Conference of the Parties in December 2009. Countries like Brazil have already stated to their national NGOs that they will not accept any international quality standards for REDD projects and the negotiation process is going extremely slowly. This makes it essential to strengthen efforts at the national level, and to increase the capacity of national NGOs and IPOs to be involved in the development of national REDD policies.

With the new REDD monitoring program, GFC hopes to contribute to building the capacity of NGOs and IPOs to monitor and participate in REDD policy-making in a number of the most important REDD pilot countries, and thus bring closer the integration of rights-based, socially just and effective approaches to reducing deforestation and forest restoration.

Summary of the Results of GFC's work in 2008

It should be emphasized at the outset that GFC is a coalition of national NGOs and IPOs, who are also actively involved in other like-minded networks. As such, the achievements of GFC are only partly directly attributable to GFC and its members and partners: they are often the result of campaigns undertaken by broad NGO and IPO movements in which GFC and its members and partners have played an active role. In addition, some important policy outcomes of this joint work will not be seen until 2009 or 2010.

Nevertheless, 2008 saw numerous concrete achievements, including the following:

- 🌀 The increased capacity of at least 22 groups to work on the relationship between international forest policies such as the CBD's Expanded Programme of Work on Forest Biodiversity and national forest policies, including newly developed REDD policies.
- 🌀 The increased capacity of at least eight groups to analyze the underlying causes of forest loss in their country, and to feed the results of this analysis into national forest policies, including newly developed REDD policies.
- 🌀 The Life as Commerce project significantly increased the capacity of six groups to analyze and address the social and environmental impacts of market-based conservation schemes, as indicated by their reports and publications.
- 🌀 The Life as Commerce project also led to the increased capacity of over 3,000 representatives of local communities, Indigenous Peoples and social movements and young academics to analyze and address the potential negative impacts of market-based conservation mechanisms.
- 🌀 The skill share organized in Poznan greatly contributed to increasing the understanding of the members of the REDD working group of the International Youth Movement about Indigenous People's concerns about REDD. It is hoped that this will lay the foundations for continued cooperation between different movements in the run-up to Copenhagen.
- 🌀 There have been many other indicators of increased awareness of the need to respect the rights of Indigenous Peoples and to avoid negative impacts of REDD and market-based mechanisms. These include statements made by coalitions of NGO-members of the CBD Alliance; the REDD principles adopted by Climate Action Network and statements by members of the Climate Justice Now! (CJN!) network, a

new and rapidly growing network of NGOs and social movements critical of market-based approaches to mitigating climate change. GFC played a key role in the establishment of CJN! and worked with many of these organizations in developing an analysis of the REDD proposals.

- ☉ GFC programs have also contributed significantly to increasing the capacity of key IPOs to participate in forest policy development. Both the direct support to a number of IPOs for their national work and the international capacity-building seminars that were organized in cooperation with IPO networks significantly contributed to the increased capacity of IPOs to participate in important forest policy discussions. These IPOs, actively supported by GFC's focal points and other GFC staff, have run effective policy and media campaigns, resulting in a significantly increased awareness of the need to ensure the full and effective participation of IPOs in REDD policy development. Many of the IPO participants in GFC's seminars have since been invited to participate in important national, regional and global consultations on REDD, including the consultations organized by the World Bank on its Forest Carbon Partnership Facility and Forest Investment Program and the consultations organized by the UN-REDD Programme. Now that many countries are starting to develop national REDD strategies, there is a clear need for additional seminars at the national, regional and sub-regional levels to build the capacity of IPOs in the countries themselves.

- ☉ The recommendation of the CBD Conference of the Parties to apply the precautionary approach to the release of GE trees, which was reconfirmed by the ninth Conference of the Parties, has significantly reduced the development and commercial release of GE trees into the environment. Most countries are applying a *de facto* moratorium on GE tree releases. CBD COP-9 also recognized that there is an urgent

need to strengthen the implementation of the CBD's Forest Work Programme and to support developing countries in doing so.

- ☉ GFC's campaigns also contributed to the broader campaigns of many other IPOs, NGOs and social movements, who are calling for respect for the rights of Indigenous Peoples and local communities in biodiversity conservation and protected area management. Partly as a result of these campaigns by GFC and its allies, the CBD Conference of Parties' decision on climate change and biodiversity highlights the need to "better understand ... the impact of mitigation activities...on the livelihoods of indigenous and local communities."
- ☉ Significantly increased awareness of the potential negative impacts of market-based conservation mechanisms amongst some of the key policy-makers is also indicated by the statements made by a large number of government representatives at, for example, the workshop on REDD organized by the UNFCCC Secretariat in August 2008. At that meeting, more than eight delegations explicitly mentioned the need to ensure that the rights and needs of Indigenous Peoples and/or local communities were taken into account in REDD mechanisms.
- ☉ While it is not yet certain what the outcomes of the negotiations on REDD will be, a rapidly growing group of countries has rejected the option of so-called sub-national market-based approaches to REDD financing.
- ☉ The increased recognition of GFC as a leading player in international forestry debates is also indicated by the State of the World's Forest 2009 report, which mentions GFC as one of the nine leading NGO networks and organizations.

Other significant successes at the national level include:

- ☉ The rejection of the Colombian Forest Law by the High Court

in January 2008, which was a result of a national campaign in which GFC's partner group played a very active role. This decision strengthens the position of Indigenous Peoples, ethnic minorities, women and marginalized groups, as it obliges the government to ensure prior informed consultation with these groups before any new policies and laws related to forests or other ecosystems are adopted. On the basis of this decision, social movements are currently challenging the Rural Development Act (Act 1152 of 2007), which has major impacts on Indigenous and other minorities' lands.

- 🌀 The rejection of a new Protected Areas law in Paraguay. This would have strongly favored private protected areas, and was dropped after strong opposition from GFC partners and other IPOs and social movements. Moreover, thanks to the pressure of GFC partners, the Paraguayan Government has reviewed and greatly improved the regulatory framework for the Payments for Environmental Services' law that was adopted in 2006.
- 🌀 In India, Equations and other national partners of GFC have been actively participating in campaigns to strengthen the effective implementation of the 2006 Scheduled Tribes law, which is seen worldwide as a major success for the many social movements that fought for the rights of Indian Indigenous Peoples over their own forests and territories.
- 🌀 Brazil's claim that ethanol is an environmental good was rejected by WTO members, partly due to a campaign by Brazilian GFC partners and allies denouncing the environmental and social impacts of sugar cane expansion.
- 🌀 In several countries, including Indonesia, Kenya and Uganda, the increased capacity of NGOs and IPOs to work on forest policy contributed to the success of their campaigns against the conversion of specific forest areas.
- 🌀 In Bulgaria, the Independent Monitoring Project and the work of the national partner group contributed to the adoption, in

early 2009, of crucial changes in the Forest Law, leading to a virtual ban on forest conversion in the country.

- 🌀 In July 2008, Federal Law #143-FZ "On putting changes into the Forest Code of the Russian Federation" was adopted by the Russian Duma, which included recommendations from the Independent Monitoring workshop concerning the protection of civil rights on common use of the forests; improving the organization of auctions of forest exploitation permits; and the improved use of forest reserves.

We look forward to continuing working closely together with the many IPOs, NGOs, and community leaders that have inspired our campaigns and activities until now.



Panama recently received funding from the World Bank to implement REDD programs. Photo: Estebancio Castro Diaz, International Alliance.

Summary financial report

The multi-year work programme of the Stichting Global Forest Coalition is divided into two cross-cutting intervention strategies and three modules. The intervention strategies are to build the capacity of NGOs and IPOs to influence forest policy, and to advocate for rights-based forest policy. The three modules are to monitor the implementation of international forest policy (independent monitoring, Module 1) to address the underlying causes of forest loss (underlying causes, Module 2), and to promote rights-based and socially just forest policies (Module 3). The expenses are divided amongst these modules and intervention strategies, and the Quality Management System.

The Financial Statements 2008 are in accordance with the Guideline for annual reporting 640 "Not-for-profit organizations" of the Dutch Accounting Standards Boards and approved by Stolwijk Registeraccountant, De Meern, the Netherlands.

Balance sheet as at 31 december

	Notes	2008		2007	
		€	€	€	€
CURRENT ASSETS					
Cash	1	257.030		320.169	
Prepaid expenses	2	9.337		0	
TOTAL		<u>266.367</u>		<u>320.169</u>	
LIABILITIES					
Advanced Receivables	3	234.595		301.644	
Accounts Payable	4	67.582		54.335	
Unfunded result	5	<u>-35.810</u>		<u>-35.810</u>	
TOTAL		<u>266.367</u>		<u>320.169</u>	

Statement of income and expenses (1 January-31 December 2008)

	Notes	2008		Budget		2007	
		€	€	€	€	€	€
GRANTS							
Ministry of Foreign Affairs (the Netherlands)	5	540.974		502.120		575.316	
Swedbio (Sweden)		106.745		110.000		109.048	
Finnida (Finland)		0		0		35.611	
Other		<u>3.080</u>		<u>70.000</u>		<u>0</u>	
		650.799		682.120		719.975	
EXPENSES							
Intervention Strategy 1.	6	340.998		379.870		427.237	
Intervention Strategy 2.	7	276.494		264.250		253.171	
Quality Management System	8	<u>33.307</u>		<u>38.000</u>		<u>39.567</u>	
		650.799		682.120		719.975	
UNFUNDED RESULT		<u>0</u>		<u>0</u>		<u>0</u>	

BALANCE SHEET

Current Assets

Note 1. Cash	2008	2007
	€	€
Postbank	<u>257.030</u>	<u>320.169</u>
Note 2. Prepaid expenses		
WSF meeting 2009	8.640	0
Other	<u>697</u>	<u>0</u>
	<u>9.337</u>	<u>0</u>

Note 3. Advanced Receivables

Ministry of Foreign Affairs (grant 2007-2010)	<u>234.595</u>	<u>301.644</u>
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Notes

<i>Note 4. Accounts Payable</i>	2008	2007
	€	€
Life as commerce	10.849	0
Costs Ball conference	0	34.375
Staff costs	11.930	17.488
Travel costs staff	10.169	0
Other	34.634	2.472
	<u>67.582</u>	<u>54.335</u>

Note 6. Ministry of foreign affairs (The Netherlands)

According to the decision of the Ministry of Foreign Affairs of 29 September 2006 they will pay a maximum amount of € 2.022.240 of MSF subsidy to Stichting Global Forest Coalition for the period 2007-2010.

<i>Note 7. Intervention Strategy 1.</i>	2008	Budget	2007
	€	€	€
Independent Monitoring	86.843	120.600	181.153
Underlying causes	105.883	93.000	147.923
Rights based and socially just forest conservation	148.272	166.270	105.879
Movement accounts payable	0	0	-7.718
	<u>340.998</u>	<u>379.870</u>	<u>427.237</u>

<i>Note 7. Intervention Strategy 2.</i>	2008	Budget	2007
	€	€	€
Independent Monitoring	91.867	105.650	60.798
Underlying causes	41.779	37.990	38.892
Rights based and socially just forest conservation	142.848	120.610	103.943
Movement accounts payable	0	0	49.538
	<u>276.494</u>	<u>264.250</u>	<u>253.171</u>

<i>Note 8. Quality Management System</i>	2008	Budget	2007
	€	€	€
QMS Meetings	31.407	35.000	35.067
Other	1.900	3.000	4.500
	<u>33.307</u>	<u>38.000</u>	<u>39.567</u>



www.globalforestcoalition.org

The Global Forest Coalition (GFC) is an international coalition, which was founded in the year 2000 by NGOs and Indigenous Peoples' Organizations (IPOs) from all over the world. Its objectives are to facilitate the informed participation of NGOs and IPOs in international forest policy meetings and to organize joint advocacy campaigns on issues like Indigenous Peoples' rights, the need for socially-just forest policy and the need to address the underlying causes of forest loss.